



BRINGING TOGETHER CAPABILITIES

23

ANNUAL REPORT

Contents



2

About the Report

- 2** Strong Position of a Unified Company
- 4** Message from the Chairman of the Board of Directors
- 6** Message from the General Director



8

About the Company

- 12** History of Rosseti Group of Companies
- 14** Business Model
- 16** Regions Where the Rosseti Group Has a Presence
- 20** Key Indicators and Events of the Year
- 32** Strategic Priorities of the Company in Relation to Russia's National Projects and UN SDGs



38

Strategic report

40 Market Review	56 Key Risks
48 Strategic Development	64 Operating Results
52 Key Performance Indicators	96 Analysis of Financial Results



104

Sustainable Development

106 Sustainable Development Management	123 HR Management
109 Stakeholder Relations	131 Occupational Health and Safety
114 Environmental Protection	135 Regional Development and Welfare Work
121 Energy Consumption and Energy Saving	



146

Corporate Governance

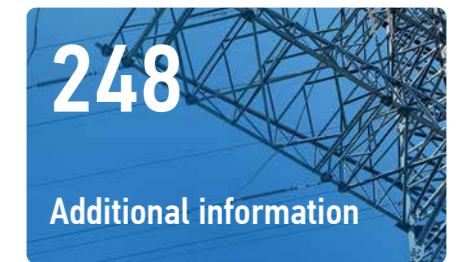
148 Message from the Chairman of the Board of Directors	195 Executive Bodies
149 Controlling Shareholder's Memorandum	201 Corporate Secretary
150 Corporate Governance System	202 Remuneration Report
167 General Meeting of Shareholders	207 Controls and Risk Management
170 Board of Directors	224 Information for Shareholders and Investors
184 Committees of the Board of Directors	



232

Financial report

234 Public Joint-Stock Company "Federal Grid Company – Rosseti" Consolidated Financial Statements prepared in accordance with IFRS® accounting standards for the year ended 31 December 2023 with Independent Auditor's Report



248

Additional information

- 250** Information about the Report
- 251** Glossary
- 254** Contact Details
- 257** Appendices (in electronic format)

About the Report

This Annual Report includes an overview of the performance results and key events of Public Joint Stock Company Federal Grid Company — Rosseti and its subsidiaries and affiliates for 2023.

The Report contains information on the goals and priorities of the Rosseti Group, performance in the reporting year as compared to previous periods, as well as prospects, corporate governance and risk management systems, and approaches to sustainability management.

The Report was prepared using:

- PJSC Rosseti's consolidated financial statements prepared under International Financial Reporting Standards for the year ended 31 December 2023
- RAS accounting (financial) statements of PJSC Rosseti for 2023
- Management reporting data
- Information from public sources

In this Report, the terms "Rosseti Group of companies" and "Rosseti Group" refer to PJSC Rosseti and its subsidiaries and affiliates. In the text of the Report, Public Joint Stock Company Federal Grid Company — Rosseti is also referred to as PJSC Rosseti, Rosseti Company, Rosseti, PJSC FGC UES (previous name, until 12 October 2022), OJSC FGC UES (previous name, until 7 July 2015), or the Company.

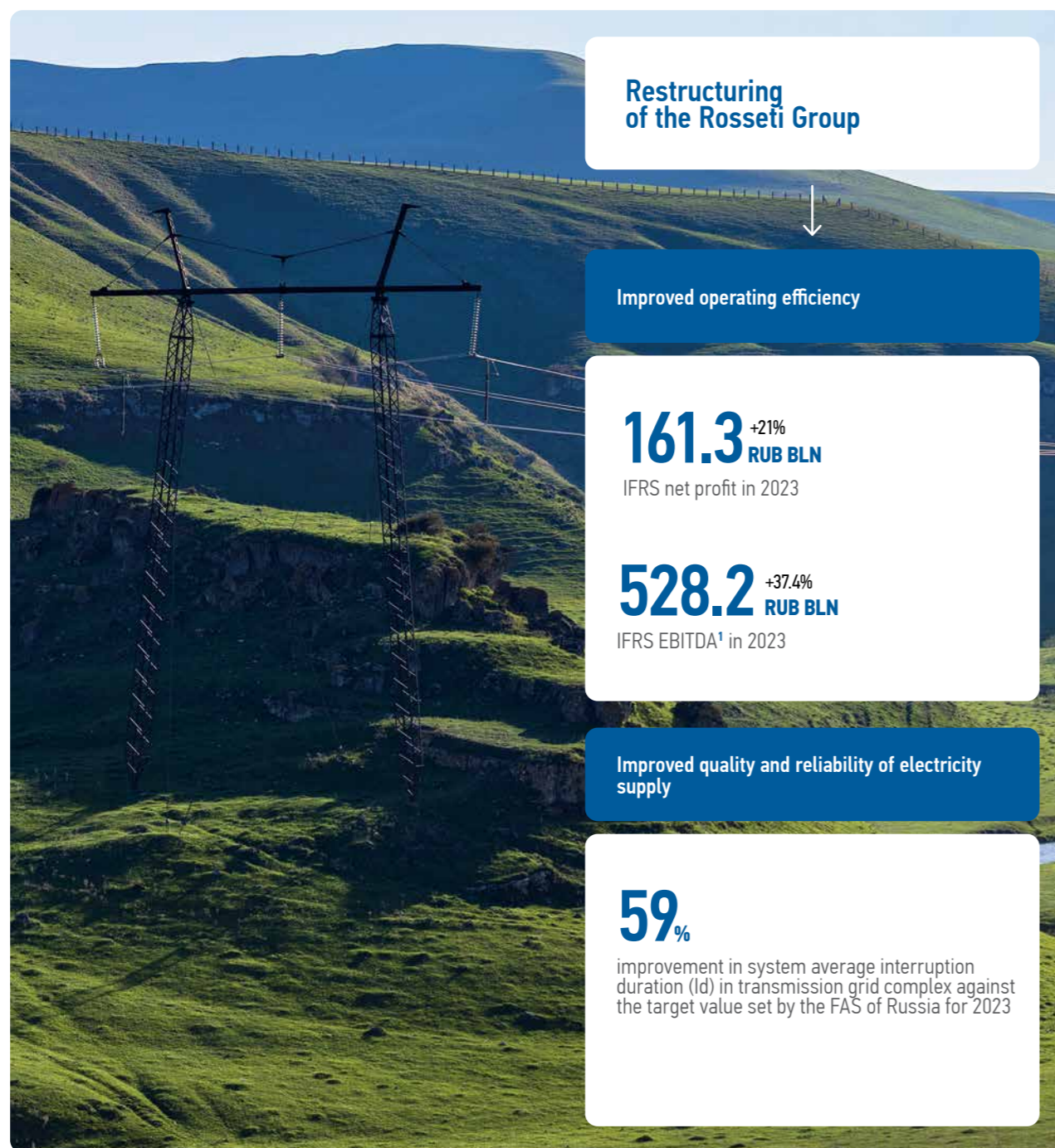
Key operating, financial and investment data, as well as indicators calculated on the basis thereof, are consolidated for the Rosseti Group of companies, including the transmission and distribution grid systems.

The Annual Report was approved
by the Annual General Meeting
of Shareholders of PJSC Rosseti 28.06.2024
(Minutes No.30 dated 28.06.2024)

 **Andrey Ryumin**
General Director of PJSC Rosseti

Strong Position of a Unified Company

The Company's restructuring, which provided a single point of accountability and management for both the transmission and distribution grid complex, is the most important event of 2023.



¹ EBITDA is calculated as earnings before interest, taxes, depreciation, amortisation and impairment of fixed assets.



The first year of the united Company: key topics and events

Utilising the advantages of unification

The unification process resulted in a company with its own production assets (facilities of the Unified National Power Grid), which also manages distribution grid companies and other sectoral subsidiaries.

Duplicate functions were and operating costs were reduced. The grid complex's operations could now be coordinated at all levels, with a single technical policy followed.

For more details, please see the sections: Message from the Chairman of the Board of Directors, p. 4; Message from the General Director, p. 6; Business Model, p. 14.

Expanding our footprint

The state transferred assets located in the Novosibirsk Region, the Republic of Crimea, the Krasnoyarsk Territory, and other constituent entities of the Russian Federation to the authorised capital of PJSC Rosseti as part of an additional share issue, making it possible to provide reliable electricity supply to consumers in these regions and expand the Company's presence.

For more details, please see the sections: Regions Where the Rosseti Group Has a Presence, p. 16; Key Indicators and Events of the Year, p. 20.

Implementing major investment projects

With the unification, we were able to consolidate our resources to implement national projects aimed at solving state-level tasks. For example, the initiative to develop the infrastructure of the Eastern Railway Range.

For more details, please see the section: Industry Consolidation, p. 44.

Addressing the problem of ownerless grids

The Company identifies and enters a substantial number of ownerless facilities into its records, thus indicating a major advancement in resolving this issue and enhancing the reliability of the electricity supply to local consumers.

For more details, please see the sections: Key Indicators and Events of the Year, p. 20; Investment Activities, p. 69.

Message from the Chairman of the Board of Directors

Dear colleagues!

The year 2023 proved to be prosperous for the Russian power sector as new facilities were actively constructed and existing benchmarks for electricity generation and consumption were surpassed. This demonstrates the nation's increasing business activity and progressive social and economic development, for which the sector is laying the groundwork.

The Rosseti Group, which is in charge of the Unified National Power Grid and its distribution infrastructure, is essential to maintaining the steady operation of Russia's energy system. In total, this includes more than 2.5 million kilometres of power transmission lines and 581,000 substations.

State-level tasks

Rosseti is one of the front-line companies tasked with carrying out the strategic objectives established by the Russian Federation President¹. These include the implementation of national projects, the comprehensive development of Siberia and the Far East, and the expansion of transport systems aimed to diversify supplies and ramp up Russia's export potential. All this is impossible without a reliable power supply.

Building power facilities to electrify and expand the capacity of the Eastern Railway Range, namely the BAM and Trans-Siberian Railway, has been the focus area of activity in recent years. Rosseti completed the first stage of the macro-project, with all measures implemented within the timeframe stipulated by the Comprehensive Plan for the Modernisation and Expansion of Backbone Infrastructure approved² by the Russian Government.

Solving this task is important not only for the transport sector and railway development but also for the residents of Kuzbass, Khakassia, Krasnoyarsk Territory, Irkutsk Region, Buryatia, Transbaikalia, Khabarovsk Territory and Primorye. The already-commissioned facilities boosted the reliability of energy systems in these regions and opened up additional opportunities for industrial growth and the creation of tens of thousands of jobs.

The Company gives special consideration to using Russian technology solutions in the implementation of all development initiatives, including the Eastern Range's energy connectivity

project. Since 2014, overall import dependence of the fuel and energy complex has decreased from 67% to 38%. However, the Rosseti Group is ahead of the curve: the share of foreign products in its purchases has been consistently below 10% over the past few years.

The Company cooperates with leading Russian manufacturers and designs its own innovative solutions. Import substitution of equipment and technologies in the grid sector contributes to more sustainable operation of the energy industry. Furthermore, it makes a big difference in bolstering Russia's technical sovereignty.

Key decisions

The Rosseti Group continued its work in other areas as well. Among the key ones are the development of regional power supply schemes, connections to consumers' grids, and the commissioning of new and renovated power supply centres in various parts of the country, including the largest metropolitan cities such as Moscow and St. Petersburg. An extensive effort to increase overall reliability was undertaken, along with the restoration of the energy complex the uninterrupted power supply to border areas.

In 2023, the Investment Programme reached a record of RUB 536.9 billion, which is more than 20% higher than in the previous period. In this regard, it was crucial that the Russian Federation's President³ decided to fund the Eastern Railway Range's electrification projects in order to keep the debt load within reasonable bounds. These measures, coupled with the efforts of the Board of Directors and management to improve efficiency, and the well-established Internal Control System and Risk Management System, enabled the Company to achieve robust financial outcomes.

It is also necessary to mention the industry-related documents and decisions of the reporting period. They will serve as the foundation for formulating the Rosseti Group's investment programme for the next investment cycle, which will begin in 2025. In particular, a new system for the prospective development of the electric power industry was launched, and the Scheme and Programme for the Development of Russia's Electric Power Systems until 2029 was approved, including projects in the 110 kV and higher grid.

Effective management

Successful operation of the Company is possible only through constructive interaction of all governance bodies and observance of the balance of interests of stakeholders. The reporting year witnessed the important steps taken to further improve the corporate governance system.

Following the restructuring, the Rosseti Group put a transparent corporate structure in place, with a single decision-making centre. Completion of the procedures required updating internal regulatory documents. Uniform standards of operation, management and organisation of business processes are being introduced at subsidiaries.

Independent experts, such as the Russian Institute of Directors, have historically given the Company's corporate governance a high rating. In 2023, the RID confirmed PJSC Rosseti's NCGR rating of 7+, which indicates that a company follows a significant number of recommendations of the Bank of Russia's Corporate Governance Code.

Another important aspect is related to the implementation of best sustainability practices in the business operations. Rosseti is one of the strategically important organisations of the Russian

economy, a major employer and taxpayer. The grid complex's operations also have a big influence on a lot of other facets of public life.

In 2023, the Analytical Credit Rating Agency upgraded the Company's ESG rating to ESG-2 (ESG-B), which corresponds to a very high assessment in the environment, social responsibility and governance areas and means that ESG issues are given more weight.

In the modern world, the efficiency and dependability of a nation's energy infrastructure are critical to its development. The Rosseti Group faces large-scale tasks, but it also has the necessary tools to address them. I am positive that the Company will continue to enhance its work and move forward with confidence.

Alexander Novak

Deputy Prime Minister of the Russian Federation, Chairman of the Board of Directors of PJSC Rosseti



¹ Decree of the President of the Russian Federation No. 204 dated 7 May 2018.

² Executive Order of the Government of the Russian Federation No. 2101-r dated 30 September 2018.

³ List of instructions of the President of the Russian Federation based on the results of the meeting with members of the Government of the Russian Federation held on 19 April 2023.

Message from the General Director

Dear colleagues!

At the beginning of 2023, the restructuring of PJSC Rosseti was completed, which resulted in the creation of a single centre for managing the Russian Federation's transmission and distribution grid complexes as accordingly reflected in the Annual Report presented herewith. We have already seen positive results: the restructuring improved the Group's operational efficiency, eliminated duplication, and ensured stress resistance to external factors.

Most importantly, it has allowed for a more efficient accomplishment of the tasks assigned to the Rosseti Group. This primarily concerns improving the reliability of infrastructure and implementing projects of nationwide scale.

Scale expansion

Rosseti is the largest power grid company in Russia and one of the largest in the world. Our geographic reach covers 82 constituent entities of the Russian Federation. Our grids transmit more than 80% of the electricity generated in the country.

In accordance with the decisions of the Shareholders Meeting, the Company announced an additional share issue, under which the state contributed assets in the Novosibirsk, Irkutsk, and Murmansk Regions, the Republic of Crimea, the Krasnoyarsk Territory, and a number of other regions to the authorised capital.

Heading to reliability

In 2023, the domestic economy not only remained resilient to external challenges but also showed strong growth, as evidenced by changes in energy consumption and, accordingly, electricity delivery from the grid.

The upward trend in production indicators and management's consistent efficiency improvement efforts supported by the Board of Directors enabled the Rosseti Group to achieve strong financial results. At year-end 2023, IFRS profit totalled RUB 161.3 billion.

Despite a significant 22% increase in the number of hazardous weather events, the Rosseti Group managed to keep the specific accident rate at a level comparable to that of 2022, and in the transmission grid sector the accident rate decreased by more than 3%.

Of course, these are average figures. Certain regions still face extremely challenging conditions necessitating extra care because of the equipment cumulative wear and tear from earlier years. Hence, it is so important that 2023 witnessed the decision to allocate federal budget funds for nine priority reliability improvement initiatives¹ jointly devised by the Company and the Minenergo of Russia.

Unprecedented investments

In the reporting period, the Rosseti Group passed the mark of having 2.5 million kilometres of power transmission lines under management. This is the result of brisk infrastructure growth: we commissioned about 37,000 kilometres of PTLs and almost 9.9 GVA of transformer capacity.

The investment programme has grown to a record level of about RUB 536.9 billion. We have completed undertakings of a scale never seen before. This primarily involves the completion of the first phase of power supply to the Eastern Railway Range. All planned activities were put into effect as scheduled.

All facilities are now being built with import substitution rates as high as 90% or more. We co-operate with leading equipment manufacturers and carry out our own scientific and research activities.

Another key area is upgrading and reequipment. I can think of several major substations completed in 2023 in St. Petersburg and in Moscow and the Moscow Region. Moreover, we finished the large-scale grid renovation programme in Kaliningrad, covering a total of 300 facilities at once. Considering the unique significance that the exclave territory plays, this project is truly historic.

Rosseti also built and renovated hundreds of substations and powers transmission lines that are needed to connect new residential buildings, hospitals and schools, sports and cultural facilities, small and medium-sized businesses, and road infrastructure. In total, Group's companies fulfilled about 406,000 grid connection agreements during the year.

I can wrap up by saying that we plan to keep working in all focus development areas in 2024. The Company's strategic priorities remain unchanged. First of all, it is to ensure reliable and high-quality power supply for comfortable life of people and stable growth of the Russian economy.

We are planning major launches to strengthen regional energy systems, implement the second stage of development of the Eastern Railway Range, and make grid connection of new social facilities and industrial enterprises that bring in job opportunities.

Addressing the issue of ownerless grids is also of great importance. We have made significant progress in this area: in 2023 alone, we declared the ownership of about 18,700

facilities. Behind each such decision lie dozens, if not hundreds, of accounts of people whose reliable electrical supply was threatened and uncertain. We remain actively seized of the matter.

Reliability and economic efficiency will continue to be the centre of attention. We plan to further unify standards and management principles at the Rosseti Group's subsidiaries, digitalise business processes, and implement a range of measures to reduce power losses and increase labour productivity.

Naturally, our most valuable resource is our team of over 235,000 professionals² who work together to achieve the Company's objectives, do their jobs with responsibility, and significantly impact the final outcome. I have no doubt that, working together, we can complete every task that we have set for ourselves.

Andrey Ryumin
General Director,
PJSC Rosseti



¹ Pursuant to RF Presidential Instruction No. Pr-325 dated 29 December 2021, the Company put reliability improvement programmes in place for nine regions (the Chechen Republic, the Republics of Dagestan, Ingushetia, Karelia, as well as Astrakhan, Arkhangelsk, Novgorod, Pskov and Tver Regions). The Minenergo of Russia signed off on priority measures totalling RUB 49 billion. For the period 2022 to 2026, there is an allotment of RUB 35.7 billion from federal budget.

² Headcount of all Rosseti Group's companies as of 31 December 2023.

ABOUT THE COMPANY

ENSURING RELIABILITY



1.4

SYSTEM AVERAGE INTERRUPTION
FREQUENCY INDEX, PER POINT
OF SUPPLY

2.8 hours

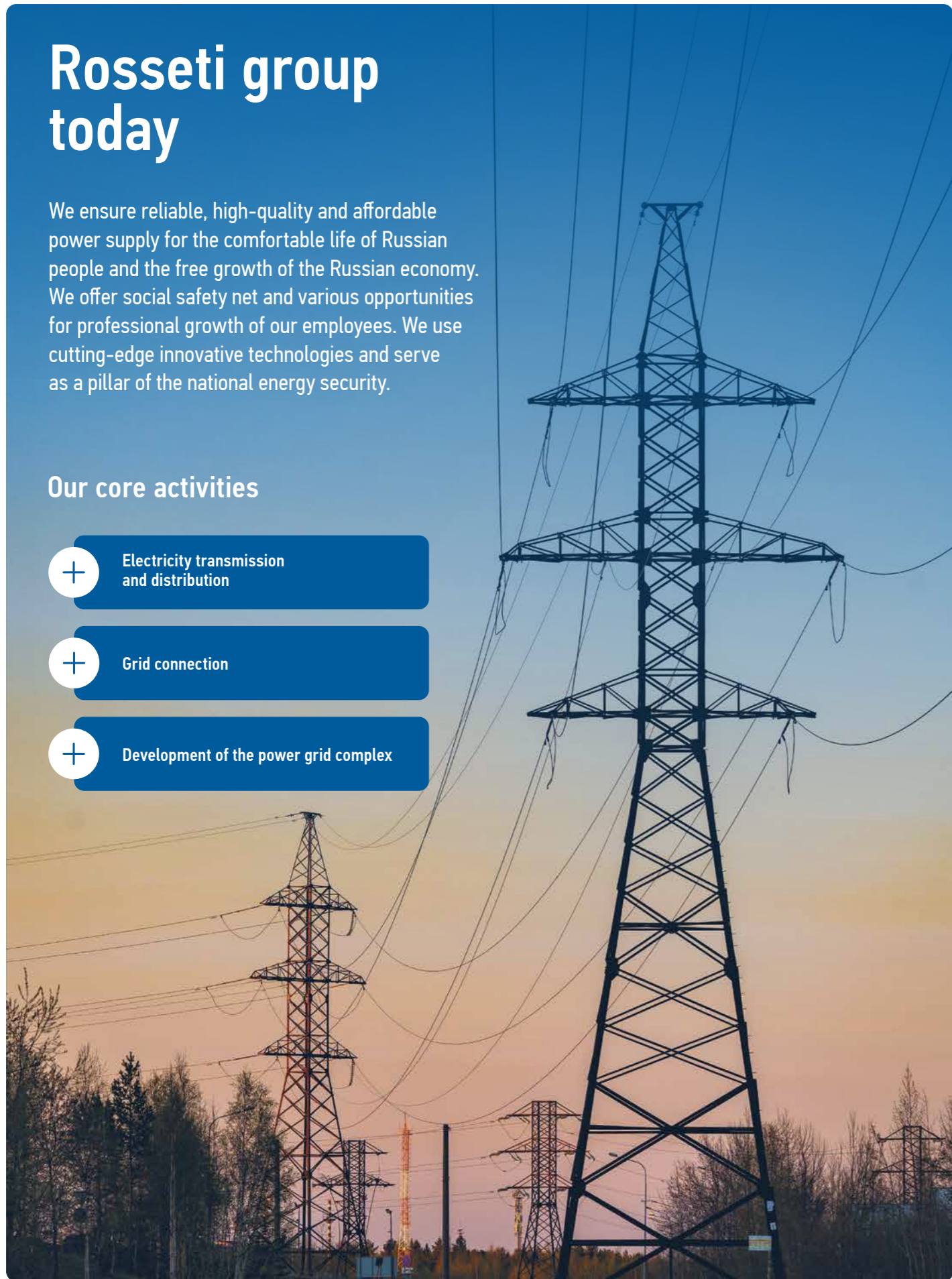
SYSTEM AVERAGE INTERRUPTION
DURATION, PER POINT OF SUPPLY

Rosseti group today

We ensure reliable, high-quality and affordable power supply for the comfortable life of Russian people and the free growth of the Russian economy. We offer social safety net and various opportunities for professional growth of our employees. We use cutting-edge innovative technologies and serve as a pillar of the national energy security.

Our core activities

- +** Electricity transmission and distribution
- +** Grid connection
- +** Development of the power grid complex



Rosseti Group

Modern technology-savvy company with innovative infrastructure

1.13 RUB BLN
R&D expenditures

One of the world's largest power grid holdings

82 REGIONS
the territory where the Rosseti Group's companies ensure power supply to consumers

Reliable nationwide power supplier

OVER 80%
of all electric power generated in the country is transmitted through the Rosseti Group's grids

2.56 MLN KM
of power transmission lines

877 GVA
transformer capacity of substations

799.1 BLN KWH
volume of electric power transmitted in 2023

581,000
substations

One of the largest employers and taxpayers in Russia

OVER 235,000 PEOPLE
total headcount of the Rosseti Group's employees¹

Company with a predominant share of state participation that ensures the fulfilment of national-level strategic tasks in the development of power grid sector

75.2780%²
state share in the authorised capital (MC)

225 RUB BLN
paid to budgets of all levels by the Rosseti Group's companies

PJSC Rosseti is a natural monopoly and is included in the list of strategically important (too-big-to-fail) organisations of Russia

¹ Headcount of all Rosseti Group's companies as of 31 December 2023.

² Including the outstanding shares of the additional issue of securities (state issue number 1-01-65018-D-109D dated 21 August 2023).

History of Rosseti Group of Companies

Restructuring was one of the most significant developments in the electric power sector in recent history; it will boost efficiency and significantly enhance the quality and consistency of the power supply.

2001

The electric power industry was reformed to improve efficiency, create conditions for further development, and ensure reliable and uninterrupted power supply to consumers.

The Government of the Russian Federation adopted a programme for reforming the Russian electric power industry.

2002

State registration of Open Joint Stock Company Federal Grid Company of the Unified Energy System (FGC UES).

2005–2008

The reforming of the Russian power industry was accompanied by the consolidation of UNPG power grid facilities under the management of OJSC FGC UES. The main transmission grids of the holding company — OJSC RJSC UES of Russia — were transferred into ownership and under management of the Company. In 2007, 58 transmission grid companies (TGCs) were established as a spinoff from restructured power engineering and electrification joint stock company (JSC Energo) (subsidiaries and affiliates of OJSC RJSC UES of Russia).

On 1 July 2008, 56 TGCs were merged with OJSC FGC UES, with maintenance of transmission grid assets transferred to branches of OJSC FGC UES, and two more TGCs remained subsidiaries.

In 2008, IDGC Holding (the future OJSC Rosseti) was established.

2012

In accordance with the directives of the Government of the Russian Federation, an agreement was signed to transfer the sole executive body powers of OJSC IDGC Holding to OJSC FGC UES. At that time, OJSC IDGC Holding united in its structure interregional and regional power distribution grid companies (IDGCs/RGCs), research & design institutes, construction & sales organisations. A total of 97 branches of IDGCs/RGCs were located in 69 constituent entities of the Russian Federation.

By the Decree of the President of the Russian Federation, OJSC FGC UES was added to the list of strategic enterprises.

2013

OJSC IDGC Holding was renamed OJSC Rosseti.

OJSC Rosseti became the major shareholder owning 80.6% of ordinary shares of OJSC FGC UES.

2014

Amendments to the Civil Code of the Russian Federation came into effect, under which the division of joint stock companies into public (PJSC) and non-public (JSC) companies was introduced, instead of dividing them into open joint stock companies and closed joint stock companies, and the Articles of Association of JSC Rosseti and JSC FGC UES were amended accordingly.

2015

The Company's corporate governance system and practices were brought in line with the main recommendations of the Bank of Russia's Corporate Governance Code and the Listing Rules of PJSC Moscow Exchange, including approval of a new version of the Articles of Association and key internal documents of the Company.

2019

The geographic reach was expanded by adding the facilities in the Republic of Sakha (Yakutia) and the Irkutsk Region.

2020

The powers of the sole executive body of PJSC FGC UES were transferred to the managing organisation — PJSC Rosseti.

2022

The Extraordinary General Meeting of Shareholders of PJSC FGC UES decided to restructure PJSC FGC UES by merging it with PJSC Rosseti, JSC DVEUK — UNPG, OJSC Tomsk Main Power Grids and JSC Kuban Main Power Grids.

Public Joint Stock Company Federal Grid Company of the Unified Energy System (PJSC FGC UES) changed its name to Public Joint Stock Company Federal Grid Company — Rosseti (PJSC Rosseti).

Today, the Rosseti Group comprises 45 subsidiaries and affiliates, including 19 power grid companies.

2023

On 9 January 2023, entries were made in the Unified State Register of Legal Entities that Public Joint Stock Company Rosseti, JSC DVEUK — UNPG, OJSC Tomsk Main Power Grids and JSC Kuban Main Power Grids ceased operations as a result of restructuring in the form of a merger with and into Public Joint Stock Company Federal Grid Company — Rosseti (PJSC Rosseti).

Since 9 January 2023, PJSC Rosseti has become the parent company of the Rosseti Group.

On 30 June 2023, the Annual General Meeting of Shareholders of PJSC Rosseti resolved to increase the Company's authorised capital by placing 240,890,189,234 ordinary shares with a par value of 50 kopecks each for a total value of RUB 120,445,094,617.

In accordance with Decree of the President of the Russian Federation No. 337 dated 10 May 2023, the shares of the additional issue are offered privately in favour of the Russian Federation, and UNPG facilities, as well as shares of JSC RES, JSC Electromagistral and JSC Energetik were transferred as payment for them.

Business Model

The main types of the Company's economic activities involve provision of services on electric power transmission, grid connection of consumers, construction and renovation of power grid facilities.



Capitals (resources)



Human (personnel)
Experience and expertise, care of personnel

OVER 235,000 ^{+2%} **PEOPLE**
average headcount of the Company



Production (assets)
Development and renovation infrastructure

2.56 ^{+4.1%} **MLN KM** **581,000** ^{+4.7%}
length of PTLs number of substations



Financial
Revenue growth and financial stability

1,852 ^{+15.2%} **RUB BLN** **3,291** ^{+12.5%} **RUB BLN**
equity capital assets



Intellectual
Development of scientific and innovation potential

Number of patents and certificates:

7 **PATENTS** **25** **CERTIFICATES**
for invention and utility model for computer programmes and databases



Social & reputational
Positive reputation of the Company

AAA (RU) **NCGR 7++** **ESG-2¹**
ACRA credit rating corporate governance rating ACRA ESG rating
Shares in the 1st quotation list of MOEX

ruAAA
credit rating
Expert RA



Natural
Reduction in resource consumption and energy efficiency

356,430 ^{-4.3%} **TFOE** **2,336,900** ^{-16%} **M³**
volume of fuel resources volume of water consumption



Results for stakeholders



Employees

281.3 ^{+13.6%} **RUB BLN** **1.1** ^{+9.9%} **RUB BLN**
payroll fund personnel training costs

8.4 ^{+18.2%} **RUB BLN** **64**
occupational safety expenditures number of partner universities





Shareholders and investors

234.4 **RUB BLN** **84** **RUB BLN**
capitalisation bond payments





Partners

202.2 ^{+15.7%} **RUB BLN** **857** **RUB BLN, VAT INCLUDED**
payments for purchases from SMEs total amount of purchases





The State

224.6 **RUB BLN** **536.9** ^{+23.5%} **RUB BLN**
tax and social contributions investments in power grid assets

0.8245 ^{+17%} **RUB BLN**
environmental expenses



¹ According to the ESG rating scale effective until March 2024.

Business Model

The main types of the Company's economic activities involve provision of services on electric power transmission, grid connection of consumers, construction and renovation of power grid facilities.



Capitals (resources)

Human (personnel)
Experience and expertise, care of personnel

OVER 235,000 ^{+2%} PEOPLE
average headcount of the Company

Production (assets)
Development and renovation infrastructure

2.56 ^{+4.1%} MLN KM length of PTLs **581,000** ^{+4.7%} number of substations

Financial
Revenue growth and financial stability

1,852 ^{+15.2%} RUB BLN equity capital **3,291** ^{+12.5%} RUB BLN assets

Intellectual
Development of scientific and innovation potential

Number of patents and certificates:
7 PATENTS for invention and utility model **25** CERTIFICATES for computer programmes and databases

Social & reputational
Positive reputation of the Company

AAA (RU) ACRA credit rating **NCGR 7++** corporate governance rating **ESG-2¹** ACRA ESG rating
Shares in the 1st quotation list of MOEX

ruAAA credit rating Expert RA

Natural
Reduction in resource consumption and energy efficiency

356,430 ^{-4.3%} TFOE volume of fuel resources **2,336,900** ^{-16%} M³ volume of water consumption

Strategic goals

To ensure reliable power supply

Key risks: KOR 013,015

To increase customer satisfaction

Key risks: KOR 010-012,014

To promote energy and environmental safety

Key risks: KOR 010, 013

To develop UNPG

Key risks: KOR 010, 013

To ensure technological and innovative development

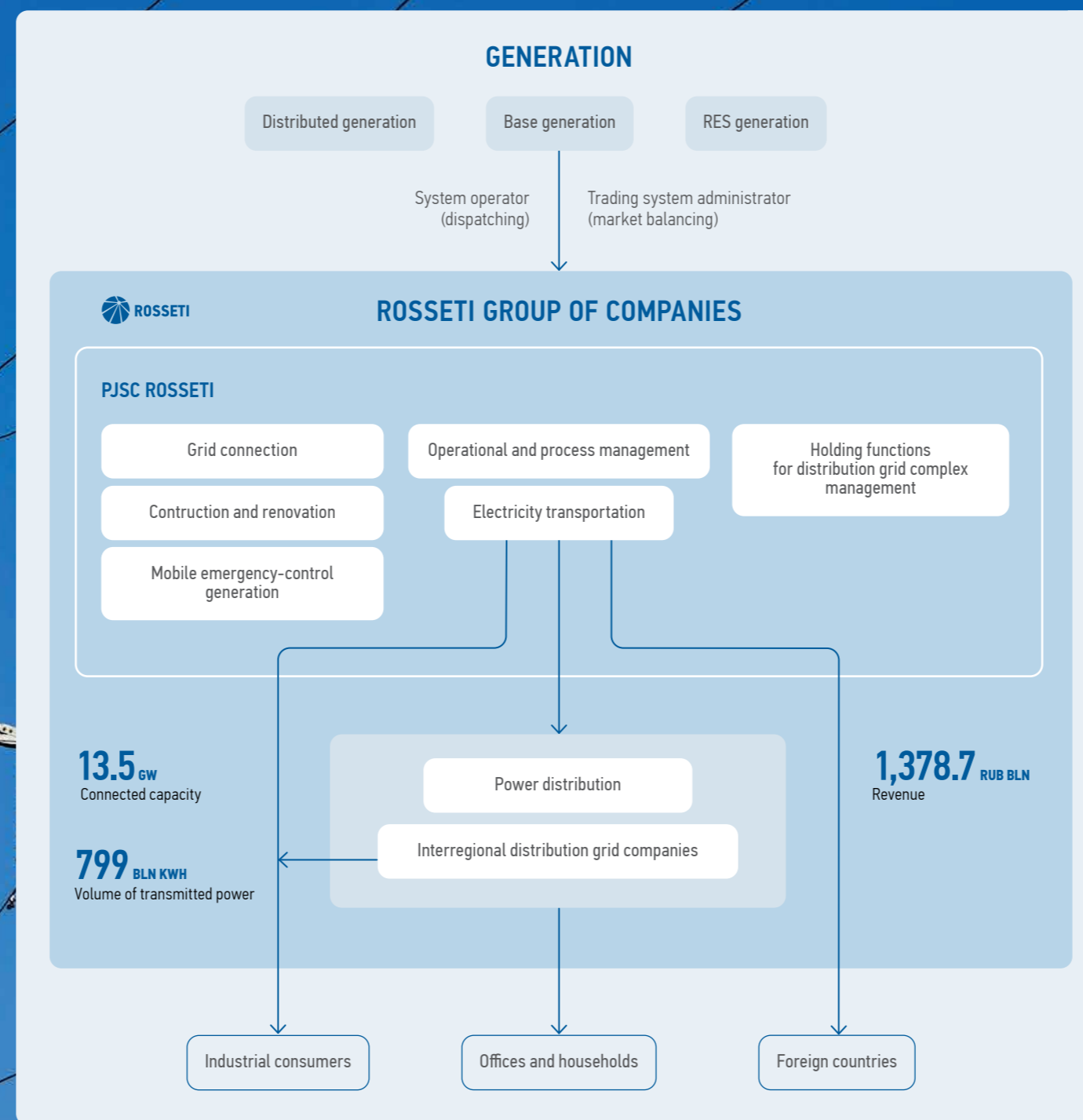
Key risks: KOR 010, 013

To improve economic efficiency

Key risks: KOR 001,004-009, 016



Activities



Results for the public as a whole

Contribution to the national projects

Contribution to UN SDGs

Responsible ESG practices

- E** Environmental responsibility
- S** Social responsibility
- G** Corporate governance

Company's Mission

To ensure reliable operation and adequate UNPG economic growth

The resources used in the value chain are grouped into six capital groups: human, productive, financial, intellectual, social & reputational and natural.

The Company's activities result in transformation of capitals and creation of value for external and internal stakeholders.

Through its activities, the Company contributes to Russia's National Projects and the UN Sustainable Development Goals.

¹ According to the ESG rating scale effective until March 2024.

Regions Where the Rosseti Group Has a Presence

82

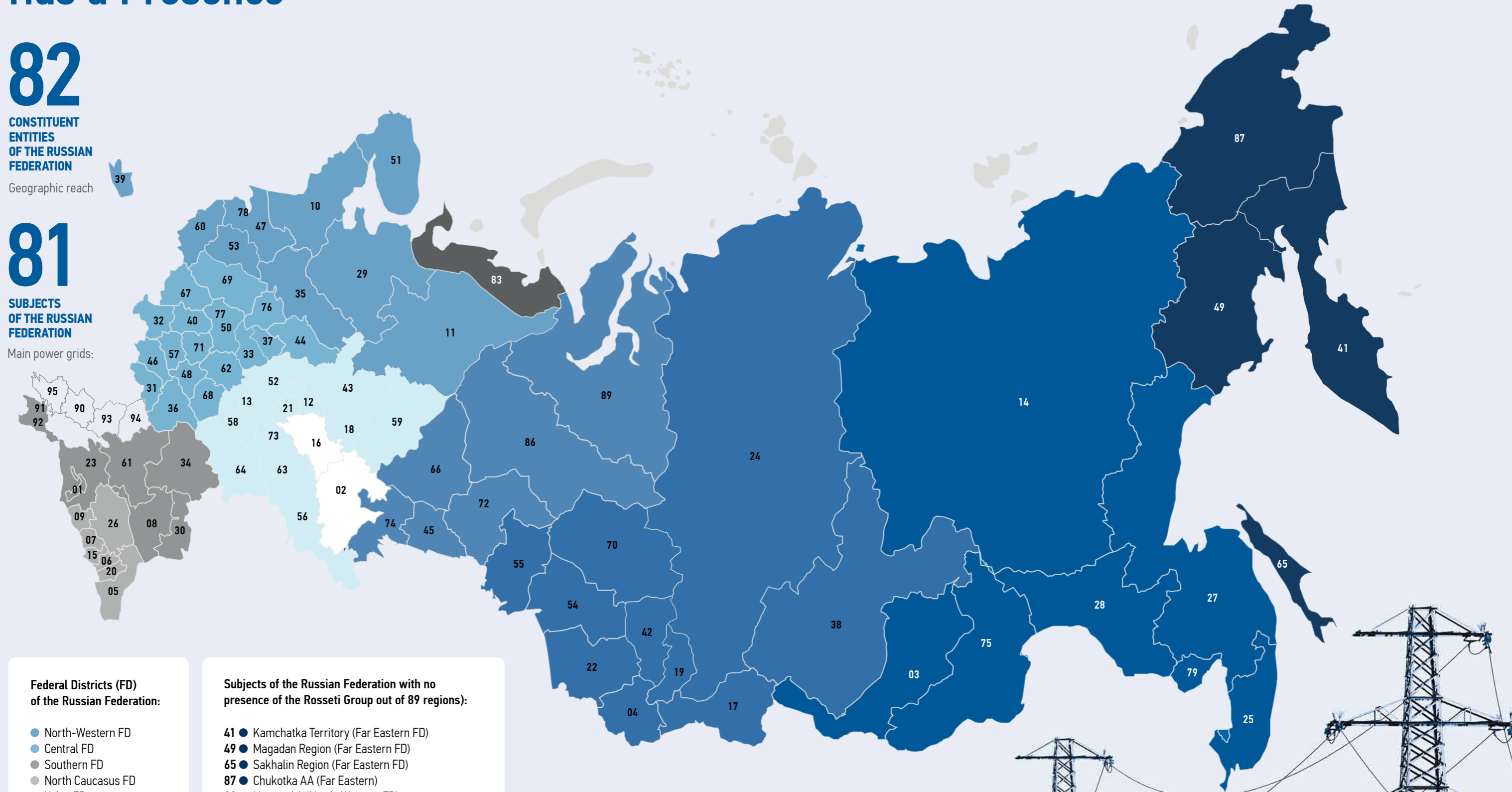
CONSTITUENT ENTITIES OF THE RUSSIAN FEDERATION

Geographic reach

81

SUBJECTS OF THE RUSSIAN FEDERATION

Main power grids:

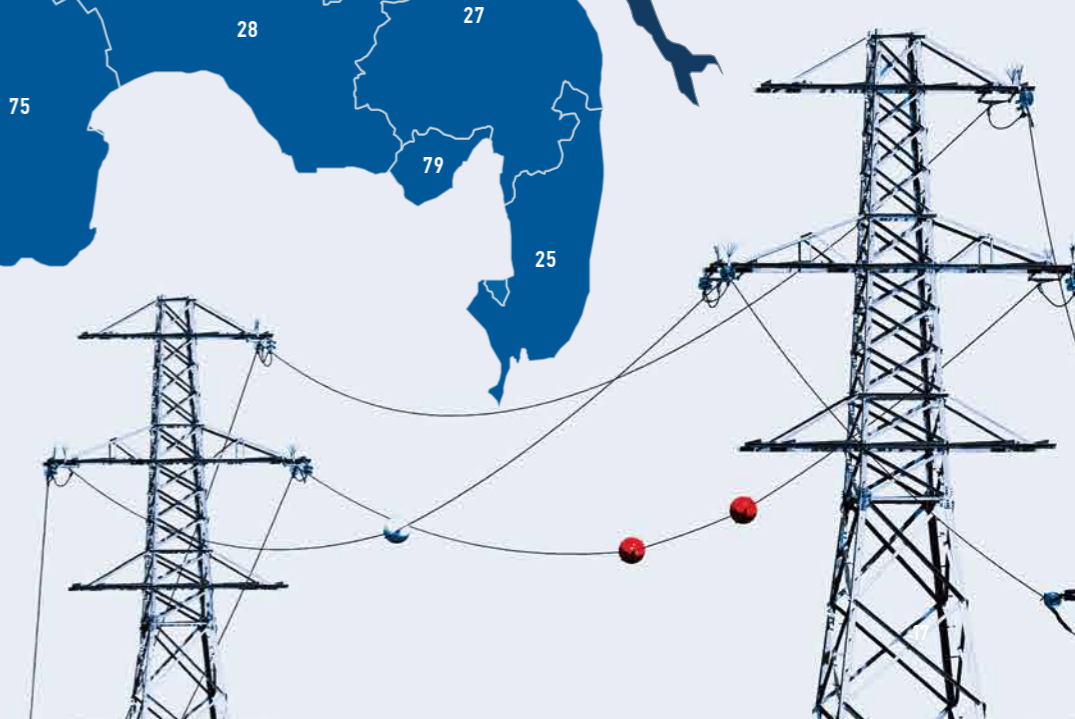


Federal Districts (FD) of the Russian Federation:

- North-Western FD
- Central FD
- Southern FD
- North Caucasus FD
- Volga FD
- Urals FD
- Siberian FD
- Far Eastern FD

Subjects of the Russian Federation with no presence of the Rosseti Group out of 89 regions):

- 41 ● Kamchatka Territory (Far Eastern FD)
- 49 ● Magadan Region (Far Eastern FD)
- 65 ● Sakhalin Region (Far Eastern FD)
- 87 ● Chukotka AA (Far Eastern)
- 83 ● Nenets AA (North-Western FD)
- 16 ○ Republic of Tatarstan (Volga FD)
- 02 ○ Republic of Bashkortostan (Volga FD)



Core assets
North-Western FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
10	Republic of Karelia	Petrozavodsk	Karelian branch (Rosseti North-West)	Karelian MPGE (MPG of North-West)
51	Murmansk Region	Murmansk	Murmansk branch (Rosseti North-West)	
11	Komi Republic	Syktvykar	Branch in the Komi Republic (Rosseti North-West)	Northern MPGE (MPG of North-West)
29	Arkhangelsk Region	Arkhangelsk	Arkhangelsk branch (Rosseti North-West)	
35	Vologda Region	Vologda	Vologda branch (Rosseti North-West)	Vologda MPGE (MPG of Centre)
39	Kaliningrad Region (-1)	Kaliningrad	Rosseti Yantar	MPG of North-West
47	Leningrad Region (-1)	St. Petersburg	Rosseti Lenenergo	Leningrad, Karelian, Novgorod MPGE (MPG of North-West)
78	St. Petersburg			
53	Novgorod Region (-1)	Novgorod	Novgorod branch (Rosseti North-West)	Novgorod MPGE (MPG of North-West)
60	Pskov Region	Pskov	Pskov branch (Rosseti North-West)	
83	Nenets AA	Naryan-Mar	no presence	no presence

Central FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
77	Moscow	Moscow	Rosseti Moscow Region	Moscow MPGE (MPG of Centre)
50	Moscow Region			
76	Yaroslavl Region	Yaroslavl	Yarenergo (Rosseti Centre)	Valdai MPGE (MPG of Centre)
69	Tver Region	Tver	Tverenergo (Rosseti Centre)	
36	Voronezh Region	Voronezh	Voronezhenergo (Rosseti Centre)	Verkhne-Don MPGE (MPG of Centre)
48	Lipetsk Region	Lipetsk	Lipetskenergo (Rosseti Centre)	
68	Tambov Region	Tambov	Tambovenergo (Rosseti Centre)	Chernozemnoe MPGE (MPG of Centre)
57	Oryol Region	Oryol	Oryolenergo (Rosseti Centre)	
46	Kursk Region	Kursk	Kurskenergo (Rosseti Centre)	Vologda MPGE (MPG of Centre)
44	Kostroma Region	Kostroma	Kostromaenergo (Rosseti Centre)	
33	Vladimir Region	Vladimir	Vladimirenergo (Rosseti Centre and Volga Region)	Vologda MPGE (MPG of Centre)
37	Ivanovo Region	Ivanovo	Ivenergo (Rosseti Centre and Volga Region)	
71	Tula Region	Tula	Tulenergo (Rosseti Centre and Volga Region)	Priokskoe MPGE (MPG of Centre)
40	Kaluga Region	Kaluga	Kalugaenergo (Rosseti Centre and Volga Region)	
62	Ryazan Region	Ryazan	Ryazanenergo (Rosseti Centre and Volga Region)	Novgorod MPGE (MPG of North-West)
32	Bryansk Region	Bryansk	Bryanskenergo (Rosseti Centre)	
67	Smolensk Region	Smolensk	Smolenskenergo (Rosseti Centre)	

Volga FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
64	Saratov Region (+1)	Saratov	Saratov DGs (Rosseti Volga)	Nizhne-Volga MPGE (MPG of Volga)
73	Ulyanovsk Region (+1)	Ulyanovsk	Ulyanovsk DGs (Rosseti Volga)	
58	Penza Region (+1)	Penza	Penzaenergo (Rosseti Volga)	Mid-Volga MPGE (MPG of Volga)
21	Chuvash Republic	Cheboksary	Chuvashenergo (Rosseti Volga)	
13	Republic of Mordovia	Saransk	Mordovenergo (Rosseti Volga)	Marienergo (Rosseti Centre and Volga Region)
12	Republic of Marii El	Yoshkar-Ola		
63	Samara Region (+1)	Samara	Samara DGs (Rosseti Volga)	Samara MPGE (MPG of Volga)
52	Nizhny Novgorod Region (+1)	Nizhny Novgorod	Nizhnovenergo (Rosseti Centre and Volga Region)	Nizhny Novgorod MPGE (MPG of Volga)
59	Perm Territory (+2)	Perm	Permenergo (Rosseti Ural)	Perm MPGE (MPG of the Urals)
43	Kirov Region (+2)	Kirov	Kirovenergo (Rosseti Centre and Volga Region)	
18	Kirov	Izhevsk	Udmurtenergo (Rosseti Centre and Volga Region)	Orenburg MPGE (MPG of Volga)
56	Orenburg Region (+2)	Orenburg	Orenburgenergo (Rosseti Volga)	
16	Republic of Tatarstan	Kazan	no presence	no presence
02	Republic of Bashkortostan (+2)	Ufa	no presence	no presence

Urals FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
66	Sverdlovsk Region (+2)	Ekaterinburg	Sverdlovenegero, EESK (Rosseti Ural)	Sverdlovsk MPGE (MPG of the Urals)
45	Kurgan Region (+2)	Kurgan	no presence	
74	Chelyabinsk Region (+2)	Chelyabinsk	Chelyabenergo (Rosseti Ural)	South Urals MPGE (MPG of the Urals)
72	Tyumen Region (+2)	Tyumen		Southen MPGE (MPG of the Urals)
86	Khanty-Mansiysk AA (+2)	Khanty-Mansiysk	Rosseti Tyumen	Central MPGE, Eastern MPGE (MPG of the Urals)
89	Yamalo-Nenets AA (+2)	Salekhard		Yamalo-Nenets MPGE (MPG of the Urals)

Southern FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
01	Republic of Adygeya	Maykop	Rosseti Kuban	Kuban MPGE (MPG of South)
23	Krasnodar Territory	Krasnodar	Rosseti Kuban	
08	Republic of Kalmykia	Elista	Kalmenergo (Rosseti South)	Rostov MPGE (MPG of South)
61	Rostov Region	Rostov-on-Don	Rostovenergo (Rosseti South)	
30	Astrakhan Region (+1)	Astrakhan	Astrakhanenergo (Rosseti South)	Volga-Don MPGE (MPG of South)
34	Volgograd Region (+1)	Volgograd	Volgogradenergo (Rosseti South)	
91	Republic of Crimea	Simferopol	no presence	Tavrichesk MPGE (MPG of South)
92	Sevastopol	Sevastopol	no presence	

North Caucasus FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
05	Republic of Dagestan	Makhachkala	Dagenergo (Rosseti NC)	North Caucasus MPGE (MPG of South)
06	Republic of Ingushetia	Nazran	Ingushenergo (Rosseti NC)	
07	Kabardino-Balkarian Republic	Nalchik	Kabbalkenergo (Rosseti NC)	North Caucasus MPGE (MPG of South)
09	Karachay-Cherkess Republic	Cherkessk	Karachay-Cherkessenergo (Rosseti NC)	
15	Republic of North Ossetia – Alania	Vladikavkaz	Sevkavkazenergo (Rosseti NC)	Chechenenergo (Rosseti NC)
20	Chechen Republic	Grozny		
26	Stavropol Territory	Stavropol	Stavropolenergo (Rosseti NC)	

Siberian FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
04	Altay Republic (+4)	Gorno-Altaysk	Altaienergo (Rosseti Siberia)	no presence
17	Tyva Republic (+4)	Kyzyl	Tyvaenergo (Rosseti Siberia)	Khakassk MPGE (MPG of Siberia)
19	Republic of Khakassia (+4)	Abakan	Khakasenergo (Rosseti Siberia)	
22	Altay Territory (+4)	Barnaul	Altaienergo (Rosseti Siberia)	West Siberian MPGE (MPG of Siberia)
54	Novo-Siberiysk Region (+4)	Novo-Siberiysk	Regional power grids (RPG), Energetik	West Siberian MPGE (MPG of Siberia), Electromagistral
55	Omsk Region (+3)	Omsk	Omskenergo (Rosseti Siberia)	North-West (MPG of Siberia)
24	Krasnoyarsk Region (+4)	Krasnoyarsk	Krasnoyarskenergo (Rosseti Siberia)	Krasnoyarsk, Khakassk MPGE (MPG of Siberia)
38	Irkutsk Region (+5)	Irkutsk	no presence	
42	Kemerovo Region – Kuzbass (+4)	Kemerovo	Kuzbassenergo-PGR (Rosseti Siberia)	Kuzbass MPGE (MPG of Siberia)
70	Tomsk Region (+4)	Tomsk	Rosseti Tomsk	Kuzbass MPGE (MPG of Siberia)

Far Eastern FD

Region code	RF subject (time difference)	Adm. centre	DGC	MPG
03	Republic of Buryatia (+5)	Ulan-Ude	Buryatenergo (Rosseti Siberia)	Transbaical MPGE (MPG of Siberia)
75	Transbaical Territory (+6)	Chita	Chitaenergo (Rosseti Siberia)	
28	Amur Region (+6)	Blagoveshchensk	no presence	Amur MPGE (MPG of East)
14	Sakha Republic (Yakutia) (+6)	Yakutsk	no presence	Yakut MPGE (MPG of East), Transbaical MPGE (MPG of Siberia)
25	Primorsky Territory (+7)	Vladivostok	no presence	Primorsk MPGE (MPG of East)
27	Khabarovsk Territory (+7)	Khabarovsk	no presence	
79	Jewish AA (+7)	Birobidzhan	no presence	Khabarovsk MPGE (MPG of East)
41	Perm Territory (+2)	Petropavlovsk-Kamchatsky	no presence	no presence
49	Magadan Region (+8)	Magadan	no presence	no presence
65	Sakhalin Region (+8)	Yuzhno-Sakhalinsk	no presence	no presence
87	Chukotka AA (+9)	Anadyr	no presence	no presence

Key Indicators and Events of the Year

Operating activities

Increased reliability of power supply

Increased customer satisfaction

Consumers

S

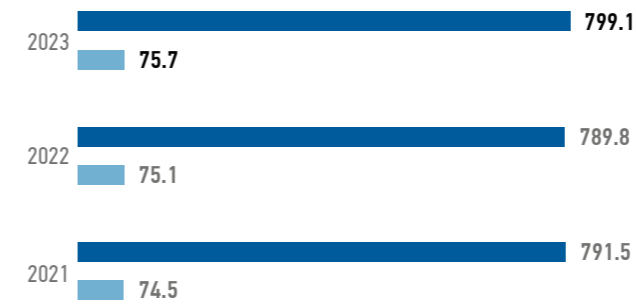
In 2023, Rosseti Group's companies ensured reliable, high-quality and uninterrupted power supply to consumers.



799.1 BLN KWH
 volume of electric power transmitted in 2023

Key indicators

Power transmission, bln kWh



- Power delivery from the grid
- Losses

Grid Connection



- Number of agreements satisfied, thsd agreements
- Capacity of agreements satisfied, GW

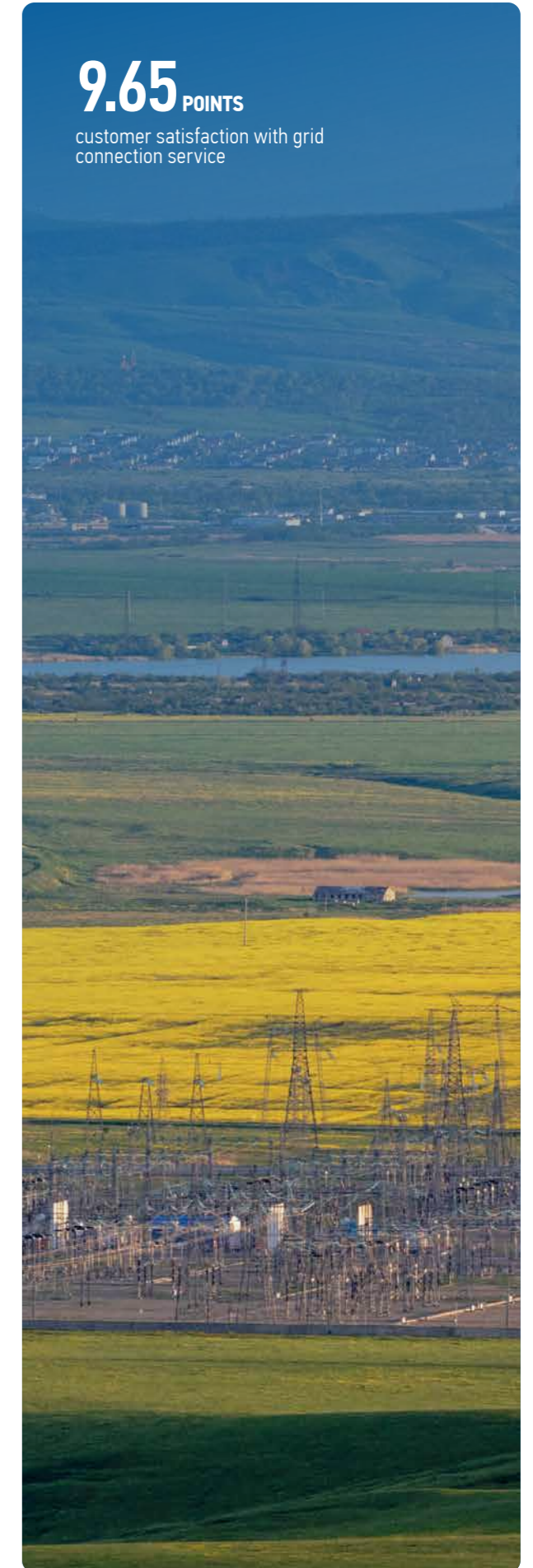
Level of customer satisfaction with grid connection service, points (out of 10 possible)



Reliability of power supply

Indicator	Indicator value	
	2023 plan	2023 actual
System average interruption duration in the transmission grid complex, ld, hour/interruptions	0.03192	0.0132

Indicator	2022	2023
Indicative indicator — volume of under-delivered electric power lens, MWh	4,705	3,444
Isaidi — system average interruption duration index for a point of supply, hour	2.8	2.8
Isaifi — system average interruption frequency index for a point of supply, interruptions	1.5	1.4



9.65 POINTS
 customer satisfaction with grid connection service

Financial activities



Improving the economic efficiency of operations



Shareholders and investors

For the Rosseti Group, maintaining financial stability and enhancing internal efficiency are always top concerns.



Key events of the year

Confirmation of the credit rating at the highest level on the national scale

The Analytical Credit Rating Agency (ACRA) confirmed the credit rating of PJSC Rosseti at AAA(RU), with a stable outlook, and the rating of the Company's bonds — at AAA(RU).

Important: the key factors in the rating were the high degree of government support for the Company, moderate regulatory risks, average debt load, free cash flow, and liquidity.

AAA(RU)

PJSC Rosseti's credit rating from the credit agency (ACRA)

Bond placement and expansion of the perpetual bond programme

In 2023, PJSC Rosseti placed five issues of Series 001P exchange-traded bonds totalling RUB 42 billion.

In November 2023, Rosseti increased the volume of the Series 001P perpetual bond programme from RUB 200 billion to RUB 700 billion.

As of the end of 2023, the Company had 11 outstanding issues of classic bonds totalling RUB 150.42 billion and 17 outstanding exchange-traded issues totalling RUB 172.12 billion.

Important: with the increased volume of the programme, the Company was able to set up a ready framework to attract additional funding through bond offerings.



Key indicators

Financial results of PJSC Rosseti for 2022–2023 under IFRS

Revenue, RUB bln



Net profit, RUB bln



EBITDA¹, RUB bln



Assets, RUB bln



The Rosseti Group showed stability and solid financial results as of the end of 2023.

Net profit totalled RUB 161.3 billion (up 21.5% year-on-year). Revenue grew by 16.7% to RUB 1,378.7 billion. Revenue from electricity transmission grew by 13.8% to 1,153.4 billion, while revenue from grid connection more than doubled from RUB 38.2 billion to RUB 81.9 billion. EBITDA¹ grew by 37.4% to RUB 528.2 billion.

Assets at the end of 2023 increased by 12.5% to RUB 3,290.8 billion (against RUB 2,924.3 billion in 2022) mainly as a result of an increase in the value of fixed assets due to the merged companies and commissioning of new facilities on the back of the Investment Programme, as well as property received in the course of the additional issue.

528.2 ^{+37.4%}
RUB BLN
IFRS EBITDA¹ in 2023

1,378.7 ^{+16.7%}
RUB BLN
IFRS revenue in 2023

161.3 ^{+21.5%}
RUB BLN
IFRS net profit in 2023

3,290.8 ^{+12.5%}
RUB BLN
IFRS assets in 2023

¹ EBITDA is calculated as earnings before income tax expense, interest expense, depreciation and amortisation and net impairment loss.

Investment activities



Implementation of Rosseti Group's Investment Programme is the basis for reliable power supply and an important factor in the growth of Russia's economy.



Key events of the year

Commissioning of new facilities in Moscow, the Amur and Belgorod Regions, and the Krasnodar Territory.

- A 500 kV switching point at Khimkombinat and 29.4 kilometres of transmission PTLs were built in the Far East to supply 301 MW from the grid to the Amur Gas Chemical Complex (a SIBUR company).
- An important project was completed in the Krasnodar Territory: the 110 kV Yasnaya substation, which is required to supply 44.1 MW power to the grid for the Labinskaya solar power plant of the Hevel Group of companies.

- In Moscow, the 220 kV Baskakovo power supply centre was opened after renovation, which provides power supply to the city sectors with a population of more than 1.5 million people.
- The 110 kV Sloboda substation in the Belgorod Region will provide power supply to Yeda Budushchego ('food of the future'), a plant protein-based food production facility (part of EFCO Group).

Important: the Group traditionally celebrates the Power Engineer Day with the commissioning of a new power grid infrastructure: facilities vary in parameters, but all of them are modern, reliable and highly automated.

Power supply measures for the Eastern Railway Range

The Rosseti Group is implementing a large-scale project to supply power to the Eastern Railway Range. In the last few decades, this is the biggest project pertaining to the power grid complex. At the first stage, more than 2,700 kilometres of 220 to 500 kV PTLs and 3,000 MVA of transformer capacity were commissioned.

The first stage was wrapped up with the construction of the 500 kV Nizhneangarskaya substation in Buryatia — this substation was among the three most powerful power supply centres in the Far East — and the construction of about 470 kilometres of the 500 kV Nizhneangarskaya–Ust-Kut PTL.

Important: they are included in the Comprehensive Plan for the Modernisation and Expansion of Backbone Infrastructure approved by the Government of the Russian Federation.

Upgrade of the main PTL feeding the fields of PJSC Surgutneftegas

Retrofitting of the 220 kV Polotskaya–Pachetlor PTL in the Khanty-Mansi Autonomous District was completed, boosting the reliability of the facility, which provides power supply to the Bystrinskoye and Severo-Surgutskoye oilfields.

Important: the facility is involved in the power supply of the Surgut district with a population of over 520,000 people, as well as enterprises of PJSC Surgutneftegas.

Increase in the development capacities of the Lebedinsky Mining and Processing Enterprise

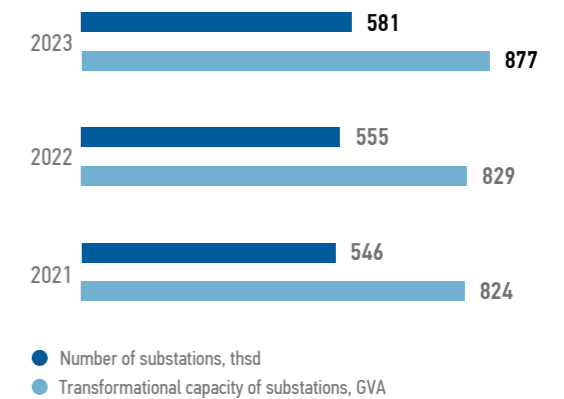
Upgrade of the relay protection and automation systems of three main power supply centres in the Belgorod Region was completed, which allowed increasing by almost 57% the volume of grid connections of the Lebedinsky MPE, one of the leading Russian iron ore producers.

Important: the new equipment has high operational reliability, does not require constant attendance, and is controlled in an automated mode.

Key indicators

In operation

Capacity and number of substations¹



345.2 RUB BLN
commissioning volume

Length of power transmission lines¹, thsd km



Investment Programme

Volume of commissioning, RUB bln



Funding of the Investment Programme, RUB bln



¹ Including leased facilities, as well as third-party outdoor switchgears and cells at substations.

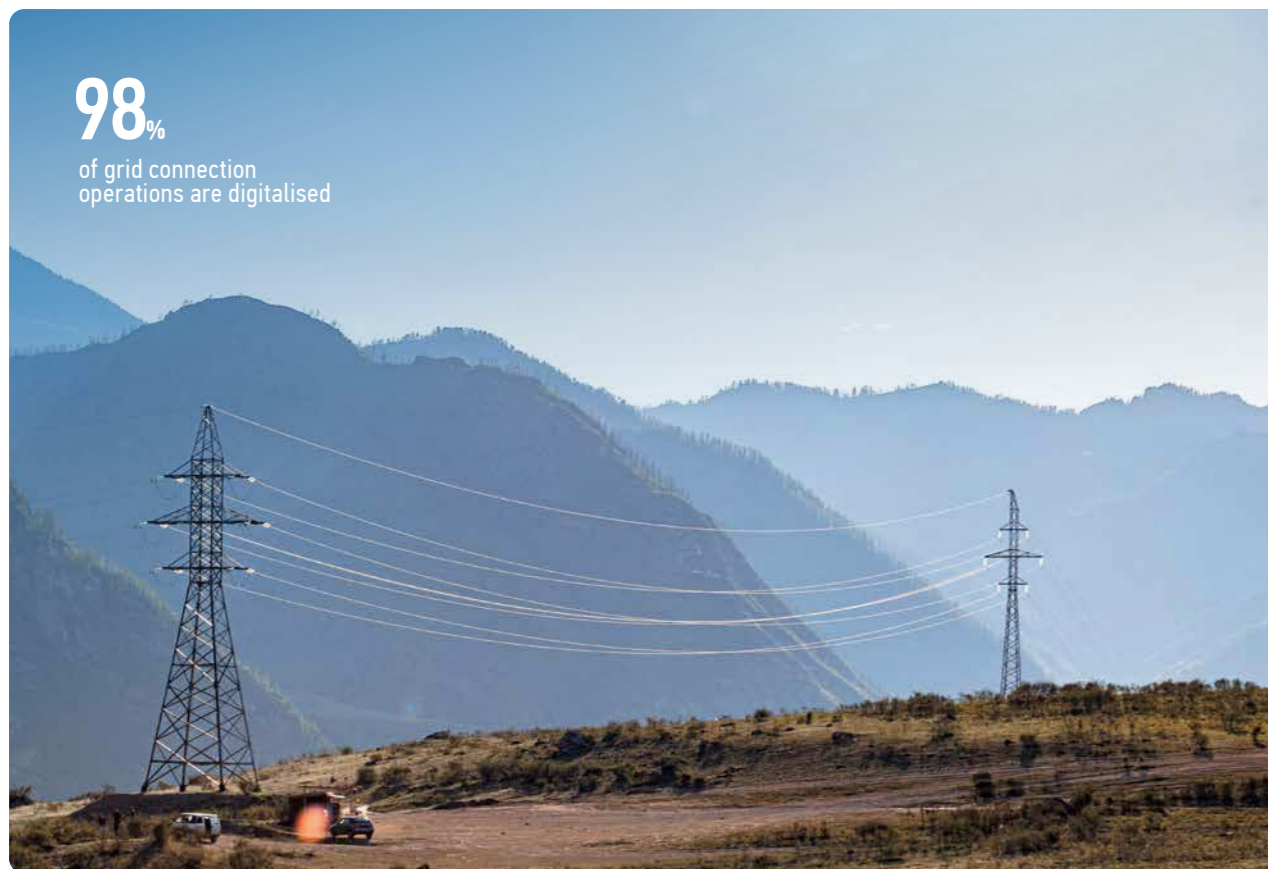
Innovation activities

Technological and innovative development

Promotion of energy and environmental safety

Consumers

One of the best ways to increase the operational efficiency of the Rosseti Group's companies is to adopt the most recent scientific and technological advancements.



98%
of grid connection operations are digitalised

Key events of the year

98% of grid connection operations are digitalised

The Group places a high priority on the advancement of IT infrastructure in order to provide effective customer engagement. In 2023, more than 98% of grid connection applications were received and processed using digital means.

Important: the portal functionality is constantly expanding, with dozens of services including installation of smart electricity meters and smart home equipment, organisation of outdoor lighting networks, and turnkey installation of individual charging stations for electric vehicles and solar panels.

Commissioning of a new highly automated 220 kV Tyutchevo substation

A new highly automated 220 kV Tyutchevo substation was commissioned in the Moscow Region. With this power facility, the Pushkinsky urban district enjoys more reliable power supply: a provision was made for grid connection of new residential, industrial and logistics complexes.

Important: the power facility features modern automation equipment and microprocessor-based relay protection systems. It was the first to employ outdoor integrated gas-insulated switchgear (GIS).

340 kilometres of fiber-optic communication line in the Volga Region power transmission grids

Rosseti built 340 kilometres of FOCLs in the Volga Region power transmission grids. Modern digital data transmission systems connected 16 key power supply centres in Mordovia, as well as in the Nizhny Novgorod and Vladimir Regions. Additionally, the upgrade covered the communication systems of substations that supply power to territories with a population of over 5 million people, railway and gas transmission infrastructure facilities, and residents of the Technopark-Mordovia research and production centre specialising in the development of innovations.

Important: the Rosseti Group places a strong focus on development of a digital communications network in all regions where it operates. Digital communication channels are essential for transmitting corporate and technological information, implementing smart grid and remote control technologies.

New technical solution for melting ice on PTL

As part of R&D, PJSC Rosseti Volga developed a multifunctional mobile technical solution that combines a redundant power supply (RPS), a mobile step-up transformer station (MSTS), and a multifunctional unit for melting ice on the wires of overhead power transmission lines (OPTL).

Important: with this unit, one can promptly melt ice and frost deposits on PTL wires and, if necessary, simultaneously and promptly supply electricity to a group of consumers for the period of restoration of the main power supply.

Rosseti's innovative project won the National Environmental Technology Award

PJSC Rosseti Centre's development — a packaged modular energy storage system — won in the Energy Efficiency and Energy Saving category of the ECOTECH-Leader 2023 National Environmental Technology Award. The system is designed to supply power to small local communities that are situated far from the primary power supply hubs.

Important: the storage system is an entirely Russian invention without a counterpart in any of the neighbouring nations. Osipovo village in the Staritsky district of the Tver Region has been receiving autonomous power supply from the system for over a year, demonstrating its effectiveness in practice.

Key indicators

R&D expenditure, RUB bln



Length of transmission FOCL, thsd km



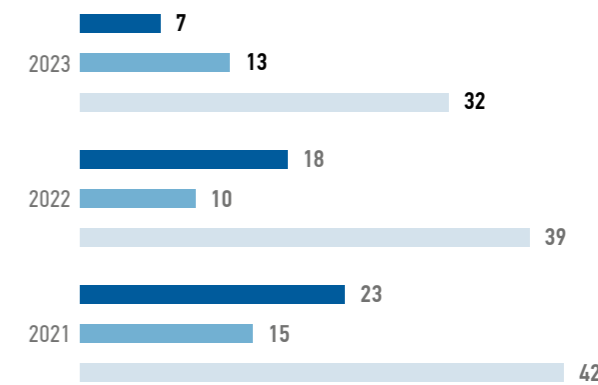
Length of distribution FOCL, thsd km



92,700 KM
length of transmission FOCL

75,100 KM
length of distribution FOCL

R&D results, pcs



- Put into pilot operation
- Rolled out in subsidiaries
- Protection documents received

Sustainable development

Promotion of energy and environmental safety

Company

Internal stakeholders

S

The Rosseti Group is committed to the principles of sustainable development, which include creating stable employment, preserving the environment, and advancing the growth of the regions where it operates.



Key events of the year

Approval of fundamental documents related to sustainable development

The Board of Directors approved the Sustainability Policy and Climate Policy of PJSC Rosseti.

Important: the adopted documents define unified principles and approaches to sustainable development and identify the climate agenda at the Company and the Group's companies.

Upgrade in ESG rating

The ACRA upgraded the ESG rating of PJSC Rosseti to ESG-2, which corresponds to a very high score in the areas of environment, social responsibility and governance, driven by the large-scale integration of sustainability principles into the business model of the Rosseti Group. According to the ACRA, Rosseti stands out for having a very high level of environmental, social and governance risk management, as well as a high level of compliance with international best practices.

Important: PJSC Rosseti's score on the ACRA rating scale is one of the best in the industry.

Signing of new agreements with Russia's leading industry universities

Rosseti signed comprehensive co-operation agreements with National Research University "Moscow Power Engineering Institute" (MPEI), Ivanovo Power Engineering Institute (IPEI) and Kazan State Energy University (KSPEU). The agreements aim to foster cooperation for future collaborative educational and research activities, popularise the field of power engineering, offer practice-oriented training and enhance employees' competencies.

Important: in addition to strategic goals pertaining to guaranteeing the nation's energy sustainability and encouraging the growth of the sector and its human resources, the documents also consider the Rosseti Group's recent restructuring.

Rosseti's being among the TOP-3 companies that place a strongest focus on biodiversity conservation

Rosseti ranked second in the RAEX ESG ranking on Biodiversity Conservation. Experts reviewed 160 Russian companies and selected 50 practices to analyse.

"Unlike most Russian companies, PJSC Rosseti takes a responsible approach to preserving natural ecosystems in all regions where it operates, and it also routinely evaluates the degree to which its infrastructure and facilities affect the variety and population of nearby flora and fauna," RAEX said in its review.

Important: particular focus is given to the habitats of rare and endangered species such as black stork, white stork and oriental white stork, golden eagles, white-tailed eagles, osprey, demoiselle crane, etc. Locations for equipment are determined using the recommendations of ornithologists and ecologists.

Cooperation in career guidance programmes for children

Rosseti and the Orlenok all-Russian children's centre entered into an agreement to develop long-term partnership in educational programmes and outreach activities for children and youth.

Important: the key formats of cooperation include holding thematic project shifts and interest groups, creating subject-oriented classes and laboratories, and organising visits for schoolchildren to power grid facilities.

Key indicators

Care for employees

Average salary, RUB '000



Spending occupational health and safety, RUB bln



Environmental responsibility

Spending on environmental safety, RUB bln



Greenhouse gas emissions (Scope 1), thsd t of CO₂-eq.



Corporate governance

Shareholders and investors

G

Effective corporate governance supports PJSC Rosseti's successful development and creates the required balance between the interests of creditors, investors, shareholders and employees.

Key events of the year

PJSC Rosseti's corporate governance rating — NCGR 7++

The Russian Institute of Directors (RID) assigned National Corporate Governance Rating of PJSC Rosseti at NCGR 7++ — Well-Developed Practice of Corporate Governance according to the NCGR methodology.

Following the completion of the restructuring of a number of power grid companies, the RID reassessed the corporate governance practices of the parent company of PJSC Rosseti across the following four components: shareholder rights, governance and control bodies, information disclosure, sustainable development and ESG.

Important: according to the scale of the National Corporate Governance Rating, a company with an NCGR 7++ grade follows a significant number of recommendations of the Russian Corporate Governance Code and sustainability standards. The Company is characterised by sufficiently low stakeholder risks related to the quality of corporate governance and sustainability management.

Annual Report of PJSC Rosseti — winner of the Moscow Exchange Annual Report Contest

PJSC Rosseti's 2022 Annual Report was recognised by the Moscow Exchange as the best among companies with a capitalisation of up to RUB 200 billion at the XXVI Annual Report Contest. Seven subsidiary grid operators of the Rosseti Group became winners and runners-up in various categories: Rosseti Centre, Rosseti Volga, Rosseti Kuban, Rosseti Moscow Region, Rosseti Lenenergo, Rosseti Centre and Volga Region, and Rosseti North-West.

Important: the Annual Report Contest is one of the most important events of the year in the area of corporate governance and investor relations. The efficacy of the corporate governance enhancement efforts undertaken by the Rosseti Group is the reason behind the success of the annual report of PJSC Rosseti and its subsidiaries.

15 years since the start of trading in PJSC Rosseti's shares on the Moscow Exchange

On 16 July 2008, the first trading of PJSC Rosseti's shares (at that time, OJSC FGC UES) took place on the MICEX and RTS stock exchanges (currently PJSC Moscow Exchange). Following the listing reform in 2014, the Company's shares were included in the first (top) level quotation list of the Moscow Exchange. This made it possible to significantly expand the circle of shareholders and investors, as well as bring the Company's corporate governance systems and practices in line with the requirements of the Bank of Russia and the listing rules.

Today, PJSC shares are a highly liquid instrument of the Russian stock market and are included in the main indices of the Moscow Exchange.

Important: the corporate governance of PJSC Rosseti fully meets the requirements of the listing rules for shares admitted to trading in the Level 1 quotation list.

Completion of the restructuring of the Rosseti Group

The restructuring marked the beginning of a new stage in the history of the Rosseti Group and resulted in the following changes in the corporate framework:

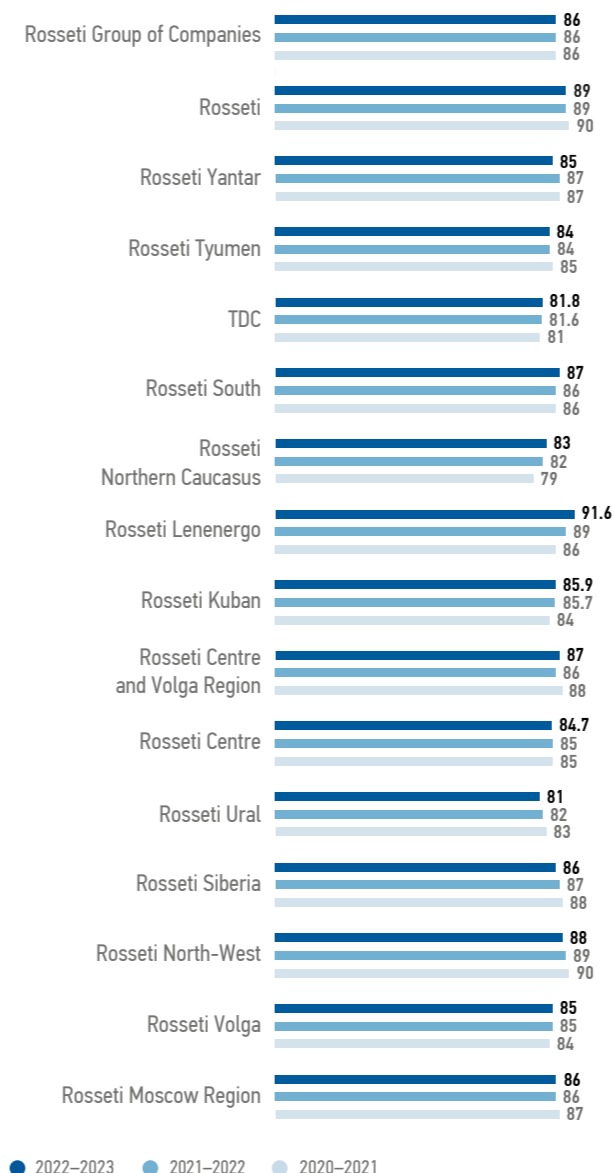
- Collegial executive body, the Management Board, was returned to the structure of the Company's governing bodies, which made it possible to divide the scope of functions pertaining to the Company's day-to-day operations among its executive bodies
- Controlling stakes in distribution grid companies, including public joint stock companies, were transferred to PJSC Rosseti

NCGR 7++

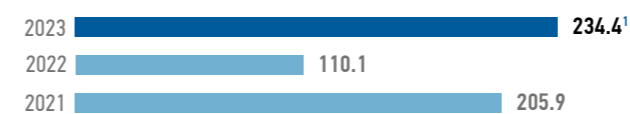
PJSC Rosseti's corporate governance rating

Key indicators

Assessment of corporate governance at the Rosseti Group, %



Market capitalisation of PJSC Rosseti, RUB bln



PJSC Rosseti's corporate governance efficiency assessment results, %



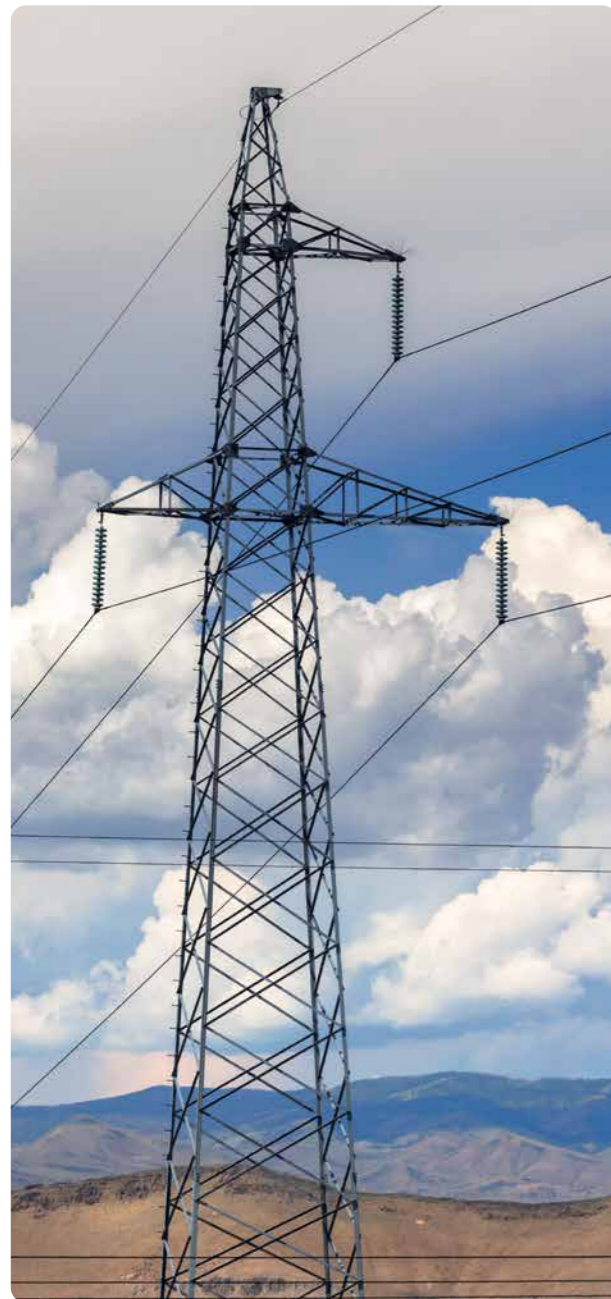
¹ Capitalisation for 2023 includes the outstanding shares of the additional issue.



79%
of the recommendations of the Bank of Russia's Corporate Governance Code are fully complied with by PJSC Rosseti

Strategic Priorities of the Company in Relation to Russia's National Projects and UN SDGs

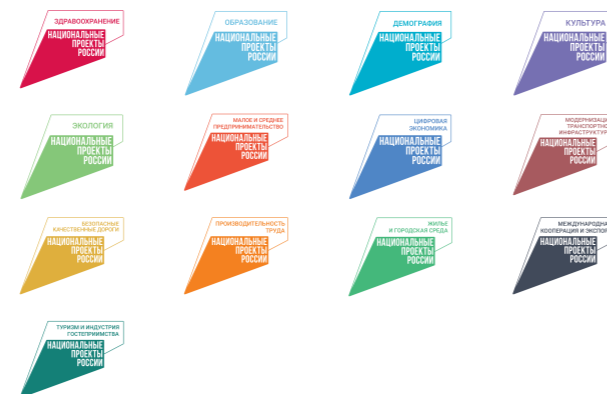
PJSC Rosseti is actively involved in addressing today's global challenges. The Company contributes to the implementation of Russia's National Projects, as well as to the achievement of the UN Sustainable Development Goals (SDGs).



In 2023, the Company actively participated in the realisation of 13 out of 14 Russian National Projects as part of its regular operations.

Since 2017, the Company has annually declared its commitment to the UN SDGs and ranked them in order of significance. PJSC Rosseti recognises the importance of all 17 SDGs and strives to contribute to the achievement of each of them. Owing to the unique nature of its business, the Company has determined which ten SDGs are most important and where it can make the biggest contribution. PJSC Rosseti endeavours to seize every chance to accomplish each of the other SDGs.

Contribution to the national projects



Contribution to the UN SDGs



Здоровое население
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

3 GOOD HEALTH AND WELL-BEING

Reliability of power supply

Company contribution

- Provision of voluntary medical insurance for all employees (except for half-time and part-time employees) regardless of the type of employment and position
- Casualty insurance of employees
- Non-state pension scheme
- Programmes to support employees' healthy lifestyles
- Development of internal initiatives to support psychological health and a healthy atmosphere within the Company
- Availability and development of the occupational health and safety system
- Zero accident concept and relevant measures
- Provision of milk, as well as restorative and preventive nutrition to personnel working in harmful labour conditions
- Organisation of power supply at social infrastructure facilities

Results of 2023

100% of the Group's full-time employees are covered by Voluntary Medical Insurance Programme and Accident and Health Insurance Programme.

For more details, please see the sections: Social Policy, p. 129; Occupational Health and Safety, p. 131; Contribution to National Projects, p. 136.

Образование
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

4 QUALITY EDUCATION

17 PARTNERSHIPS FOR THE GOALS

Technological and innovative development

Company contribution

- Education, practical training and advanced training of employees
- Co-operation with higher and secondary specialised educational institutions in the field of personnel training in power engineering
- External social programmes aimed at supporting education in the regions where the Company operates
- Internships and practical training for students at the Company's production facilities
- Assistance in the development of pre-school, school, vocational and supplementary education
- Organisation of power supply at social infrastructure facilities

Results of 2023

1.14 RUB BLN
the total cost of training for the Rosseti Group's employees in 2023

49.5 HOURS / PERSON
average number of training hours per employee in 2023

9,500
schoolchildren took part in the Rosseti Group's corporate olympiad

For more details, please see the sections: Personnel Training and Development, p. 126; Youth Policy, p. 129; Contribution to National Projects, p. 136.

Чистая и городская среда
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

3 GOOD HEALTH AND WELL-BEING

11 SUSTAINABLE CITIES AND COMMUNITIES

Reliability of power supply

UNPG development

Company contribution

- Expansion of the geography of power supply to settlements by increasing the number of infrastructure facilities
- Higher reliability of power supply to consumers in urban and rural areas
- Organisation of power supply at transport and social infrastructure facilities
- Reduction of negative environmental impact in the regions of operation through regular upgrade of equipment

Results of 2023

For more details, please see the sections: Analysis of Operating Results, p. 64; Contribution to National Projects, p. 136.

Экономические и социальные условия
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

11 SUSTAINABLE CITIES AND COMMUNITIES

Reliability of power supply

Company contribution

- Participation in road construction and overhaul projects

Results of 2023

For more details, please see the section: Contribution to National Projects, p. 136.



Company contribution

- Charitable assistance to schools, orphanages, boarding schools, rehabilitation centres for children with disabilities, social service and rehabilitation centres, veterans, disabled people, veterans' councils and clubs
 - Provision of voluntary medical insurance for all employees (except for half-time and part-time employees) regardless of the type of employment and position
 - Organisation of power supply at social infrastructure facilities
 - Promotion of physical culture and amateur sports
 - Implementation of social programmes aimed at maintaining health and social protection of employees
 - Non-state pension scheme
 - Programmes to support employees' healthy lifestyles
- For more details, please see the sections: Social Policy, p. 129; Contribution to National Projects, p. 136; Charity and Sponsorship, p. 145.



Company contribution

- Implementation of charitable projects for the protection and proper maintenance of buildings, objects and territories of historical, cult and cultural significance;
 - Promotion of culture, art and education
 - Organisation of power supply at social infrastructure facilities
 - Popularisation of culture and art as part of the patronage of exhibition projects run by state museums
- For more details, please see the sections: Contribution to National Projects, p. 136; Charity and Sponsorship, p. 145.



824.5 RUB MLN
in environmental protection expenditures of the Rosseti Group in 2023



Company contribution

- Development of grid infrastructure, including implementation of major infrastructure projects, creation of industrial production facilities, additional jobs, promotion of agglomerations
- Commissioning of new substations for the development of industry, social and infrastructure facilities, creation of conditions for new grid connections
- Upgrade of systemically important power supply centres in the regions

Results of 2023

The first stage of the project to develop the power supply scheme for the Eastern Railway Range was completed

Power facilities were commissioned for such large consumers as Amur Gas Chemical Complex, Malmyzhskoye copper deposit, etc.

For more details, please see the section: Investment Activities, p. 69.



Company contribution

- Implementation of a set of measures aimed at improving energy efficiency
- Resource utilisation efficiency and reduction of negative environmental impact
- Implementation of a programme for collection and recycling of equipment and exited cells
- Establishment of a list of technologies and materials prohibited by internal regulations
- Analysis and assessment of climate risks, including physical and transient risks
- Integration of assessment results into existing processes
- Calculation and publication of the results of quantitative assessment of direct greenhouse gas emissions
- Compensation planting
- Monitoring the state of biodiversity and implementation of mitigation programmes
- Replacement of high-voltage PTLs with underground cables in order to reduce the probability of fire risks and risks to ecosystems
- Measures to ensure ornithological safety of power grid facilities
- Support to environmental initiatives implemented by Russian and international industry organisations

Results of 2023


824.5 RUB MLN
in environmental protection expenditures of the Rosseti Group in 2023

166,000
new bird diverters installed by the Company in 2023


4,258.6 HA
of land reclaimed

20%
reduction in greenhouse gas emissions (Scope 1) in 2023

For more details, please see the sections: Environmental Protection, p. 114; Contribution to National Projects, p. 136.



17 PARTNERSHIPS FOR THE GOALS



Economic efficiency

Company contribution

- Development of the regional economy through priority support of local suppliers
- Support for SMEs in procurement procedures

Results of 2023

73% total share of procurement from SMEs in 2023, including subcontracting

For more details, please see the section: Procurement, p. 88.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



Technological and innovative development



Consumer satisfaction



Economic efficiency

Company contribution

- Implementation of the Digital Transformation Strategy
- Introduction of digital technologies into business processes and customer services
- Development of technological communication networks
- Increase in the length of FOCL
- Development of high-frequency communication network
- Development of automatic process management systems
- Stronger co-operation with other companies in the industry and the scientific community

Results of 2023

1.13 RUB BLN R&D expenses in 2023

167,800 KM of transmission and distribution FOCLs in 2023

For more details, please see the section: Investment Activities, p. 69.





8 DECENT WORK AND ECONOMIC GROWTH



Economic efficiency

Company contribution

- Increase in labour productivity
- Creation of jobs in the regions of operations
- Decent wages and working conditions and respect for employees' rights
- Safe working conditions and labour protection
- Equal opportunities for highly productive labour, professional growth and unlocking the creative potential of each employee of the Company
- Respect for different nationalities and rejection of discrimination in any form and for any reason
- Co-operation with educational institutions to support innovative activities and expand employment opportunities for young specialists


Results of 2023

815 new jobs were created in the regions of operation


1,700 students were trained in the reporting year to cover the workforce demand of the Rosseti Group's companies

For more details, please see the section: HR Management, p. 123; Regional Development and Welfare Work, p. 135.







9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



Reliability of power supply



UNPG development

Company contribution

- Promotion of tourism infrastructure development: organisation of power supply at tourist sites and transport infrastructure facilities
- Preservation and development of grid infrastructure
- Expansion of the territory of presence and power supply to hard-to-reach, remote settlements
- Promotion of the availability of electric vehicles in Russia

Results of 2023

For more details, please see the section: Contribution to National Projects, p. 136.



17 PARTNERSHIPS FOR THE GOALS



Reliability of power supply



Economic efficiency

Company contribution

- Strategic cooperation with foreign partners on issues related to the development of the electric power industry, sharing of experience and best practices, particularly in the area of innovative technologies and energy efficiency
- Promotion of the Rosseti Group's own competences and developments in foreign markets
- Training and advanced training for foreign specialists under the training programmes of the Rosseti Group's training centres

Results of 2023

In 2023, the Group interacted with partners from 13 foreign countries under signed agreements and/or regular business contacts

For more details, please see the section: Main Areas of International Activities, p. 42.

STRATEGIC REPORT

INVESTING IN THE DEVELOPMENT

536.9 RUB BLN

VOLUME OF THE INVESTMENT PROGRAMME
IN 2023

36,800 KM

PTLS COMMISSIONED IN 2023

9.9 GVA

TRANSFORMER CAPACITY
COMMISSIONED IN 2023

Market Review

Macroeconomic Trends in 2023

Russian economy

3.6%

GDR growth in Russia in 2023

7.42%

inflation in Russia in 2023

GDR growth in the Russian Federation in 2023 was 3.6%¹.

The indicator exceeded the 3.5% growth rate projected by the Russian Federation's Ministry of Economic Development (MED). According to the Russian Statistics Agency, GDR growth in 2023 was largely contributed by an increase in gross value added indices in the hotel and catering services, information and communications, financial, insurance and administrative activities, wholesale and retail trade, manufacturing and construction.

According to the results of the macroeconomic survey of the Bank of Russia, Russia's GDR in 2024 may grow by 1.6%². The growth rate of gross fixed capital formation

in 2024–2026 should remain at an average of 2.3%, which will drive an increase in the share of gross fixed capital formation in GDR³.

In 2023, the Bank of Russia's policy was aimed at bringing inflation back to target, and in 2023 its level was 7.42% (against 11.94% a year earlier), which is almost in line with the Bank of Russia's earlier projection (6–7%) and coincides with the MED estimate (7.5%). The acceleration of price growth rates affected a wide range of goods and services. Accordingly, the indicators of the sustainable component of monthly price growth also continued to grow under the influence of an active increase in consumer demand. The current rate of price growth was also still affected by the weakening of the Russian Rouble.

According to forecasts, given the monetary policy in place, annual inflation should return to 4% in 2024 and will remain at 4% thereafter. The tightening of monetary policy undertaken by the Bank of Russia should contain the excessive expansion of domestic demand and limit its pro-inflationary effects⁴.



¹ Russian Statistics Agency. Socio-Economic Situation in Russia, 2023.

² Macroeconomic Survey of the Bank of Russia, https://cbr.ru/statistics/ddkp/mo_br/.

³ Russia Ministry of Economic Development of the Russian Federation, Forecasts of Socio-Economic Development of the Russian Federation for 2024 and the Planning Period of 2025 and 2026.

⁴ Bank of Russia, Consumer Price Movements, September 2023.

Industry-related trends

Global trends in the power engineering sector¹

Decarbonisation, decentralisation and digital transformation (digitalisation) are the three D trends driving the worldwide electric power industry in the era of Energy Transition 4.0.

Up to 2050, fossil fuels will continue to be the primary energy source in use worldwide. However, taking into account the decarbonisation factor, the share of oil, petroleum products and coal in total energy consumption will decrease, while natural gas and primary electricity consumption will grow by 2035. The share of electric power in final energy consumption will continue to grow, reaching 31% by 2035 and 42% by 2050.

Coal-fired electricity generation is expected to increase annually by about 4% on average until 2026². The primary driver of change in the global perspective will be the growing use of renewable energy sources in China, the country that produces over half of the world's coal-fired generation.

As the digital economy grows, a significant volume of digital data is produced, necessitating respective processing and storage power. The expansion of the cryptocurrency industry will be another factor driving the need for computing power.

Both the active growth of distributed generation (including the greater deployment of RES) and the usage of energy storage systems (including hydrogen technologies) reflect the trends towards decentralisation and decarbonisation of the global electric energy system. The long-term trajectory of sustainable growth will not change in spite of the current energy crisis.

The growth of electricity consumption causes an increase in the grid load and the expansion of electricity use in industry, heating and air conditioning, transport, telecommunications, data processing and storage. Therefore, one of the most important elements influencing the growth of energy consumption is the development of electric transportation.

¹ Long-term energy consumption forecast until 2050 (IEA).

² Electricity 2024. Analysis and Forecast to 2026. International Energy Agency, [iea.org](https://www.iea.org).



— Russia has recently launched a number of significant projects pertaining to the advancement of green energy. How does this affect the Company's operations?

— In 2023, the Rosseti Group provided grid connections to eight RES generation facilities with a total capacity of over 336 MW. These include the Kola WPP, which is the world's largest polar wind power plant, and facilities in the Stavropol and Krasnodar Territories and Karachay-Cherkessia. In addition, the Group's grid companies support the development of green energy by purchasing energy to compensate part of losses from RES generation on the retail market at a cost higher than wholesale market prices.

The power grid complex is fully prepared to ensure the supply of RES capacity. However, we believe that the development of such generation should also take into account the interests and opportunities of other market participants. It may be expedient to create large RES facilities, the capacity of which will be transmitted via main transmission grids over long distances to cover the demand in the UES of Russia.

RES may also be effective in organising power supply to remote areas, including as part of autonomous hybrid power plants (AHPP). Such projects already exist in Siberia and the Far East. In addition, Rosseti, together with equipment manufacturers, is actively involved in the development of micro-generation by providing turnkey services for the installation of small-capacity RES generation systems.

Alexey Molsky,
Deputy General Director for Investments and Capital Construction

Russian electric power market

Electricity consumption in the Unified Energy System (UES) of Russia in 2023 increased by 1.4% to 1,121.6 billion kWh¹.

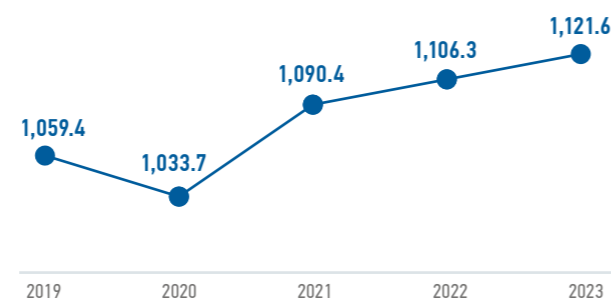
In accordance with the Scheme and Programme of Development of Electric Power Systems of Russia for 2024–2029, the electricity consumption in the UES of Russia is projected to increase by 2029 to 1,274.5 billion kWh, with increase in the maximum capacity consumption to 183,351 MW². Given the anticipated expansion in energy and capacity consumption, the implementation of the planned actions on the development of generating capacities and power grids will ensure the reliable operation of electric power systems.

The Russian economy has undergone structural adjustments and transformation as a result of recent global events. The overall energy consumption in Russia will depend on the behaviour of key sectors of the economy and other significant factors.

Transition from coal and wood heating to electric heating is considered by the state as one of the environmental improvement measures for regions with unfavourable environmental situation under the federal project called Clean Air.



Variation of electricity demand in the UES of Russia, bln kWh



Source: operational data of JSC SO UPS.

Possible drivers of growth in electricity demand by sector

Sector	Description
Agriculture	Demand will grow due to upgrade of ferrous metallurgy capacities.
Construction	Consumption will increase due to the growth in the number of illuminated and heated greenhouses in the vegetable growing sector, driven by the implementation of the Food Security Doctrine and increased exports of agricultural products.
Trade	The implementation of national projects and government programmes aimed at increasing the housing and the number of roads in Russia will lead to an increase in the production of energy-intensive building materials (including cement).
Transport	The most significant contribution to the growth of energy consumption in the trade sector will come from the development of e-commerce and the associated logistics and advertising infrastructure. Increased demand for data processing, storage and transmission will lead to an increase in the volume of data centre infrastructure commissioned.
Transport	Expansion of the electric vehicle and electric bus fleet will require the creation of a developed charging infrastructure and will increase the demand for electric power from electric transport.

Main areas of international activities

The Company actively cooperates with partners from 13 foreign countries within the framework of concluded agreements and/or regular business contacts.

13 COUNTRIES	Asia and the Middle East	China, Iran, Mongolia, China, Vietnam and Iran
	Near-abroad countries and CIS	Abkhazia, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan and South Ossetia

In addition, the Company's proposals are taken into account in 15 protocols of Intergovernmental Commissions on trade and economic co-operation with foreign countries.

15 COUNTRIES	Asia	China, India, Mongolia, Thailand, Vietnam, India, Mongolia and Thailand
	Near-abroad countries and CIS	Armenia, Azerbaijan, Kirgizia, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan
	Middle East and Africa	Iran, Ethiopia
	Latin America	Cuba

¹ Report on the functioning of the UES in Russia in 2023 (based on operational data), SO UPS.
² Order of the Minenergo of Russia No. 1095 dated 30 November 2023.



1.4%
growth in electricity consumption in the UES of Russia in 2023

Main areas of international co-operation

- Implementing instructions from the Government of the Russian Federation and the Ministry of Energy of the Russian Federation — promotion of national interests on the platforms of international organisations and associations
- Building strategic cooperation with foreign partners on the development of the electric power industry, exchanging experience and best practices, in particular in the field of innovative technologies and energy efficiency

- Promoting the Rosseti Group's own competences and developments in foreign markets, including through mechanisms of intergovernmental commissions of the Russian Federation with foreign countries and international organisations and associations
- Training and advanced training for foreign specialists under the training programmes of the Rosseti Group's training centres

For more details on the main areas of international activities, please see Appendix 1.

Competitive Landscape

Comparison of Rosseti with several Russian public companies in the electric power sector¹

The results of the benchmarking study of PJSC Rosseti and the most comparable Russian public companies in the electric power sector by type of activity and size for 2023 demonstrate

the Company's high financial and economic efficiency, as well as high investor interest in the Company's shares despite the limited free-float.

Company name/Indicator ²	PJSC Rosseti	PJSC RusHydro	PJSC InterRao	PJSC Unipro	PJSC EL5-Energo
Capitalisation, RUB bln	234.4 ³	316.5	412.5	126	23.7
Average daily trading volume on the Moscow Exchange, RUB mln	388.6	222.1	431.6	352.8	149.0
Revenue, RUB bln	1,378.7	510.3	1,360.0	118.6	60.8
EBITDA, RUB bln	528.2	131.5	182.4	44.3	12.1
EBITDA margin, %	38.3	25.8	13.4	37.3	19.9

¹ Comparison covers the most liquid companies in the MOEXEU industry index.

² IFRS-based indicators for 2023.

³ The capitalisation of PJSC Rosseti includes actual outstanding shares of the Company. The calculation is based on the closing price according to the data of the Moscow Exchange.

Market share held by the Rosseti Group's companies

As a result of restructuring in 2023, PJSC Rosseti now is one of the world's largest power grid holdings, providing power supply to consumers in 82 regions of Russia, managing the Unified National (All-Russian) Power Grid (UNPG) and the distribution grid complex. It manages 2.56 million kilometres of power transmission lines and substations with a total capacity of 877 GVA.

PJSC Rosseti and subsidiaries engaged in electric power transmission and grid connection services are natural monopolies and critical entities of information infrastructure. PJSC Rosseti is included on the list of strategic joint stock companies¹.

Required gross revenue (RGR) is an economically justified amount of financial resources required for regulated power grid companies to carry out their operations during the estimated regulation period. RGR serves as the basis for the approved tariffs for electricity transmission services in the regions where the Rosseti Group's companies operate. As a matter of fact, a share of distribution company in the total regional RGR fully corresponds to the market share in the Russian grid market.

Share in the regional market for electricity transmission services under comparable tariff regulation conditions, %

Indicators	2022	2023
PJSC Rosseti (by region of operation)	73.4	74.2
Distribution complex		
PJSC Rosseti Centre	90.5	91.0
PJSC Rosseti Centre and Volga Region	79.3	79.9
PJSC Rosseti North-West	72.8	73.0
PJSC Rosseti Volga	63.1	63.0
PJSC Rosseti Lenenergo	80.2	81.0
PJSC Rosseti Siberia	63.3	65.3
PJSC Rosseti South	70.9	70.5
PJSC Rosseti Northern Caucasus	82.0	83.5
PJSC Rosseti Lenenergo	89.5	89.3
JSC Rosseti Tyumen	67.8	67.9
PJSC Rosseti Moscow Region	62.1	63.8
JSC Rosseti Yantar	81.6	82.7
PJSC Rosseti Kuban	77.2	77.1
PJSC TDC	71.0	72.6

74.2%

market share by RGR in the regions here the Rosseti Group operates

Industry Consolidation

As one of the key measures for improving the efficiency of the electric power industry, the Energy Strategy of the Russian Federation envisages the gradual creation of a unified state-owned power grid complex. In this regard, one of the most important areas of PJSC Rosseti's activities is the consolidation of assets of the Russian power grid sector. Consolidation of power grid assets is a set of measures aimed at establishing Rosseti Group's control over power grid assets that are not part of and/or are not under the management of the Rosseti Group.

The main goals of power grid asset consolidation are as follows:

- To create a single centre of responsibility for ensuring reliable, high-quality, and affordable power supply
- To increase the share of PJSC Rosseti's subsidiaries in the 'common pot' revenue for electricity transmission services received from regional consumers of services
- To build an optimal power grid infrastructure and introduce digital grid elements

Results of 2023

In the first half of 2023, the Rosseti Group took property consolidation measures with respect to the following projects:

- OJSC Tomsk Main Power Grids
- JSC DVEUK — UNPG
- JSC Kuban Main Power Grids

In the second half of 2023, the following were transferred to the authorised capital of PJSC Rosseti:

- Power grid facilities (UNPG) located in the Republic of Crimea, the Krasnoyarsk Territory and the Irkutsk Region
- Power grid facilities (distribution complex) located in the Maikop district of the Republic of Adygeya and the Kola district of the Murmansk Region
- Shares of JSC RES, Novosibirsk Region
- Shares of JSC Electromagistral, Novosibirsk Region
- Shares of JSC Energetik, Novosibirsk Region

Consolidation of power grid facilities in 2023

Power grid equipment, thsd c.u.	434.1
Transmission lines, thsd km	89.8
Transformer capacity, thsd MVA	31.7
Value of contributed property and shareholdings, amount of financing for acquired property, RUB bln	149.1

149.1 RUB BLN

value of contributed property and shareholdings, amount of financing for acquired property



— How does PJSC Rosseti participate in the creation of the system of systemically important grid operators (SGOs) in Russia?

— We support the amendments to legislation proposed by the Minenergo of Russia that provide for the gradual consolidation of grid assets. This work is carried out in fulfilment of the instructions of the President of the Russian Federation and is aimed at improving the reliability of power supply to consumers.

Many small local grid operators (LGOs) have worn-out grids, no emergency provisions, no proper repairs and no upgrade programmes in place. However, along with other companies, they receive money through tariffs from the common pot that distributes the load to consumers. The problem should be addressed by consolidation of grids as envisaged by the industry development strategy.

In order to implement it, the Government of the Russian Federation approved in 2023 additional criteria for LGOs pertaining to the length of PTLs and the capacity of power supply centres. If a company does not meet these criteria, it ceases to operate as a LGO. However, the operation of its grids must continue in any case so that consumers are not affected. This task is supposed to be assigned to a systemically important LGO (SGO), as envisaged by the draft amendments to the Federal law "On Electric Power Industry" developed by the Minenergo of Russia.

In addition, the SGO will be responsible for the operation of ownerless grids and will be obliged to eliminate the consequences of accidents at the facilities of other owners upon the decision of the regional headquarters. This will make it possible to legalise the situation that already exists. The regional authorities are to decide which LGO is to be the SGO in accordance with the criteria approved by the Government of the Russian Federation.

The draft law does not give SGO the right to force consolidation of all grids. LGOs that retain their status will continue to operate, receive economically justified volumes of tariff revenue, connect new consumers and grow their grids. Thus, a SGO is, first of all, an instrument with a social and energy security function.

Daniil Krainskiy,
Deputy General Director for Legal Support

¹ Decree of the President of the Russian Federation No. 1009 dated 4 August 2004.

Opportunities and threats for the Rosseti Group

The Company has ample opportunities to ensure continuous operations and sustainable development. The Company's weaknesses and threats are assessed on an ongoing basis as part of risk management processes and are taken

into account when updating the strategy and long-term development programme to mitigate possible negative consequences.

Strengths

- Strategically important organisation with a special status of development, management of UNPG and distribution grid complex and participation in ensuring energy security of the country
- Infrastructure with extended geographic reach
- Status of a natural monopoly
- Highly qualified technical personnel and high-quality engineering solutions
- Stable financial position
- Recognisable brand
- Large companies (with large volumes of energy consumption and sustainable development) in the portfolio of service consumers

Weaknesses

- Level of marginal profitability depends on the adopted tariff decisions
- High depreciation of distribution grid assets
- Long investment cycle of high-voltage facilities and high capital intensity of investment projects
- Lack of quick solutions in the field of import substitution for a number of important items of equipment and software

Opportunities

- Active participation in energy transition processes as an infrastructure company
- Improvement of operational efficiency through the introduction of IT tools, new technologies and optimisation of business processes
- Utilisation of the network format to develop additional/new services and services for customers

Threats

- Economic stagnation and population reduction, slowdown of energy consumption growth rates
- Development of own distributed generation by large consumers
- Introduction of lean power consumption culture and technologies leading to reduced power consumption volumes
- Development of technologies for supplying electricity to consumers without using distribution grids of the power grid complex
- Lack of technological sovereignty (for high-voltage power grid equipment)
- Unlawful interference with power grid facilities and their information and telecommunications systems

Factors of the Rosseti Group's investment attractiveness



Leadership

- The Rosseti Group is one of the largest power grid holdings in the world
- 80% of electricity in the country is transmitted through the grids of the Rosseti Group's companies



Scale and development

- The Rosseti Group's companies supply power to consumers in 82 Russian regions



Quality and reliability

- Focus on to improving Isaidi, and Isaifi and lens, MWh
- 9.65 points (out of 10 possible level) — customer satisfaction with grid connection service



Operational efficiency

- For 2023, the unit operating expenses decrease by 2.1% year-on-year



Cutting-edge technologies

- Digital transformation of the Group's companies contributes to cost reduction and increased reliability of energy supply



Experience and professionalism

- Unique competences of personnel
- Long track record of complex industry projects
- Successful experience of pilot projects in the field of digital transformation



Financial performance

- Stable financial performance, low debt load Consistent implementation of a conservative financial policy
- High credit quality allows the Company to implement an effective borrowing policy on capital markets
- Highest grade of the Company's creditworthiness: sovereign credit rating of AAA (RU) on the national scale by ACRA (JSC)



Commitment to ESG principles

- Effective health and safety management system. Low rates of industrial injuries
- Low environmental impact. In the course of their core operations, the Rosseti Group's companies do not emit significant direct greenhouse gas emissions into the atmosphere
- Constant communication with representatives of all stakeholders through various communication channels and interaction mechanisms
- Contribution to the development of regions of operation and the implementation of Russia's National Projects



High level of corporate governance

- Recognition by independent experts and high scores in self-assessment of corporate governance quality
- Effective risk management and internal control
- Highly professional management motivated to achieve strategic goals

Strategic Development

National policy priorities for the development of the power grid sector

PJSC Rosseti is one of the world's largest power grid holdings, managing the Unified National (All-Russian) Power Grid (UNPG) and the distribution grid complex. The Company plays a major role in safeguarding the national interests of the country and solving large-scale state tasks.

The Company takes into consideration the priorities of the state policy in the field of power grid complex development:

- Improving the reliability and quality of power supply to consumers to a level comparable to the best foreign counterparts
- Improving the efficiency of the power grid complex
- Developing domestic scientific and technological potential, designing and mastering advanced technologies in the energy sector

Mission and Strategic Goals

Our mission is to ensure reliable operation and adequate economic growth of the UNPG.

In the upcoming years, the goals will be to improve the efficiency of the consolidated transmission and distribution assets while considering the requirements of the Russian economy and the development trends in the electric power sector.

Strategic goals of PJSC Rosseti defined in the Long-Term Development Programme for the period of 2020 to 2024 with an outlook until 2030¹

<p>Development of the UNPG, higher customer satisfaction</p> <ul style="list-style-type: none"> UNPG development Increased customer satisfaction <p>For more details, please see p. 50</p>	<p>Technological and innovative development with due regard for maintaining the achieved level of power supply reliability</p> <ul style="list-style-type: none"> Technological and innovative development Ensuring reliability of energy supply <p>For more details, please see p. 50</p>	<p>Improving the economic efficiency of operations</p> <ul style="list-style-type: none"> Improving the economic efficiency of operations <p>For more details, please see p. 51</p>	<p>Promotion of energy and environmental safety</p> <ul style="list-style-type: none"> Promotion of energy and environmental safety <p>For more details, please see p. 51</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

¹ Approved by the Company's Board of Directors (Minutes No. 526 dated 30 December 2020).

Strategic challenges and priority development areas

Strategic challenges facing the Company

Under unprecedented pressure from sanctions, the Russian economy and financial sector have to cope with a myriad of challenges. Due to the specifics of the Company's operations, with services provided mainly to consumers in the domestic (Russian) market, the sanctions imposed by foreign countries did not have a direct and significant negative impact on the Company and its activities.

Challenges and threats relevant to the Company in the new environment:

- Need to ensure technological sovereignty and accelerated import substitution
- Terrorist and sabotage activities damaging power grid facilities
- Growth of cyberthreats, especially against critical infrastructure facilities
- Shortage of free production capacities of domestic manufacturers/developers and human resources

- Implementation of projects of state significance
- Provision for the technological sovereignty of the Russian power grid sector
- Added security and antiterrorist protection of power grid facilities

Development priorities in non-tariff activities

In addition to their core activities (electricity transmission services and grid connections), the Rosseti Group's companies provide a range of services in non-tariff areas.

In 2023, the Uniform Quality Standards for Customer Service of the Rosseti Group's companies¹ were approved with the aim of providing high-quality services. These standards outline the aims, objectives, principles and measures related to customer interactions for the companies in the Rosseti Group.

The Company's response to the challenges. Focus areas of development

Taking into account industry-specific challenges and tasks, including those set at the state level, the main priorities for the Rosseti Group's development for the foreseeable future are as follows:

- Implementation of reliability improvement programmes and upgrade of the power grid sector

The Rosseti Group's companies will continue to grow a non-tariff business line to meet the evolving needs of customers by developing in-demand services and streamlining the infrastructure access process. This will help, among other things, to improve the process of customer access to power grid infrastructure and implement the principles of customer-centricity.

Long-term development programme

To achieve strategic goals, the Company implements the Long-Term Development Programme (LTDP)² for the period of 2020–2024 with an outlook until 2030.

Every year, the Company compiles LTDP progress reports and report on the achievement of key performance indicators. These reports are sent to the Board of Directors of the Company after being reviewed by an independent auditor. Annual reports are then submitted to the MED, Minenergo of Russia and Rosimushchestvo. Representatives of the professional community and federal executive authorities participate as members of the Strategy Committee in discussing the LTDP progress as part of the review of its progress reports.

The auditor issued an opinion dated 27 April 2024 on the reliability of the information reflected in the LTDP Progress Report on the implementation of planned activities, achievement

of key performance indicators and correctness of conclusions on the reasons for deviation of actual results from those planned for 2023, as well as on the Company's compliance with the requirements and recommendations for the preparation of the LTDP progress report.

In 2023, pursuant to the decision of the Board of Directors of PJSC Rosseti (Minutes No. 615 dated 17 April 2023) adopted in compliance with the directives of the Government of the Russian Federation No. 991p-P13 dated 31 January 2023, the LTDP was amended to include the target KPI values for 2023, 2024, and 2025³.

The Company plans to develop a new LTDP after the completion of the current LTDP in 2024.


¹ Approved by resolution of the Company's Management Board (Minutes No. 25/3 dated 23 May 2023).


² Approved by the Company's Board of Directors (Minutes No. 526 dated 30 December 2020).

³ Resolution of the Board of Directors dated 14 April 2023 (Minutes No. 615 dated 17 April 2023).


Achievement of PJSC Rosseti's LTDP strategic goals in 2023

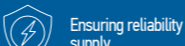
Development of the UNPG, higher customer satisfaction

How we measure results	Impact of key operational risks on the realisation of strategic goals	Contribution of 2023 results to strategy implementation
 UNPG development		
Compliance with the commissioning schedule	<ul style="list-style-type: none"> KOR-010 Risk of non-fulfilment of key parameters of the investment programme KOR-011 Risk of deviation of the target % reduction of specific investment costs from the one set for the planned period KOR-012 Risk of failure to achieve the target capacity utilisation set for the planned period KOR-014 Risk of failure to achieve the grid connection service quality established under tariff regulation 	Results of the PJSC Rosseti's Investment Programme for 2023: <ul style="list-style-type: none"> 1,594 MVA of transformer capacity and 909 km of PTLs were commissioned RUB 111.8 bln, VAT excluded, was the commissioning amount RUB 248.8 bln, VAT included, was the actual financing of the Investment Programme in 2023


How we measure results	Impact of key operational risks on the realisation of strategic goals	Contribution of 2023 results to strategy implementation
 Increased customer satisfaction		
Compliance with grid connection deadlines Achievement of a high reliability of the services provided	<ul style="list-style-type: none"> KOR-010 Risk of non-fulfilment of key parameters of the investment programme KOR-011 Risk of deviation of the target % reduction of specific investment costs from the one set for the planned period KOR-012 Risk of failure to achieve the target capacity utilisation set for the planned period KOR-013 Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation KOR-014 Risk of failure to achieve the grid connection service quality established under tariff regulation 	The integrated index of customer satisfaction with the quality of grid connection services increased by 1.7% year-on-year and reached 9.65 points (out of 10 maximum possible points). 98% of operations related to grid connection are carried out in a digital format 13.5 GW capacity of grid connection agreements satisfied 406,100 number of grid connection agreements satisfied 8.65% (-0.04 p.p. in 2023) level of electricity losses

Technological and innovative development with due regard for maintaining the achieved level of power supply reliability


How we measure results	Impact of key operational risks on the realisation of strategic goals	2023 Result / Contribution of 2023 results to strategy implementation
 Technological and innovative development		
Efficiency of innovations Compliance with the commissioning schedule	<ul style="list-style-type: none"> KOR-010 Risk of non-fulfilment of key parameters of the investment programme KOR-013 Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation 	92,700 km (+3,000 km in 2023) length of FOCLs of the transmission power grid complex 75,100 km (+2,500 km in 2023) length of FOCLs of the distribution grid complex RUB 1.13 bln (+9.1% in 2023) R&D expenditures 7 R&D developments were put into pilot operation 13 R&D developments were rolled out in subsidiaries of PJSC Rosseti

How we measure results	Impact of key operational risks on the realisation of strategic goals	2023 Result / Contribution of 2023 results to strategy implementation
 Ensuring reliability of energy supply		
non-exceedance of the target average interruption duration Readiness for operation in the heating season No increase in the number of people injured in accidents	<ul style="list-style-type: none"> KOR-013 Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation KOR-015 Risk of an accident occurred through the fault of the Company 	The system average interruption duration in the transmission grid complex was 0.0132 Id, hour/interruptions (with the target being 0.03192 Id, hour/interruptions). I _{SAIDI} (average interruption duration for the point of supply) remained flat with the previous year: 2.8 hours. I _{SAIFI} (average interruption frequency index for a point of supply) decreased from 1.5 interruptions in 2022 to 1.4 interruptions in 2023. The actual reliability indicators of the services provided in 2023 correspond to the reliability level set by the FAS of Russia. RUB 8.4 bln occupational health and safety expenses

Improving the economic efficiency of operations

How we measure results	Impact of key operational risks on the realisation of strategic goals	2023 Result / Contribution of 2023 results to strategy implementation
 Improving the economic efficiency of operations		
Growth of financial and economic indicators (revenue, profit, EBITDA) Reduction of specific operating expenses Increase in labour productivity Decrease in accounts receivable Control of the debt load level	<ul style="list-style-type: none"> KOR-001 Risk of deviation of the volume of electricity transmission services from the value set in the business plan KOR-004 Risk of deviation of loss purchase costs from the value set in the business plan KOR-005 Risk of deviation of non-influenceable costs from the value set in the business plan, except for the cost of purchasing electricity to compensate for losses KOR-006 Risk of increase in actual operating expenses from the amount set for the planned period KOR-007 Risk of deviation of the volume of overdue receivables from the volume set in the business plan KOR-008 Risk of deviation of the Debt/EBITDA indicator value from the value set in the business plan KOR-009 Risk of deviation of net profit from the value set in the business plan KOR-016 Risk of deviation of labour productivity increase indicator from the value set in the business plan 	The Rosseti Group showed stability and solid financial results as of the end of 2023. Net profit totalled RUB 161.3 bln (up 21.5% year-on-year). Revenue grew by 16.7% to RUB 1,378.7 bln. Revenue from electricity transmission grew by 13.8% to 1,153.4 bln, while revenue from grid connection more than doubled from RUB 38.2 bln to RUB 81.9 bln. EBITDA ¹ grew by 37.4% to RUB 528.2 bln.

Promotion of energy and environmental safety

How we measure results	Impact of key operational risks on the realisation of strategic goals	2023 Result / Contribution of 2023 results to strategy implementation
 Promotion of energy and environmental safety		
Achievement of the specified reliability of the services provided Compliance with the commissioning schedule Compliance with deadlines of grid connection	<ul style="list-style-type: none"> KOR-010 Risk of non-fulfilment of key parameters of the investment programme KOR-013 Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation 	156,000 t of CO ₂ -eq. greenhouse gas emissions (Scope 1) — reduction by 34% vs. 2022 RUB 0.8 bln environmental safety costs ² RUB 146.6 mln economic effect from measures taken to reduce energy/fuel consumption 23 million computer attacks prevented in the reporting year by the corporate cybersecurity centre, with no information security breaches

¹ Excluding impairment of fixed assets.

² Does not include the negative environmental impact fee, as well as the installation costs of bird diverters.

Key Performance Indicators

The Rosseti Group uses a system of goal measurement based on key performance indicators (KPIs) and functional key performance indicators (FKPIs), which ensures that management of all levels is driven to meet target KPI values that represent the accomplishment of development goals of PJSC Rosseti and its subsidiaries.

Starting from 2023, the KPI and FKPI at the Rosseti Group are aligned with Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 and Directives the Government of the Russian Federation No. 991p-P13 dated 31 January 2023. Previously, 2020 through to 2022, the key performance indicators were set as required by Order of the Government of the Russian Federation No. 1388-r dated 27 June 2019.

Key Performance Indicators (KPIs)	Indicators related to strategic documents, based on which the performance of the entire management team of the Company (head, deputy heads, chief accountant) is assessed
Functional Key Performance Indicators (FKPIs)	Individual indicators established for the Company's executives personally, taking into account the specifics of the Company's business lines they supervise

The KPI and FKPI system used by PJSC Rosseti and subsidiaries is tied to the amount of the variable part of remuneration of the Company's management personnel. Each indicator has a specific weight in the total amount of bonuses paid, and annual bonuses are paid if the corresponding indicators are met.

The mix and target values of the indicators for 2023 were approved¹ by the Board of Directors in April 2023. The procedure for calculating KPIs and FKPIs of the Rosseti's management was approved² by the Company's Board of Directors in June 2023.

In 2023, the KPI-based motivation system was also applied to the heads of structural subdivisions of the executive office, branches of main power grids (MPG), main power grid enterprises (MPGE) and the Technical Supervision Centre (TSC).

No comparison of 2023 indicators with 2022 indicators is made due to significant changes in the mix and calculation procedures of KPIs and FKPIs.

¹ Resolution of the Board of Directors of PJSC Rosseti dated 14 April 2023 (Minutes No. 615 dated 17 April 2023).

² Decision of the Board of Directors of PJSC Rosseti dated 16 June 2023 (Minutes No. 622 dated 16 June 2023) in pursuance of the Methodological Recommendations on the Formation and Application of Key Performance Indicators for joint stock companies whose shares are owned by the Russian Federation and certain non-profit organisations for the purpose of determining the amount of remuneration for their management personnel, approved by Resolution of the Government of the Russian Federation No. 3579-r dated 28 December 2020.

Indicator name / Calculation procedure	Weight in the remuneration system for 2023, % / Position of the manager responsible for the achievement of FKPIs	UoM	Target value for 2023	Achieved value for 2023 ¹
Financial and economic key performance indicators				
Return on invested capital (ROIC) Ratio of operating profit adjusted for impairment/(reversal of impairment) of fixed assets, revenue from grid connection services, and accrual/(reversal of) provision for expected credit losses to the sum of average equity and long-term loans and borrowings	10	%	4.6%	✓
Operating margin Ratio of operating profit adjusted for impairment/(reversal of impairment) of fixed assets and revenue from grid connection services to revenue, minus revenue from grid connection services	20	%	12.0%	✓
Net profit without impairment and grid connection Profit/(loss) adjusted for impairment/(reversal of impairment) of fixed assets and revenues from grid connection services (including relevant income tax)	20	RUB mln	86,700	✓
Industry-specific key performance indicators				
Level of electricity losses Ratio of electricity delivery to the grid (minus the electricity delivered from the grid and utility consumption) to the delivery to the grid (minus the internal balance flows)	15	%	8.74%	✓
Readiness for operation in the heating season Indicator that estimates the readiness of the Company to work during the heating season, based on monthly monitoring of the Ministry of Energy of Russia	20	pcs	18	✓
Compliance with the commissioning schedule Ratio of the total actual volume of commissioning of fixed assets in the reporting year derived from the progress report on the Company's investment programme (in monetary terms, on the basis of the date when the construction completion certificate is signed by the Acceptance Commission) to the planned one in accordance with the approved investment programme and implementation schedule	15	%	92.0%	✓
Functional key performance indicators				
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) Calculated as profit/(loss) before taxes, depreciation, amortisation and interest expense adjusted for impairment/(reversal of impairment) of fixed assets, and revenue from grid connection services	General Director — 50% First Deputy General Director — 50% Deputy General Director for Economics and Finance — 33.3%	RUB mln	331,199	✓
Achievement of readiness for the heating season The Company shall timely achieve readiness to work in the heating season by 5 November of the reporting year in accordance with the Rules for assessing the readiness of electric power entities to work in the heating season and monitoring the risk of malfunction of electric power entities approved by the Government of the Russian Federation Decree No. 543 dated 10 May 2017	General Director — 50% Deputy General Director — Chief Engineer — 50%	unit	18	✓
No significant accidents in power grids investigated by Russian Federal Service for Ecological, Technological and Nuclear Supervision (Rostekhnadzor) The calculation of this indicator takes into account accidents in the Company's power grids classified by the Rostekhnadzor commission in accordance with clause 4 of the Rules for Investigation of the Causes of Accidents in the Electric Power Industry (approved by Resolution of the Government of the Russian Federation No. 846 dated 28 October 2009) and occurred due to the fault of the management personnel	First Deputy General Director — 50%	+/-	No significant accidents	✓

¹ The expected level of achievement of KPIs and FKPIs is given for 2023, given the timing and procedure of reporting, which is the source of information for calculating the indicators. The final actual values are to be approved by the Board of Directors of PJSC Rosseti.

Indicator name / Calculation procedure	Weight in the remuneration system for 2023, % / Position of the manager responsible for the achievement of FKPIs	UoM	Target value for 2023	Achieved value for 2023 ¹
Efficiency of innovations Integrated index of innovation efficiency evaluates the degree of fulfilment of three constituent indicators: R&D expenditure indicator, innovative products procurement indicator, IDP development (update) quality indicator/ IDP implementation indicator	Deputy General Director — Chief Engineer — 50%	%	98%	✓
Year-on-year increase in labour productivity Ratio of value added by all types of services to the average annual number of employees Comparison with the base year 2022	Deputy General Director — Head of the Office — 50% Deputy General Director for Economics and Finance — 33.3%	%	6%	✓
Active staff turnover Ratio of the total number of the Company's employees resigned voluntarily in accordance with Clause 3 (termination of the employment agreement on the employee's part) and Clause 5 (transfer of an employee at his/her request or with his/her consent to work for another employer, or transfer to an elective job (position)) of Article 77 of the Labour Code of the Russian Federation to the average headcount in the reporting period	Deputy General Director — Head of the Office — 50%	%	6.5%	✓
Compliance with grid connection deadlines Complex index assessing the quality level of grid connection, consisting of two components — the quality of grid connection application review and the quality of execution of grid connection agreements	Deputy General Director for Investments and Capital Construction — 100%	relative unit	1.4	✓
Net attraction of loans and debentures to cover financing gaps of the investment programme Calculated as the difference between attracted and repaid borrowed funds (loans and debentures)	Deputy General Director for Economics and Finance — 33.3%	RUB mln	185,546	✓
Efficiency of transition to domestic software Defined as the share (percentage) of installed Russian (domestic) software in the total volume of installed software in the Company, which implements its own plan for transition to all-domestic software approved by the Company's Board of Directors	Deputy General Director for Digital Transformation — 100%	%	75.0%	✓
Overdue receivables for electricity transmission services The actual value of overdue receivables (excluding moratorium receivables) at the end of the reporting period did not exceed the target value	Deputy General Director for Sales of Services and Electricity Transmission — 100% Deputy General Director for Legal Support — 100%	RUB mln	48,389.0	✓
Company's credit rating from a national rating agency Determined through rating analysis by a Russian rating agency accredited by the Bank of Russia, with which the Company has an rating agreement	Deputy General Director for Strategy — 100%	rating scale	The value of the Company's credit rating on the national rating scale not lower than AAA	✓
Fulfilment of the Comprehensive Security Plan Calculated as the ratio of timely fulfilled measures of the Comprehensive Security Plan to the total number of measures of the Comprehensive Security Plan	Deputy General Director for Security — 100%	%	100%	✓
Ensuring insider information protection requirements, maintaining share listing and corporate governance rating Complex indicator assessing the level of corporate governance in the Company, consisting of three components such as ensuring the requirements for protection of insider information, maintaining the listing of shares and maintaining the corporate governance rating	Deputy General Director for Corporate Governance — 100%	+/-	fulfilled	✓
Share of agreements resulted from electronic procedures Calculated as a ratio of the number of electronic procurement procedures, which resulted in the conclusion of agreements associated with spending of funds, to the total number of procurement procedures (competitive and non-competitive), which resulted in the conclusion of such agreements	Deputy General Director for Procurement — 100%	%	54%	✓

Indicator name / Calculation procedure	Weight in the remuneration system for 2023, % / Position of the manager responsible for the achievement of FKPIs	UoM	Target value for 2023	Achieved value for 2023 ¹
Absence of a reservation and/or modified opinion of the Auditor affecting the reliability of the data of the annual accounting (financial) statements The indicator factors in the presence of unmodified or modified auditor's opinion (qualified opinion, negative opinion, refusal to express an opinion) on the reliability of the indicators of the Company's accounting (financial) statements	Chief Accountant — 100%	+/-	fulfilled	✓
Debt/EBITDA Ratio of long-term and short-term loans and borrowings to EBITDA	Deputy General Director for Economics and Finance	relative unit	included in the FKPIs since 2024	
Approval of the Rosseti Group's Development Strategy The indicator takes into account the fact that in the reporting period the Development Strategy of PJSC Rosseti and its subsidiaries until 2035 was approved by the Board of Directors of PJSC Rosseti	Deputy General Director for Strategy	%	included in the FKPIs since 2024	
Safe-keeping and integrity of the organisation's property The indicator covers the facts of theft or intentional damage to the Company's property	Deputy General Director for Security	pcs	included in the FKPIs since 2024	
Control over timely holding of annual general meeting of shareholders/owners of subsidiaries The indicator takes into account cases in which subsidiaries of PJSC Rosseti violated the deadlines for annual general meeting of shareholders/owners as established by the laws of the Russian Federation	Deputy Director General for Corporate Governance	%	included in the FKPIs since 2024	
Number of observations (errors) in the organisation's accounting record-keeping identified by the auditor and Audit Commission during audits at the end of the reporting period The indicator includes observations (errors) pertaining to accounting record-keeping and reporting, comments pertaining to compliance with the legislation of the Russian Federation on taxes and levies, as well as the materiality level established by auditing standards	Chief Accountant	pcs	included in the FKPIs since 2024	

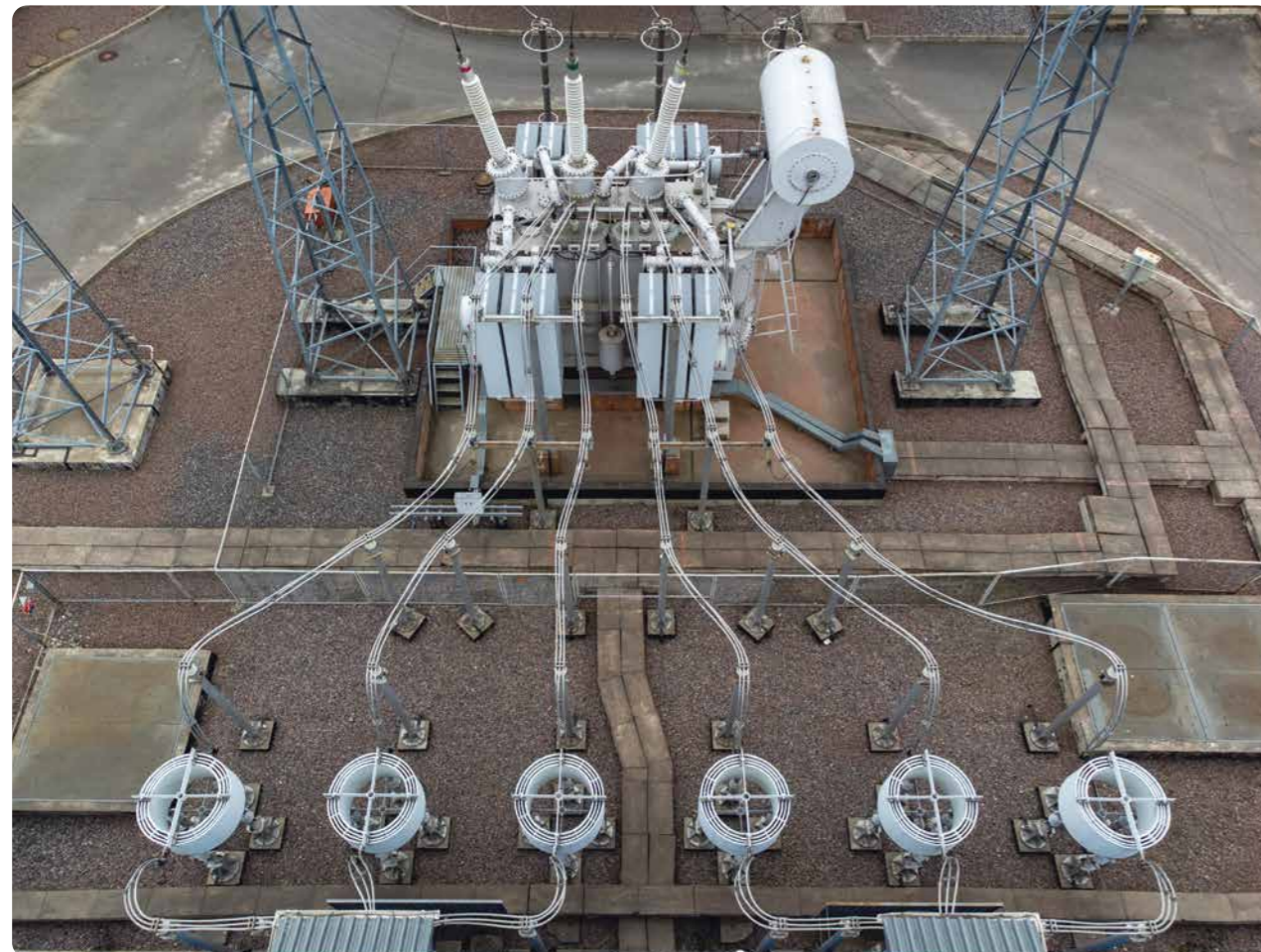
Key Risks

The operations of the Company are invariably impacted by internal and external risks that have the potential to impede the achievement of the Company's strategic goals. Regular monitoring and effective risk management allows making well-founded management decisions and ensuring stable operation of the Company.

In 2023, the Company had a register¹ of key operational risks (KOR) in place, assessed their impact on the achievement of the Company's performance targets, regularly updated the materiality level and carried out risk management measures.

The scenario-expert or expert method was used to evaluate the risks. Based on the results of the assessment, the risk materiality level was determined in accordance with the materiality levels (moderate, significant, critical) defined in the Operational Risk Assessment Methodology².

- **Risks of critical level**
Unacceptable for the Company and subject to priority management
- **Risks of significant level**
Not critical but have a significant impact on the Company's operations and are subject to management
- **Risks of moderate level**
Do not have a significant impact on the Company's activities but are subject to periodic monitoring
- **Not applicable**



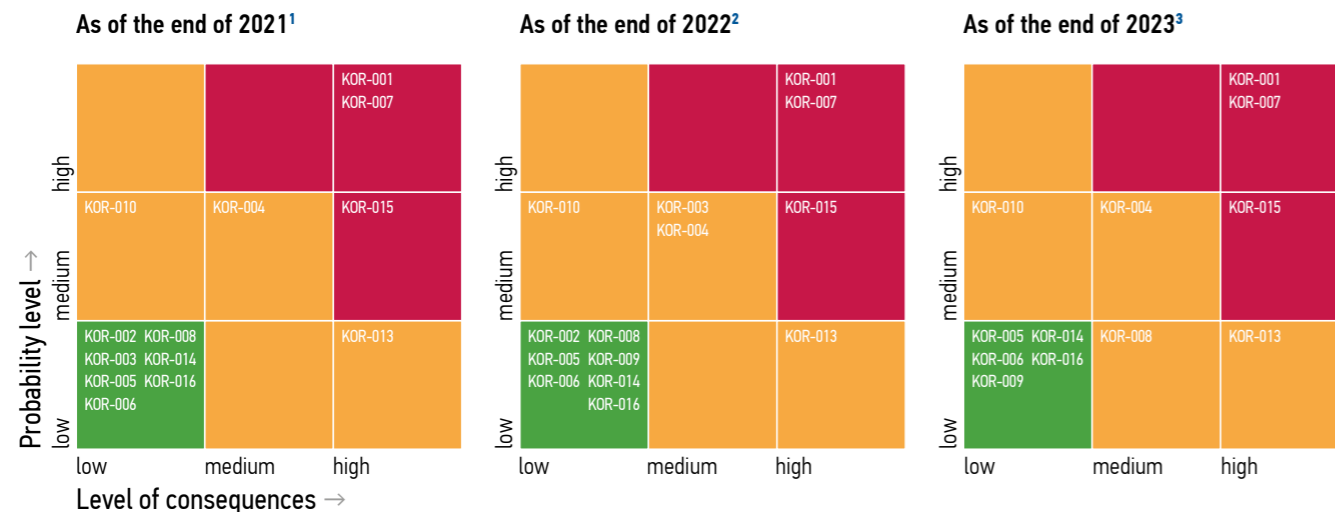
¹ Approved by the decision of the Board of Directors dated 27 January 2015 (Minutes No. 248 dated 29 January 2015).
² Approved by Order No. 86 dated 21 March 2016.

Dynamic pattern of key operational risks of PJSC Rosseti

Risk index	Risk description	Risk assessment parameters	Materiality level ¹		
			2021	2022	2023
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px;"> Improving the economic efficiency of operations </div> </div>					
KOR-001	Risk of deviation of the volume of electricity transmission services from the value set in the business plan	Revenues	●	●	●
KOR-002	Risk of deviation of the average tariff for electricity transmission services from the value set in the business plan	Revenues	●	●	○
KOR-003	Risk of deviation of the grid connection scope from the target value set in the business plan	Revenues	●	●	○
KOR-004	Risk of deviation of loss purchase costs from the value set in the business plan	Expenses	●	●	●
KOR-005	Risk of deviation of non-influenceable costs from the value set in the business plan, except for the cost of purchasing electricity to compensate for losses	Expenses	●	●	●
KOR-006	Risk of increase in actual operating expenses from the amount set for the planned period	Expenses	●	●	●
KOR-007	Risk of deviation of the volume of overdue receivables from the volume set in the business plan	Revenues	●	●	●
KOR-008	Risk of deviation of the Debt/EBITDA indicator value from the value set in the business plan	Creditworthiness and liquidity	●	●	●
KOR-009	Risk of deviation of net profit from the value set in the business plan	Net profit	○	●	●
KOR-016	Risk of deviation of labour productivity increase indicator from the value set in the business plan	Labour productivity	●	●	●
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px;"> Development UNPG </div> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px;"> Increased customer satisfaction </div> </div>					
KOR-010	Risk of non-fulfilment of key parameters of the investment programme	Key parameters of the Investment Programme	●	●	●
KOR-011	Risk of deviation of the target % reduction of specific investment costs from the one set for the planned period	"Reduction of specific investment costs" indicator	2	2	2
KOR-012	Risk of failure to achieve the target capacity utilisation set for the planned period	Revenues	3	3	3
KOR-014	Risk of failure to achieve the grid connection service quality established under tariff regulation	Indicator describing grid connection service quality	●	●	●
<div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 5px; display: flex; align-items: center;"> Ensuring reliability of energy supply </div>					
KOR-013	Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation	Indicator describing electricity transmission service reliability	●	●	●
KOR-015	Risk of an accident occurred through the fault of the Company	Occupational safety	●	●	●

¹ Integrated index that takes into account the probability and possible consequences of risk realisation.
² The Methodology for calculation and assessment of the Key Performance Indicators achieved by the Company's top managers (to be applied from 1 January 2020) was approved by the decision of the Board of Directors dated 27 December 2019 (Minutes No. 480 dated 27 December 2019). The Methodology now does not include the key performance indicator pertaining to reduction of specific investment costs.
³ KOR-012. The scenario conditions for the Company's business plan do not include the target value of the indicator on ensuring the utilisation of commissioned 35 kV and above transformers (including replacement commissioning) for the third year of operation.

Maps of key operational risks of PJSC Rosseti for 2021–2023



Impact of key operational risks on achievement of the Company's performance targets

Performance targets of PJSC Rosseti	Risk assessment parameters	Risks
Financial results and creditworthiness	Revenues	KOR-001
		KOR-002
		KOR-003
		KOR-007
		KOR-012
		KOR-014
Expenses		KOR-004
		KOR-005
		KOR-006
Creditworthiness and liquidity		KOR-008
Net profit		KOR-009
Investment activities	Main parameters of the investment programme	KOR-010
Fulfilment of strategic goals in terms of ensuring uninterrupted power transmission and quality of grid connection services	Indicator describing electricity transmission service reliability	KOR-013
	Indicator describing grid connection service quality	KOR-014
Human resources	Occupational safety	KOR-015
	Labour productivity	KOR-016

¹ Since it is anticipated that net profit will be higher than the amount specified in the business plan, KOR-009 is not applicable.
² KOR-003 increased due to the revision of the methodological approach to determine the level of materiality of risks associated with the provision of grid connection services and the use of the revenue from the provision of grid connection services as a parameter for risk assessment.
 KOR-009 increased due to possible insignificant deviation of net profit from the plan.
³ Since the average transmission service tariff is projected to have a positive weighted average deviation, KOR-002 is not applicable.
 KOR-003 is not applicable due to the expected increase in revenue from sales of grid connection services.
 KOR-008 increased due to a possible growth of the debt load, which may affect the Company's credit rating (in terms of reliability as a borrower) and cause a rise in the cost of subsequent borrowings.

Key operational risks realised in 2023

Realised risk	Indicator	Risk realisation in the reporting period (amount of actual deviation of the risk-underlying indicator from the planned (target) value)		Reasons for risk realisation
		%	abs.	
KOR-003 Risk of deviation of the grid connection scope from the target value set in the business plan	Execution of grid connection agreements	-42%	-1,934 MW	In 2023, it was planned to execute 135 agreements for a total maximum capacity of 4,571 MW. In fact, 179 agreements were executed, with the maximum capacity amounting to 2,637 MW. Decrease in the volume of connected maximum capacity by 1,934 MW is due to rescheduling of certificate signing under grid connection agreements for the following reasons: 1. Unpreparedness of applicants, including: • Grid connection of recycling CHPP-2 (PJSC NLMK, agreement No. 754/TP dated 30.11.2021, 300 MW) • Grid connection of power plant No. 1, Ivanovo CCPPs (JSC InterRAO — Electric Power Plants, 364.5 MW) • Grid connection of Roschinskaya 110 kV substation (PJSC Rosseti Lenenergo, agreement No. 233/TP-M7 dated 16 March 2011, 191 MW) 2. Absence of grid connection fees established by the FAS of Russia, including: • Grid connection of Prokat 220 kV substation, Stal 220 kV substation (LLC RNC, 358 MW) • Grid connection of Nergin 500 kV substation (LLC Amur Minerals, 250 MW) • Grid connection of Novoshakhtinskaya 220 kV substation (JSC Novoshakhtinsky Oil Products Plant, 120 MW) 3. Rescheduling of certificate signing under agreement No. 286/TP-M6 dated 18.11.2019 with JSC Vyksa Metallurgical Plant, 240 MW in accordance with Additional Agreement No. 2 dated 13.09.2023 (grid connection of GPP-10)
	Revenue from grid connection services	+ 55%	+ RUB 10,223 mln	
	Number of executed agreements, signed grid connection certificates	+ 33%	+ 44 pcs.	

For more details on the Company's KOR management, please see Appendix 1.

Risks pertaining to sustainable development

Climate risks

Climate risk management is an important aspect of PJSC Rosseti's activities that is integrated into the corporate risk management system. The Company takes a responsible approach to issues related to climate impact, studies global experience, adapts applicable international and national practices, and develops its own innovative solutions.

The Rosseti Group's production assets are situated in many regions of the Russian Federation. With such a vast geographic reach, changes in climatic conditions can affect both production operations and the financial results of the Group's companies.

The Company is constantly working to manage risks associated with climate change, including both physical and transient risks.

Physical risks are the risks associated with natural phenomena arising as a result of climate change and capable of affecting the condition and functioning of various elements of energy systems (generation, distribution and consumption of electricity).

Transition risks are the risks associated with the transition to a low-carbon economy that may impact the industry's economy.

Based on the findings of the identification and assessment process, a list of climate risks significant to PJSC Rosseti was compiled, with respective mitigation and adaptation measures devised.

Climate risks affecting the Company

Risk category	Risk	Risk impact	Risk consequences	Risk management measures
Physical risks				
Extreme weather events	Increase in wind speed and recurrence of hazardous events (gusts, squalls, tornadoes, etc.)	Exposure of grid infrastructure as a result of conditions that do not match design conditions	<ul style="list-style-type: none"> PTL accidents caused by vibration, subspan oscillation, overlapping and breaking of wires Damage to towers and steel structures 	<ul style="list-style-type: none"> Dismantling or replacement of obsolete or frail buildings and structures, and PTL towers Cutting down old and rotten trees Reinforcement of industrial buildings Determination of safe operating modes in high-wind conditions Reinforcement of linear structures and monitoring of their icing Training of emergency repair teams
	Increased frequency of occurrence of severe ice and frost deposits, accumulation of wet snow		<ul style="list-style-type: none"> Accidents on PTLs due to sagging, overlapping and breaking of wires Damage to towers and steel structures 	
	Extreme recipitation and flooding	<ul style="list-style-type: none"> Exposure to the effects of floods High water content, deformation of terrain 	<ul style="list-style-type: none"> Flooding of ground infrastructure, equipment damage Increase in occurrence of landslides, collapse of foundations of buildings and structures 	<p>Regarding floods:</p> <ul style="list-style-type: none"> Identification of (under)flooding zones and prohibition of use of such zones Engineering protection of grid facilities (dams, diversion channels, hydraulic obstacles) Bank protection structures, bank reinforcement, dredging <p>With regard to mudflows, slush flows, landslides:</p> <ul style="list-style-type: none"> Adjustment of surface water runoff through vertical planning of the territory and arrangement of surface drainage system Agroforestry, artificial alternation of slope relief Arrangement of anti-mudflow systems, confining facilities and structures Establishment of protection zones
	Increased frequency and intensity of extreme heat, including urban heat island effect	<ul style="list-style-type: none"> Exposure of grid infrastructure due to conditions not meeting design modes Exposure of personnel to weather factors 	<ul style="list-style-type: none"> Accidents on PTLs due to wire sagging; damage to transformer substations Higher level of physical intolerance to working conditions at high atmospheric temperatures, morbidity and loss of productivity among personnel 	<ul style="list-style-type: none"> Revision of regulations to improve the reliability of PTLs and transformer substations Measures to maintain design temperature profiles of industrial buildings Change of labour and rest regimes for personnel
Irreversible climatic processes	Permafrost degradation	High exposure of buildings and utility systems	Decrease in the bearing capacity of foundations of buildings and structures, including PTL towers	<ul style="list-style-type: none"> Monitoring of soil conditions in the areas where the Company's production facilities are located in the permafrost zone Monitoring of the condition of buildings' foundations and roofs Arrangement of erosion control systems to maintain the frozen state of the foundations of structures, buildings and overhead transmission lines
Transition risks				
Technological risks	Wider use of RES	Shift of the energy balance towards RES	Higher irregularity of electricity supply to the grid from new generation facilities	Decision-making pertaining to transition risks falls under the responsibility of the Company's Board of Directors and consists primarily of tailoring the strategy and adjusting the investment programme of PJSC Rosseti in accordance with external changes
	Wider use of energy-saving technologies and electric transport	Changes in electricity consumption modes due to the development of energy-saving technologies and electric transport	<ul style="list-style-type: none"> Change in electric power demand Necessity to redistribute electric power and power facilities of the Company 	
Market risks	Emergence of new low-carbon production capacity	Emergence of new major centres of electricity consumption, including for low carbon footprint products	<ul style="list-style-type: none"> Change in electric power demand Necessity to redistribute electric power and power facilities of the Company 	
Regulatory risks	Regulatory incentives to reduce greenhouse gas emissions	Introduction of financial regulatory mechanisms aimed at reducing greenhouse gas emissions	Increase in expenditures on reduction of greenhouse gas emissions	

Evaluation of potential for implementing the climate agenda

Climate change and increased focus on the sustainable development agenda open up the following potential opportunities for the Company:

- Business expansion when it is necessary to connect and adapt the operation of the power grid complex to RES-based generation
- Diversification of business, competitive growth in the field of energy storage and accumulation technologies
- Increase in investment appeal of the Company's securities due to its ESG and climate action efforts

For more details on how the Company manages climate change issues, please see p. 120.

For more details on the goals of the Power Grid Sector Environmental Policy and the Environmental Management System, please see The Report on Social Responsibility and Corporate Sustainability of the Rosseti Group for 2023.

Cybersecurity risks

According to the Energy Security Doctrine¹ of the Russian Federation, the main information security threats to the power grid sector are as follows:

- Abuse of information and telecommunications technologies, including computer attacks on critical information infrastructure facilities and communication networks used to organise their interaction
- Unlawful access to the processed control and measuring information, destruction of such information, its modification, blocking, copying, as well as other unlawful actions with respect to such information

The following priority principles are employed by the Company's information security system to counteract the above threats:

- Automating the processes of detecting and preventing computer attacks on the information infrastructure of the power grid complex of the Rosseti Group using machine learning and heuristic analysis algorithms
- Ensuring continuous operation of information protection equipment
- Running regular instrumental assessment of the efficiency of the security system of critical information infrastructure facilities
- Ensuring the fastest possible recovery (self-recovery) of critical information infrastructure facilities

- Interacting with the state system for detecting, preventing and eliminating the consequences of computer attacks on information resources of the Russian Federation
- Conducting internal control over the security of critical information infrastructure facilities through scheduled or unscheduled inspections
- Staffing the security units of the power grid facilities with specialists in protection of information systems, automated control systems, information and telecommunication networks
- Raising the level of knowledge of employees on information security issues, (re)training of engineers, technicians, administrators and operators on information security issues

In 2023, the Company's corporate cybersecurity centre prevented over 23 million computer attacks, with no significant information security breaches.

Information on risks related to proper tax compliance

The Company adheres to a transparent tax policy and discloses information on tax payments. The Company put the relevant internal documents in place in order to determine the procedure for tax accounting and to provide reliable information to internal and external users with the aim to control the correctness, completeness and timeliness of calculation and payment of taxes to the budget and compliance with tax legislation.

PJSC Rosseti switched to a tax monitoring regime starting from 2020 to ensure its information openness and transparency, enable requests for a reasoned opinion from the tax authority in case of doubt or ambiguity on taxation issues, and reduce the maintenance cost of tax control measures.

The Company defined and assigned responsibility for appropriate internal tax control, appointed business process owners, as well as owners and executors of control procedures.

The measures taken allow maintaining a high level of efficiency of the Internal Control System.

¹ Approved by Decree of the President of the Russian Federation No. 216 dated 13 May 2019.

Risks associated with the actions of unfriendly countries

Risk description	Risk mitigation measures
Country and regional risks	
Risks related to the political and economic situation	
<p>The Russian power industry is under pressure from a number of factors arising due to sanctions imposed by unfriendly countries on certain sectors of the Russian Federation. Such factors include:</p> <ul style="list-style-type: none"> Inflation rate (increase in the cost of borrowings, equipment and technologies for construction of facilities) Possible deterioration in the repayment discipline of consumers Restriction of access to certain information technologies Risk of cessation of supplies of foreign-made electrical equipment <p>These circumstances may lead to a reduction in the Company's revenues from electricity transmission services and grid connection of generating sources, as well as to an increase in capital expenditures while reducing the Company's investment opportunities.</p>	<p>According to the Company's assessment, the impact of these factors on its operations will be limited due to the specific nature of the Company's business and its resilience to the external environment.</p> <p>The Company keeps up its efforts to guarantee consumers in Russia have access to a dependable, high-quality and affordable power supply as well as grid connection. At the same time, actions are taken to optimise operating and investment expenses, and pursue a balanced liquidity management policy.</p> <p>The Company pursues a corporate plan for import substitution and intensified measures to ensure information security and protection of power grid infrastructure facilities.</p>
Risks related to possible military conflicts	
<p>The Company manages the unified national power grid, ensures reliable power supply to consumers and has a distributed network of structural subdivisions with production assets located throughout most of Russia.</p> <p>There is still a high risk of sabotage and terrorist acts in certain regions of the country.</p> <p>The territories of the Republic of Crimea, the Krasnodar Territory, as well as the Belgorod, Bryansk, Voronezh, Kursk and Rostov Regions are under medium level of response, which implies increased security and a special operating regime for power grid facilities.</p>	<p>The Company pursues its anti-terrorist policy in accordance with the requirements of the relevant regulatory legal acts¹.</p> <p>Steps were made to strengthen the facility's defences against terrorism and sabotage, while also improving overall security, given the operational environment. New models of threats to power grid facilities are taken into account with measures developed to minimise negative consequences from their materialisation, which allows the Company's facilities to remain adequately protected from acts of unlawful interference.</p>
Strategic risks	
<p>The fuel and energy complex, as well as the global economy, are evolving quickly, in part due to geopolitical pressure.</p> <p>Forecasts for the development of the national economy and its individual sectors are undergoing revision. The Minenergo of Russia is working on updating the Energy Strategy of Russia until 2050.</p>	<p>Due to the current aggravation of the political and economic situation associated with the growing sanctions pressure on the Russian Federation, the Company is taking measures to assess the impact of the current conditions on its operations and to limit their negative impact.</p> <p>If necessary, the Company's strategic plans may be adjusted accordingly.</p>
Industry risks and risks related to the Company's operations	
Risks related to possible changes in prices for the main types of raw materials and services used by the Company, their impact on the Company's operations and fulfilment of obligations on securities	
<p>Changes in the geopolitical situation led to disruption of logistics chains and the need to replace imported software and power grid equipment. Increase in prices for equipment, raw materials and supplies led to an increase in operating and investment expenses.</p>	<p>To minimise risks, the Company:</p> <ul style="list-style-type: none"> Creates a competitive environment in procurement, optimises costs Implements the Corporate Import Substitution Plan Revises priorities and timing of the Investment Programme Optimises the debt portfolio Hedges risks

¹ Federal Law No. 256-FZ dated 21 July 2011 "On the Safety of Fuel and Energy Complex Facilities", Russian Government Resolution No. 993 dated 19 September 2015 "On Approval of Requirements for Ensuring the Safety of Linear Facilities of the Fuel and Energy Complex".

Risk description	Risk mitigation measures
Risks related to payments for electricity transmission charges	
<p>Economic and financial sanctions imposed by foreign countries may affect the level of payments for electricity transmission services provided by service consumers with unstable financial position or high share of products sold in foreign sales markets.</p> <p>Despite this, the level of cash collection for electricity transmission services at the end of 2023 across the Rosseti Group was 100.9% (a 2.1 p.p. increase compared to 2022).</p>	<p>To minimise the risk of non-payment, the Rosseti Group put the regulations on work with receivables¹ in place, and makes sure that the S&As implement the measures stipulated by the regulations: on a quarterly basis, the Boards of Directors of S&As approve action plans to reduce overdue debt and review progress reports.</p> <p>The Company's representatives are actively involved in the collegial working bodies of NPP Market Council Association, which considers, among other things, issues related to the calculation of and changes in arrears for electricity transmission services.</p>
Grid connection risks	
<p>The restrictive measures (sanctions) imposed against the Russian Federation increase the probability of untimely fulfilment of contractual obligations under grid connection agreements, first of all, on the part of service consumers with unstable financial position.</p>	<p>The Company strives to increase the efficiency of grid connection and transformer capacity utilisation. These efforts include measures aimed at initiating changes in the legislation of the Russian Federation, as well as organisational measures. Organisational measures contribute to increasing the efficiency of the Company's rendering the grid connection services, even with the less number of tariff sources of financing.</p>
Financial risks	
Currency risks	
<p>Currency risks are mainly presented by expenses under the electricity transit contract denominated in Kazakhstani tenge (KZT) (though the share in the structure of total annual operating expenses of the Company is minimal).</p> <p>Changes in exchange rates indirectly affect the cost of imported high-tech equipment.</p> <p>At the same time, the Group's debt portfolio is fully denominated in roubles, which excludes a significant impact of currency risks on the Group's financial position.</p>	<p>To manage currency risk, the Company's Board of Directors sets a limit on transactions that may give rise to foreign currency denominated liabilities (the current limit is 2.5% of annual revenue).</p> <p>At the end of the reporting period, there were no trends or events that could have a material adverse effect on the operations of the Group's companies as a result of changes in the exchange rate.</p>
Legal risks	
Risks of changes in currency regulation	
<p>The introduction of restrictive measures against the Russian Federation may cause blocking of foreign currency funds held in the Company's accounts, as well as restrict foreign currency transfers from unfriendly countries to non-resident counterparties.</p>	<p>The volume of the Company's liabilities denominated in foreign currency is insignificant, and payments are made mainly in the currency of the Russian Federation, so the impact of the risks related to changes in currency regulation on the Company is not material.</p>
Risks related to changes in customs control regulations and customs duties	
Domestic market	
<p>The Investment Programme of the Company involves acquisition of foreign-made equipment. Since the equipment is purchased by contractors, most of these risks, should they occur, affect the cost of construction of the Company's facilities.</p>	<p>Given that the majority of the products in the equipment nomenclature have comparable domestic alternatives available, the risk of changes to customs laws can be deemed negligible.</p>
External market	
<p>Due to the current sanctions imposed on the Russian Federation by a number of countries, there is still a possibility that foreign manufacturers may stop supplying electrical products or their components, which may lead to a risk of failure to deliver to the Company's facilities electrical equipment and/or components required for the implementation of the investment programme and maintenance and repair programme (M&R).</p>	<p>In accordance with the Corporate Import Substitution Plan, the Company is working to reduce the use of imported products in its core business and boost the localisation of production of electrical products, as well as to reduce dependence on the most critical types of imported components.</p>

¹ The regulations on work with receivables for electricity transmission services at the Rosseti Group and the regulations on work with receivables for electricity supplied at the Rosseti Group.

Operating Results

Analysis of operating results

The Rosseti Group's core business involves the provision of electricity transmission and distribution services, as well as grid connection services

Power transmission

Indicator	2021	2022	2023 plan	2023 actual	Change 2023/2022	2024 plan
Electricity delivery to the grid ¹ , mln kWh	866,031	864,856	860,144	874,808	1.15%	883,119
Electricity delivery from the grid, mln kWh	791,533	789,743	784,967	799,120	1.19%	807,512
Electricity losses in the grid, mln kWh	74,498	75,113	75,177	75,689	0.77%	75,607
Level of electric power losses, %	8.60	8.69	8.74	8.65	-0.04 p.p.	8.56

Indicators of energy transmission services

Subsidiary	Volume of electricity supply to the grid, mln kWh					Volume of electricity delivery from the grid to consumers, mln kWh					Level of electric power losses, %				
	2021	2022	2023 plan	2023 actual	2024 plan	2021	2022	2023 plan	2023 actual	2024 plan	2021	2022	2023 plan	2023 actual	2024 plan
PJSC Rosseti Centre	60,161	60,082	59,073	59,721	59,334	54,120	53,804	52,778	53,474	53,032	10.04	10.45	10.66	10.46	10.62
PJSC Rosseti Centre and Volga Region	53,797	53,884	53,196	54,469	54,006	49,863	50,007	49,266	50,481	50,018	7.31	7.19	7.39	7.32	7.38
PJSC Rosseti Volga	52,785	52,089	51,827	52,417	52,687	49,719	49,067	48,715	49,524	49,640	5.81	5.80	6.00	5.52	5.78
PJSC Rosseti North-West	33,673	33,399	33,518	33,341	33,354	31,555	31,431	31,495	31,399	31,320	6.29	5.89	6.03	5.83	6.10
PJSC Rosseti Siberia	60,926	61,035	60,222	62,136	61,849	56,349	56,383	55,524	57,329	57,001	7.51	7.62	7.80	7.74	7.84
JSC RES	-	-	-	-	14,774	-	-	-	-	13,284	-	-	-	-	10.08
PJSC Rosseti Tomsk	4,999	5,223	5,171	5,138	5,007	4,525	4,755	4,707	4,679	4,556	9.48	8.96	8.97	8.93	9.01
PJSC Rosseti Lenenergo	71,143	72,958	72,757	73,683	71,416	66,388	68,235	67,998	68,971	66,836	6.68	6.47	6.54	6.40	6.41
PJSC Rosseti South	28,922	28,747	28,891	29,197	29,434	26,092	25,983	26,117	26,450	26,612	9.78	9.61	9.60	9.41	9.59
PJSC Rosseti Northern Caucasus	20,299	21,398	21,882	21,958	22,597	15,356	15,978	16,730	16,006	17,006	24.35	25.33	23.54	27.11	24.74
JSC Chechenenergo	3,155	3,207	3,311	3,330	3,448	2,019	2,165	2,296	2,156	2,304	35.99	32.49	30.65	35.26	33.18
PJSC Rosseti Kuban	25,222	26,062	26,300	26,860	27,162	22,720	23,583	23,702	24,312	24,485	9.92	9.51	9.88	9.49	9.86
PJSC Rosseti Moscow Region	97,649	98,771	99,406	99,736	98,966	89,988	91,131	91,819	92,169	91,421	7.85	7.73	7.63	7.59	7.62
PJSC Rosseti Lenenergo	42,163	41,680	36,578	37,351	37,200	38,022	37,495	32,457	33,143	33,007	9.82	10.04	11.27	11.27	11.27
JSC Rosseti Tyumen	53,667	56,194	55,831	55,029	55,038	52,204	54,712	54,338	53,561	53,613	2.73	2.64	2.67	2.67	2.59
JSC Rosseti Yantar	4,403	4,397	4,423	4,454	4,470	3,982	3,986	4,011	4,040	4,054	9.56	9.35	9.31	9.31	9.32
Total for the distribution grid complex	612,962	619,126	612,385	618,820	630,740	562,902	568,715	561,951	567,693	578,187	8.17	8.14	8.24	8.26	8.33
Transmission grid complex	597,974	594,080	596,470	605,333	609,306	573,536	569,378	571,727	580,771	586,252	4.26	4.34	4.33	4.23	3.93
Total for the Rosseti Group of companies	866,031	864,856	860,144	874,808	883,119	791,533	789,743	784,967	799,120	807,512	8.60	8.69	8.74	8.65	8.56

¹ Indicators given include mathematical rounding of values to integers.

In 2023, the volume of electricity supplied to the grid by the Rosseti Group increased by 1.15% compared to 2022, totalling 874.8 billion kWh. The main reason behind the growth is an increase in electricity consumption by consumers.

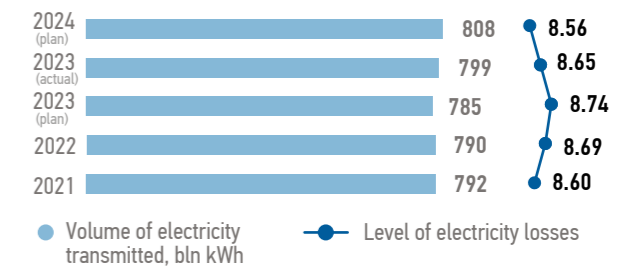
The volume of electricity transmitted in 2023 increased by 1.19% compared to 2022, amounting to 799.1 billion kWh. The main reason behind the growth is an increase in electricity consumption by consumers. In 2024, electricity transmission is projected to increase on account of the projects implemented by the Rosseti Group to consolidate power grid assets.

The relative level of electricity losses in 2023 was 8.65% of electricity delivery to the grid, which is 0.09 p.p. below the planned level and 0.04 p.p. below the 2022 level. At the same time, losses exceeded the previous year's figure by 576 million kWh, which is associated with the consolidation of power grid assets implemented by the Rosseti Group.

Electricity supply to the grid, mln kWh



Indicators of energy transmission services, %



Reducing electricity losses is a top priority for the Rosseti Group. Every power grid company of the Rosseti Group takes steps to lower losses.

The key areas of loss reduction measures are as follows:

- Preventing off-the-meter electricity consumption
- Improving the efficiency of grids and power facilities by renovating and reconfiguring grids, as well as reducing power consumption for own needs

To prevent off-the-meter consumption, the Rosseti Group's companies have been installing modern electricity consumption metering devices in recent years.



— Rosseti is working hard to create an intelligent electricity metering system. How many smart meters have already been installed? What impact do these efforts have on customers and the grid sector?

— The Rosseti Group is in charge of more than 20 million points of fiscal and technical electricity metering. About a third of them (6.8 million points) are equipped with modern metering devices. In 2023 alone, about 1.3 million devices were installed and verified, including almost 1.2 million metering points equipped with smart meters.

The expansion of the smart metering system is aligned with the adopted amendments to the Federal law “On Electricity”, according to which, since 1 July 2020, consumers do not have to buy meters and pay for their installation. This is now covered by energy companies — guaranteeing suppliers and grid operators. From 1 January 2022, the metering system is based on smart meters only. The equipment meets the requirements of the Rules for Providing Access to the Minimum Set of Functions of Electric Power (Capacity) Smart Metering Systems approved¹ by the Russian Government.

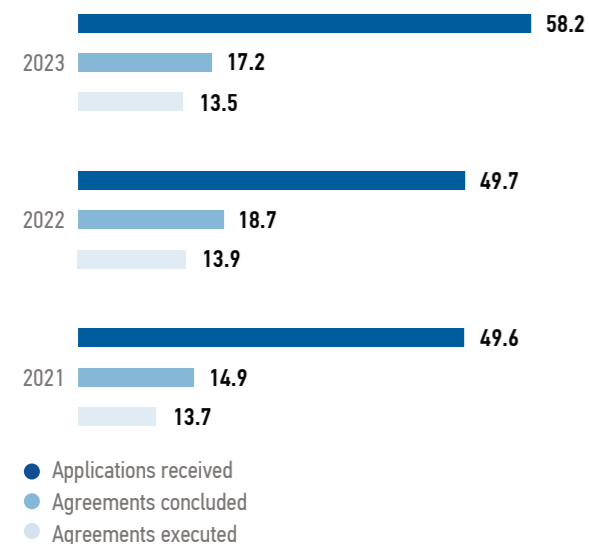
‘Smart’ metering allows us to reduce electricity losses and operating costs, as well as to improve payment discipline, while giving our customers accurate information about their electricity consumption and, consequently, an instrument to manage it.

Elena Andreeva,
Deputy General Director for Sales of Services and Electricity Transmission

Grid Connection

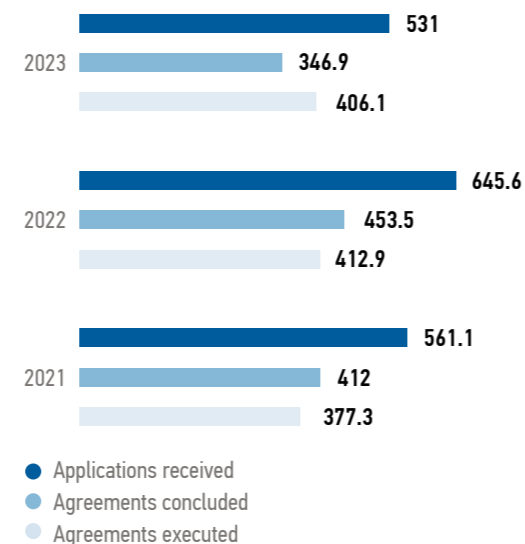
In general, the Rosseti Group shows a slight year-on-year decrease in the main grid connection indicators for 2023, which is explained by a lower demand driven down

Capacity of received applications, concluded and executed grid connection agreements, GW



as the amendments to the laws of the Russian Federation came into force on 1 July 2022, regarding the amount of payment for grid connections for applicants of the up to 150 kW category.

Number of accepted applications, concluded and executed grid connection agreements, thsd



Structure of executed grid connection agreements in 2023

Indicator	Number of executed agreements	Executed agreements, kW
up to 15 kW inclusive, total	368,693	4,237,634
including individuals, up to 15 kW inclusive	332,864	3,939,613
over 15 and up to 150 kW inclusive	32,363	2,179,387
over 150 kW and less than 670 kW	3,428	1,017,660
not less than 670 kW	1,538	5,431,762
power generation facilities	120	612,002
Total	406,142	13,478,445

Main indicators of grid connection in 2023 and plan for 2024

Indicators	applications received	applications received	agreements concluded	agreements concluded	agreements executed	agreements executed	agreements executed	agreements executed
	number	kW	number	kW	number	kW	number	kW
	2023				Plan 2024			
PJSC Rosseti Centre	54,927	3,916,421	38,470	972,306	50,745	1,103,740	31,253	758,365
PJSC Rosseti Lenenergo	41,652	2,849,605	26,410	1,010,294	33,959	1,128,221	23,272	972,586
PJSC Rosseti Moscow Region	85,287	9,142,792	58,144	3,090,326	77,259	2,241,474	56,527	2,743,741
PJSC Rosseti Volga	28,205	2,287,254	16,253	622,391	16,877	513,203	13,135	449,801
JSC Rosseti Yantar	10,223	471,988	5,348	184,419	5,483	138,089	4,576	142,038
PJSC Rosseti South	22,035	1,770,906	13,698	605,354	14,904	457,865	13,747	449,281
PJSC Rosseti Kuban	45,776	2,072,396	32,233	853,861	34,992	838,626	28,202	661,724
PJSC Rosseti Northern Caucasus	21,187	1,744,427	15,096	936,225	13,518	427,172	10,794	406,462
JSC Rosseti Tyumen	12,444	1,156,956	6,747	355,839	6,316	240,343	5,761	411,172
PJSC Rosseti Siberia	43,338	4,214,434	28,505	1,341,291	21,160	536,661	22,004	1,110,651
PJSC Rosseti Tomsk	2,131	69,431	1,617	53,565	1,635	43,711	1,492	31,847
PJSC Rosseti North-West	25,950	1,881,320	17,389	680,091	19,536	470,063	7,635	410,132
PJSC Rosseti Lenenergo	48,248	3,862,322	27,516	939,553	31,269	740,711	19,630	887,554
PJSC Rosseti Centre and Volga Region	63,671	3,434,084	43,210	1,004,450	61,494	1,294,476	40,488	895,580
Other	25,596	3,465,607	16,018	913,074	16,816	666,572	15,070	698,493
Distribution complex	530,670	42,339,943	346,654	13,563,038	405,963	10,840,924	293,586	11,029,428
Transmission complex (PJSC Rosseti)	379	15,874,669	214	3,635,754	179	2,637,148	153	4,946,275
Total for the Rosseti Group of companies	531,049	58,214,612	346,868	17,198,792	406,142	13,478,072	293,739	15,975,704

¹ Resolution of the Government of the Russian Federation No. 890 dated 19 June 2020.

Improving the quality of grid connection services

Effective and successful customer relations are a priority for the Rosseti Group's companies. To this end, the Company applied a customer-centric approach to its business processes, supported by the Uniform Quality Standards for Customer Service of the Rosseti Group's companies¹ approved the Management Board of PJSC Rosseti.

For the convenience of consumers, the Group has the following channels of interaction:

- Face-to-face service offices
- Power engineers' hotline called Bright Line 220 with federal number 8-800-220-0-220
- Digital services of PJSC Rosseti's power grid portal (grid connection (GC) portal)
- Mobile application Rosseti — My Account
- Light Country portal

Based on customer needs and high demand for digital technologies, the Group transforms processes and introduces digital services, e.g., more than 50 services and facilities for consumers, grid operators and sales organisations were digitised on the GC Portal. In 2023, electronic services were upgraded and the functionality of the GC Portal was expanded as it comes to grid connections and additional services, as well as smart metering services.

To improve the accessibility of energy infrastructure and ensure uniform standards of electronic interaction, the Unified Portal of State and Municipal Services (Functions) offers the service on Rosseti grid connection of power receivers, which covers all regions where the Rosseti Group operates. PJSC Rosseti helped to connect third-party LGOs to the Unified Portal via the GC Portal. As of the end of 2023, the Rosseti Group received 448,000 grid connection applications through the digital services of the GC and the Unified Portal of State and Municipal Services (Functions).

Submit a grid connection application on the website portal-tp.rf



Main values and principles of the Uniform Customer Service Quality Standards



Availability of infrastructure, services and facilities

- Non-discriminatory access to energy infrastructure in accordance with the laws of the Russian Federation
- Accessibility of services and facilities for all consumers, taking into account their specific characteristics, and elimination of barriers
- Focus on the needs of consumers in building customer services and facilities



Quality of services and facilities

- Achievement of the established indicators of reliability and quality of services
- Improvement of the quality of services and facilities
- Proactive service delivery based on feedback and analytics
- Integration of digital technologies and digitalisation of services and facilities



Openness and transparency

- Regular feedback from consumers
- Open dialogue with all categories of consumers, consideration of feedback and consumer needs
- Transparency of business processes and objective consideration of consumer complaints

Level of customer satisfaction with grid connection services, points (out of 10 possible)



Investment activities

Rosseti Group's Investment Programme for 2024–2028 approved in 2023:

- Financing of the Investment Programme — RUB 1,239.8 bln, VAT included
- Commissioning of fixed assets — RUB 1,236.9 bln, VAT excluded
- Commissioning of transformer capacity — 31.5 GVA
- Commissioning of power transmission lines — 78,900 km

The Rosseti Group has an extensive investment programme.

The goals of the Rosseti Group's investment programme are as follows:

- To develop main and interregional power grids as part of the electric power complex of the Russian Federation
- To ensure reliable and uninterrupted transmission of electric power to consumers
- To ensure functioning of the wholesale market
- To facilitate joint operation of the Russian electric power system and electric power systems of foreign countries
- To ensure the economically sustainable and profitable operation of the Rosseti Group
- To improve the quality and reliability of electricity supply for end consumers
- To maintain tariff-based sources of investment in grid renewal and expansion



- To grow the Company, while creating of added value both in the electric power industry and in new markets
- To bolster interaction with consumers, the Rosseti Group and investors

Main areas of the investment programme

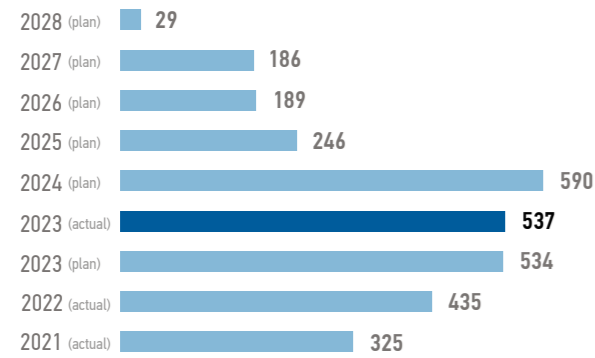
Renewal of equipment required for sufficient, reliable and uninterrupted power supply to consumers	Introduction of new capacities if necessary to cover load deficits or create a capacity margin
Reduction of production costs, in part by improving equipment efficiency, using more cost-effective technical solutions and reducing losses	Higher safety of equipment operation, including environmental safety
Upgrade and renewal of fixed assets	Provision for grid connections
Consolidation of power grid assets	

Rosseti Group's investment programme is reviewed annually to align it with industry development plans and customer needs.

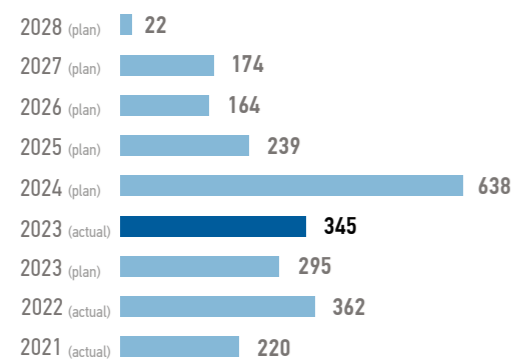
The investment programme is financed primarily from the Rosseti Group's own funds. The share of borrowed funds in the investment programme budgeting is 14%.

¹ Minutes of the Management Board of PJSC Rosseti No. 25 dated 23 May 2023.

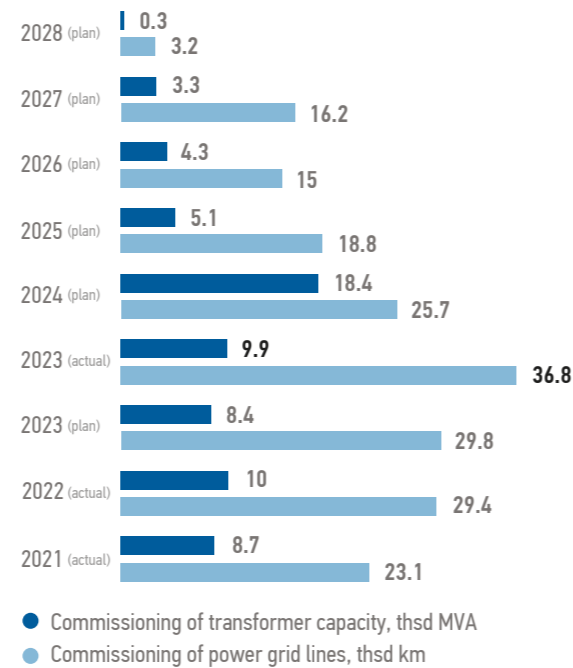
Budgeting of the Rosseti Group's investment programme, RUB bln (VAT included)



Commissioning by Rosseti Group, RUB bln (VAT excluded)



Rosseti Group's commissioning volumes



The indicators are on the downward trend, which is explained by the absence of approved long-term investment programmes for some subsidiaries of the Rosseti Group, including PJSC Rosseti, in the period from 2026 to 2028.



Rosseti Group's consolidated investment programme for 2024–2028 (approved in 2023)

Financing, RUB mln (VAT included)						
Indicator	2024	2025	2026	2027	2028	2024–2028
Distribution complex ¹	264,418	244,700	188,153	185,887	28,643	911,800
Transmission complex	325,907	1,032	1,030	0	0	327,969
Total for the Rosseti Group	590,325	245,732	189,183	185,887	28,643	1,239,769
Commissioning of fixed assets, RUB mln (VAT excluded)						
Distribution complex ¹	299,013	238,058	163,371	173,666	22,086	896,194
Transmission complex	338,976	696	1,018	0	0	340,690
Total for the Rosseti Group	637,988	238,754	164,389	173,666	22,086	1,236,884
Commissioning of PTLs as fixed assets, km						
Distribution complex ¹	23,753	18,754	15,046	16,196	3,203	76,951
Transmission complex	1,983	0	0	0	0	1,983
Total for the Rosseti Group	25,736	18,754	15,046	16,196	3,203	78,934
Commissioning of transformer capacity as fixed assets, MVA						
Distribution complex ¹	7,143	5,145	4,327	3,296	276	20,187
Transmission complex	11,263	0	0	0	0	11,263
Total for the Rosseti Group	18,406	5,145	4,327	3,296	276	31,450



Along with this, every year we see an increasing imbalance between target and system financing. Tariff sources along are not enough to fulfil of all existing tasks, and therefore the investment mechanisms need to be revised.

Though there are federal budget funds allocated, which are planned for reliability improvement programmes, however, electrification of the Eastern Range and debottlenecking are system projects that are implemented upon targeted business requests. For these projects, we suggest financing mechanisms that are similar to capacity delivery agreements (CDA) in the generation sector. Another option is to use funds from the positive unbalance of the Nodal Price Difference Fund (NPDF).

— Will there be any changes to project financing given the tasks currently facing the united Company?

— Grid infrastructure is one of the basic systems that influence the national energy security and lay the groundwork for social and economic growth. The Rosseti Group is now dealing with ambitious tasks associated with the electrification of the Eastern Railway Range and higher reliability of power supply to consumers, including in the North Caucasus, as well as other fundamental issues.

Alexey Molsky,
Deputy General Director for Investments and Capital Construction

¹ Including interdependent companies.

Implementation of Rosseti Group's investment programme in 2023

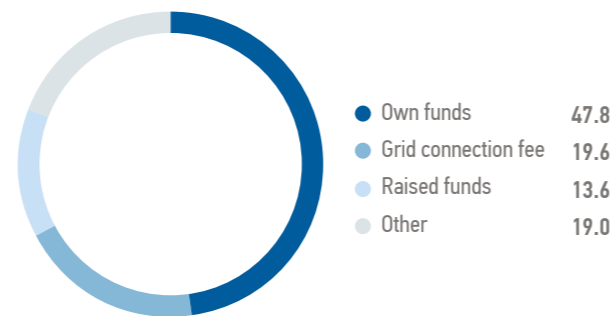
In 2023, the Rosseti Group implemented a record-setting investment programme, covering the power supply to new transport, industrial and social facilities, and residential complexes, including those built under national projects in accordance with the Decree of the President of the Russian Federation, Vladimir Putin¹.

536.9 RUB BLN

total financing of the Rosseti Group's investment programme in 2023

In the reporting year, the Rosseti Group managed to meet the investment programme targets, while maintaining the planned level of financing. Commissioning of fixed assets in value terms exceeded the target by 17%, commissioning of transformer capacity — by 18%, and commissioning of PTLs — by 24%.

Sources of financing for the investment programme in 2023, %



Key performance parameters of the Rosseti Group's consolidated investment programme in 2023

S&A/SoS	Financing, RUB mln, VAT included	Commissioning, RUB mln, VAT excluded	Commissioning, km	Commissioning, MVA
Distribution complex				
PJSC Rosseti Siberia	13,518	8,811	1,802	336
PJSC TDC	954	587	111	24
JSC Rosseti Tyumen	16,182	8,477	311	144
PJSC Rosseti Ural	20,239	14,446	7,605	1,652
PJSC Rosseti Volga	9,862	8,968	1,448	127
PJSC Rosseti South	5,417	3,523	681	115
PJSC Rosseti Kuban	18,235	11,960	1,052	606
PJSC Rosseti Northen Caucasus	4,502	3,246	288	67
JSC Chechenenergo	3,975	758	324	14
PJSC Rosseti Centre and Volga Region	31,484	24,919	7,515	1,122
PJSC Rosseti North-West	8,841	7,678	1,830	223
PJSC Rosseti Lenenergo	46,823	36,946	2,467	907
JSC Rosseti Yantar	4,116	3,665	375	67
PJSC Rosseti Centre	20,666	18,443	3,366	451
PJSC Rosseti Moscow Region	71,664	72,715	5,480	1,737
PJSC Rosseti Siberia Tyvaenergo	527	440	187	28
JSC RES	5,554	4,292	490	390
JSC EESK (Ekaterinburg Power Grid Company)	3,090	1,925	352	206
JSC TGES	553	446	53	14
JSC VMES	374	385	128	21
Total for the distribution complex	286,577	232,631	35,865	8,251
Transmission complex				
PJSC Rosseti	248,808	111,787	909	1,594
JSC Electromagistral	1,512	806	0.7	63
Total for the transmission complex	250,320	112,593	909	1,657
Total for the Rosseti Group	536,897	345,224	36,774	9,908

¹ Presidential Decree No. 204 dated 7 May 2018 "On National Goals and Strategic Objectives for the Development of the Russian Federation until 2024".

Key investment projects in 2023



1 BAM and Trans-Siberian Railway facilities:

- Nizhneangarskaya – Ust-Kut 500 kV OTL with Nizhneangarskaya 500 kV substation
- Zilovo – Kholbon 220 kV OTL, Zilovo – Mogocho 220 kV OTL
- Ust-Ilimskaya HPP – Ust-Kut No. 3 500 kV OTL
- Komsomolskaya – Start No. 1 220 kV OTL

1,002 MVA 1,171 km

2 Retrofitting of Dmitrov 220 kV substation and Raduga 220 kV OTL

- Yartsevo (grid connection of JSC Special Economic Zone of Technology and Innovation Dubna)

18.6 km

3 Comprehensive renovation of Zavod Ilyich 330 kV substation

376 MVA

4 Renovation of 110 kV power supply centres in the Sochi energy district

- Renovation of Pasechnaya 110 kV substation
- Renovation of Adler 110 kV substation
- Renovation of Kudepsta 110 kV substation

210 MVA

5 Renovation of Raduga 500 kV substation (grid connection of JSC Vyksa Metallurgical Plant)

250 MVA

6 Grid connection of oil and gas facilities in Khanty-Mansi Autonomous District — Yugra

- Renovation of Tavricheskaya – KNS-5 110 kV OTL
- Sorovskaya 2 110/35/6 kV substation with 110 kV OTL

80 MVA 31 km

7 Grid connection of industrial facilities of the Siberian Federal District

- Ust-Kut – Kovykta 220 kV OTL
- Renovation of NPS-7 – NPS-9 220 kV OTL
- Ozernaya 220 kV substation and Chita – Ozernaya 220 kV OTL
- Renovation of Taiga 220 kV substation – Razdolinskaya 220 kV substation, Priangarskaya – Razdolinskaya 220 kV OTL

876 MVA 761 km

8 Grid connection of industrial facilities of the Far Eastern Federal District

- Nyuya 220 kV substation and Nyuya – Chayanda 220 kV OTL
- Khimkombinat 500 kV substation with renovation of Zeyskaya HPP – Amurskaya 500 kV OTL
- Nergen 500 kV substation

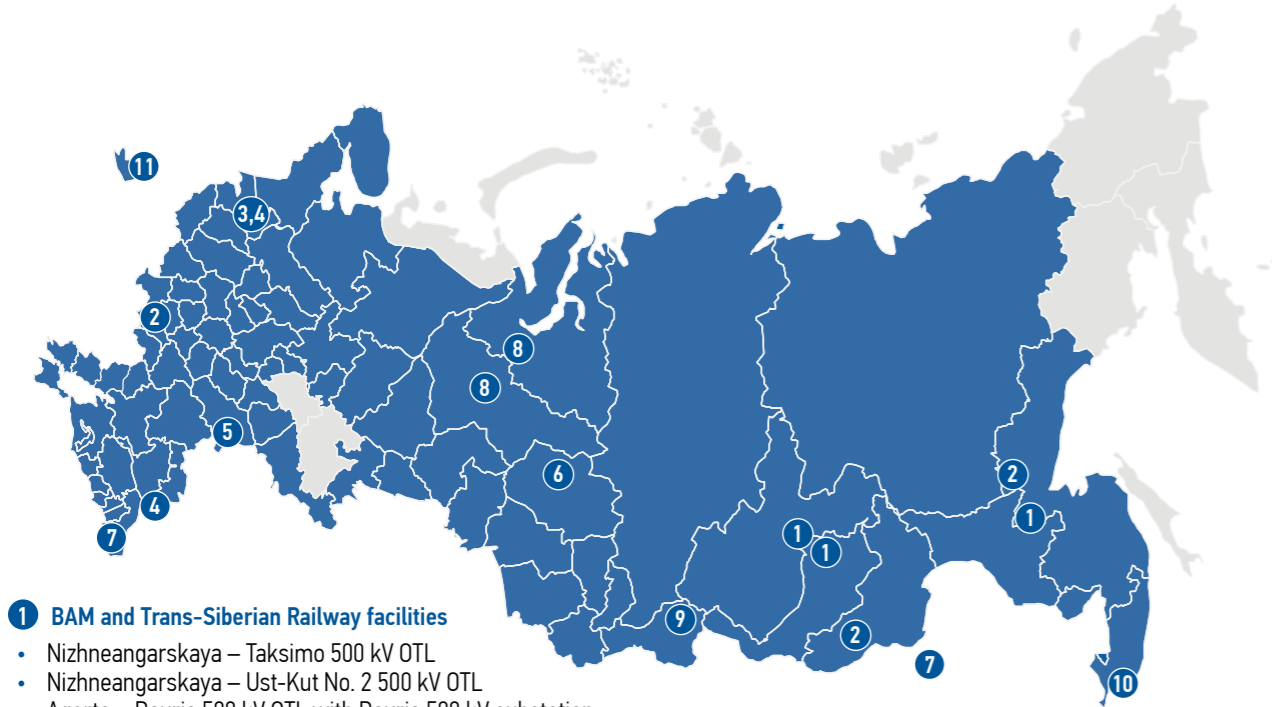
126 MVA 101 km

9 Renovation of 6–10 kV distribution grids in Kaliningrad

- Upgrade of 300 transformer substations/power distribution substations

14 km

Key investment projects in 2024



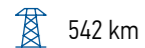
1 BAM and Trans-Siberian Railway facilities

- Nizhneangarskaya – Taksimo 500 kV OTL
- Nizhneangarskaya – Ust-Kut No. 2 500 kV OTL
- Agorta – Dauria 500 kV OTL with Dauria 500 kV substation and Agorta 500 kV substation



2 Comprehensive Infrastructure Modernisation and Development Plan (RF Government Order No. 2101-r dated 30.09.2018)

- Makkaveevo – Chita 220 kV OTL
- Prizeyskaya – Elgaugol 220 kV OTL with Elgaugol 220 kV substation
- 330 kV OTL from Kursk NPP – Sumy Severnaya 330 kV OTL to Belgorod 330 kV substation



3 Construction of Centralnaya – RP-9 20 kV, DC high-temperature superconducting cable line



4 Grid connection JSC Obukhov Plant (MIC)

- Troitskaya 110 kV substation with 110 kV PTL



5 Grid connection of a data centre PJSC Sberbank

- Chapaevskaya 220 kV substation with 220 kV OTL



6 Construction of power grid facilities in the Southern Federal District

- Novaya 220 kV substation with 110–220 kV PTL



7 Reliability improvement programmes in the North Caucasian Federal District

- Renovation of 17 facilities in the Republic of Dagestan
- Renovation of 4 facilities in the Chechen Republic



8 Reliability and grid connection facilities for large consumers in the Tyumen Region

- Moskovskaya 110 kV substation with 110 kV OTL
- Shakurovskaya 110 kV substation with 110 kV OTL
- Renovation of Snezhnaya – Khanty Mansiyskaya 110 kV OTL



9 Objects of the Integrated Development Plan of the Republic of Tyva

- Turan – Tumannaya 220 kV OTL
- Renovation of Oznachennoye 500 kV substation
- Renovation of Kyzylskaya 220 kV substation



10 Grid connection of CJSC Nakhodka Fertiliser Plant

- Renovation of Lozovaya – Nakhodka 220 kV aerial cable line



11 Grid connection of LLC RENERA-Enertek

- Zavodskaya 110 kV with 110 kV OTL



Implementation of PJSC Rosseti's Investment Programme

PJSC Rosseti's investment programme is aligned with opinions of key stakeholders, including consumers, federal and regional authorities, and relevant ministries and agencies, as well as strategic objectives for developing grid infrastructure and strengthening the national energy security.

Thus, the programme for 2023–2024 incorporated the comments and proposals received during the public discussion of the draft document in March 2023, initiatives of federal executive authorities, constituent entities of the Russian Federation¹, as well as decisions of the Minenergo of Russia.

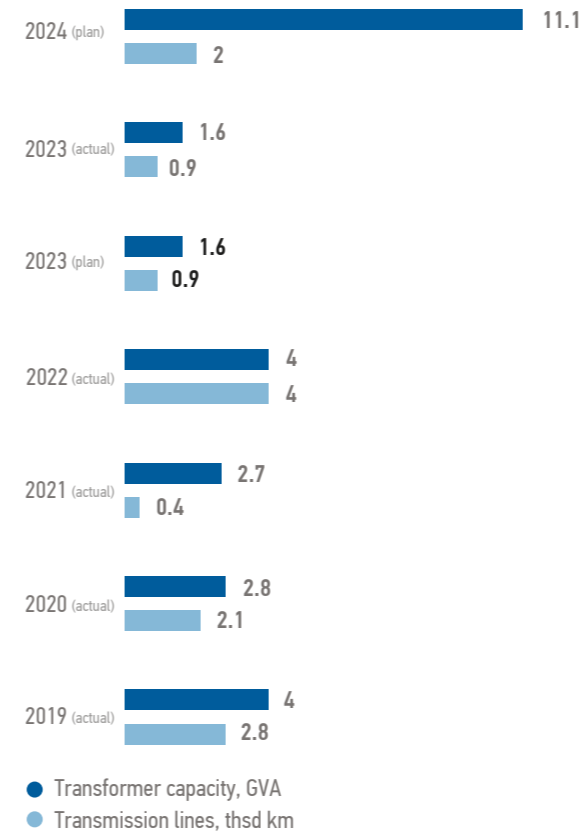
The document includes measures to improve energy security of the Russian Federation, increase the capacity of controlled cross-sections between the Interconnected Power System (ICPS) of the Urals and the ICPS of Siberia, increase the efficiency of interconnection capacity utilisation, and ensure the possibility of additional transmission of electric power and capacity from the ICPS of the Urals to the ICPS of Siberia in low-water years.

PJSC Rosseti's investment programme also takes into account grid connection projects, as well as new interconnection measures for parallel synchronous operation of the ICPS of Siberia and the ICPS of the East. This will make it possible to launch a competitive market pricing mechanism for electricity and capacity in the eastern regions and improve the reliability and quality of power supply to consumers.

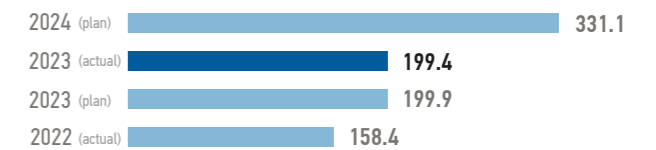
The total amount of investments planned for 2023–2024 is RUB 583.6 billion. Implementation of PJSC Rosseti's investment programme will address the main crucial tasks of maintaining the technical condition of the UNPG, including the nationwide tasks of ensuring the operation of critical facilities, including socially important ones.

According to its investment programme, the Company plans to commission 11.1 GVA of capacity and 2,000 km of power transmission lines as part of the fixed assets in 2024.

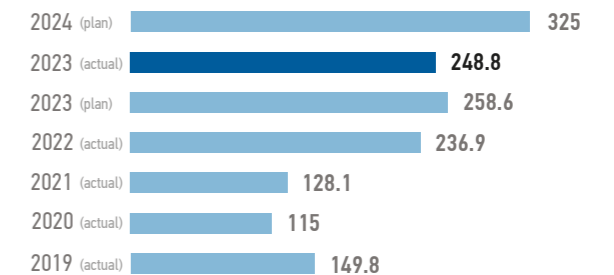
Dynamic pattern of capacity commissioning



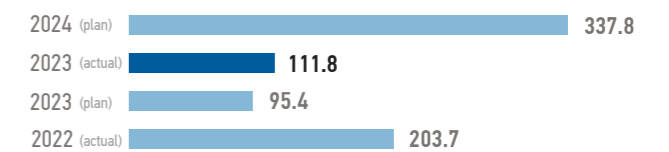
Volume of capital investment utilisation (VAT excluded), RUB bln



Amount of financing, RUB bln



Commissioning of grid capacity as part of fixed assets, RUB bln



¹ In accordance with the procedure defined by Resolution of the Government of the Russian Federation No. 977 dated 1 December 2009.

Power supply reliability



— What kinds of solutions the Company take to improve the reliability of power supply to consumers and the overall efficiency of the grid complex?

— Ensuring reliable power supply is one of the priority tasks we set for our branches and subsidiaries. To this end, we implement annual measures of the production programme, which includes maintenance and repair,

as well as renovation of main and auxiliary power grid equipment, buildings and structures, maintenance and repair of motor transport and special equipment, and other necessary measures. In addition, there are programmes aimed to improve the power supply reliability of struggling regions.

Personnel training, drills and exercises also go a long way. Sure enough, upgrade and renovation of infrastructure is very important. This work falls under the permit of the investment programme.

Moreover, the Rosseti Group is directly involved in developing the procedure for interaction between electric power entities in the event of outages in ownerless grids; in part, the situation will be brought under control by regulations on the creation of backbone territorial grid companies.

Yevegeny Lyapunov,
Deputy General Director — Chief Engineer

Timely and high-quality delivery of production programmes, particularly, with the application of a risk-based approach, makes it possible to annually improve the efficiency of measures taken and maintain the high reliability of power grid equipment, as evidenced by the absence of growth in the actual values of reliability indicators of the services rendered relative to the reliability level established by the tariff regulation authorities. Despite the actual increase compared to 2022, the system average interruption duration index (Id) improved against the target value set by FAS of Russia for 2023 (0.03192 hours) by 59%.

The year-on-year increase in the number of process faults across the Rosseti Group in 2023 can be explained by higher number of failures caused by the adverse impact of natural and climatic phenomena, as well as the interferences of unauthorised persons and organisations.

Indicator	2021	2022	2023 plan	2023 actual	Change 2023/2022, %
System average interruption duration in the transmission grid complex, Id, hour/interruptions ¹	0.0110	0.0100	0.03192	0.0132	-59 ²
Indicative indicator — volume of under-delivered electric power lens, MWh	2,356	4,705	—	3,444	-27
Number of process faults (accidents) in the 110 kV grid, thsd faults	9.8	9.4	—	9.6 ³	2
Number of process faults related to erroneous actions of all categories of the Company's personnel, faults	30	29	—	36 ⁴	24

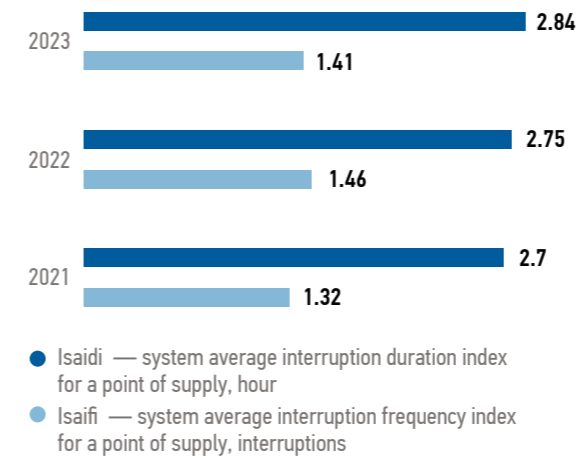
¹ Actual indicators of reliability of the services provided correspond to the reliability level established by the Federal Antimonopoly Service of the Russian Federation (planned values: 2022 — 0.03241; 2023 — 0.03192).

² Compared with the planned indicator for 2023. The indicator is improved by 59%.

³ For correct calculation of dynamic pattern, the data do not include the branches established in 2023, as well as JSC RES, JSC Electromagistral, JSC Energetik.

⁴ For correct calculation of dynamic pattern, the data do not include the branches established in 2023, as well as JSC RES, JSC Electromagistral, JSC Energetik.

Power supply reliability indicators



In 2023, the indicators of reliability of services rendered Isaidi (system average interruption duration index per point of supply, hour) and P_{ISAIFI} (system average interruption frequency index per point of supply, interruptions) are comparable to the values of 2022.

The Company has the Regulations on the Uniform Technical Policy in the Power Grid Sector¹ in place (hereinafter referred to as the Uniform Technical Policy). The purpose of the document is to define the main technical areas that ensure higher reliability and efficiency of the power grid complex in the short and medium term while guaranteeing the safety and reliability of power supply to consumers, as well as the transition to risk-oriented management coupled with digital technologies and big data analysis.

Innovative activities

Innovative development is one of the Rosseti Group's strategic priorities with a focus on improving the efficiency of power grid management and enhancing the reliability, quality and efficiency of consumer power supply. Cutting-edge technologies help to reduce operating costs and significantly improve the safety of operations.

The Company has in place the Innovative Development Programme for the period of 2021–2025 with an outlook until 2030².

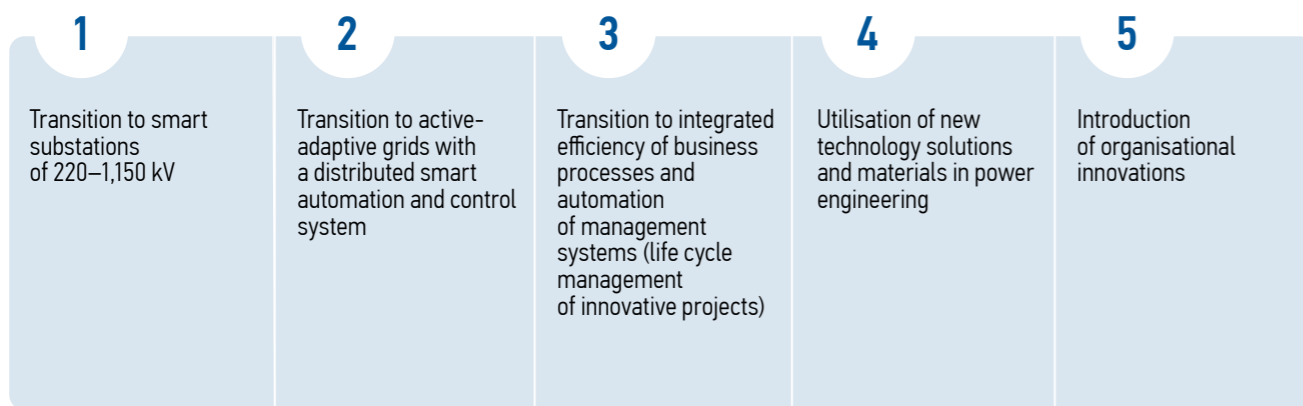
Main tasks of innovative development

- Developing, testing and enabling the commercial use (distribution) of innovative equipment and practices, with due account for the factors of comprehensive efficiency and based on the life cycle management of objects and systems
- Switching to being an 'adaptor' of available innovative solutions and technologies market to tackle current problems, including through the development of the 'open innovations' tool
- Improving the innovation management system, in particular, through the effective use of intellectual property management systems and regulatory and technical documentation
- Laying the groundwork for the development of advanced scientific research, process operations and advanced production in the Russian Federation
- Developing human resources with promising competences to meet the objectives of innovative development
- Better gearing with the subjects of the sectoral innovation ecosystem — small and medium enterprises, Russian innovation development institutions, technology platforms, higher education bodies, research and design organisations, equipment manufacturers, etc.
- Laying the groundwork for the transition to the use of intelligent devices based on electronic components of Russian make

¹ Resolution of the Board of Directors of PJSC Rosseti dated 17 October 2022 (Minutes No. 592 dated 20 October 2022).

² Approved by the decision of the Company's Board of Directors (Minutes No. 577 dated 9 June 2022).

Key areas of innovative development for the period of 2021 to 2025 with an outlook until 2030

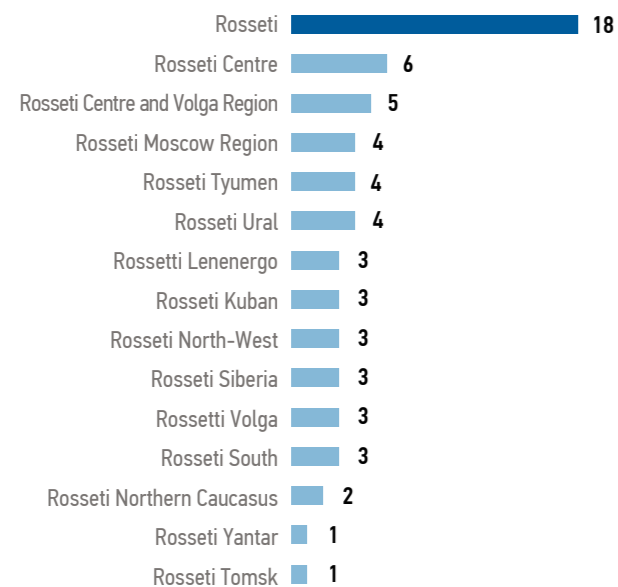


Results of 2023

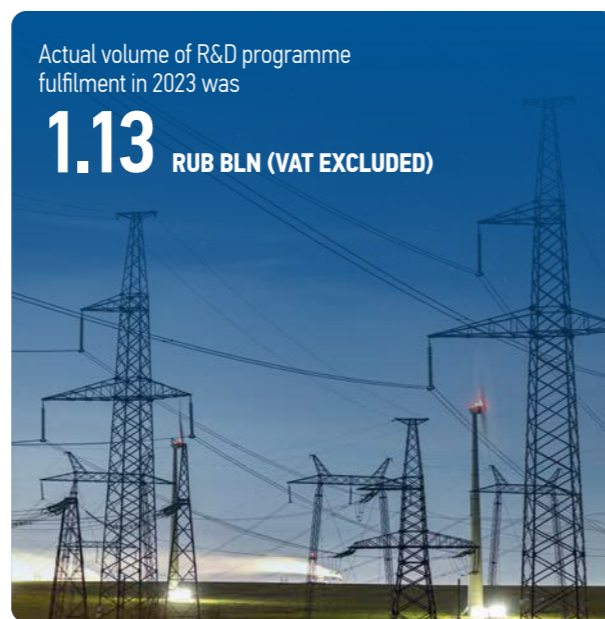
Investments in R&D, RUB bln



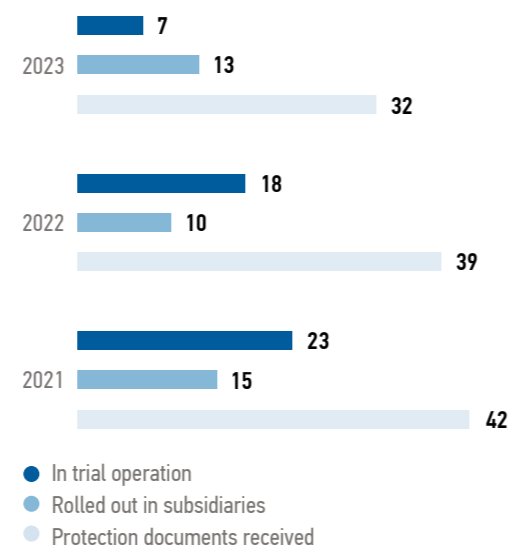
Number of R&D performed in 2023



The R&D in 2023 is represented by 63 works (45 works of subsidiaries and 18 works of PJSC Rosseti)¹.



R&D results



¹ The R&D list is given in Appendix 5 to the Report.

— What is the Company's approach to development of innovative equipment?

— Innovation is an integral part of production programmes aimed to improve the reliability and efficiency of the grid complex, particularly in preparation for peak load seasons. The Rosseti Group includes scientific and technical centres that are responsible for in-house development. For example, in partnership with manufacturers, new types of compacted wires were designed which make it possible to transmit more power using existing PTLs. A high-temperature superconducting cable line is under construction in St. Petersburg, which is unrivaled throughout the world in terms of length.

We are currently working on a new Innovative Development Programme until 2029, the main goal of which will be to strengthen the technological sovereignty of the industry. Moreover, we are cooperating with the Engineering and Innovation Support Centre to implement a mechanism for 'maturing' import-substituting products of domestic technology companies.

Yevegeny Lyapunov,
Deputy General Director — Chief Engineer



External view of the panel installed at the Sputnik 110 kV substation.

Research and development in 2023

Research and development in 2023 covered all key areas of the Innovative Development programme of PJSC Rosseti for 2021–2025 with an outlook until 2030.

Key R&D results as at year-end 2023

R&D focus area: **transition to digital substations of various voltage classes.** Below are the completed R&D projects:

- Development of a software and hardware complex (SW&HW) for accepting into operation the RPA and automated process control systems (APCS) of substations compliant with IEC 61850. As a result, two prototypes of the "Acceptance" SW&HW complex were built, one of which was put into pilot operation at the facilities of the MPG Centre, a branch of PJSC Rosseti, and the other at JSC STC FGC UES. For SW&HW complex, procedures were developed for comprehensive tests of bay protection using analysis of MMS reports published by RPA terminals when a test action is applied to them and when signals are exchanged between terminals via electrical connections or in the form of GOOSE messages. This approach allows evaluating the correctness of parameterisation of terminals and inter-cabinet connections, errors in checking of which cause a significant share of failures during operation. This SW&HW complex will be used for quality control (certification) of RPA and APCS cabinets to assess the possibility of application at the Rosseti Group's facilities.
- Development of a digital RPA complex with a 'substitute' digital panel for typical cabinets of the 3rd and 4th digital substation designs. During the R&D project, a prototype of a 'substitute' digital panel used as part of the digital RPA complex of highly-automated substations (HASS), universal type for typical cabinets of the 3rd and 4th designs was developed and built. Regulatory documents were developed, such as technical requirements to the systems and methodical recommendations on designing, debugging and operation of digital RPA and APCS complexes on the basis of typical cabinets of the 3rd and 4th design for 110–750 kV HASS with the use of a 'substitute' panel. The R&D prototype was put into operation at Voronezhenergo, a branch of PJSC Rosseti Centre, at the Sputnik 110 kV substation.



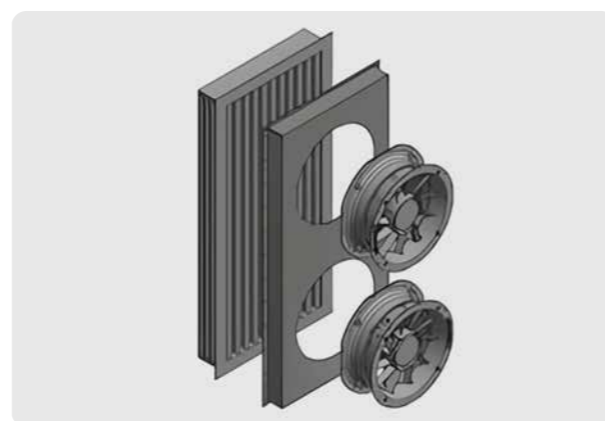
External view of the RPA panel with the substitution function.

R&D focus area: **transition to smart (active-adaptive) grids with a distributed intelligent automation and control system.** In 2023, PJSC Rosseti Centre and Volga Region completed R&D work to develop an automatic control system for a power storage system for parallel operation with the 0.4 kV distribution grids. As a result, the functional capabilities and technical requirements (parameters) of the automatic control system (ACS) of the mobile energy storage system (MECS) were determined for application in the power grid complex, with the view to address the problem of power supply to consumers in technologically isolated and hard-to-reach areas. The knoware and software of MECS ACS IC, as well as technical and functional requirements for the prototype are developed.



Energy Storage System

R&D focus area: **transition to integrated efficiency of business processes and automation of management systems (lifecycle management of innovative projects).** PJSC Rosseti Kuban has the R&D pertaining to automated machine learning-based classification of incidents completed. The system is designed to automate and analyse information security events by configuring and implementing algorithms for automatic classification of LAN node behaviour and user actions based on machine learning methods. The product reduces the amount of labour input of the information security administrator.



New design solution for transformer oil cooler with electronically commutated motors

cooling system using electronically commutated motors, the construction of a prototype and pilot operation at the Trubino 500 kV substation of the MPG Centre, a branch of PJSC Rosseti.

R&D focus area: **application of new technologies and materials in the electric power industry.** The generic solutions of energy-efficient transformer cooling control system were designed using electronically commutated motors adapted to direct winding temperature measurement. The R&D process covered the development of technical documentation for a software and hardware complex for a transformer

Digital transformation

The goal of digital transformation is to improve the efficiency of operations and reliability of existing services, change the logic of processes, and create new business services as a result of the introduction of digital technologies.

The Company approved the Digital Transformation Strategy of the Rosseti Group until 2030, which stipulates further development and implementation of digital technologies in the Company's operations. The document is currently being updated to accommodate new requirements of the Ministry for Digital Technology, Communication and Mass Media of the Russian Federation.

Current challenges for the Rosseti Group in digital enablement

- Need to carry out a large-scale replacement of imported software in use and achieve the required level of technological sovereignty
- Growing level of cyberthreats, especially with regard to critical infrastructure facilities
- Shortage of free production capacities of domestic manufacturers/developers and qualified human resources

Target values of the Rosseti Group's Digital Transformation Strategy, %

Indicator	2023 (actual)	2024	2027
Estimated reduction in operating costs due to digital transformation ¹	0.24	0.82	1.10
Observability of the power grid	30	31	34
Share of end-user metering points included in the smart electricity metering system	22.5	31	41



— What are the tasks and projects in the area of digital process transformation that you could highlight?

— One of the important tasks is the design of integrated corporate information systems for enterprise management and production asset management. This work is based on domestic software, including cutting-edge unrivaled solutions.

In general, the Rosseti Group is introducing a new mechanism for accumulating experience from current IT projects and reusing best practices by modelling the architecture in a single automated system. In the longer term, this will make it possible to reduce implementation costs and timelines.

PJSC Rosseti, assisted by the Minenergo of Russia, made it possible to use its IT infrastructure to connect external LGOs to the Unified Portal of State and Municipal Services. In 2023, we also expanded the functionality of Rosseti Group's Power Grid Services Portal and mobile application in terms of grid connections and additional services, as well as provision of smart metering services.

Furthermore, we completed the transition of the Group's companies to a domestic electronic document management system, while adding additional options relating to digital signatures and work via a mobile application.

Preparations were made to automate the collection and processing of counterparty bankruptcy data. There are plans to integrate Sberbank's solution into the legal process management system of the Rosseti Group, which will significantly reduce labour costs and increase the efficiency of work with debtors.

The Company took part in the pilot project of the Federal Tax Service of Russia on the creation of the automated subsystem on Tax Monitoring. The first stage of the project was finalised, marking the transition to electronic interaction with the Nalog-3 automated information system (AIS) under 10 main scenarios.

Konstantin Kravchenko,
Deputy General Director for Digital Transformation

¹ Based on the approved individual digital transformation programmes of S&As of the Rosseti Group.

— What are the tasks and projects in the area of digital process transformation that you could highlight?

— Making a register of equipment authorised for use in PJSC Rosseti was of great significance. The register is publicly available on the website ezak.rosseti.ru. With the QR-code verification, one can obtain up-to-date data on certified equipment and review the materials of the commission. Moreover, our employees can quickly add and edit information concerning the conclusions made.

Quality control (certification) of equipment, materials and systems is a part of incoming inspection of purchased products, which involves checking for compliance with the requirements of PJSC Rosseti's Technical Policy, the by-laws and industry-specific regulations. In addition, we run the analysis of supply chains for imported components and possible service risks.

Yevegeny Lyapunov,
Deputy General Director — Chief Engineer

— Tell us what is so special about the RS-20 technology management platform and its implementation.

— RS-20 is a backbone project of the Elektroenergetika Industrial Competence Centre established by the Government of the Russian Federation, which can help to eliminate problems related to data inconsistency, as well as automate and unify data exchange on the basis of a unified model of the power grid complex. As of today, the software modules with necessary features were developed and put into pilot operation at PJSC Rosseti and some of its subsidiaries.

We are also working to fulfil the requirements of the order of the Minenergo of Russia on the approval the Rules for Providing Information Required for Operational and Process Management in the Electric Power Industry. The requirements apply to power engineering entities and consumers with installed generating capacity equal to 5 MW or more, as well as grid facilities with a voltage of 110 kV and above. Going further, the experience obtained can be extended to lower voltage classes.

Konstantin Kravchenko,
Deputy General Director for Digital Transformation

Key results of the transmission power grid complex in 2023

RS-20 platform	To improve grid observability, a digital enterprise model is being designed based on the in-house development of the RS-20 integration platform ¹
Projects on automation	Automation projects are underway to optimise operating costs by: <ul style="list-style-type: none"> • Increasing the availability of information (single data entry) • Reducing the time and labour intensity of operations (reduction of paperwork) • Improving the quality of decision-making (decision-making based on data in information systems, forgoing manual reconciliation)
Remote control of substations	Rollout of substation remote control system is ongoing, which makes it possible to make the control of electric power regimes better and more reliable: <ul style="list-style-type: none"> • Reducing the time of operational switching operations • Reducing the risk of erroneous actions of personnel • Reducing the time required to eliminate process faults
Development of RPA-class tools²	The work is underway to study optimal scenarios for the application of RPA-class tools to robotise routine processes and operations, which will ensure the rise in labor productivity
Solutions for data collection and processing, data exchange	Solutions are being engineered to collect and process diagnostic information and analyse the technical condition and growth flaws of substation main equipment, create a cloud infrastructure and standardise data exchange process

¹ Included in the priority areas for phasing out foreign industry solutions and is a key element of Elektroenergetika Industrial Competence Centre.

² Robotic process automation (RPA) is a business process automation technology based on the metaphorical software of robots (bots) or artificial intelligence workers.



Development of IT architecture and IT services

Creation of a unified IT architecture for the united Company

The Rosseti Group faces the top-priority task of creating a unified IT architecture for all subsidiaries, unifying and standardising business processes and IT solutions, and ensuring optimal cost of ownership of IT assets across the Group. Import substitution and information security are mandatory elements of this process. In this regard, import substitution is a good opportunity to move from disparate and diverse imported solutions to a single domestic IT architecture.

As part of this task, work began in 2023 to create an automated information system for modelling the unified IT architecture of PJSC Rosseti to introduce a mechanism for effectively reusing best practices for automating business processes and creating IT systems within the perimeter of the Rosseti Group, as well as to improve the digital maturity of processes in general.

This work is accompanied by the development of a unified methodology for process modelling, description of data and IT infrastructure, which will make it possible to reduce the time and labour intensity of IT system implementation in the future. In the reporting year, PJSC Rosseti approved an organisational standard defining uniform requirements and notations for modelling architectures as part of the business process survey and the design of corporate information systems at Rosseti Group's companies.

Digitalisation of communication channels, %

Level of digitalisation of communication channels of power grid facilities as to dispatch centres of JSC SO UPS



Power transmission grid complex

Power distribution grid complex

Development of the Power Grid Communications Network (PGCN)

Digital transformation of the power grid sector, construction of highly automated power grids, implementation of highly automated substations, and innovative development are impossible without the use of advanced telecommunications and information technologies.

The PGCN is a complex of interacting communication networks of transmission and distribution power grid companies. The telecommunications infrastructure of power grid companies is built in accordance with the approved Roadmaps for the Development of Telecommunications Networks.

The key objective defined by the Concept of the Power Grid Complex Communications Network and the Unified Technical Policy is to provide and expand the range of communications services with specified quality indicators at optimal development and operation costs.

One of the main indicators of the PGCN development is the level of provision of power grid facilities with digital communication channels, which enable the implementation of the dispatch control system (ADCS), process management (APMS) and corporate governance system. This approach helps to improve the observability of the power grid complex and upgrade the quality of management of power grid facilities.

Level of digitalisation of communication channels of power grid facilities as to the Grid Control Centre



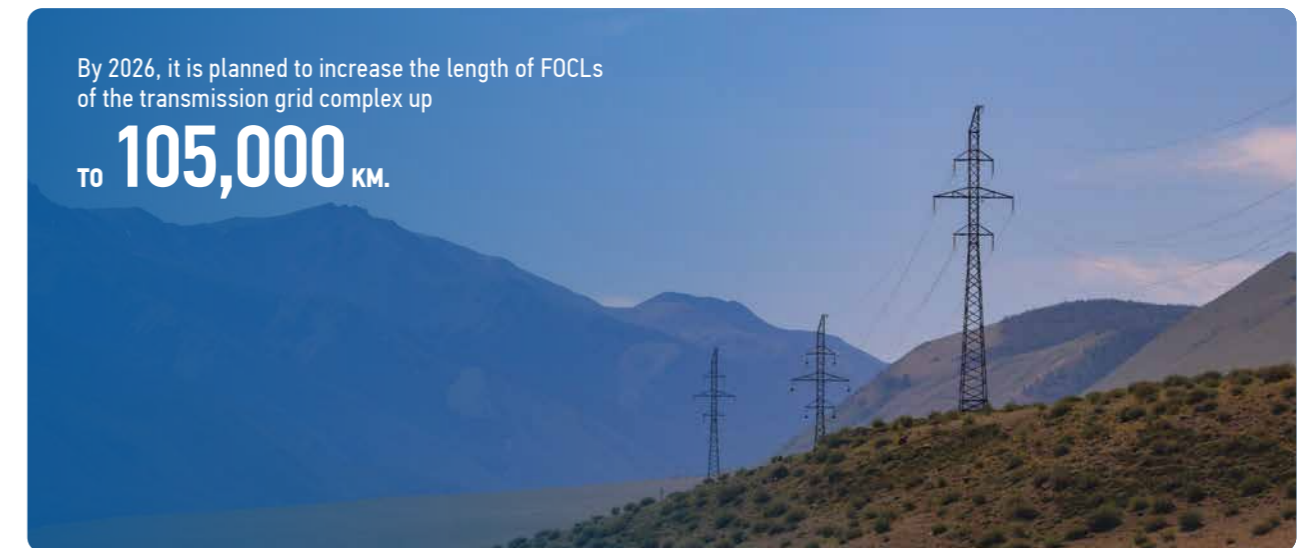
Power transmission grid complex

Power distribution grid complex

The main development directions of the PGCN are its digitalisation and intellectualisation, achieved through the widespread introduction of modern equipment and new generation communication network technologies at power grid facilities.

To ensure exchange of 'big data' of intelligent control systems on the basis of digital technologies, the Company implements fiber-optic communication lines (FOCL), which are built by fitting

fibre-optic cables on overhead transmission lines (OTL). Along with this, the resources of leading telecoms operators are being widely deployed on the basis of long-term counter lease relations.



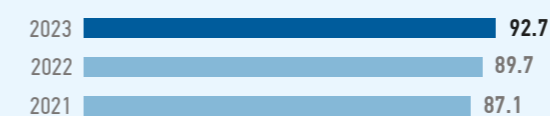
Power transmission grid complex

92,700 KM

of FOCLs in 2023, including:

- 57,400 km — in-house construction
- 35,300 km — lease and 'right of way' on OTLs

FOCL length, thsd km



Share of domestic equipment utilisation:

- 76.5% — optical cable
- 22.0% — digital information transmission systems

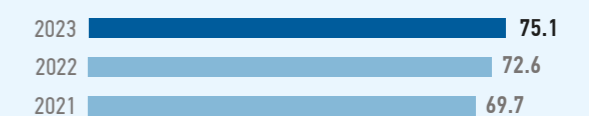
Power distribution grid complex

75,100 KM

of FOCLs in 2023, including:

- 39,800 km — in-house construction
- 25,300 km — lease and 'right of way' on OTLs

FOCL length, thsd km



Share of domestic equipment utilisation:

- 96.3% — optical cable
- 41.1% — digital information transmission systems

Automatic Process Management Systems

Automatic Process Management System (APMS) is a unified distributed hierarchical system, which allows upgrading the Unified Energy System (UES) regime management due to high level of observability, as well as preventing emergency shutdowns of consumers, reducing decision-making time and probability of erroneous actions of emergency response personnel in emergency modes. When implementing APMS development projects, preference is given to the use of equipment and software from domestic manufacturers at all levels of the process control hierarchy.

In 2023, work was carried out to create, expand and upgrade data acquisition and transmission systems (DATS) at all branches and subsidiaries of PJSC Rosseti in accordance with the approved programmes for upgrading and expanding the DATS and organising operational telephone communications between dispatch and operational personnel of PJSC Rosseti within the operational service area.

The projects used:

- Domestic software included in the Unified Register of Russian Software for Electronic Computing Machines and Databases
- Products included in the Unified Register of Russian Radioelectronic Products

Number of power grid facilities equipped with modern telemetry and telecommand systems (DATS)

Type of facilities	commissioned in 2021	commissioned in 2022	commissioned in 2023	Total
MPG substation	6	12	40	474

Number of power grid facilities equipped with modern telemetry and telecommand systems (DATS)

Type of facilities	commissioned in 2021	commissioned in 2022	commissioned in 2023	Total
220 and above kV substation	3	1	1	61
110–150 kV substation	219	104	102	3,918
35 kV substation	367	49	65	2,741
6(10)–20 kV transformer substation, power distribution substation	5,446	2,111	2,272	32,740

Development of corporate information systems

In 2023, as part of the development of corporate information systems, 19 projects aimed to increase the level of digitalisation of the Company's business processes were underway. Some of them is described below:

- A project was implemented to introduce a new domestic electronic document management system.
- Work began on designing a comprehensive corporate information system for managing the enterprise of PJSC Rosseti and a production asset management system based on domestic software¹. The projects will make it possible to create a unified corporate IT architecture based on a domestic solution stack.
- As part of the creation of an automated investment management system, a unified data model was formed and the functional and component architecture of the solution was developed.

- A project is underway to develop a digital model of the power grid², which will make it possible to form calculation models, provide a unified reference data for calculating grid performance indicators within the Rosseti Group, and reduce the cost of modelling adjacent power grids for each subsidiary.
- As part of the development of a unified portal for power grid services and a mobile personal customer account, electronic services were improved and functionality was expanded in terms of grid connections and additional services, as well as smart metering services.
- Work was organised to create a digital investment planning environment aimed at automating the processes of collection, verification and forecasting of technical and quantitative characteristics of investment projects with subsequent data transfer to related systems.
- The first stage of implementation of the module of integration with the automated information system of the Federal Tax Service of Russia (Nalog-3 AIS) was completed, which ensures

compliance with the current requirements of the concept of development and functioning of the tax monitoring system in the Russian Federation in accordance with the current legislation.

- As part of automating the process of interacting with the Rosseti Group's customers, a unified CRM system is being designed to introduce predictive analytics tools to form tailored offers and proactively provide services.
- As part of the development of the automated information system for centralisation and automation of the treasury and finance function (treasury management AIS), a universal integration mechanism between PJSC Rosseti and insurance companies is being created to ensure transparency of the interaction process with insurance companies.

Plans for implementing key projects in 2024–2025

Work will continue on laying the groundwork for the digital transformation of the Rosseti Group: transferring all key production information from paper to digital form, and creating systems for transferring information to all levels of the Company's management to ensure that all subsequent digital initiatives can be implemented.

The following key activities are in the works:

- Import substitution of system software
- Measures stipulated by Government Directive No. 10068p-P13¹ dated 6 December 2018 and Decree of the President of the Russian Federation No. 166 dated 30 March 2022 "On Measures to Ensure Technological Self-Sufficiency and Security of the Critical Information Infrastructure of the Russian Federation"
- Development of the Mobile Application and the Unified Power Grid Services Portal
- Creation of the Unified Platform for sales of services and fiscal electricity metering
- Creation of an integration platform based on RS-20 products to reduce the time and labour intensity of operations and keep data up-to-date through the use of single data entry
- Creation of an automated system for mobile team management (Digital Electrician) to reduce the time and labour intensity of operations

The Company is also initiating the launch of projects with the application of artificial intelligence² technologies, the purpose of which is to ensure whole new level of efficiency in the Company's operations.



¹ In accordance with the requirements of the directives of the Government of the Russian Federation No. 10068p-P13 dated 6 December 2018.

² In accordance with the Order of the Ministry of Energy of the Russian Federation No. 1340 dated 20 December 2022 "On Approval of the Rules for Provision of Information Required for Operational and Process Management in Power Engineering".

¹ Decision of the Board of Directors on 24 April 2019 (Minutes No. 445 dated 26 April 2019).

² In accordance with the instruction of the President of the Russian Federation No. Pr-1770 para.1 b dated 6 September 2023).

Procurement








When dealing with suppliers and contractors, PJSC Rosseti adheres to the following principles: fair competition, equitable access to procurement, and publicity and transparency in the procurement process.

Principles and main objectives of procurement activities

The Company conducts procurement activities in accordance with the requirements of Federal Law No. 223-FZ dated 18 July 2011 "On Procurement of Goods, Work and Services by Certain Types of Legal Entities", Federal Law No. 135-FZ dated 26 July 2006 "On Protection of Competition", and the Uniform Procurement Standard of PJSC Rosseti¹.

In 2023, most subsidiaries of PJSC Rosseti joined the new version of the Uniform Procurement Standard of PJSC Rosseti in accordance with Article 2 of the Procurement Law (223-FZ).

Main procurement principles followed by PJSC Rosseti

	Information transparency of procurement	Ensuring transparency of procurement activities in accordance with the requirements of the legislation of the Russian Federation and to the extent necessary to make a decision to participate in procurement procedures
	Equal treatment, fairness and non-discrimination of procurement participants	Ensuring non-discriminatory access of suppliers (responsible parties, contractors) to the procurement of goods, works, services is a priority; suppliers (responsible parties, contractors) are selected primarily through competitive procurement process, unless otherwise provided for by law, on the basis of equal competitive opportunities, in the absence of discrimination and unreasonable restrictions in relation to procurement participants, in accordance with reasonable requirements to potential participants of procurement procedures and procured goods, works, services, taking into account, if necessary, the life cycle of products, preventing cases of unreasonable conclusion of contracts with a single supplier (responsible party, contractor)
	Target efficiency and economic efficiency	Formation of the customer's need with consideration to sufficient and necessary amount of financing, justification of the cost, which defines the economic and other required efficiency of the procurement
	Measurable requirements to procurement parties	Formation of procurement documentation and notification, with allowances made for the criteria, procedure for selection and evaluation of bids, which determine the possibility of making an unambiguous decision by the procurement commission, allowing no double interpretation, at the stage when a supplier is determined
	Transparency and manageability	Transparency and manageability of procurement activities involve planning, accounting, monitoring, control and audit at all its stages
	Responsibility	Professionalism and competence of employees involved in procurement activities imply personal responsibility of officials for effective organisation of procurement procedures and for decisions taken by them
	Legality	Compliance with the laws governing the arrangement of procurement activities, as well as anti-corruption legislation, including the Anti-Corruption Procurement Standard

¹ Approved by the decision of the Board of Directors (Minutes No. 604 dated 30 December 2022).

The main objective of procurement activities is to ensure maximum procurement efficiency and obtain the best possible result at the lowest possible cost. In order to achieve this goal, the Company mainly follows a competitive approach in purchasing goods, works and services required for the implementation of the investment programme, maintenance and repair programme and target programmes.

As part of its procurement activities, the Company is also guided by judicial and law enforcement practices, the experience of major customers in the field of government and corporate procurement, the practice of reviewing complaints from participants in procurement procedures by the FAS of Russia and its territorial departments, the Civil Code of the Russian Federation, and a number of resolutions of the Government of the Russian Federation; the complete list is given in Appendix 1.

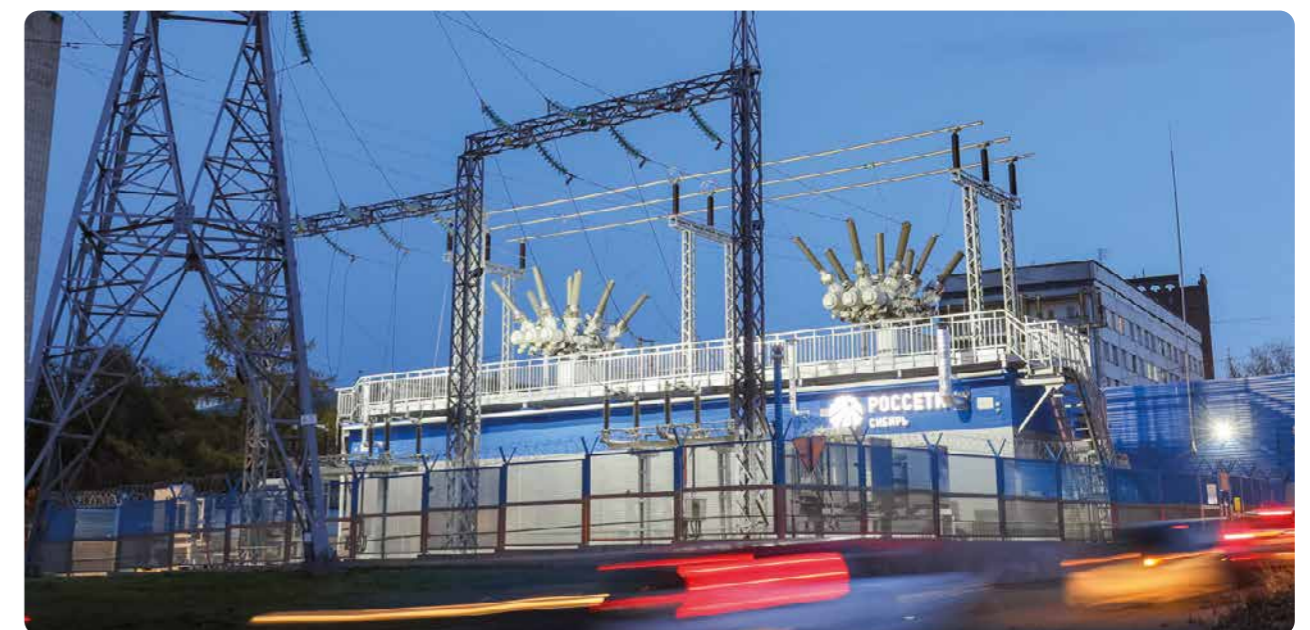
In addition, the Company's procurement activities were affected by changes in procurement legislation that took place in 2023.

Information on all purchases made by the Rosseti Group is posted in the [Unified Information System for Procurement](#), unless otherwise provided for by law.

100%

of all competitive procurements, including those in the 'small volume' procurement section, are made electronically on three platforms approved by the Central Procurement Body of PJSC Rosseti: [RTS-tender](#), [Roseltorg](#) and [RAD](#).

Name of document	Amendments	Effective date
Federal law No. 109-FZ dated 16.04.2022	"On Amendments to the Federal Law "On Procurement of Goods, Works and Services by Certain Types of Legal Entities" and Article 45 of the Federal Law "On Contract System in the Sphere of Procurement of Goods, Works and Services for State and Municipal Needs"	01.04.2023
Resolution of the Government of the Russian Federation No. 1946 dated 31.10.2022	"On Amendments to Certain Acts of the Government of the Russian Federation on the Issues of Procurement of Goods, Works and Services for State and Municipal Needs, Procurement of Goods, Works and Services by Certain Types of Legal Entities"	In the case of special tenders involving only SMEs, customers must include additional information and materials in the register of contracts on the Unified Information System portal 01.04.2023
Resolution of the Government of the Russian Federation No. 2013 dated 03.12.2020	"On the Minimum Share of Purchases of Goods of Russian Origin"	The list of quota products in respect of goods of Russian origin purchased by customers has changed 01.03.2023



Methods of procurement

Tender	A tender is the main method of procurement, with or without prequalification, without special procedures (unless otherwise provided for by law, including special tenders)
Auction	Auction can only have one stage, with or without prequalification (unless otherwise provided by the legislation, including special tenders). Auction is held for procurement of competitive products, for which the initiator of the procurement formulated detailed requirements in the form of technical specifications
Request for proposals	Request for proposals may be with or without prequalification (unless otherwise provided by law, including in the case of special tenders). It shall be conducted if at least one of the following conditions is met: 1) initial (maximum) price of the contract does not exceed RUB 10 mln, VAT included 2) tight deadlines — less than 20 calendar days from the date of announcement of the procurement procedure to the start of supplies, works and services
Request for quotation	Request for quotation is applied for purchases of products for which there is a competitive market of manufacturers and for which the initiator of the purchase formulated requirements in the form of technical specifications, subject to simultaneous compliance with the following conditions (unless otherwise provided for by law, including special tenders): 1) initial (maximum) price of the contract does not exceed RUB 7 mln, VAT included 2) the winner will be selected on only one criterion — contract price
Competitive procedure	Competitive procedure with conclusion of agreements with several winners is applied in cases when at the time of procurement the Customer cannot determine the specific volumes and (or) terms of product delivery (performance of works/services). According to the results of competitive procedure, prices are requested from the winners. Competitive procedure have no restrictions on the amount of the initial (maximum) price of the contract
Request for prices based on the results of competitive procedure	Request for prices based on the results of competitive procedure is made only among the winners of competitive procedure without restrictions on the amount of the initial (maximum) price of the contract (lot)
Prequalification	Prequalification, according to the results of which agreements with several winners are concluded, is applied in cases when at the time of procurement the Customer can not determine the specific volumes and (or) terms of delivery of products (performance of work / rendering of services). According to the results of the prequalification, prices are requested from the winners. Prequalification has no restrictions on the amount of the initial (maximum) price of the contract
Request for prices based on the results of prequalification	Request for prices based on the results of prequalification applies only to the winners of the prequalification without restrictions on the amount of the initial (maximum) price of the contract
Procurement through participation in procedures organised by product sellers	By decision of the Customer's centralised procurement agency, procurement is carried out by way of participation in auctions, tenders or other procedures organised by sellers of products (including on e-platforms)
Price comparison	Price comparison is applied for procurement if the initial (maximum) price of the contract does not exceed RUB 500,000, VAT included, and if the Customer's revenue for the reporting financial year is more than RUB 5 bln, or does not exceed RUB 100,000, VAT included, or if the Customer's revenue for the reporting financial year is less than RUB 5 bln
Procurement from a single supplier (responsible party, contractor)	The decision to select a supplier is made by the Customer's centralised procurement agency or other authorising body within its remit in accordance with the Unified Procurement Standard on the basis of the Customer's market analysis findings. Types of such procurements: 1) procurement of unique goods (works, services) from a single supplier (responsible party, contractor) 2) procurement from a single supplier (responsible party, contractor) to prevent an emergency or eliminate its consequences

Results of procurement activities in 2023

Based on the results of the 2023 procurement campaign, the Rosseti Group conducted 67,100 procurement procedures totalling RUB 857.0 billion. The volume of competitive procurement procedures totalled RUB 750.4 billion, or 87.6% of the total procurement volume. The economic effect of procurement amounted to RUB 16.0 billion

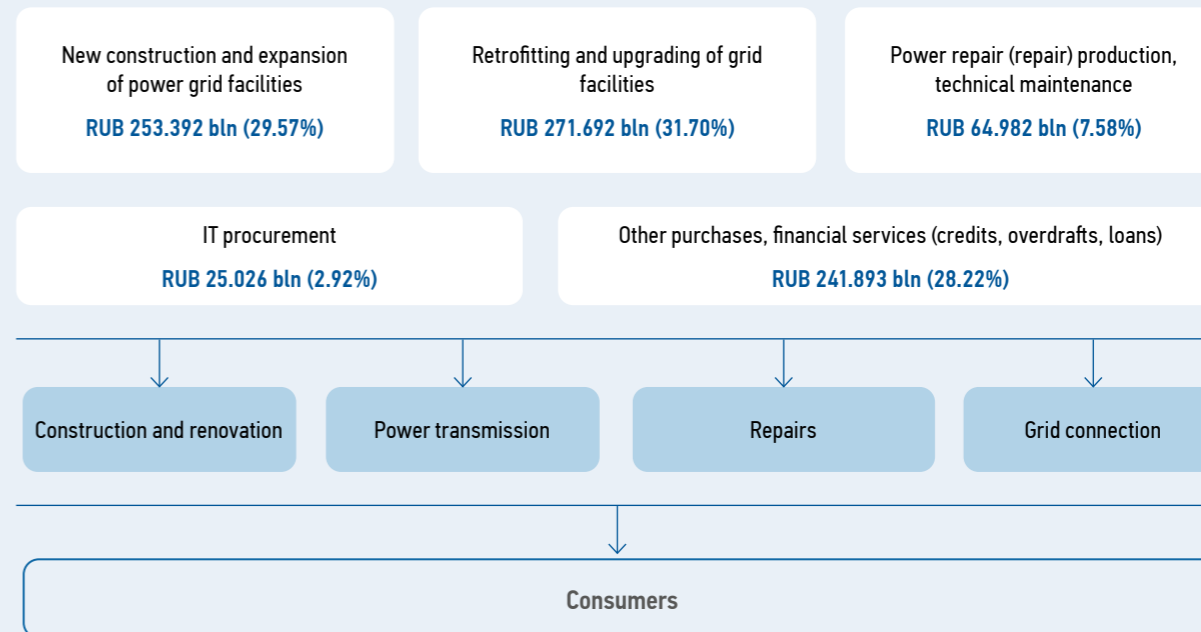
857.0 RUB BLN
total amount of procurement procedures

750.4 RUB BLN
or 87.6% of the total volume — competitive procurement

Procurement structure of the Rosseti Group's companies in 2023

Indicator	Cost of procedures carried out, RUB mln	Number of procedures performed	Share of the total amount of procedures carried out, %
Open tender	407,373.18	7,433	47.54
Request for quotation	4,324.01	3,773	0.50
Request for proposals	65,828.78	4,716	7.68
Open auction	100,379.02	121	11.71
Procurement through participation in procedures organised by product vendors	2,145.02	29	0.25
Request for price/proposal/quotation based on the results of a framework agreement (competitive prequalification, prequalification)	170,322.91	14,361	19.87
Procurement from a single supplier	66,292.23	16,424	7.74
Price comparison	40,319.99	20,277	4.70
Total	856,985.14	67,134	100

Supply chain in light of the Group's core activities Main types of purchased products, works and services in 2023, RUB bln, % of total purchases



Information on co-operation with SMEs for 2023

In accordance with the legislation of the Russian Federation, a mandatory share of purchases from small and medium enterprises (SME) is included in the procurement plan for goods, works, services, including innovative and high-tech products. Since the start of the regulation¹ that approved quotas for purchases from SMEs, the Company has regularly



— What kind of relations is built between the Rosseti Group's companies and representatives of small and medium-sized enterprises (SMEs)? Were there any recent shifts in the priorities of their relations?

— There have been no fundamental changes. As before, we see SMEs as having great potential for import substitution and technological innovation. Over the past five years, the Rosseti Group's purchases from this category of suppliers exceeded RUB 1.3 trillion. We are set to bolster our co-operation.

We are constantly working to make procurement procedures more attractive for SMEs, and are putting our own partnership programme in practice, which has more than a hundred participants. In 2023, we established a coordination council for cooperation in the electric

exceeded their plan. As part of the core and investment activities of Rosseti, the planned share of purchases from SMEs is at least 20%.

269.295 RUB BLN

volume of contracts with SMEs

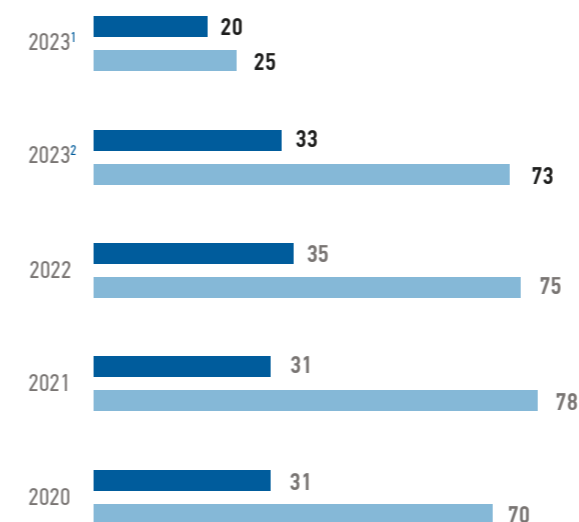
power industry with OPORA RUSSIA. We anticipate that its work will strengthen interaction with SMEs and create an additional platform for information support for entrepreneurs. In particular, we intend to hold joint events to explain legislative regulations, various aspects of industry regulation and procurement activities.

In addition, the Company has an advisory body, the SME Council, which includes representatives of development institutions, industry organisations and associations. Under the SME national project, continuous efforts are made together with JSC SME Corporation to support SMEs. Issues related to ensuring timely payment of fulfilled contractual obligations, consideration of disputable issues related to participation in procurement procedures are promptly resolved.

In accordance with the law "On the Development of Small and Medium Enterprises" and the corporate programme for the development of suppliers, contractors among SMEs approved in 2023, the Company signed agreements with five SME organisations to carry out the activities envisaged by individual development roadmaps. Their ultimate goal is to accelerate the Programme participants — potential and existing suppliers of electrical equipment.

Marat Khanafiev,
Deputy General Director for Procurement

Share of purchases by the Rosseti Group's companies from SMEs, %



- For direct purchases from SMEs based on the results of SME-only tenders
- Total share of SME purchases including subcontracting

Over the past three years, despite the challenging economic conditions brought on by sanctions and restrictive measures imposed by unfriendly countries, Rosseti has maintained its quota of purchases from SMEs within the targets set by the Russian Government: 20% for special tenders and 25% for the total volume of purchases from SMEs.

The Company also approved a list of goods, works and services that are purchased only from SMEs. This list is updated every year to raise the percentage of SME purchases. As of the end of 2023, it contained 137 items.

To enhance the efficiency of PJSC Rosseti's procurement, the Company has an advisory body, the SME Council³. Its tasks include regular interaction with development institutions, organisations, and industry associations to support SMEs and increase the share of purchases from SMEs.

The SME Council includes representatives of PJSC Rosseti, the Chamber of Commerce and Industry of the Russian Federation, the Skolkovo Foundation, the Association of Energy Construction Enterprises, the Directorate for Conformity Assessment and Monitoring of JSC SME Corporation, the Innovation Committee of the National Association of Public Procurement Institutes, the Solovyov Institute of Purchasing and Sales Management, and the Institute of Procurement and Sales Management of NRU HSE, and the Power Engineering Committee of OPORA RUSSIA, an all-Russian public organisation of small and medium enterprises.



In addition, the Company reaches out to suppliers, contractors and providers who have joined the Partnership Programme between PJSC Rosseti and SMEs⁴. By the end of 2023, 118 organisations joined the Programme, and their register is available on the Company's website.

PJSC Rosseti holds annual meetings with major suppliers with an aim to improve cooperation. In particular, in 2023, five suppliers of electrical equipment were selected as part of the SME Development Programme⁵.

As part of the small and medium enterprise and support for individual entrepreneurial initiatives national project, Rosseti makes systematic efforts to support SMEs, including in cooperation with JSC SME Corporation⁶:

- To promptly resolve issues of timely payment under contracts
- To review disputable issues related to participation in procurement procedures of customers
- To send presentation materials and proposals of SMEs to the relevant structural units of the technical customer

The effectiveness of such cooperation is evidenced by the stable participation of SMEs in procurement, as well as in the implementation of development and partnership programmes between SMEs and the Rosseti Group.

¹ Resolution of the Government of the Russian Federation No. 1352 dated 11 December 2014.

¹ Mandatory SME procurement shares set by the Government Decree for 2023.

² Actual data.

³ Order of PJSC Rosseti No. 93 dated 25 February 2014.

⁴ Order of PJSC Rosseti No. 92 dated 25 February 2014.

⁵ Order of PJSC Rosseti No. 255 dated 23 June 2023.

⁶ Agreement No. S-180 dated 16 June 2016 between PJSC Rosseti and JSC SME Corporation.

Import substitution

One of PJSC Rosseti's priority tasks is to ensure the technological sovereignty of the power grid sector of the Russian Federation and maintain reliability, and technological and information security.

In light of the risks of sanctions and cyberattacks, the Unified Technical Policy focuses on the use of electrical equipment, systems, devices, components and software from domestic manufacturers and developers, as well as localised equipment from foreign manufacturers.

PJSC Rosseti's import substitution process is aligned with the Corporate Import Substitution Plan of PJSC Rosseti¹. The Corporate Import Substitution Plan was developed in accordance with the methodological recommendations for the preparation of corporate import substitution plans by state corporations, state companies, joint stock companies with the Russian Federation holding over 50% stake in their authorised capital, and organisations implementing investment projects included in the register of investment projects in accordance with the decision of the Government Commission on Import Substitution².

Goals and objectives of PJSC Rosseti's Corporate Import Substitution Plan:

- To ensure the technological security of the power grid sector of the Russian Federation
- To reduce dependence on foreign products, equipment and technical devices
- To reduce dependence on the services/works of foreign companies and the use of foreign software

The main expected result of the Corporate Import Substitution Plan is an increase in the share of domestic electrical equipment in the total volume of purchases made by PJSC Rosseti.

Measures to support Russian manufacturers

Cooperation with equipment manufacturers covers both the stage of development of new products, and the stage of testing and piloting of electrical equipment at the facilities of PJSC Rosseti and its subsidiaries. Meetings, equipment certification, interaction within CIGRE, etc. are other tools of communication with manufacturers. Scientific and technical institutes and associations are involved, including for the implementation of the equipment import substitution policy. PJSC Rosseti and JSC SVEL Group

signed a cooperation agreement in 2023 to localise, promote and develop production of on-load tap-changers in the Russian Federation³.

In order to reduce the risks of import dependence on foreign equipment, components, and materials, the Rosseti Group additionally introduced requirements for import substitution and localisation of components in the Russian Federation in 2023 as part of product quality verification (certification). Currently, the reliability of supply chains for equipment, components and materials, the potential for their after-sale servicing in Russia, and the level of localisation are analysed on a mandatory basis.

In 2023, along with the equipment certification system, a set of criteria was developed for industrial products to classify them as products manufactured in the territory of the Russian Federation. This set of criteria was approved in the form of an organisational standard of PJSC Rosseti "Requirements for Determining the Country of Origin of Products Purchased for the Production Needs of the Rosseti Group. Package of documentation. Standard Requirements" and is aimed at encouraging deeper localisation of products in the Russian Federation.

In addition, PJSC Rosseti is a customer corporation under the Grant Programme for growing technology companies that produce equipment for the Group's needs⁴, under which domestic manufacturers develop import-substituting high-tech products that have no counterparts in Russia.

In 2023, PJSC Rosseti backed three projects of domestic equipment manufacturers:

- LLC PLS Technology with the project on development and organisation of full-scale production of TOPAZ SW industrial network switches (RR and RF design)
- LLC PromEnergo with the project on smart electricity metering devices capable of diagnosing the location of short-circuit faults in medium-voltage grids
- LLC ENELT Production Company with the project on production of charging and rectifying devices for operational DC systems with increased efficiency

It is worth noting that in 2023, PJSC Rosseti approved the Innovative Development Program for SMEs for their potential participation in the procurement of goods for the purpose of developing innovative products and further entering offset arrangements, which will also help ensure technological sovereignty.

The 2024 plans involve further implementation of projects and activities associated with import substitution of products.

Transition to Russian software

One of the key challenges facing the Rosseti Group is to ensure technological sovereignty and transition to the predominant use of domestic software.

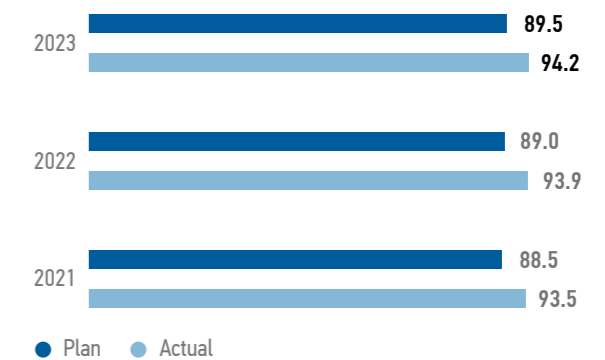
The Company developed a software import substitution plan and created internal typical standards and policies for equipment and software, with due consideration of various scenarios of use in the Company. Forming a long-term order for domestic IT infrastructure equipment is currently underway. In-house testing centres for software solutions are being established.

The Rosseti Group is building an open IT infrastructure that will accelerate software import substitution, reduce the time required to deploy digital solutions, reuse best practices and promote the reliability, security and fault tolerance of IT services.

Software import substitution targets for 2024

KPI	Plan 2024 ¹
Share of expenditures on the purchase of Russian software	80.00%
Investments in domestic IT solutions	RUB 10.68 bln

Share of equipment and materials purchased from Russian manufacturers in the total volume of purchases, %



Significant software import substitution projects of the Rosseti Group completed by the end of 2023

- Introduction of domestic geoinformation systems GIS Panorama and SIGMA SUS (grid control system)
- Implementation of a unified automated 1C Enterprise-based treasury management system for the Rosseti Group
- Creation of a unified technical connection portal for the Rosseti Group based on the domestic P1.Platform
- Implementation of SK-11 automated operational and process management systems
- Implementation of systems designed to automate processes related to the transport and sale of energy resources based on the domestic Omni-US solution
- Implementation of fiscal electricity metering systems based on the domestic solution called Pyramid-Seti
- Creation of an electronic document management system based on the domestic Documino solution

¹ Order of PJSC Rosseti No. 466 dated 24 October 2023.

² Approved by Order No. 219R-AU of the MED dated 11 August 2016.

³ Agreement dated 24 October 2023.

⁴ Pursuant to Resolution of the Government of the Russian Federation No. 392 dated 17 March 2022.

¹ In accordance with the approved Strategy for Digital Transformation of Rosseti Group until 2030.

Analysis of Financial Results

The Rosseti Group showed steady financial performance by the end of 2023.

The changes in net income, EBITDA and EBITDA margin for the Rosseti Group were primarily impacted by the following factors:

- Increase in revenue from electricity transmission services due to changes in the relevant tariffs from 1 December 2022 and from 1 May 2023 as part of the tariff and balance decisions adopted, as well as growth in the volume of services rendered

- Increase in revenue from grid connection services under contractual obligations 2023 saw a lot of activity from large consumers due to the state support measures



— How would you evaluate the Company's 2023 financial performance?

— The 2023 results are indicative of the Company's strong financial position. Revenue increased to RUB 326.2 billion and EBITDA — to RUB 171.6 billion. Profit of RUB 66.9 billion was cleared, minus the investments revaluation.

The growth of key financial indicators made it possible to secure sources of funding for the large-scale investment programme, which exceeded RUB 240 billion. Obligations to implement infrastructure projects of state importance, including the development of the Eastern Railway Range, are being fulfilled in full.

The measures to maintaining financial stability and the additional indexation of tariffs from 1 May 2023 helped to maintain the debt load and create significant investment potential to finance strategic infrastructure projects.

— What are the key measures that ensure financial stability in the Company?

— The Company exercises constant and strict control over expenditures and revenues. The budgeting process ensures equilibrium of cash flows and is aimed at efficient utilisation and distribution of the Company's financial resources amid state regulation of tariffs.

Debt and liabilities are managed within the framework of the Regulations on the Credit Policy of PJSC Rosseti approved by the Board of Directors. The credit policy consistently minimises the risk of the Company's insolvency and ensures its financial stability in the longer term.

Continuous measures to improve operational efficiency and systematic cost management create conditions for maintaining a stable financial position.

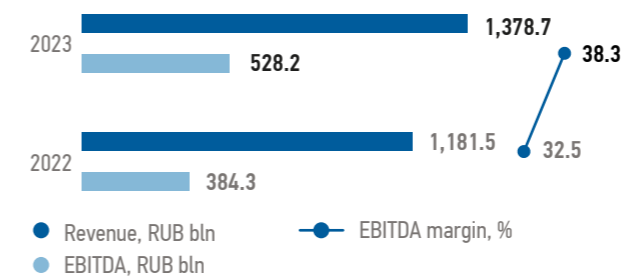
— What are the cost reduction tools that you apply? How effective are they?

— Improving internal efficiency has always been a priority. Rosseti is implementing a relevant programme aimed at minimising the resources consumed without compromising the reliability, quality and availability of power supply to consumers. To achieve the results desired, we turn to optimising maintenance and repair management processes, improving the efficiency of fixed asset management, reducing administrative and management expenses, using the results of benchmarking data on operating costs of production units, and implementing digital transformation projects. At the end of 2023, the year-on-year decrease in specific operating costs was 2.1%.

Artem Alyoshin,
Acting Deputy General Director for Economics and Finance

Behaviour pattern of Rosseti Group's key financial indicators

Indicators	2022	2023
Revenue, RUB bln	1,181.5	1,378.7
Operating expenses, RUB bln	993.4	1,110.9
Net profit, RUB bln	132.8	161.3
EBITDA ¹ , RUB bln	384.3	528.2
EBITDA margin ² , %	32.5	38.3
Net cash flow from operating activities, RUB bln	322.2	472.6
Debt ³ , RUB bln	649.3	646.5
Assets, RUB bln	2,924.3	3,290.8
Liabilities, RUB bln	1,317.0	1,438.9



The Group's debt portfolio remained flat with the last year level.

Net cash from operating activities increased by 46.7%. The growth of net cash flow was mainly attributed to the growth of target investment profit, as well as a larger amount of prepayments received for the grid connection projects.

Net profit totalled RUB 161.3 billion (up 21.5% year-on-year). Revenue grew by 16.7% to RUB 1,378.7 billion. EBITDA rose by 37.4% to RUB 528.2 billion.



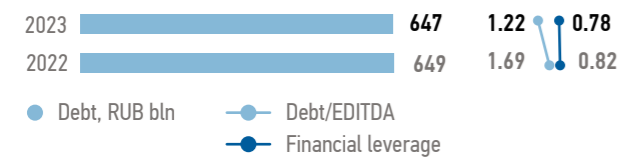
¹ EBITDA is calculated as earnings before income tax expense, interest expense, depreciation and amortisation and net impairment loss.

² EBITDA to revenue ratio.

³ Amount of long-term and short-term borrowings.

Behaviour pattern of Rosseti Group's financial stability indicators

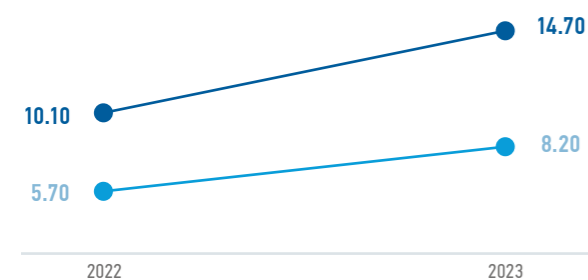
Financial stability indicators



As of 31 December 2023, the debt burden level in terms of Debt/EBITDA decreased by 28% compared to the same period of 2022 and amounted to 1.22, which can be explained by the growth of EBITDA with insignificant changes in the debt portfolio.

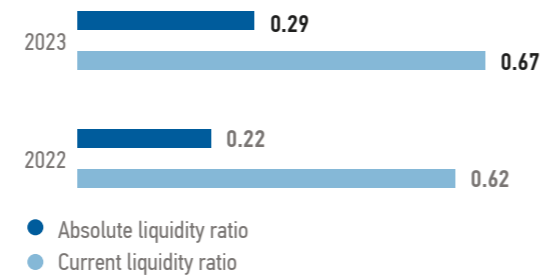
The financial leverage¹, which reflects the debt-to-equity ratio, was driven down by the growth of equity as a result of the Company's restructuring.

Profitability performance profile, %



In 2023, the return on equity² and return on net assets³ continued to grow and reached 14.7% and 8.2%, respectively, supported by the growth of net income. Positive movements in these indicators are indicative of efficient capital and asset management at the Rosseti Group.

Liquidity index



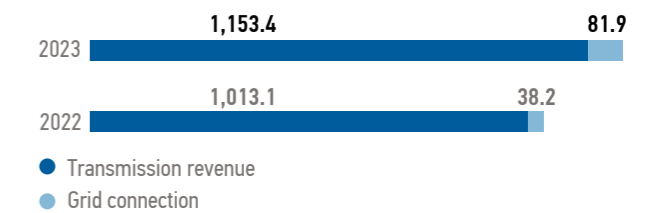
The liquidity ratios were on a growing year-on-year trend, driven by the outstripping growth rate of current assets over short-term liabilities. Given the specifics of the electric power industry, this level of liquidity can be considered sufficient to close existing liabilities, and the Company is financially stable.



Revenue

Revenue grew by 16.7% to RUB 1,378.7 billion. Revenue from electricity transmission grew by 13.8% to RUB 1,153.4 billion, while revenue from grid connection more than doubled from RUB 38.2 billion to RUB 81.9 billion.

Revenue structure, RUB bln



Operating expenses

Operating expenses, RUB bln



In order to improve operational efficiency and optimise the volume and structure of production and management costs, the Rosseti Group annually develops the Programme for Improving Operating Efficiency and Reducing Costs (hereinafter referred to as the Programme).

The Programme aims to minimise the resources consumed without compromising the reliability, quality and availability of power supply to consumers.

The target of the Programme is to optimise costs and effectively manage funds while meeting the objectives of ensuring the required level of reliability, quality and availability of power supply to consumers and the financial stability of the Rosseti Group's companies.



¹ Financial leverage is the ratio of the total long-term and short-term liabilities to equity capital.

² Return on equity is calculated as the ratio of net profit adjusted for the loss from impairment of fixed assets to the average annual value of equity capital.

³ Return on assets is calculated as the ratio of net profit adjusted for impairment loss on fixed assets to the average annual value of assets.

Debt obligations of the Rosseti Group

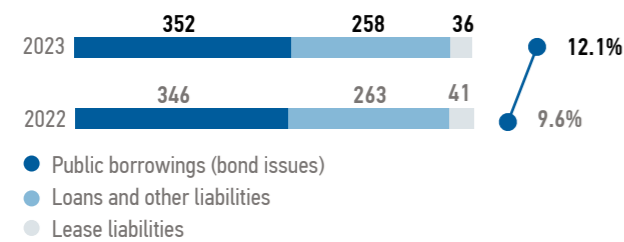
The Company maintains a moderate level of debt burden. There is no currency risk associated with borrowings, as 100% of debt is denominated in Russian Roubles.

The level of Rosseti Group's debt did not change significantly in 2023.

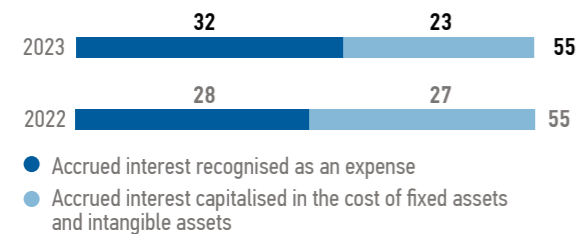
The Rosseti Group's cost of debt for 2023 increased from 9.6% p.a. at the beginning of the year to 12.1% p.a. at the end of the year and is below the market level (according to Bank of Russia's statistics, the average lending rate for a period of 1 to 3 years in December 2023 was 14.4% p.a.).

The Rosseti Group's debt portfolio mainly consists of long-term borrowings; the weighted average maturity of the portfolio is more than 7 years.

Financial debt, RUB bln



Servicing costs of loans and borrowings, RUB bln



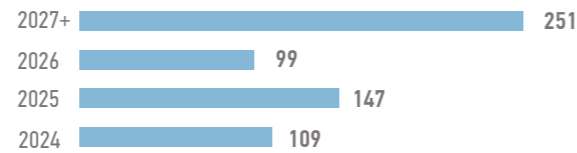
42 RUB BLN

total nominal amount of Rosseti's exchange-traded bonds for 2023

Credit ratings

The credit ratings of the Group's companies are evidence of financial stability, reliability and management efficiency. As of the end of 2023, credit rating agencies affirmed that PJSC Rosseti and its four subsidiaries (PJSC Rosseti Moscow Region, PJSC Rosseti Centre, PJSC Rosseti Centre and Volga Region, and PJSC Rosseti Lenenergo) had the highest sovereign credit rating with a stable outlook. The main rating strength

Debt repayment schedule¹, RUB bln



PJSC Rosseti is the principal borrower among the Rosseti Group's companies. PJSC Rosseti's debt portfolio is evenly distributed between fixed-rate bond loans and bank loans/bonds with payments linked to a floating indicator.

For 2023, PJSC Rosseti also placed five issues of exchange-traded bonds with a total nominal amount of RUB 42 billion:

- 21 February 2023, bonds of 001P-08R series worth RUB 12 billion, with a coupon rate equal to the key rate of the Bank of Russia +1.3% and a 5-year term until put date
- 25 April 2023, bonds of 001P-09R series worth RUB 5 billion, with a coupon rate of 10.44%, period to maturity of 5 years and 001P-10R series worth RUB 10 billion, with a coupon rate of 11.15%, period to maturity of 7 years
- 12 December 2023, bonds of 001P-11R series worth RUB 10 billion, with a coupon rate defined as the average of the Bank of Russia key rate for the coupon period +1.05%, period to maturity of 6 years and 001P-12R series worth RUB 5 billion, with a coupon rate of 12.80%, period to maturity of 3.5 years

The weighted average cost of the debt portfolio of PJSC Rosseti as of 31 December 2023 was 9.11% p.a., which is 1.93% p.a. lower than as of 31 December 2022 (11.04% p.a.). The decrease in the weighted average cost of the debt portfolio was caused primarily by the decrease in the level of the consumer price index.

For full details on PJSC Rosseti's outstanding bond issues, please see Appendix 1.

here lies with the strategic importance of PJSC Rosseti as a key element of the energy supply infrastructure for the Russian economy and households, high business profitability and liquidity.

For more details on the Group's credit ratings, please see Appendix 1.

State support

In December 2023, in accordance with the Budget Code of the Russian Federation and decisions of the Government of the Russian Federation, the Russian Federation contributed funds as payment for additional ordinary shares of PJSC Rosseti, the issue of which was registered by the Bank of Russia on 21 August 2023 under the number 1-01-65018-D-109D.

Pursuant to the Budget Code of the Russian Federation, PJSC Rosseti was granted federal budgetary investments in the form of a contribution to the authorised capital of PJSC Rosseti in the amount of RUB 1,294,025,600 (One billion two hundred ninety-four million twenty-five thousand six hundred) under the agreement between PJSC Rosseti, the Minenergo of Russia and Rosimushchestvo No. 022-18-2023-002 dated 26 December 2023.

Tariff policy

The Rosseti Group's companies are subject to state regulation due to their monopoly position in the market.

Tariff policy for electricity transmission services

Based on the Forecast of Social and Economic Development of the Russian Federation for 2023 and the planning period of 2024 and 2025 approved by the Government of the Russian Federation, the national average regulated tariffs for electricity transmission services for all categories of consumers is set at 9.0% as of 1 December 2022. There are two tariff levels for transmission services — federal and regional:

- FAS of Russia approves prices (tariffs) for electricity transmission services over the Unified National (All-Russian) Power Grid, as well as maximum and (or) minimum tariff levels for electricity transmission services

On 28 December 2023, the Russian Federation represented by Rosimushchestvo placed 2,588,051,200 new ordinary shares of PJSC Rosseti with a par value of RUB 0.5 each at an offering price of RUB 0.5 for the total amount of RUB 1,294,025,600.

In accordance with the Budget Code of the Russian Federation, subsidiaries of PJSC Rosseti were granted subsidies from the federal budget in 2023 as follows:

- PJSC Rosseti Northern Caucasus in the amount of RUB 1,208.182 million to reimburse expenses related to the maintenance and repair of distribution grids in the Republic of Dagestan, as well as the completing of an emergency reserve with necessary equipment and materials, under the terms of agreement No. 022-11-2023-026 dated 28 December 2023 between PJSC Rosseti Northern Caucasus and the Minenergo of Russia
- JSC Chechenenergo in the amount of RUB 818.124 million to reimburse expenses related to the measures to improve the reliability of the power grid complex of the Chechen Republic under the terms and conditions of agreement No. 022-11-2023-025 dated 22 December 2023 concluded between JSC Chechenenergo and the Minenergo of Russia.

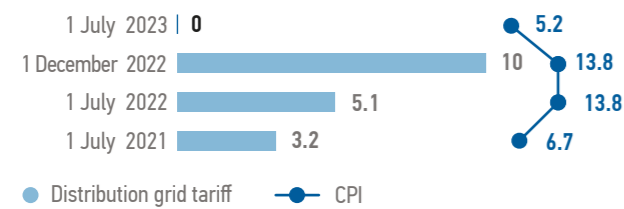
- Regional regulatory authorities set unified 'common pot' tariffs for electricity transmission services within the limits of the tariff ceilings approved by the FAS of Russia, or below or over the limits upon agreement with the FAS of Russia

In accordance with Resolution of the Government of the Russian Federation No. 2053 dated 14 November 2022, the tariff level for transmission services from 1 December 2022 and for the entire 2023 calendar year is set at +9%; the tariff for electricity transmission services on the Unified National (All-Russian) Power Grid provided by the management organisation of the Unified National (All-Russian) Power Grid from 1 December 2022 to 30 April 2023 is set at the level of +11.5%, from 1 May 2023 to 31 December 2023, with consideration of an additional increase of 6.3% in relation to the tariffs that were in effect as of 30 April 2023, in accordance with Order of the Government of the Russian Federation No. 1113-r dated 28 April 2023 since 1 May 2023.

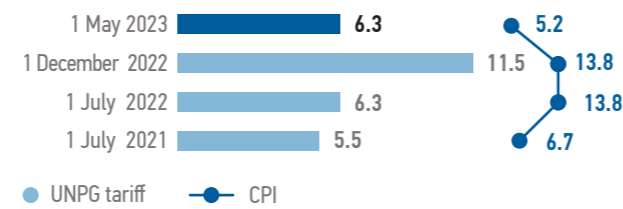
As part of the procedure for approving the exceeded tariff ceilings with the FAS of Russia for 22 regions where PJSC Rosseti's subsidiaries operate, the regions' applications for setting tariffs for electricity transmission services with indexation above 9% were approved.

¹ Principal debt on loans and borrowings minus accrued but unpaid interest.

Distribution grid tariff change, %¹



Transmission grid tariff change, %



Distribution of costs in the structure of the “common pot” tariff for electric power transmission services in 2022–2023

Indicators	2022	2023	Change 2023/2022
Expenses for payment for normative (process) losses of electric power in DGC grids, RUB bln	146.8	162.0	10.4%
Expenses for payment for services of adjacent LGOs by individual tariffs, RUB bln	187.6	210.4	12.1%
Expenditures on payment for services on electric power transmission through UNPG, RUB bln	152.8	171.8	12.5%
RGR for maintenance of grid facilities of DGCs, RUB bln	467.7	555.3	18.7%

Long-term tariff regulation in PJSC Rosseti is based on long-term parameters using the return on invested capital method.

All subsidiaries of PJSC Rosseti that provide electricity transmission and grid connection services also regulate their long-term tariffs on the basis of long-term parameters, as follows:

- in seven regions of operation, the return on invested capital method (RAB regulation)
- in 58 regions of operation — by the method of long-term indexation of the required gross revenue



Tax policy

The Company adheres to a transparent tax policy and discloses information on tax payments. The Company has the following documents in place:

- Accounting Policy of the Company²
- Procedure for Organising Risk Management and Internal Control of PJSC Rosseti and Subsidiaries (the Rosseti Group)³

To ensure information openness and transparency of the Company, be able to submit requests for a reasoned opinion of the tax authority in case of doubt or ambiguity on taxation issues, and reduce the cost of supporting tax control measures, PJSC Rosseti has switched to a tax monitoring regime starting from 2020.

In 2023, the interaction with the Federal Tax Service in the tax monitoring mode proved to be highly efficient: the number of claims received from the tax authority was significantly reduced, which results in cost savings through the synergistic effect of digitalisation of tax administration and focus on methodological aspects of tax control management.

Main objectives of tax control

Completeness and timeliness of payment and transfer of taxes, levies and insurance contributions	Identification, assessment, minimisation and elimination of risks of incorrect calculation, incomplete and untimely payment of taxes, fees and insurance premiums of an organisation
Timely preparation of the organisation’s tax reporting	Creation of an effective control environment in the field of tax accounting
Timely identification and analysis of tax risks of business processes	Development and implementation of control procedures for tax accounting and tax reporting
Standardisation and regulation of control procedures in relation to tax accounting and tax reporting	

Results of tax monitoring in 2023:

- Execution of a motivated opinion of the tax authority in respect of transactions made
- Execution of Order No. ED-7-23/518@ dated 25 May 2021 “On approval of requirements for the organisation of the internal control system, as well as forms and formats of documents to be submitted by organisations when disclosing information on the internal control system”
- Execution of Order No. ED-7-23/476@ dated 11 May 2021 “On approval of the forms and requirements for documents used in tax monitoring”
- Creation of the Integration Module of the Company’s information system with Nalog-3 AIS and the Module of the Internal Control System in the information system of tax accounting information disclosure in accordance with Order No. ED-7-23/163@ dated 13 March 2023 “On approval of the procedure for providing access of tax authorities to information systems of organisations”
- Successful testing of nine services of information interaction between the Tax Monitoring Information System and Nalog-3 AIS within the Working Group of the pilot project of the Federal Tax Service of Russia on integration of information systems of organisations participating in tax monitoring with Nalog-3 AIS in accordance with Order of the Federal Tax Service of Russia No. ED-7-23/163@ dated 13 March 2023 “On approval of the procedure for providing access of tax authorities to information systems of organisations”

For more details on the risks associated with proper compliance with the tax legislation, please see the section: Key Risks, p. 56.

For more details on taxes paid in 2023, please see the section: Responsible Taxpayer, p. 135.

¹ CPI — consumer price index.

² Approved by Order No. 535 dated 30 December 2015 (as amended by Order No. 357 dated 25 August 2023).

³ Approved by Order No. 203 dated 15 May 2023.

SUSTAINABLE DEVELOPMENT

ENHANCING RESPONSIBILITY



1.14 RUB BLN

TRAINING COSTS FOR ROSSETI GROUP EMPLOYEES

824.5 RUB MLN

ENVIRONMENTAL PROTECTION COSTS

Sustainable Development Management

PJSC Rosseti endeavours to establish a responsible business that respects the environment, people and resources, in addition to achieving production and financial targets.

Towards sustainable development management

Effectively managing sustainable development issues in line with the Company's specific features and expectations is a prerequisite for the long-term favourable position and stability of PJSC Rosseti.

The Company's main objective in the area of sustainable development is to maximise its operational pursuits' contribution to the UN SDGs and to generate added value for stakeholders in the context of relevant national and international goals.

Key contributors to sustainable development:

- Company's Board of Directors
- Management Board and General Director
- Deputy General Directors of the Company for functional areas
- Structural subdivisions of the Company, including those engaged in disclosing information related to sustainable development

Within the Company, the responsibility for the fulfilment of sustainable development objectives and implementation of appropriate policies and initiatives is distributed as follows:

- The Board of Directors administers strategic issues, such as approving sustainable development objectives, principles and trends. Also, the Board of Directors is in charge of overseeing the operations of the Company's executive bodies in key areas related to sustainable development.
- The Management Board and Director General of PJSC Rosseti are responsible for making key operating decisions and monitoring the implementation of sustainability programmes and projects adopted by the Company.
- The functional subdivisions of the Company and the management of subsidiaries implement sustainable development measures, projects and programmes in line with their core competencies.

In 2023, the Board of Directors actively contributed to the sustainable development agenda at PJSC Rosseti. The fundamental documents in this area were approved by the resolution of the Board of Directors:

- Sustainable Development Policy of PJSC Rosseti¹
- Climate Change Policy of PJSC Rosseti²



Sustainable Development Policy

The main objective of the Sustainable Development Policy of PJSC Rosseti (hereinafter referred to as the Policy) is to define the Company's consistent principles and approaches to sustainable development, and to ensure a holistic approach to environmental, social, and corporate responsibility concerns in the Company's subsidiaries through identifying the main goals, practices and trends.

The Company's focus areas set out in the Policy are in line with the UN Sustainable Development Goals (UN SDGs), the 2030 National Development Goals of the Russian Federation and other Russian and international sustainable development goals.

Six principles of Rosseti's sustainable development activities

- 1 Safety of operations
- 2 Conservation of the environment
- 3 Accommodation of stakeholders' expectations and interests
- 4 Consistency and transparency of operations
- 5 Mutual respect as the foundation for ethical business practices
- 6 Risk management



Sustainable development areas of the Company

<p> Promotion of economic growth</p> <ul style="list-style-type: none"> • Financial sustainability of operations • Contribution to the economic development of the country • Contribution to the economic growth of counterparties • Development of responsible financing instruments • Effective corporate governance framework 	<p> Environmental protection</p> <ul style="list-style-type: none"> • Atmospheric air protection • Waste management • Rational use of water resources • Rational land use • Biodiversity conservation 	<p> Care for the public</p> <ul style="list-style-type: none"> • Respect for human rights • Development of human resources • Labour protection, industrial safety and reliability • Gender balance • Community development • Charity and sponsorship
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

¹ Approved by the Resolution of the Board of Directors of PJSC Rosseti on 14 April 2023 (Minutes No. 615 dated 17 April 2023).
² Approved by the Resolution of the Board of Directors of PJSC Rosseti on 14 April 2023 (Minutes No. 615 dated 17 April 2023).



— Have the Company's sustainable development priorities changed due to restructuring?

— In the reporting year, the restructuring of the transmission and distribution grid facilities was completed. Unification of approaches to ESG activities within the Group's perimeter is forthcoming. We expect that the introduction of a single centre of responsibility will increase our contribution to the implementation of the relevant UN goals. As a first step, the Board of Directors of PJSC Rosseti approved the Sustainable Development Policy. The document identifies the Company's consistent principles and approaches in this regard. Similar internal documents were approved by our subsidiaries.

At the same time, the basic principles that the Rosseti Group's companies have been adhering to in the area of sustainable development for many years will not change: reliable and high-quality power supply to consumers, environmental stewardship, and, by all means, fulfilment of social obligations to employees.

— What are the specifics of ESG priorities for companies in the power industry?

— Recently, the sustainable development agenda has been undergoing changes. Priorities are being transformed, and the focus is shifting. This is relevant not only for power

industry companies but for all sectors of the economy as well. Whereas attaining carbon neutrality and mitigating the adverse effects were the main concerns a few years ago, the social aspect has now taken stage. The value of human capital is being more recognised. I believe this approach is fair and justified, especially for companies of the Rosseti Group.

People are our most valuable resource, and because of the peculiarities of the power grid industry, we also have an extra obligation to safeguard the lives and well-being of our employees. The fundamental principle is a preventive approach: timely personnel training and strict adherence to labour protection requirements. We place particular emphasis on improving employee well-being and creating opportunities to unleash potential. We run our own educational programmes, host professional skills competitions, and actively participate in the projects of the Presidential Platform: Russia, the Land of Opportunities.

Certainly, the E and G components also remain relevant.

We pay great attention to reforestation, safe waste management, biodiversity concerns and energy efficiency.

Sustainable development issues are integrated into the Company's corporate governance system at all levels. When making management decisions, the Board of Directors and the Company's management are mindful of ESG factors.

The validity of ESG prioritisation is confirmed by the expert community. We are proud that in the reporting year, the Company's ESG rating was raised one notch to ESG-2.

Yulia Leschevskaya,
Deputy General Director for Strategy

ESG rating

In 2023, the Analytical Credit Rating Agency (ACRA) upgraded the Company's ESG rating to ESG-2, which corresponds to a very high level in the area of environmental protection, social responsibility and governance.

The ACRA's decision is driven by the large-scale integration of sustainable development principles into the business model of the Rosseti Group. The assessment reflects the Company's strong dedication to sustainable development issues, a very high level of environmental, social and governance risk management, and an outstanding compliance with the best domestic and global ESG practices.

Stakeholder Relations

Viable and mutually beneficial stakeholder engagement is one of PJSC Rosseti's priorities in sustainable development.



The Company recognises the importance of building effective relations with stakeholders. PJSC Rosseti has a procedure for reviewing the list of stakeholders once every two years. The process includes analysing the Company's activities and external context, and assessing the mutual influence

of PJSC Rosseti and stakeholders. Most recently, the list of stakeholders was revised while compiling the Company's 2023 Social Responsibility and Corporate Sustainable Development Report. The next revision is scheduled as part of the preparation of the forthcoming annual Report.

Key topics and channels of stakeholder engagement

Stakeholder group	Stakeholders	Key topics of engagement	Direct personal interaction	External events (conferences, forums, etc.) and meetings	Exchange of reports	Business correspondence and phone calls	Internal portal	Contractual relations, implementation of agreements	Information disclosure on the official website of PJSC Rosseti
Stakeholders and Investors	Shareholders Investors	<ul style="list-style-type: none"> Economic efficiency of operations Management practices Growth of share capital Sustainable development performance Stability of the business in the longer term Transparency and reliability of reporting 	✓	—	✓	✓	—	—	✓
Partners, including non-profit ones	Banks and financial institutions	<ul style="list-style-type: none"> Co-operation for fundraising Business ethics and reputation Investment attractiveness Business sustainability Effective risk management 	✓	✓	✓	✓	—	✓	✓
	Professional associations Industry organisations	<ul style="list-style-type: none"> Exchange of experience Development and modernisation of the electric power industry Spread of green electricity and energy transition 	—	✓	✓	✓	—	✓	✓
	Suppliers and contractors	<ul style="list-style-type: none"> Supply of goods and performance of works Competitive procurement Transparency and business ethics Import substitution Regional economic development 	✓	✓	—	✓	—	✓	✓
Consumers	Customers and consumers of services	<ul style="list-style-type: none"> Quality of services and stable energy supply Business ethics Fulfilment of contractual obligations and cooperation 	✓	✓	—	✓	—	✓	✓
The State	Public authorities	<ul style="list-style-type: none"> Development and modernisation of the Unified National Power Grid of Russia Compliance with legal and regulatory requirements Social and economic activities Environmental protection activities Taxation 	—	✓	✓	✓	—	—	✓
	Regional and local self-government authorities	<ul style="list-style-type: none"> Social and economic development of the Company's footprint regions Energy supply to key regional industrial and social facilities Charitable and sponsorship initiatives Taxation 	—	✓	✓	—	—	✓	✓
The public	Population of regions of operation, local communities	<ul style="list-style-type: none"> Reliability of power supply Employment opportunities Environmental impact Development of regional infrastructure Charitable and sponsorship initiatives 	—	✓	—	✓	—	✓	✓
	Scientific community	<ul style="list-style-type: none"> Development and modernisation of the electric power industry Spread of green electricity and energy transition Research and innovation Environmental and health protection, application of relevant advanced technologies International science and technology dialogue 	—	✓	—	—	—	✓	✓
	Educational institutions	<ul style="list-style-type: none"> Education and career guidance Employment of specialists Unleashing the scientific potential Development of innovative technologies 	✓	✓	—	✓	—	✓	—
	Environmental institutions	<ul style="list-style-type: none"> Environmental protection activities and the Company's environmental impact Environmental safety of power grids Environmental protection initiatives Dissemination of responsible environmental management practices 	—	✓	—	✓	—	✓	—
	Public social and charitable organisations	<ul style="list-style-type: none"> Charitable and sponsorship initiatives Respect for the rights of employees and other stakeholders Social responsibility 	—	✓	—	—	—	✓	✓
Internal stakeholders	Mass media	<ul style="list-style-type: none"> A wide range of topics affecting all of the Company's stakeholders 	—	✓	—	—	—	—	✓
	Subsidiaries	<ul style="list-style-type: none"> Implementation of the Long-Term Development Programme Operating efficiency Fulfilment of the business plan and achievement of KPIs Adherence to sustainable development principles 	✓	—	✓	—	✓	✓	—
	Top management of the Company	<ul style="list-style-type: none"> Implementation of the Long-Term Development Programme Economic and operational efficiency Management practices Fulfilment of the business plan and achievement of KPIs Adherence to sustainable development principles 	✓	—	✓	✓	✓	✓	—
	Company personnel	<ul style="list-style-type: none"> Decent working conditions and remuneration Occupational health and safety Professional development and training Social safeguard 	✓	✓	✓	✓	✓	✓	—
	Company veterans (retirees)	<ul style="list-style-type: none"> Decent remuneration and recognition Exchange of experience 	✓	—	—	—	✓	—	—

For more details on significant stakeholder engagement events in the reporting year, please see the Report on Social Responsibility and Corporate Sustainability of the Rosseti Group for 2023.

Information disclosure and transparency

To help all stakeholders, including shareholders and investors, customers, and partners, to make informed decisions, PJSC Rosseti endeavours to disclose relevant information on key aspects of its operations. In its informational practices, the Company adheres to the principles of regularity, consistency, and promptness, as well as accessibility, reliability, completeness, and comparability of the data disclosed.

This is achieved through a variety of communication channels, one of which is the [corporate website](#). In 2023, it was completely renewed pursuant to the restructuring the Rosseti Group underwent. Other opportunities, such as authorised disclosure systems, are also pursued.

[The Company interacts with federal and regional mass media through press releases on the corporate website, posts in corporate social media and the Telegram channel. The Company also holds events for journalists featuring the management of the Company, its branches and subsidiaries, including press tours to the operating facilities of the power grid complex. In addition, prompt provision of information in response to media enquiries sent through official communication channels has been formalised.](#)

[The Rosseti Group is the absolute leader in the electric power industry in terms of the number of media mentions and is among the top-5 partially state-owned companies, which demonstrates the effectiveness of its information policy.](#)

[At year-end 2023, about 259,300 publications about the Rosseti Group were published in the media \(Media Rating of Electric Power Companies by Scan-Interfax\).](#)

Key topics of the materials in mass media:

- Restructuring and introduction of a single centre of responsibility within the power grid complex
- Implementation of the investment programme, including nationwide scale projects related to the development of the Eastern Railway Range
- Increased reliability and stability of power supply to consumers
- Upgrade of infrastructure with the introduction of modern Russian made equipment

The Rosseti Group's corporate Telegram channel:
https://t.me/rosseti_official



The expert community has traditionally praised the information transparency of the Rosseti Group's companies and the quality of reporting, which is confirmed by awards from high-profile competitions. In 2023, PJSC Rosseti won in the category "Best Annual Report of a Company with the Capitalisation of RUB 40 to 200 billion" at the XXVI Annual Competition of Annual Reports held by the Moscow Exchange. The annual reports of seven subsidiaries of PJSC Rosseti were winners and runners-up in the categories "Best Annual Report of a Company with the Capitalisation of up to RUB 40 billion", "Best Corporate Governance Disclosure", and "Breakthrough of the Year".



Information Policy

In 2023, the Board of Directors of PJSC Rosseti adopted¹ a new version of the Regulations for the Company's Information Policy.

The document was developed in accordance with the requirements of federal legislation, Bank of Russia's Regulation No. 714-P dated 27 March 2020 "On Information Disclosure by Issuers of Equity Securities", recommendations of the Corporate Governance Code, the Articles of Association and internal documents, as well as rules established by trading authorities (stock exchanges) where the Company's securities are listed.

The goals of the policy implementation are to protect the rights and legitimate interests of shareholders, fulfil the requirements of the Russian legislation and market regulators in terms of disclosure of mandatory and additional information. The document also defines other tasks of the Company related to the pursuit of the information transparency, and sets out a list of necessary measures and oversight tools.

In 2023, information disclosure was undertaken to a limited extent to reduce the negative effect of unfriendly actions of foreign states and international organisations related to the introduction of restrictive measures against citizens of the Russian Federation and Russian legal entities, in line with the requirements of the resolutions of the Government of the Russian Federation².

Participation in congresses and exhibitions

The Company actively participates in all key economic forums, significant congresses and exhibitions, and research and practice events of the industry in Russia and abroad.

In 2023, the Company's representatives took part in the St. Petersburg International Economic Forum, the Eastern Economic Forum, the Russian Power Industry Week International Forum (the Company also acted as a Strategic Partner of the above events), the Russia-China Business Forum, the Eurasian Economic Forum, the Industrial Russia Digital Sector Forum, and a number of other major events.



— What were the key areas of the Rosseti Group's outreach efforts in 2023?

— Without a doubt, the completed restructuring of the Rosseti Group was at the centre of attention. It was important for us to inform all stakeholders — not only shareholders and investors, but also customers, partners, and employees — about the changes. For this purpose, we completely revamped our corporate website and strengthened our interaction with federal and regional media. Our traditional agenda, which included power supply stability, major infrastructure projects, technological innovations, and customer services, also remained in focus.

Among the significant topics of 2023, I would also mention the opening of the Russia International Exhibition and Forum in Moscow. This event is unparalleled in terms of its concept and scale: all regions of our country, federal agencies, major corporations, and leading universities took part in it. PJSC Rosseti acted as the general partner of the joint exposition of the fuel and energy sector hosted by the Russian Ministry of Energy. At the exhibition, we presented the Company's key achievements: from the construction of grid infrastructure for the Eastern Railway Range and the Power of Siberia gas pipeline to projects that are important for the comfortable life of each person.

Information transparency is a basic principle of the Rosseti Group. We are open to dialogue with all stakeholders and will continue to enhance the quality and efficiency of such communications.

Maria Dokuchaeva,
Chief Advisor of PJSC Rosseti

¹ Minutes No. 609 dated 3 March 2023.

² Resolution of the Government of the Russian Federation No. 351 dated 12 March 2022, Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023.

Environmental Protection

PJSC Rosseti recognises the need to actively contribute to the preservation of the environment and natural resources and strives to expand practices aimed at protecting and preserving ecosystems in line with the annually growing relevance and significance of environmental issues.

Although Rosseti’s activities do not involve a significant negative environmental impact, the Company pursues a comprehensive approach to identifying, assessing, and preventing environmental risks. One of the relevant tools utilised is the environmental management system, which has been swimmingly used in the Company since 2020. The system applies to the key activities of PJSC Rosseti, i.e., electric power transmission and distribution services, as well as grid connection to main power grids.

In 2023, environmental protection expenditures increased by 17% to RUB 824.5 million. This value includes the following types of expenditures: preservation of water resources and atmospheric air, and environmental protection from the negative impact of waste. However, it does not include payment for negative environmental impact and expenses for the installation of bird diverters (covered separately under the Biodiversity Conservation section).

Violation of environmental legislation and regulatory requirements

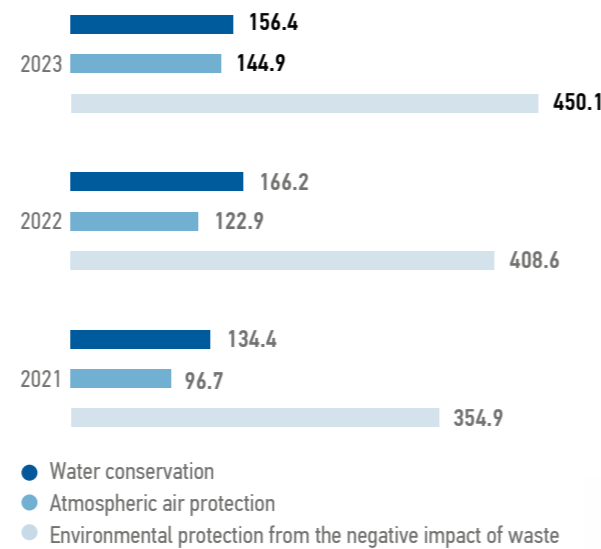
Year	2021	2022	2023
Total amount of fines, RUB (actually paid)	2,800,000	131,500	156,000
Number of issued improvement notices	19	4	14

In 2023, the environmental impact fee totalled RUB 10.4 million, which is 23% less than in 2022. The reduction is due to a decrease in payments for emissions of pollutants into the atmosphere.

In accordance with the Sustainable Development Policy, PJSC Rosseti’s main areas of environmental protection are as follows:

- Atmospheric air protection
- Waste management
- Rational use of water resources
- Rational land use
- Biodiversity conservation

Environmental protection expenditures, RUB mln



- Water conservation
- Atmospheric air protection
- Environmental protection from the negative impact of waste

In 2023, PJSC Rosseti had its environmental management system re-certified. Based on the results of an independent audit by the Russian Register Certification Association, the system was found to comply with the requirements of ISO 14001:2015 and its national analogue, GOST R ISO 14001-2016. The new certificate of compliance was issued for the period until December 2026.

Atmospheric air protection

PJSC Rosseti’s production activities result in emissions of pollutants into the atmosphere. The most significant sources of the Company’s emissions are stationary facilities, such as woodworking and metalworking machines, diesel generator sets, welding stations, and motor vehicles.

PJSC Rosseti regularly conducts inventory surveys of stationary sources of pollutant emissions.

In 2023, gross air pollutant emissions increased by 13%. This is due to the inventory survey at the facilities of JSC Mobile GTES. Also, the above growth accounts for air pollutant emissions from the sources of JSC RES and JSC Electromagistral.

Gross air pollutant emissions, t



The mass of pollutants emitted into the atmosphere is determined in accordance with the methods introduced by the Ministry of Natural Resources of the Russian Federation.

PJSC Rosseti runs continuous industrial monitoring in the field of air protection and implements measures to manage emissions and physical impact. Special attention is paid to the timely upgrade of equipment.

Indicator	2021	2022	2023
Gross emissions of harmful substances into the atmosphere, t, including:	1,381.90	2,249.9	2,599.00
Solid substances	115.10	119.1	300.00
Gaseous and liquid substances, including:	1,266.8	2,130.8	2,299.00
– Sulphur dioxide (SO ₂)	61.3	191.6	167.7
– Carbon oxide (CO)	599.5	850.1	786.5
– Nitrogen oxides (expressed as NO ₂)	244.2	665.7	568.3
– Hydrocarbons (without volatile organic compounds)	7.6	7.3	6.9
– Volatile organic compounds	332.7	390.8	415.7
– Other	21.5	25.2	353.9

Waste management

PJSC Rosseti's approach to production and consumption waste management includes accounting for waste generation and hazard assessment, constructing waste accumulation sites, and transferring waste to specialised organisations for treatment, deactivation, disposal and landfilling. The most significant sources of waste generation in the Company are office buildings, production and storage facilities, as well as workshops, warehouses and garages.

In 2023, the amount of waste generated at PJSC Rosseti increased by 13% due to the decommissioning of PCB¹-containing equipment. All waste generated during equipment decommissioning was transferred to a federal operator for deactivation.



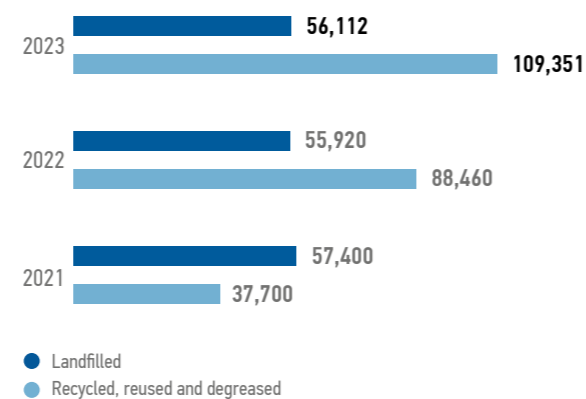
Mass of generated waste by hazard class, *thsd t*

Indicator	2021	2022	2023
Hazard class I	0.31	0.04	0.15 ²
Hazard class II	0.27	0.11	0.14
Hazard class III	2.27	2.29	1.83
Hazard class IV	51.34	68.15	75.8
Hazard class V	41.90	73.70	88.00
Total	96.09	144.29	165.9

The Company's main goal in the field of environmentally safe waste management is to increase the volume of waste transferred for treatment, disposal, and deactivation.

The amount of waste transferred to third-party organisations for recycling, deactivation and reuse at PJSC Rosseti grows annually. In 2023, it increased by 19% and almost doubled the amount of waste transferred to landfills.

Waste generation by handling method, *t*



¹ Polychlorinated biphenyls.

² The volume of hazard class I waste generation does not include the volume of PCB-containing waste from PJSC Rosseti's facilities, as the dismantling and transfer of PCB-containing equipment to the federal operator was undertaken by contractors as part of the Company's investment programme.

Rational use of water resources

PJSC Rosseti's production processes are not associated with a significant impact on water bodies. Nevertheless, the Company continuously implements measures aimed at the rational use of water resources and addresses reducing the negative impact on water bodies from wastewater discharge.

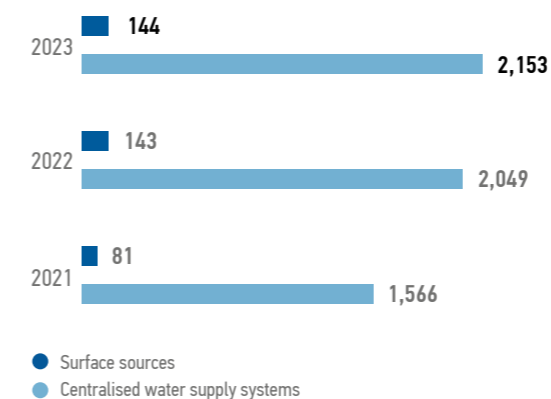
PJSC Rosseti withdraws water from both surface/underground natural water sources and centralised water supply systems. Municipal water supply systems account for about 77% of the Company's water intake.

In 2023, water withdrawal from surface water bodies decreased by 70% in view of production needs (suspension of the transfer of the export capacity of the Vyborgskaya 400 kV substation). Total water withdrawal in 2023 also decreased by 16%, which is due to repair works at water supply facilities and the implementation of resource preservation and energy saving measures.

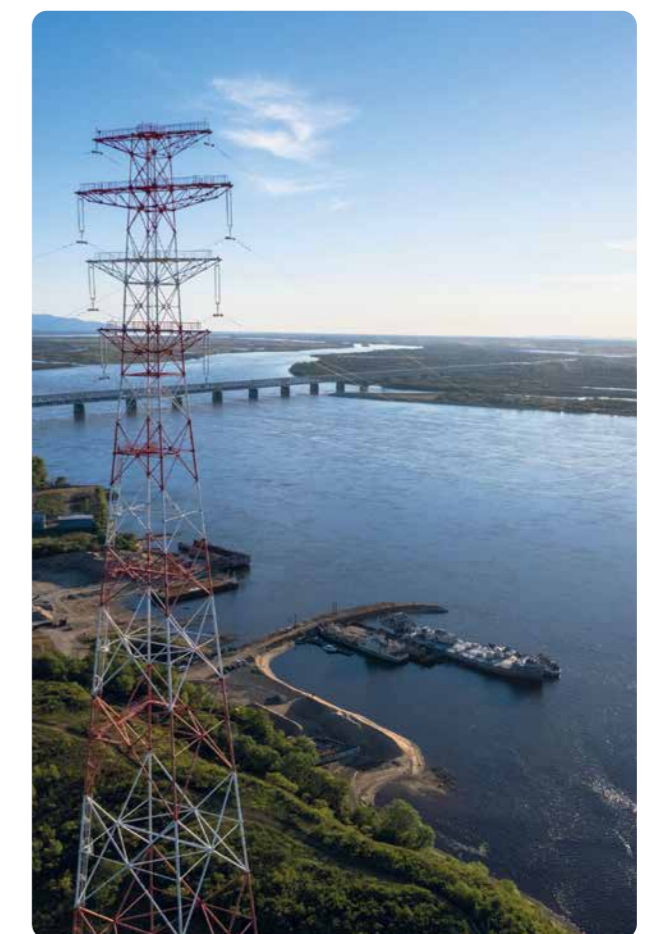
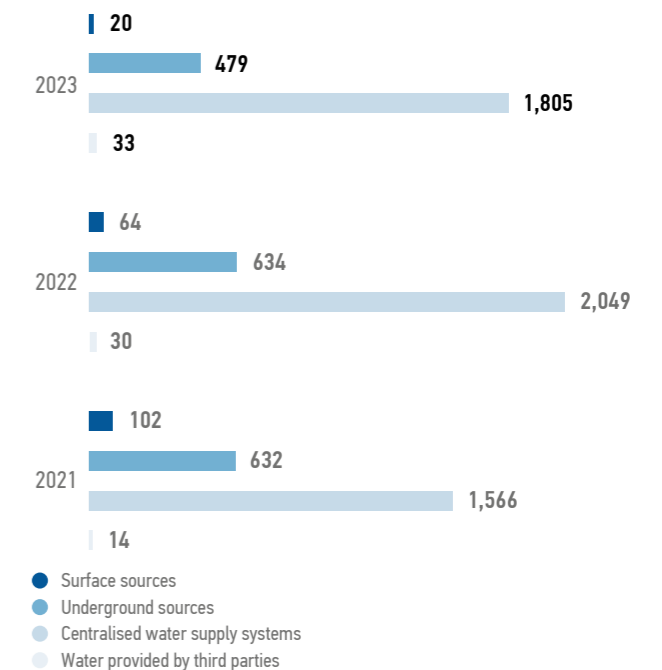
Wastewater is diverted and discharged from the Company's production facilities into centralised water disposal systems and surface water bodies.

The Company monitors the quality of discharged wastewater and seeks to reduce the adverse impact on water bodies through the construction and renovation of local treatment facilities, thus cutting down the flow of pollutants into water bodies, as well as through the arrangement of sanitary protection zones for drinking and domestic water supply sources. To a limited extent, the Company utilises the recycled water supply system. In 2023, the volume of water recycled amounted to 2,000 m³.

Volume of wastewater discharge by receipt, *thsd m³*



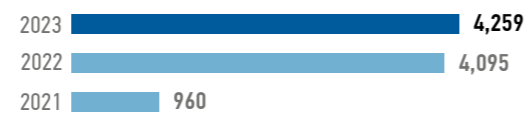
Water withdrawal by source, *thsd m³*



Rational land use

The Rosseti Group takes all necessary actions to reduce the amount of land subject to re-allocation and contamination, and focuses on the reclamation of damaged soil.

Area of reclaimed land, ha



Biodiversity conservation

The Rosseti Group places a high priority on maintaining natural ecosystems responsibly, protecting endangered plant and animal species — including those covered by the International Red List of the International Union for Conservation of Nature (IUCN), the Russian Federation Red Book, and the red books of the Russian Federation’s constituent entities — and their habitats.

The Company’s first priority in conserving biodiversity is to take measures to prevent negative impacts. Since 2009, environmental monitoring has been conducted in the Smolny National Park (Republic of Mordovia) in the area where the 500 kV OTL running through. Its purpose was to assess the species diversity, number of birds, and spatial distribution over the particular areas located within the boundaries of the 500 kV OTL routes: Veshkaima – Arzamasskaya and Veshkaima – Osinovka.

The Company’s activities and infrastructure related to power transmission and distribution may adversely affect the population of many bird species. To minimise this risk, PJSC Rosseti permanently furnishes power transmission lines with bird diverters: not only do they help prevent bird deaths and injuries, but they also cut down on the number of equipment failures. The Company pays special attention to regions that are home to rare and endangered species, such as *Ciconia nigra*, *Ciconia ciconia*, *Ciconia boyciana*, *Aquila chrysaetos*, *Haliaeetus albicilla*, *Pandion haliaetus*, *Anthropoides virgo*, etc. The recommendations of ecologists and ornithologists are used to select the locations of bird diverters.

Number of bird diverters installed, pcs



In 2023, PJSC Rosseti ranked among the top-3 Russian companies with the highest focus on biodiversity conservation.

RAEX Agency published the ESG ranking against Biodiversity Conservation. Experts reviewed 160 Russian companies and selected 50 practices to analyse. In the final ranking, PJSC Rosseti ranked second.

In 2023, the Rosseti Group installed about 166,000 new bird diverters. The cost of their installation totalled more than RUB 667 million, which is 6% more than in the previous reporting period.

PJSC Rosseti endeavours to prevent or mitigate negative impacts on natural ecosystems. Alongside that, the Company focuses on compensating for damage to biodiversity that may have been directly or indirectly contributed to by its operations. For example, in 2023, as part of compensation measures, 40 biotechnical facilities were installed in the Krymsky district of the Krasnodar Territory. Those include invertebrate habitat facilities, nesting sites for small birds (Passeriformes and Falconiformes), and artificial burrows for reptiles and amphibians.

PJSC Rosseti, together with territorial departments of the Federal Agency for Fishery (Rosrybolovstvo), releases young *Salmo*, *Acipenser*, *Acipenser ruthenus*, *Thymallus*, and *Coregonus* peled into water bodies located near electric grid facilities. In 2023, the number of fry released totalled 131,590.

Biodiversity of the Trans-Baikal Territory

In order to preserve rare and protected plant species in the Trans-Baikal Territory, the Company undertook the following in 2023:

- Planting 44 specimens of milk-flower peony, which is listed in the Red Book of Russia. The plants were taken from the collection of the Trans-Baikal Botanical Garden.
- Planting eight species of plants listed in the Trans-Baikal Red Book (including *Lilium pensylvanicum*, *Atragene ochotensis*, *Hemerocallis minor*, and others) along the route of high-voltage power transmission lines. These unique plants were planted in places where their natural habitat was discovered during environmental engineering surveys.
- Arranging sites for ecological monitoring of vegetation. The composition of the flora has been thoroughly studied, from assessing cover to analysing plant viability and phenology, as well as stages of recreational degradation.



Climate change

In 2023, direct greenhouse gas emissions are estimated at 156,000 tonnes of CO₂-eq., down 25% year-on-year.

Quantified greenhouse gas emissions include carbon dioxide (CO₂), methane (CH₄) and nitrogen oxides (N₂O).

In 2023, the Climate Policy of PJSC Rosseti was adopted. The document identifies climate risks that are significant for the Company, mechanisms for influencing them, and measures to adapt to climate change.

PJSC Rosseti identifies two groups of physical climate risks: extreme weather events and irreversible climate processes.

Greenhouse gas emissions (Scope 1), thsd t CO₂-eq.



For the risks associated with extreme weather events, a number of adaptation measures have been elaborated and are being implemented on an ongoing basis.

Climate risks	Examples of adaptation measures
Extremely high/low air temperatures	<ul style="list-style-type: none"> Revision of regulations to improve the reliability of power transmission lines (PTL) and transformer substations Measures to maintain design temperature profiles of industrial build-ings
Changes in tempera-ture/humidity profile and precipitation condi-tions; permafrost deg-radation	<ul style="list-style-type: none"> Monitoring of soil conditions where the Company's production facilities are located in the permafrost zone Monitoring of the condition of buildings' foundations and roofs Installation of erosion control systems to maintain the permafrost con-dition of the foundations of structures, buildings, and overhead trans-mission lines
Floods	<ul style="list-style-type: none"> Identification of (under)flooding zones and prohibition of use of such zones Engineering protection of grid facilities (dams, diversion channels, hy-draulic obstacles) Bank protection structures, bank reinforcement, dredging
Hurricanes, tornadoes, hail, very strong winds, glaze-ice and rime phe-nomena	<ul style="list-style-type: none"> Dismantling or replacement of obsolete or frail buildings and struc-tures, and PTL towers Cutting down old and rotten trees Reinforcement of industrial buildings Determination of safe operating modes in high-wind conditions Reinforcement of linear structures and monitoring the icing of the same Training of emergency repair teams
Mudflows, water-snow flows and landslides	<ul style="list-style-type: none"> Adjustment of surface water runoff through vertical planning of the territory and arrangement of surface drainage system Agroforestry, artificial alternation of slope relief Arrangement of anti-mudflow systems, confining facilities and struc-tures Establishment of protection zones

In addition, the Group carries out the following routine general activities aimed:

- To improve hydrometeorological monitoring and forecasting systems
- To update and revise wind and ice load standards in order to enhance the reliability of power grid facilities
- Undertake operational analysis of short-term weather forecasts and storm warnings of dangerous meteorological phenomena

- To develop local regulations for each special period, taking into account retrospective analysis
- To furnish the subdivisions, which are most exposed to unfriendly weather conditions, with emergency equipment, including reserve power supply sources and off-road special vehicles
- To run cooperation exercise in responding to emergency damage to power grid facilities
- To train operating and repair personnel

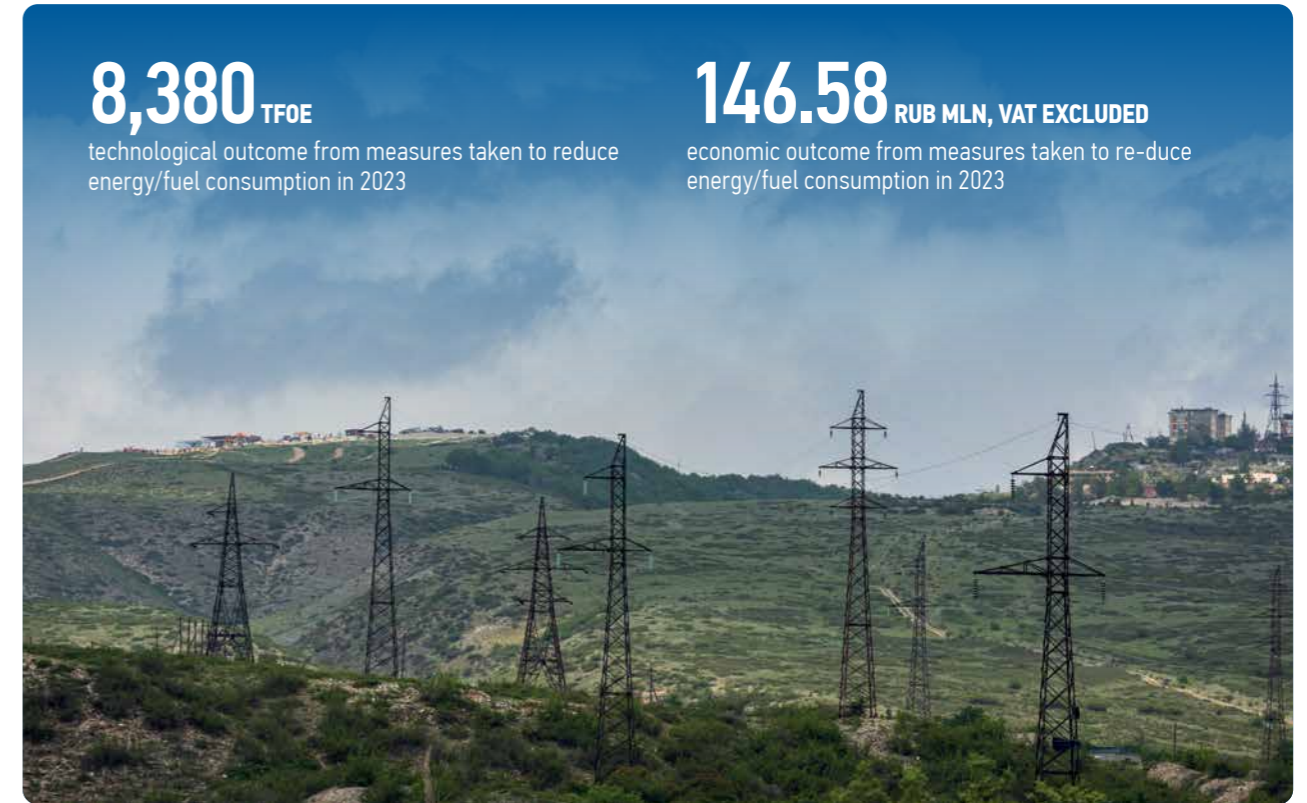
Energy Consumption and Energy Saving

8,380 TFOE

technological outcome from measures taken to reduce energy/fuel consumption in 2023

146.58 RUB MLN, VAT EXCLUDED

economic outcome from measures taken to re-duce energy/fuel consumption in 2023



The decrease in energy consumption of PJSC Rosseti as a result of energy saving and efficiency improvement measures

Initiative	Actual savings effect from the implementation of initiatives		
	Energy type	Saved power, natural units	Financial savings, RUB mln
Reduction of process-related consumption of electric energy	Electric energy, mln kWh	66.56	140.67
Decrease in electric power consumption for utility needs of administrative and production buildings	Electric energy, mln kWh	0.40	2.27
Decrease in heat consumption for utility needs of administrative and production buildings	Heat energy, thsd Gcal	0.54	0.95
Reduction of petrol consumption	Motor fuel (petrol), thsd l	23.77	1.05
Reduction of diesel fuel consumption	Motor fuel (diesel fuel), thsd l	31.04	1.64
Total		8,380 TFOE	146.58

Main aspects of energy saving policy implementation:

- Development and implementation of measures, and achievement of energy saving and energy efficiency improvement targets as well
- Development and improvement of regulatory and internal documents that address energy saving and energy efficiency improvement
- Upgrade of the organisation and management of energy saving and energy efficiency improvement system based on the requirements of ISO 50001:2018, Energy Management Systems. Requirements with Guidance for Use (national standard GOST R ISO 50001-2023)
- Introduction of pilot projects to improve energy efficiency; implementation of organisational measures aimed at planning, organising and managing the development and introduction of new equipment and technologies
- Implementation of measures under the Energy Efficient Substation national project

To reduce technological consumption (losses), PJSC Rosseti implements measures aimed at the following:

- Optimising circuit parameters and operating conditions under operation and operational management of power grids
- Reducing power consumption for substations' demands
- Constructing, renovating and developing power grids, as well as commissioning the energy-saving equipment (so, loss reduction is concomitant)

For more details on the amount of energy resources utilised at the Rosseti Group in 2023, please see Appendix 1.

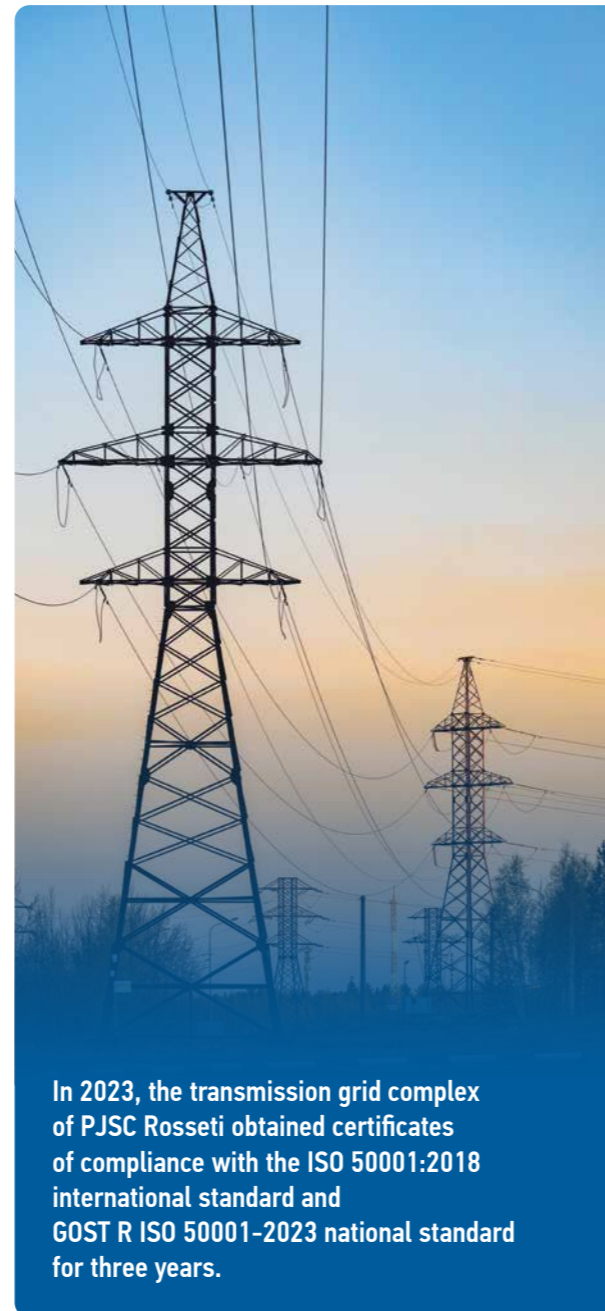
Energy Management System

PJSC Rosseti and most of PJSC Rosseti's subsidiaries have the Energy Management System (EnMS) in place, which contributes to:

- Improvement of energy efficiency targets
- Reduction in consumption of fuel and energy resources
- Achievement of the planned value of electric power losses
- Procurements with due regard to energy efficiency requirements

Subsidiaries have implemented and maintain key elements of EnMS: planning, risks, documentation, functions and interaction of divisions, internal audits, and analysis by the management.

For more details on energy consumption and energy management, please see the Report on Social Responsibility and Corporate Sustainability of the Rosseti Group for 2023.



In 2023, the transmission grid complex of PJSC Rosseti obtained certificates of compliance with the ISO 50001:2018 international standard and GOST R ISO 50001-2023 national standard for three years.

HR Management¹

The HR management system is aimed at the optimal realisation of human resources potential, satisfaction of employees' social and material needs, continuous ongoing development, training and involvement of employees in solving corporate-level tasks.

Principles of HR management at the Rosseti Group



Unified approach to HR management, taking into account the regional specifics of companies

Equal opportunities for employees and zero discrimination



Compliance with the best Russian practices and standards

Creation of conditions for unleashing employees' potential, their professional growth and development



Rapid and effective adaptation to corporate and external changes

Transparency and consistency of career development conditions with a focus on professionalism, performance, professional development and shared corporate values



Higher efficiency of HR management activities and reducing costs through the use of unified technologies and information resources

Attraction of highly qualified employees by strengthening the Company's image as a socially responsible employer



¹ HR management indicators were calculated for employees of PJSC Rosseti and its subsidiaries engaged in power grid activities.



— What new tools for staff development did the Company introduce in 2023?

— We strive to maximise the use of our own human resources potential when making appointments to managerial positions. In 2023, we launched the Rosseti Leadership School project, aimed at accumulating a high-potential talent pool of managerial staff.

The training programme for developing cross-cutting and managerial competencies is built on a modular principle, with each participant choosing his or her own optimal training track. The Leadership School respects the equal opportunity. Therefore, we use a single tool for end-to-end assessment of managerial maturity across the Group, thus ensuring comparability of results. Participation allows specialists to improve their current performance and prepare for potential promotion to higher career levels.

— The Company continues close cooperation with leading Russian technical universities. Have approaches to interacting with them changed after restructuring?

— In 2023, PJSC Rosseti updated the existing agreements with Russia's largest power engineering universities: MPEI, IPEI and KSPEU. The agreements take into consideration the restructuring that has taken place at the Rosseti Group as well as strategic objectives related to ensuring national energy sustainability and promoting the development of the industry and its human resources. Those agreements aim to continue fostering cooperation for collaborative educational activities, popularise the field of power engineering, offer practice-oriented training, and enhance vocational competencies. In addition, the signed agreements provide for joint research projects that focus on elaborating breakthrough solutions and ensuring the technological self-reliance of the industry.

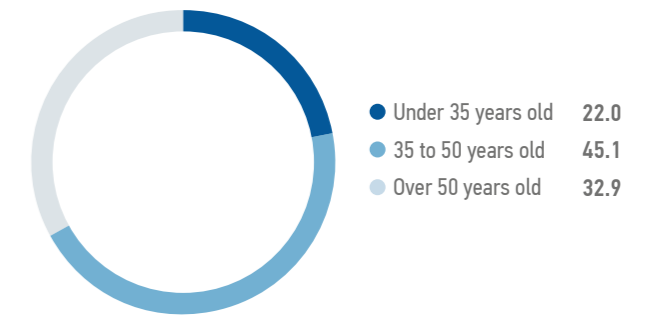
Vladimir Kharitonov,
Deputy General Director — Head of the Office

Personnel structure

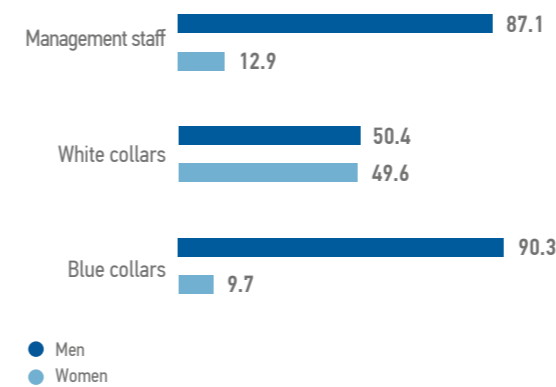
Rosseti Group's personnel by category in 2023, %



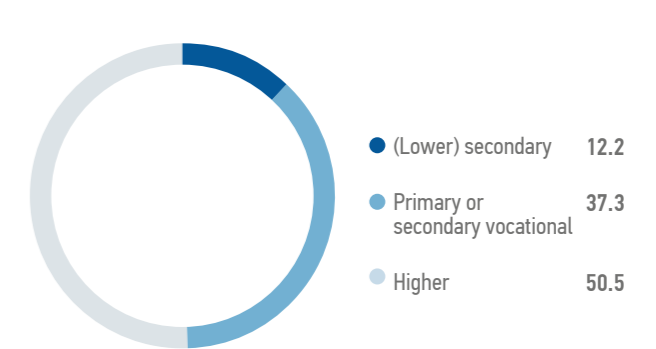
Rosseti Group's personnel by age in 2023, %



Personnel category by gender, %



Rosseti Group's personnel by education in 2023, %



Change of active staff turnover, %



Staffing level, %



Remuneration system

The Rosseti Group strives to ensure a fair and competitive level of remuneration for its employees, considering this to be one of the key factors of team stability. The Company uses a remuneration system that takes into account job categories, the performance of structural units, the specifics of regional labour markets, and the individual contribution of each employee.

The performance of senior management is assessed through key performance indicators, which are approved by the Company's Board of Directors.

15.3%

growth in average salary in 2023

Average salary at the Rosseti Group, RUB '000



Expenditures on labour remuneration, social payments and benefits, RUB bln



Staff Training and Development

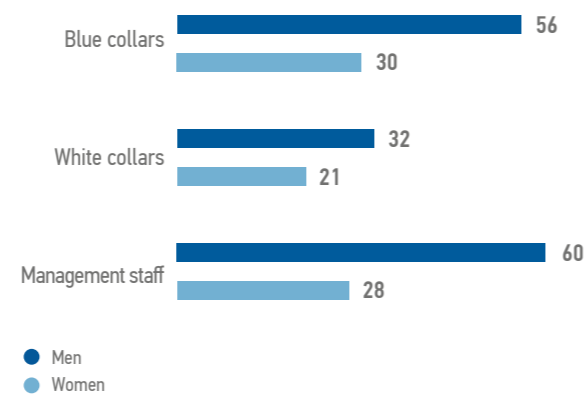
Training, retraining and professional development

One of the key factors in the reliability of the power grid complex is the high level of staff training of the Rosseti Group's companies. The Group successfully implements a personnel training policy aimed at maintaining and developing the professional and personal competences of employees and unleashing the human resources potential.

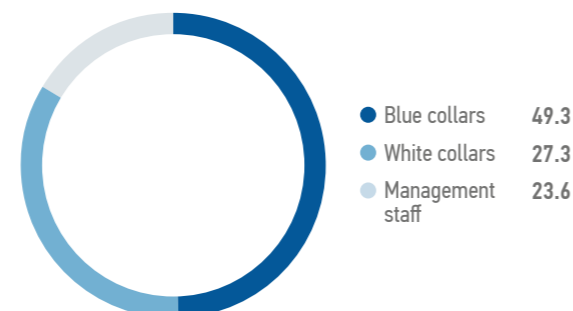
In 2023, employees of the Rosseti Group's companies took 249,368 man-courses under various educational programmes (professional training and retraining, advanced training, training aimed at developing personal and business skills, etc.). In 2023, the average number of training hours per employee was 49.5, which is slightly more than in 2022 (49 hours per employee).

The training of production personnel is of top priority in the training and development of the Company's employees. For this, the Group has 30 corporate training centres in all regions where the Rosseti Group operates, not to mention the branch network. To ensure uniform training standards, corporate training centres follow 64 recommended standard educational programmes, which were developed by specialists of the Company's Executive Office in line with the requirements

Average number of training hours per employee in 2023, h/person



Categories of employees trained in 2023, %



of vocational standards. In 2023, employees of the Rosseti Group's companies completed 188,144 man-courses at corporate training centres.

The Company runs the Knowledge Day corporate educational project, which allows employees to improve their professional skills on-the-job through participating in weekly short-term educational events on various topical issues where the most experienced and recognised experts among the Company's employees share their experience. In 2023, 43 mass-scale training events were organised as part of the project.

In 2023, a project was launched to develop the core professional, technical, and personal competences for supervisors of substations and substation groups. The project involves the assessment and subsequent training of substation supervisors. In 2023, assessment tools for professional testing were developed. The assessment of substation supervisors, analysis of the results, and training of assessment-takers based on the assessment results are planned for 2024.

49.5 HOURS/EMPLOYEE
average number of training hours in 2023

188,144 MAN-COURSES
were taken by employees of the Rosseti Group's companies at corporate training centres in 2023

249,368 MAN-COURSES
under various educational programmes were taken by employees of the Rosseti Group's companies in 2023

1.14 RUB BLN
was the total cost of training the Rosseti Group's employees in 2023

Personnel assessment

Activities to assess the collaborative and managerial competences of employees and the talent pool are practiced on a regular basis. In 2023, psychometric assessment tools were applied during recruitment, rotation, promotion to management positions, and selection to the talent pool.

In the reporting period, assessment activities were also undertaken for the following categories of employees:

- Young employees of the Group taking part in the Forsazh 2023 forum
- MPG Investment Block managers
- MPG/MPGE managers
- Employees/external candidates for vacant positions in the Company

Independent assessment of personnel qualifications

The Rosseti Group conducts an independent assessment of employee qualifications on an ongoing basis¹. Under the auspices of the Council for Professional Qualifications, there are five Qualification Assessment Centres founded by PJSC Rosseti's subsidiaries. In the reporting period, the Qualification Assessment Centres organised the qualification assessments of 3,985 employees of the Group.

Personnel satisfaction

In 2023, a personnel satisfaction survey was launched in nine areas: corporate communications, working conditions, nature of work, motivation system, loyalty to the Company, relationship with an immediate manager, relationship with colleagues, career and professional development, and social sphere. This project's objective is annual monitoring of the level of personnel satisfaction and the development of measures aimed at its improvement, as well as the implementation of those measures.



40,134 EMPLOYEES

of the Rosseti Group's companies underwent assessment of general corporate-level and managerial competences and personal and business proficiency in 2023

175,002 EMPLOYEES

took part in the personnel satisfaction assessment in 2023

¹ In accordance with the requirements of Federal Law No. 238-FZ On Independent Assessment of Qualifications dated 3 July 2016.

Social policy

The Rosseti Group implements social programmes aimed at maintaining employee health, motivation, and social protection.

Non-state pension provision programme	Ensuring a decent standard of living for the Rosseti Group employees when they reach retirement age, increasing employee motivation to work efficiently, and attracting and retaining highly qualified personnel. The main principles of the non-state pension provision (NSPP) programmes are: a differentiated approach to setting the amount of non-state pensions; incentives for employees for their meritorious labour in favour of PJSC Rosseti, subsidiaries, and the electric power industry; and for long and conscientious work in the electric power industry. Under the existing NSPP Programmes and the NSPP Agreements concluded separately by PJSC Rosseti and each subsidiary with non-state pension funds, PJSC Rosseti and subsidiaries make annual pension contributions to NSPP funds, and employees covered by the NSPP Programmes, upon reaching retirement age and terminating their employment with Rosseti and subsidiaries, become entitled to NSPP payments in addition to state benefits. The amount of funding for NSPP Programmes and the range of incentive instruments depend on the financial condition of subsidiaries.
Voluntary medical insurance programme and accident insurance programme	Outpatient care, including home care, commercial ambulance services, inpatient and dental care in specialised regional medical institutions, telemedicine services, vaccination of employees against influenza and tick-borne encephalitis, and accident insurance. 100% of the Group's full-time employees are covered by voluntary medical insurance programmes and accident and health insurance programmes.
Housing improvement programmes	Providing employees with housing in the Company's residential fund in order to attract qualified personnel to key power facilities, as well as those under construction and remote ones. Compensation of housing rental costs for highly qualified specialists and young people whose labour activity requires relocation.
Other social programmes	Payment of financial aid under various social programmes (marriage, childbirth, etc.).

Youth policy

The Company carries out consistent activities with schoolchildren and students, provides conditions and opportunities for successful adaptation and effective self-realisation of young specialists, and development of their potential. The main areas of work with young people are stated in the Company's Youth Policy approved by the Company's organisational and regulatory document.

- The Rosseti Group's companies, together with partner educational institutions, organise power engineering classes and power engineering clubs for high school students.
- In 2023, for the sixth time, the Rosseti Group held the corporate Olympiad for about 9,500 schoolchildren from across the country
- Employer-sponsored education of students at the employer's request is a traditional mechanism for attracting young specialists, which helps meet promising needs for qualified personnel focused on long-term successful employment and career growth in the Group's companies. In 2023, 349 applicants were enrolled for training. In the reporting year, a total of 1,700 students receive training of all levels and all types in the interests of the Rosseti Group's companies.
- To immerse young specialists in their trade and ensure their professional adaptation, more than 10,000 people completed internships at the Group companies in 2023.
- An additional form of professional adaptation implemented by the Company since 2010 is the organisation of student teams. In 2023, over 2,000 students (grouped in relevant teams) worked at the Company's facilities.
- Practice-oriented training for young specialists and stimulation of scientific activity among young people are promoted by certain measures taken in cooperation with the Youth Section of the RNC CIGRE, which is supervised by PJSC Rosseti.
- To contribute to the development of young specialists who are the Company's employees, there are measures in place, particularly, corporate and partnership projects. In 2023, youth teams representing the Group took part in the Forsazh International Community Forum, 'Engineers of the Future' International Youth Industrial Forum, Youth Day events of the Russian Power Week International Forum, and others.



Promotion of employee health

The Company actively supports initiatives aimed at the development of corporate sports and a healthy lifestyle among employees.

During the year, sports teams took part in the Rosseti Group mini-football and volleyball tournaments, the XIII Botvinnik Memorial Open Chess Tournament for Power Companies' Employees, and various sports competitions between fuel and energy complex companies. In addition, the Group's employees took part in the All-Russian individual and team billiard tournament Power Engineer Cup, the Russian Chess Championship among corporate teams and the All-Russian Half-Marathon Zabeg.RF.

Teams from the Executive Office and other branches of the Company participated in a traditional mini-football event conducted in May 2023.

Veteran outreach

Social support for retired long-service employees (so called veterans) of PJSC Rosseti is governed by the Regulations on Material Assistance to Veterans of PJSC Rosseti, which stipulate uniform assumptions for nominating veterans and the same standards for providing material assistance. Thus, each year, veterans receive a lump-sum financial aid on the Company's Day and Power Engineer Day as their professional holiday. In addition, some categories of veterans receive a monthly extra payment to their insurance pension, non-recurrent financial aid for Victory Day, and additional medical care.

For more details on human resources management activities, please see the Report on Social Responsibility and Corporate Sustainability of the Rosseti Group for 2023.

Occupational Health and Safety

Health and safety management system

The Health and Safety Management System (HSMS) in place at the Rosseti Group is aimed at eliminating work-related accidents and work-related ill health, developing skills to behave safely at work and prevent dangerous situations, and continuously improving working conditions.

The purpose of HSMS is to ensure continuous improvement of occupational safety and the preservation of life and health of the Rosseti Group's employees, as well as employees of contractors and third parties.

As part of HSMS, the Rosseti Group's companies employ trained and educated specialists who meet professional standards approved by the Ministry of Labour and Social Protection of the Russian Federation.

Based on the results of an independent external audit of the quality and efficiency of HSMS, which was completed in 2022, the following work was completed in the reporting year:

- Revision of HSMS Regulation¹
- Adoption of [the Rosseti Group's Occupational Health and Safety Policy](#)
- Formulation of the Code for the Development and Improvement of Safety Culture at the Rosseti Group
- Training for managers and specialists

In 2023, the relevant activities continued to reduce work-related accidents:

- Measures were taken to introduce live work
- Digital technologies aimed at organising safe work performance were developed and implemented
- Personnel training was conducted to improve the quality of investigation and analysis of the causes of work-related accidents
- Round tables were held with manufacturers of protective equipment, materials and devices

Labour protection expenditures at the Rosseti Group, RUB mln



¹ Order No. 412 dated 21 September 2023.

Work-related accidents

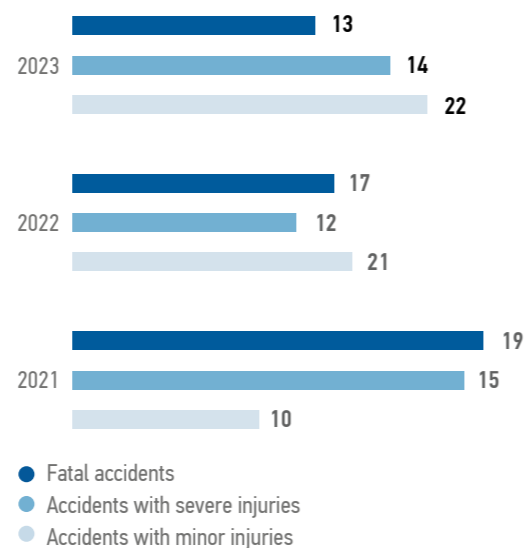
In 2023, 49 work-related accidents occurred in the Rosseti Group's companies (50 cases in 2022), involving 67 employees (62 employees in 2022), of whom 13 suffered fatal injuries, 19 — severe injuries, and 35 — minor injuries. The number of fatalities caused by work-related ill health decreased from 17 to 13.

All accidents and incidents were thoroughly investigated, and action plans were prepared to eliminate the causes of the same. The Company confirms that the complete elimination of fatal accidents at work is its main strategic priority.

Total accident rate covering all injured persons and including third-party-caused accidents¹



Change in the work-related accident rate at the Rosseti Group, *accident*



Number of the Rosseti Group employees injured by accident type, *persons*

Indicator	2021	2022	2023
Exposure to electric current	18	22	19
Road traffic accident	14	19	31
Falling from elevations (including from one's own height)	10	15	9
External mechanical impacts	4	1	1
Insect and animal bites	–	1	1
Falling objects	3	2	–
Other ²	2	2	6

Data on job-related accidents among employees of contractor organisations

Indicator	2021	2022	2023
Total accidents	3	3	3
• Fatal accidents	–	2	1
• Accidents with severe injuries	3	1	2
• Accidents with minor injuries	–	–	–

For more details on the labour protection measures taken, please see the Report on Social Responsibility and Corporate Sustainability of the Rosseti Group for 2023.

For more details on work-related accident rates at the Rosseti Group, please see Appendix 1.

¹ Injury frequency indicator Kf is the ratio of the number of injured persons to the average number of blue collars and white collars for the accounting period, which is taken relative to 1,000 employees: $Kf = (N1/Np) * 1,000$, where N1 is the number of injured persons who are disabled for more than three working days and up to a fatal outcome, while Np is the number of employees within a certain period of time (average headcount). The above accident/injury frequency rates are presented for 2021 and 2022 without JSC Electromagistral, JSC Energetik and JSC RES. For 2023, the work-related accident frequency rate takes into account accidents at JSC Electromagistral, JSC Energetik, and JSC RES since their merger with the Rosseti Group (November 2023).

² Other types of accidents include being hit by a motor vehicle, struck by lightning, drowning, injuries caused by another person, competition, mine blast injuries.

Work-related ill health

Work-related ill health among the Rosseti Group's employees

Indicator	2021	2022	2023
Cases of work-related ill health among employees	1	1	1
Number of work-related fatalities	–	–	–
Number of employees recognised as disabled as a result of work-related ill health	–	–	–

In 2023, one case of work-related ill health was identified in the Rosseti Group: the driver of a car at Production Association Central Power Grids of Buryatenergo, a branch of PJSC Rosseti Siberia (2nd degree vibration syndrome). No employees died as a result of work-related ill health associated with any particular occupation.

To minimise the risk of work-related ill health, the Company strives to convey to all employees the importance of a healthy lifestyle and compliance with occupational safety requirements.

The Company regularly monitors the health of its employees. The target is to conduct examinations and checkups for 100% of production personnel, which is possible thanks to the availability of doctor offices at the Rosseti Group's companies. In addition to monitoring personnel health, the office's doctors provide medical care directly at the facilities, as well as pre-shift monitoring of production personnel. In the event of a negative conclusion based on the results of a medical examination or in case of contraindications, employees are suspended from work.



Ensuring industrial safety

The Company follows industrial safety requirements in strict compliance with the legislation of the Russian Federation. The Company ensures control over compliance with both mandatory and additional industrial safety requirements.

The Rosseti Group operates 778 hazardous production facilities (HPFs) of hazard classes III and IV.

The operation of the Company's hazardous production facilities is organised in accordance with the requirements of the Federal law On Industrial Safety of Hazardous Production Facilities¹ and other industrial safety regulations.



In 2023, the following measures were taken to ensure industrial safety requirements:

- Maintenance and repair of HPFs, 2,867 industrial safety reviews and 6,563 technical inspections
- Industrial safety training and certification of 6,844 employees whose activities are related to the operation of HPFs
- Annual contracts of compulsory insurance of civil liability of the owner of a hazardous facility for damage caused by an accident at such a facility



In 2023, industrial safety projects were also implemented:

- Proposals to the legislative and regulatory acts of the Russian Federation in the field of industrial safety were developed and delivered accordingly
- Organisational and regulatory documents related to industrial safety activities were updated in accordance with legal requirements (Procedure for Training, Certification, and Knowledge Testing of Employees in the Field of Industrial Safety at the Rosseti Group)
- Procedures were undertaken for the registration, exclusion, and re-registration of hazardous production facilities in the State Register of Hazardous Production Facilities²

In the reporting year, PJSC Rosseti recorded one incident and one accident during the operation of HPFs (hoisting facilities) at the Company. Accidents and incidents are investigated in accordance with the requirements of the Procedure for Technical Investigation of Accidents, Incidents and Loss of Industrial Explosives³.

For more details on occupational health and safety activities, please see the Report on Social Responsibility and Corporate Sustainability of PJSC Rosseti for 2023.

For more details on the Company's fire safety activities, please see Appendix 1.



Regional Development and Welfare Work

Responsible taxpayer

The Rosseti Group provides power supplies in 82 regions of the Russian Federation. Tax payments made by the Rosseti Group's companies contribute to the regional and local budgets of the regions where they operate, as well as to the federal budget. Timely payment of all taxes, refusal to use offshore mechanisms to reduce the tax burden, and integration of a tax monitoring mechanism are inherent attributes of the Rosseti Group as a responsible taxpayer that meets all transparency criteria in this regard.

One of the largest employers

The Rosseti Group's companies provide hundreds of thousands of jobs throughout Russia. The number of employees of the Rosseti Group's companies as of 31 December 2023 totalled more than 235,000 people. The average salary of the Rosseti Group in 2023 was about RUB 81,300, which is 10.3% higher than the Russian average.

Average salary at the Rosseti Group vs. the Russian Federation, RUB '000



The Rosseti Group's tax payments to budgets of all levels totalled about

RUB 224,622,878,000

¹ Federal law No. 116-FZ dated 21 July 1997.

² In accordance with the requirements of Rostekhnadzor Order No. 140 dated 8 April 2019 On Approval of the Administrative Regulations for the Provision of the State Service for the Registration of Hazardous Production Facilities in the State Register of Hazardous Production Facilities by the Federal Environmental, Industrial and Nuclear Supervision Service.



³ Approved by Rostekhnadzor Order No. 503 dated 8 December 2020.

Contribution to national projects

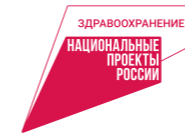
For the Rosseti Group, the development of the regions in which it operates is inextricably linked to the implementation of national projects. The Company makes the most significant contribution to the implementation of such projects as the Comprehensive Plan for Modernisation and Expansion of Backbone Infrastructure until 2024, Safe and High-Quality Motorways, Housing and Urban Environment, Healthcare, Ecology, Education, Demography and Culture.



Facilities for which power supply measures were completed in 2023¹

National project	Number of facilities	Declared maximum capacity, kW	Transformer capacity, MVA	PTL length, km
Total for all national projects	980	125,339	156.09	1,130.93
Demography 	64	11,858	23.05	885.78
Health Care 	448	18,962	14.57	29.04
Education 	90	30,417	50.62	65.81
Housing and Urban Environment 	173	36,956	40.24	124.92
Ecology 	20	21,671	0.89	3.04
Safe and High-Quality Motorways 	117	2,609	23.79	13.96
Science 	1	600	2.00	1.20
Digital Economy 	19	93	0.00	1.12
Culture 	42	2,139	0.90	5.42
Small and Medium Enterprises 	6	34	0.04	0.65

¹ Grid connection contracts / alternation agreements executed.



National Project: HEALTH CARE

Geographical spread of projects:
Krasnodar, Krasnodar Territory, Penza, Perm, Tomsk, Volgograd Region

PJSC Rosseti Kuban

Project Stage 2 of renovation and expansion of the Regional Clinical Hospital No. 1 named after Prof. S.V. Ochapovsky, Krasnodar

Work done 110 kV and 10 kV feeder PTLs were built and some existing 110 kV PTL sections were renovated

Outcome Power allocated is 7.68 MW

PJSC Rosseti Kuban

Project Construction of medical centres in eight settlements in the Krasnodar Territory

Work done Linear and substation facilities for the 0.4–10 kV distribution grid were built

Outcome Total power allocated is 3.2 MW.
The actual connection will be performed upon completion of the construction of health care facilities and readiness to receive voltage and electric power

PJSC TDC

Project Construction of a polyclinic in Tomsk with a prospective capacity of 400 visits per shift

Work done Grid connection with 600 kW maximum power of consumer terminals was made

Outcome Provision of medical services to the residents of the newly constructed residential area Yuzhnye Vorota (South Gate)

PJSC Rosseti Ural

Project Construction of a new regional infectious disease hospital in Perm

Work done Two integrated cubicle transformer substations were installed (each equipped with two transformers of 1,000 kVA each). 6–0.4 kV cable lines were routed (800 m of total length)

Outcome Power supply of 3 MW was provided

PJSC Rosseti Volga

Project Construction of a new laboratory and diagnostic building for the regional oncological centre in Penza

Work done Two 10 kV cable lines, each 2.8 km long, were built. Two 10/0.4 kV transformer substations, each with 2,500 kVA transformers, were installed on the territory of the centre

Outcome Reliable power supply to the new medical facility from the power supply centre of Yubileynaya 110 kV substation was provided

PJSC Rosseti South

Project Construction of a new first-aid and obsteric station in the village of Kachalinskaya, Ilovinsky district, Volgograd Region

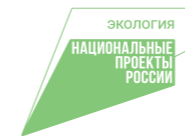
Work done For uninterrupted power supply to the medical institution, the Company's power engineers provided 21 kW of power and built two sections of 0.4 kV overhead power lines

Outcome About 550 residents of the village, as well as nearby villages and hamlets, will now be able to receive qualified medical care in a timely manner and without having to travel 60 km to the district centre



National Project: SAFE AND HIGH-QUALITY MOTORWAYS

Geographical spread of projects:
Krasnodar Territory, Penza, Lipetsk,
Ryazan Region, Tomsk Region



National Project: ECOLOGY

Geographical spread of projects:
Krasnodar Territory, Leningrad Region, Smolensk
Region, Yaroslavl Region, Kaliningrad Region

PJSC Rosseti Kuban

Project	Construction of a new high-speed motorway to the Kerch Strait crossing
Work done	Five 10/0.4 kV integrated cubicle transformer substations were designed and built; the 10 kV switchgear was designed and built with installation of 2 line cubicles at Raduga 110/10 kV substation, as well as 10 kV feeder PTLs with a total length of more than 6 km was built
Outcome	Connected capacity totalled 376 kW

PJSC Rosseti Volga

Project	Reconstruction of a motorway, which is the shortest route for cargo and passenger transportation from the airport to the federal road R-208 (Tambov – Penza), thus bypassing Penza downtown
Work done	10 kV OTL was built and 10 kV integrated transformer substation was installed
Outcome	Outdoor lighting of the motorway with a total capacity of 38 kW was connected

PJSC Rosseti Kuban

Project	Grid connection of solar power plants in the Labinsky district of the Krasnodar Territory
Work done	Yasnaya 110/10 kV substation was built with installation of one 40 MVA transformer and arrangement of incoming lines of 110 kV OTL
Outcome	The power plant will generate more than 50 million kWh per year. This is enough to cover the entire power consumption of the Labinsky district, or about 30,000 families

PJSC Rosseti Lenenergo

Project	Construction of charging infrastructure facilities for fast charging of electric vehicles with a capacity of 150 kW and the ability to charge two electric vehicles simultaneously
Work done	Installation of 6 electric charging stations (ECS) was completed
Outcome	Now, including new charging stations, the number of ECSs at PJSC Rosseti Lenenergo totals 73, of which 62 are for fast car charging

PJSC Rosseti Centre

Project	Renovation of the motorway along 50 Let NLMK street in Lipetsk
Work done	Two 10 kV cable lines were rearranged (789 m were laid). Six 110 kV cable lines were rearranged to protect the existing 110 kV cable line (600 m), routing of 16-fibre FOCL (1,118 m) and 8-fibre FOCL (2,213 m)
Outcome	Land plot was cleared off of PJSC Rosseti Centre power grid facilities

PJSC Rosseti Centre and Volga Region

Project	Heavy resurfacing of the Taradei – Kuliki – Fedosovo motorway in the Shatskiy district of the Ryazan region
Work done	0.4 kV OTL (228 m long) was rearranged; 10 kV OTL (67 m) was rearranged; 14 towers were dismantled and re-installed
Outcome	The motorway complies with regulatory requirements

PJSC Rosseti Centre

Project	Construction of a water treatment plant in the village of Bogoroditskoye, Kozinskoe Rural Settlement, Smolensk district of the Smolensk Region
Work done	Grid connection of the facility completed. Connected capacity is 0.2 MVA. PTL length is 1.03 km
Outcome	The project provided the settlement (Bogoroditskoye village) with a centralised water supply system of adequate quality

PJSC Rosseti Centre

Project	Construction of a water treatment plant with a capacity of 1000 cu.m per day in Novy Nekouz settlement, the Yaroslavl Region
Work done	Grid connection of the facility completed. Connected capacity is 0.5 MVA. PTL length is 1.42 km
Outcome	The construction of the water treatment plant will improve the quality of drinking water through multi-stage water treatment, including deferrisation, filtration, and disinfection

PJSC Rosseti Centre and Volga Region

Project	Construction of motorway Knyazevo – Topily in Skopinsky and Miloslavsky districts of the Ryazan Region
Work done	Works on rearrangement of electrical grids, dismantling and installation of towers were carried out
Outcome	The motorway complies with regulatory requirements

PJSC TDC

Project	Construction of an automatic in-motion weight and size check station at 273 km of the Tomsk – Kargala – Kolpashevo motorway in the Kolpashevsky district of the Tomsk Region
Work done	Grid connection with 10 kW maximum power of consumer terminals was made
Outcome	New traffic light systems, as well as automatic weight and dimensional check systems were installed

JSC Rosseti Yantar

Project	Production facility in the Chernyakhovsk Industrial Park, Kaliningrad Region
Work done	28 MW of power was provided
Outcome	Russia's largest solar energy equipment manufacturing facility will open in the Chernyakhovsk Industrial Park, producing more than 1 GW of silicon wafers per year. This will double the green energy production in Russia

JSC Rosseti Yantar

Project	Construction of new electric charging stations
Work done	Installation of 4 fast ECSs (150 kW capacity) was completed
Outcome	The Company's operational responsibility zone includes 11 ECSs located in coastal resort towns and in large cities close to the eastern border of the Kaliningrad Region

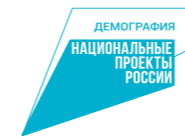
JSC Rosseti Siberia

Project	Conversion to electric heating of private sector dwellings in Ulan-Ude as part of the Clean Air federal project
Work done	Work was started to develop project documentation for the Left Bank zone of Ulan-Ude, and a suitable type of electric heating equipment was determined. A house was converted to electric heating as a pilot project
Outcome	Work has started on the project in the Left Bank zone of Ulan-Ude, including a pilot project on the Left Bank, which includes three dacha condominiums with 1,852 households. This will reduce the environmental impact and improve the ecological conditions, including the amount of pollutant emissions into the atmosphere



National Project: TOURISM AND HOSPITALITY INDUSTRY

Geographical spread of projects:
Republic of Adygeya, Sverdlovsk Region



National Project: DEMOGRAPHY

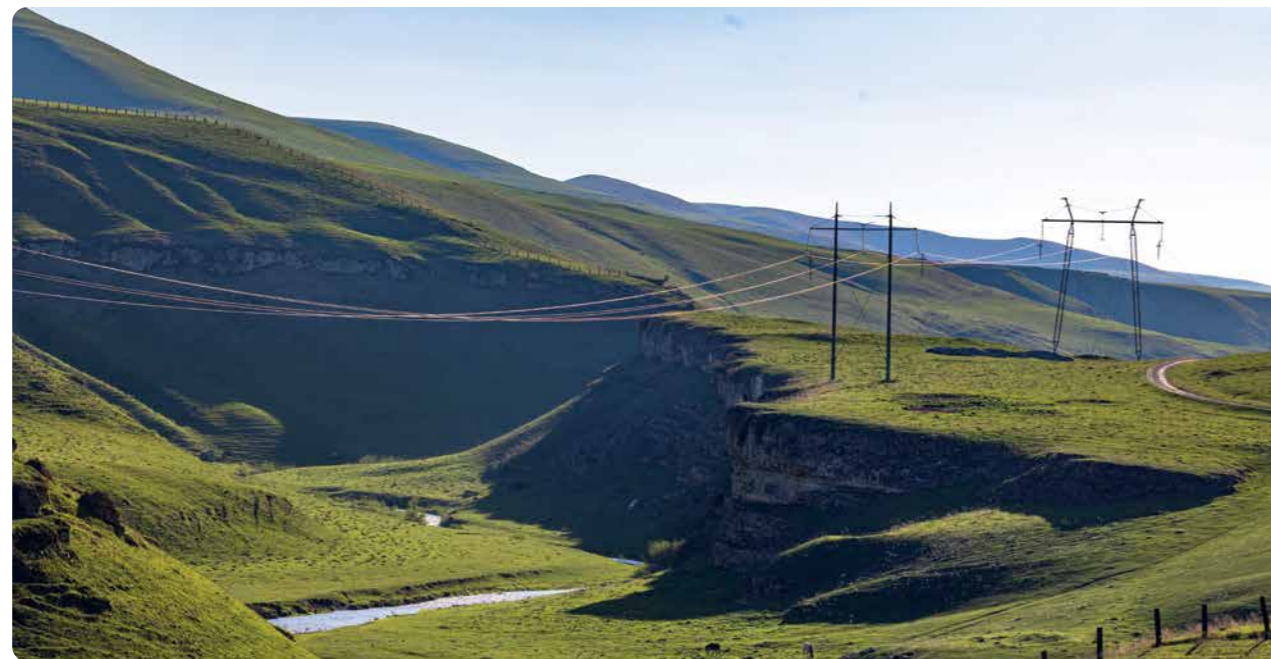
Geographical spread of projects:
St. Petersburg, Republic of Mordovia, Belgorod, Kaluga Region, Nizhny Novgorod Region

PJSC Rosseti Kuban

Project	Construction of an all-season mountain eco-resort, Lagonaki, in the Republic of Adygeya
Work done	Construction of a 110 kV double-transformer substation, 110 kV feeder lines with a total length of more than 80 km, and a 10 kV distribution grid (both overhead and cable type) with a total length of about 10 km is underway
Outcome	The requested capacity is almost 16 MW. The establishment of a mountain eco-resort will provide opportunities for accelerated development of tourism in southern Russia

PJSC Rosseti Ural

Project	Tourist Centre Gari Wharf in the Garinsky Urban District
Work done	To connect the tourist cluster to the Company's grids, our power engineers created a new power distribution grid infrastructure: <ul style="list-style-type: none"> • OTLs of voltage class 10 kV and 0.4 kV with self-supporting insulated wire (700 m) • A 10/0.4 kV single-transformer substation (1,690 kVA) • Two 10 kV line disconnectors • Renovation of transformer substation No. 952 (250 kVA)
Outcome	The project is designed to increase the tourist attractiveness of both Garinsky Urban District and the region as a whole



PJSC Rosseti Lenenergo

Project	Multifunctional sports centre in St. Petersburg
Work done	For reliable power supply to the facility, the Company's specialists routed 0.4 kV cable lines and installed a power metering system
Outcome	500 kW of power was provided. The power supply source is Zavod Libknekhta 110 kV substation

PJSC Rosseti Volga

Project	Construction of the Zarechny Residential Centre for the Elderly and Disabled in the Republic of Mordovia
Work done	Construction of 10 kV OTL with protected wire (3.64 km), 10 kV cable line (0.64 km) was completed; 10/0.38 kV double-transformer integrated transformer substation (1,000 kVA installed capacity of each transformer) was installed, and 0.38 kV cable line (0.2 km) was built
Outcome	The facility was connected to the grid

PJSC Rosseti Centre

Project	Construction of the Siren (Lilac) Centre for Rhythmic Gymnastics, Trampolining and Sports Acrobatics in Belgorod
Work done	Power supply grids, including 14 cable lines (0.4 kV) with total length of 2,045 m, 12 cable lines (6 kV) with total length of 2,326 m, were rearranged; TP-48 transformer substation was dismantled/reinstalled
Outcome	The sports centre is up and running, and expected to host major regional competitions

PJSC Rosseti Centre and Volga Region

Project	Aquatoria Sports and Fitness Centre in Balabanov, Kaluga Region
Work done	Grid connection was completed. Connected capacity is 0.32 MVA. PTL length is 0.52 km
Outcome	The first municipal swimming pool was built in the Borovsky district of the Kaluga Region. The new sports complex has two pools (10 m and 25 m); water access for low-mobility visitors is provided

PJSC Rosseti Centre and Volga Region

Project	Novoslobodsky Residential Centre for the Elderly and Disabled in the Duminichsky district of the Kaluga Region
Work done	Grid connection was completed. The volume of connected capacity is 0.5 MVA. PTL length is 1.1 km
Outcome	The capacity of the institution was expanded and living conditions for the elderly and disabled were improved

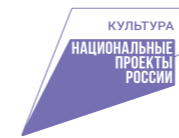
PJSC Rosseti Centre and Volga Region

Project	Construction of an indoor football arena at the Borsky sports complex in the Nizhny Novgorod Region
Work done	Grid connection completed. Connected capacity is 1.26 MVA. PTL length is 1.66 km



National Project: EDUCATION

Geographical spread of projects:
Republic of Chuvashia, Perm, Belgorod Region, Oryol, Moscow, St. Petersburg



National Project: CULTURE

Geographical spread of projects:
St. Petersburg, Republic of Mordovia, Belgorod, Kaluga Region, Nizhny Novgorod Region

PJSC Rosseti Volga

Project	Construction of a general education school in the town of Mariinsky Posad in the Republic of Chuvashia
Work done	As part of the grid connection, 2,569 m of 10 kV OTL with protected wire and 567 m of 10 kV cable line were constructed, and 10/0.4 kV double-transformer integrated transformer substation (400 kVA installed capacity of each transformer) was installed
Outcome	The school can be attended by 329 students, and a new IT class was opened there

PJSC Rosseti Ural

Project	A new educational cluster of the Shvetsov Aviation Technical School in Perm
Work done	As a part of the grid connection, power engineers completed the following: <ul style="list-style-type: none"> Renovation of 0.4/6 kV switchgears Installation of two new transformers with a capacity of 1.25 MVA each
Outcome	The opportunities of one of the specialised educational institutions were expanded for the development of the domestic engine building industry

JSC Rosseti Yantar

Project	Renovation of the Litva bastion in Kaliningrad
Work done	15 kW power required for the object was provided. Scope: construction of 0.4 kV PTL from TP-869 transformer substation with installation of 0.4 kV switchgear and the establishment of electricity metering system
Outcome	The historical location was brought back to life: a tourist route was created along the places where the young Peter the Great used to visit and an exhibition about the history of the fleet

PJSC Rosseti Lenenergo

Project	Roschinsky Cultural Leisure Centre in the Vyborgsky district of the Leningrad Region
Work done	240 kW of additional power was allocated to the centre's training site
Outcome	Total connected capacity exceeded 760 kW. The facility is supplied with electric power via 0.4 kV grids. The centre holds various events for residents of the villages of Roshchino, Tselodubovo and Pushnoye in the Leningrad Region

PJSC Rosseti Centre

Project	Construction of a school for 1,000 students in the residential area Novosadovy-41 of the Belgorod district in the Belgorod Region
Work done	Grid connection was completed. Connected capacity is 1.26 MVA. PTL length is 0.46 km
Outcome	The school is put into operation. A modern space for obtaining quality knowledge is ready for the educational process

PJSC Rosseti Centre

Project	Digital Transformation Laboratory of the Oryol State Agrarian University named after N.V. Parakhin
Work done	The laboratory replicated the architecture for the digital power grid region (PGR), the whole complex of distributed automation objects, a pole-type transformer substation, and the highly automated workplace of a PGR dispatcher
Outcome	The presented modern equipment of domestic manufacturers allows to train students of the university in technological processes on a practical level and to solve the task of training highly qualified personnel of the Oryol Region

PJSC Rosseti South

Project	Connection to the Company's grids of the Bishops' Chambers with the house church of the Saviour of All Mighty Grace, which are the part of the architectural ensemble of the Astrakhan Kremlin
Work done	Provided power is 150 kW
Outcome	The Astrakhan Kremlin is the main attraction of the regional centre. In the course of a full-scale repair and restoration project, the interior decoration of the chambers was recreated, and the lost dome with a cross covered with gold leaf was installed on the church

PJSC Rosseti South

Project	Renovation of the former Pobeda cinema in Volgograd
Work done	A new transformer substation was installed. One of the oldest buildings in the city received 520 kW of additional power
Outcome	The walls of the legendary building will house a regional puppet theatre and theatre studios for children. Now, the name of the building is the House of Childhood

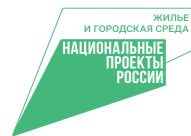
PJSC Rosseti Moscow Region

Project	Power supply to the Pioneers Palace (Vorobyovy Gory in Moscow)
Work done	Two integrated cubicle transformer substations with 2x1,600 kVA and 2x630 kVA transformers equipped with power metering and teleautomatic covering remote monitoring, metering and control, as well as relay protection, and automatics. Two 10 kV cable lines and 32 0.4 kV cable lines with a total length of more than 11.3 km were routed
Outcome	The increase in capacity was 2.3 MW. The facility will be provided with power supply under the second category of reliability, and in case of disturbances on one line, the reserve line will be activated for power supply

PJSC Rosseti Lenenergo

Project	Construction of a new school in St. Petersburg
Work done	The 10/0.4 kV integrated cubicle transformer substation was constructed, 10 and 0.4 kV cable lines were routed, and a smart power metering system was installed
Outcome	Additional power allocated is 963 kW. The school is designed for 1,100 students: 44 classes of 25 students each





National Project: HOUSING AND URBAN ENVIRONMENT

Geographical spread of projects:
Rostov Region, Volgograd Region, Moscow, St. Petersburg and Leningrad Region



PJSC Rosseti South

Project Construction of water treatment facilities and water supply distribution grids in Sambek village of the Neklinovsky district in the Rostov Region

Work done The scope of construction: 6.8 km of 10 kV OTL, declared maximum capacity of the object is 194.71 kW

Outcome Completion of the construction of treatment facilities and distribution grids provided water supply to more than 2,000 residents of Sambek village

PJSC Rosseti South

Project Construction of new multi-apartment residential buildings in the Tractorozavodsky, Dzerzhinsky, Central and Sovetsky districts of the Volgograd Region

Work done Over 4.4 km of cable lines were routed. A 400 kVA transformer substation was constructed. Eight towers were replaced

Outcome The grid connection of newly erected buildings was completed

PJSC Rosseti Moscow Region

Project Construction of Tsaritsyno-2 residential complex in Moscow

Work done Six transformer substations with transformers of various power levels (400, 1,200 and 1,600 kVA) were installed to supply electricity to seven multi-storey buildings. Four 10 kV cable lines and 144 0.4 kV cable lines with a total length of 24.5 km were routed

Outcome The overall connected capacity will be 14.75 MW. The residential complex is provided with power supply under the second category of reliability, and in case of disturbances on one line, the reserve line will be activated for power supply

PJSC Rosseti Lenenergo

Project Connection of new residential complexes to the Company's power grid

Work done 42 residential complexes in St. Petersburg and the Leningrad Region were connected to the Company's power grids. Among them are residential complexes Novoye Sertolovo (1.3 MW) and Verevo City (1.1 MW), apart-hotel VALO (1.6 MW), and UP-Quarter Pushkinsky (966 kW)

Outcome The connected capacity totalled 28.8 MW

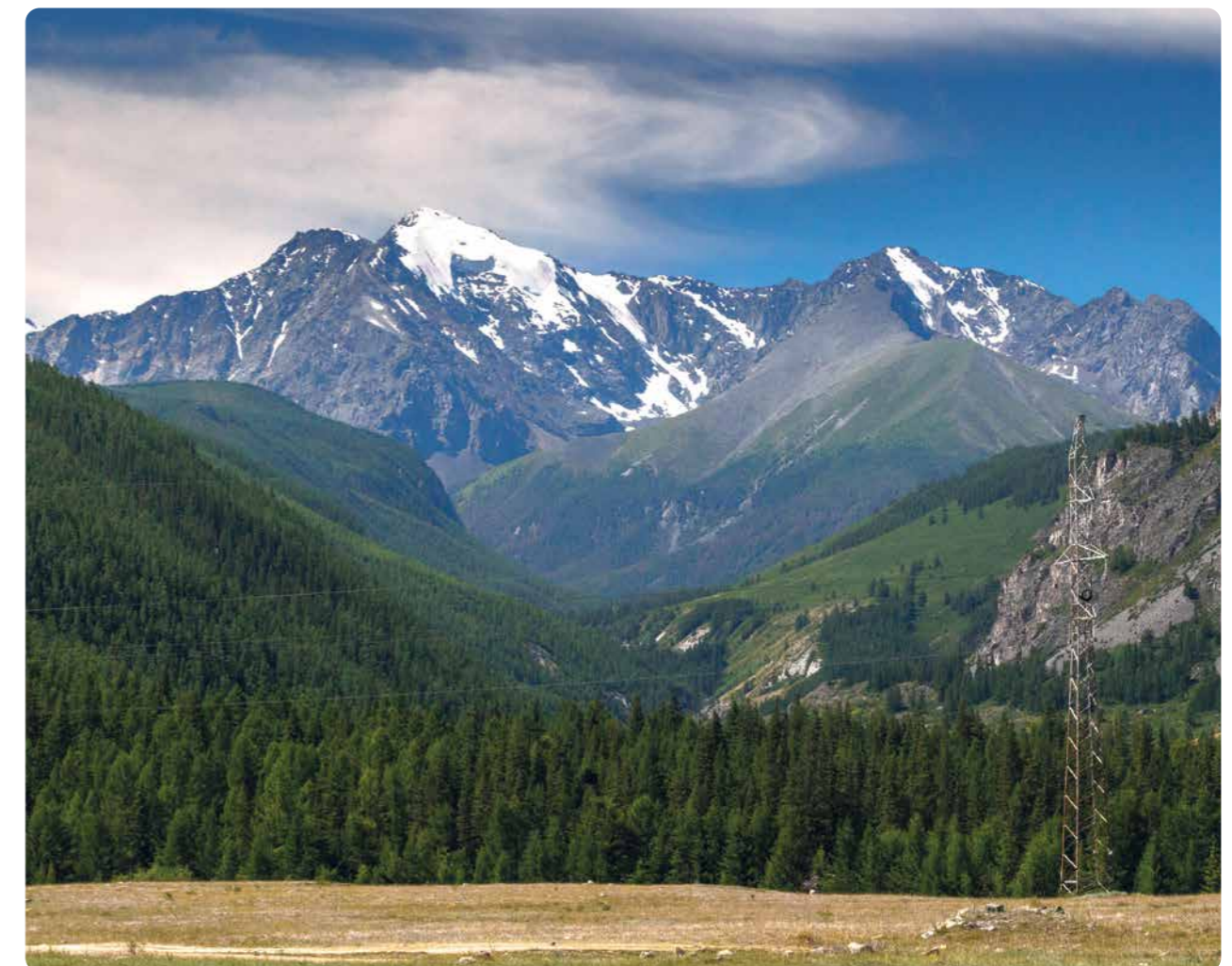
Charity and sponsorship

The main areas of charity are as follows:

- Activities in the sphere of education, science, culture, art, and enlightenment
- Activities in the sphere of physical culture and sports (except for professional sports)
- Social support and protection
- Safeguarding and proper maintenance of buildings, facilities and territories of historical, cult, cultural or environmental significance
- Social rehabilitation of orphans and children deprived of parental care
- Activities in the area of disease prevention, health care, and healthy lifestyle promotion
- Activities in the area of environmental protection and animal welfare
- Support for socially significant youth initiatives
- Provision of assistance to individuals in need of medical treatment

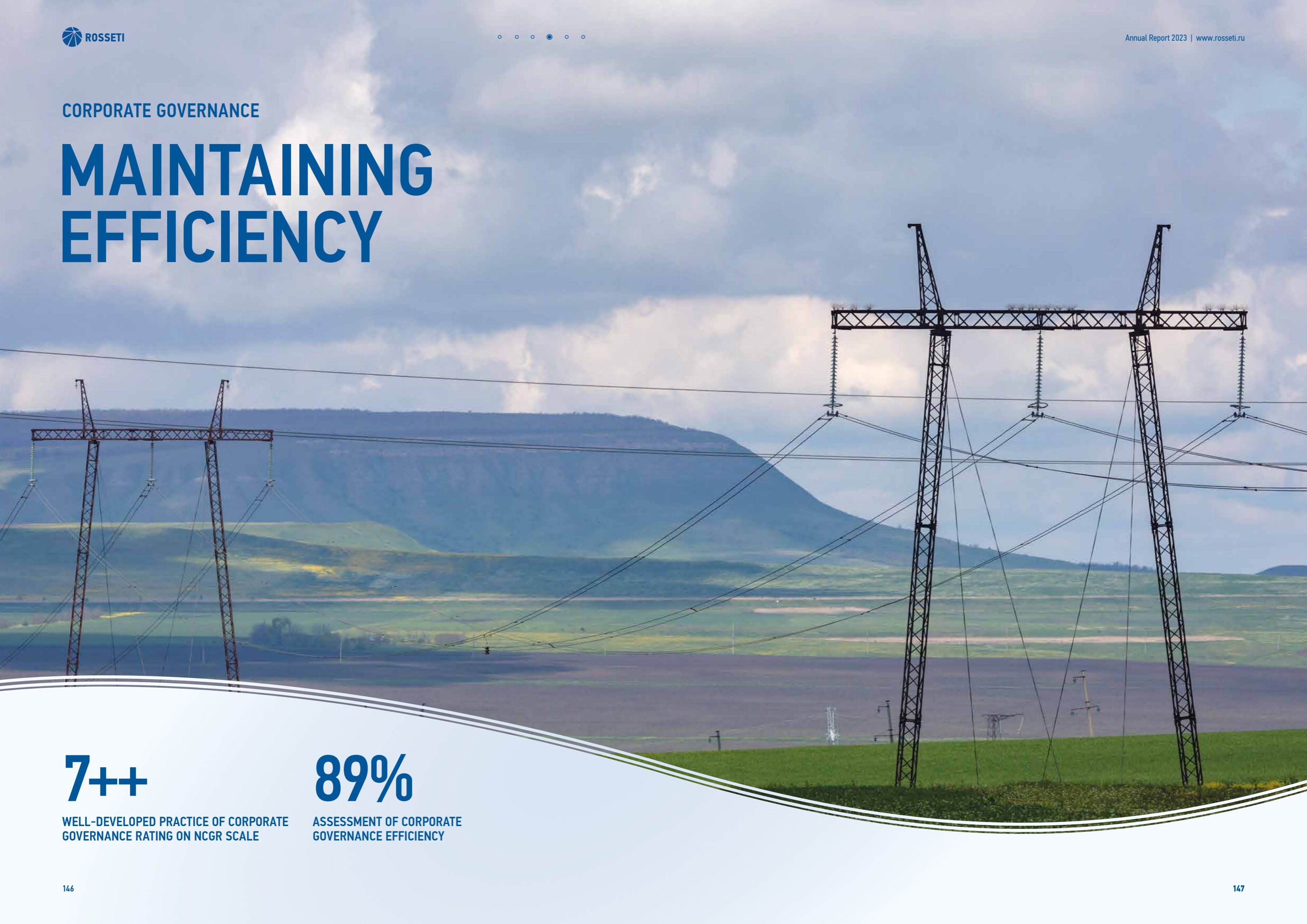
Sponsorship support during 2023 was provided in the following areas:

-  Support and promotion of physical culture and sports
-  Popularisation of culture and art as part of the patronage of exhibition projects run by state museums
-  Furtherance of major industry forums and conferences
-  Support for key social, economic, and political events



CORPORATE GOVERNANCE

MAINTAINING EFFICIENCY



7++

WELL-DEVELOPED PRACTICE OF CORPORATE GOVERNANCE RATING ON NCGR SCALE

89%

ASSESSMENT OF CORPORATE GOVERNANCE EFFICIENCY

Message from the Chairman of the Board of Directors

Dear colleagues!

Effective corporate governance is one of the key factors in ensuring that a company remains stable and continues to develop. Being the parent entity of the Group, which consists of 45 of the Company's subsidiaries and affiliates, and one of Russia's largest public joint stock companies, PJSC Rosseti has more reason to take this seriously.

Enhancing the corporate governance framework was a top priority for the Board of Directors in 2023. As part of the restructuring, a decision was made to standardise the internal regulatory documents of PJSC Rosseti and its subsidiaries. The Quality Policy, Risk Management and Internal Control Policy, Internal Audit Policy, Anti-Corruption Policy and Information Policy were all revised and approved.

In keeping with the Bank of Russia's recommendations, the Board of Directors also had the significant responsibility of implementing advanced ESG principles into the Company's operations¹. This allows for the prompt identification of risks associated with unfavourable events as well as the exploration of fresh opportunities that may be employed in the planning and execution of Rosseti Group's operations. The Sustainable Development Policy and the Climate Policy, which are foundational documents in this field, were approved in 2023.

Moreover, apart from giving strategic counsel to the Company, the Board of Directors has historically decided on financial, economic and investment activities, as well as HR policy, and evaluated the achievement of set benchmarks in key development areas. There were a total of 36 meetings with 156 items of business on the agenda.

Alexander Novak

Deputy Prime Minister of the Russian Federation,
Chairman of the Board of Directors of PJSC Rosseti

Committees under the Board of Directors made sure that all schedules were followed and that several factors pertaining to the restructuring decisions made by shareholders were considered while making changes to the management structure.

It is worth noting that the Russian Institute of Directors (RID) conducted an independent assessment of PJSC Rosseti's corporate governance system in December 2023. The four components that the experts examined were disclosure, sustainability, ESG, governance and control bodies, and shareholder rights. They also considered the recent restructuring. Consequently, the Company was granted an NCGR grade of 7++, indicating that it adheres to a notable number of sustainability guidelines and recommendations outlined in the Russian Corporate Governance Code.



¹ Bank of Russia's Information Letter No. IN-06-28/96 dated 16 December 2021 "On Recommendations on the Consideration of ESG Factors and Sustainability Issues by the Board of Directors of a Public Joint Stock Company".

Controlling Shareholder's Memorandum

Basis and Purpose of Shareholding

In addition to overseeing the implementation of technical and financial policies as well as investment planning, PJSC Rosseti, which is in charge of the transmission and distribution grids, coordinates the activities of the grid operators in the Russian Federation.

PJSC Rosseti is tasked with overseeing and managing strategic operations in addition to resolving institutional issues that affect the whole sector. This task is stipulated by the current Strategy for the Development of the Power Grid Complex of the Russian Federation approved by Executive Order No. 511-r of the Government of the Russian Federation dated 3 April 2013.

Putting forward an effective policy in the controlled sector of the economy is made feasible by the state's preponderant position (75.2780% of outstanding shares¹) in the share capital structure of PJSC Rosseti.

Key Assets-Related Objectives:

- Guaranteed energy security at the level of the constituent entities of the Russian Federation and the country as a whole
- Reliable, high-quality and affordable energy supply to consumers
- Development of power grid infrastructure for sustainable social and economic growth of the Russian Federation
- Creation of conditions for transition to environmentally friendly and resource-saving energy, stimulation of rational environmental management and energy efficiency
- Formation of long-term economically justified tariffs for power transmission services that ensure efficient functioning of the power grid complex and economic development
- Higher efficiency and effectiveness of all levels of management of the power grid complex
- Boosting of the power grid sector's capacity for science and innovation and promotion of associated sectors
- Maximum use of equipment manufactured in the Russian Federation
- Attractive return on capital for all investors

Target benchmarks for corporate governance

Being the controlling shareholder of PJSC Rosseti, the Russian Federation, acknowledges the significance of enhancing the corporate governance of the Company. It endeavours to maintain transparency and openness in its operations and incorporate the recommendations of the Bank of Russia's Corporate Governance Code along with the highest international standards in its business practices.

Every year, the Russian Federation — represented by Rosimushchestvo (Federal Agency for State Property Management) — takes part in the Rosseti Board of Directors' nomination process for independent directors. The primary goals are to establish the framework for corporate governance while taking into account cutting-edge standards and principles, as well as to improve Rosseti's investment appeal and capitalisation growth. The number of independent directors complies with the listing rules. There is no intention to go below the present number.

Participating in annual shareholder meetings, representatives of Rosimushchestvo allow minority shareholders to raise direct questions about PJSC Rosseti's development potential.

The Russian Federation, being a controlling shareholder, backs the efforts of Rosseti to safeguard the rights and interests of minority shareholders and improve its investment case.

The dividend policy of PJSC Rosseti is founded on the rigorous observance of shareholders' rights as outlined by Russian Federation laws. It is centred on the Company's concurrent strategic development, enhancement of its investment appeal and growth in market capitalisation. The decision of the General Meeting of Shareholders of PJSC Rosseti on the payment of dividends shall be made in line with the recommendations of the Board of Directors of PJSC Rosseti on the basis of its financial results of the Company, including those derived from the consolidated IFRS financial statements.

¹ Including the outstanding shares of the additional issue of securities (state issue number 1-01-65018-D-109D dated 21 August 2023).

Corporate Governance System

Corporate Governance Model

A well-functioning corporate governance framework is essential to the Company's successful growth as it maintains the appropriate balance of interests between creditors, investors, shareholders and employees. PJSC Rosseti is one of the largest Russian public companies in terms of the scale of its operations.

The number of shareholders of the Company at the end of the reporting period exceeded 928,000 persons. The total number of private shareholders as of 31 December 2023 is 925,700 persons. Compared to the beginning of the reporting year, the share in the Company's authorised capital owned by individuals increased from 5.7% to 6.31%.

Due to the substantial number of private shareholders, the Company bears a great deal of responsibility for seeing to it that their rights are respected. For this reason, the Company gives this task particular attention.

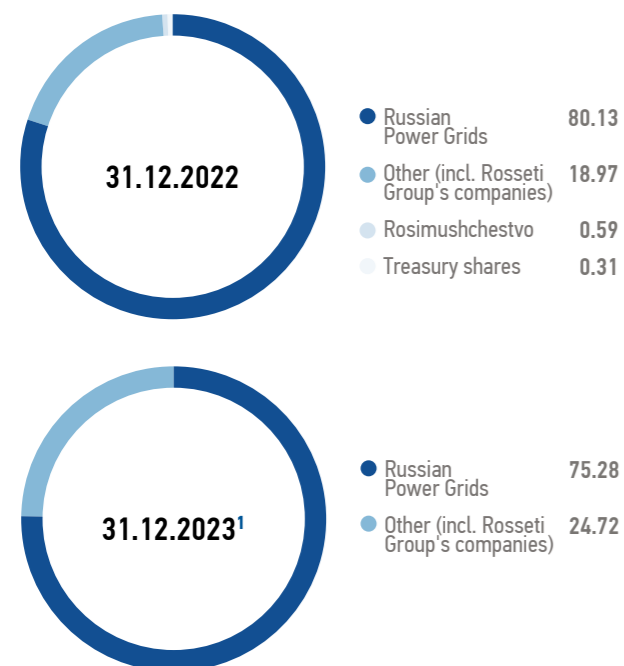
The corporate governance model of PJSC Rosseti is a system of relationships between shareholders, the Board of Directors of the Company, executive bodies of the Company, local communities in the areas of the Company's operations and other stakeholders, which ensures operations and areas for development, management and control, rules and procedures for corporate decision-making in the Company and in the Rosseti Group as a whole.

Corporate governance objectives:

-  Growth of shareholder value, market capitalisation and investment attractiveness of the Company
-  Profit earning based on the results of the Company's activities
-  Stable and predictable development of the Company and implementation of its strategy
-  Efficient management of the assets of the Company and its subsidiaries
-  Improvement of the management and motivation system, management and employee succession practices

The practice of corporate governance in the Company is based on the principles of corporate governance enshrined in the Corporate Governance Code of the Bank of Russia, as well as the provisions of the Corporate Governance Code of the Company².

Company's equity holding structure, %



¹ Including additionally issued shares.

² Minutes of the Company's Board of Directors No. 556 dated 22 November 2021.



Transparency

The Company ensures timely disclosure of complete and reliable information about all significant facts relating to its activities, performance track record (including its social and environmental performance), ownership and governance structure of the Company, as well as free access to such information for shareholders and other stakeholders.

The economy and financial market of Russia remained under unprecedented sanctions pressure in 2023. In the extraordinary environment, the Company made every effort to maintain the basic proven mechanisms of corporate relations and corporate governance practices in terms of information disclosure.



Accountability

In accordance with the law of the Russian Federation, the Corporate Governance Code of the Bank of Russia and international corporate governance standards, the Board of Directors of the Company is accountable to the General Meeting of Shareholders of the Company.



Fairness

The Company undertakes to ensure equal and fair treatment of all shareholders, protect their rights and provide all shareholders with the opportunity of providing them effective protection should their rights be violated.



Responsibility

The Company recognises and ensures the rights of shareholders and all stakeholders as set out in the law of the Russian Federation.



Sustainable Development

Achievement of the Company's strategic goals is based on the principles of sustainable development and is aimed at observing the rights and interests of both the Company's shareholders and other stakeholders. The key goals of the Company in the field of sustainable development are as follows: ensuring reliable, high-quality and affordable power supply for a comfortable life of people and free growth of the Russian economy, development of the UNPG; technological and innovative development; increasing the opportunities for professional growth of employees in the implementation of management activities aimed at reducing the negative and expanding the positive social and environmental impact.



Company's corporate governance priorities

- Respect and guarantees for rights and legitimate interests of shareholders, investors as well as stakeholders of the Company
- Information and financial transparency of the Company's activities
- Predictable dividend policy of the Company that considers fair the reasonable expectations of investors
- Efficient and professional Board of Directors accountable to the shareholders of the Company, and its active involvement in strategic planning, management and control of business processes
- Consistency and collegiality in decision-making
- Zero tolerance to corruption and fraud
- High standards of business ethics and compliance
- Minimisation and settlement of corporate conflicts
- Effective risk management
- Well-developed corporate culture and corporate social responsibility practice
- Stronger emphasis on using ESG principles
- Prompt response to the challenges of the external environment
- Consideration of the opinions of minority shareholders of the Company and companies of the Rosseti Group in the course of corporate governance
- Continuous improvement of corporate governance framework



Key areas of corporate governance policy

- Introduction of uniform management standards at the Rosseti Group
- Higher operational efficiency, better management system of the Company and of Rosseti Group, and improved quality of business processes
- Professional interaction with investors, employees and partners of the Company
- Improved information transparency of the Company, better internal control and audit mechanisms
- Introduction of corporate governance elements that facilitate objective and high-quality disclosure of non-financial information by the Company

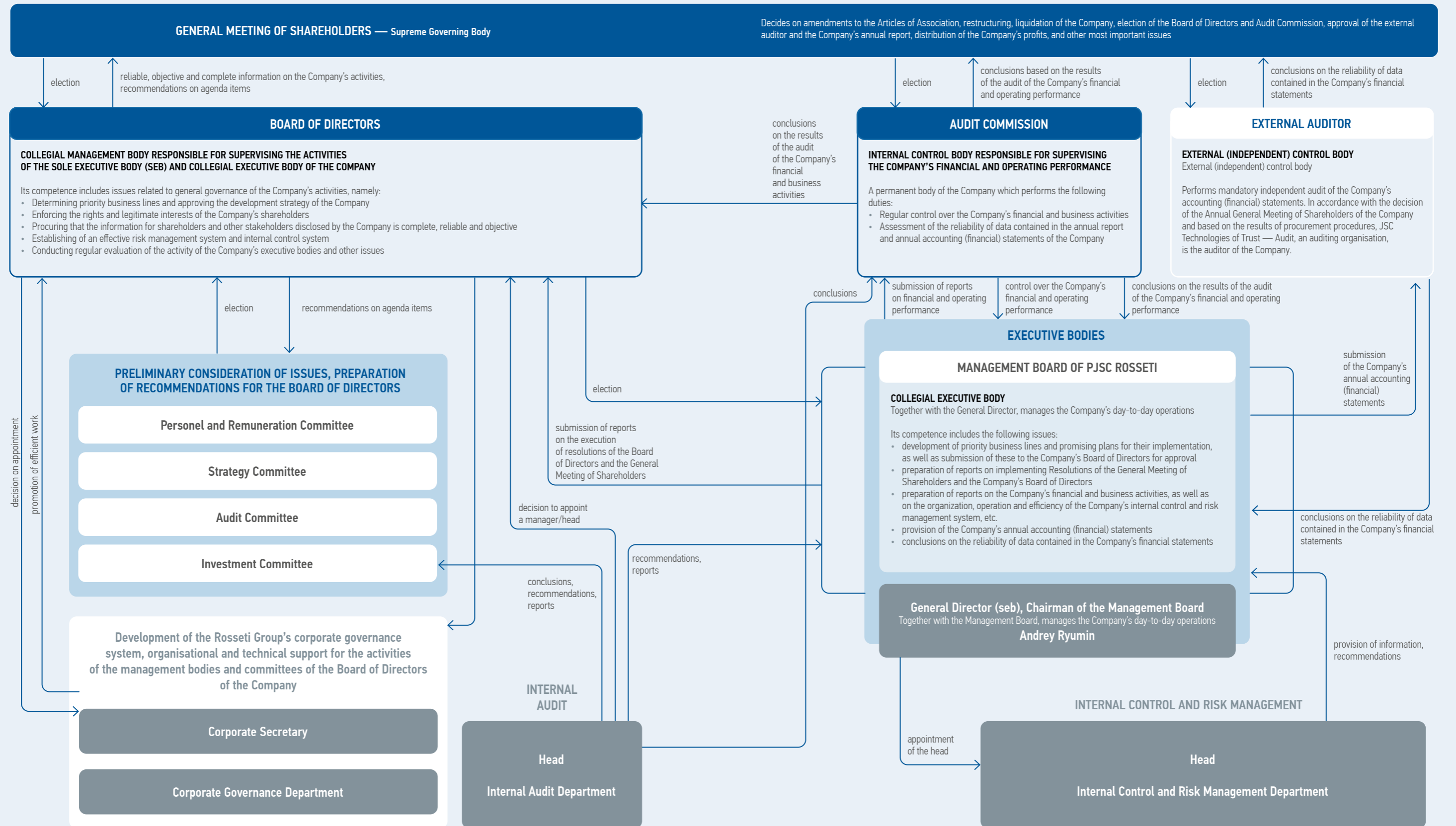
The Company's compliance with the principles and priorities of corporate governance in all areas of its activities enables achievement of the goals of corporate governance, primarily ensuring the growth of shareholder value and investment attractiveness of the Company and the Rosseti Group as a whole.

By timely introducing the necessary changes into corporate governance practices and ensuring high efficiency of management decisions, the Company adheres to the requirements of the law, the Listing Rules

of the PJSC Moscow Exchange and corporate governance standards recognised in Russian and international practice. The Company conducts a systematic evaluation of corporate governance and presents its findings for consideration to the Board of Directors of the Company (its dedicated committee).

For more details on the essential components of the Company's corporate governance system, please see PJSC Rosseti's Articles of Association and internal documents available at <https://www.rosseti.ru> in Home / Company / Articles of Association and Internal Documents section.

Corporate Governance Structure¹



¹ As of 31 December 2023.

Specific Features of the PJSC Rosseti's Corporate Governance Model

The Russian Federation represented by Rosimushchestvo is the major (controlling) shareholder and owner of 75.28%¹ of PJSC Rosseti's ordinary shares. The status of a company with state participation requires a number of governance features, including ones below:

- PJSC Rosseti manages the power grid complex of Russia. The main goal of the Company's activities is defined as ensuring the reliability of the operation of the power grid complex and uninterrupted power supply to consumers. PJSC Rosseti also coordinates the activities of power grid companies, the Rosseti Group, including those in the field of tariffs, technical policy, investment planning, financial and economic activities, as well as in the field of anti-corruption policy.
- PJSC Rosseti is included in the List of strategic joint stock companies². The status of a strategic joint stock company implies a special procedure for the management and control of the Company by the President, the Government and the federal executive authorities of the Russian Federation.
- PJSC Rosseti is included in a special list of joint stock companies for which the Russian Government³ determines the position on the most important issues (including the entry of items on the agenda of the General Meeting of Shareholders, nomination of candidates for election to management and control bodies, voting on items on the agenda of the General Meeting of Shareholders, etc.), as well as approves directives to representatives of the interests of the Russian Federation on the Boards of Directors.
- PJSC Rosseti undertakes to ensure the fulfilment of certain instructions and tasks initiated by the Russian Federation in its subsidiaries as well.

Key Documents Regulating Corporate Governance in PJSC Rosseti

- Corporate Governance Code of the Bank of Russia
- Company's Articles of Association
- Company's Corporate Governance Code
- Regulations on the Management and Control Bodies of the Company (on the General Meeting of Shareholders, on the Board of Directors, on the Management Board and on the Audit Commission)
- Regulations on Remuneration and Compensation paid to Members of the Board of Directors of the Company and the Audit Commission of the Company
- Regulations on Committees under the Board of Directors:
 - Regulations on the Audit Committee of the Board of Directors
 - Regulations on the Personnel and Remuneration Committee of the Board of Directors
 - Regulations on the Strategy Committee of the Board of Directors
 - Regulations on the Investment Committee of the Board of Directors
- Regulations on the Remuneration and Compensation paid to Members of the Committees under the Board of Directors of the Company
- Regulations on the Dividend Policy
- Regulations on the Corporate Secretary
- Regulations on the Performance Evaluation of the Board of Directors
- Anti-Corruption Policy of PJSC Rosseti and subsidiaries of PJSC Rosseti
- Internal Audit Policy
- Risk Management and Internal Control Policy of PJSC Rosseti and its subsidiaries (Rosseti Group)
- Code of Corporate Ethics and Conduct of Employees
- Regulations on the Information Policy
- Regulations on Insider Information Protection

Internal documents regulating corporate governance in PJSC Rosseti, as well as data on the approval of these documents by the Company's governance bodies, are available on the Company's website

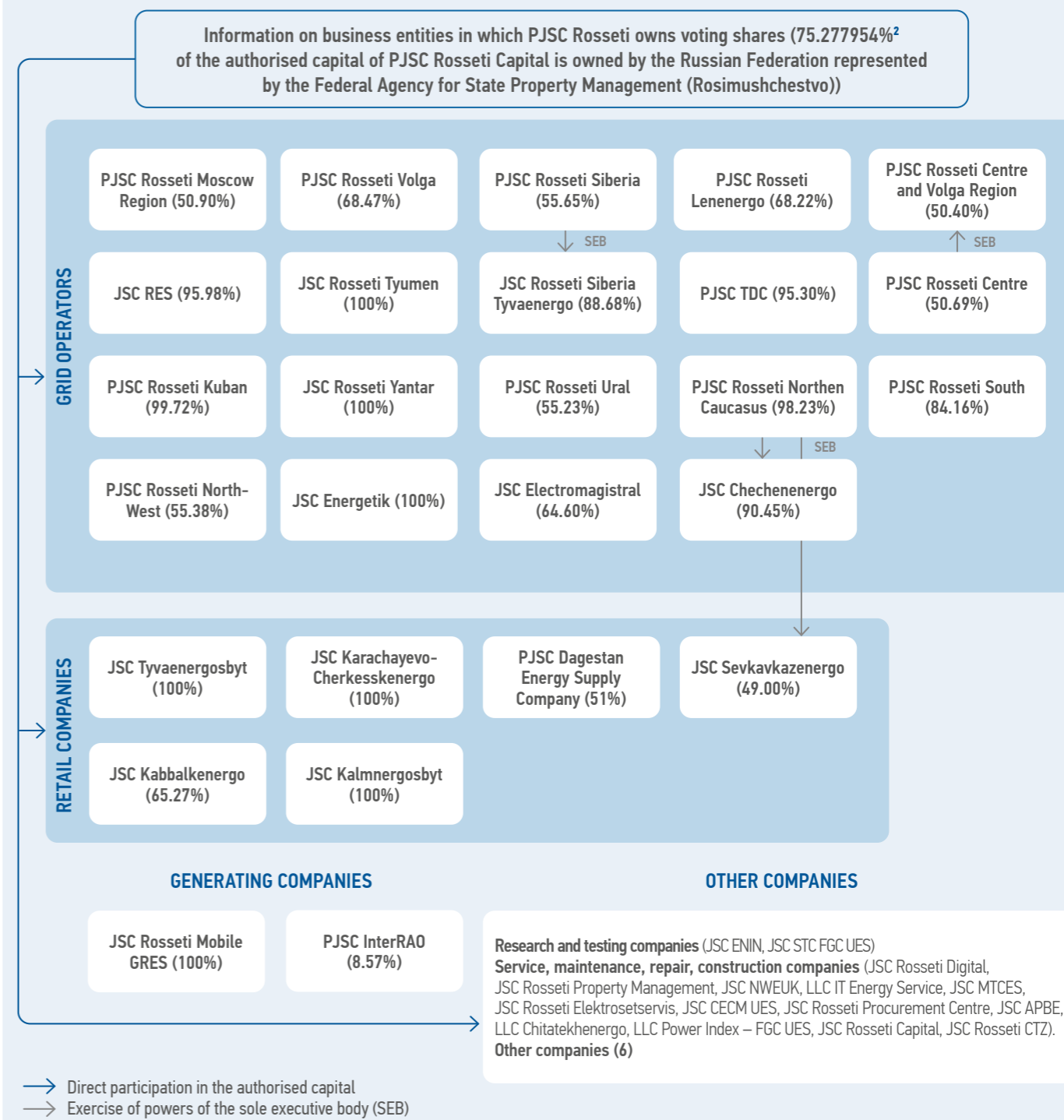


Management of the Group's Companies

As of 31 December 2023, PJSC Rosseti has 46 regional branches, including 7 branches of "Main Power Grids" (MPG), 1 branch of the Centre for Technical Supervision, 37 branches of "Main Power Grid Enterprise" (MPGE) and "Bely Rust" Specialised Production Base.

As of 31 December 2023, PJSC Rosseti participates in 48 business companies that operate in various sectors, including those that ensure the functioning of the power grid complex.

Structure of the Rosseti Group¹



¹ Structure as of 31 December 2023, including outstanding shares of additional issue 1-01-65018-D-109D.
² Approved by Decree of the President of the Russian Federation No. 1009 dated 4 August 2004.
³ Executive Order of the Government of the Russian Federation No. 91-r dated 23 January 2003.

¹ As at 31 December 2023.
² Taking into account placed shares of additional issue registered on 21 August 2023, state registration number 1-01-65018-D-109D.



PJSC Rosseti manages the Group's companies in accordance with uniform corporate standards aimed at ensuring the efficiency of business processes, controlling their quality, and minimising risks.

The primary means of engagement is guaranteed by corporate procedures, decision-making as the sole shareholder with regard to 100% owned subsidiaries, the exercise of shareholder rights with regard to other Group's companies, notably through representation on boards of directors and board committees.

These tools make it possible to control the actions of governance bodies on all key issues, the list of which is specified in the Articles of Association of PJSC Rosseti and its subsidiaries.

We also maintain an open dialogue with minority shareholders of the Group's companies. Interaction within the framework of the General Meetings of Shareholders and the work of the Boards of Directors, whose members and chairmen are senior managers of PJSC Rosseti, plays an important role.

Maria Tikhonova,
Deputy Director General for Corporate Governance

— 2023 marked the completion of a large-scale restructuring of PJSC Rosseti. The total number of subsidiaries and other entities wherein the Company participated as of the end of 2023 increased to 48. What are the key mechanisms used to manage the Group's companies?

— The interests of the merged companies and the Company's shareholders were taken into consideration during the preparation and implementation of the restructuring process, and their expectations and suggestions were meticulously accommodated. The Company kept up a high standard of corporate governance throughout the restructuring.

Furthermore, we expeditiously incorporated our corporate standards into the operations of three new companies that joined the Rosseti Group as part of an additional issue.




Improvement of the Corporate Governance System

Development of the corporate governance system

2019	2020	2021	2022	2023
<p>Improvement of the corporate governance practices</p> <p>Registering the Company's shares in the bases for calculating "Responsibility and Transparency" and "Sustainable Development Vector" indices</p> <ul style="list-style-type: none"> A new version of the Company's Corporate Governance Code was approved A new version of the Company's Regulation on the Information Policy was approved A new version of the Company's Regulation on the Insider Information Protection was approved Ordinary shares of the Company were firstly registered in the bases created by PJSC Moscow Exchange for calculating MOEX-RUIE "Responsibility and Transparency" and "Sustainable Development Vector" indices 	<p>Update of the Articles of Association and internal documents</p> <p>Transferring sole executive body (SEB)'s powers to the managing organisation</p> <ul style="list-style-type: none"> The powers of the SEB were transferred to the managing organisation, thus enabling optimisation of administrative expenses and reduction of transaction costs A new version of the Company's Articles of Association was approved A new version of the Regulation on the Procedure for Preparation and Holding of the General Meetings of Shareholders was approved subject to the requirements of the Regulation of the Bank of Russia No. 660-P A new version of the Regulation on the Board of Directors of the Company was approved, determining the election procedure and functions of the senior independent director, as well as stipulating that Board members may participate in meetings via conference or video conference calls A new version of the Regulation on Remuneration and Compensation Payments to the Board of Directors was approved, prohibiting remuneration payments to Board members being employees of the Company 	<p>Improvement of the corporate governance practices</p> <p>Updating policies</p> <ul style="list-style-type: none"> Amendments were made to the Regulation on the Investment Committee of the Board of Directors and to the Regulation of the Strategy Committee of the Board of Directors, aiming to reduce the headcount of the Committees The performance of the Board of Directors and its Committees was subject external assessment, involving an independent consultant New versions of the Regulation on the Corporate Secretary and the Regulation on the Risk Management System were approved A new version of the Regulation on the Information Policy was approved, determining the peculiarities of disclosing non-financial information by the Company, as well as the procedure and term for disclosing material information 	<p>Update of the Articles of Association and internal documents</p> <p>Strengthening the role of the Company's Board of Directors</p> <ul style="list-style-type: none"> A new version of the Company's Articles of Association was approved, significantly enhancing the role of the Company's Board of Directors in making key decisions A collegial executive body — the Management Board of the Company, was added to the structure of the Company's governance bodies, and the Regulation on the Company's Management Board was approved New versions of internal documents regulating operations of other bodies of the Company were approved, allowing to improve exercising shareholders' rights and to carry on with the integration of recommendations set forth in the Corporate Governance Code of the Bank of Russia into the Company's activities Amendments were made to the Regulation on the Information Policy 	<p>Update of the Articles of Association and internal documents that regulate corporate control</p> <p>Launching a project to optimise the structure of the Rosseti Group</p> <ul style="list-style-type: none"> The Risk Management and Internal Control Policy of PJSC Rosseti (the Rosseti Group) was approved to replace the Regulations on the Internal Control System and the Regulations on the Risk Management System in the Company The Policy on Internal Audit of the Company was approved instead of the Regulations on Internal Audit of the Company The Anti-Corruption Policy of the Company and its subsidiaries was approved instead of the Company's Anti-Corruption Policy Launch of a project aimed at consolidating the Rosseti Group's companies engaged in related activities in the provision of services, including telecommunications, design/construction services, as well as consolidating institutes and laboratories

Key Events in the Company's Corporate Governance System in 2023

In order to improve the corporate governance system in the Company in 2023, introduction of the best corporate governance practices activity, as well as their adaptation with a view of the specifics and structure of PJSC Rosseti were continued.

Focus area	Actions and Events in 2023
 Shareholders' rights protection	<ul style="list-style-type: none"> The Company held the Annual General Meeting of Shareholders following the results of 2022 in the form of absentee voting under the provisions of Federal Law No. 25-FZ dated 25 February 2022. The shareholders had the chance to review all meeting documents in advance and cast their votes on the items on the agenda by completing the electronic voting ballot found on the Company's registrar's website, JSC STATUS. Shareholders of PJSC Rosseti have the option to use the shareholder forum and a dedicated email address to ask questions about the Annual General Meeting of Shareholders. A preemptive right to purchase the Company's shares to be placed was granted to shareholders who abstained from voting or voted against the resolution to increase the authorised capital of the Company by placing additional ordinary shares through private subscription, which was approved by the Annual General Meeting of Shareholders.
 Improvement of the corporate governance practices	<ul style="list-style-type: none"> The Risk Management and Internal Control Policy of PJSC Rosseti and its subsidiaries (the Rosseti Group) was approved to replace the Regulations on the Internal Control System and the Regulations on the Risk Management System in the Company¹ The Policy on Internal Audit of the Company was approved instead of the Regulations on Internal Audit of the Company² The Anti-Corruption Policy of the Company and its subsidiaries was approved instead of the Company's Anti-Corruption Policy²
 Information Disclosure	<ul style="list-style-type: none"> A new version of the Regulations on the Company's Information Policy was approved³ <p>The changes are due to:</p> <ul style="list-style-type: none"> Termination of the circulation of the Company's depository receipts, as well as regulation of the procedure for restricting the disclosure and provision of information by the Company in order to minimise the risks of a negative effect from unfriendly and contrary to international law actions of the United States and adjoining states and international organisations related to the introduction of restrictive measures against citizens of the Russian Federation Listing of certain resolutions of the Board of Directors of the Company disclosed by PJSC Rosseti in addition to the requirements of the legislation of the Russian Federation into compliance with the new version of the Articles of Association of the Company, which significantly changed the scope of functions of the Board of Directors of the Company

Improvement of Corporate Governance Practices in 2023

In 2023, the Board of Directors of the Company developed and approved the Risk Management and Internal Control Policy of PJSC Rosseti and its subsidiaries (the Rosseti Group), the Internal Audit Policy of the Company, and the Anti-Corruption Policy of the Company and its subsidiaries.

- Risk Management and Internal Control Policy of PJSC Rosseti and subsidiaries (Rosseti Group of companies)**

According to the recommendations of the Bank of Russia on the organisation of risk management, internal control, internal audit, and the work of the Audit Committee of the Board of Directors (Supervisory Board) in public joint

stock companies (Information Letter of the Bank of Russia dated 1 October 2020 No. IN-06-28/143), it is recommended to consider risk management and internal control in the context of a single risk management and internal control system integrated into the Company's business processes.

In order to implement the above recommendation, the Risk Management System and the Internal Control System have been merged into a single system at the Rosseti Group. The purpose of the unified Policy is to ensure the implementation and maintenance of an efficient risk management and internal control system that complies with generally recognised risk management and internal control practices and standards, as well as the requirements of regulatory authorities, and contributes to the achievement of the Rosseti Group's business goals.

¹ Minutes of meeting of the Company's Board of Directors No. 616 dated 18 April 2023.
² Minutes of meeting of the Company's Board of Directors No. 620 dated 7 June 2023.
³ Minutes of meeting of the Company's Board of Directors No. 609 dated 3 March 2023.

- Policy on Internal Audit of the Company**

The Policy was approved for the purpose of bringing uniformity to the documents used by the Rosseti Group.

- Anti-Corruption Policy of the Company and its subsidiaries**

Approving these Policies allowed the Company to improve the quality of corporate governance in the Company and to continue implementing the recommendations of the Bank of Russia on the organisation of risk management, internal control and internal audit. It will also make it possible to increase the efficiency of anti-corruption activities aimed at reducing the risks of material and reputational damage to the Company and its subsidiaries from corruption offences.

Optimisation of the Rosseti Group's structure

In the reporting year, the Company launched a project to optimise the structure of the Rosseti Group. This project will consolidate the Rosseti Group's companies engaged in related activities. In particular, it is planned to consolidate companies engaged in construction and installation, engineering surveys, and development of design documentation under the aegis of JSC CECM UES, companies providing IT services — under the aegis of JSC Rosseti Digital, companies providing communication services — under the aegis of JSC MTCES, and institutes and laboratories — under the aegis of JSC STC FGC UES. It is anticipated that this project will save corporate governance expenses while also increasing the Group companies 'manageability'.

Fulfilment of plans for 2023

From the actions to improve corporate governance planned for 2023, the following were implemented:

- Corporate governance rating was maintained at a high level (NRCU 7++)
- Strong discipline was maintained when carrying out the decisions made by the government bodies
- Internal documents of the Company aimed at improving risk management, internal control and internal audit systems were approved

Plans for 2024

The Company plans to continue paying close attention to changes in legislation, Listing Rules, and regulatory authority recommendations in 2024 because it will be necessary to maintain the Articles of Association and internal documents of PJSC Rosseti and its subsidiaries current. This is to ensure timely development of new documents and procedures for the Company or standard amendments to existing ones. Following the completion of its restructuring in January 2023, the Company acquired control over 12 public joint stock companies with securities traded on the formal markets. Consequently, the corporate governance practices in Rosseti Group's companies need to receive more attention.

The key plans of the Company in the field of corporate governance cover:

- Ensuring that the corporate governance rating is at a high level
- Ensuring that key business issues are considered at in-person meetings of the Board of Directors and Committees
- Incorporating elements of corporate governance that contribute to the objective and high-quality disclosure of non-financial information by the Company
- Striving for regular consideration of sustainability and ESG issues by the Company's Board of Directors
- Making sure that the governance bodies' resolutions are fulfilled properly
- Continuing to implement the recommendations of the Bank of Russia's Corporate Governance Code in the activities of the Group's companies
- Overseeing that the Group's companies implement the recommendations of the Bank of Russia's Corporate Governance Code, maintain the corporate governance rating, and interact with minority shareholders of the Group's companies to ensure that best corporate practices are embedded in their operations
- Improving the Performance Self-Assessment Methodology for the Company's Board of Directors

Assessment of the Corporate Governance Level

We pay specific attention to the quality of corporate governance and its effectiveness by constantly assessing the level of development of the Company's governance system, as well as by analysing Russian and foreign trends and practices of corporate governance. The efficiency of corporate governance in the Company is assessed on an annual basis. In addition, we engage external consultants to obtain an objective external assessment of our corporate governance practices.

External Assessments of the Level of Development of Corporate Governance in the Company

The Company engages an external corporate governance consultant as an independent expert on an ongoing basis, which enables tracking the effectiveness of ongoing changes and consistently implementing management system improvement tools, as well as elements of best practices. For several years, external assessment and monitoring of the corporate governance system development has been carried out by the Russian Institute of Directors, which has a dedicated methodology for analysing practices.

Following the completion of the power grid restructuring process in 2023, the Russian Institute of Directors reassessed Rosseti's corporate governance practices across the following four components:

- Shareholders' rights
- Activity of the governance and control bodies
- Information disclosure
- Sustainable development and ESG

During the assessment, the Russian Institute of Directors noted positive features in the practice of corporate governance and identified the areas of the corporate governance and sustainable development practices to be addressed to further improve the rating.

NCGR 7++

WELL-DEVELOPED PRACTICE OF CORPORATE GOVERNANCE

In November 2023, the Russian Institute of Directors assigned PJSC Rosseti a rating of 7++ on the National Corporate Governance Rating (NCGR) scale based on the results of the assessment of the quality of corporate governance of PJSC Rosseti, which means that the system of corporate governance is characterised as follows: "The Company complies with the requirements of Russian corporate governance legislation, follows a significant number of recommendations of the Bank of Russia Corporate Governance Code and sustainability standards. The Company has fairly low risks for stakeholders related to the quality of corporate governance and sustainable development management".

Indicator	2019	2020	2021	2022	2023
National Corporate Governance Rating (assessed by the Russian Institute of Directors)	7++	7++	7++	7++	7++

Positive aspects

- An independent registrar maintains records of rights to the Company's shares; the notice of the General Meeting of Shareholders and the relevant information for the meeting are posted on the Company's website on the Internet, while complying with a number of recommendations of the Russian Corporate Governance Code on providing shareholders with additional materials to prepare for the meeting.
- The Board of Directors of the Company now possesses a broader range of decision-making authority regarding revenue-intensive transactions.
- The Board of Directors includes three independent directors, and a competence matrix for the Company's Board members has been developed.
- Control over revenue-intensive transactions of the Company's controlled organisations is now within the remit of the Company's Board of Directors.
- The Russian Corporate Governance Code's recommendations are strictly adhered to by the Company while evaluating the Board of Directors' performance.
- The Company engages in charitable giving and sponsorship, and it carries out a range of social projects for its staff members and their families, as well as for service users.
- The Company has approved the Sustainable Development Policy, Climate Policy, and a number of internal documents regulating corporate social responsibility policies in relation to key stakeholders.
- PJSC Rosseti takes measures to minimise or compensate for environmental damage.

Areas for Improvement

- To prepare an internal document defining the Company's policy on interaction with the external auditor.
- Increase the number of in-person meetings of the Committees of the Board of Directors of the Company, if possible.
- To explore referring the issues of defining the development strategy, assessing the results, as well as nominating candidates to the executive bodies of controlled organisations to the purview of the Company's Board of Directors.
- To consider the establishment of a dedicated sustainability committee within the structure of the Company's Board of Directors or the expansion of the remit of the existing committees with relevant issues.

The assessment methodology of the Russian Institute of Directors has **160 criteria** across four components:

1. Shareholders' rights
2. Activity of the governance and control bodies
3. Information disclosure
4. Corporate social responsibility and sustainable development



Assessment of Corporate Governance Efficiency at PJSC Rosseti

Along with the external assessment, the internal auditor of the Company annually assesses the efficiency of corporate governance in the Company. The assessment procedure follows the Company's Corporate Governance Assessment Methodology based on the Bank of Russia's recommendations for assessing compliance with the Bank of Russia's Corporate Governance Code and the Moscow Exchange's Listing Rules.

Assessment of the Corporate Governance Performance is aimed at:

- Providing the Board of Directors, the Audit Committee of the Board of Directors, the Management Board, the General Director of the Company with independent information on the state of corporate governance in the Company
- Making recommendations to improve the level of corporate governance in the Company

Corporate governance assessment includes the following focus areas:

- Monitoring the compliance with the ethical principles and corporate values of the Company
- Verifying the procedure for setting the goals of the Company and tracking their achievement
- Checking the level of regulatory support and information interaction procedures (including those related to risk management and internal control) at all levels of the Company's governance, including interaction with stakeholders
- Verifying that shareholder rights are safeguarded and that stakeholder relations are effective
- Assessing the procedures for disclosure of information on the Company's activities

In order to evaluate the Company's corporate governance for 2022–2023 corporate year, the following six crucial components were examined:

- Shareholders' rights
- Board of Directors
- Executive management
- Transparency and disclosures
- Risk management, internal control and internal audit
- Corporate social responsibility, business ethics and compliance

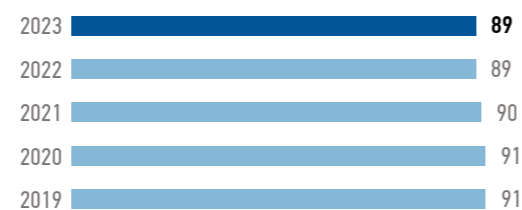
Due to the suspension of certain provisions of Federal Law No. 208-FZ "On Joint Stock Companies" dated 26 December 1995, the assessment of corporate governance at PJSC Rosseti omitted the following issues:

- When are the results of the votes on items on the agenda of the general meeting of shareholders summarised and announced?

- Are the Company's shareholders given the opportunity during General Meetings to ask questions to the sole executive body, chief accountant, members of the Audit Commission, Chairman or other member of the Audit Committee of the Board of Directors, as well as the Company's auditors regarding their reports and, accordingly, to receive answers to the questions asked?
- Are the candidates nominated for election to the company's Board of Directors and Audit Commission present at the respective general meeting of shareholders?

Based on the results of the compliance analysis of the current state of corporate governance elements for 2022–2023, it was established that corporate governance in the Company complies with well-developed practice. The overall score based on the results of the analysis was 89% out of a maximum 100%. There were no changes compared to the corporate governance assessment for the 2021–2022 corporate year (the score remained at 89%).

Performance assessment results in corporate governance (compliance level), %



For the 2022–2023 corporate year, there was an increase in the score for the 'Board of Directors' component — from 73% (good practice) to 74% (good practice).

In general, the results of the assessment demonstrate the effectiveness of the measures implemented in the Company to develop the corporate governance system. At the same time, there is an area for improvements for the components / elements as follows:

- Board of Directors (74%)
- Executive management (85%)
- Transparency and disclosures (99%)

For certain issues (a significant part of those assessed as 'non-compliant'), the potential for growth depends mainly on the position of the controlling party — the Russian Federation and other external factors that the Company has no power to influence.



Assessment of corporate governance at PJSC Rosseti by components

Components	Score for 2021/2022 corporate year		Score for 2022/2023 corporate year	
	number of points	compliance level	number of points	compliance level
I. Shareholders' rights	71	100% Best Practice	71	100% Best Practice
II. Board of Directors	135	73% Good Practice	137	74% Good Practice
III. Executive management	34	85% Well-Developed Practice	34	85% Well-Developed Practice
IV. Transparency and disclosures	133	99% Best Practice	133	99% Best Practice
V. Risk management, internal control and internal audit	63	100% Best Practice	63	100% Best Practice
VI. Corporate social responsibility, business ethics and compliance	31	100% Best Practice	31	100% Best Practice
Total score	467	89% Well-Developed Practice	469	89% Well-Developed Practice

Based on the results of the assessment of corporate governance in the Company at the end of 2022–2023, the internal auditor's contains the following recommendations:

- To ensure keeping up with the Well-Developed Practice level of corporate governance
- To consider reapplying to federal executive authorities with proposals to amend the methodological recommendations on corporate governance assessment approved by Rosimushchestvo in order to eliminate the factors affecting the discrepancies identified in the Report in terms of corporate governance elements, taking into account

the specifics and restrictions established by the Decrees of the President of the Russian Federation and other statutory regulations

The report of the internal auditor of PJSC Rosseti on the assessment of the efficiency of corporate governance at PJSC Rosseti based on the results of the 2022–2023 corporate year was approved by the decision of the Board of Directors of PJSC Rosseti dated 28 December 2023 (Minutes No. 640 dated 28 December 2023).

Assessment of Corporate Governance Efficiency at the Rosseti Group of companies

In the reporting year, PJSC Rosseti's internal auditor also assessed corporate governance at the Rosseti Group's companies for the 2022–2023 corporate year.

The assessment of corporate governance at the Rosseti Group's companies based on the results of the 2022–2023 corporate year covered PJSC Rosseti and its 14 subsidiaries:

- PJSC Rosseti Kuban
- PJSC Rosseti Lenenergo
- PJSC Rosseti Moscow Region
- PJSC Rosseti Volga
- PJSC Rosseti North-West
- PJSC Rosseti Siberia
- PJSC Rosseti Northern Caucasus
- PJSC Rosseti Ural
- PJSC Rosseti Centre
- PJSC Rosseti Centre and Volga Region
- PJSC South
- PJSC TDC
- JSC Rosseti Tyumen
- JSC Rosseti Yantar

The assessment was based on the Methodology for Assessing Corporate Governance in Subsidiaries of PJSC Rosseti for six key components approved by the Company's Order No. 116 dated 11 April 2019:

- Shareholders' rights
- Board of Directors
- Executive management
- Transparency and disclosures
- Risk management, internal control and internal audit
- Corporate social responsibility, business ethics and compliance

The corporate governance scores of subsidiaries for the 2022–2023 corporate year range from 81% (PJSC Rosseti Ural, PJSC TDC) to 91.6% (PJSC Rosseti Lenenergo).

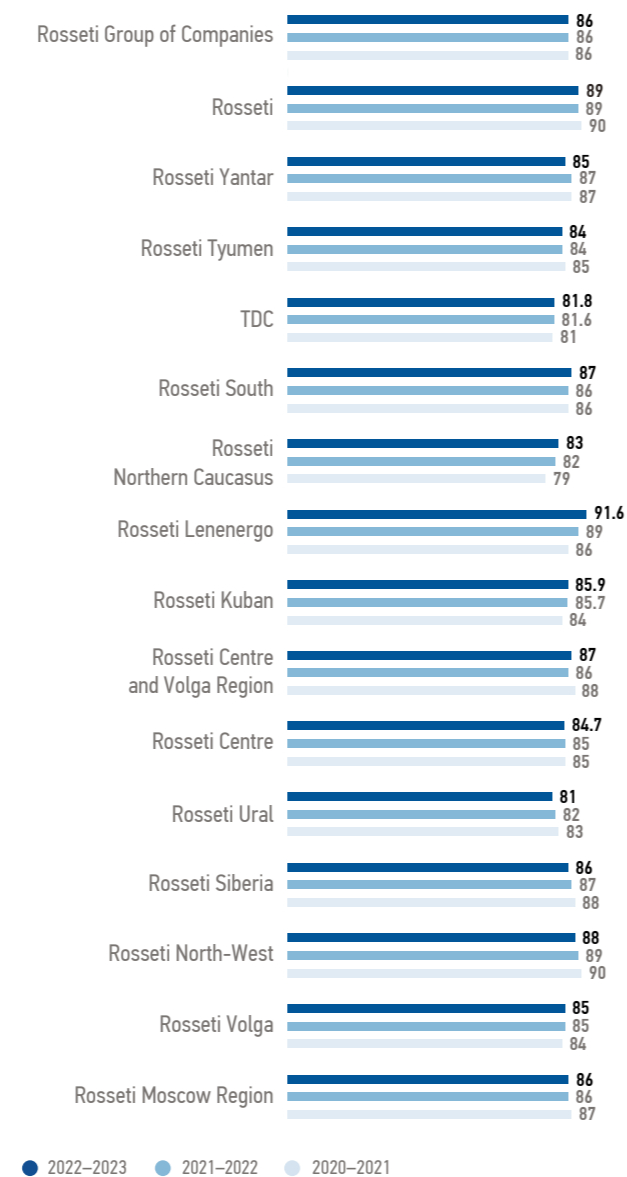
The overall corporate governance score for the Rosseti Group of companies for the 2022–2023 corporate year was 86%, which corresponds to the Well-Developed Practice corporate governance level. Compared to the 2021–2022 corporate year, the score remains unchanged.

Five of the Rosseti Group's companies (33%) have corporate governance scores above the Group average: PJSC Rosseti (89%), PJSC Rosseti Lenenergo (91.6%), PJSC Rosseti

North-West (88%), PJSC Rosseti Centre and Volga Region (87%), and PJSC Rosseti South (87%). The level of corporate governance assessment in the rest of the Group's companies ranges from 81% to 86%.

The corporate governance assessment for the 2022–2023 corporate year in all Group's companies corresponds to the Well-Developed Practice level.

Assessment of Corporate Governance at the Rosseti Group of companies, %



Summary score of corporate governance by the Rosseti Group of companies, %



The following factors contributed to the decline in scores for the components in individual subsidiaries, which in turn caused the slight decrease in the summary score for such components as 'Board of Directors', 'Executive Management', and 'Corporate Social Responsibility, Business Ethics, and Compliance' at the Rosseti Group:

- Boards of Directors of subsidiaries include persons who are members of the Boards of Directors of more than five public companies
- Meetings of the Boards of Directors of subsidiaries and Board Committees of subsidiaries are held in person at least once a quarter
- number of Board meetings of subsidiaries to review the assessment of executive management performance (including KPI analyses) are reduced
- Not all members of the Audit Committees of the Boards of Directors of subsidiaries and the Human Resources and Remuneration Committees of the Boards of Directors of subsidiaries are independent directors
- Personnel and Remuneration Committees of the Board of Directors of subsidiaries is chaired by Chairmen of the Boards of Directors of subsidiaries
- The work agendas of the Boards of Directors of subsidiaries for the 2022–2023 corporate year were not approved
- The target KPI values for 2023 were not approved by the Boards of Directors of subsidiaries as of the date of the assessment

The internal auditors of subsidiaries highlighted the following as the main systemic recommendations for improving the efficiency of corporate governance at the Rosseti Group:

- To ensure that an effective level of corporate governance is maintained
- To consider remedying non-compliance with the corporate governance principles identified in the assessment

The Rosseti Group of companies strive to improve the level of corporate governance and make continuous efforts to eliminate internal auditors' observations by corrective actions.

PJSC Rosseti intends to take measures to further improve (update) the methodology for assessing corporate governance at the Rosseti Group.

The report of the internal auditor of PJSC Rosseti on the assessment of the efficiency of corporate governance at the Rosseti Group of companies based on the results of the 2022–2023 corporate year was approved by the decision of the Board of Directors of PJSC Rosseti dated 28 December 2023 (Minutes No. 640 dated 28 December 2023).

Compliance with the Recommendations and Principles of the Corporate Governance Code of the Bank of Russia at PJSC Rosseti

The Company consistently implements plans to improve its corporate governance practices with due regard to the recommendations of the Corporate Governance Code of the Bank of Russia, changes in the regulatory environment and initiatives of the professional community.

In view of the sanctions risks, in accordance with the right granted by Decrees of the Government of the Russian Federation No. 351 dated 12 March 2022 and No. 1102 dated 4 July 2023, starting from 2022, the Company decided to close (refuse to disclose) 'sensitive' information. In this regard, the number of principles and recommendations of the Corporate Governance Code of the Bank of Russia fully complied with by the Company has decreased compared to previous periods.

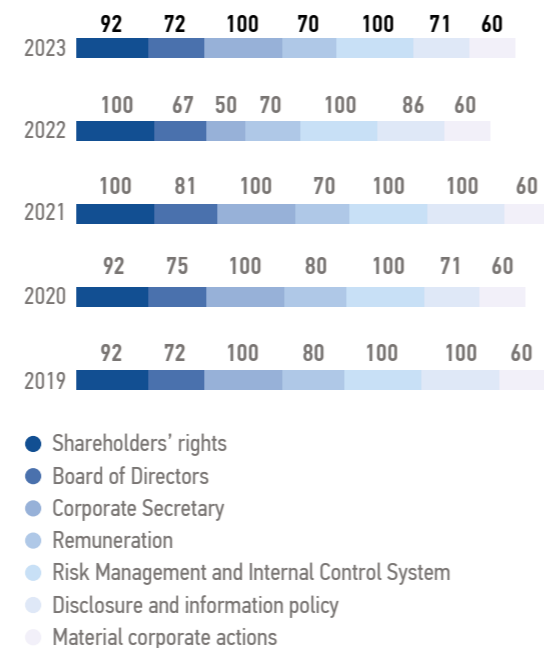
In 2023, these risks were mitigated to some extent, allowing the Company to return to the practice of disclosing information on the Company's Corporate Secretary, which was not disclosed in 2022, and to man the Audit Committee and the Personnel and Remuneration Committee of the Board of Directors of the Company consisting solely with independent directors.

Meanwhile, pursuant to Decrees of the Government of the Russian Federation No. 1102 dated 4 July 2023 and No. 1587 dated 28 September 2023, in order to minimise the risks of negative effect from unfriendly actions of foreign states and organisations, in 2023 the Company decided not to disclose information on controlled organisations of significant importance for it, and therefore the assessment of compliance with the relevant recommendation of the Corporate Governance Code of the Bank of Russia was changed from 'complied with' to 'partially complied with'. The Company will return to full disclosure of information in the event that the relevant risks cease to exist.

Thus, the number of principles and recommendations of the Bank of Russia Corporate Governance Code fully complied with by the Company increased from 60 in 2022 to 61 in 2023 (the share of fully complied principles increased, respectively, from 78% to 79%).

Herewith, the Company fully complies with the principles of Chapter IV "Corporate Secretary of the Company" and Chapter V "Risk Management and Internal Control System".

Compliance with the Recommendations of the Corporate Governance Code of the Bank of Russia¹, %



Compliance with the Recommendations and Principles of the Corporate Governance Code of the Bank of Russia

Data on the compliance with the recommendations and principles of the Corporate Governance Code	Full Compliance			Partial compliance			Non-compliance			Not applicable		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Shareholder rights and equality of conditions for shareholders in exercising their rights	13	13	12	-	-	1	-	-	-	-	-	-
Board of Directors of the Company	29	24 ²	26	7	12	10	-	-	-	-	-	-
Corporate Secretary of the Company	2	1 ²	2	-	1	-	-	-	-	-	-	-
Remuneration system for members of the Board of Directors, executive bodies and other key executives of the Company	7	7	7	1	1	1	-	-	-	2	2	2
Internal Control and Risk Management System	6	6	6	-	-	-	-	-	-	-	-	-
Disclosure of information about the Company, information policy of the Company	7	6	5	-	1	2	-	-	-	-	-	-
Material corporate actions	3	3	3	2	2	2	-	-	-	-	-	-

¹ Information on fully complied recommendations of the Corporate Governance Code of the Bank of Russia excludes partially complied recommendations.

² The decrease was due to the Company's decision to refuse to disclose 'sensitive' information.

General Meeting of Shareholders

The General Meeting of Shareholders of the Company (hereinafter — the Meeting) is the top governance body of the Company, which ensures the exercise of shareholders' rights to manage the Company, and makes decisions on the most important, key, strategic matters of its activity.

The Regulations on the General Meeting of Shareholders of the Company determine the procedure for holding it and the main organisational matters related to the arrangement of the Meetings. Shareholders are given the opportunity to ask questions on the agenda of the Meeting through the Secretary of the Meeting. Questions may be addressed to members of the governance and control bodies, the chief accountant and auditor of the Company, who are required to be invited to the Meeting. For other questions received from shareholders during the Meeting, the Company provides a response within 30 days from the date of the Meeting.

The Company's shareholders have access to a forum and a dedicated email address that allow them to submit questions about the Meeting.

In order to improve the validity of decisions made by the Meeting, the Regulations on the General Meeting of Shareholders of the Company define a list of additional documents that the Company undertakes to provide to shareholders. The materials provided include the position

The Regulations on the General Meeting of Shareholders of the Company were approved by the resolution of the Extraordinary General Meeting of Shareholders of the Company held on 14 September 2022 (Minutes No. 27 dated 15 September 2022).



of the Board of Directors regarding the agenda of the Meeting, extra data about candidates for governance and control bodies, comparative tables of amendments made to the Articles of Association and internal documents of the Company. All materials are posted on the Company's website in Russian and, if necessary, in English, no later than 30 days before the Meeting.

Organisation of General Meetings of Shareholders

The General Meeting of Shareholders is one of the key events in the Company's activities. The Company takes a responsible approach to the organisation of the Meeting, striving to ensure the maximum possible comfort and awareness of shareholders in order to improve the quality of decisions made and take into account the interests of various groups of shareholders. When organising the Meeting, additional measures are taken in the interests of shareholders and investors:

- Ensuring that representatives of key groups of stakeholders participate in the Meeting, including representatives of the media, in order to provide such persons with an opportunity to obtain information on all matters of interest (taking into account the requirements to hold meetings in absentia)

- Ensuring completeness and informational value of materials, including recommendations of the Board of Directors of the Company, complete information about candidates for governance bodies, detailed reports and demonstration materials
- Placing and storing the information for several years in the public domain on the Company's website
- Holding Meetings in convenient locations in Moscow with unhindered access for all shareholders
- Using online services to engage in the meeting and become acquainted with the contents and outcomes of previous meetings

General Meetings of Shareholders in 2023

Decisions taken

Type of the General Meeting: extraordinary
Holding form: absentee vote
Date of the Meeting: 21.03.2023
 Minutes No. 28 dated 21.03.2023

- Powers of the Board members of the Company terminated early
- Board of Directors of the Company elected

Type of the General Meeting: annual
Holding form: absentee vote
Date of the Meeting: 30.06.2023
 Minutes No. 29 dated 30.06.2023

- Company's Annual Report for 2022 approved
- Annual financial statements of the Company for 2022 approved
- Distribution of the Company's profit (loss) based on the results of 2022 approved
- Decision made not to pay dividends on the Company's ordinary shares based on the results of 2022
- Decision made to pay remuneration to the members of the Company's Board of Directors elected by resolution of the Annual General Meeting of Shareholders of PJSC FGC UES dated 28 June 2022 (Minutes No. 26 dated 28 June 2022), whose powers were terminated ahead of schedule by resolution of the Extraordinary General Meeting of Shareholders of PJSC Rosseti dated 21 March 2023 (Minutes No. 28 dated 21 March 2023) and who do not hold public office in the Russian Federation and otherwise are not persons in respect of whom the laws of the Russian Federation provide restrictions or prohibitions on receiving any payments from commercial organisations, and who are not employees of PJSC Rosseti, in accordance with the Regulation on Payment of Remuneration and Compensation to Members of the Board of Directors of PJSC FGC UES approved by the Extraordinary General Meeting of Shareholders of PJSC FGC UES on 14 September 2022 (Minutes No. 27 dated 15 September 2022)
- Decision made to pay remuneration to members of the Board of Directors of PJSC Rosseti elected by resolution of the Extraordinary General Meeting of Shareholders of PJSC Rosseti dated 21 March 2023 (Minutes No. 28 dated 21 March 2023), who do not hold public office in the Russian Federation and are otherwise not persons in respect of whom the laws of the Russian Federation provide restrictions or prohibitions on receiving any payments from commercial organisations, and who are not employees of PJSC Rosseti, in accordance with the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of PJSC FGC UES approved by the Extraordinary General Meeting of Shareholders of PJSC FGC UES on 14 September 2022 (Minutes No. 27 dated 15 September 2022)
- Decision made to pay remuneration to members of the Internal Audit Commission of PJSC Rosseti who do not hold public office in accordance with the Regulation on Payment of Remuneration and Compensation to Members of the Internal Audit Commission of PJSC FGC UES approved by the Extraordinary General Meeting of Shareholders of PJSC FGC UES on 14 September 2022 (Minutes No. 27 dated 15 September 2022)
- Board of Directors of the Company elected
- Audit Commission of the Company elected
- Company's auditing organisation was appointed
- Number of authorised ordinary shares determined that the Company is entitled to place in addition to the Company's outstanding ordinary shares
- Amendments to the Articles of Association of the Company approved
- Decision made to increase the authorised capital of the Company by placing additional ordinary shares of the Company

Information about the Meetings held in the Reporting Year

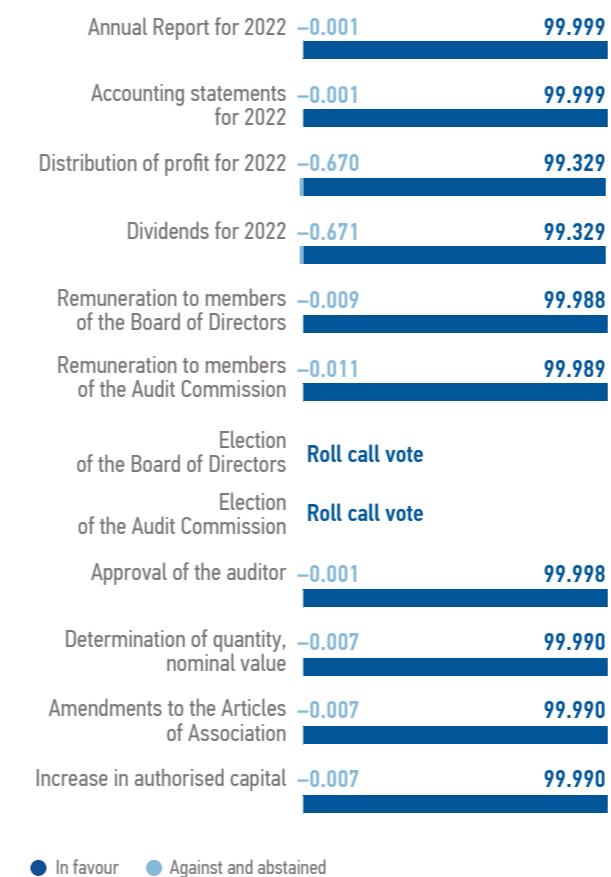
In most cases, the issues included by the Board of Directors in the agenda of the General Meeting of Shareholders are supported by the Meeting and resolutions on them are taken. This is due to both the high-quality review of materials at the stage of preparation for the Meeting and consistency in decision-making by the members of the Board

of Directors representing the interests of the largest shareholders, as well as the controlling interest of the major shareholder and related parties. Resolutions on every item on the Meeting's agenda were adopted during the reporting period thanks to the Russian Federation's 75.000048%¹ stake in the authorised capital of PJSC Rosseti.

¹ As of 31 December 2023, the share of the Russian Federation is 75.2780% of the outstanding shares, including additional issue of securities (state issue number: 1-01-65018-D-109D dated 21 August 2023).

Results of meetings and consideration of the interests of minority shareholders

Voting results at the Annual General Meeting of Shareholders held on 30.06.2023, %



In the reporting year, on all agenda items that were not related to the election of members of the Board of Directors and the Audit Commission of the Company and, accordingly, did not provide for roll call or cumulative voting, considered by the Annual General Meeting of Shareholders on 30 June 2023, the number of positive votes exceeded 99%. The matters of dividend payment (0.6695%), as well as remuneration to the members of the Board of Directors (0.0072%) and the members of the Revision Commission (0.0087%) received the highest number of negative votes. That being said, the matters of payment of remuneration in companies with state participation are regulated by regulatory acts of the Government of the Russian Federation and federal executive authorities. The Company ensures compliance with the requirements of the acts above in strict accordance with established principles.

¹ Public Joint Stock Company Rosseti was the controlling shareholder of the Company until 9 January 2023.
² The Russian Federation is the controlling shareholder of the Company since 9 January 2023.

Voting Results at the Extraordinary General Meeting of Shareholders held on 21.03.2023, %

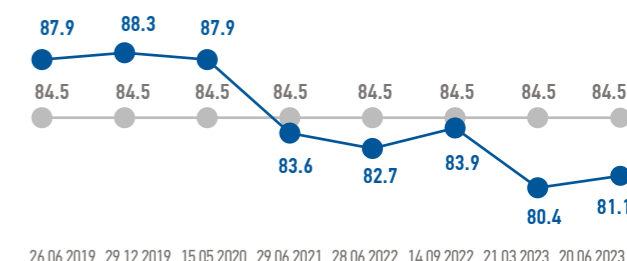


On the agenda items considered by the Extraordinary General Meeting of Shareholders on 14 September 2022, the total number of 'against' and 'abstained' votes did not exceed 0.6711% of the number of votes belonging to the Meeting attendees.

In general, the proportion of votes 'against' and 'abstained' on matters considered by the General Meeting of Shareholders in 2023 was significantly lower than in previous years.

Quorum of the General Meetings of Shareholders

Quorum of the General Meetings of Shareholders in 2019–2023, %



The average quorum of the Meetings over the last four years preceding the reporting year was 84.5%, which, considering the share of the controlling shareholder (Public Joint Stock Company Rosseti, which owned 80.13% of the Company's voting shares¹) and quasi-treasury shares (1.07%), means that approximately 14.25% of the total number of minority shareholders participated in the Meetings.

Starting from the Extraordinary General Meeting of Shareholders held on 21 March 2023, the share of the controlling shareholder decreased (the Russian Federation holds 75.000048% of the Company's voting shares²). Given the changes during the reporting period, the average quorum at the end of the two Meetings was ~80.8%, slightly less than the average for the previous four years. A reduced rate of attendance by minority shareholders that are connected with unfriendly states could be another reason behind the 2023 average quorum decline.

Board of Directors

The Board of Directors of the Company is a key element of the management system, which helps to ensure its consistent and efficient development in the interests of the Company.

The powers of the Board of Directors are defined by the requirements of the legislation of the Russian Federation and are further substantially expanded by the [Company's Articles of Association](#).






Board of Directors:

- Takes responsibility for the strategic development of the Company
- Approves and oversees the execution of the business plan, investment programme, long-term development programmes, innovative development programme (adjusted programme), as well as reviews their progress reports
- Approve the Company's internal documents, except for internal documents, approval of which is within the purview of the General Meeting of Shareholders of the Company, as well as other internal documents, approval of which is within the purview of the executive bodies of the Company
- Determines the priority areas of the Company's activities
- Approves transactions in accordance with the Federal Law "On Joint Stock Companies", as well as transactions requiring the approval of the Board of Directors specified in the [Company's Articles of Association](#)




[A new version of the Regulations on the Board of Directors of the Company](#) was approved by the resolution of the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).



Functions, skills set and formation of the Board of Directors

	Functions	General strategic management of the Company, provision of equal guarantees for the interests of shareholders and investors
	Accountability	Accountable to the General Meeting of Shareholders
	Method of electing	The Board of Directors is elected by the General Meeting of Shareholders of the Company from among candidates nominated by shareholders holding at least 2% of the Company's voting shares, as well as candidates included in the list of candidates by the Board of Directors of the Company at their discretion. The Chairman of the Board of Directors is elected by a majority of votes of the total number of elected members of the Board of Directors
	Term of office	Until the next Annual General Meeting of Shareholders. Re-election of the entire Board of Directors at an extraordinary meeting is also possible
	Composition	Elected members of the Board of Directors have the following statuses: <ul style="list-style-type: none"> • Executive Director (General Director, members of the Management Board of the Company) • Independent Director (meets the independence criteria, as well as those recognised as independent directors by a resolution of the Company's Board of Directors, despite the existence of formal relatedness criteria) • Non-executive director (other directors)

In accordance with the Company's Articles of Association, the skill set of the Board of Directors includes three categories of items.

	Mandatory items	Items of the exclusive competence of the Board of Directors in accordance with the Federal Law "On Joint Stock Companies"
	Additional items	Issues within the competence of the General Meeting of Shareholders transferred to the purview of the Board of Directors in accordance with the Company's Articles of Association in cases stipulated by the Federal Law "On Joint Stock Companies": <ul style="list-style-type: none"> • Election (appointment) and early termination of powers of the General Director • Election and early termination of powers of members of the Management Board • Increase in the authorised capital by placing additional shares within the limits of the number and categories (types) of authorised shares
	Extended skills set	Issues attributed to the remit of the Board of Directors in accordance with the Articles of Association of the Company in addition to the matters as set out in the Federal Law "On Joint Stock Companies": <ul style="list-style-type: none"> • Finances and investments • Management of key business processes • Management of subsidiaries on key matters of their activity • Oversight of significant projects and transactions • Control over the management's activities • Management team's remuneration • Internal control, audit and risk management • Internal documents and policies • Matters in the field of corporate governance (election of a Senior Independent Director, discussion of the results of corporate governance reviews, settlement of internal corporate conflicts) • Other items

Report of the Board of Directors on the Development of the Company and the Rosseti Group in Areas of Priority

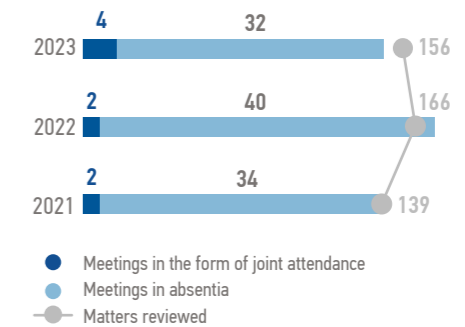
In 2023, the Board of Directors paid special attention to the Company's development in the areas of priority.

Areas of Priority	Key Issues and Solutions
 Strategy	<p>The progress report on the approved Long-Term Development Programme of the Company and the achievement of key performance indicators was considered.</p> <p>The results of the implementation of the concept of development of charging infrastructure for electric transport are considered.</p> <p>The results and plans aimed at import substitution at the Rosseti Group were reviewed.</p> <p>The Quality Policy of the Rosseti Group was approved.</p> <p>Quarterly progress reports on the Company's investment projects included in the Comprehensive Plan for Modernisation and Expansion of Backbone Infrastructure until 2024 were reviewed.</p> <p>Draft amendments to the Company's Investment Programme for 2020–2024 was approved.</p> <p>The progress report on the Company's Innovative Development Programme was approved.</p>
	<p>Progress reports on the Company's business plan and IFRS consolidated business plan for the Federal Grid Company — Rosseti Group of companies were reviewed.</p> <p>The Company's business plan for 2024 and forecasts for 2025–2028 were approved.</p> <p>The key indicators of business plans for 2024–2028 of subsidiaries and affiliates of PJSC Rosseti engaged in electricity transmission activities are reviewed.</p>
 Planning and control over business activities	<p>The Company's report on the results of work on capital markets and interaction with rating agencies was reviewed.</p> <p>The internal auditor's assessment report on the implementation of the non-core asset disposal programme and the action plan for the disposal of non-core assets were reviewed.</p> <p>Procurement reports were reviewed.</p>
	<p>The Risk Management and Internal Control Policy of PJSC Rosseti and S&As (the Rosseti Group) and the Internal Audit Policy of PJSC Rosseti were approved.</p> <p>The internal auditor's reports on the assessment of the efficiency of risk management and internal control systems of PJSC Rosseti and the Rosseti Group for 2022 were reviewed.</p> <p>The internal auditor's report on the fulfilment of the work plan and performance results for 2022, including the results of the internal quality assessment of PJSC Rosseti's internal audit activities were reviewed.</p> <p>The preferred risk appetite of the Rosseti Group, as well as the report on key operational risks of PJSC Rosseti for 2022 was approved.</p>
 Risk management, internal control and internal audit	<p>Internal documents in the field of sustainable development were approved:</p> <ul style="list-style-type: none"> Sustainable Development Policy Climate Policy Anti-Corruption Policy of PJSC Rosseti and S&A of PJSC Rosseti. <p>The results of the anti-corruption monitoring of the Rosseti Group were reviewed.</p> <p>The Report on Social Responsibility and Corporate Sustainability of PJSC Rosseti for 2022 was approved.</p>
	<p>The Corporate Secretary's quarterly reports and the annual report on compliance with the Information Policy were reviewed.</p>
 Sustainable development	<p>A new version of the Information Policy was approved.</p>
	<p>The results of the self-assessment of the performance of the Board of Directors of PJSC Rosseti and Committees of the Board of Directors of PJSC Rosseti for 2022 were reviewed.</p> <p>The report of the Company's internal auditor on the assessment of corporate governance efficiency at PJSC Rosseti in the Rosseti Group based on the results of the 2022/2023 corporate year was reviewed.</p>
 Corporate governance	

Performance Results of the Board of Directors in 2023

In 2023, the Company's Board of Directors held 36 meetings and reviewed 156 questions.

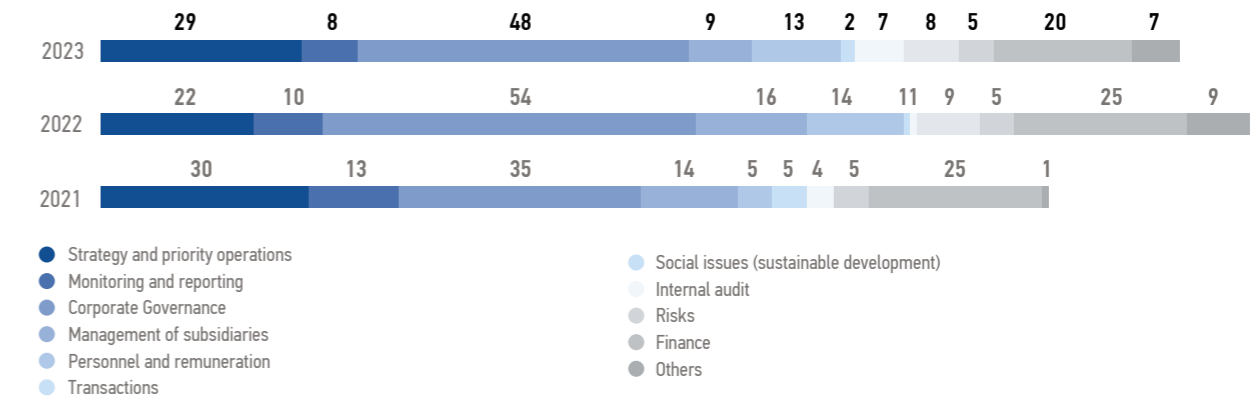
Statistical data regarding the activities of the Board of Directors



Since the Board of Directors of the Company operates on a prearranged schedule, the most significant matters were discussed during in-person meetings. In 2023, four meetings were held in the form of joint attendance. The agendas of in-person meetings included no more than five questions, which encouraged substantive discussion and the evaluation of various viewpoints during the decision-making process.

The rest of the meetings were held in absentia and included issues, on which decision-making is possible without the joint presence of the Board of Directors members.

Categories of matters reviewed by the Board of Directors



Attendance of the Board of Directors and Committees of the Board of Directors in 2023

Full Name	Board of Directors	Investment Committee	Strategy Committee	Personnel and Remuneration Committee	Audit Committee
Persons who served on the Board of Directors throughout 2023¹:					
Director 2-5	34/36 ¹	94.4%			
Director 2-10	36/36	100%	100%	100%	100%
Persons resigned from the Board of Directors in 2023²:					
Director 1-1	6/8	75%			
Director 1-11	8/8	100%		100%	100%
Director 1-10	6/8	75%		100%	100%
Director 1-2	7/8 ¹	87.5%			
Director 1-3	8/8	100%			
Director 1-4	7/8 ¹	87.5%			
Director 1-5	7/8 ¹	87.5%	100%		
Director 1-6	7/8	87.5%		100%	100%
Director 1-8	5/8	62.5%	100%		
Persons joined the Board of Directors in 2023³:					
Director 2-1	28/28	100%			
Director 2-9	28/28	100%		100%	100%
Director 2-2	25/28	89.3%			
Director 2-3	27/28	96.4%			
Director 2-11	27/28	96.4%	100%	100%	100%
Director 2-4	28/28	100%			
Director 2-6	28/28	100%			
Director 2-7	27/28	96.4%			
Director 2-8	28/28	100%			

¹ Did not participate in the voting in accordance with clause 18.10 of Article 18 of the Articles of Association of PJSC Rosseti, pursuant to which the votes of members of the Company's Board of Directors who are simultaneously members of executive bodies shall not be taken into account when resolving an issue under subparagraph 38 of paragraph 15.1 of Article 15 of the Articles of Association of PJSC Rosseti.

² In the period from 1 January 2023 to 21 March 2023, the Board of Directors of the Company held eight meetings.

³ In the period from 22 March 2023 to 31 December 2023, the Board of Directors of the Company held 28 meetings.

Skills sets and Diversification of the Composition of the Board of Directors

The Company's Board of Directors is elected to consist of 11 members in compliance with the Company's Charter. This number of Board members is in line with industry practice and also allows:

- Balancing the members in terms of professional expertise, experience and business skills of the directors
- Organising the proper work of the Committees the directors sit on
- Ensuring high efficiency of the Company's governance bodies



Due to the inclusion of the Company in the special list approved by Executive Order of the Government of the Russian Federation No. 91-r dated 23 January 2003, nomination of candidates to the Board of Directors of the Company shall be made in accordance with the Executive Order of the Government of the Russian Federation.

The selection and evaluation of candidates who may be nominated to the Board of Directors of the Company shall be performed by the Commission of the Federal Agency for State Property Management (Rosimushchestvo) for the selection of independent directors and representatives of the interests of the Russian Federation for election to the government and control bodies of joint stock companies pursuant to the proposals of the Ministry of Energy of Russia and PJSC Rosseti. Herewith, potential candidates undergo a preliminary survey and assessment, including in terms of required experience, knowledge, business reputation and absence of a conflict of interest.

In 2023, candidates to stand for election to the Board of Directors of PJSC Rosseti were nominated by the Company's major shareholder pursuant to Russian Government Order No. 392-r dated 17 February 2023. The composition of the Board of Directors is balanced in terms of the key skills sets required for effective and continuous service on the Board of Directors. Members of the Board of Directors have skills in strategic management, corporate governance, corporate finance, risk management, accounting, power industry, as well as sustainability and ESG.

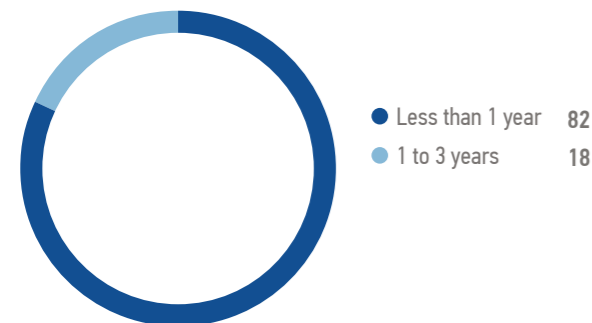
The Board of Directors of PJSC Rosseti includes three independent directors, while the Audit Committee and the Personnel and Remuneration Committee are composed mainly of independent directors, which complies with the requirements of the regulatory documents and Listing Rules of the PJSC Moscow Exchange. Candidates to the Board of Directors shall be elected based on their personal and business qualities, as well as their compliance with the independence criteria as set out in the Listing Rules of the PJSC Moscow Exchange.

When composing the Board of Directors of the Company, the following criteria shall be taken into account:

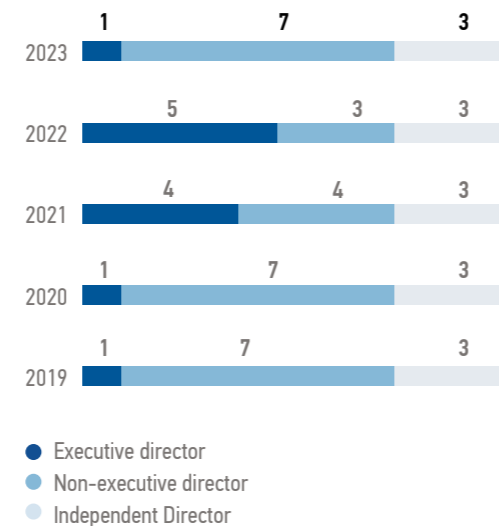
- High level of experience, knowledge, business qualities and business reputation of Board members
- Election of at least three independent directors, as well as one representative of NPP Market Council Association, to the Board of Directors
- Number of executive directors, not exceeding 25% of the total number of Board members

Structure of the Board of Directors by age, status and period of service

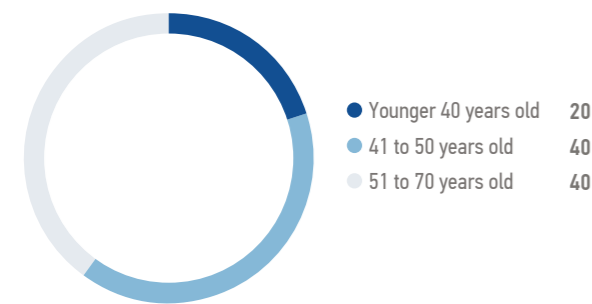
Period of service on the Company's Board of Directors, %



Structure of the Board of Directors by status



Structure of the Board of Directors by age, %



Competencies and industry-specific experience of the members of the Board of Directors of the Company

Information on skills set and industry-specific experience is based on the processing of information received from candidates to the Company's Board of Directors during the questionnaire survey.

Member of the Board of Directors	Status	Years in power engineering	Sitting on the Board, years	Competencies and industry-specific experience ¹							ESG		
				Strategy	Finance, risk and audit	Electric power industry	IT/Innovations	GR	E	S	G		
Director 2-1	Non-Executive Director	11	9	3	3	3	3	3	3	3	3	3	
Director 2-9	Independent Director	23	5	2	2	3	2	3	2	2	2	2	
Director 2-10	Independent Director	4	2	3	3	2	2	2	2	2	2	2	
Director 2-2	Non-Executive Director	2	2	2	3	1	1	2	2	2	2	2	
Director 2-3	Non-Executive Director	20	3	3	2	3	3	3	1	1	2	2	
Director 2-11	Independent Director	10	5	3	3	3	2	3	3	3	2	2	
Director 2-4	Non-Executive Director	41	8	3	2	3	3	3	3	3	2	2	
Director 2-5	Executive Director	11	3	3	3	3	3	3	3	3	3	3	
Director 2-6	Non-Executive Director	10	3	3	3	3	2	3	3	3	3	3	
Director 2-7	Non-Executive Director	18	1	2	2	3	2	3	2	2	2	2	
Director 2-8	Non-Executive Director	47	8	3	2	3	2	3	3	3	3	3	

¹ Rating Scale. Expert — 3 points. Has experience — 2 points. Has a general idea — 1 point.



Chairman of the Board of Directors

The Chairman of the Board of Directors plays a key role in organising the work of the Board of Directors and is therefore granted additional rights and duties formalised in the Regulations on the Board of Directors.

Key functions of the Chairman of the Board of Directors:

- Defining key items to be discussed by the Board of Directors and selecting the optimal form of the meeting to discuss the items
- Ensuring open discussion of agenda items and taking into account the opinions of all Board members
- Working out the most effective solutions to the agenda issues
- Representing the Board of Directors in relations with the Company's General Director
- Making proposals on distribution of tasks among Board members and Committee members
- Coordinating and stimulating the activities of the Board of Directors

Consolidated groups frequently employ governance systems wherein a representative of the major shareholder chairs the Board of Directors. This makes it possible to coordinate corporate governance cycles and processes and ensure

the necessary degree of cooperation. The mechanisms pertaining to balance of interests also facilitate efficient oversight of the Board Chairman's actions in the best interests of the entire Company and guarantee the necessary degree of their accountability to the Board of Directors, for example by:

- Making it possible to electing the Chairman of the Board of Directors solely by resolution of the Board of Directors
- Searching for optimal solutions — taking into account the opinions of the Board members even in cases when it could not affect the voting results when making decisions
- Following the quorum rules and decision-making procedure, including special provisions on unanimity and consideration of votes of independent/non-independent Board members on a number of issues

Andrey Murov chaired the Board of Directors until its new composition was elected at the Extraordinary General Meeting of Shareholders of the Company on 21 March 2023.

By decisions of the Board of Directors dated 27 March 2023¹ and dated 30 June 2023², Alexander Novak, Deputy Chairman of the Government of the Russian Federation, was elected Chairman of the Board of Directors of the Company.

¹ Minutes of meeting of the Company's Board of Directors No. 613 dated 30 March 2023.

² Minutes of meeting of the Company's Board of Directors No. 624 dated 3 July 2023.

Role of Independent Directors

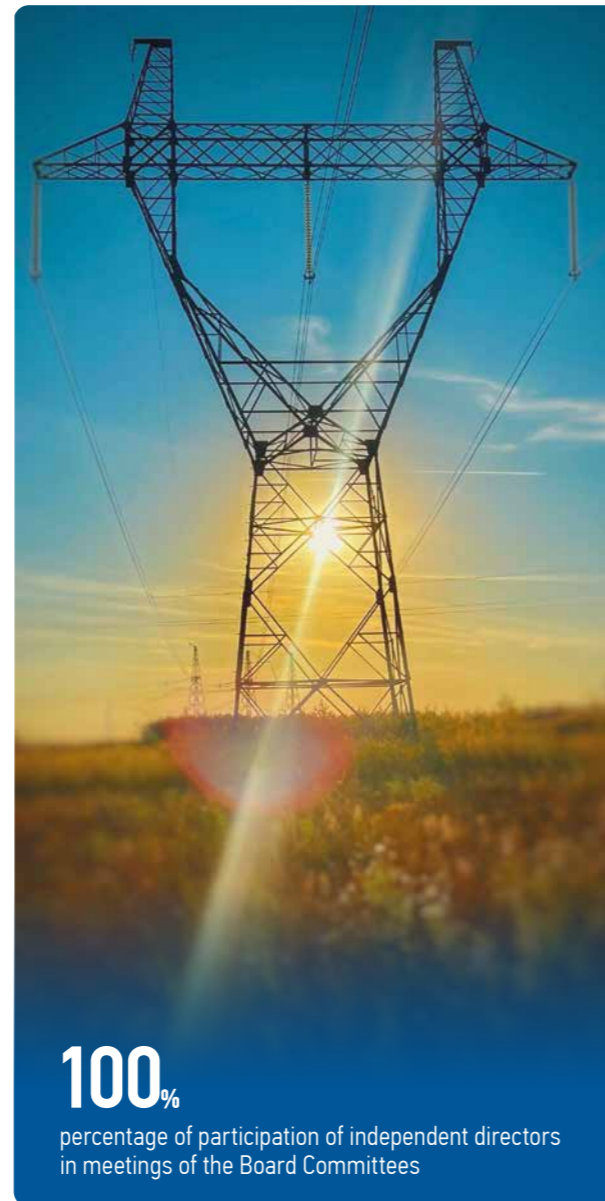
All members of the Board of Directors of the Company while performing their duties shall proceed from the requirement to make professional, reasonable and balanced decisions that contribute to the development and better performance of the Company. At the same time, in order to objectively analyse the issues under consideration and take into account various factors in the interests of the Company. The Board of Directors shall involve at least three independent directors who meet the independence criteria set out in the recommendations of the Corporate Governance Code of the Bank of Russia and the Listing Rules of PJSC Moscow Exchange. The role of independent directors is of particular importance in a number of critical processes and procedures that can directly affect the effectiveness of the Company's governance system, as follows:

- Expression and protection of the rights and legitimate interests of all groups of shareholders in an equal manner
- Organisation of the activity of the Committees of the Board of Directors responsible for the proper control of financial reporting, the risk management, internal control and audit system, the selection of auditors, anti-corruption, as well as the motivation and control of the Company's management (the Audit Committee and the Personnel and Remuneration Committee)
- Discussion of transactions and projects with items of a conflict of interest
- Interaction and involvement in issues arising from stakeholders and the professional community (counterparties, clients, minority shareholders, investors, creditors, employees, authorities, media and other stakeholders)
- Management of the development and implementation of the Company's management motivation and remuneration policies
- Provision of information openness of the Company
- Unbiased consideration of all aspects of substantial corporate activities (restructuring, M&A projects)

It is stipulated that the Company may appoint a Senior Independent Director from among the elected independent members of the Board of Directors. The Senior Independent Director shall be nominated by independent directors.

Due to the heavy workloads of all current independent directors and the challenges associated with charging them with new duties, the Company has not yet elected a Senior Independent Director.

At present, no additional risks for the Company and stakeholders arise from the absence of a Senior Independent Director. Independent directors express their opinion independently and equally and can interact directly with both the Chairman of the Board of Directors and the Company's management where required.



Planning of the Work of the Board of Directors

The Board of Directors considers key issues of strategic, investment and business management based on the approved plan. Planning helps to develop a position in advance, incorporate comments and provide the Board of Directors with extensively studied materials for their consideration. These are important conditions for the quality of decision-making.

Unscheduled matters arising in the course of the Company's business, such as transactions, S&A issues and other key matters, may be brought to the attention of the Board of Directors as and when required.

Work Plan of the Board of Directors

Date of approval

2022–2023 corporate year (2H 2022 and 1H 2023)	Approved at the meeting of the Board of Directors on 17.10.2022 ¹
2023–2024 corporate year (2H 2023 and 1H 2024)	Approved at the meeting of the Board of Directors on 03.11.2023 ²

Induction of New Board Members

The basic requirements for the induction procedure for newly elected members of the Board of Directors are also [set out in the Regulations on the Board of Directors of the Company](#).

Induction of new Board members includes the following activities:

- Provision of data on key matters of management and activities of the Company — development strategy, long-term development programme, business model of the Company, budget and investment programme, risk management and internal control system, controlled

organisations, management and motivation system, organisational structure, key operating and financial results for the last three years

- Submission of internal documents and key policies of the Company regulating relations, which shall be controlled and supervised by the Board of Directors
- Communication about the duties and powers of the Board members, their status, expected time commitments, and necessary resources to fulfil their functions
- Notification of planned key events involving members of the Company's Board of Directors

Training and Education of Board Members

The authority to develop training programme for members of the Board of Directors of the Company, with a view of their individual requirements, as well as supervision of the implementation of this programme, is vested in the Personnel and Remuneration Committee under the Board of Directors.

During discussion of the annual results of the performance review of the Board of Directors, the Committee considered the information regarding the balance of skills and expertise of Board members and areas for improvement for each one of them.

¹ Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 592 dated 20 October 2022.

² Minutes of the meeting of the Board of Directors of PJSC Rosseti No. 631 dated 7 November 2023.

Performance Review of the Board of Directors

In accordance with the recommendations of the Corporate Governance Code of the Bank of Russia, the Company shall monitor the quality of corporate governance on an annual basis, including performance review of the Board of Directors and Committees under the Board of Directors. The Board of Directors normally considers the performance review results prior to the Annual General Meeting of Shareholders with the purpose of taking into account the identified aspects in planning the future activities of the Board of Directors and its Committees.

In 2016–2017, the Company engaged an external consultant for the assessment, which helped to ensure the independence of the performance review of the Board of Directors and its Committees. Since 2019, the assessment has been conducted in the form of a self-assessment or an assessment with an external consultant at least once every three years.

Performance Reviews of the Board of Directors and Committees of the Board of Directors for the past 5 years

Year reviewed	2019	2020	2021	2022	2023
Format of Assessment	Self-assessment	Self-assessment	With the involvement of an external consultant: JSC VTB Registrar	Self-assessment	Self-assessment

Findings of the Board's Self-Assessment

In 2023, the performance of the Board of Directors and its Committees was reviewed in the form of self-assessment using the Methodology of Self-Assessment of the Company's Board of Directors¹.

Methodology of Self-Assessment of the Company's Board of Directors takes into account:

- Recommendations of the Corporate Governance Code of the Bank of Russia
- Recommendations on Organising and Conducting Self-Assessment of the Performance of the Board of Directors (Supervisory Board) in Public Joint Stock Companies²
- National and international practices and approaches to self-assessment of the performance of the board of directors and its committees

The members of the Board of Directors, the members of the Committees, as well as the Corporate Secretary were the respondents during the assessment.

A total of 20 respondents were invited to participate in the assessment. Eighteen out of 20 respondents (90%) to whom questionnaires were distributed participated in the Board of Directors and Committees' self-assessment (+4 p.p. compared to 2022).

Self-assessment areas:

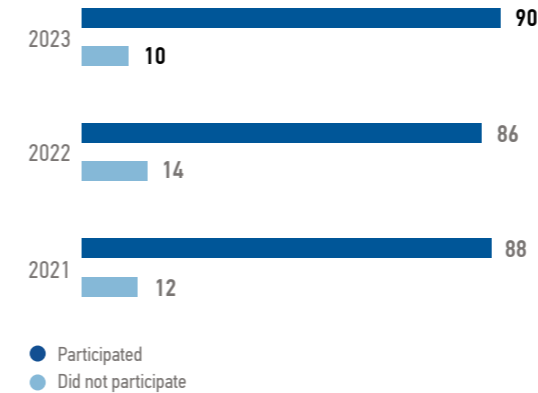
- Performance of the Board of Directors as a whole
- Performance of the Committees of the Board of Directors
- Performance of the Chairman of the Board of Directors
- Performance of Chairmen of the Committees under the Board of Directors
- Maintenance of activities of the Board of Directors and Committees under the Board of Directors

The performance of the Board of Directors was assessed across four components:

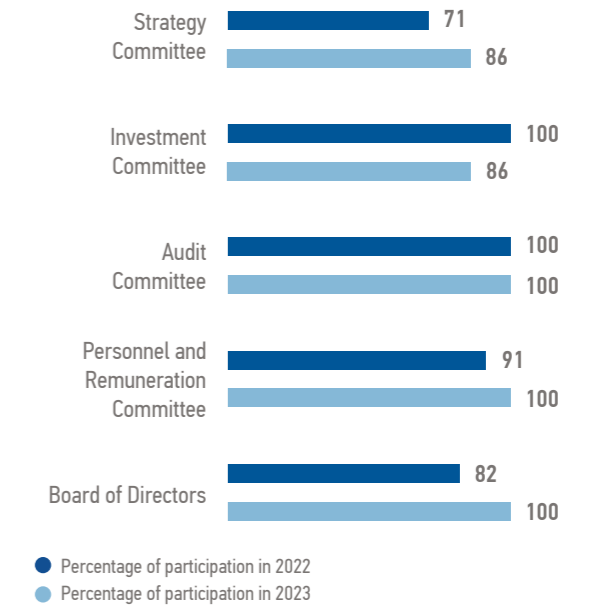
- Board of Directors as a governance body
- Composition and structure of the Board of Directors
- Work organisation of the Board of Directors
- Chairman of the Board of Directors

The assessment of the performance of the Board Committees consisted of an analysis of general criteria as well as specific parameters based on the specialist field of each Committee.

Participation in self-assessment of the Board of Directors and its Committees, %



Survey participation statistics in 2022–2023, %



Findings of performance review of the Company's Board of Directors and Committees of the Board of Directors

Criteria and indicators	Point	
	2022	2023
1. Performance assessment of the Board of Directors as a governance body		
Development of the Company's strategy and oversight of its progress	4.9	4.9
Establishment of effectively functioning systems of internal audit, internal control and risk management	4.8	5.0
Assessment of the performance of the Company's management, establishment of an effective incentive system	4.6	4.5
Safeguarding of assets	5.0	4.8
2. Assessment of composition and structure of the Board of Directors		
Number of Board members is optimal	4.96	5.0
The Board structure is balanced and optimal in terms of the ratio of executive, non-executive and independent Board members	4.9	5.0
Board composition is balanced in terms of the combination of knowledge, experience and skills sets of Board members and is optimal	4.9	5.0
Independent directors of the current Board of Directors are completely unbiased and independent in decision-making	5.0	5.0
Independent directors make a significant input to the Board's activities and to the discussion of the agenda items at the Board's meeting	5.0	5.0
3. Assessment of the work organisation of the Board of Directors		
Maintenance of Board's activities	4.8	4.9
Infrastructural support	4.7	4.8
Board's relations with the Company's management	4.8	5.0
Board's relations with its Committees	4.9	5.0
4. Assessment of the Chairman of the Board of Directors		
The Chairman of the Board of Directors ensures the effective management of the Board of Directors, arrangement of and holding of Board's meetings	5.0	5.0
Board members can freely communicate with the Board Chairman	5.0	5.0
Board Chairman ensures a constructive and open environment when discussing matters at the Board's meetings	5.0	5.0
The Board Chairman supports and encourages the discussion of debatable and controversial items by Board members	5.0	5.0
5. Assessment of the performance of the Committees of the Board of Directors		
Audit Committee	4.8	4.8
Personnel and Remuneration Committee	4.9	4.9
Strategy Committee	4.8	4.9
Investment Committee	4.9	4.8

¹ Approved by the resolution of the Personnel and Remuneration Committee of the Board of Directors of the Company dated 17 March 2020 (Minutes No. 73 dated 17 March 2020).

² Letter from the Bank of Russia No. IN-06-28/41 dated 26 April 2019.

Prevention of Conflicts of Interest

The company is more focused on preventing and reducing the effects of any conflicts of interest among government body members.

To give a reasonable assurance that a conflict of interest situation will be handled at an early stage and that the Company's interests will not be damaged, the Company has instituted the practice of comprehensive management of conflicts of interest of members of governing bodies. Conflicts of interest are handled according to:

- Code of Corporate Ethics and Conduct of Employees of the Company
- Company's Corporate Governance Code of the Company
- Regulations on the Board of Directors of the Company
- Regulations on the Management Board of the Company
- Regulations on the Corporate Secretary of the Company

Members of the governing bodies should behave in good faith and on reasonable grounds by considering all relevant information when making decisions, treating shareholders fairly within the typical risk threshold, and avoiding conflicts of interest.

The Company continuously monitors the information reported by managers for potential conflicts of interest.

The Company's internal documents provide for effective mechanisms aimed at identifying potential conflicts of interest of members of governing bodies. They consist, in particular, in establishing the obligation of members of governing bodies to notify the Company of the occurrence of such a conflict and its basis, as well as to inform the Company in advance of concurrent service in other legal entities.

In 2023, the Company did not receive any notifications of a conflict of interest.

The Company closely monitor and controls any conflicts of interest in transactions. In order to exercise such control, the internal documents of the Company set out the obligation of members of the governing bodies to inform the Company on the occurrence of circumstances causing their recognition

as an interested party to the Company's transactions. All the members of the Company's governing bodies comply with Article 82 of the Federal Law "On Joint Stock Companies" as they continue to notify the Company of a potential related-party transaction.

For additional control over the occurrence of conflicts of interest, the Company devised a questionnaire for members of the Board of Directors and members of the Management Board, which they submit quarterly to the Corporate Secretary, who analyses them and keep an eye out for potential conflicts of interest.

The Corporate Secretary analyses the questionnaires of the members of the Board of Directors and the Management Board in order to identify potential conflicts of interest in a timely manner and prevent negative consequences for the Company.

When a member of the Board of Directors becomes aware of a conflict of interest, they are required to report it to the Corporate Secretary and the Chairman of the Board of Directors. This should be done before the matter on which he/she has a conflict of interest is to be discussed at a meeting of the Board of Directors or Committee with his/her participation.

In this case, whether a conflict of interest exists at the time of voting or has existed in the past, a Board member is not permitted to take part in the decision-making process of the Board of Directors.

The Company is always trying to prevent or mitigate any conflicts of interest among members of governing bodies.

In 2023, the Company continued preventing and mitigating potential conflicts of interests among members of the Company's governing bodies.

In 2023, no cases of conflict of interest of members of the Board of Directors of the Company were identified.

Voting of Members of the Board of Directors

According to internal corporate procedure policies, matters that have not been well-studied and prepared for decision-making cannot be brought before the Board of Directors for review. In order to facilitate a thorough examination of the documents and the substance of the issues, the Board members are required to be initially acquainted with the intended agenda and materials at least five working days in advance.

However, in-person deliberations over matters at Board meetings can result in modifications to preliminary draft decisions. Furthermore, as a result of these discussions, some directors can voice opposition to agenda items or choose not to vote on them. This demonstrates even more how carefully Board members follow their designated responsibilities

Voting of Members of the Board of Directors on Agenda Items¹

Voting form	Votes	
	Number	Share
In favour	1,609	99.14%
Against	5	0.31%
Abstain	9	0.55%

and take objections into consideration. This makes it easier to produce well-informed decisions and to take into account the interests of representatives from various parties.

D&O Insurance of Board Members

With the size of the Company's operations, the number of counterparties, the complexity of contractual relationships, and regulatory changes all taken into consideration, the Company has instituted the practice of insuring the directors' and officers' liability for the Company and its subsidiaries.

Purposes of D&O insurance:

- To protect directors and officers in case of third-party claims
- To guarantee the protection of the property interests of the Company's shareholders
- To offer a means of reimbursement should any potential losses for the Company and/or insured parties occur

The insured persons are members of the Board of Directors, executive bodies, any officials exercising management, organisational or administrative functions in the Company and/or its subsidiaries.

Risks insured:

- Risk of third-party claims against the insured persons for compensation of losses caused by unintentional erroneous actions of the insured persons in carrying out management activities
- Risk of third-party claims against the Company for compensation of losses incurred on the Company's securities

The basic parameters of insurance and the amount of insurance coverage correspond to the scale of the Company's business and potential risks, as well as the practice of D&O insurance of industry companies.

¹ The details are based on the Minutes of the meetings of the Board of Directors of the Company. The proportion of negative votes and abstentions usually indicates the presence of different points of view, which helps consider issues in a less biased way and work out well-balanced decisions.

Committees of the Board of Directors

Committees of the Board of Directors are consultative and advisory bodies of the Board of Directors of the Company.

Four Committees of the Board of Directors function under the Board of Directors to improve the efficiency of decisions made by the Board of Directors, to provide a more detailed preliminary review of the most important issues and to prepare relevant recommendations:

- Audit Committee
- Personnel and Remuneration Committee
- Strategy Committee
- Investment Committee

The Committees are fully accountable to the Board of Directors of the Company.

The Committees are composed of Board members and persons proposed by Board members whose skills and experience are necessary for the work of the Committees.

Board of Directors

Audit Committee

- Financial statements
- External and internal audit and selection of auditors
- Audit reports and findings
- Internal control
- Risks
- Anti-fraud action

Personnel and Remuneration Committee

- Appointments and approvals
- KPI and top management remuneration
- Succession and long-term motivation
- Employee relations
- Assessment of the Board of Directors

Strategy Committee

- Strategy and Long-Term Development Programme
- Business plan
- Dividend and credit policy
- Reports for specific areas
- Subsidiary management issues
- Transactions

Investment Committee

- Approval and monitoring of the Investment Programme and individual projects
- Innovation matters
- Grid connection

Independent experts of the Company (in particular, experts of the Strategy Committee of the Board of Directors of the Company) can take part in the work of the Committees if necessary and in order to access specialist expertise.

The key task of each Committee is to preview the most important issues within the remit of the Company's Board of Directors and to develop recommendations to guide the Board of Directors in making decisions on relevant issues.

Principles of Composing Committees of the Board of Directors

To guarantee optimal Committee performance and impartial, unbiased decisions and recommendations, the Company employs the following basic approaches:

- Forming the Audit Committee and the Personnel and Remuneration Committee mainly from independent directors with required expertise and experience, without any conflicts of interest on the matters under consideration, who does not hold the position of the Chairman of the Board of Directors
- Taking into account the workload of Board members as directors of the Company, as well as overlapping of their positions, and ability to effectively and apply form balanced decisions on agenda items

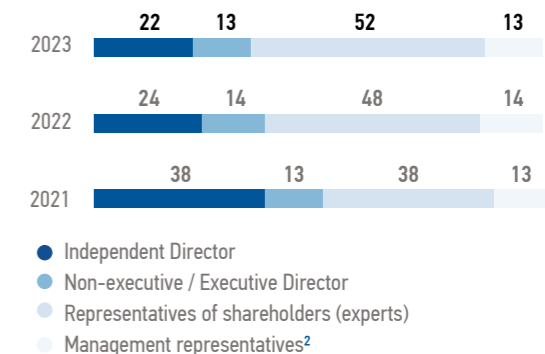
- Having dedicated Committees established to discuss materially significant matters for the sustainable operation and development of the Company (investments, key projects)
- Financing the activities of the Committees and providing them with the required resources at the expense of the Company
- Involving external experts in the activity of the Committees (both for a consideration or free of charge)
- Considering matters both under the recommendations of the Board of Directors and within individual areas, control over which is delegated to the Committees
- Chairing the Committees exclusively by Board members with regular reporting to the Board of Directors

Work Organisation of the Committees under the Board of Directors

When evaluating the effectiveness of the Committees' activities, the following elements shall be analysed as the key metrics:

- Balanced compositions
- Number and categories of meetings, items reviewed
- Quality of Committees' work planning and organisation
- Compliance with recommendations and generally recognised governance practices

Composition of Committees

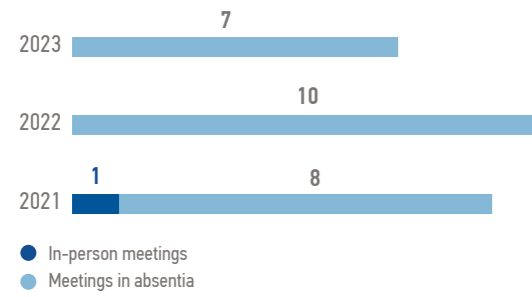


The Board of Directors of the Company reviewed and approved the reports of the Audit Committee, the Strategy Committee, the Personnel and Remuneration Committee, and the Investment Committee for 2022–2023¹.

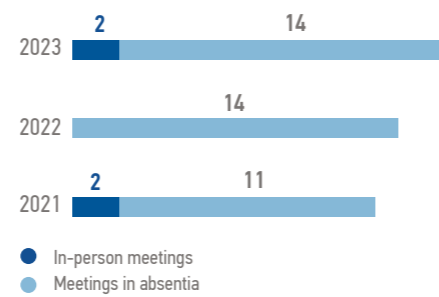
¹ Minutes of meeting of the Company's Board of Directors No. 626 dated 4 August 2023.

² Management representatives — members of the executive bodies and employees of the Company.

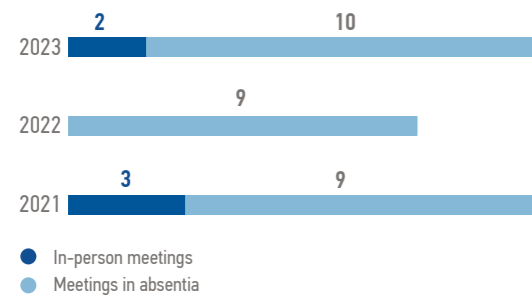
Personnel and Remuneration Committee meetings



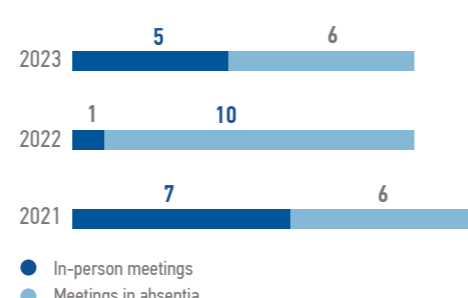
Audit Committee meetings



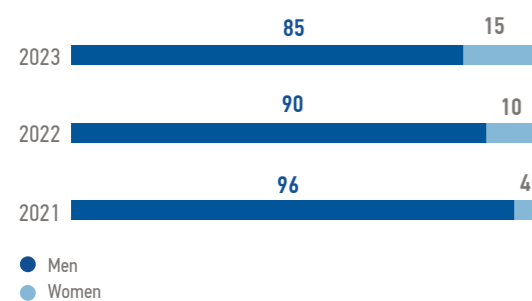
Investment Committee meetings



Strategy Committee meetings



Gender composition of the Committees



In the reporting year, the Committees discussed 101 items during 46 meetings. The percentage of in-person committee meetings in 2023 was 20%, and the percentage of issues considered at in-person meetings was 23%.

Committee ¹	AC	PRC	SC	IC
In favour	100%	100%	97.85%	94.63%
Against	-	-	2.15%	-
Abstain	-	-	-	5.37%

¹ Information is based on voting results recorded in the minutes of the committee meetings.

Audit Committee

Dear Shareholders,

In 2023, the Audit Committee assisted the effective work of the Company's Board of Directors by supervising the preparation of financial statements, overseeing the reliability and effectiveness of the control framework, risk management and corporate governance systems in the Company. The Committee members also engaged with the external auditor in making recommendations to the Board of Directors on issues in these areas, including during in-person meetings.

In line with the best corporate governance practices, all members of the Committee are independent directors.

In the reporting year, the Committee focused on improving corporate governance, in particular, the adoption of the Anti-Corruption Policy and documents regulating internal control, audit and risk management, as well as assessing the effectiveness of these systems and the corporate governance system as a whole.

In addition, the results of the non-core asset disposal programme, as well as internal audit reports for 3, 6 and 9 months presented in accordance with the norms of the Company's Internal Audit Policy were reviewed with relevant recommendation prepared for the Company's Board of Directors.

Chairman of the Audit Committee of the Board of Directors of the Company

The activities of the Audit Committee are governed by [Regulations on the Audit Committee of the Board of Directors of the Company](#) approved by the decision of the Board of Directors dated 16 November 2015¹ (hereinafter — the Regulations).

Given the nature of their responsibilities, the members of the Audit Committee have sufficient relevant financial experience and skills to deal with financial statements, business analysis and financial management.

Members of the Audit Committee

Full name, position	Composition of the Committee from 01.01.2023 to 27.03.2023 ²	Composition of the Committee from 27.03.2023 to 30.06.2023 ³	Composition of the Committee from 30.06.2023 to 31.12.2023 ⁴	Participation in Committee meetings in 2023
Director 2-9 Chairman of the Committee Independent Director		+	+	14/14
Director 1-11 Independent Director	+			2/2
Director 2-10 Independent Director		+	+	14/14
Director 1-10 Independent Director	+			2/2
Director 2-11 Independent Director		+	+	14/14
Director 1-6	+			2/2

¹ Minutes of meeting of the Board of Directors of PJSC FGC UES No. 291 dated 19 November 2015.

² Minutes of meeting of the Company's Board of Directors No. 581 dated 1 July 2022.

³ Minutes of meeting of the Company's Board of Directors No. 613 dated 30 March 2023.

⁴ Resolution of the Board of Directors of the Company dated 30 June 2023 (Minutes No. 624 dated 3 July 2023).

Activities in 2023

In 2023, the Audit Committee met 16 times and considered 37 issues.

Meeting form	Number of meetings	Number of issues considered
In person	2	4
In absentia	14	33

Key Focus Areas of the Audit Committee in 2023

- Control over the preparation of accounting (financial) statements
- Risk management, internal control and corporate governance
- Internal and external audits
- Counteraction to dishonest actions, compliance

Matters reviewed by the Audit Committee, %



Key Issues Reviewed

- On recommendations to the Board of Directors of PJSC Rosseti on matters related to:
- Approval of internal documents on risk management, internal control and internal audit, Anti-Corruption Policy
 - Approval of the risk appetite
 - Review of the annual accounting (financial) statements of PJSC Rosseti for 2022 and interim condensed IFRS consolidated financial statements of PJSC Rosseti for 3 and 6 months of 2023
 - Assessment of the effectiveness of risk management and internal control systems, results of the internal quality assessment of the internal audit activity
 - Assessment of the quality of audit performance and efficiency of the external audit of the accounting (financial) statements of PJSC Rosseti for 2022
 - Progress evaluation of the non-core asset disposal programme
 - Assessment of corporate governance efficiency at PJSC Rosseti and the Rosseti Group based on the results of the 2022/2023 corporate year
 - Review of preliminary results of the audit of the annual accounting (financial) statements of PJSC Rosseti for 2023
 - Consideration of preliminary results of the audit of the consolidated IFRS financial statements of the Rosseti Group for 2023

Decisions were taken on all issues reviewed. Recommendations were made on those that are subject to consideration by the Board of Directors of the Company.

Internal Auditor's Report on the Performance Evaluation of the Internal Control System and Risk Management System for 2022 was considered by the Committee on 30 August

2023 (Minutes No. 161 dated 30 August 2023) and, following the Committee's recommendations, was approved by the Board of Directors (Minutes No. 631 dated 7 November 2023).

The internal auditor's report on the results of the assessment of the effectiveness of the RM&ICS at the Rosseti Group for 2023 will also be submitted for review by the Audit Committee and approval by the Company's Board of Directors.

Personnel and Remuneration Committee

Dear Shareholders,

The Committee works towards efficient implementation of the Company's HR policy. In the reporting period, the Committee continued to improve its approach to motivating key employees and members of the governing bodies.

Among the issues considered were the results of the self-assessment of the Board of Directors and Committees and the execution of the Development Plans of the subsidiaries for 2022.

The Committee worked to approve the Procedure for Calculating Key Performance Indicators (KPI) and Functional Key Performance Indicators (FKPI) for Rosseti's

management personnel and assess the achievement of these KPIs for 2023, paying special attention to the efficiency of innovation activities. Our specialist determined target values of KPIs for the forthcoming period. In preparation for the General Meeting of Shareholders, the Committee issued recommendations on the remuneration of Board members who are not civil officers.

In the next corporate year, we plan to consider the approval of 2024–2026 KPIs for the Company and its executive team.

Chairman of the Personnel and Remuneration Committee, the Board of Directors of the Company

The activities of the Personnel and Remuneration Committee are regulated by [the Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company](#) as amended and approved by the resolution of the Board of Directors dated 3 October 2016¹.

Members of the Personnel and Remuneration Committee

Full name, position	Composition of the Committee from 01.01.2023 to 27.03.2023 ²	Composition of the Committee from 27.03.2023 to 30.06.2023 ³	Composition of the Committee from 30.06.2023 to 31.12.2023 ⁴	Participation in Committee meetings in 2023
Director 2-9 Chairman of the Committee Independent Director		+	+	6/6
Director 1-11 Independent Director	+			1/1
Director 2-10 Independent Director		+	+	6/6
Director 1-10 Independent Director	+			1/1
Director 2-11 Independent Director		+	+	6/6
Director 1-6	+			1/1

¹ Minutes of meeting of the Company's Board of Directors No. 341 dated 5 October 2016.

² Resolution of the Board of Directors of the Company dated 30 June 2022 (Minutes No. 581 dated 1 July 2022).

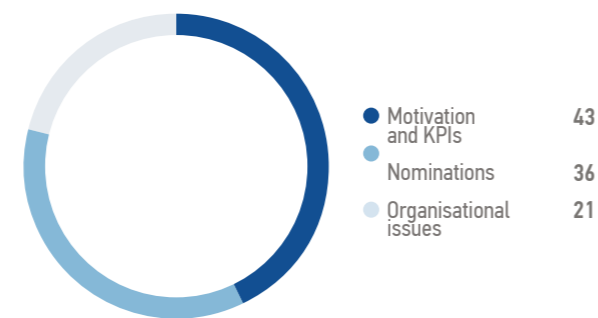
³ Resolution of the Board of Directors of the Company dated 27 March 2023 (Minutes No. 613 dated 30 March 2023).

⁴ Resolution of the Board of Directors of the Company dated 30 June 2023 (Minutes No. 624 dated 3 July 2023).

Activities in 2023

In 2023, the Personnel and Remuneration Committee held 7 meetings (all in absentia) and considered 14 issues.

Categories of the matters reviewed by the Personnel and Remuneration Committee, %



Key Focus Areas of the Personnel and Remuneration Committee

- Development of policies for remuneration of Board members, senior officials and supervision over their implementation
- Preliminary assessment of the key workers of the Company based on the results of the year
- Development of terms of employment contracts with members of the Management Board and key workers of the Company
- Development of recommendations to the Board of Directors on determining the amount of remuneration and principles for remuneration of the Corporate Secretary of the Company
- Assessment of the performance of the Board of Directors and its members, determination of priority areas to reinforce the composition of the Board of Directors
- Preparation of recommendations to shareholders regarding voting on the election of candidates to the Board of Directors
- Development of top management succession policies
- Planning of personnel appointments (talent pool) of senior officials, recommendations to the Board of Directors regarding candidates for the positions of senior officials and the Corporate Secretary of the Company

Key Issues Reviewed

- On recommendations to the Board of Directors of PJSC Rosseti on matters related to:
- Results of self-assessment of the Board of Directors and Committees for 2022
 - Approval of internal documents on labour remuneration and material incentives, as well as calculation of KPIs for PJSC Rosseti's management personnel
 - Calculation of KPIs and FKPIs of the Company's management personnel
 - Approval of the progress report of the Development Plans of subsidiaries of PJSC Rosseti
 - Approval of the 2022 KPI achievement report for the Company's top managers, including in the field of innovation activities

All the decisions proposed by the management were approved by the Committee members.

Strategy Committee

Dear Shareholders,

In 2023, the Strategy Committee traditionally considered issues of a strategic nature, the decisions on which were aimed at ensuring high performance of the Company.

Within the scope of its functions, the Committee reviewed the deliverables of business plans, including those of IFRS consolidated plans the Long-Term Development Programme, as well as the achievement of key performance indicators.

In addition, the Committee made recommendations to the Board on updating the Business Planning Standard in connection with the restructuring of the Company and on the formation of the business plan for the forthcoming period and forecast figures for 2025–2028.

Particular attention was paid to work on the consolidation of power grid facilities and management of non-core assets, namely, updating the register and approving the Non-Core Asset Disposal Programme. The Committee members also paid attention to such an important and pressing area as the implementation of the concept of development of charging infrastructure for electric vehicles, the purpose of which is to promote the development of the charging infrastructure market for electric vehicles.

Chairman of the Strategy Committee of the Board of Directors of the Company

The activities of the Strategy Committee are regulated by [the Regulations on the Strategy Committee of the Board of Directors of the Company](#) as amended and approved by the resolution of the Board of Directors of PJSC FGC UES dated 11 August 2021¹.

Members of the Strategy Committee

Full name, position ²	Composition of the Committee from 01.01.2023 to 07.06.2023 ³	Composition of the Committee from 07.06.2023 to 31.12.2023 ⁴	Participation in Committee meetings in 2023
Director 2-11 Chairman of the Committee Independent Director		+	9/9
Director 1-8	+		2/2
Aleksey Valineev Deputy Head of the Competitive Pricing Development Department of NPP Market Council Association	+	+	10/11
Alexey Zhukov Vice-President of OPORA Association	+		2/2
Andrey Maksimov Director of the Power Engineering Development Department of the Ministry of Energy of Russia		+	8/9
Elena Medvedeva Director of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia	+	+	11/11
Sergey Pavlushko First Deputy Chairman of the Management Board of JSC SO UPS	+	+	10/11
Director 1-5	+		2/2
Maria Tikhonova Deputy General Director or Corporate Governance of PJSC Rosseti	+	+	11/11
Vladimir Tulsky Director of National Research University "Moscow Power Engineering Institute"		+	9/9

¹ Minutes of meeting of the Company's Board of Directors No. 550 dated 12 August 2021.

² Position and place of employment are as of the date of the last election to the Committee.

³ Resolution of the Board of Directors of the Company dated 19 August 2022 (Minutes No. 587 dated 22 August 2022).

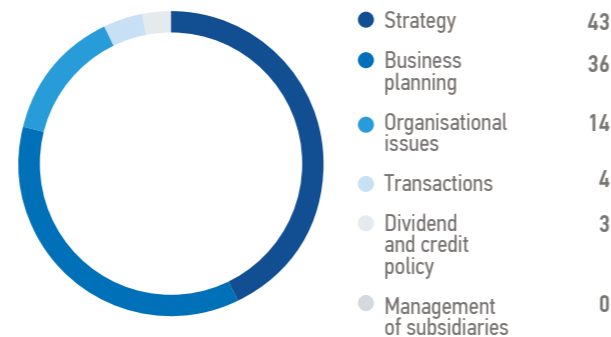
⁴ Resolution of the Board of Directors of the Company dated 7 June 2023 (Minutes No. 620 dated 7 June 2023).

Activities in 2023

In 2023, the Strategy Committee met 11 times and considered 28 issues.

Meeting form	Number of meetings	Number of issues considered
In person	5	14
In absentia	6	14

Matters reviewed by the Strategy Committee, %



Key Focus Areas of the Strategy Committee

- Discussion of strategic areas, the Company's Long-term Development programme, long-term financial model and progress reports
- Discussion of business planning matters and progress reports on the business plan
- Evaluation of M&A projects
- Discussion of dividend policy matters
- Discussion of key areas of activities of controlled entities
- Discussion of matters relating to the Company's performance improvement
- Discussion of issues of the corporate structure of the Rosseti Group, including participation (termination of participation in other entities)
- Discussion of revenue-intensive transactions

Key Issues Reviewed

- On recommendations to the Board of Directors of PJSC Rosseti on matters related to:
- Review of progress reports on business plans
 - Review of the progress report on the Long-Term Development Programme of PJSC Rosseti and Rosseti KPI achievement report for 2022
 - Approval of the Rosseti Group's business plan for 2023 and forecast indicators for 2024–2027
 - Approval of the business plan of PJSC Rosseti for 2024 and forecast indicators for 2025–2028
 - Approval of the Business Planning Standard
 - Review of the key indicators of business plans for 2024–2028 for subsidiaries of PJSC Rosseti engaged in electricity transmission

Investment Committee

Dear Shareholders,

The Committee's actions are intended to assist the Board of Directors in effectively resolving matters pertaining to investment activities, reliability, energy efficiency, and innovative development of the Company and the Rosseti Group in general.

In the reporting period, the Committee reviewed the progress of the Company's Investment Programme for 2020–2024, as well as its adjustment, and dealt with the issues of price audit and technological audit of investment projects. It can be separately noted that the Company has fulfilled tasks of strategic importance, including the activities under the Comprehensive Plan for Modernisation and Expansion of Backbone Infrastructure¹.

Special attention was paid to studying the development of the production asset management system, import substitution issues at the Rosseti Group, as well as deliverables of the Innovative Development Programme and grid connection activities.

All of these areas will see continued effort in the upcoming corporate year.

Recommendations developed by the Committee during the consideration of issues contributed to the effective fulfilment of the Board of Directors' tasks and achievement of the Company's goals in the field of investment improvement.

Chairman of the Investment Committee

The activities of the Committee are regulated by [the Regulations on the Investment Committee of the Board of Directors of the Company](#) as amended and approved by the resolution of the Board of Directors dated 7 April 2022¹.

Members of the Investment Committee

Full name ² , position	Composition of the Committee from 01.01.2023 to 07.06.2023 ³	Composition of the Committee from 07.06.2023 to 20.12.2023 ⁴	Composition of the Committee from 20.12.2023 to 31.12.2023 ⁵	Participation in Committee meetings in 2023
Director 2-10 Chairman of the Committee Independent Director	+	+	+	12/12
Grigory Gladkovskiy Company's Deputy Chief Engineer	+			4/4
Vladimir Gritsenko Member of the Presidium of OPORA RUSSIA	+			4/4
Ivan Kunets Deputy Director of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia	+			4/4
Elena Medvedeva Director of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia		+	+	8/8
Alexey Molsky Deputy General Director for Investments and Capital Construction of PJSC Rosseti	+	+	+	12/12
Sergey Pavlushko First Deputy Chairman of the Management Board of JSC SO UPS	+	+	+	12/12
Director 1-6		+	+	8/8
Ivan Selivakhin Financial Director of JSC ATS, Council of the Chairman of the Management Board of NPP Market Council Association	+			4/4
Vyacheslav Skulkin Deputy Director of the Electricity Development Department of the Ministry of Energy of Russia	+	+	+	9/12
Artem Chesnokov Assistant to the Minister of Construction, Housing and Utilities of the Russian Federation		+	resigned	5/7
Natalya Chukicheva Deputy Director of the Capital Investment Department of the Ministry of Construction, Housing and Utilities of the Russian Federation			+	1/1

¹ Minutes of meeting of the Company's Board of Directors No. 570 dated 8 April 2022.

² Position and place of employment are as of the date of the last election to the Committee.

³ Resolution of the Board of Directors dated 19 August 2022 (Minutes No. 587 dated 22 August 2022).

⁴ Resolution of the Board of Directors dated 7 June 2023 (Minutes No. 620 dated 7 June 2023).

⁵ Resolution of the Board of Directors dated 20 December 2023 (Minutes No. 637 dated 22 December 2023).

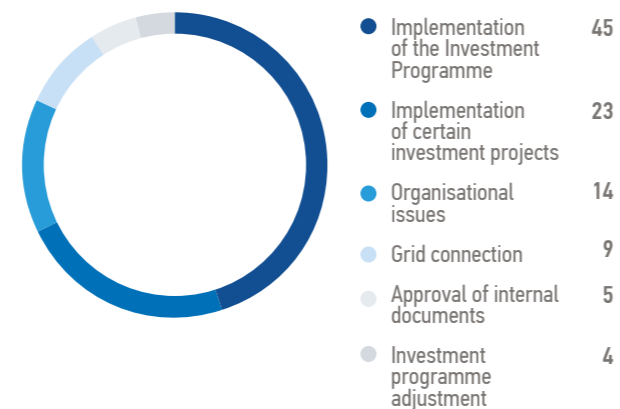
¹ Approved by Executive Order of the Government of the Russian Federation No. 2101-r dated 30 September 2018.

Activities in 2023

In 2023, the Investment Committee met 12 times and considered 22 issues.

Meeting form	Number of meetings	Number of issues considered
In person	2	5
In absentia	10	17

Matters reviewed by the Investment Committee, %



Key Focus Areas of the Investment Committee

- Discussion of the investment programme and its progress reports
- Discussion of innovative development programmes, R&D and technological development
- Development of the UPS of Russia and programmes for the development of power distribution grids
- Consideration of individual key projects

Key Issues Reviewed

On recommendations to the Board of Directors of PJSC Rosseti on matters related to:

- Adjustment of the investment programme of PJSC Rosseti for 2020–2024
- Review of progress reports on the Plan for the Development of the Production Asset Management System of PJSC Rosseti
- Consideration of reports on audits of investment projects
- Consideration of the progress report on investment programme, including projects of federal significance
- Approval of the Quality Policy of the Rosseti Group
- Results and plans aimed at import substitution at the Rosseti Group
- Approval of the progress report on innovative development programmes
- Results of grid connection activities

All the decisions proposed by the management were approved by the Committee members.

Executive Bodies

Implementation of the strategy, development programme, operational management and management of current issues of the Company's activities are within the remit of the executive bodies — the Management Board and the General Director.

Collegial Executive Body of the Company (Management Board)

The Management Board of the Company is a collegial executive body of the Company headed by the General Director of the Company, who exercises functions of the Chairman of the Management Board of the Company.

The Management Board of the Company is guided by the legislation of the Russian Federation, decisions of the General Meeting of Shareholders of the Company, the Board of Directors of the Company, the Articles of Association of the Company, [Regulations of the Management Board¹](#) and other internal documents of the Company.

The Management Board of the Company manages the current activities of the Company within the remit defined by the Articles of Association of the Company, decisions of the General Meeting of Shareholders of the Company, the Board of Directors of the Company, acts in the interests of the Company and its shareholders, and ensures practical realisation of the goals, development strategy and policy of the Company.

Main Tasks of the Management Board of the Company:

- To ensure observance of the rights and legitimate interests of the Company's shareholders
- To work out decisions on the most important issues of the Company's current financial and economic activities
- To increase the efficiency of the internal control and risk management systems
- To ensure an increase in the investment attractiveness and economic efficiency of the Company's operations

Composition of the Management Board

The number of the Company's Management Board members is determined by the Board of Directors of PJSC Rosseti as proposed by the Company's General Director. The General Director of the Company shall propose candidates (other than themselves) for membership on the Management Board to the Board of Directors for consideration. The Board of Directors of the Company shall be responsible for the election of Management Board members and the early termination of their powers.

Following the Board of Directors' resolution on 24 October 2022², the Management Board of PJSC Rosseti began operations in 2023 with a membership of five persons. In the reporting year, the composition of the Management Board of the Company was changed: Evgeny Lyapunov and Vladimir Kharitonov were elected to the Management Board of the Company by the decision of the Board of Directors of the Company dated 14 March 2023³. Starting from 14 March 2023, the Management Board of the Company consists of seven persons.

All persons who are members of the Management Board of the Company have the required experience and skills set to perform their functions at the highest level.

¹ Approved by the resolution of the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

² Minutes of the Company's Board of Directors No. 593 dated 24 October 2022.

³ Minutes of the Company's Board of Directors No. 612 dated 17 March 2023.

Composition of the Management Board¹



Andrey Ryumin
General Director, Chairman of the Management Board

Member of the Management Board since 2022

Born in 1980.
Moscow State University Lomonosov, major in Mathematics. Applied Mathematics. Graduated in 2002.
Institute of Market Problems of the Russian Academy of Sciences, PhD in Economics, 2004.

Work experience:

- 2018–2021 — General Director, Chairman of the Management Board of PJSC Rosseti Lenenergo.
- 2021–2023² — General Director, Chairman of the Management Board of Public Joint Stock Company Russian Power Grids.
- Since 2022 — General Director, Chairman of the Management Board of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

At the end of the reporting period, he is a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of Public Joint Stock Company Federal Grid Company — Rosseti, PJSC Rosseti Moscow Region, PJSC Rosseti Lenenergo, FSBEI HE MPEI, NPP STC UES, Digital Energy Association, Bank VBRR (JSC), ALROSA (PJSC), member of the Management Board of Russian Union of Industrialists and Entrepreneurs.
He is also a member of the Presidium of RNC of WEC and the RNC CIGRE Association.



Andrey Murov
Member of the Management Board, First Deputy General Director

Member of the Management Board from 2012 to 2020, since 2022

Born in 1970.
St. Petersburg State University, Major in Law. Graduated in 1993.
Intersectoral Institute for Advanced Studies and Retraining of Executive Personnel, Financial Management programme, 1998.
State University of Civil Aviation, major in Transport Organisation and Management (Air Transport). Graduated in 2009.
Doctor of Economic Sciences.

Work experience:

- 2013–2020 — Chairman of the Management Board of Public Joint Stock Company Federal Grid Company of the Unified Energy System.
- Since 2015 — Chairman of RNC CIGRE Association.
- 2020–2023 — First Deputy General Director — Executive Director, member of the Management Board of Public Joint Stock Company Russian Power Grids.
- Since 2022 — First Deputy General Director, member of the Management Board of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

At the end of the reporting period, he is a member of the Board of Directors (Supervisory Boards, Boards of Trustees) of PJSC Inter RAO UES, JSC SO UPS; FSBEI HE MPEI, FSBEI HE SPbSU, Federal State Budgetary Educational Institution of Higher Education SPbU; Global Energy Association; NPP STC UES, Bureau of the Central Council of Union of Machine Engineers of Russia, All-Russian Public Organisation Rugby Union of Russia.
He is also the Chairman of the Presidium of RNC CIGRE Association.



Lyapunov Yevgeny
Member of the Management Board, Deputy General Director – Chief Engineer

Member of the Management Board since 2023

Born in 1981.
Ivanovo State Power Engineering University, major in Electric Power Systems and Grids. Graduated in 2003.

Work experience:

- 2015–2019 — First Deputy General Director — Chief Engineer of MPG of Center, a branch of PJSC FGC UES.
- 2019–2020 — General Director of Western Siberia MPG, a branch of PJSC FGC UES.
- 2020–2022 — First Deputy General Director of MPG of Center, PJSC FGC UES.
- 2021–2022 — Advisor to First Deputy General Director, Chief Engineer of Public Joint Stock Company Federal Grid Company of Unified Energy System.
- 2022–2023 — Chief Advisor, Acting First Deputy General Director — Chief Engineer of Public Joint Stock Company Russian Power Grids (part-time).
- Since 2022 — First Deputy General Director — Chief Engineer of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

At the end of the reporting period, he is a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of PJSC Rosseti Lenenergo, PJSC Rosseti Moscow Region, PJSC Rosseti Northern Caucasus, PJSC Rosseti Centre, PJSC Rosseti Centre and Volga Region, JSC Rosseti Mobile GTES, JSC Rosseti Tyumen, JSC Rosseti Digital, JSC Electromagistral, JSC Elektrosetservis ENES, JSC Energetik



Krainskiy Daniil
Member of the Management Board, Deputy General Director for Legal Support

Member of the Management Board since 2022

Born in 1979.
Moscow State Law Academy, major in Jurisprudence. Graduated in 2002.

Work experience:

- 2017–2023 — Advisor, Chief Advisor, Deputy General Director for Legal Support of Public Joint Stock Company Russian Power Grids, Member of the Management Board of Public Joint Stock Company Russian Power Grids (since 11 April 2022).
- 2018–2019 — Adviser to the General Director of PJSC Rosseti Lenenergo (part-time).
- 2019–2021 — Deputy General Director for Legal and Corporate Governance of PJSC Rosseti Lenenergo.
- Since 2019 — Member of the Management Board of PJSC Rosseti Lenenergo.
- Since 2020 — Deputy General Director for Legal Support of Public Joint Stock Company Federal Grid Company — Rosseti.
- Since 2021 — Adviser to the General Director of PJSC Rosseti Lenenergo, (part-time).

Participation in the Governance Bodies of Other Entities

As of the end of the reporting period, he was a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of PJSC Rosseti Kuban, PJSC Rosseti Lenenergo, PJSC Rosseti Moscow Region, PJSC Rosseti Ural, PJSC Rosseti South and JSC Energetik.

¹ As of 31 December 2023.

² Winding-up of the Company as a result of restructuring in the form of a merger.



Molsky Alexey
Member of the Management Board, Deputy General Director for Investments and Capital Construction

Member of the Management Board from 2016 to 2020, since 2022

Born in 1980.
Moscow Power Engineering Institute (MPEI), major in Electric Power Systems and Grids and Economics and Management at Electric Power Enterprise, graduated in 2004.

Work experience:

- 2012–2019 — Deputy Chairman of the Management Board of PJSC FGC UES.
- 2017–2019 — Chairman and President of Self-Regulatory Organisation — Interregional Sectoral Association of Employers “Association of Organisations Engaged in the Construction, Reconstruction and Overhaul of Energy Facilities, Grids and Substations “ENERGOSTROY”.
- 2019–2020 — First Deputy Chairman of the Management Board of PJSC FGC UES.
- 2020–2023 — Deputy General Director for Investments, Capital Construction and Sales of Services (since 24 April 2020), member of the Management Board of Public Joint Stock Company Russian Power Grids (since 29 May 2020).
- 2020–2022 — Deputy Director General for Investments, Capital Construction and Sale of Services of Public Joint Stock Company Federal Grid Company of the Unified Energy System.
- Since 2022 — Deputy General Director for Investments and Capital Construction of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

At the end of the reporting period, he is a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of PJSC Rosseti Volga, PJSC Rosseti Kuban, PJSC Rosseti Lenenergo, PJSC Rosseti Moscow Region, PJSC Rosseti Northern Caucasus, JSC EnergoCentre, JSC Rosseti Digital, JSC Rosseti Mobile GTES, JSC STC FGC UES, JSC CECM UES, JSC ICPS SakRusenergo, JSC TaigaEnergoStroy. He is also a member of the Presidium of RNC CIGRE Association.



Alexey Polinov
Member of the Board, Chief Adviser

Member of the Management Board since 2022

Born in 1978.
Moscow State University of Civil Engineering, major in Economics and Management at the Enterprise (Construction). Graduated in 2000. PhD in Economics.

Work experience:

- 2018–2018 — Adviser to the General Director of JSC UNECO.
- 2018–2019 — Adviser to the General Director of PJSC Rosseti Lenenergo, (part-time).
- 2019–2022 — Deputy General Director for Economics and Finance of PJSC Rosseti Lenenergo.
- Since 2019 — Member of the Management Board of PJSC Rosseti Lenenergo.
- 2021–2023 — Chief Advisor (part-time), Acting Deputy General Director for Economics and Finance of Public Joint Stock Company Russian Power Grids (since 2022), Member of the Management Board of Public Joint Stock Company Russian Power Grids (since 11 April 2022).
- 2022–2022 — Acting Deputy General Director for Economics and Finance of Public Joint Stock Company Federal Grid Company of the Unified Energy System.
- Since 2022 — Adviser to the General Director of PJSC Rosseti Lenenergo (part-time).
- 2022–November 2023 — Deputy General Director for Economy and Finance of Public Joint Stock Company Federal Grid Company — Rosseti.
- Since November 2023 — Chief Adviser of Public Joint-Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

As of the end of the reporting period, he was a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of PJSC Rosseti Lenenergo, PJSC Rosseti Moscow Region, PJSC Rosseti North-West, JSC Rosseti Tyumen, JSC Rosseti Yantar and LLC Rosseti Capital.



Vladimir Kharitonov
Member of the Management Board, Deputy General Director — Head of the Office

Member of the Management Board since 2023

Born in 1978.
Peoples' Friendship University of Russia, major in Power Engineering. Graduated in 2002.
PhD in Technical Sciences.
Russian Presidential Academy of National Economy and Public Administration under the Government of the Russian Federation, MBA in Top Manager, major in Management. Graduated in 2009.

Work experience:

- 2018–2021 — Director General of JSC FTC and JSC STC UES.
- Since 2019 — Member of the Management Board of Digital Energy Association.
- 2021–2022 — General Director of JSC STC FGC UES, a managing organisation exercising the powers of the sole executive body of JSC STC UES, JSC FTC.
- Since 2021 — Deputy Chairman of RNC CIGRE Association.
- 2022–2023 — Chief Advisor of Public Joint Stock Company Russian Power Grids.
- Since 2022 — First Deputy General Director — Head of the Office of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

As of the end of the reporting period, he was a member of the Boards of Directors (Supervisory Boards, Boards of Trustees) of PJSC Rosseti Volga, PJSC Rosseti Kuban, PJSC Rosseti North-West, PJSC Rosseti Centre and Volga Region, JSC Rosseti Tyumen, JSC STC FGC UES, JSC Rosseti Property Management, JSC FTC, JSC Rosseti Digital, JSC ENIN.

During the reporting year, none of the Management Board members held any shares (stakes) in the Company and its controlled organisations, nor did any transactions with securities (stakes) of these companies. None of the persons who held the positions of members of the Management Board in the reporting period received loans from the Company and its controlled companies.

Report on the Activities of the Management Board of the Company

In 2023, the Management Board of the Company held 48 meetings in absentia and reviewed 286 issues.

The most important issues reviewed by the Company's Management Board in 2023 include, but are not limited to:

- Approval of a new version of the Company's Energy Saving and Energy Efficiency Improvement Programme for 2020–2024
- Recommendations on approval of a new version of the Company's Business Planning Standard for 2020–2024
- Approval of the Company's budget for 2024
- Recommendations on approval of a new version of the Regulations on the Information Policy of the Company
- Recommendations on the consideration of key indicators of business plans for 2024–2028 for the Company's subsidiaries involved in for electricity transmission
- Recommendations on approval of the Procedure for Calculation of Key Performance Indicators and Functional Key Performance Indicators of the Company's Management Personnel

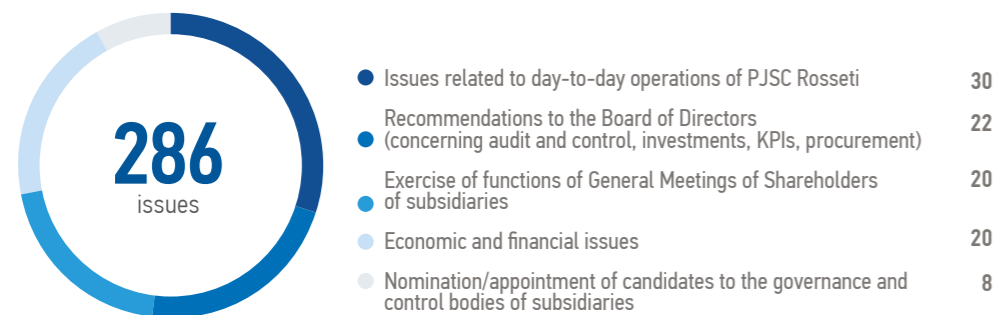
Presence of the Members of the Management Board in the Meetings in 2023

Sr. No.	Full Name	Participation in meetings/total number of meetings
1.	Andrey Ryumin	48/48
2.	Andrey Murov	48/48
3.	Daniil Krainskiy	47/48
4.	Yevegeny Lyapunov (Since 14.03.2023)	38/48
5.	Alexey Molsky	48/48
6.	Alexey Polinov	47/48
7.	Vladimir Kharitonov (since 14.03.2023)	38/48

Meetings of the Management Board and issues reviewed

Indicators	2019	2020	2021	2022	2023
Number of meetings held during the period, including:	73	23	–	8	48
• in person	1	1	–	0	0
• in absentia	72	22	–	8	48
Number of issues reviewed, including:	328	125	–	53	286
• in person	2	1	–	0	0
• in absentia	326	124	–	53	286

Types of issues reviewed by the Company's Management Board, %



Sole executive body (General Director)

In accordance with the Company's Articles of Association, the day-to-day management of PJSC Rosseti's activities is performed by the Company's Director General, who is elected by the Board of Directors of PJSC Rosseti. The General Director also chairs the Management Board of the Company.

By resolution of the Board of Directors of the Company adopted on 15 July 2022 (Minutes of the Board of Directors No. 583 dated 15 July 2022), taking into account the resolution of the Extraordinary General Meeting of Shareholders adopted on 14 September 2022 (Minutes of the Extraordinary General Meeting of Shareholders No. 27 dated 15 September 2022), Andrey Ryumin was elected (appointed) as General Director of the Company.

Biographical information about A.V. Ryumin is disclosed in the section of the Report on the activities of the Management Board of the Company

Corporate Secretary

The Corporate Secretary is responsible for arranging the Board of Directors' work and relations with shareholders, as well as making sure that the rights of shareholders and investors of the Company are protected.

The Corporate Secretary is functionally subordinate to the Board of Directors and administratively subordinate to the General Director, which ensures the required degree of the Secretary's independence from the Company's management. A candidate for the position of the Corporate Secretary shall be proposed to the Board of Directors of the Company by the Chairman of the Board of Directors of the Company in agreement with the General Director of the Company.

Regulations on the Corporate Secretary of the Company approved by the decision of the Board of Directors dated 29 June 2021 (Minutes No. 548 dated 30 June 2021).

Within the scope of his/her authority, the Corporate Secretary shall participate in:

- Ensuring effective interaction with the Company's shareholders
- Coordinating the Company's actions to protect the rights and interests of its shareholders
- Supporting the efficient work of the Board of Directors, particularly making sure that participants of the corporate governance system comply with the requirements to work organisation of the Company's Board of Directors and the General Meeting of Shareholders.

The functions of the Corporate Secretary of the Company are performed by Maria Tikhonova¹.



Tikhonova Maria
Corporate Secretary of the Company (since 29 June 2021)

Born in 1980. Graduated from the Volga Region Academy of Public Administration, major in State and Municipal Administration. Russian Presidential Academy of National Economy and Public Administration under the Government of the Russian Federation, occupational retraining in Public Administration of Economic Development. Higher School of Economics, Master of Business Administration (MBA). PhD in Economics.

Work experience:

- 2013–2020 — Deputy Chairwoman of the Management Board of PJSC FGC UES.
- 2020–2023 — Deputy General Director for Corporate Governance of Public Joint Stock Company Russian Power Grids (part-time).
- Since 2020 — Deputy General Director for Corporate Governance of Public Joint Stock Company Federal Grid Company — Rosseti.

Participation in the Governance Bodies of Other Entities

At the end of the reporting period, member of the Boards of Directors of PJSC Rosseti Siberia, PJSC TDC, PJSC Rosseti Ural, PJSC Rosseti Volga, PJSC Rosseti North-West, PJSC Rosseti South, JSC Electromagistral, JSC RES.

During the reporting year, Maria Tikhonova does not own any shares/securities of the Company, did not make transactions with shares/securities of the Company, did not receive loans from the Company and its controlled companies.

¹ Maria Tikhonova was elected Corporate Secretary of the Company by the resolution of the Board of Directors of the Company dated 29 June 2021 (Minutes No. 548 dated 30 June 2021).

Remuneration Report

The remuneration structure for members of the Company's governing bodies is largely determined by the Board of Directors and the Personnel and Remuneration Committee of the Board of Directors, which also undertakes preliminary analysis of matters pertaining to the establishment of an efficient and open compensation practice within the Company.

The remuneration structure for members of the Company's governance bodies is designed to attract, motivate and retain individuals with the skills and expertise required for the Company's efficient management, the accomplishment of its set strategic objectives and the completion of assigned tasks.

The principles and recommendations of the Bank of Russia's Corporate Governance Code, as well as the Company's current approach to accruing salary and compensation, serve as the foundation for the development of the remuneration plans for members of its governing bodies.

Regulating Documents

The payment of compensation and remuneration to the members of the Board of Directors of the Company shall be made in accordance with [Regulations on Payment of Remuneration and Compensation to the Members of the Board of Directors of the Company](#)¹. The current practices in the Company in the field of determining remuneration and compensation to members of the Board of Directors meet the principles of efficiency, transparency, accountability, sufficiency and take into account the input of these persons in the Company's activities.

The procedure for remuneration of persons who are members of the Committees under the Board of Directors, but who are not Board members, is determined by [the Regulations on Payment of Remuneration And Compensation to Members of the Committees of the Board of Directors of the Company](#)².

Remuneration Practices

- A lump-sum payment is made to the members of the Company's Board of Directors as compensation for their performance throughout the corporate year, which runs from the date of election to the date on which their powers are terminated.
- The resolution on the payment of remuneration is made by the Annual General Meeting of Shareholders of the Company.

In order to foster greater engagement among Board of Directors members and a vested interest in the Company's attainment of higher financial success, Board member remuneration is correlated with the Company's financial performance.

The remuneration is calculated on the basis of the base part of the remuneration, which is determined depending on the volume of the Company's revenue³ for the financial year preceding the remuneration payment year.

Revenue for the Financial Year	Value of the Base Part of the Remuneration
Over RUB 200 bln	RUB 1,000,000
Over RUB 30 bln	RUB 900,000
Over RUB 10 bln	RUB 800,000
Over RUB 1 bln	RUB 700,000
Over RUB 600 mln	RUB 600,000
Less than RUB 600 mln	No remuneration is payable

¹ Approved by the resolution of the General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

² Approved by the resolution of the Board of Directors (Minutes No. 280 dated 24 August 2015).

³ Calculated under RAS.

The **base remuneration** for Board members in the 2022–2023 corporate year was RUB 1,000,000.

The **actual remuneration** of a Board member is calculated by considering the following guidelines:

- The total remuneration of a member of the Board of Directors of the Company **cannot exceed the base remuneration** for the corporate year.
- Remuneration for participation in the Board meetings** is determined by taking into account both the actual number of meetings attended and the amount of the **basic part** of remuneration.
- The size of allowances is determined as follows:**

+30% of remuneration for attending Board meetings for the Chairman of the Board of Directors

+20% of remuneration for attending Board meetings for the Chairman of a Committee under the Board of Directors

+10% of remuneration for attending Board meetings for a member of a Committee under the Board of Directors

In accordance with clause 3.7 of the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company, the total amount of remuneration to a member of the Board of Directors of the Company cannot exceed RUB 900,000.

More details on the calculation formula for attending Board meetings, please see [the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of the Company](#).



Compensations

The Board members' actual expenses, such as travel costs to and from meetings of the Board of Directors and Committees, accommodation costs and other costs associated with the Company's operations, are reimbursed according to the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company.

The total compensation for each member will be shared later once the members of the Board of Directors have given their consent for this information to be disclosed.

Remuneration in the Reporting Year

Remuneration for Members of the Board of Directors

Annual General Meeting of Shareholders of the Company¹ decided to pay remuneration to members of the Board of Directors of PJSC Rosseti, who do not hold public office, in the amount determined in accordance with the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of the Company.

Remuneration for membership in the Board of Directors

$$R_{act} = R_{base} \times 100 / 130 \times (a/b)$$

$$R_{base} = \text{RUB } 1,000,000$$

a – number of Board meetings the Board member attended

b – total number of Board meetings held between annual meetings of shareholders

Additional remuneration

Remuneration to the Chairperson of the Board of Directors ²	$R_{act} \times 30\% / 100\%$
Remuneration to the Chairperson of the Committee ²	$R_{act} \times 20\% / 100\%$
Remuneration for Committee membership ²	$R_{act} \times 10\% / 100\%$

Information on the number of meetings of the Board Committees

Audit Committee	15
Personnel and Remuneration Committee	10
Strategy Committee	10
Investment Committee	8

Aggregate remuneration of Board members in 2021–2023, RUB '000

	2021	2022	2023
	6,430.70	6,956.18	3,619.14

¹ Held on 30 June 2023, Minutes No. 29 dated 30 June 2023.

² No bonuses for chairmanship and membership in the Board Committee are paid if less than three Committee meetings were held during the corporate year.

Remuneration to the members of the Board of Directors of PJSC Rosseti elected by resolution of the Annual General Meeting of Shareholders of PJSC FGC UES dated 28 June 2022¹, whose powers were terminated ahead of schedule by resolution of the Extraordinary General Meeting of Shareholders of PJSC Rosseti dated 21 March 2023²

Member of the Board of Directors	a	b	Remuneration (R _{act}), RUB	Membership in dedicated committees under the Board of Directors	Additional remuneration, RUB			Total, RUB	Maximum payment, RUB	Limitations on payments	Total paid, RUB
					To Board Chairman	To Committee Chairman	To Committee member				
Director 1-1	29	43	–	–	No remuneration is paid (civil officer)						
Director 1-9	32	43	–	Investment Committee (Chairman)	No consent for disclosure of personal data has been obtained						
Director 1-10	28	43	500,894.45	1. Audit Committee	0	0	50,089.45	601,073.35	900,000.00	none	601,073.35
Director 1-11	30	43	–	1. Audit Committee (Chairman) 2. Personnel and Remuneration Committee (Chairman)	No consent for disclosure of personal data has been obtained						
Director 1-2	30	43	–	–	No remuneration is payable (employee)						
Director 1-3	32	43	–	–	No remuneration is payable (employee)						
Director 1-4	31	43	–	Chairman of the Board of Directors	No remuneration is payable (employee)						
Director 1-5	30	43	–	Strategy Committee	No remuneration is payable (employee)						
Director 1-6	30	43	536,672.63	1. Personnel and Remuneration Committee 2. Audit Committee	0	0	53,667.26	644,007.16	900,000.00	none	644,007.16
Director 1-7	30	43	–	–	No remuneration is payable (employee)						
Director 1-8	27	43	–	Strategy Committee (Chairman)	No remuneration is paid (civil officer)						
Total											2,683,363.1

Remuneration and/or compensation to members of the Board of Directors of PJSC Rosseti elected by resolution of the Extraordinary General Meeting of Shareholders of PJSC Rosseti dated 21 March 2023¹

Member of the Board of Directors	a	b	Remuneration (R _{act}), RUB	Membership in dedicated committees under the Board of Directors	Additional remuneration, RUB			Total, RUB	Maximum payment, RUB	Limitations on payments	Total to be paid, RUB
					To Board Chairman	To Committee Chairman	To Committee member				
Director 2-9	11	43	–	1. Audit Committee (Chairman) 2. Personnel and Remuneration Committee (Chairman)	No consent for disclosure of personal data has been obtained						
Director 2-10 ²	11	43	–	1. Audit Committee 2. Personnel and Remuneration Committee 3. Investment Committee (Chairman)	No consent for disclosure of personal data has been obtained						
Director 2-1	11	43	–	Chairman of the Board of Directors	No remuneration is paid (civil officer)						
Director 2-2	10	43	–	–	No remuneration is paid (statement of waiver of remuneration)						
Director 2-3	10	43	178,890.88	–	No remuneration is paid (statement on waiver of remuneration payment)						
Director 2-11	10	43	–	1. Audit Committee 2. Personnel and Remuneration Committee 3. Strategy Committee (Chairman)	No remuneration is paid (statement of waiver of remuneration)						
Director 2-4	11	43	196,779.96	–	0	0	0	196,779.96	900,000.00	none	196,779.96
Director 2-5	10	43	–	–	No remuneration is payable (employee)						
Director 2-6	11	43	–	–	No remuneration is paid (civil officer)						
Director 2-7	11	43	–	–	No remuneration is paid (civil officer)						
Director 2-8	11	43	–	–	No remuneration is paid (civil officer)						
Total											935,778.20

¹ Minutes No. 26 dated 28 June 2022.

² Minutes No. 28 dated 21 March 2023. Remuneration information is provided in compliance with the consents granted by the Company's Board of Directors.

¹ Minutes No. 28 dated 21 March 2023. Remuneration information is provided in compliance with the consents granted by the Company's Board of Directors.

² In accordance with clause 3.7 of the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company, the total amount of remuneration to a member of the Board of Directors of the Company cannot exceed RUB 900,000. Subject to this restriction, the amount of remuneration payable to Sergey Ivanov for sitting on the Company's Board of Directors elected by resolution of the Extraordinary General Meeting of Shareholders of PJSC Rosseti dated 21 March 2023 (Minutes No. 28 dated 21 March 2023), is calculated in such a way that, taking into account the remuneration payable to Sergey Ivanov for sitting on the Company's Board of Directors elected by resolution of the Annual General Meeting of Shareholders of PJSC FGC UES dated 28 June 2022 (Minutes No. 26 dated 28 June 2022), the total amount of remuneration does not exceed RUB 900,000: 900,000 – 686,940.97 = 213,059.03

Remuneration of Executive Bodies

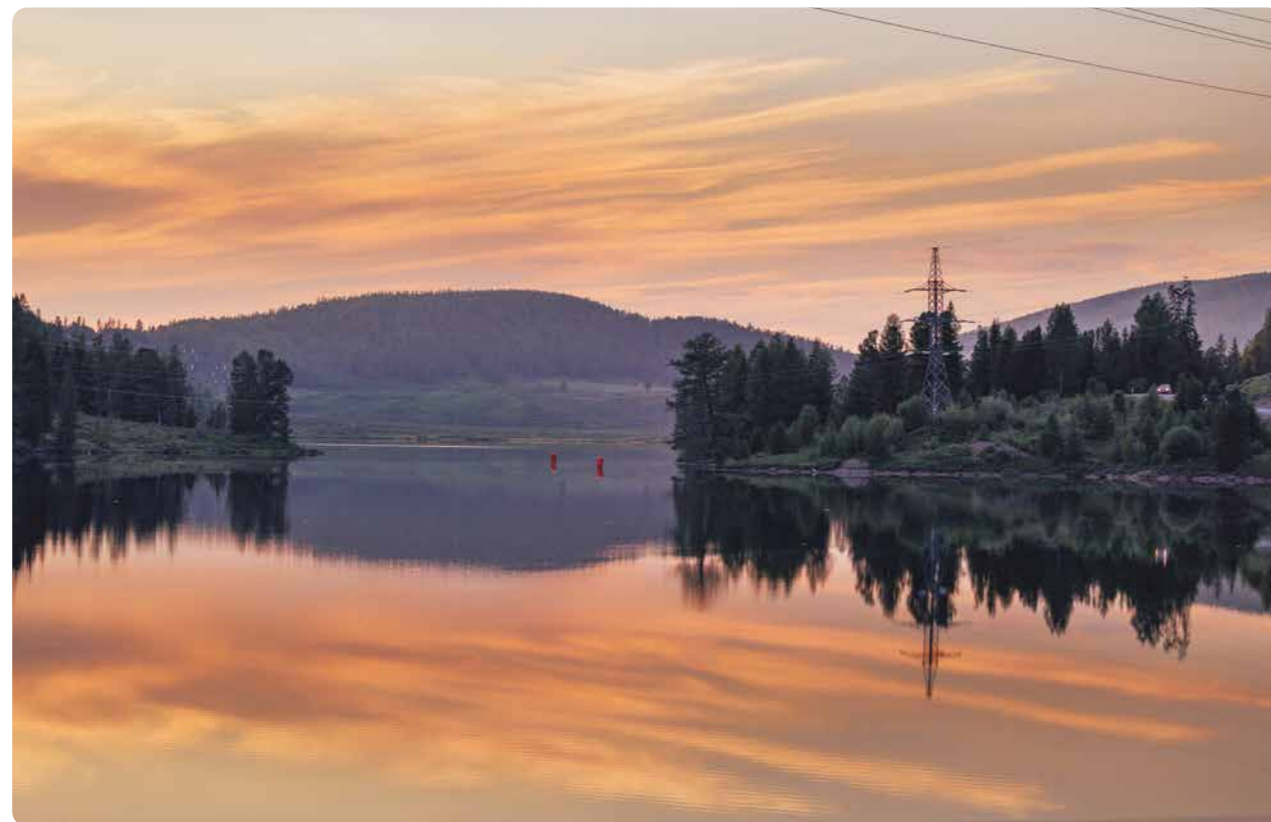
Remuneration in the Reporting Year

Total (aggregated) amount of remuneration to the members of the Management Board and the Chairman of the Management Board, RUB '000

Indicator	Amount
Remuneration for sitting on executive body ¹	–
Salaries	205,734.2
Bonuses	196,831.2
Fees	–
Other types of remuneration	5,631.4
TOTAL	408,196.8
Additionally Amount of accrued insurance premiums	64,688.20

Total remuneration of the Company's executive officers (members of the Management Board, General Director, Deputy General Directors, Chief Accountant) received in 2023

Indicator	RUB '000	Indicator	people
Total remuneration (official salaries, compensatory payments, incentive payments and other payments stipulated by the Regulation on Labour Remuneration)	599,890.8	Number of executive officers of the Company (members of the Management Board, General Director, Deputy General Directors, Chief Accountant)	15



¹ No remuneration has been set for the members of the Management Board. The Deputy General Directors carry out the duties of the Management Board members, and their remuneration is determined by their primary positions.

Controls and Risk Management



Dear Shareholders!

In 2023, following the completed restructuring of the Company, we successfully merged the risk management system and the internal control system into a single corporate risk management and internal control system — RM&ICS.

The Rosseti Group has a common methodology in place for identifying, assessing, monitoring risks, and developing internal control measures and procedures.

We are committed to boosting customer satisfaction with our Company's services. The corporate RM&ICS, which takes into consideration the economic, social, and geographic features of each region of operation, enables the Group's companies to respond flexibly to changes in internal and external environmental factors.

The RM&ICS's development priorities are focused on timely solution of problems facing the Rosseti Group as well as the proactive detection of unfavourable events and mitigation of any repercussions that could impair the effectiveness of the Company's production operations and financial stability.

Vladimir Makarov,
Director for Internal Control and Risk Management — Head of the Internal Control and Risk Management Department

Internal Control and Risk Management System

Seeing the completion of the Company's restructuring in 2023, active efforts were made to update the methodological framework, and regulations were adopted that govern updated approaches to the organisation and functioning of the Rosseti Group's Risk Management and Internal Control System (RM&ICS).

[The Risk Management and Internal Control Policy](#) of PJSC Rosseti and subsidiaries (the Rosseti Group)¹ was approved in 2023 in order to implement and maintain an effective RM&ICS that complies with generally accepted practices and standards of risk management and internal control, as well as with the requirements of regulators. This policy outlines the goals of the Company's RM&ICS functioning, the primary roles and responsibilities of RM&ICS participants, and forms of RM&ICS efficiency assessment.

In addition, the Risk Management and Internal Control Arrangement Procedure of PJSC Rosseti and subsidiaries (the Rosseti Group)² was approved to stipulate hands-on aspects of the application of the rules set forth in the Risk Management and Internal Control Policy of PJSC Rosseti and its subsidiaries (the Rosseti Group). The control matrices (matrices of risk and control procedures) contain the control procedures for the core and supporting business operations, as well as the management Processes of the company.

The following regulatory documents in the field of risk management and internal control have been in force in the Company since 2023:

- Glossary on risk management and internal control³
- RM&ICS Development Programme⁴
- Preparation guidelines for a report on the organisation, functioning and effectiveness of RM&ICS⁵
- Typical list of risks⁶
- Risk Assessment and Monitoring Methodology⁷
- Risk Appetite Determination Procedure⁸

¹ Resolution of the Board of Directors of the Company dated 17 April 2023 (Minutes No. 616 dated 18 April 2023).

² Company Order No. 203 dated 15 May 2023 (as amended by Order No. 575 dated 12 December 2023).

³ Company Order No. 8 dated 12 January 2023.

⁴ Company Order No. 208 dated 19 May 2023.

⁵ Company Order No. 209 dated 19 May 2023.

⁶ Company Order No. 69 dated 16 February 2023 (as amended by Order No. 479 dated 31 October 2023).

⁷ Company Order No. 516 dated 23 November 2023.

⁸ Company Order No. 423 dated 25 September 2023.

Risk Management and Internal Control System (RM&ICS) is a set of organisational measures, methods, procedures, corporate culture practices and actions taken to achieve an optimal balance between the growth of the Company's value, profitability and risks, to ensure financial stability, efficient conduct of business activities, safeguarding of assets, compliance with legislation, the Articles of Association and internal documents of the Company, timely preparation of reliable reporting.

The purpose of the RM&ICS is to provide reasonable assurance that the Rosseti Group will achieve the goals of Rosseti Group's development strategy, namely ensuring reliable, high-quality, and affordable power supply to consumers, as well as the operational business goals of PJSC Rosseti and its subsidiaries.

The RM&ICS is an integral part of the strategic planning and decision-making system at PJSC Rosseti and its subsidiaries at all governance levels.

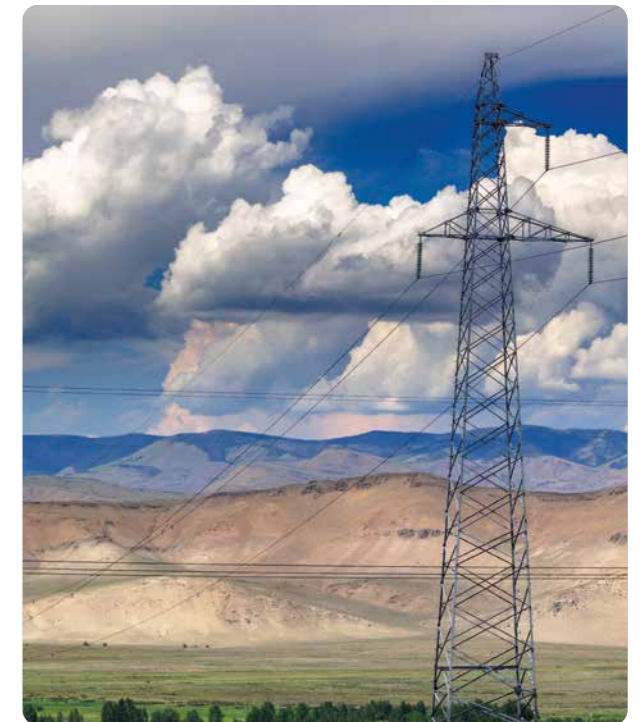
Risk Management imply coordinated actions to risk-based steering, control and management of the Company.

Internal Control is a process carried out by the Company's Board of Directors, the Company's Audit Commission, the Company's executive bodies and employees at all levels of management to obtain reasonable assurance that the Company provides:

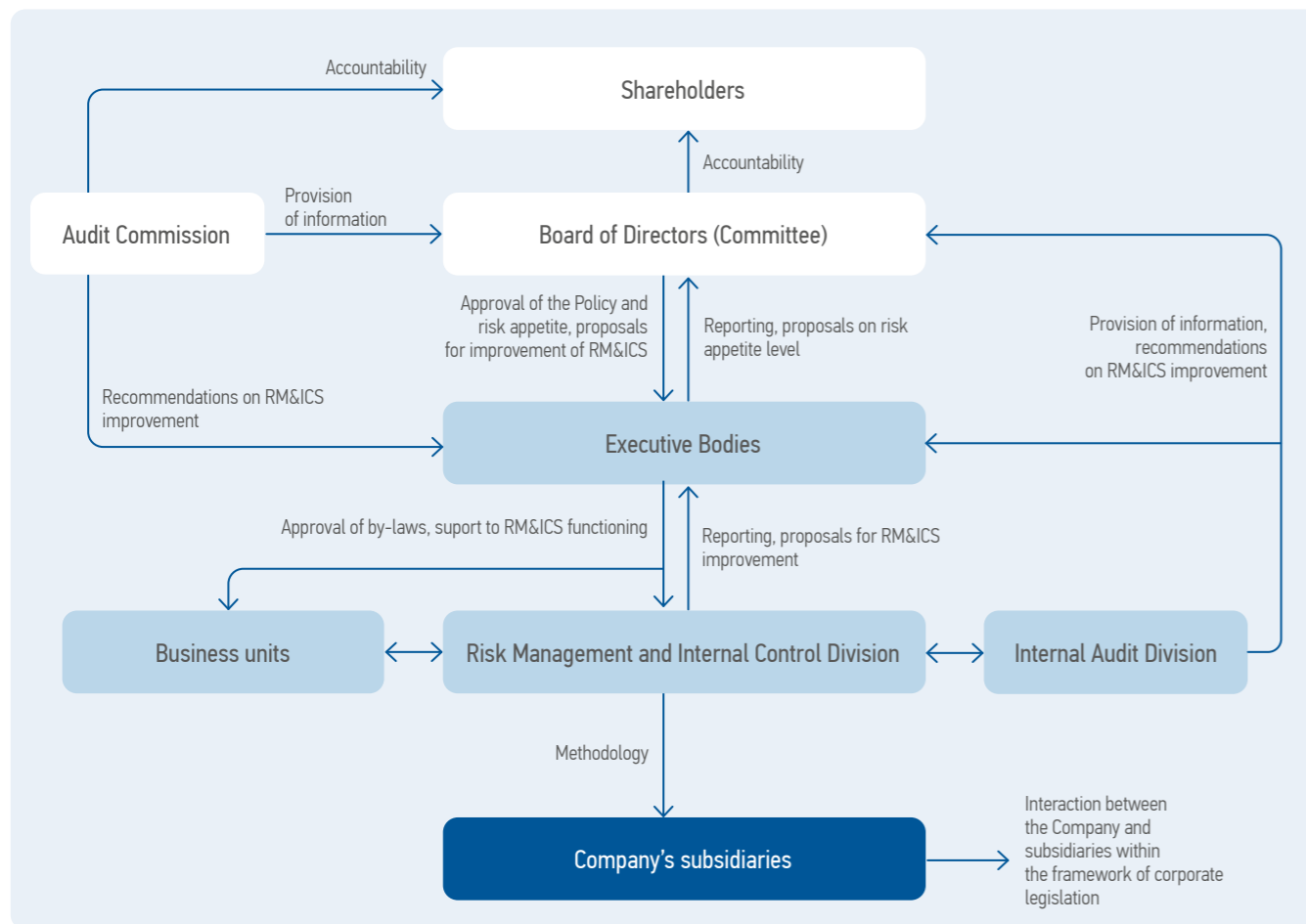
- Efficiency and effectiveness of its activities, including achievement of financial and operational indicators, and safeguarding of assets
- Reliability, completeness and timeliness of accounting (financial) accounts and other types of reporting
- Compliance with applicable laws and regulations, as well as the Company's internal regulatory documents

The highest level of risk that may be taken on and still be supported by the Rosseti Group in order to accomplish the objectives of the Company and its subsidiaries is known as risk appetite. Company Order No. 423 dated 25 September 2023 approved the Risk Appetite Determination Procedure of PJSC Rosseti and its Subsidiaries (the Rosseti Group), which establishes principles and approaches to determining and reviewing the preferred risk (risk appetite) of the Company and its Subsidiaries.

The risk appetite of the Rosseti Group was approved by the resolution of the Board of Directors (Minutes No. 626 dated 4 August 2023).



Relationship between the RM&ICS Participants



Risk Appetite Targets



The Rosseti Group ensures reliable and high-quality power supply



The Rosseti Group strives to reduce (minimise) its negative environmental impact



The Rosseti Group ensures implementation of the obligations under the Occupational Health and Safety Policy, development and improvement of the occupational health and safety management system and safety culture



The Rosseti Group ensures that shareholder rights are respected



The Rosseti Group ensures the development and increased availability of power grid infrastructure



The Rosseti Group does not tolerate violations of the requirements established by the laws of the Russian Federation



The Rosseti Group strives to reduce electricity losses during transmission and distribution



The Rosseti Group strives to ensure technological and innovative development by making and integrating scientific developments



The Rosseti Group strives to maintain a stable financial position



The Rosseti Group ensures the development of the power grid complex's human resources potential and maintains a consistently high staffing level

Assessment of RM&ICS Efficiency

The Company's internal auditor assesses the efficiency of the Risk Management and Internal Control (RM&ICS), including its compliance with the target state and maturity level, in order to make sure that it continues to meet objectively changing requirements and conditions.

The Company's internal auditor annually assesses the RM&ICS of the Company and the Group of companies and its compliance with the target state and maturity level. Six maturity levels are in place in the Company.

The report of PJSC Rosseti's internal auditor on the results of the assessment of the effectiveness of the internal control system (ICS) and risk management system (RMS) at the Rosseti Group for 2022 was reviewed by the Audit Committee on 30 August 2023 (Minutes No. 161 dated 30 August 2023) and approved by the Board of Directors on 3 November 2023 (Minutes No. 631 dated 7 November 2023), taking into account the Committee's recommendations.

The summarised assessment of ICS and RMS efficiency for the Rosseti Group at the end of 2022 was 5.1 points and 4.8 points, respectively, out of a possible 6 points, which, according to the applicable assessment scale, makes it possible to assess the ICS and RMS maturity level as "optimal" at the current stage.

The internal auditor's report on the results of the assessment of the Rosseti Group's RM&ICS efficiency for 2023 will also be submitted to the Audit Committee for review and to the Company's Board of Directors for approval.



Improvement of the RM&ICS

The Company sees to it that the RM&ICS is continuously developed and improved, keeping in mind the requirement to handle new tasks and adjustments to the internal and external situations affecting the Group's operation.

Key measures to improve the IRM&ICS taken in 2023:

- Set of regulatory and methodological documents in the field of risk management and internal control was developed / updated
- Preferred risk (risk appetite) of the Rosseti Group was updated
- The following training events were held for employees of the Rosseti Group on the organisation and operation of the risk management and internal control system:
 - Knowledge Days (four training sessions)
 - Conferences on pressing issues and development strategy of the risk management and internal control system

Plans for improvement of the RM&ICS in 2024

- To exercise additional control with the participation of the Department of Internal Control and Risk Management in collegial bodies
- To carry out risk-oriented control activities: when reviewing materials submitted for approval by collegial bodies; when analysing information on audits carried out by external control (supervision) bodies; when assessing the targeted and timely expenditure of financial support to subsidiaries
- To implement unified standards and principles for controlling the financial stability of counterparties of the Rosseti's Group of companies. To take part in risk management in liquidation and bankruptcy proceedings
- To promote risk awareness, to conduct training events on the organisation and operation of the RM&ICS

Audit Commission

The Audit Commission is a permanent body that oversees the financial and business activities of PJSC Rosseti and its governing bodies. Audit Commission is elected annually by the General Meeting of Shareholders.

The activities of the Audit Commission are regulated by the Articles of Association and the Regulations on the Audit Commission of the Company¹.

Expertise of the Audit Commission:

- Confirmation of reliability of the data contained in the annual report, annual accounting (financial) statements of the Company
- Analysis of the Company's financial condition, identification of reserves to improve the Company's financial condition and development of recommendations for the Company's governing bodies
- Organisation and implementation of inspection (audit) of financial and economic activities of the Company

Key matters reviewed by the Audit Commission in 2023

Area of responsibility	Action taken	Outcome
<ul style="list-style-type: none"> • Control over financial and economic activities, elimination of identified deficiencies based on the findings of inspections • An audit of financial and economic activities for 2022 was carried out • No substantial violations were revealed • Assessment of reliability of the data in the Annual Report and annual financial statements 	<ul style="list-style-type: none"> • Annual Report and annual accounting (financial) statements of the Company for 2022 were reviewed • No misstatements of data that could materially affect the said statements were identified • Reporting on violations of the procedure for keeping accounting records, presenting financial statements, and the procedure for carrying out financial and economic activities • The issues of organisation and maintenance of accounting records, preparation of accounting (financial) statements were reviewed 	<ul style="list-style-type: none"> • No errors and misstatements that had a significant impact on the reliability of the accounting (financial) statements as of 31 December 2022 were identified • Control over the legitimacy of financial and business transactions • The related-party transactions report for 2022 was reviewed • No law violations were identified

¹ Approved by the resolution of the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

In the reporting year, there were two lists of members of the Audit Commission — from 1 January 2023 to 30 June 2023 and from 30 June 2023 to 31 December 2023.

Members of the Audit Commission since 30 June 2023¹

**Kostenko Gleb
Chairman**

Born in 1995.
Institute of National Research University "Moscow Power Engineering Institute", major in Electric Power Engineering and Electrical Engineering (bachelor's degree). Graduated in 2016.
National Research University "Moscow Power Engineering Institute", Master's degree. Graduated in 2019.

Position at the time of election:

Deputy Director of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia

**Yakushev Georgiy
Deputy Chairman**

Born in 1983.
Krasnoyarsk State University, Institute of Law, major in Jurisprudence. Graduated in 2005.

Position at the time of election:

Head of the Corporate Relations Division of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia

**Ulyanov Anton
Secretary**

Born in 1979.
Moscow State Law Academy, major in Jurisprudence. Graduated in 2004.

Position at the time of election:

Director for Internal Audit — Head of the Internal Audit Department of PJSC Rosseti

Gabov Andrey

Born in 1981.
Perm State Technical University, Faculty of Motorways, Engineer. Graduated in 2003.
Perm State University, Faculty of Economics, major in Finance and Credit, Economist. Graduated in 2008.

Position at the time of election:

Deputy Director of the Project Finance and Investment Policy Department of the Russian Ministry of Finance

Agamagomedova Diana

Born in 1995.
Moscow State University, major in Jurisprudence. Graduated in 2018.

Position at the time of election:

Advisor to the Department of Management of the Federal Agency for State Property Management (Rosimushchestvo) (since April 2023 — Head of the Corporate Governance Directorate of JSC Foreign Economic Association "Promsyrimport")

Members of the Audit Commission until 30 June 2023²

**Alexey Kulagin
Chairman Born in 1986.**

Lomonosov Moscow State University, Faculty of Chemistry. Graduated in 2009.
Tula State University, major in Finance and Credit. Graduated in 2013.

Position at the time of election:

Since 2021 — Deputy Director of the Department of the Ministry of Energy of Russia.

**Natalia Annikova
Deputy Chairwoman**

Born in 1955.
Moscow Institute of Transport Engineers, major in Engineering. Graduated in 1978.
Russian Presidential Academy of National Economy and Public Administration under the Government of the Russian Federation, major in Finance and Credit. Graduated in 1999.
PhD in Technical Sciences.

Position at the time of election:

Since 2021 — Adviser to the Director of Center for Information Technologies and Systems for Executive Authorities.

Diana Agamagomedova

Position at the time of election:
Since 2021 — Adviser to the Federal Agency for State Property Management (Rosimushchestvo).

Yury Goncharov

Born in 1977.
Moscow State Mining University, major in Management (Master's degree). Graduated in 2000.
Moscow Institute of Economics, Politics and Law, major in Jurisprudence. Graduated in 2014.

Position at the time of election:

Since 2021 — Chief Adviser of PJSC Rosseti.

Alexandra Petrova

Born in 1990.
Moscow State University of Instrument Engineering and Computer Sciences, major in State and Municipal Administration. Graduated in 2013.
Moscow State University of Instrument Engineering and Informatics, major Jurisprudence. Graduated in 2015.

Position at the time of election:

Since 2016 — Deputy Head of Management Department of the Federal Agency for State Property Management (Rosimushchestvo).³

None of the persons who held the positions of members of the Audit Commission in the reporting period received loans from the Company and its controlled companies. In the reporting period, none of the persons holding the positions of members of the Audit Commission held any shares/securities of the Company and its controlled companies, or made any transactions with them.

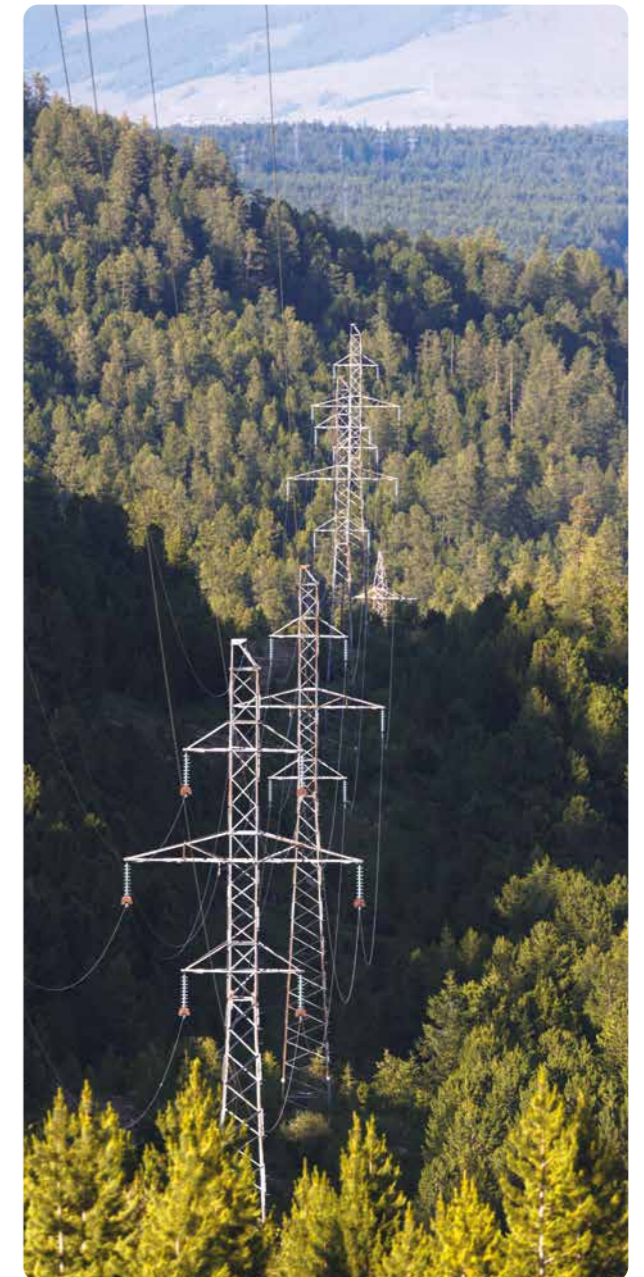
Remuneration Policy for Members of the Audit Commission

The policy of remuneration of the members of the Audit Commission is determined by the Regulations on Payment of Remuneration and Compensation to the Members of the Audit Commission of the Company¹. The amount of remuneration depends on the Company's revenue for the last reporting year and the degree of involvement with the Audit Commission during the corporate year, as well as the performance of additional duties by members of the Internal Audit Commission such as Chairman or Secretary.

Remuneration to the members of the Audit Commission shall be paid as decided by the General Meeting of Shareholders. However, remuneration is not paid to persons who are legally restricted or prohibited from receiving payments from commercial organisations.

Amount of remuneration paid to the members of the Audit Commission in 2023

Indicator	Amount, RUB '000
Remuneration for sitting on a governing body, including:	382.07
• Yury Goncharov	179.30
• Natalia Annikova	165.00
• Diana Agamagomedov	37.77
Total	382.07
In addition, amount of accrued insurance premiums	61.57



¹ Elected by the Annual General Meeting of Shareholders of PJSC Rosseti on 30 June 2023 (Minutes No. 29 dated 30 June 2023).

² Elected by the Annual General Meeting of Shareholders of the Company on 28 June 2022 (Minutes No. 26 dated 28 June 2022).

³ Statement of resignation as a member of the Audit Commission dated 14 April 2023.

¹ Approved by the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

Internal audit

Internal Audit Service





The Internal Audit Department is a subdivision responsible for the implementation of the internal audit function in the Company. The objectives of the Company's internal audit and approaches to its organisation comply with the standards set out in Clause 2, Article 87.1 of Federal Law No. 208-FZ "On Joint Stock Companies" dated 26 December 1995.

In accordance with [the Company's Internal Audit Policy](#)¹, the Internal Audit Department functionally reports to the Board of Directors of the Company. The Board of Directors controls and organises the activities of the Internal Audit Department, including approval of the internal audit action plan, the progress report on the internal audit activity plan and the budget of the Internal Audit Department, reviews material limitations on the powers of the Internal Audit Department or other restrictions that may adversely affect the internal audit, handles preliminary approval of decisions of the sole executive body of the Company on appointment, termination of appointment (not on the employee's part) of the Head of Internal Audit, as well as approves the terms of the employment agreement with the Head of Internal Audit, considers the findings of the quality assessment of the internal audit function.

Internal auditing is a process that aims to improve the performance of the Company by offering unbiased, impartial assurance and recommendations. Through a methodical and consistent approach to evaluating and enhancing the efficacy of risk management, internal control, and corporate governance, internal audit seeks to support the Company in accomplishing its goals in the most economical and efficient way possible.

The goals, objectives and functions of internal audit are defined in the Internal Audit Policy.

Internal audit follows these fundamental guidelines in its operations:

-  Independence
-  Impartiality
-  Honesty
-  Confidentiality
-  Professional competence

The Company has the following main documents in place to regulate the internal auditing process:

- The Company's Internal Audit Policy, including the Code of Ethics for Internal Auditors of the Rosseti Group
- The Company's Internal Audit Quality Assurance and Improvement Programme²
- Internal standards of internal audit and standards of practical application developed in accordance with the recommendations of the Bank of Russia and Rosimushchestvo, International professional standards of internal audit

As of 31 December 2023, the actual number of employees involved in internal audit function was 20 FTEs.

Key Decisions and Measures to Improve the Internal Audit System

The resolution of the Board of Directors of the Company dated 1 March 2023 approved the action plan of the Company's Internal Audit Department for 2023, as well as the budget of the Company's Internal Audit Department for 2023³.

Based on the results of the internal quality assessment (self-assessment) of internal audit activities for 2023, Internal audit activities at the Rosseti Group were rated 4 points, which, in accordance with the assessment methodology approved by the Company's Internal Audit Quality Assurance and Improvement Programme³, corresponds to the category of 'fully compliant'.

The Head of Internal Audit receives feedback from the Audit Committee of the Board of Directors of the Company (hereinafter referred to as the Audit Committee) in various forms in the course of interaction with the Audit Committee, including analysing decisions/recommendations of the Audit Committee on matters within the internal audit remit, as well as by means of questionnaire survey of the members of the Audit Committee.

The indicator of satisfaction of the Audit Committee with the performance of the internal audit function (weighted average sum of points on the questionnaires of the voted members of the Audit Committee to the number of voted members of the Committee) at the end of 2023 corresponds to a score of 4 ('fully compliant') according to the Company's Internal Audit Quality Assurance and Improvement Programme.


The Internal Audit Department of the Company is responsible for methodological and operational support of the activities of the internal audit divisions of the Company's subsidiaries.

According to the results of the 2019 external independent assessment of the internal audit of the Rosseti Group, the Company's internal audit activities were assessed as 'generally compliant' with requirements of the International Professional Standards for Internal Auditing, Code of Ethics, Internal Audit Policy with recommendations issued to improve internal auditing process¹.

Approaches to the Evaluation of the Performance of Executive Bodies and Results of Such Evaluation in the Reporting Period²

The Company's corporate governance assessment methodology and procedure are defined in the Methodology for Corporate Governance Assessment in the Company approved by Company Order No. 116 dated 11 April 2019 (hereinafter referred to as the Assessment Methodology) and comply with the recommendations of the Bank of Russia and Rosimushchestvo. Answers to questions about the following corporate governance components — shareholder rights, the Board of Directors, executive management, transparency and disclosure, risk management, internal control and internal audit, corporate social responsibility, business ethics and compliance — are used to evaluate whether or not the components meet the requirements.

The Company's internal auditors conducted an annual corporate governance assessment in 2023. The internal auditor's report on assessment of corporate governance efficiency in the Company based on the results of the 2022/2023 corporate year was reviewed by the Company's Board of Directors on 28 December 2023 (Minutes No. 640 dated 28 December 2023).

 For more details on the results of the self-assessment of corporate governance quality, please see [the Corporate Governance System section](#)



— Which of the Company's internal auditing procedures may be deemed the best?

— In 2023, Rosseti started the trial run of the internal audit, control and risk management system, which is the centrepiece of our information environment. In addition to implementing internal audit features, this system automates a single procedure that combines internal control and risk management division activities. This enables us to conduct a comprehensive risk-oriented audit in a single information environment, including everything from risk identification to evaluation of the impact of putting recommendations based on control measure results into practice. Also, by integrating with an automated procurement system, a continuous audit function has been put into place.

Furthermore, the Rosseti Group expanded its 'end-to-end' auditing practice in 2023, and the restructuring also included companies from the former PJSC FGC UES Group.

— What key decisions were made at the Rosseti Group based on the results of the internal audit?

— In 2023, a end-to-end thematic audit of the installation of fiber-optic communication lines at power grid facilities, one of the key initiatives for securing non-tariff revenue streams, was completed. Consequently, strategic decisions were taken in order to streamline operations and redesign the entire business process. They are aimed, among other things, at increasing the level of the Rosseti Group's income, resolving disputes with external regulatory authorities, complying with the rules of non-discriminatory access to power grid facilities, and creating and developing a unified technological communications network for the power engineering sector.

Anton Ulyanov,
Director of Internal Audit — Head of Internal Audit Department

¹ Approved by the resolution of the Board of Directors of the Company dated 7 June 2023 (Minutes No. 620 dated 7 June 2023).

² Approved by the Board of Directors of the Company (Minutes No. 592 dated 20 October 2022).

³ Minutes of the Board of Directors No. 609 dated 3 March 2023.

¹ The results of an external independent assessment of the internal audit at PJSC Rosseti and its S&As were reviewed by the Audit Committee of the Board of Directors of PJSC Rosseti on 16 January 2020 (Minutes No. 113) and by the Company's Board of Directors on 2 April 2020 (Minutes No. 401).

² The information was prepared in line with the recommendations of PJSC Moscow Exchange on improving the information disclosure in the annual report of PJSC FGC UES for 2021 (letter No. TM/146/48 dated 12 January 2022).

External Audit

In order to independently assess the reliability of accounting (financial) statements, the Company annually engages an external auditor to audit IFRS and RAS statements. The candidature of the external auditor of the financial statements is approved by the Annual General Meeting of Shareholders of the Company. The selection of the candidate is based on competitive processes that guarantee an impartial process.

The Audit Committee regularly reviews the results of audits, the effectiveness of the external audit of statements and other aspects related to the interaction between the external auditor and the Company.

The results of the audit, the auditor's report and the effectiveness of the external audit process for the Company's 2022 financial statements were reviewed by the Audit Committee at the meeting held on 20 June 2023¹. The Audit Committee determined that the audit quality satisfies the Company's expectations and that the audit report and the procedures for communication between the Committee and the external auditor conform to regulatory requirements based on the findings of the assessment conducted using the methodology approved by the Committee. Based on the analysis's results, the Committee also made recommendations for raising the calibre of services and communications provided.

The results of the assessment of the effectiveness of the process of external audit of the Company's financial statements for 2023 will also be submitted to the Audit Committee for review.

In accordance with paragraph 4 of Article 5 of Federal Law No. 307-FZ dated 30 December 2008 "On Auditing Activities", the contract for the mandatory audit of the accounting (financial) statements of the organisation, in the authorised (share) capital of which the share of state ownership is at least 25%, is concluded following an open tender process in compliance with the guidelines set forth by Russian laws regarding the contract system for the procurement of goods, works, and services for state and municipal needs.

PJSC Rosseti's auditor was selected following an open tender process held by PJSC Rosseti in electronic form for the right to conclude a contract for the provision of services for the mandatory audit of RAS and IFRS financial statements of PJSC Rosseti for 2023 as provided for by Federal Law

No. 44-FZ dated 5 April 2013 "On the Contract System in Procurement of Goods, Work, and Services for State and Municipal Needs".

Auditor of the Company — JSC Technologies of Trust — Audit

Full company name: Joint Stock Company Technologies of Trust — Audit
 Abbreviated company name: JSC Technologies of Trust — Audit
 Address: Moscow
 TIN: 7705051102
 OGRN: 1027700148431

On 30 June 2023, the Annual General Meeting of Shareholders resolved to approve the auditing organisation, JSC Technologies of Trust — Audit, as the auditor of PJSC Rosseti (Minutes No. 29 dated 30 June 2023).

The Board of Directors of the Company² resolved to determine the amount of payment for the services of JSC Technologies of Trust — Audit, the auditor of PJSC Rosseti, for the assessment review of the interim condensed IFRS consolidated financial statements of the Rosseti Group for the three and six months ended 30 June 2023, the audit of the annual RAS accounting (financial) statements of PJSC Rosseti for 2023, audit of the annual IFRS accounting (financial) statements of PJSC Rosseti Group for 2023 to be equal to RUB 88,800,000 (Eighty-eight million eight hundred thousand) 00 kopecks, including VAT.

In accordance with the additional agreement to the contract for audit services for 2023, the auditor rendered services on review of the disclosed consolidated interim condensed financial statements for the three and six months ended 30 June 2023 and the revised disclosed consolidated interim condensed financial statements for the three and six months ended 30 June 2023; the fee amounted to RUB 3,600,000 (Three million six hundred thousand) 00 kopecks, including VAT.

The Auditor did not provide any non-audit or other consulting services to the Company in 2023.

Indicators	2019	2020	2021	2022	2023
Audit of financial statements under RAS and IFRS, RUB (VAT included)	22,175,308	22,175,308	37,730,133	39,147,900	92,400,000
Other services, RUB (VAT included)	Not rendered	Not rendered	Not rendered	Not rendered	Not rendered
Total	22,175,308	22,175,308	37,730,133	39,147,900	92,400,000

¹ Minutes of the meeting of the Audit Committee of the Board of Directors No. 156 dated 20 June 2023.

² Extract from the Minutes No. 619/10 dated 31 May 2023.

Adherence to Ethical Principles

Anti-Corruption

Understanding its major obligation to the public, regulators and authorities, the Rosseti Group enforces uniformly strict standards in the field of anti-corruption laws. These are systematic efforts enshrined in the Russian Federation's Strategy for the Development of the Power Grid Sector, which mandates that Rosseti oversee the anti-corruption efforts of all grid operators.

Companies in the Rosseti Group have joined the RUIE Anti-Corruption Charter of the Russian Business and are creating and putting into practice an array of organisational, elucidating and other measures to guarantee that employees abide by the rules, regulations and guidelines put in place to prevent corruption and standardise anti-corruption practices.

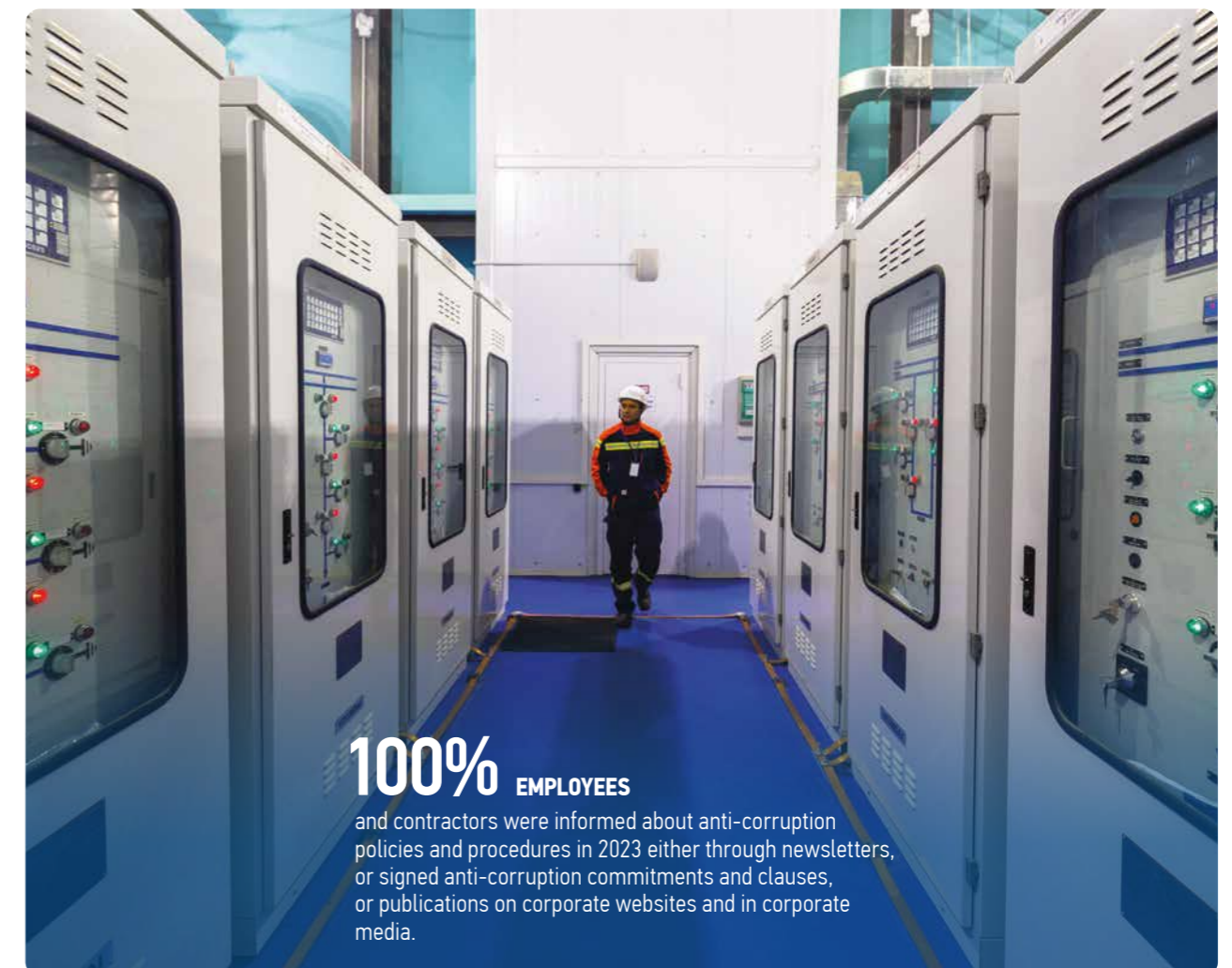
The Rosseti Group put in place a unified Anti-Corruption Policy¹, Code of Corporate Ethics and Conduct for Employees², Regulations on Prevention and Settlement of Conflicts

of Interest, Procedure for Receiving and Processing Complaints of Applicants on Possible Facts of Corruption Received through the Hotline, Anti-Corruption Standard and other local regulations on corruption prevention.

Power grid companies state unequivocally that they do not tolerate corruption of any kind. This means that managers, staff members and other individuals working for or on behalf of the companies — directly or indirectly, in person or through an intermediary — are not allowed to participate in corrupt activities.

Anti-corruption initiatives at the Rosseti Group are designed to lower the likelihood that the Company would suffer material or reputational harm as a result of corruption offences.

The provisions of the Anti-Corruption Policy and Code of Ethics apply to PJSC Rosseti's employees, business partners and counterparties, and other stakeholders by virtue of anti-corruption obligations and agreements.



¹ Approved by the resolution of the Board of Directors of the Company dated 7 June 2023 (Minutes No. 620 dated 7 June 2023).

² Approved by the resolution of the Company's Board of Directors, Minutes No. 372 dated 29 June 2017.

— What are the results of the implementation of the Anti-Corruption Policy at the Rosseti Group?

— Russia cannot thrive economically unless the business and the state work together to address challenges related to preventing corruption. Rosseti, as an organisation that is listed highly among those deemed strategically important to the economy, upholds the highest standards of business ethics and best practices.

A revised version of the Anti-Corruption Policy of PJSC Rosseti and its subsidiaries, which was approved by the Board of Directors in 2023, outlines a uniform approach for complying the Anti-Corruption Law's provisions¹. There is a concerted effort to stop and prevent corruption. PJSC Rosseti is to coordinate the activities of all grid operators in this area.

Having joined the RUIE Anti-Corruption Charter of the Russian Business, the Company voluntarily develops and puts into practice the organisational, elucidating and other measures to guarantee that employees abide by the rules, regulations and guidelines put in place to prevent corruption and standardise anti-corruption practices. The business community really appreciates the outcomes of our efforts. According to the President of the Russian Federation's directives regarding the National

Anti-Corruption Plan, the Rosseti Group's anti-corruption measures system received the highest grade of AAA+ and a top ranking in the fourth national Anti-Corruption Rating of Russian Business, which was conducted by the Russian Union of Industrialists and Entrepreneurs (RUIE) in September 2023. Independent experts evaluated 30 compliance criteria for the Rating, which involved over 70 companies.

Gaining the national rating is crucial to enhancing the Rosseti Group's standing in the eyes of the public, media, investors, partners, counterparties, government authorities at all levels, and members of the management team in the regions where the Group operates.

However, the efficacy of anti-corruption efforts hinges not only on the laws and policies put in place, but also on how honest and morally upright every employee is in their everyday dealings. Since the state is the Rosseti Group's controlling shareholder, we must work together to eradicate any chance of corruption among our employees.

Deputy General Director for Security

Management of Conflict of Interest

To mitigate the impact of employees' personal and private interests on their job duties, the Rosseti Group implements strategies to detect, avoid and settle conflicts of interest.

Pursuant to clause 2.4.5 of the Anti-Corruption Policy, PJSC Rosseti and its subsidiaries conduct an annual declaration of conflicts of interest.

Since 2017, the Rosseti Group has a separate subsystem in place for electronic declaration of conflicts of interest integrated with the unified information and analytical system for verifying legal entities and individuals of the Rosseti Group (UIAS Security) and the internal Automated System for Analysing and Collecting Information on Beneficiaries (AS ACIB).

In 2023, annual declarations of conflicts of interest covered 50,272 employees of PJSC Rosseti and 20 subsidiaries. As a result, 17 conflicts of interest and 46 pre-conflict situations were identified and resolved during 2023.

In 2023, the Central Commission of PJSC Rosseti for Corporate Ethics Compliance and Conflict of Interest Resolution and the commissions for Corporate Ethics Compliance and Conflict

of Interest Resolution of the Rosseti Group held more than 190 meetings with the participation of employees of the security unit. As a result, more than 170 pre-conflict situations were identified and resolved.

To identify any signs of affiliation, conflicts of interest, pre-conflict situations and completeness of the certificates, the 2022 statements on income, property, and property obligations of managers of PJSC Rosseti and its subsidiaries and their close relatives were screened, covering 396 declarants, including 55 managers of PJSC Rosseti and 341 managers of subsidiaries of PJSC Rosseti, and 1,551 close relatives of declarants.

Based on the results of the verification, no signs of affiliation, conflicts of interest, pre-conflict situations or other abuses were identified.

In the reporting period, 591 candidates for employment with the Company were screened (more than 29,510 candidates were screened across the Group as a whole), with four negative opinions given (non-compliance with qualification requirements, availability of compromising information). In general, more than 1,170 negative opinions were given across the Rosseti Group.

¹ Art. 13.3 of Federal Law No. 273-FZ dated 25 December 2008.



Anti-Corruption Control of Procurement Activities

The Rosseti Group has the AS ACIB in place, allowing it to confirm the reliability of data submitted by counterparties, and detect any sign of affiliation, conflicts of interest, pre-conflict situations and other abusive practices. With the disclosure of counterparties' ownership chain in 2023, the Rosseti Group was able to identify over 48,500 beneficiaries.

In 2023, the Rosseti Group audited more than 78,160 participants in the Rosseti Group's procurement procedures. Over 3,500 violations (such as conflict of interest, affiliation, price collusion, document falsification, and employee lobbying of participant interests) were found during screening activities. Appropriate action was taken for these violations, which included rejecting over 2,900 participants from procurement procedures.

According to the findings of the initial (maximum) price justification review, the Rosseti Group enjoyed resulting savings during procurement procedures initiated by subsidiaries' safety units totalled over RUB 1.69 billion.

Every anti-corruption compliance mechanism was put into place in keeping with the guidelines provided by PJSC Rosseti's 2023 Anti-Corruption Plan and the National 2021–2024 Anti-Corruption Plan¹. No criticism was received from regulatory agencies, and all directions were followed.

The Company makes sure to publicise its anti-corruption initiatives and actively collaborates with government authorities.

In 2023, the Rosseti took part in the Anti-Corruption Rating of Russian Business conducted as part of the National Anti-Corruption Plan approved by the Decree of the President of the Russian Federation.

According to the Rating Committee's decision, the Rosseti received the highest grade of AAA+ for the fourth year in a row, as well as retained its place among Russian top companies, which, as noted by the Russian Union of Industrialists and Entrepreneurs, the organiser of Rating 2023, "results from the strong focus of the Company's management on improving the corruption prevention and counteraction system".



In 2023, no confirmed cases of corruption and legal actions against the Company employees were revealed.

¹ Approved by Decree of the President of the Russian Federation No. 478 dated 16 August 2021.

Economic Activity Safety Measures

Anti-Terrorist and Anti-Crime Protection

The Company's anti-terrorism policy is in full compliance with the requirements of Federal Law No. 256-FZ dated 21 July 2011 "On the Safety of Fuel and Energy Facilities", the requirements of the Russian Federation Government Resolution No. 993 dated 19 September 2015 "On Approval of Requirements for Ensuring Security of Line Facilities of the Fuel and Energy Complex" and consists in organising and carrying out measures aimed at strengthening engineering and technical and anti-terrorist protection of the Company's facilities.

The facilities of the Company were sufficiently shielded from acts of unauthorised interference thanks to the organisational and planning measures taken during the reporting period.

Steps were made to strengthen the facility's defences against terrorism and sabotage, while also improving overall security given the operational environment.

These steps were completed with an eye towards developing new threats to power grid facilities and countermeasures against unfavourable outcomes.

Economic Resilience

As part of the actions taken in 2023 to safeguard the Company's economic interests:

- RUB 16,577 million in potential economic harm to the Company's interests was avoided
- In relation to 2,273 applications made to law enforcement, 542 criminal proceedings were instituted, with 63% of cases related to third-party theft of ferrous and non-ferrous metal products from power grid facilities and electrical equipment
- Measures were taken to recover overdue receivables for electricity transmission services on the basis of writs of enforcement, resulting in a total of RUB 7,139 million reimbursed

For more details on court work to recover receivables from counterparties and the results of this work for the reporting period, as well as on the amount of claims in pending litigation in which the Company acts as a plaintiff, and pending litigation in which the Company acts as a defendant, please see Appendix 8.



Antitrust

In order to counter antitrust law violations, the Company approved the Antitrust Policy in 2018 by resolution of the Board of Directors, which was aimed at ensuring the protection of the rights and legitimate interests of consumers, improving the quality of services and the level of internal efficiency, and implementing a risk-oriented approach in the management of the Company.

In connection with the Company's restructuring, the Antitrust Policy was updated and substantially improved, particularly with a view to creating a universal approach to the antitrust compliance system for the Rosseti Group.

PJSC Rosseti's Board of Directors approved the Antitrust Compliance Policy¹ of PJSC Rosseti as an internal document in order to reduce the likelihood of violations of Russian antitrust laws.

PJSC Rosseti also developed internal acts related to the Antitrust Compliance Policy such as:

- Antitrust risk assessment procedure
- Procedure for monitoring the antitrust compliance function
- Procedure for reviewing reports on antitrust compliance violations

Drafts of the Antitrust Compliance Policy of PJSC Rosseti and related organisational & administrative documents were reviewed by the FAS Russia in December 2023 and found to be in compliance with the requirements of antitrust law.

PJSC Rosseti's antitrust compliance policy is aimed at:

- Making sure that the Company complies with antitrust legislation and developing measures to prevent its violation
- Detecting and curtailing antitrust law violations in the Company's activities
- Ensuring compliance by the subjects of the antitrust compliance system with the requirements of antitrust laws and internal documents in the area of antitrust compliance
- Providing an information environment for effective antitrust risk management and decision-making in the area of antitrust compliance

The Antitrust Compliance Policy of PJSC Rosseti is a standard company standard, and all workers of the Company are accountable for adhering to its terms.

The by-laws intended to advance the antitrust compliance system are scheduled for approval and updates in 2024.



— In what ways does the Rosseti Group apply its antitrust policy?

— The potential for breaking antitrust laws is constantly assessed, and corrective and preventive actions are created to lessen the risk. In addition, we collaborate with the FAS of Russia on all significant matters.

The restructuring made it necessary for PJSC Rosseti to amend its Antitrust Compliance Policy. The Legal Department has developed the relevant draft document, as well as related by-laws: antitrust risk assessment procedure, procedure for monitoring the antitrust compliance function and procedure for reviewing reports on antitrust compliance violations.

Drafts of PJSC Rosseti's Antitrust Compliance Policy and related by-laws were submitted to the Federal Antitrust Service of Russia to determine compliance with antitrust legislation. After review, the FAS concluded that the drafts were compliant. In early 2024, the Policy was approved² by the Board of Directors of the Company.

Daniil Krainskiy,
Deputy General Director for Legal Support

Results of 2023

The objective of the antitrust compliance in 2023 was to introduce and integrate antitrust enforcement procedures into the business activities of the Company.



Due to the actual measures adopted to put the Antitrust Policy into practice, only a small portion of applications submitted to the antitrust authority were found to be legitimate. Thus, 44% of all appeals and complaints filed by applicants against the actions of PJSC Rosseti with FAS of Russia (territorial bodies) in 2023 were recognised as justified.

2023 recorded a decrease in the number of resolutions issued by the antitrust authority to hold the Company administratively liable for procurement law violations. This can be explained by the fact that, in 58% of cases, in the course of reviewing the applications of procurement participants, the complaints were recognised as unjustified following the receipt of the Company's legal reasoning and the participation of representatives from the legal and profile blocks.

The risk of antitrust law violations is monitored in order to reduce antitrust risks and coordinate the operations of PJSC Rosseti's subsidiaries and branches with regard to compliance with the requirements of the Russian Federation's antitrust legislation.

The Legal Department coordinates the Company's business units to prevent violations of antitrust laws, reviews and drafts appeals to executive authorities, and consults employees of PJSC Rosseti on the organisation of the Company's procurement activities and the application of Law No. 223-FZ, as well as on matters related to the performance of core activities.

The Company conducts antitrust compliance training for its employees. In May 2023, the Legal Department organised an event as part of the Knowledge Day dedicated to the interaction with antitrust authorities in cases where grid operators are held liable under Article 9.21 of the Code of Administrative Offences of the Russian Federation. In 2023, employees of the Legal Department took part in the Corporate Procurement conference (223-FZ).

¹ Minutes No. 644 dated 27 February 2024.

² The resolution was adopted by the Board of Directors of PJSC Rosseti on 26 February 2024 (extract from Minutes No. 644/3 dated 27 February 2024).

Information for Shareholders and Investors

Share Capital

As of 31 December 2023, the authorised capital of PJSC Rosseti amounted to RUB 1,056,730,050,738.50 and consisted of 2,113,460,101,477 ordinary shares with a par value of 50 kopecks each. The Articles of Association of PJSC Rosseti in force as of 31 December 2023 also provided for declared shares in the amount of 240,890,189,234 ordinary shares with a par value of 50 kopecks each with a total par value of RUB 120,445,094,617.00.

The Company did not place preferred shares.

Information on the placed issues of shares is available on the website www.rosseti.ru in the "Shareholders and Investors / Share Capital / Information on Issues of Shares" section

Information on Placement of Additional Shares by the Company

The Annual General Meeting of Shareholders of the Company held on 30 June 2023 (Minutes No. 29 dated 30 June 2023) resolved to increase the Company's authorised capital by placing additional privately-traded shares in favour of the Russian Federation represented by the Federal Agency for State Property Management.

Parameters of additional share issue

State registration number of the additional issue of shares	1-01-65018-D-109D
Date of state registration	21.08.2023
Placement method	Private offering
Potential purchasers of securities	Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo)
Number of shares to be placed	240,890,189,234
Offering price	50 kopecks for 1 additional ordinary share

Procedure to determine the placement cutoff date

Number of placed securities of the additional issue: 240,890,189,234.

The price for the placement of additional ordinary shares (including when exercising the pre-emptive right to acquire additional ordinary shares) was determined by the Board of Directors of PJSC Rosseti in accordance with Articles 36 and 77 of Federal Law No. 208-FZ "On Joint Stock Companies" dated 26 December 1995 in the amount of 50 kopecks per 1 additional ordinary share.

Form of payment for additional shares: monetary funds in Russian roubles in non-cash form and/or non-monetary funds:

- Ordinary shares of Joint Stock Company Regional Power Grids (RES) (OGRN 1045402509437)
- Ordinary and preference shares of type A of Joint Stock Company Electromagistral (OGRN 1115476076715)
- Ordinary shares of Joint Stock Company Energetik (OGRN 1225400005368)
- Movable and immovable property — power grid facilities located in the Republic of Crimea, Krasnoyarsk Territory, Irkutsk Region, Maykop District of the Republic of Adygeya, Kola District of Murmansk Region, as well as property that is their integral technological part or is related to their operation and maintenance

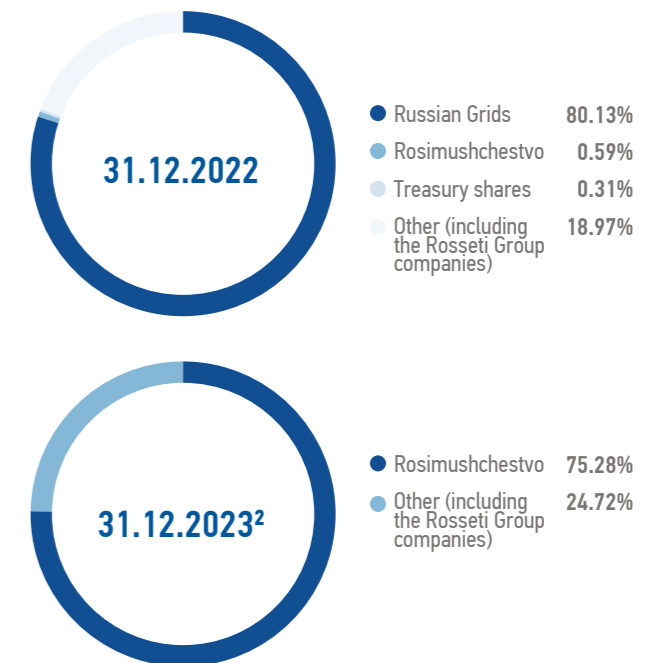
Shareholders who voted against or did not take part in the voting on the private offering of additional shares of the Company at the Annual General Meeting of Shareholders exercised their pre-emptive right to acquire the additional shares to be placed. Total number of shares placed under the pre-emptive right: 2,684,996.

To pay for the additional shares, the State put 92,519,161 ordinary shares of JSC RES for a total value of RUB 9,141,000,000 7,238,117 ordinary and 2,223,621 preference shares of JSC Electromagistral for a total value of RUB 1,003,000,000 and 107,667 ordinary shares of JSC Energetik for a total value of RUB 445,000,000 as well as RUB 1,294,025,600 in cash. As a result, the Russian Federation represented by Rosimushchestvo placed 23,766,051,200 Rosseti's ordinary shares of additional issue, totalling RUB 11,883,025,600.

Thus, the number of placed ordinary shares of PJSC Rosseti, including shares of additional issue, as of 31 December 2023 was 2,137,228,837,837,673.

Company's Equity Holding Structure

Restructuring of PJSC Rosseti completed on 9 January 2023 through the merger of Public Joint Stock Company Russian Power Grids, JSC DVEUK — UNPG, OJSC Tomsk Main Power Grids and JSC Kuban Main Power Grids. Share structure at the end of the restructuring and at the end of the reporting year¹ is given below:



Information on the Company's shareholders³

Indicators	At 31.12.2023			
	Accounts		Shares	
	Number	Percentage, %	Number	Percentage, %
Individuals ⁴	925,677	99.71	134,841,056,523	6.31
Legal entities, including:	2,702	0.29	1,977,984,234,125	92.55
• Russian Federation	2		1,608,862,150,927	75.28
• trustees	95	0.01	16,686,318,170	0.78

¹ Structure as of 31 December 2023, including placed shares of additional issue 1-01-65018-D-109D.

² Including additionally issued shares.

³ Excluding shares on accounts of nominee holders who did not provide information on their clients.

⁴ Including joint ownership accounts.

Share Structure of PJSC Rosseti¹

Ownership range

At 31.12.2023

	Accounts of holders and trustees		Number of ordinary shares in the accounts	
	Number	Percentage, %	Number	Percentage, %
Less than 0.01%	928,225	99.9833	121,301,563,420	5.68
0.01% – 0.05%	107	0.0115	46,411,817,728	2.17
0.05% – 0.1%	18	0.0019	25,322,253,759	1.18
0.1% – 0.5%	25	0.0027	122,568,685,335	5.73
0.5% – 1.0%	2	0.0002	28,714,706,754	1.34
1.0% – 2.0%	1	0.0001	26,709,536,416	1.25
More than 2.0%	2	0.0002	1,741,870,283,532	81.50

As of the end of the reporting period (31 December 2023), the largest shareholder of the Company is the Russian Federation represented by Rosimushchestvo, which holds 75.277954% of the Company's shares, including outstanding shares of the additional issue.

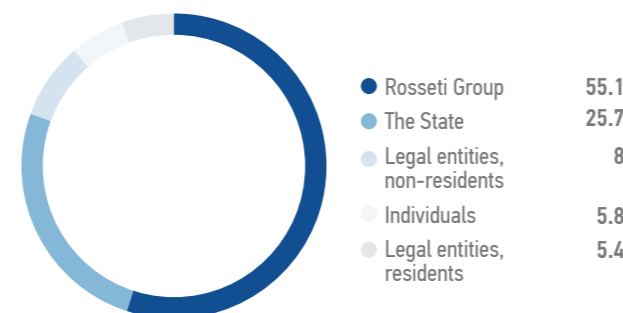
PJSC Rosseti is unaware of any potential for certain shareholders to acquire control or that certain shareholders have acquired a degree of control that is out of proportion to their ownership stake in the Company's authorised capital, even if that control is acquired through shareholder agreements.

Share Structure of Subsidiaries

Information on shareholdings of the major shareholder groups of PJSC Rosseti and its subsidiaries traded on the Moscow Exchange as of 31 December 2023, %

Issuer	State (including subject of the Russian Federation, municipal district)	Rosseti, group	Legal entities, residents	Legal entities, non-residents	Individuals
	%, Bank of Russia	%, Bank of Russia	%, Bank of Russia	%, Bank of Russia	%, Bank of Russia
Rosseti	75.29	6.57	3.52	7.16	6.31
Rosseti Moscow Region		50.90	41.15	0.42	7.03
Rosseti Lenenergo	28.80	69.36	0.06	0.25	1.39
Rosseti Centre	<0.01	50.69	4.16	27.32	16.78
Rosseti Centre and Volga Region	<0.01	50.41	2.09	30.41	16.29
Rosseti Volga		68.47	4.44	12.51	14.03
Rosseti Ural	<0.01	55.23	28.81	7.33	7.95
Rosseti Siberia	<0.01	57.90	0.19	39.05	2.49
Rosseti North-West	<0.01	55.38	1.06	22.49	20.18
Rosseti Northern Caucasus	0.01	99.76	0.02	0.00	0.20
Rosseti South		84.16	1.75	8.16	5.00
Rosseti Kuban	<0.01	99.72	0.01	0.01	0.26
Tomsk Distribution Company	<0.01	86.40	2.48	1.00	9.92

Investments of major shareholder groups in the total capitalisation of all power grid companies of the Group traded on the Moscow Exchange, %



¹ Excluding shares on accounts of nominee holders who did not provide information on their clients.

Circulation of securities

Exchanges the Company's shares are traded on

Moscow Exchange
ticker: FEES
Quotation list: first



SPB Exchange
ticker: FEES
Unlisted part of the list

Weight of PJSC Rosseti shares in Russian stock indices as of 31 December 2023

Index name	Code	Weight, %
Stock indices		
MICEX Index	IMOEX	0.46
RTS Index	RTSI	
MICEX Index for the whole trading day	IMOEX2	0.45
MICEX Index — active management	IMOEXW	0.6
Electric utilities index	MOEXEU	14.21
Electric utilities index in USD	RTSEU	
Index for mid- and small-cap stocks	MCXSM	3.53
Index for mid- and small-cap stocks in USD	RTSSM	
Broad market index	MOEXBMI	0.38
Broad market index in USD	RUBMI	
Index of shares of companies with state participation	MOEX SCI	0.92
Regulated company index	MOEX RCI	16.72
Subindex of shares of pension savings assets	EPSI	0.4
MosExchange indices — RUIE ESG		
Russian issuers sustainable development vector index	MRSVR	5.22
Sustainable development vector index	MRSV	4.76
Responsibility and transparency index	MRRT	0.43

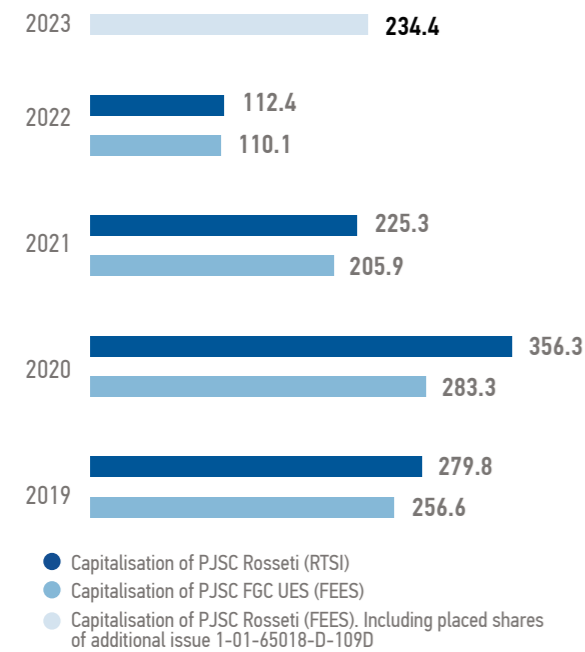
Trading results for PJSC FGC UES (FEES) on the Moscow Exchange in 2019–2022

Year	Closing price, RUB/share	Min, RUB/share	Max, RUB/share	Amount, shares	Capitalisation, RUB bln
2019	0.20064	0.14700	0.20980	288,508,910,000	256.6
2020	0.22210	0.13636	0.24322	681,144,190,000	283.3
2021	0.16706	0.15934	0.23116	357,636,820,000	205.9
2022	0.08638	0.07486	0.16998	298,033,946,254	110.1

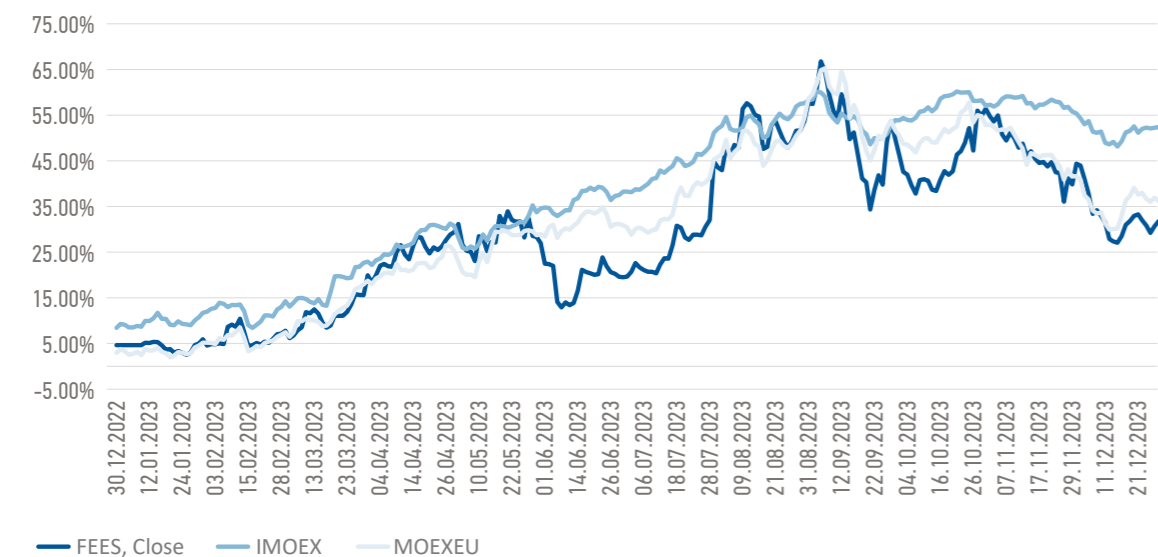
Trading results of PJSC Rosseti's shares (FEES) on the Moscow Exchange in 2023

Period	Closing price, RUB/share	Min, RUB/share	Max, RUB/share	Amount, shares	Capitalisation, RUB bln
1Q 2023	0.0982	0.08482	0.0996	70,857,720,809	207.5
2Q 2023	0.09934	0.09354	0.11172	179,573,681,054	209.9
3Q 2023	0.12548	0.09998	0.14006	339,484,885,536	265.2
4Q 2023	0.10968	0.1311	0.10576	252,321,278,029	234.4

Dynamic pattern of the Company's market capitalisation in 2019–2023, RUB bln



Dynamic pattern of the closing price of PJSC Rosseti's shares, MosExchange and MoexEU indices in 2023



Dividend Policy

The dividend policy of PJSC Rosseti¹ is founded on the rigorous observance of shareholders' rights as outlined by Russian Federation laws. It is centred on the Company's concurrent strategic development, enhancement of its investment appeal and growth in market capitalisation. The decision of the General Meeting of Shareholders of PJSC Rosseti on the payment of dividends shall be made in line with the recommendations of the Board of Directors of PJSC Rosseti on the basis of its financial results of the Company, including those derived from the consolidated IFRS financial statements.

The Annual General Meeting of Shareholders of the Company held on 30 June 2023² resolved not to pay 2022 dividends on PJSC Rosseti's ordinary shares due to the need to finance the Company's Investment Programme.

The Annual General Meeting of Shareholders of the Company decided not to pay dividends on ordinary shares of PJSC Rosseti based on the results of 2022 due to the need to finance the Company's investment programme.

Dividend history of the Company for 2019–2023

Indicators	2019 (for 2018)	2019 (for 9M 2019)	2020 (for 2019)	2021 (for 2020)	2022 (for 2021)	2023 (for 2022)
Total dividends, RUB mln	20,449.4	11,229.3	12,102.1	20,564.0		
Dividend per share, RUB	0.016042926012	0.00880960765	0.009494338212	0.016132865449		
Dividends, % of net income under RAS	50% (of adjusted net income under RAS)	–	50% (of adjusted net income under RAS)	50% (of adjusted net income under RAS)	At the Annual General Meeting of Shareholders of the Company held on 28.06.2022, it was resolved not to pay dividends on the Company's ordinary shares at the end of 2021	At the Annual General Meeting of Shareholders of the Company held on 30.06.2023, it was resolved not to pay dividends on the Company's ordinary shares at the end of 2022
Declaration date	26.06.2019	30.12.2019	15.05.2020	29.06.2021		
Date of actual payout	30.07.2019 ²	27.01.2020 ⁴	15.06.2020 ⁴	30.07.2021 ⁴		
End date of the 3-year dividend payout period	20.08.2019 ³	17.02.2020 ⁴	06.07.2020 ⁴	20.08.2021 ⁴		
Balance of unpaid dividends ⁵		0	0	61.64		

(as of 31.12.2023), RUB mln

Following the completed restructuring of the Company in the form of a merger with Public Joint Stock Company Russian Power Grids, OJSC Tomsk Main Power Grids, JSC Kuban Main Power Grids, and JSC DVEUK — UNPG, the obligations

to pay dividends were transferred to the Company within three (3) years from the date of the decision to pay dividends of Public Joint Stock Company Russian Power Grids and OJSC Tomsk Main Power Grids.

¹ Approved by the resolution of the Board of Directors of PJSC FGC UES on 28 May 2018 (Minutes No. 406 dated 30 May 2018).

² Minutes of the Annual General Meeting of Shareholders No. 29 dated 30 June 2023.

³ To nominees and trustees.

⁴ To other persons listed in the Company's shareholder register.

⁵ Dividends were paid in full to all persons listed in the Company's shareholder register, except for persons who failed to timely inform the Company's shareholder register holder of any changes in their data, as well as those for whom the shareholder register contains inaccurate information regarding dividend payment.

Obligations to pay dividends of Public Joint Stock Company Russian Power Grids for 2021

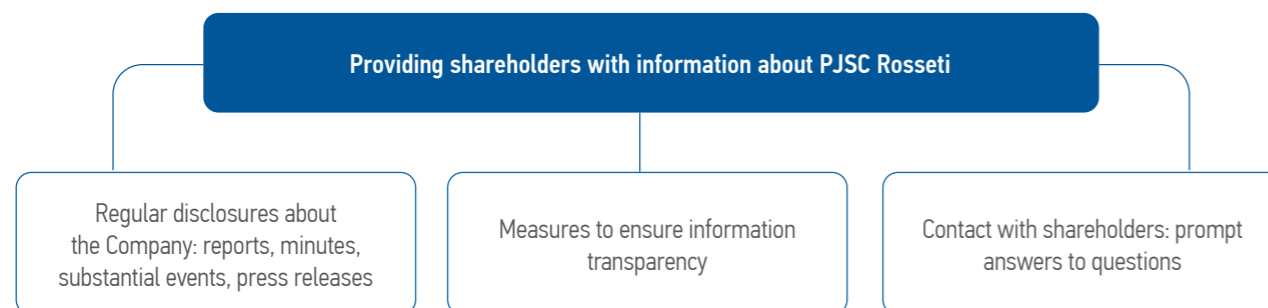
Indicators	Share type		2021 (for 2020)	2022 (for 2021)
	ordinary	preference		
Total dividends, RUB mln	4,877.93	122.07	5,000.00	
Dividend per share, RUB	0.024533417	0.058826169	—	
Dividends, % of net income under RAS	16.92 (of adjusted net income under RAS)			
Declaration date	30.06.2021			
Date of actual payout	30.07.2021 ¹ , 23.08.2021 ²			
End date of the 3-year dividend payout period	30.06.2024			
Balance of unpaid dividends ³ (as of 31.12.2023), RUB mln	5.34	4.6	9.94	

At the Annual General Meeting of Shareholders of the Company held on 30.06.2022, it was resolved not to pay dividends on the Company's ordinary and preference shares at the end of 2021

Obligations to pay dividends to OJSC Tomsk Main Power Grids for 2021 and 2022

Indicators	Share type		2021 (for 2020)	Share type		2022 (for 2021)
	ordinary	preference		ordinary	preference	
Total dividends, RUB mln	9.463	2.514	11.977	16.508	2.492	19.001
Dividend per share, RUB	0.002477689776	0.004359234049	—	0.00432233	0.00432233	—
Dividends, % of net income under RAS	25 (of adjusted net income under RAS)			50% (of adjusted net income under RAS)		
Declaration date	25.06.2021			29.06.2022		
Date of actual payout	23.07.2021 ¹ , 13.08.2021 ²			27.07.2022 ¹ , 17.08.2022 ²		
End date of the 3-year dividend payout period	25.06.2024			29.06.2025		
Balance of unpaid dividends ³ (as of 31.12.2023), RUB mln	0	0.275	0.275	0	0.428	0.428

Shareholder and Investor Relations



¹ To nominees and trustees.
² To other persons listed in the Company's shareholder register.
³ Dividends were paid in full to all persons listed in the Company's shareholder register, except for persons who failed to timely inform the Company's shareholder register holder of any changes in their data, as well as those for whom the shareholder register contains inaccurate information regarding dividend payment.



PJSC Rosseti ensures regular, prompt, accessible and reliable disclosure of information to all stakeholders, including shareholders and investors.

The Company pays special attention to responses to shareholders' requests on the following issues:

- Receipt of dividends
- Inheritance registration
- Amendments to the shareholder register
- Transactions in securities
- Other issues related to exercise of rights for securities

To create comfortable conditions for shareholders to exercise their rights related to timely receipt of complete and accurate information about the Company, the Company organised several forms of shareholder communication, namely, submitting requests through the call centre and (or) forum for shareholders on the website, sending mails or e-messages to the Company's email address. The Company's shareholders can receive advice not only by calling the number of Rosseti's unified information centre, but also via the hotline for shareholders organised by JSC STATUS, a registrar of the Company.

¹ Shareholder's account on the website of JSC STATUS, the Company's registrar (<https://online.rostatus.ru/>).

Shareholder's Account

The Company offers a convenient and secure information service for shareholders' participation in corporate actions of the Company and interaction with JSC STATUS, the Company's registrar, — "STATUS Online. Shareholder's Account", which allows:

- To obtain information on the personal account in the shareholder register on the number of shares held
- To make changes to the data of the personal account in the shareholder register, including changes in passport data, address of residence, and dividend reception method
- To request extracts from the shareholder register to confirm the ownership of shares
- To obtain information on accrued and paid dividends
- To familiarise yourself with the materials for shareholders' meetings

To access the Shareholder's Account it is necessary to receive login and password from JSC STATUS, the Company's registrar, either in service offices or authorise via the Gosusgoservices portal or the Sberbank Online service.

Information on the Shareholder's Account access procedure is available in JSC STATUS. For all questions regarding access to the Shareholder's Account, shareholders may contact JSC STATUS's Contact Centre by phone +7 (495) 280-04-87, office@rostatus.ru.

Answers to frequently asked questions are published on the Company's website <https://www.rosseti.ru> in the [Headline / Shareholders and Investors / Shareholder Information / Frequently Asked Questions section](#)

For Shareholders section on the Company's website

<https://www.rosseti.ru/shareholders-and-investors/>



Contacts for Shareholders
 Corporate Governance Department,

Disclosure Office

info@fsk-ees.ru

Phone: +7 (800) 200 18 81, ext. 2142, 3413

FINANCIAL REPORT

STAYING SUSTAINABLE

161.3 RUB BLN

NET PROFIT OF THE ROSSETI GROUP

1,378.7 RUB BLN

REVENUE OF THE ROSSETI GROUP

528.2 RUB BLN

EBITDA OF THE ROSSETI GROUP

Public Joint-Stock Company “Federal Grid Company – Rosseti” Consolidated Financial Statements prepared in accordance with IFRS® accounting standards for the year ended 31 December 2023 with Independent Auditor’s Report



Joint-Stock Company
“Technologies of Trust – Audit”
 (“Technologies of Trust – Audit” JSC)

Ferro-Plaza Business Centre,
14/3 Krzhizhanovsky street, bldg. 5/1,
Akademichesky municipal district,
Moscow, Russian Federation, 117218

www.tedo.ru

T: +7 495 967 60 00

Independent Auditor’s Report

To the Shareholders and Board of Directors of PUBLIC JOINT-STOCK COMPANY «Federal Grid Company – ROSSETI»:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of PUBLIC JOINT-STOCK COMPANY «Federal Grid Company – ROSSETI» and its subsidiaries (together – the “Group”) as at 31 December 2023, and the Group’s consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor’s Professional Ethics Code and Auditor’s Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of property, plant and equipment</p> <p>See Notes 2 (f), 3 (d) and 14 to the consolidated financial statements.</p> <p>As at 31 December 2023, the Group's carrying amount of property, plant and equipment was RUB 2,651,474 million. This is the most significant asset on the Group's balance sheet, comprising 81% of the total assets.</p> <p>The Group management analysed the Group's financial performance, industry outlook, operational plans, and assessed whether there are indicators of impairment of property, plant and equipment or potential reversal of previously recognised impairment losses for each cash generating unit. For cash generating units where such indications were identified, management assessed the recoverable amount of property, plant and equipment.</p> <p>As a result of management's impairment test, the Group accrued a net impairment loss of RUB 115,123 million in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.</p> <p>The impairment test is sensitive to reasonably possible changes in assumptions. The most significant assumptions relate to the discount rate applied, along with the assumptions supporting the relevant forecast cash flows.</p> <p>We focused on assessing the impairment of property, plant and equipment as this process is complicated, involves significant management's judgement, and is based on assumptions that are affected by projected market and economic conditions that are inherently uncertain.</p>	<p>Our audit procedures related to the management's assessment of the impairment of property, plant and equipment included:</p> <ul style="list-style-type: none"> • evaluation of the approaches used by the Group management to assess recoverable amount; • examination, on a sample basis, of key assumptions used in financial models and whether they are in line with approved budgets and business plans, available and reliable external information (including macroeconomic forecasts, information on regulated prices for electricity transmission services, etc.) and our industry-specific expertise; • examination, on a sample basis, of accuracy and relevance of inputs that management incorporated in the financial models for assessing the impairment of property, plant and equipment; • examination, on a sample basis, of mathematical accuracy of financial models; • obtaining and reviewing management's written representations related to their assessment of recoverable value of property, plant and equipment. <p>Acceptability of management's current estimates regarding impairment of property, plant and equipment for the purpose of preparing the consolidated financial statements for the year ended 31 December 2023, does not guarantee that future events that are inherently uncertain would not lead to a significant change in these estimates.</p> <p>In addition, we assessed the compliance of disclosures in the notes to the consolidated financial statements with the requirements of IAS 36 "Impairment of Assets".</p>

Key audit matter	How our audit addressed the key audit matter
<p>Recognition and measurement of revenue from electricity transmission</p> <p>See Notes 3 (o) and 8 to the consolidated financial statements.</p> <p>The electricity market in Russia operates based on specific industry mechanisms, that may lead to disputes between power grid companies, retail energy sales companies and other entities regarding the volume and cost of transmitted electricity. The amount of revenue disputed by counterparties may be significant for the Group's consolidated financial statements. The Group management assessment of probability of any dispute being resolved in favour of the Group includes significant judgment.</p> <p>We focused on revenue from electricity transmission because potential disputes with counterparties may be significant and the assessment of such disputes involves significant management's judgement.</p>	<p>Our audit procedures related to revenue from electricity transmission included:</p> <ul style="list-style-type: none"> • obtaining understanding of the Group's internal control system; • review of the accounting policy applied by the Group; • examination, on a sample basis, of primary documents, including acts on rendering of services, on accounting entries related to revenue from electricity transmission; • factor analysis of changes in revenue from electricity transmission from the comparative period; • confirmation, on a sample basis, of accounts receivable balances by sending confirmation letters to counterparties; • analysis of court cases involving certain Group companies to identify any revenue disputed by counterparties.
<p>Assessment of expected credit losses in respect of short-term trade receivables</p> <p>See Notes 3 (c), 20 and 32 to the consolidated financial statements.</p> <p>As at 31 December 2023, the carrying amount of the Group's short-term trade receivables was RUB 111,328 million (RUB 207,108 million less the expected credit loss allowance of RUB 95,780 million). Thus, at 31 December 2023 the allowance for expected credit losses is significant and accounts for 46% of gross short-term trade receivables.</p> <p>In accordance with the requirements of IFRS 9 "Financial Instruments", the Group management assesses expected credit losses associated with short-term trade receivables and recognises expected credit loss allowance at each reporting date. The estimate of expected credit losses is a probability-weighted amount determined by evaluating the range of possible outcomes and reflects all reasonable and supportable information about past events, current conditions and forecasts of future economic conditions available at the reporting date. The degree of accuracy of management's estimate will be confirmed or rebutted depending on the future developments that are inherently uncertain.</p>	<p>Our audit procedures related to management's assessment of expected credit losses in relation to short-term trade receivables included:</p> <ul style="list-style-type: none"> • evaluation of approaches used by the Group management to assess expected credit losses in relation to short-term trade receivables; • examination, on a sample basis, of the ageing of short-term trade receivables to confirm the duration of overdue payment period; • analysis of trade accounts receivable payments, on a sample basis. <p>Acceptability of management's current estimates regarding the expected credit losses on short-term trade receivables for the purpose of preparing the consolidated financial statements for the year ended 31 December 2023, does not guarantee that future events that are inherently uncertain would not lead to a significant change in these estimates.</p> <p>In addition, we assessed the compliance of the disclosures in notes to the consolidated financial statements with the requirements of IFRS 7 "Financial Instruments: Disclosures".</p>

Key audit matter	How our audit addressed the key audit matter
<p>We focused on assessing the allowance for expected credit losses on short-term trade receivables as the estimation process requires significant management's judgments and the amount of the allowance is significant.</p>	
<p>Measurement of provisions and contingent liabilities</p> <p>See Notes 3 (m), 31 and 34 to the consolidated financial statements.</p> <p>As at 31 December 2023, the Group companies are involved in a number of legal proceedings. The potential amount of any provision to be recorded among the Group's liabilities and contingent liability to be disclosed in the notes to the consolidated financial statements, is dependent, among other matters, on the Group management's assessment of the likelihood of an unfavorable outcome in each legal proceeding. In addition, the matter under consideration includes the need to assess the impact of the potential outcomes of litigations on the Group's consolidated financial statements.</p> <p>We focused on provisions and contingent liabilities as the evaluation process involves the use of significant judgments by the Group management.</p>	<p>Our audit procedures related to management's assessment of the amount of provisions and contingent liabilities included:</p> <ul style="list-style-type: none"> analysis of decisions made by courts of various instances on certain claims involving Group companies; reviewing the judgments of the Group management and the arguments made by management in assessing the likelihood of an outflow of economic resources due to the resolution of legal proceedings; obtaining and reviewing written representations of management and Group's legal staff related to assessment of provisions and contingent liabilities.

Other information

Management is responsible for the other information. The other information comprises the Annual Report of PUBLIC JOINT-STOCK COMPANY «Federal Grid Company – ROSSETI» for 2023 and Securities Issuer's Report for 2023 (but does not include the consolidated financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report of PUBLIC JOINT-STOCK COMPANY «Federal Grid Company – ROSSETI» for 2023 and Securities Issuer's Report for 2023, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the [consolidated] financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



www.tedo.ru

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report is Sirovinskaya Tatiana Viktorovna.

28 March 2024

Moscow, Russian Federation



Sirovinskaya Tatiana Viktorovna is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906105478)

Consolidated statement of profit or loss and other comprehensive income

(in millions of Russian roubles unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Revenue	8	1,378,679	1,181,518
Operating expenses	10	(1,110,874)	(993,393)
Accrual of allowance for expected credit losses	32	(13,268)	(8,687)
Accrual of impairment loss on property, plant and equipment, intangible assets and right-of-use assets, net	14,15,16	(115,922)	(30,085)
Other income	9	86,483	34,917
Other expenses	9	(2,814)	(2,263)
Operating profit		222,284	182,007
Finance income	12	31,971	27,196
Finance costs	12	(39,983)	(36,860)
Total finance costs		(8,012)	(9,664)
Share of profit of associates and joint ventures		713	161
Profit before income tax		214,985	172,504
Income tax expense	13	(52,020)	(39,679)
Windfall income tax expense	13	(1,644)	–
Total income tax expenses		(53,664)	(39,679)
Profit for the period		161,321	132,825
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference		1,041	(292)
Total items that may be reclassified subsequently to profit or loss		1,041	(292)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income		5,692	(7,921)
Remeasurements of the defined benefit liability	27	2,319	571
Income tax on other comprehensive income/(loss)	13	(1,036)	1,062
Total items that will not be reclassified subsequently to profit or loss		6,975	(6,288)
Other comprehensive profit/(loss) for the period, net of income tax		8,016	(6,580)
Total comprehensive income for the period		169,337	126,245
Profit attributable to:			
Owners of the Company		126,020	101,173
Non-controlling interest	6	35,301	31,652
Total comprehensive income attributable to:		161,321	132,825
Owners of the Company		133,475	95,889
Non-controlling interest		35,862	30,356
Earnings per share			
Basic and diluted earnings per share (in RUB)	24	0.06	0.06

These consolidated financial statements were approved by management on 28 March 2024 and were signed by authorized persons.

Consolidated statement of financial position

(in millions of Russian roubles unless otherwise stated)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,651,474	2,306,995
Intangible assets	15	28,642	23,373
Right-of-use assets	16	36,710	38,902
Investments in associates and joint ventures		3,468	1,651
Trade and other receivables	20	45,146	58,597
Assets related to employee benefits plans	27	6,002	5,676
Other non-current financial assets	17	42,886	66,709
Deferred tax assets	18	7,585	8,669
Advances issued and other non-current assets	21	15,861	7,656
Total non-current assets		2,837,774	2,518,228
Current assets			
Inventories	19	51,372	45,262
Other current financial assets	17	32,751	20,658
Current income tax prepayments		3,522	3,342
Windfall income tax security payment	13	1,646	–
Trade and other receivables	20	124,979	141,349
Cash and cash equivalents	22	166,115	128,264
Advances issued and other current assets	21	66,652	67,166
		447,037	406,041
Assets of disposal group classified as held for sale	36	5,991	–
Total current assets		453,028	406,041
Total assets		3,290,802	2,924,269

Consolidated statement of financial position

(in millions of Russian roubles unless otherwise stated)

	Notes	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	23	1,056,730	200,903
Share premium	23	10,501	213,098
Treasury shares	23	(39,914)	(1,142)
Reserves	23	20,095	8,980
Retained earnings	23	516,697	775,827
Total equity attributable to owners of the Company		1,564,109	1,197,666
Non-controlling interests	6	287,807	409,586
Total equity		1,851,916	1,607,252
Non-current liabilities			
Non-current borrowings	25	512,929	465,214
Non-current trade and other payables	28	28,088	43,018
Non-current advances received	30	109,065	47,523
Employee benefit liabilities	27	26,609	27,178
Deferred tax liabilities	18	85,952	74,126
Total non-current liabilities		762,643	657,059
Current liabilities			
Accounts payable on issued shares	23	89,637	–
Current borrowings and current portion of non-current borrowings	25	133,620	184,081
Trade and other payables	28	219,894	266,101
Taxes other than income tax	29	30,301	38,641
Advances received	30	148,176	125,783
Provisions	31	40,909	41,800
Current income tax liabilities		8,898	3,552
Windfall income tax payable	13	1,644	–
		673,079	659,958
Liabilities of disposal group classified as held for sale	36	3,164	–
Total current liabilities		676,243	659,958
Total liabilities		1,438,886	1,317,017
Total equity and liabilities		3,290,802	2,924,269

Consolidated statement of cash flows

(in millions of Russian roubles unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		161,321	132,825
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use-assets, amortization of intangible assets	10	161,944	150,367
Accrual of impairment loss on property, plant and equipment, intangible assets and right-of-use assets, net	14, 15, 16	115,922	30,085
Finance costs	12	39,983	36,860
Finance income	12	(31,971)	(27,196)
Income from disposal of property, plant and equipment from sales operations (sales)	9	(914)	(909)
Loss on disposal of property, plant and equipment	9	2,814	2,263
Share of profit of associates and joint ventures		(713)	(161)
Allowance for expected credit losses	32	13,268	8,687
Accounts payable write-off		(2,074)	(2,159)
Accrual of provisions	10	10,792	4,024
Non-cash income on compensation of losses in connection with retirement / liquidation of electric grid assets		(13,746)	(3,969)
Non-cash settlements under technological connection agreements		(1,210)	(1,192)
Income from derecognition of subsidiaries	9	(22,568)	(1,073)
Income from repayment of accounts payable	9	(3,920)	(4,839)
Other non-cash transactions		1,852	(1,074)
Income tax expense	13	52,020	39,679
Windfall income tax expense	13	1,644	-
Total impact of adjustments		323,123	229,393
Change in assets related to employee benefit liabilities		19	299
Change in employee benefit liabilities		(764)	(997)
Change in non-current trade and other receivables		21,080	19,870
Change in non-current advances issued and other non-current assets		(9,099)	(1,139)
Change in non-current trade and other payables		10,249	18,428
Change in non-current advances received		61,542	5,573
Cash flows from operating activities before changes in working capital and provisions		567,471	404,252
Changes in operating assets and liabilities:			
Change in trade and other receivables		324	(65,286)
Change in advances issued and other assets		723	(31,127)
Change in inventories		(4,585)	(622)
Change in trade and other payables		(857)	70,562
Change in advances received		22,943	38,255
Use of provisions		(13,634)	(10,149)
Cash flows from operating activities before income tax and interest paid		572,385	405,885

Consolidated statement of cash flows

(in millions of Russian roubles unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Income tax paid		(38,938)	(27,305)
Windfall income tax security payment	13	(1,646)	-
Interest paid under lease agreements		(3,578)	(4,062)
Interest paid		(55,603)	(52,317)
Net cash flows from operating activities		472,620	322,201
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(468,698)	(362,771)
Proceeds from sale of property, plant and equipment and intangible assets		965	874
Acquisition of financial assets and placement of bank deposits		(54,284)	(55,815)
Disposal of financial assets and withdrawal of bank deposits		72,386	14,241
Interest received		17,077	12,900
Acquisition of subsidiaries and joint ventures		(92)	-
Reclassification of disposal group cash		(636)	-
Acquisition of subsidiaries, net of cash and cash equivalents		(153)	(364)
Receipt of cash and cash equivalents from the acquisition of subsidiaries JSC "RES", JSC "Elektromagistral", JSC "Energetik"	23	908	-
Receipt of cash and cash equivalents from the acquisition of assets of the JSC "Far Eastern Energy Management Company – ENES"	23	6,081	-
Disposal from loss of control over subsidiaries		-	(525)
Dividends received		2,245	1,875
Net cash flows used in investing activities		(424,201)	(389,585)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowed funds	26	331,352	294,794
Repayment of borrowed funds	26	(330,425)	(203,935)
Acquisition of non-controlling interests		-	(859)
Proceeds from the issue of shares	23	1,295	-
Redemption of treasury shares		-	(1,033)
Dividends paid to owners of the Company		-	(1)
Dividends paid to non-controlling interest	26	(8,590)	(8,218)
Repayment of lease liabilities	26	(5,477)	(6,733)
Cash proceeds from derivatives		1,481	1,823
Payments on derivatives		(204)	-
Net cash flows (used in)/from financing activities		(10,568)	75,838
Net increase in cash and cash equivalents		37,851	8,454
Cash and cash equivalents at the beginning of the period	22	128,264	119,810
Cash and cash equivalents at the end of the period	22	166,115	128,264

Consolidated statement of changes in equity

(in millions of Russian roubles unless otherwise stated)

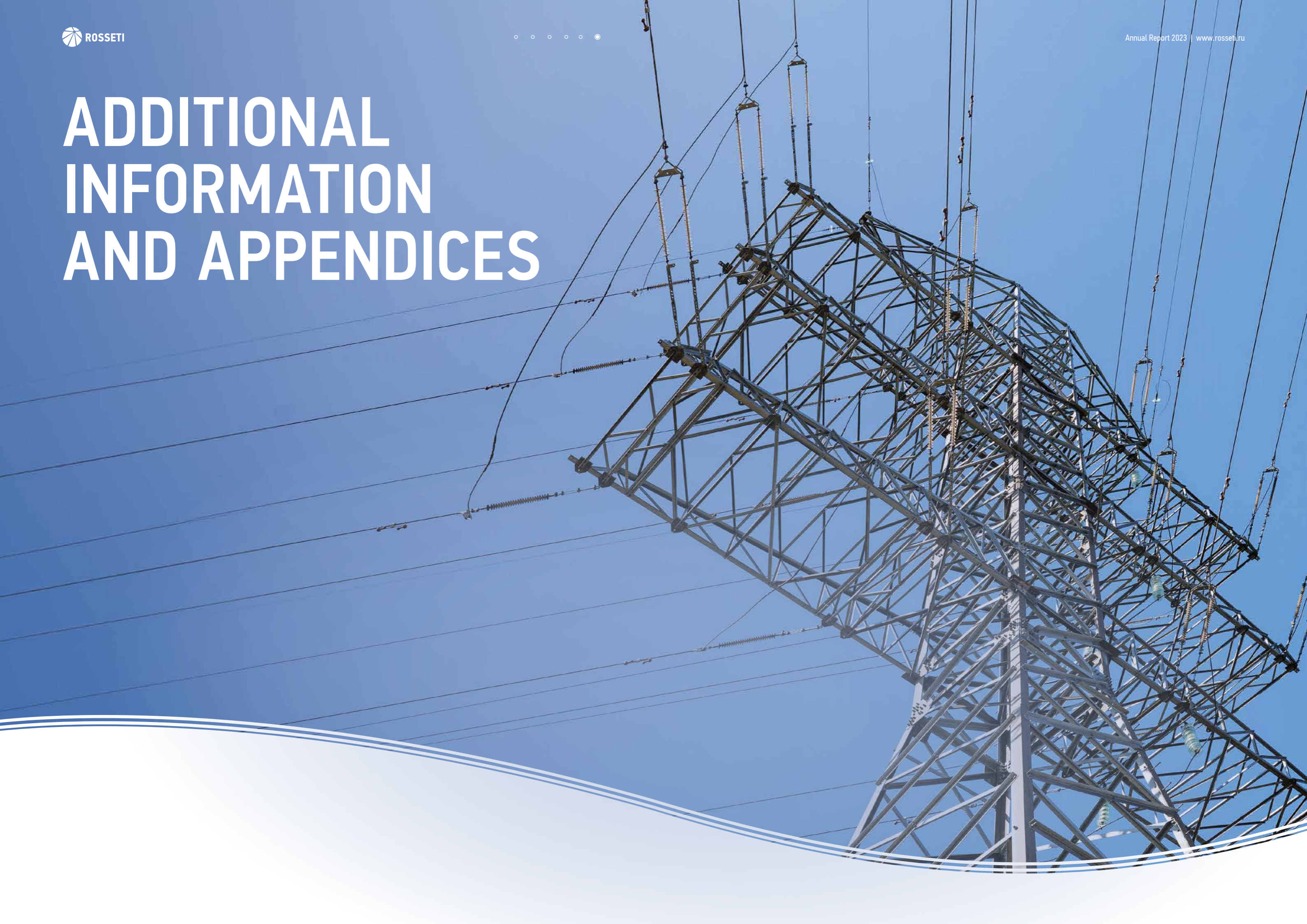
	Attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
Balance at 1 January 2023	200,903	213,098	(1,142)	8,980	775,827	1,197,666	409,586	1,607,252
<i>Reorganization of the head parent company:</i>								
Transactions, related to the shares of the head parent company – the universal assignee and the predecessor	855,827	(202,597)	(38,772)	3,681	(443,737)	174,402	(174,402)	–
Acquisition of assets of the Joint-Stock Company "Far Eastern Energy Management Company – ENES"	–	–	–	–	46,210	46,210	(4,635)	41,575
<i>Total for reorganization operations (Notes 1, 23)</i>	<i>855,827</i>	<i>(202,597)</i>	<i>(38,772)</i>	<i>3,681</i>	<i>(397,527)</i>	<i>220,612</i>	<i>(179,037)</i>	<i>41,575</i>
Equity due to the owners of the Company and non-controlling interest following the reorganization	1,056,730	10,501	(39,914)	12,661	378,300	1,418,278	230,549	1,648,827
Profit for the period	–	–	–	–	126,020	126,020	35,301	161,321
Other comprehensive income	–	–	–	8,397	–	8,397	655	9,052
Income tax related to other comprehensive income (Note 13)	–	–	–	(942)	–	(942)	(94)	(1,036)
Total comprehensive income for the period	–	–	–	7,455	126,020	133,475	35,862	169,337
Dividends declared	–	–	–	–	–	–	(2,560)	(2,560)
Write-off of unclaimed debt on previously declared dividends	–	–	–	–	234	234	83	317
Acquisition of shares of JSC "RES", JSC "Elektromagistral", JSC "Energetik" (Note 23)	–	–	–	–	13,196	13,196	1,301	14,497
Change of non-controlling interests in subsidiaries	–	–	–	–	(907)	(907)	907	–
Derecognition of subsidiary (Note 5)	–	–	–	–	–	–	21,442	21,442
Other	–	–	–	(21)	(146)	(167)	223	56
Balance at 31 December 2023	1,056,730	10,501	(39,914)	20,095	516,697	1,564,109	287,807	1,851,916

Consolidated statement of changes in equity

(in millions of Russian roubles unless otherwise stated)

	Attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Total		
Balance at 1 January 2022	200,903	213,098	(109)	14,344	675,669	1,103,905	391,923	1,495,828
Profit for the period	–	–	–	–	101,173	101,173	31,652	132,825
Other comprehensive loss	–	–	–	(6,136)	–	(6,136)	(1,506)	(7,642)
Related income tax (Note 13)	–	–	–	852	–	852	210	1,062
Other movement	–	–	–	(80)	80	–	–	–
Total comprehensive (loss)/income for the period	–	–	–	(5,364)	101,253	95,889	30,356	126,245
Redemption of treasury shares	–	–	(1,033)	–	–	(1,033)	–	(1,033)
Dividends declared	–	–	–	–	–	–	(15,099)	(15,099)
Write-off of unclaimed debt on previously declared dividends	–	–	–	–	11	11	75	86
Change of non-controlling interest in subsidiaries	–	–	–	–	(1,315)	(1,315)	456	(859)
Derecognition of subsidiaries	–	–	–	–	209	209	1,875	2,084
Balance at 31 December 2022	200,903	213,098	(1,142)	8,980	775,827	1,197,666	409,586	1,607,252

ADDITIONAL INFORMATION AND APPENDICES



Information about the Report

Reporting cycle, Report format	Annually Annual Report for the period 01.01.2023 to 31.12.2023
Russian Accounting Standards	<ul style="list-style-type: none"> Bank of Russia's Regulation No. 714-P "On Disclosure of Information by Issuers of Equity Securities" dated 27 March 2020 Corporate Governance Code of the Bank of Russia Resolution of the Government of the Russian Federation No. 1214 dated 31 December 2010 "On Improving the Management Procedure of Open Joint Stock Companies, the shares of which are in federal ownership, and Federal State Unitary Enterprises"
International Reporting Standards	<ul style="list-style-type: none"> International Framework (International Integrated Reporting Standard)
Date of publication of the previous Report	June 2023
Boundaries of the Report	Distribution and transmission grid companies of the Posseti Group The financial and economic performance indicators of the Rosseti Group contained in the Report are presented on the basis of IFRS financial statements

Report Preparation Process

The purpose of the Report is to inform stakeholders about the Rosseti Group's activities: its strategy and mission, social responsibility and sustainability policies, key events and performance results, and impact on the economy, the public and the environment.

The reliability of the data contained in the Annual Report of the Rosseti Group is confirmed by the Audit Commission of the Company. The Report is approved by the Board of Directors (tentatively) and the Annual General Meeting of Shareholders of PJSC Rosseti.

Disclaimer

This Annual Report has been prepared using the information available to the Rosseti Group at the time of its preparation. The Company believes that the information presented in the Report is complete and reliable at the time of publication of the Report, but does not claim that it cannot be further clarified or revised.

The Report contains forward-looking statements that reflect expectations of the Company's management. Actual performance may differ from these projections and estimations due to the influence of numerous objective factors.

The Annual Report contains certain forward-looking statements regarding the Company's business operations, financial and economic performance, plans, projects and expected results. The Report may also include estimates of trends in service/product prices, production and consumption volumes, costs, projected expenditures, development prospects and similar factors, as well as industry and market forecasts, start and end dates of individual projects of the Company.

Terms such as "anticipate", "expect", "forecast", "intend", "aim", "estimate", "plan", "believe", "consider", "could", "will", along with other similar or analogous expressions, as well as other similar or analogous terms and those used negatively, typically denote a forward-looking statement. By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that assumptions, forecasts, projections and other forward-looking statements may not materialise. The Company cautions that, in light of these risks, uncertainties, and assumptions, actual outcomes might differ materially from those implied directly or indirectly in such forward-looking statements, which are only accurate as of the date this Annual Report was written.

The Company makes no promises or guarantees regarding the realisation of the results expressed in the forward-looking statements. The Company disclaims any liability for any losses incurred by individuals or entities that bank on any forward-looking statements.

In each individual case, these forward-looking statements are simply one of many scenarios that could occur and should not be taken as the most likely one. Except for the cases explicitly stated by the laws, the Company does not undertake a commitment to publish forward-looking statement updates or amendments based on both new information and subsequent events.

Glossary

AC	Audit Committee under the Board of Directors
ACRA	Analytical Credit Rating Agency
AERS	Automatic Emergency Response System
AMDS	Automatic Monitoring and Dispatching System
APCS	Automated Process Control System
APMS	Automatic Process Management System
BAM	Baikal-Amur Mainline
Bank of Russia	Central Bank of the Russian Federation
Bird Diverter	Bird Diverter
Board	Board of Directors
BRELL	Energy Ring of Belarus, Russia, Estonia, Latvia and Lithuania
CGC	Corporate Governance Code
CHPP	Combined Heat and Power Plant
CIGRE	International Council on Large Electric Systems of High Voltage
CIS	Commonwealth of Independent States
Computer	Electronic Computing Machine
Director	Member of the Board of Directors of PJSC Rosseti
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation EBITDA is calculated as earnings before income tax expense, interest expense, depreciation and amortisation and net impairment loss
ED	Executive Documents
EEC	Eurasian Economic Commission
EMS	Environmental Management System
EnMS	Energy Management System
ESG	Environmental, Social, Governance
FAS	Federal Accounting Standards
FAS of Russia	Federal Antimonopoly Service
FEC	Fuel and Energy Complex
FFMS	Federal Financial Markets Service
FOCL	Fibre-Optic Communication Line
FSBEI HE	Federal State Budgetary Educational Institution of Higher Education
FZ	Federal Law
GC	Grid Connection
GDP	Gross Domestic Product
GOST	National Standard
GRES	State District Power Plant
HPP	Hydro Power Plant
HSMT	Health and Safety Management System
IC	Investment Committee under the Board of Directors
ICPS	Interconnected Power System
ICS	Internal Control System
IDC	Interdependent Companies
IDGC	Interregional Distribution Grid Company
IDP	Innovative Development Programme
IEC	International Electrotechnical Commission

IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IR	Investor Relations
ISO	International Organization for Standardization
ISTL	Inter-State Transmission Lines
JSC	Joint Stock Company
KOR	Key Operational Risk
KPI	Key performance indicators
LGO	Local Grid Operator
LLC	Limited Liability Company
LTDP	Long-Term Development Programme
M&A	Mergers and Acquisitions
Mass Media	Mass media
MC	Management Company
MED	Ministry of Economic Development of the Russian Federation
MGIMO	Moscow State Institute of International Relations
Minenergo of Russia	Ministry of Energy of the Russian Federation
MPE	Mining and Processing Enterprise
MPEI	National Research University "Moscow Power Engineering Institute"
MPG	Main Power Grids
MPGE	Main Power Grid Enterprise
MSU	Moscow State University
NCGR	National Corporate Governance Rating
NPP	Nuclear Power Plant
NPP	Non-Profit Partnership
OHSMS	Occupational Health and Safety Management System
OJSC	Open Joint Stock Company
OLTC	On-Load Tap-Changer
OPM	Operational and Process Management
OTL	Overhead Transmission Line
PCB	Polychlorinated Biphenyls
PDA	Priority Development Area
PJSC	Public Joint Stock Company
PRC	Personnel and Remuneration Committee under the Board of Directors
PTL	Power Transmission Line
QMS	Quality Management System
QR-code	Quick Response Code
R&D	Research and Development
RAS	Russian Accounting Standards
RES	Renewable Energy Sources
RF	Russian Federation
RJSC	Russian Joint Stock Company
RMS	Risk Management System
RNC CIGRE	International Council on Large Electric Systems of High Voltage
RPA	Relay Protection and Automatics
RUIE	Russian Union of Industrialists and Entrepreneurs
S&A	Subsidiaries and Affiliates
SC	Strategy Committee under the Board of Directors
SH	Stakeholder
SME	Small and Medium Enterprises
SoS	Subsidiary of Subsidiary
SPbU	Saint Petersburg State University
SPP	Solar Power Plants

SRO AAS	Self-Regulatory Organisation of Auditors Association "Sodruzhestvo"
SS	Substation
STC	Scientific and Technical Centre
Subsidiary	Subsidiaries
UES (UPS)	Unified Energy System (Unified Power System)
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
UNECON	Saint Petersburg State University of Economics
UNPG	Unified National Power Grid (of Russia)
VAT	Value Added Tax
WECM	Wholesale Electricity and Capacity Market
WPP	Wind Power Plant

Units of Measurement	Definition
bln	billion
GVA	gigavolt-ampere
GW	gigawatt
km	kilometre
kV	kilovolt
kWh	kilowatt-hour
mln	million
MVA	megavolt-ampere
MWh	megawatt
p.p.	percentage point
pcs	piece
RUB	Russian rouble
t	tonne
TFOE	tonne of fuel oil equivalent
thsd, '000	thousand
trln	trillion
unit	unit

Contact Details

Full company name	Public Joint-Stock Company Federal Grid Company — Rosseti
Abbreviated company name	PJSC Rosseti
Form of ownership and legal form	Mixed Russian ownership with federal ownership interest Public Joint Stock Company
Location	Moscow, Russia Mailing address: 4 Belovezhskaya St., Mozhaisky Municipal District, Moscow, 121353
Phone/fax, e-mail	Unified information center: +7 (800) 200-18-81 For calls from near and far-abroad countries: +7 (495) 710-93-33 Shareholder Hotline: +7 800 500-05-52 Fax: +7 (495) 710-96-55 info@fsk-ees.ru
OGRN	1024701893336
TIN	4716016979
Core business	35.12 — electricity transmission and grid connection to distribution power grids This grouping includes: <ul style="list-style-type: none"> transmission of electricity from generating facilities to distribution systems by making sure that power grid facilities are serviceable and well-operated This grouping also includes: <ul style="list-style-type: none"> procedure of grid connection of power receivers (power installations) of legal entities and individuals (power receivers) to power grids of a grid operator
Website address	https://www.rosseti.ru
Information on the registry holder (registrar)	Joint Stock Company STATUS Registrar 23 Novokhokhlovskaya St., bld. 1, room 1, Moscow, 109052 http://www.rostatus.ru

Contact persons

Contact information for institutional investors and analysts	ir@rosseti.ru
Analytical and Forecasting Department	Irina Peresvetova Phone: +7 (495) 995 53 33, ext. 3529 E-mail: peresvetova-im@fskees.ru
Corporate governance department	Anna Belyakova Phone: +7 (800) 200 18 81 (ext. 9567) E-mail: belyakova-aa@fskees.ru

STATE REGISTRATION INFORMATION

Data on initial state registration:
State registration number: 00/03124
Date of state registration: 25.06.2002
Name of the state registration body: Leningrad Regional Registration Chamber
Data on the registration of the legal entity: main state registration number of legal entity: 1024701893336
Date of entry of the legal entity registered before 01.07.2002 into the Unified State Register of Legal Entities: 20.08.2002
Name of the registration authority: Inspectorate of the Ministry of Taxes and Levies for the Tosnensky District of the Leningrad Region

REGISTRAR

Entity maintaining the shareholder register — register-keeper (registrar):	Joint Stock Company STATUS Registrar (JSC STATUS)
Location	23 Novokhokhlovskaya St., bld. 1, room 1, Moscow, 109052
Phone, fax	+7 (495) 280-04-87 Fax +7 (495) 678-71-10
PJSC Rosseti's shareholder hotline:	+7 (800) 500-05-52
Email	info@rostatus.ru
Licence	Licence number: 10-000-1-00304 Date license issued: 12.03.2004 Validity of licence: unlimited Licensing authority: FFMS of Russia

DEPOSITORY

Information on the depository providing centralised safekeeping of securities: Non-Bank Credit Organisation Joint Stock Company National Settlement Depository (NCO JSC NSD)

Location	12 Spartakovskaya St., Moscow, 105066
Phone	+7 (495) 234-48-27
Email	info@nsd.ru
License number	045-12042-000100
Date license issued	19.02.2009
Validity of licence	unlimited
Issuing authority	FFMS of Russia

AUDITOR

Information on persons performing procedures on audit of accounting (financial) statements: Joint Stock Company Technologies of Trust — Audit (JSC Technologies of Trust — Audit)

Location	Moscow
	Mailing address:
	14 Krzhizhanovskogo St., bld. 3, room 5/1, intracity territory of Akademicheskiy municipal district, Moscow, 117218
Phone	+7 (495) 967-60-00 ext. 6318
TIN:	7705051102
OGRN:	1027700148431
Phone:	+7 (495) 967-60-00 ext. 6318
Email:	tatiana.sirovinskaya@tedo.ru

Joint Stock Company Technologies of Trust — Audit is a member of Self-Regulatory Organization of Auditors Association "Sodruzhestvo" since 31.01.2020 under Principal Number of Registration Entry 12006020338.

Appendices (in electronic format)

No. 1. Additional Information to the Sections of the Annual Report

No. 2. Report on Compliance with the Principles and Recommendations of the Corporate Governance Code of the Bank of Russia

No. 3. Report on Related-Party Transactions Concluded by PJSC Rosseti in 2023¹

No. 4. Report on Revenue-Intensive Transactions of PJSC Rosseti and its Controlled Entities¹

No. 5. Information on PJSC Rosseti's Actual Fulfilment of Instructions of the President of the Russian Federation and the Government of the Russian Federation in 2023

No. 6. Information on PJSC Rosseti's Participation in Commercial and Non-Commercial Organisations in 2023

No. 7. Information on Disposal of Non-Core Assets in 2023

No. 8. Information about Pending Litigation in 2023

No. 9. Information on Agreements Concluded by PJSC Rosseti in 2023 for the Sale and Purchase of Interests, Shares, Stocks of Business Partnerships and Companies¹

¹ Information is not disclosed under the right granted by Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

Appendix No. 1 Additional Information on Annual Report sections

International Activities

Since 1 January 2004, the Company has acted as a carrier of electric power across the border of the Russian Federation and is a technical contractor under commercial contracts of participants of export/import activities on the Wholesale Electricity and Capacity Market (WECM).

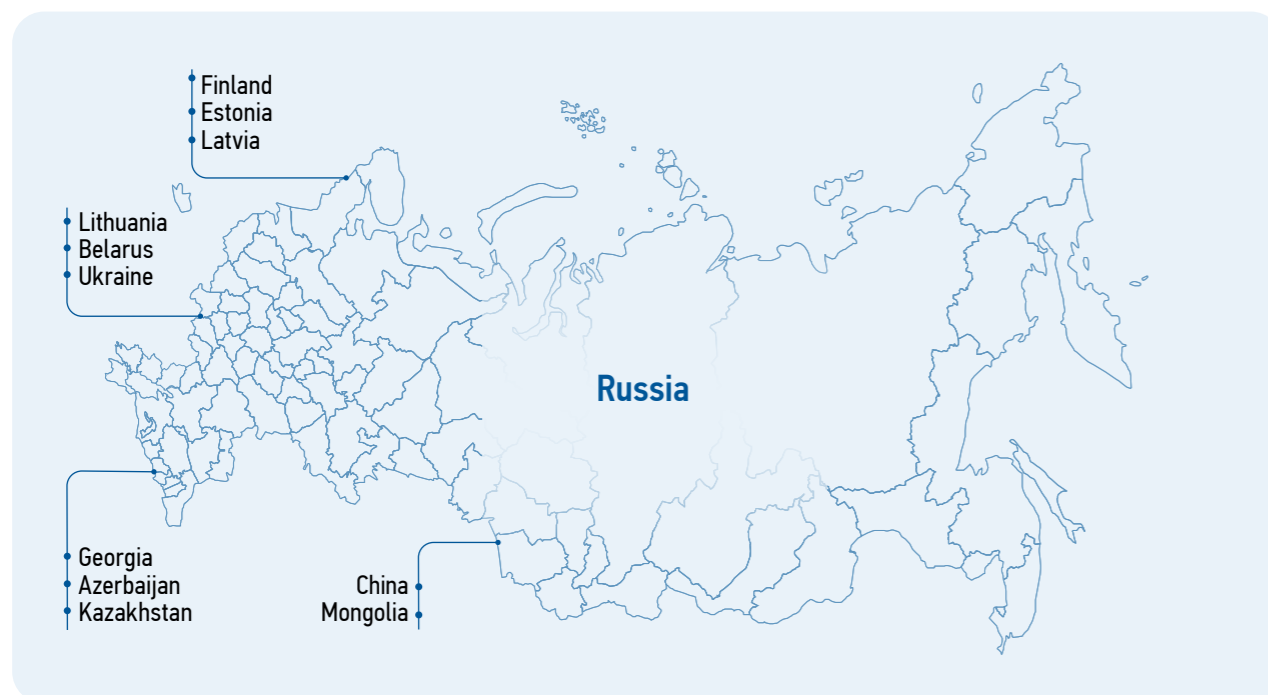
The Company provides electricity transmission services in the Russian Federation up to the state border of the Russian Federation in accordance with the terms and conditions of the contract with PJSC Inter RAO via power grid facilities included in the Unified National Power Grid and owned or otherwise legally controlled by the Company.

From spring 2022, the transmission of electricity under commercial electricity export contracts to the Baltic States (Lithuania, Latvia, Estonia) and Finland was completely discontinued. Meanwhile, there are electricity exchanges between UES of Russia and the Baltic States under parallel operation of energy systems. In autumn 2022, the Finnish transmission network operator, Fingrid Oyj, renovated

the interstate lines in Finland in order to strengthen the capacity of the Finnish energy system given the lack of electricity supplies from Russia. According to Fingrid Oyj, the restoration of cross-border transmission is possible as part of the restoration of electricity supplies from the Russian Federation.

In February 2022, according to the programmes agreed upon by JSC SO UES, PJSC Rosseti and Belenergo State Production Association, the Ukrainian energy system was subject isolated operation tests (without UES of Russia and UES of Belarus). Following the tests, the interstate power lines remained in a disconnected state on the part of Ukraine. At present, given the disconnected state of interstate power transmission lines, parallel operation of UES of Russia and UES of Ukraine is not available.

Due to scheme and regime peculiarities in the UES of the East since autumn 2023, the volume of electricity supplies from Russia to China has been significantly reduced.



Electricity exports and imports under PJSC Inter RAO agreements in 2019–2023

Actual electricity export, mln kWh

Country	2019	2020	2021	2022	2023
Azerbaijan	90.849	88.839	95.063	96.394	92.915
Belarus	31.179	66.358	497.994	46.341	32.333
Georgia, South Ossetia, Abkhazia	670.203	715.854	1,861.091	1,691.314	1,128.290
Kazakhstan, Kyrgyzstan	1,437.460	1,263.850	1,812.643	1,957.001	5,030.782
China	3,099.125	3,060.283	3,973.913	4,690.288	3,088.480
Latvia	–	301.617	2,861.799	439.053	–
Lithuania	6,285.853	3,142.721	1,859.788	694.538	45.379
Estonia	–	–	–	–	–
Mongolia	372.372	312.217	486.759	694.337	937.985
Ukraine	327.857	112.333	154.972	14.228	–
Finland	7,023.414	2,637.155	8,168.070	3,235.683	–
TOTAL	19,338.312	11,701.227	21,772.092	13,559.177	10,356.164

Actual electricity imports, mln kWh

Country	2019	2020	2021	2022	2023
Azerbaijan	218.569	118.485	95.168	100.090	103.786
Belarus	–	0.078	–	–	–
Georgia, South Ossetia, Abkhazia	59.215	–	0.007	0.025	0.180
Kazakhstan, Kyrgyzstan	1,243.257	1,116.926	1,326.603	1,458.968	1,377.059
China	–	–	–	–	–
Latvia	–	–	–	–	–
Lithuania	55.055	79.101	115.567	145.033	164.326
Estonia	–	–	–	–	–
Mongolia	26.513	39.850	23.324	37.240	24.903
Ukraine	–	–	–	–	–
Finland	–	19.500	–	–	–
TOTAL	1,602.609	1,373.940	1,560.669	1,741.356	1,670.254

Information on Interstate Power Transmission Lines (ISTL) and Electricity Transit

In accordance with Decree of the Government of the Russian Federation No. 41 dated 26 January 2006, power transmission lines crossing the state border of the Russian Federation meet the criteria for classifying power grid facilities as UNPG facilities.

The Company collects and processes information on the transportation of electricity along 125 interstate power transmission lines (hereinafter referred to as IPTL) based on data from fiscal electricity metering devices.

In accordance with the Agreement between the Government of the Russian Federation and the Government of the Republic of Belarus on certain measures to ensure parallel operation of the UES of Russia and the UES of Belarus dated 15 March 2011,

Belenergo provides electricity transmission services through the UES of Belarus for the purpose of electricity supply to Russian consumers, and the Company pays for these services. On 23 November 2023, Minutes on Amendments and Additions to the Agreement was signed, which aims to improve the safety and reliability of parallel operation of energy systems, including by providing capacity reserves and emergency mutual aid.

In accordance with the Agreement between the Government of the Russian Federation and the Government of the Republic of Kazakhstan on measures to ensure parallel operation of the unified energy systems of the Russian Federation and the Republic of Kazakhstan dated 20 November 2009, an electricity transit agreement was signed under which the Company pays for electricity transit through the territory of Kazakhstan starting from May 2010 to ensure electricity

supply to Russian consumers. On 9 November 2023, a new Intergovernmental Agreement was signed to replace the previous one, which stipulates that no payment for electricity transmission services via the unified national (all-Russian) electricity network of the Russian Federation is made within the average hourly value of the permissible deviation of the actual interstate balance of flows. Ratification of the Intergovernmental Agreement between Russia and Kazakhstan dated 9 November 2023 is pending.

In accordance with the Minutes on Ensuring Access to Services of Natural Monopolies in the Electric Power Industry, including the Fundamentals of Pricing and Tariff Policy, which is Addendum No. 21 to the Treaty on the Eurasian Economic Union, interstate transmission of electricity between member countries is possible, including through the grids of the UES of Russia.

In 2023, the Company's representatives took part in meetings of working groups of the CIS Electric Power Council and the Coordination Council under the CIS EPC, were involved in the preparation of statements and materials on agenda issues, as well as in the development of regulatory documents governing the formation of a common electric power market in the CIS.

In 2023, two meetings of the Coordination Council at the CIS EPC, the 62nd and 63rd meetings of the CIS EPC were held with the participation of the Company's representatives and reviewed the draft Action Plan of the CIS Electric Power Council and the CIS EPC Executive Committee and the draft Estimate of Expenses for Financing the Activities of the CIS Electric Power Council and its Executive Committee for 2024, the report on the activities of the CIS EEC Electric Power Council in 2022, the draft Regulations on the Evaluation of the Efficiency of the Working Structures and the CIS EPC Executive Committee, draft Regulations on the Working Structures of the CIS Electric Power Council, documents of the Commission for Operational and Technological Coordination of Joint Operation of Power Systems of the CIS Member States and Baltic States (COTC), detailed version of the Action Plan of the CIS Electric Power Council and the CIS EPC Executive Committee for 2023, made an inventory of international documents in the field of electric power within the CIS, etc.

In 2023, representatives of the Rosseti Group participated in the development of the following documents of the common electric power market of the EAEU, which were subsequently approved:

- Rules of Access to Interstate Electricity (Capacity) Transmission Services within the Common Electricity Market of the Eurasian Economic Union, approved by Decision of the Eurasian Intergovernmental Council No. 2 dated 3 February 2023. The Rules define the principles and procedure for access to interstate electricity (capacity) transmission services, as well as establish the procedure for conclusion, execution, amendment, cancellation and termination of non-trade interstate electricity transmission contracts and the procedure for registration and accounting of interstate transmission contracts.
- Rules for mutual trade in electricity in the common electricity market of the Eurasian Economic Union, approved by Decision No. 5 of the Eurasian Intergovernmental Council dated 26 October 2023. The rules stipulate the sequence and procedures of access of participants to the common market, conclusion of the accession agreement, mechanisms of interaction of trading participants with the infrastructure of the future market. In addition, the rules define the procedure for concluding, registering, recording, and cancelling sales contracts, and contain a list of interstate sections where trading will take place.
- Rules for determining and allocating the capacity of interstate cross-sections in the common electricity market of the Eurasian Economic Union, approved by Decision No. 6 of the Eurasian Intergovernmental Council dated 26 October 2023. The Rules ensure the necessary conditions for the functioning of the common electric power market and non-discriminatory use of the capacity of interstate transmission lines by its participants. Adopting the rules is necessary to reduce the economic risks of sellers and buyers of electricity, which are possible due to the technical unfeasibility of transactions concluded in the common market of the Union.

The adoption of these documents completed the next stage in the formation of the legal framework for the functioning of the common electric power market of the EAEU and accelerates the preparation of centralised trading operators and the registrar for the creation of the necessary infrastructure to ensure the operation of the common electric power market.

Information on interstate transmission (transit) of electricity through Belarus and Kazakhstan, mln kWh

Country	2019	2020	2021	2022	2023
Volume of transit through Belarus	251.6	700.4	314.3	223.2	266.7
Volume of transit through Kazakhstan	3,573.4	4,103.5	3,957.3	6,053.5	4,860.0
Total transit volumes	3,825.0	4,803.9	4,271.6	6,276.7	5,126.7

Joint operation of UES of the Russian Federation with electric power systems of foreign countries

Russia's energy system is connected by interstate power lines with the energy systems of neighbouring countries. To carry out joint/parallel operation of UES of Russia with electric power systems of foreign countries, the relevant contracts and agreements were signed, to which Public Joint Stock Company Federal Grid Company – Rosseti is a party.

As an organisation for the management of UNPG, including IPTLs, the Company carries out:

- organisation and implementation of fiscal metering of electricity transported along the IPTLs;
- interaction with foreign power systems and JSC SO UES under daily, monthly and annual planning of parallel operation modes of UES of Russia and foreign energy systems;
- information exchange of data on electricity flows with foreign energy systems;
- co-ordination and technological support of commercial contracts for export-import of electricity;

- determination and customs clearance of actual volumes of electricity transported across the state border;
- interstate transmission (transit) of Russian electric power through the energy systems of foreign countries.

In order to determine the amount of electricity transported through each IPTL, as well as to regulate the issues of information exchange of metering data on interstate power transmission lines, the Company concluded Agreements with foreign electric power organisations to organise metering of electricity flows with electric power systems of foreign countries.

Under planning of parallel operation modes of UES of Russia with foreign energy systems, provisions on planning with neighbouring energy systems have been signed and are in force. As part of international cooperation, the Company works to improve relations with energy systems of neighbouring countries in the field of electric power, including on the platform of the CIS Electric Power Council and its commissions, working groups in the CIS EPC Executive Committee and the BRELL Energy Systems Committee¹.

Formation of a common electricity market in the Eurasian Economic Union

The common electric power market of the Eurasian Economic Union (hereinafter referred to as the "EPM of the Union") is formed in accordance with Article 81 of the Treaty on the Eurasian Economic Union dated 29 May 2014 on the basis of the electric power systems of the member states operating in parallel, taking into account the specifics of the existing models of electric power markets of the member states of the Union.

Representatives of the Rosseti Group are members of the expert community engaged by the Ministry of Energy of Russia to form a consolidated position on the part of the Russian Federation when developing and negotiating the setting regulatory documents of the Union's common electric power market. In particular, representatives of the Rosseti Group are members of the Advisory Committee on the Electric Power Industry and the Subcommittee on the Formation of a Common Electric Power Market under the Board of the Eurasian Economic Commission.

In 2023, the Company's representatives took part in 22 meetings of the Subcommittee on Formation of the Common Electricity Market. These meetings addressed conceptual issues, the results of which are reflected in the draft rules for the functioning of the common electricity market.

¹ Taking into account the position of representatives of the Baltic States that there are no issues to be discussed, no meetings of the Committee of the BRELL energy systems and annual meetings of the heads of the parties to the Agreement on parallel operation of the energy systems of Belarus, Russia, Estonia, Latvia and Lithuania (BRELL) were held in 2023.

Risk management

Information on measures to manage key operational risks in 2023

Risks	Control measure
KOR-001 Risk of deviation of the volume of electricity transmission services from the value set in the business plan	<ul style="list-style-type: none"> Activities aimed at settling disagreements with consumers of electricity transmission services regarding the volume of services and preventing disputed volumes of services; Working to coordinate planned volumes of services, including declared capacity, with consumers of electricity transmission services (LGOs) for inclusion in the relevant contracts for electricity transmission services and submission to the state tariff regulation authorities.
KOR-002 Risk of deviation of the average tariff for electricity transmission services from the value set in the business plan	<ul style="list-style-type: none"> Obtaining economically feasible tariff-balancing decisions, with due regard to ensuring compliance of the tariff level not lower than the level set by the forecast of socio-economic development of the Russian Federation.
KOR-003 Risk of deviation of the grid connection scope from the target value set in the business plan	<ul style="list-style-type: none"> Monitoring the timely fulfilment of obligations under concluded GC agreements; Claim administration against applicants who defaulted on fulfilment of GC obligations to the Company; Control over and implementation of a set of measures for the timing of procedures performed by the Company's structural subdivisions, execution of all stages of the business process, starting from the moment of registration of a GC application and up to the moment of full fulfilment of obligations under the concluded agreements; Quality preparation of materials in a tariff application filing; Taking measures to attract new consumers; Timely confirmation of works by certificates during individual projects; Timely inclusion of GC activities in the individual projects; Enforcement of accumulated obligations of PJSC Rosseti under previously signed GC agreements, the deadlines for which were violated by the Company; Control over the quality of design and engineering performed by applicants for individual GC projects, with subsequent transfer of project documentation to Rosseti under the provisions of the GC Rules.
KOR-004 Risk of deviation of loss purchase costs from the value set in the business plan	<ul style="list-style-type: none"> Control over the fulfilment of planned indicators in terms of electricity transmission services, consideration of factors in business planning; Control over electricity loss reduction measures; Timely and full implementation of measures to reduce electricity losses.
KOR-005 Risk of deviation of non-influenceable costs from the value set in the business plan, except for the cost of purchasing electricity to compensate for losses	<ul style="list-style-type: none"> Budgetary control, in case of additional uncontrollable expenditures – preparation of proposals to the Budget Committee for reallocation of funds from savings of uncontrollable expenditures; Monitoring of non-exceedance of the approved value of uncontrollable expenditures and achievement of specified indicator targets for the reduction of per unit uncontrollable expenditures.
KOR-006 Risk of increase in actual operating expenses from the amount set for the planned period	<ul style="list-style-type: none"> Monitoring of non-exceedance of the approved OPEX value and achievement of specified indicator targets for the reduction of per unit operating expenses; Budgetary control: approval of concluded contracts in case of availability of funds in the approved Budget of Income and Expenditure and Budget of Cash Flow, signing of certificates of completed works in case of compliance with the cost conditions of the contract.
KOR-007 Risk of deviation of the volume of overdue receivables from the volume set in the business plan	<ul style="list-style-type: none"> Claims work to reduce accounts receivable, control over the timing of its implementation; Enforcement to reduce accounts receivable, control over the timing of its implementation; Control over introduction of full and (or) partial restrictions on the energy supply to debtors; Introduction of full and (or) partial restrictions on the energy supply to debtors; Follow-up action of debt restructuring agreements; Interaction with the Federal Bailiff Service of Russia and its territorial bodies, credit organisations (banks) to enforce collection of overdue receivables for electricity transmission services under received enforcement documents.

Risks	Control measure
KOR-008 Risk of deviation of the Debt/EBITDA indicator value from the value set in the business plan	<ul style="list-style-type: none"> Monitoring of non-exceedance of the approved OPEX value and achievement of specified indicator targets for the reduction of per unit operating expenses; Management of the expenditure level, depending on the expected level of revenues (taking into account mandatory reliability and safety requirements) to achieve the EBITDA level in accordance with the Company's approved business plan; Funding in line with the planned indicators of the Company's investment budget; Timely approval of planned investment budget figures and their changes (adjustments) under the investment programme as part of the Company's budget by the Company's governing bodies; Implementation of measures to reduce overdue receivables for electricity transmission services and settlement of disagreements, control over achievement of the planned level of electricity payment collection: <ul style="list-style-type: none"> Claims-related work to reduce accounts receivable, control over the timing of its implementation; Introduction of full and (or) partial restrictions on the energy supply to debtors; Follow-up action of debt restructuring agreements.
KOR-009 Risk of deviation of net profit from the value set in the business plan	<ul style="list-style-type: none"> Operational control, monitoring of net profit performance in accordance with the approved business plan; Monitoring of non-exceedance of the approved OPEX value and achievement of specified indicator targets for the reduction of per unit operating expenses; Implementation of the action plan to reduce overdue receivables for electricity transmission services and settlement of disagreements, control over achievement of the planned level of electricity payment collection.
KOR-010 Risk of non-fulfilment of key parameters of the investment programme	<ul style="list-style-type: none"> Preparation of draft amendments (adjustments) to the planned indicators of the investment programme of PJSC Rosseti for 2020–2024 and its submission to the Ministry of Energy of the Russian Federation; Timely approval of changes (adjustments) to the planned indicators of Rosseti's investment programme for 2020–2024 by the Ministry of Energy of the Russian Federation; Timely approval of planned investment budget figures and their changes (adjustments) under the investment programme as part of PJSC Rosseti's budget by the Company's governing bodies; Timely submission of the Investment Project Implementation Schedule as part of project datasheets by project managers (general directors of MPG, structural subdivisions of the Executive Office) to form the draft LTIP for projects for construction and renovation of electric grid facilities; Timely fulfilment of planned activities of the Investment Project Implementation Schedule as part of project datasheets to form a draft LTIP for projects for construction and renovation of electric grid facilities of the approved investment programme; Incoming quality control of materials and equipment; Capital construction quality control; Claims-related work with contractors violating contractual obligations prior to commissioning of the facility; Funding in line with the planned indicators of the Company's investment budget; Timely preparation of initial permits, design documentation.
KOR-012 Risk of failure to achieve the target capacity utilisation set for the planned period	<ul style="list-style-type: none"> Monitoring of existing and forecast electricity and capacity consumption by the Company's power grid facilities (analysis of prospective loads by power nodes, power supply centres of 35 kV and above); Submission of proposals to the executive authorities of the constituent entities of the Russian Federation regarding the incorporation of technical measures to optimise the degree of utilisation of underutilised grid facilities and projected growth in electricity consumption into the Schemes and Programmes for the Development of the Electric Power Industry of the constituent entities of the Russian Federation; Consideration of technical measures to optimise the degree of utilisation of underutilised grid facilities when forming the Company's investment programmes.
KOR-013 Risk of failure to achieve the level of reliability of power transmission services established during tariff regulation	<ul style="list-style-type: none"> Extension of OTL right-of-ways to the standard condition; Formation of maintenance and repair programmes, with regard to the results of assessment of the current technical condition of equipment, including those based on the results of electric grid equipment diagnostics; Control over the quality of maintenance and repair work (including that performed by contractors); Control over the implementation of measures based on the results of investigation of process faults (accidents); Implementation of retrofitting and renovation investment projects within the planned timeframe (implementation of the LTIP).

Risks	Control measure
<p>KOR-014 Risk of failure to achieve the grid connection service quality established under tariff regulation</p>	<ul style="list-style-type: none"> Control over the deadlines for sending technical specifications for approval to operational dispatch office/regional dispatch control department; Control over the timing of the Company's application to the authorised executive body in the field of state tariff regulation to determine the amount of payment for connection to power grids; Control over the timing of GC facilities being included in the Company's investment programme; Control over the timing of contracted works; Operational control over the execution of GC applications, analysis of risks of their non-fulfilment; Regular meetings to promptly resolve GC-related issues; Enforcement of the deadlines for the execution of warnings from the FAS of Russia and its territorial bodies in terms of grid connection; Pre-trial resolution of issues with complainants concerning grid connections. Conduct of meetings: <ul style="list-style-type: none"> With working group pertaining to PJSC Rosseti's S&As; With the Applicants on pre-trial settlement issues.
<p>KOR-015 Risk of an accident occurred through the fault of the Company</p>	<ul style="list-style-type: none"> Talent development with hands-on training in skills and safe practices (to build employees' skills of safe behaviour at work and prevent hazardous situations); Labour Safety Days and other inspections of occupational health and safety and personnel relations at each branch of PJSC Rosseti – MPGE; Functioning of a response system for violations of occupational safety requirements (taking action against employees who commit violations of occupational safety requirements); Analysis in case of violation of occupational safety requirements with development of corrective measures; Organisation of acquisition, issue of certified, quality personal protective equipment, special clothing and footwear, flushable and decontaminating agents; Control over compliance with occupational safety requirements at Rosseti's facilities; Organisation of safe operation of vehicles, including premises and parking areas for vehicles; Control over compliance with the rules of passenger carriage and cargo transport; Analysis of road accidents with the development of corrective actions; Control over the execution (implementation) of programmes containing occupational safety requirements and aimed at injury prevention (programmes for elimination of injury-prone places, etc.); Inspections of MPGE where accidents took place, including road traffic accidents; Development and implementation of measures to prevent occupational injuries and to ensure that employees of Rosseti's branches – MPG and MPGE – comply with occupational safety requirements in accordance with the results of accident investigations, control measures, and decisions of the Occupational Safety Committee, and to ensure the effective functioning and continuous improvement of the occupational safety management system; Fulfilment, within the established timeframe, of the measures under instruction acts and operative orders issued following the results of inspections by supervisory and control bodies and as part of technical supervision, as well as measures to eliminate the causes of accidents specified in investigation acts.
<p>KOR-016 Risk of deviation of labour productivity increase indicator from the value set in the business plan</p>	<ul style="list-style-type: none"> Increased efficiency of organisational structures and formation of approaches to organisational design: implementation of organisational changes at PJSC Rosseti, in particular in the context of digital transformation; Training of employees under professional training, retraining, and advanced training programmes in accordance with the approved plans of the Staff Training Centres of PJSC Rosseti's Executive Office, Staff Training Centres of PJSC Rosseti's branches – MPG; Control emergency drills at the Staff Training Centres of Rosseti's branches – MPG for the operating personnel of the MPG Main Grid Control Centre and MPGE Grid Control Centre in accordance with the approved schedules.

Indicators related to corporate government – risk management and internal control

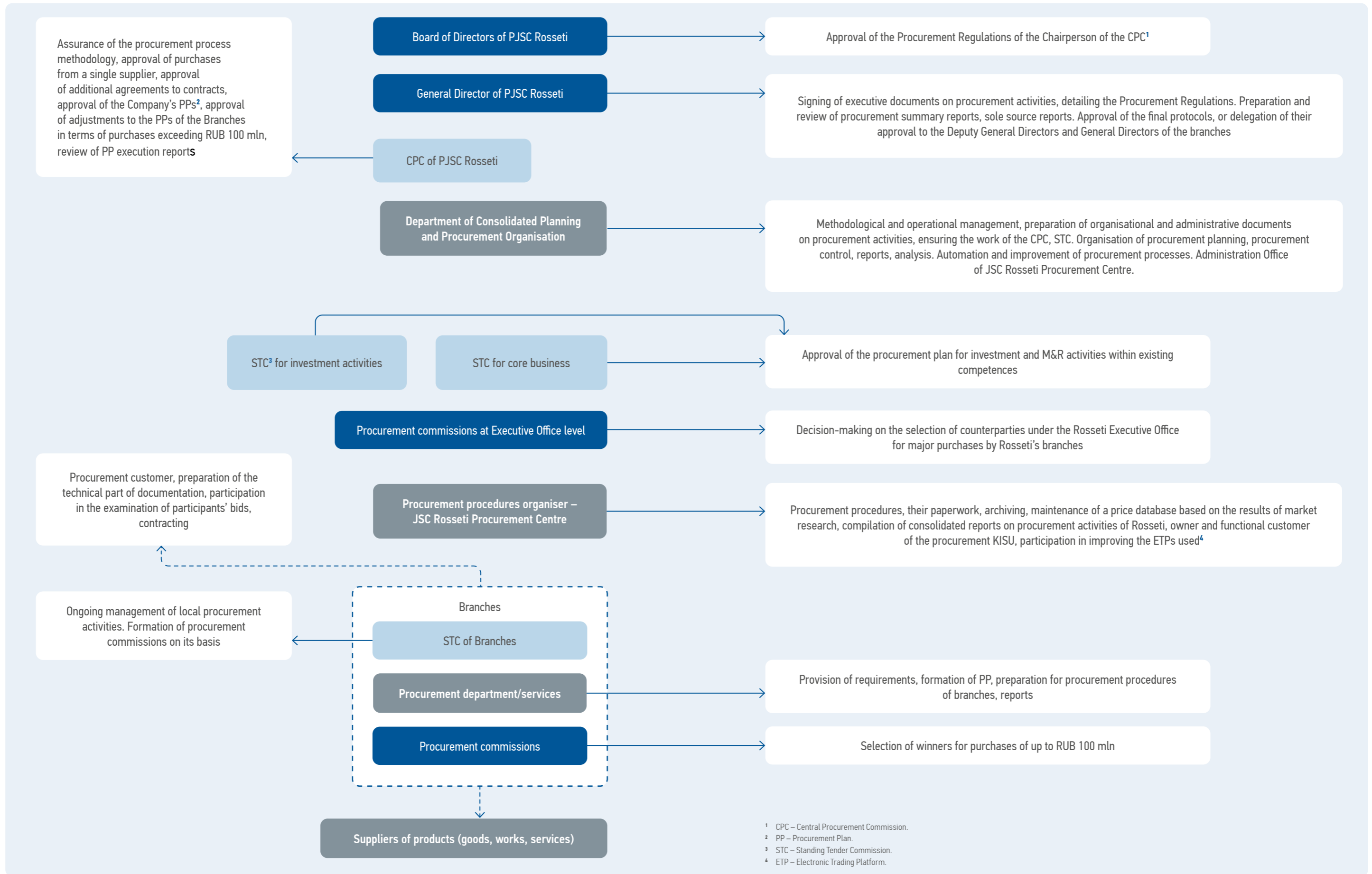
Indicator	Units of measurement	2021	2022	2023	2023/2022 (%)
Total amount of funds received by the Company from counterparties in bankruptcy and liquidation proceedings	RUB mln	576.8	531.8	205.1	(61.4)
Total amount of cash saved by the Company due to acquisition of its own debt to debtors under bankruptcy proceedings at auctions	RUB mln	Company did not participate in the bidding due to the lack of economic feasibility of repurchasing its own debt		No bidding for the sale of own debt to debtors in bankruptcy proceedings was carried out	

Procurement

Regulatory documents that the Company is guided by in its procurement activities:

- Decree of the Government of the Russian Federation No. 616 dated 21 June 2012 "On Approval of the List of Goods, Works and Services to be Procured in Electronic Form";
- Decree of the Government of the Russian Federation No. 908 dated 10 September 2012 "On Approval of the Regulations on the Publication of Procurement Information on the Official Website";
- Decree of the Government of the Russian Federation No. 932 dated 17 September 2012 "On Approval of the Rules for Forming a Procurement Plan for Goods (Works, Services) and Requirements to the Form of Such Plan";
- Decree of the Government of the Russian Federation No. 1211 dated 22 November 2012 "On Keeping the Register of Bad Suppliers provided for by the Federal Law "On Procurement of Goods, Works and Services by Certain Types of Legal Entities";
- Decree of the Government of the Russian Federation No. 1352 dated 11 December 2014 "On Specifics of Participation of Small and Medium-Sized Business Entities in Procurement of Goods, Works and Services by Certain Types of Legal Entities";
- Decree of the Government of the Russian Federation No. 1442 dated 25 December 2015 "On Procurement of Innovative Products, High-Tech Products by Certain Types of Legal Entities and Amendments to Certain Acts of the Government of the Russian Federation";
- Decree of the Government of the Russian Federation No. 1132 dated 31 October 2014 "On the Procedure for Maintaining a Register of Contracts Concluded by Customers as a Result of Procurement";
- Decree of the Government of the Russian Federation No. 925 dated 16 September 2016 "On the Priority of Goods of Russian Origin, Work, Services Performed or Provided by Russian Entities over Goods of Foreign Origin, Work, Services Performed or Provided by Foreign Entities";
- Decree of the Government of the Russian Federation No. 2013 dated 3 December 2020 "On Minimum Procurement of Goods of Russian Origin";
- Decree of the Government of the Russian Federation No. 1478 dated 22 August 2022 "On Approval of Requirements for Software, Including as Part of Software and Hardware Complexes".

Procurement System Model



¹ CPC – Central Procurement Commission.
² PP – Procurement Plan.
³ STC – Standing Tender Commission.
⁴ ETP – Electronic Trading Platform.

Placement of bonds

As of 31 December 2023, the following issues of the Company's bonds are outstanding:

Series	Total nominal value, RUB	Coupon rate at placement, % p.a.	Outstanding volume at nominal value, RUB	Coupon rate as of 31.12.2023, % p.a.
4-21-65018-D	10,000,000,000	8.75%	419,838,000	7.40
4-22-65018-D	10,000,000,000	1-2 coupons – 9% p.a., coupons 3-20 are calculated by formula: $K_i = (CPI - 100\%) + 2.5\%$, coupons 21-24 – 9.15% p.a.	10,000,000,000	9.15
4-23-65018-D	10,000,000,000	1 coupon – 8.4% p.a., coupons 2-140 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	10,000,000,000	7.69
4-26-65018-D	15,000,000,000	1 coupon – 7.5% p.a., coupons 2-136 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	15,000,000,000	7.00
4-27-65018-D	15,000,000,000	1 coupon – 7.5% p.a., coupons 2-136 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	11,000,000,000	7.00
4-28-65018-D	20,000,000,000	1 coupon – 8.4% p.a., coupons 2-140 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	20,000,000,000	7.69
4-29-65018-D	20,000,000,000	1 coupon – 7.1% p.a., coupons 2-132 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	20,000,000,000	6.15
4-30-65018-D	10,000,000,000	1 coupon – 7.5% p.a., coupons 2-132 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	10,000,000,000	7.69
4-34-65018-D	15,000,000,000	1 coupon – 7.5% p.a., coupons 2-132 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	14,000,000,000	7.69
4-37-65018-D	20,000,000,000	1 coupon – 17.9% p.a., coupons 2-120 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	20,000,000,000	7.00
4-38-65018-D	20,000,000,000	1 coupon – 17.9% p.a., coupons 2-120 are calculated by formula: $K_i = (CPI - 100\%) + 1\%$	20,000,000,000	7.00
4B02-03-65018-D	9,000,000,000	7.75%	9,065,000	8.00
4B02-04-65018-D	7,000,000,000	7.6%	110,893,000	8.00
Exchange-traded bonds of 001P-04R series	10,000,000,000	6.75%	10,000,000,000	6.75
Exchange-traded bonds of 001P-05R series	10,000,000,000	6.50%	10,000,000,000	6.50
Exchange-traded bonds of 001P-02R series	10,000,000,000	6.60%	10,000,000,000	6.60
Exchange-traded bonds of 001P-03R series	10,000,000,000	7.50%	10,000,000,000	7.50
Exchange-traded bonds of 001P-06R series	15,000,000,000	8.70%	15,000,000,000	8.70
4B02-05-65018-D	10,000,000,000	8.50%	10,000,000,000	8.50
4B02-06-65018-D	10,000,000,000	9.70%	10,000,000,000	9.70
4B02-07-65018-D	15,000,000,000	9.70%	15,000,000,000	9.70
Exchange-traded bonds of 001P-07R series	30,000,000,000	8.80%	30,000,000,000	8.80
Exchange-traded bonds of BO-001P-02 series (Rosseti)	10,000,000,000	6.50%	10,000,000,000	6.50
Exchange-traded bonds of 001P-08R series	12,000,000,000	1 coupon – 8.8% p.a., 2-20 coupons – the coupon size is determined by the formula: $C_i = C_c(i) + 1.3\%$, where C_i is the interest rate on the i -th coupon ($i=2,3...20$), $C_c(i)$ is the current value of the key rate of the Bank of Russia on the 7th day preceding the date of the beginning of the i -th coupon period.	12,000,000,000	16.30
Exchange-traded bonds of 001P-09R series	5,000,000,000	10.44%	5,000,000,000	10.44
Exchange-traded bonds of 001P-10R series	10,000,000,000	11.15%	10,000,000,000	11.15

Series	Total nominal value, RUB	Coupon rate at placement, % p.a.	Outstanding volume at nominal value, RUB	Coupon rate as of 31.12.2023, % p.a.
Exchange-traded bonds of 001P-11R series	10,000,000,000	1-73 coupons – the rate is determined by the formula: $RD_{ij} = R + S$, where RD_{ij} is the interest rate on each date D_{ij} , in per cent per annum; R is the value of the key rate of the Bank of Russia for the 7th (seventh) day preceding the date D_{ij} (hereinafter – $D_{ij}-7$). S is the spread, in per cent per annum. $S=1.05\%$	10,000,000,000	17.05%
Exchange-traded bonds of 001P-12R series	5,000,000,000	12.80%	5,000,000,000	12.80%

The Company's bonds are listed on PJSC Moscow Exchange in the first, second and third tiers and are included in the calculation bases of the Moscow Exchange and Cbonds indices.

Credit ratings

No.	Company	Rating level	Forecast	Date of revision	Date of assignment	Rating agency
1	PJSC Rosseti	AAA (RU)	Stable	18.10.2023	28.11.2017	ACRA
2	PJSC Rosseti Moscow Region	AAA (RU)	Stable	29.06.2023	06.06.2018	ACRA
3	PJSC Rosseti Centre	ruAAA	Stable	13.12.2023	19.02.2018	Expert RA
4	PJSC Rosseti Centre and Volga Region	ruAAA	Stable	19.12.2023	07.03.2018	Expert RA
5	PJSC Lenenergo	AAA (RU)	Stable	16.05.2023	11.04.2018	ACRA
6	PJSC Rosseti North-West	AA+ (RU)	Stable	03.08.2023	08.08.2018	ACRA
7	PJSC Rosseti Volga	AA+ (RU)	Stable	15.12.2023	31.10.2018	ACRA
8	PJSC Rosseti Ural	ruAA+	Stable	24.03.2023	16.04.2018	Expert RA
9	JSC Rosseti Tyumen	AA+ (RU)	Stable	07.06.2023	29.06.2021	ACRA

Information on the Company's investments as of 01.01.2024, with the expected level of return more than 10% per annum. (in respect of deposit transactions and promissory notes recognised as financial investments)

No.	Type	Counterparty	Placement amount, RUB	Currency	Rate, % p.a.	Number of days	Start date	End day
1	Deposit	PJSC Moscow Credit Bank	29,324,497,302.43	RUB	17.00	96	28.12.2023	02.04.2024

Environmental Protection

The Company withdraws water in 13 regions of Russia with observed shortages of clean water. The total water withdrawal in such regions in 2023 was 440,600 m³.

Total water withdrawal in regions with observed water shortage by source type in 2023, thousand m³

Region	Surface water	Groundwater	Central water supply system	Water provided by third parties
Republic of Kalmykia	0	0	3.207	0.764
Krasnodar Territory	0	4.336	68.805	0.166
Stavropol Territory	0	0	46.732	0.079
Astrakhan Region	0	0	17.35	1.128
Volgograd Region	0	13.73	43.53	23.929
Kurgan Region	0	0.033	0.007	0.003
Rostov Region	0	3.62	55.54	0.096
Orenburg Region	0	4.466	64.319	0.0444
Murmansk Region	0	2.077	14.962	0.008
Omsk Region	0	0.208	15.778	0
Novgorod Region	0	0.544	2.09	0
Yaroslavl Region	0	0	23.09	0
Belgorod Region	0	2.78	27.18	0

Energy Consumption and Energy Saving

Main measures aimed at reducing electricity and heat consumption in buildings, structures and facilities:

- Thermal insulation of thermal circuits of buildings and structures;
- Replacement of window constructions with energy efficient ones;
- Replacement of old doors, entrance spaces and gates with new energy efficient ones;
- Upgrading of heating, ventilation and air conditioning systems;
- Regulation of operation modes of thermal units;
- Optimisation of heating, air conditioning, lighting of buildings, disconnection of office equipment, electrical appliances with appointment of responsible persons.

Main activities aimed at reducing fuel and lubricant consumption:

- Technical supervision of vehicle operation (wheel alignment adjustment, tyre pressure control, replacement of oil, filters, spark plugs, fuel injectors, etc.);
- Use of fuel cards;
- Purchase of injection engine test benches;
- Optimisation of traffic routes, explanatory work with personnel, and, if possible, priority loading with the lowest specific fuel consumption.

Amount of energy resources used at the Rosseti Group in 2023

No.	Types of resources	UoM	Plan 2023	Actual 2023	Variation in %
1.	atomic energy ¹	In physical terms	–	–	
		In monetary terms	–	–	
2.	thermal energy	In physical terms, thousand Gcal	433.29	422.86	–2.41
		In monetary terms, RUB mln	865.19	884.33	2.21 ²
3.	electric energy	In physical terms, mln kWh	892.34	863.90	–3.19
		In monetary terms, RUB mln	4,107.08	4,065.20	–1.02
4.	electromagnetic energy ¹	In physical terms	–	–	
		In monetary terms	–	–	
5.	petroleum ¹	In physical terms	–	–	
		In monetary terms	–	–	
6.	motor petrol	In physical terms, thousand litre	76,156.34	66,386.75	–12.83
		In monetary terms, RUB mln	3,138.08	2,924.68	–6.80
7.	diesel fuel	In physical terms, thousand litre	68,273.88	77,932.06	14.15 ³
		In monetary terms, RUB mln	3,088.62	3,725.60	20.62 ³
8.	furnace fuel oil ¹	In physical terms	–	–	
		In monetary terms	–	–	
9.	natural gas	In physical terms, thousand cu.m	23,617.26	16,965.39	–28.17
		In monetary terms, RUB mln	78.75	72.39	–8.08
10.	coal ¹	In physical terms	–	–	
		In monetary terms	–	–	
11.	oil shale ¹	In physical terms	–	–	
		In monetary terms	–	–	
12.	peat ¹	In physical terms	–	–	
		In monetary terms	–	–	
13.	others	In physical terms, thousand TFOE	1.46	1.41	–3.42
		In monetary terms, RUB mln	23.32	14.96	–35.85

¹ Resource is not used.

² Actual heat energy costs exceed the planned ones with non-comparable values of heat energy tariffs in 2023 and the tariff used in calculating the planned value of the indicator.

³ The actual value of diesel fuel consumption over the planned one relates to:

- change in the composition of actual works;
- increase in the volume of grid connection works;
- higher need for the use of diesel-powered special-purpose vehicles in the operation of power grids and elimination of process faults at the Company's facilities.

Occupational Health and Safety

Work-Related Accidents

Total injury rate including all injuries (including those caused by third parties, not employees)¹

Branch	2021	2022	2023
PJSC Rosseti Moscow Region	0.349	0.351	0.069
PJSC Rosseti Lenenergo	0.127	0.504	0
PJSC Rosseti Centre	0.216	0.401	0.219
PJSC Rosseti Ural	0.395	0.267	0.532
PJSC Rosseti Centre and Volga Region	0.193	0.144	0.097
PJSC Rosseti Siberia	0.206	0	0.161
PJSC Rosseti Volga	0.144	0.196	0.403
PJSC Rosseti North-West	0.371	0.541	0.382
PJSC Rosseti South	0	0.073	0.221
PJSC Rosseti Northern Caucasus	0.214	0.209	0.422
PJSC Rosseti Kuban	0.113	0.342	0.457
JSC Chechenenergo	0	0.42	0
PJSC TDC	0	0	4.135
JSC Rosseti Yantar	0	1.078	0
JSC Rosseti Tyumen	0.539	1.362	0.54
PJSC Rosseti Siberia Tyvaenergo	0	0	0
JSC RES	0	0	0
JSC Energetik	0	0	0
JSC Electromagistral	0	0	0
Total for the distribution complex	0.178	0.308	0.292
Total for PJSC Rosseti	0.418	0.186	0.482
Total for the Rosseti Group of companies	0.245	0.296	0.312

Fire Safety

To ensure compliance with fire safety requirements, the facilities of the Rosseti Group's companies operate in accordance with the requirements of federal legislation.

Main completed projects of the Company in the field of fire safety in 2023:

- proposals were developed and sent within the framework of implementation of the state policy in the electric power industry and the regulatory guillotine mechanism to the legislative acts of the Russian Federation and regulations in relation to fire safety;
- collection, analysis, and preparation of information and analytical materials on the fire situation at power grid facilities in 2023;

- regulatory, methodological and other documents on fire safety were developed;
- Fire Safety Policy of PJSC Rosseti was implemented;

- work was organised to coordinate the fire safety activities of Rosseti's branches and subsidiaries and to monitor compliance with mandatory fire safety requirements and the implementation of additional measures at electric grid facilities.

Changes in the number of fires and ignitions at the Rosseti Group's facilities

Branches, S&As of the Company	Number of fires and ignitions ¹	
	Total in 2022	Total in 2023
PJSC Rosseti Siberia	68	12
PJSC TDC	–	3
JSC Rosseti Tyumen	20	40
PJSC Rosseti Ural	10	26
PJSC Rosseti Volga	2	5
PJSC Rosseti South	16	12
PJSC Rosseti Kuban	–	1
PJSC Rosseti Northern Caucasus	14	6
PJSC Rosseti Centre and Volga Region	3	4
PJSC Rosseti Centre	3	0
PJSC Rosseti Moscow Region	1	1
PJSC Rosseti North-West	3	6
PJSC Rosseti Lenenergo	4	3
JSC Rosseti Yantar	–	1
Branches of PJSC Rosseti – MPGs	63	92
Total:	207	212

Information on transactions of PJSC Rosseti and its controlled entities

1. Information on the transactions made by PJSC Rosseti in 2023 and recognised as major transactions under the Russian Law

In 2023, the Company did not enter into any transactions recognised as major transactions under the Federal Law "On Joint Stock Companies".

2. Information on the transactions made by PJSC Rosseti in 2023 and recognised as related-party transactions under the Russian Law

Information on transactions entered into by PJSC Rosseti in 2023 that are recognised as related-party transactions under the Federal Law "On Joint Stock Companies" is contained in the Report on Related-Party Transactions Entered into by PJSC Rosseti in 2023 in Appendix No. 3.

3. Information on material transactions of PJSC Rosseti and legal entities controlled by it in 2023 is provided in Appendix No. 4.

4. Information on agreements concluded by PJSC Rosseti in 2023 for the sale and purchase of interests, shares, stocks of business partnerships and companies

Information on purchase and sale agreements for shares, stocks, and units of business partnerships and companies entered into by PJSC Rosseti in 2023, including information on the parties, subject matter, price, and other terms and conditions of such agreements and legal entities controlled by it, is provided in Appendix No. 9.

¹ Injury frequency indicator Kf is the ratio of the number of injured persons to the average number of blue collars and white collars for the accounting period, which is taken relative to 1,000 employees: $Kf = (N1/Np) * 1,000$, where N1 is the number of injured persons who are disabled for more than three working days and up to a fatal outcome, while Np is the number of employees within a certain period of time (average headcount).
The above accident/injury frequency rates are presented for 2021 and 2022 without JSC Electromagistral, JSC Energetik and JSC RES. For 2023, the work-related accident frequency rate is presented, taking into account accidents at JSC Electromagistral, JSC Energetik and JSC RES since those were merged with the Rosseti Group (November 2023).

¹ According to the information provided by JSC Energetik, JSC Electromagistral, JSC RES, no fires and ignitions were recorded at the entrusted facilities in 2023.

Appendix No. 2

Report of PJSC Rosseti on compliance with the principles and recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on 21 March 2014 and recommended by the Bank of Russia for application by listed joint stock companies (letter of the Bank of Russia dated 10 April 2014 No. 06-52/2463)

Date of the Report: 30.03.2024.

This Report on compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia (hereinafter referred to as the Report) was reviewed by the Board of Directors of PJSC Rosseti

(hereinafter referred to as the Company) at the meeting held on 28 May 2024 (Minutes No. 655 dated 28 May 2024) as part of the Company's Annual Report for 2023.

The Board of Directors of the Company hereby confirms that the data contained in the Report contains complete and reliable information on the Company's compliance with the principles

and recommendations of the Corporate Governance Code of the Bank of Russia for the reporting period from 1 January 2023 to 31 December 2023.

The Company shall assess compliance with the principles and recommendations of the Corporate Governance Code based on the Methodology recommended by the Bank of Russia in Letter No. IN-06-28/102 dated 27 December 2021

on disclosure of a report on compliance with the principles and recommendations of the corporate governance code in the annual report of a public joint stock company.

This Report is an appendix to the Annual Report of the Company for 2023, which describes the most significant aspects of the corporate governance model and practices.

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.1	The company must ensure equal and fair treatment of all shareholders in the exercise of their right to participate in the management of the company.			
1.1.1	The company creates the most favourable conditions for shareholders for participation in the general meeting, conditions for developing a reasonable position on the agenda of the general meeting, coordination of their actions, and the opportunity to express their opinion on the issues under consideration.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
	1. The company provides an affordable way to communicate with the public such as a hotline, e-mail or a forum on the Internet, which allows shareholders to express their views and send questions about the agenda during preparation to the general meeting. These methods of communication were organised by the company and made available to shareholders in preparation for each general meeting held during the reporting period.			
1.1.2	The process for distributing notice of a general meeting and supplying meeting materials helps shareholders to adequately prepare for attending the meeting.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		According to Articles 2 and 3 of Federal Law No. 25-FZ dated 25 February 2022 "On Amendments to the Federal Law "On Joint Stock Companies" and on Suspension of Certain Provisions of Legislative Acts of the Russian Federation", the General Meeting of Shareholders, the agenda of which includes the issues specified in Clause 2, Article 50 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies", by decision of the board of directors (supervisory board) of the joint stock company in 2023 could be held in the form of absentee voting. The Board of Directors of the Company decided to convene the Annual General Meeting of Shareholders following the results of 2022 in the form of absentee voting (Minutes No. 618 dated 12 May 2023). For this reason, the notice of Annual General Meeting of Shareholders did not specify the documents required for admission to the premises. The Company provides an opportunity for shareholders to properly prepare for participation in the General Meeting of Shareholders.
	1. In the reporting period, the notice of the general meeting of shareholders was posted (published) on the company's website no later than 30 days before the date of the general meeting, unless a longer period is stipulated by law. 2. The notice of the meeting lists the documents required for admission to the venue. 3. Shareholders were provided with access to information on the persons being initiators of the agenda items and nominating the candidates for the board of directors and the audit commission (if establishment of the same is stipulated by the company's articles of association).			

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.1.3	During the preparation and conduct of the general meeting, the shareholders had an opportunity to receive information on the meeting and materials hereto easily and in a timely manner, to ask questions to the executive bodies and members of the board of directors of the company, and communicate with each other.	<ol style="list-style-type: none"> During the reporting period, shareholders were given an opportunity to ask members of the company's executive bodies and members of the company's board of directors questions in the course of preparations to the annual general meeting of shareholders and during the meeting as well. The position of the board of directors (including the special opinions added to the minutes, if any) on each item of the agenda of the general meetings held during the reporting period was specified in the materials for the general meeting. The company provided authorized shareholders with access to the list of persons eligible for participation in the general meeting of shareholders, starting from the date when this list was received by the company; this applies to all such meetings in the reporting period. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	The Annual General Meeting of Shareholders of the Company for 2022 was held in the form of absentee voting. In the period of preparation for and during the Annual General Meeting of Shareholders, shareholders could ask questions to members of the executive bodies and members of the Board of Directors of the Company by e-mail or via a forum organised on the Company's website.
1.1.4	A shareholder's right to demand that the general meeting of shareholders be convened, nominate candidates to the governing bodies and propose agenda items for the general meeting was exercised without unnecessary elements of complexity.	<ol style="list-style-type: none"> The company's articles of association stipulates a deadline for shareholders to submit proposals for inclusion on the agenda of the annual general meeting of shareholders; such deadline should be at least 60 days after the end of the relevant calendar year. In the reporting period, the company did not reject proposals regarding agenda items or candidates nominated to the company's bodies because of misprints and other minor drawbacks in a shareholder's proposal. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.1.5	Each shareholder had an opportunity to freely exercise the right to vote in the simplest and most convenient for him/her way.	<ol style="list-style-type: none"> The company's articles of association provides for the possibility of completing the electronic form of the ballot on the website (its address is specified in the notice of the general meeting of shareholders). 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.1.6	The procedure for holding the general meeting established in the company provides all persons present at the meeting with equal opportunities for expressing their opinions and asking questions.	<ol style="list-style-type: none"> When general meetings of shareholders were held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was provided for reports on agenda items and time for discussion of these issues, and shareholders were given the opportunity to express their opinions and ask questions of interest on the agenda. The company invited candidates to the management and control bodies of the company and took all necessary steps to ensure their participation in the general meeting of shareholders, at which their nominations were put to a vote. Candidates to the company's governance and control bodies who were present at the general meeting of shareholders were available to answer shareholders' questions. The sole executive body, the accounting officer, the chair or other members of the audit committee of the board of directors were available to answer questions from shareholders at the general meetings of shareholders held during the reporting period. In the reporting period, the company used telecommunication means for remote access of shareholders to participate in general meetings, or the board of directors made a reasonable decision that there was no need (possibility) to use such means in the reporting period. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	<p>According to Articles 2 and 3 of Federal Law No. 25-FZ dated 25 February 2022 "On Amendments to the Federal Law "On Joint Stock Companies" and on Suspension of Certain Provisions of Legislative Acts of the Russian Federation", the General Meeting of Shareholders, the agenda of which includes the issues specified in Clause 2, Article 50 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies", by decision of the board of directors (supervisory board) of the joint stock company in 2023 could be held in the form of absentee voting.</p> <p>The Board of Directors of the Company decided to convene the Annual General Meeting of Shareholders following the results of 2022 in the form of absentee voting (Minutes No. 618 dated 12 May 2023).</p> <p>The Annual General Meeting of Shareholders of the Company in the reporting period was held in the form of absentee voting.</p>
1.2	The shareholders are given equal and equitable opportunities to receive a share of the company's profits by receiving dividends.			
1.2.1	The company has developed and implemented a transparent and clear mechanism for determining the amount of dividends and their payment.	<ol style="list-style-type: none"> The company's regulations on the dividend policy were approved by the board of directors and disclosed on the company's website. If the dividend policy of a company compiling the consolidated financial statements uses the indicators of the company's statements to determine the amount of dividends, then the appropriate provisions of the dividend policy account for the consolidated indicators of the financial statements. Justification of the proposed distribution of net profit, including the payment of dividends and the company's own needs, and assessment of its compliance with the dividend policy adopted by the company, with explanations and economic justification of the need to direct a certain portion of net profit to its own needs in the reporting period were included in the materials for the general meeting of shareholders, the agenda of which includes an item on profit distribution (including the payment (declaration) of dividends). 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.2.2	The company does not make a decision on dividend payment if such a decision is economically infeasible and may create a misleading impression as to the company's operations, despite formal compliance of such decision with the legislation.	<ol style="list-style-type: none"> The regulations on company's dividend policy, in addition to the statutory restrictions, define the financial/economic circumstances the company should not decide to pay dividends under. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.2.3	The company does not allow a deterioration in terms of dividend rights of existing shareholders.	<ol style="list-style-type: none"> In the reporting period, the Company did not take any actions causing deterioration in terms of dividend rights of existing shareholders. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.2.4 The company aims to ensure that shareholders do not have any other ways to receive profit (income) from the company, except as dividends and liquidation value.	1. During the reporting period, there were no other ways for the entities controlling the company to receive profit (income) at the company's expense other than dividends (e.g., through transfer pricing, unjustified provision of services to the company by the controlling entity at inflated prices, through internal loans substituting dividends to the controlling entities and (or) its controlled entities).	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
1.3 The corporate governance system and practices should ensure equitable treatment of all shareholders owning shares of one class (type), including minority (small) shareholders and foreign shareholders, and equal treatment of them by the company.				
1.3.1 The company made sure that its governing bodies and controlling entities treat each and every shareholder fairly, while also preventing abuse of minority shareholders by major shareholders.	1. During the reporting period, the company's controlling entities did not abuse their rights in relation to the company's shareholders, there were no conflicts between the company's controlling entities and the company's shareholders, and if there were, the board of directors paid due attention to the same.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
1.3.2 The company does not take any actions which cause or may cause artificial redistribution of corporate control.	1. There were no quasi-treasury shares in the company, or they did not participate in voting in the reporting period.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>At the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023, LLC FGC Asset Management (since 22 September 2023, the name was changed to LLC Rosseti Capital), controlled by the Company and holding the Company's shares, did not participate in voting.</p> <p>At the Annual General Meeting of Shareholders of the Company held on 30 June 2023, LLC FGC Asset Management participated in voting.</p> <p>In the future, the Company plans to non-participation of quasi-treasury shares voting.</p>	
1.4 Shareholders have reliable and effective methods to record ownership of shares and an opportunity to freely and quickly dispose of their shares.				
1.4 Shareholders have reliable and effective methods to record ownership of shares and an opportunity to freely and quickly dispose of their shares.	1. The technology and service conditions of the company registrar meet the needs of the company and its shareholders and ensure that shareholder rights are regarded and exercised in the most efficient manner.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.1 The board of directors is responsible for the strategic management of the company; it formulates the basic principles and approaches to the development of the risk management and internal control system, supervises the work of the company's executive bodies and performs other core functions.				
2.1.1 The board of directors is responsible for making decisions related to the appointment and dismissal of executive bodies, including due to improper performance of their functions.. The board of directors also ensures that the company's executive bodies act in accordance with the approved development strategy and the company's key areas of business.	<p>1. The board of directors has the power to appoint and dismiss members of executive bodies, as well as to determine the terms and conditions of their contracts; those powers are stipulated in the articles of association.</p> <p>2. During the reporting period, the nominations (appointments, personnel) committee reviewed the compliance of the professional qualifications, skills and experience of the members of the executive bodies in respect of the current and expected needs of the company as dictated by the approved strategy of the company.</p> <p>3. In the reporting period, the board of directors reviewed the report (reports) of the sole executive body and members of the collegial executive body (if any) on the fulfilment of the company's strategy.</p>	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Complied with.</p> <p>2. Partially complied with.</p> <p>Questions about the compliance of professional qualifications, skills and experience of members of the collegial executive body (Management Board) with the current and expected needs of the Company are taken into account by the Company's Board of Directors in deciding on the approval of the report on the fulfilment of key performance indicators of the Company's top managers, as well as in deciding on the election of new members of the executive bodies or re-election of members of the executive bodies for a new term of office.</p> <p>Failure to comply with this recommendation does not entail additional risks for the Company and its stakeholders.</p> <p>3. Complied with.</p>	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.1.2	The board of directors decides on the main long-term strategic targets for the company's operations, assesses and approves key performance indicators and the company's main business goals, assesses and approves the strategy and business plans for the company's core business areas.	1. In the reporting period, the board of directors addressed issues related to the implementation and review of the strategy, approval of the financial and economic plan (budget) of the company, as well as consideration of criteria and indicators (including interim indicators) related to the implementation of the company's strategy and business plans.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.1.3	The board of directors determines the principles and approaches to the development of the risk management and internal control system in the company.	1. The principles of and approaches to the organisation of the risk management and internal control system in the company are determined by the board of directors and stipulated in the company's internal documents, which determine the risk management and internal control policy. 2. In the reporting period, the board of directors approved (revised) an acceptable amount of risks (risk appetite) of the company or the audit committee and (or) risk committee (if any) considered the expediency of submitting the issue of revising the company's risk appetite for consideration by the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	In the reporting period, the Board of Directors approved the preferred risk (risk appetite) of the Rosseti Group (Minutes No. 626 dated 4 August 2023).
2.1.4	The board of directors shapes the company's policy on the payment of remunerations and (or) compensations (reimbursement) to the members of the board of directors, executive bodies or other key executives of the company.	1. The company developed, approved (by the board of directors) and implemented the policy (policies) on remunerations and compensations (reimbursement) to the members of the board of directors, executive bodies and other key executives of the company. 2. In the reporting period, the meetings of the board of directors addressed issues related to the said policy (policies).	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.1.5	The board of directors is instrumental in preventing, identifying and resolving internal conflicts between the company's bodies, its shareholders and employees.	1. The board of directors plays a key role in preventing, identifying and resolving internal conflicts. 2. The company created a system for identifying transactions involving a conflict of interest and a system of measures for resolving such conflicts.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.1.6	The board of directors is instrumental in ensuring the transparency of the company, timeliness and completeness of information disclosure by the company, and easy access of shareholders to the company's documents.	1. The company's internal documents define the persons responsible for implementing the information policy.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.1.7	The board of directors oversees the company's corporate governance practice and plays a key role in the company's significant corporate events.	1. During the reporting period, the board of directors reviewed the results of a self-assessment and/or an external assessment of the company's corporate governance practices.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.2	The board of directors is accountable to the company's shareholders.			
2.2.1	Information on the performance of the board of directors is disclosed and presented to shareholders.	1. The annual report of the company for the reporting period includes information on attendance of meetings of the board of directors and committees by individual directors. 2. The annual report includes information on the main results of performance assessment (self-assessment) of the board of directors carried out in the reporting period.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.2.2	The chair of the board of directors is available for communication with the company's shareholders.	1. The company has a transparent procedure in place to ensure that shareholders can send their enquires to and receive feedback from the chair of the board of directors (and, where applicable, the senior independent director).	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.3	The board of directors is an effective and professional governing body of the company capable of making objective independent judgements and take decisions in the interests of the company and its shareholders.			
2.3.1	Only persons having an impeccable business and personal reputation and the knowledge, skills and experience required for making decisions within the competence of the board of directors and for efficient performance of its functions are elected to the board of directors.	1. In the reporting period, the board of directors (or the nomination committee) assessed candidates for the board of directors from the point of view of experience, knowledge, business reputation, lack of conflict of interest, etc.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.3.2 The members of the board of directors are elected under a transparent procedure, through which shareholders can obtain information about the candidates to the extent sufficient to form an opinion about their personal and professional qualities.	1. In all cases when the agenda of a general meeting of shareholders held in the reporting period included election to the board of directors, the company provided its shareholders with biographical details of all candidates for the board of directors, results of assessment of compliance of their professional qualifications, skills and experience with the current and expected needs of the company (such assessment to be carried out by the board of directors (or its nomination committee)), as well as information on whether the candidate met the criteria of independence in accordance with recommendations 102–107 of the Code and the written consent of the candidates for election to the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>At the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023, information on the candidates (professional experience for the last 5 years, availability of consents, independent director status) was presented to the shareholders as part of the materials for the General Meeting of Shareholders of the Company.</p> <p>In accordance with the Resolution of the Government of the Russian Federation No. 351 dated 12 March 2022 "On Specifics of Disclosure and Provision in 2022 of Information Subject to Disclosure and Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market", and Specifics of Disclosure of Insider Information in Accordance with the Requirements of the Federal Law "On Countering Illegal Use of Insider Information and Market Manipulation and on Amendments to Certain Laws and Regulations of the Russian Federation" (hereinafter referred to as Resolution No. 351) in order to minimise the risks of negative effect from hostile actions of foreign states and organisations, the Company decided not to disclose biographical data of all candidates to the Board of Directors, as well as the results of assessment of compliance of professional qualifications, experience and skills of candidates with the current and expected needs of the Company, conducted by the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>At the Annual General Meeting of Shareholders of the Company held on 30 June 2023, the shareholders were provided with data on professional experience of all candidates to the Board of Directors, results of the assessment of professional qualifications, experience and skills of candidates conducted by the Personnel and Remuneration Committee of the Board of Directors, as well as information on the candidate's compliance with the independence criteria and information on the availability of written consent of candidates for election to the Board of Directors.</p>	
2.3.3 The composition of the board of directors is balanced, including in terms of its members' qualifications, experience, knowledge and business skills, and have shareholders' confidence.	1. During the reporting period, the board of directors analysed its own needs in terms of professional qualifications, experience and skills and identified the competencies required by the board of directors in the short and long term.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.3.4 The number of members of the company's board of directors makes it possible to organise its work most effectively, including the opportunity to form board committees, as well as gives the company's substantial minority shareholders an opportunity to elect their candidate to the board of directors.	1. During the reporting period, the board of directors considered whether the number of the board of directors' members meets the company's needs and the interests of shareholders.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		The compliance of the quantitative composition of the Board of Directors of the Company with the needs of the Company and the interests of shareholders in the reporting period was assessed in the course of the self-assessment of the Board of Directors of the Company for 2022 (Minutes No. 620 dated 7 June 2023).
2.4 An adequate number of independent directors sit on the board of directors.				
2.4.1 A person shall be qualified as an independent director if he or she has sufficient professional skills, experience and independence to form his/her own opinion, is able to make objective and fair judgements independently of the executive bodies of the company, individual groups of shareholders or other stakeholders. It should be noted here that under normal circumstances a candidate (an elected member of the board of directors) associated with the company, its substantial shareholder, substantial counterparty, competitor or the government cannot be considered independent.	1. In the reporting period, all independent members of the board of directors met all independence criteria specified in recommendations 102–107 of the Code or were recognised as independent by the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
<p>2.4.2 The company assesses whether candidates for the board of directors meet the independence criteria, and a regular analysis is carried out to determine whether independent members of the board of directors meet those criteria. When carrying out such assessment, the content should prevail over the form.</p>	<ol style="list-style-type: none"> In the reporting period, the board of directors (or the nomination committee) formed an opinion on the independence of each candidate nominated to the board of directors and provided the shareholders with the relevant statement. During the reporting period, the board of directors (or the board of directors' nomination committee) reviewed the independence of the current board of directors' members at least once (after they were elected). The company has developed procedures stipulating the actions to be taken by a member of the board of directors if he or she ceases to be independent, including the obligation to inform the board of directors of the same in a timely manner. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<ol style="list-style-type: none"> Partially complied with. The Personnel and Remuneration Committee of the Board of Directors reviewed the issue of preliminary assessment of candidates to the Company's Board of Directors (Minutes No. 102 dated 20 March 2023). In accordance with Decree No. 351, in order to minimise the risks of a negative effect from hostile actions of foreign states and organisations, the Company decided not to provide shareholders with the results of the preliminary assessment of candidates to the Board of Directors of the Company at the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023 (Minutes No. 28 dated 21 March 2023). On 29 May 2023, the Personnel and Remuneration Committee of the Board of Directors reviewed the issue of preliminary assessment of candidates to the Company's Board of Directors (Minutes No. 104 dated 29 May 2023). The results of the preliminary assessment of the candidates to the members of the Board of Directors of the Company were presented to the shareholders as part of the materials at the Annual General Meeting of Shareholders of the Company held on 30 June 2023 (Minutes No. 29 dated 30 June 2023). 	
<p>2.4.3 Independent directors comprise at least one third of the elected members of the board of directors.</p>	<ol style="list-style-type: none"> Independent directors comprise at least one third of the membership of the board of directors. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<ol style="list-style-type: none"> Partially complied with. The number of independent members of the Board of Directors of the Company during the reporting period was less than 1/3 of the total membership of the Board of Directors of the Company and totalled 11 members. The process of making proposals and nominating candidates to the Company's governing bodies is regulated by Resolution of the Government of the Russian Federation No. 738 dated 3 December 2004 "On the Management of Federally Owned Shares in Joint Stock Companies and the Use of the Special Right of Participation of the Russian Federation in the Management of Joint-Stock Companies ("Golden Share")" (hereinafter – Resolution of the Government of the Russian Federation No. 738 dated 3 December 2004). Candidates to the Board of Directors of the Company are elected upon the relevant decree of the Government of the Russian Federation. In 2022, candidates for election to the Company's Board of Directors as representatives of the Russian Federation and independent directors were nominated by Decree of the Government of the Russian Federation No. 1209-r dated 18 May 2022. In 2023, candidates for election to the Company's Board of Directors as representatives of the Russian Federation and independent directors were nominated by Decree of the Government of the Russian Federation No. 392-r dated 17 February 2023. Risks related to incomplete compliance with the recommendations of the Corporate Governance Code of the Bank of Russia are mitigated by efficient organisation of independent directors' activities in the Company. 	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.4.4 Independent directors play a key role in preventing internal conflicts in the company and in significant corporate actions taken by the company.	1. Within the reporting period, the independent directors (who had no conflict of interest) made a preliminary assessment of significant corporate actions involving potential conflict of interest and submitted the results of such assessment to the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>Decision-making on issues related to material actions specified in the Code of Corporate Governance of the Bank of Russia</p> <ul style="list-style-type: none"> Restructuring of the Company Acquisition of 30 per cent or more of the voting shares of the Company (acquisition) Execution of major transactions by the Company Increase or decrease in the authorised capital of the Company Listing and delisting of the Company's shares <p>are referred to the competence of the Board of Directors or the General Meeting of Shareholders in accordance with applicable law and the Articles of Association of the Company.</p> <p>Providing the Board of Directors of the Company with recommendations on these issues (except for listing and delisting of shares and reduction of authorised capital) falls within the remit of the Strategy Committee of the Board of Directors.</p> <p>In the reporting period, the Company did not make any transactions, which, as recommended by the Corporate Governance Code of the Bank of Russia, are classified as major transactions.</p> <p>In all these cases, the independent directors preliminarily assessed these transactions in the course of reviewing materials on the relevant agenda item sent to the members of the Strategy Committee of the Board of Directors and members of the Board of Directors.</p> <p>In this regard, no risks related to the incomplete compliance with this recommendation of the Code of Corporate Governance of the Bank of Russia were identified.</p>	
2.5 The chair of the board of directors ensures that the functions assigned to the board of directors are performed as efficiently as possible.				
2.5.1 The board of directors is chaired by an independent director, or a senior independent director is selected from among elected independent directors to coordinate the activities of the independent directors and communicate with the chair of the board of directors.	1. The chair of the board of directors is an independent director or a senior independent director has been selected from among independent directors. 2. The role, rights and duties of the chair of the board of directors (and, if applicable, of the senior independent director) are properly specified in the company's internal documents.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Not complied with.</p> <p>The Chair of the Board of Directors is not an Independent Director.</p> <p>In accordance with subitem "e" of item 1 of the list of instructions of the President of the Russian Federation No. Pr-846 dated 2 April 2011, as well as the instruction of the Government of the Russian Federation No. ISH-P13-26pr dated 8 April 2011, professional trustees are elected as chairs of the boards of directors of companies partially owned by the state.</p> <p>A directive is issued on the election of the Chair of the Board of Directors in accordance with Decree No. 738 of the Government of the Russian Federation dated 3 December 2004.</p> <p>In the reporting period, no senior independent director was appointed to the Board of Directors.</p> <p>At the same time, the Corporate Governance Code of the Company approved by the decision of the Board of Directors of the Company dated 18 November 2021 (Minutes No. 556 dated 22 November 2021) provides that the Company may appoint a Senior Independent Director from among the elected independent members of the Board of Directors. The Senior Independent Director shall be nominated by independent directors.</p> <p>Thus, the matter of election of the Senior Independent Director may be resolved at the initiative of the Independent Directors.</p> <p>At present, no additional risks for the Company and its stakeholders arise from the absence of a Senior Independent Director.</p> <p>The matter of election of the Chair of the Board of Directors will be decided in accordance with the directive of the Government of the Russian Federation.</p> <p>2. Complied with.</p>	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.5.2	The chair of the board of directors creates a constructive atmosphere at the meetings, encourages open discussion of agenda items, and supervises the implementation of the resolutions adopted by the board of directors.	1. The performance of the chair of the board of directors was assessed as part of the procedure for assessment (self-assessment) of the performance of the board of directors in the reporting period.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.5.3	The chair of the board of directors takes necessary measures to ensure timely provision of the members of the board of directors with information required to adopt resolutions on agenda items.	1. The duty of the chair of the board of directors to take measures to ensure timely provision of the members of the board of directors with full and reliable information on agenda items of the meeting of the board of directors is stipulated in the company's internal documents.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.6	Members of the board of directors act reasonably and in good faith in the interests of the company and its shareholders on the basis of sufficient information, exercising due diligence and care.			
2.6.1	In decision-making, members of the board of directors take into consideration all available information, provided that there is no conflict of interest, with equal treatment of the company's shareholders, and within the limits of common business risk.	1. The company's internal documents stipulate that a member of the board of directors shall inform the board of directors if there is a conflict of interest in relation to any issue on the agenda of the meeting of the board of directors or a board committee prior to discussion of that issue. 2. The company's internal documents stipulate that a member of the board of directors shall refrain from voting on any issue in relation to which he or she has a conflict of interest. 3. The company has established a procedure which allows the board of directors to obtain professional advice on issues within its competence at the expense of the company.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.6.2	The rights and responsibilities of the members of the board of directors are clearly worded and set out in the company's internal documents.	1. The company has adopted and published an internal document which clearly determines the rights and responsibilities of the members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.6.3	Members of the board of directors have sufficient time to perform their duties.	1. Individual attendance of the meetings of the board of directors and committees, as well as sufficient time to work on the board of directors, including its committees, is analysed as part of the procedure for assessment (self-assessment) of the board of directors' performance in the reporting period. 2. In accordance with the company's internal documents, members of the board of directors shall inform the board of directors of their intention to join the governing bodies of any other organisations (apart from organisations controlled by the company), and of the fact of such an appointment.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.6.4	All members of the board of directors have equal access to the company's documents and information. Newly elected members of the board of directors are provided with sufficient information on the company and the work of the board of directors in the shortest time possible.	1. In accordance with the company's internal documents, the members of the board of directors have the right to obtain information and documents necessary for the members of the board of directors to perform their duties relating to the company and its controlled entities, and the executive bodies of the company should ensure that relevant information and documents are provided. 2. The company has a formalised induction programme for newly elected members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.7	Meetings of the board of directors, preparation for them and participation of the members of the board of directors in the meetings enable efficient work of the board of directors.			
2.7.1	Meetings of the board of directors are held when necessary, given the scale of the company's operations and challenges facing the company at any particular time.	1. The board of directors held at least six meetings in the reporting year.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.7.2	The company's internal documents set out a procedure for preparing and holding meetings of the board of directors, ensuring that the members of the board of directors are able to prepare for them properly.	1. The company has approved an internal document which determines the procedure for preparing and holding meetings of the board of directors and stipulates, among other things, that notification of the meeting shall be generally given at least five days before the date of such meeting. 2. During the reporting period, the members of the board of directors who were not present at the meeting venue were given the opportunity to participate in the discussion of agenda items and to vote remotely – via conferencing and video-conferencing.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.7.3	The format of the meeting of the board of directors depends on the importance of agenda items. The most important issues are addressed at in-person meetings.	1. The company's articles of association or internal documents stipulate that the most important issues (including those listed in recommendation 168 of the Code) should be considered at in-person meetings of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.7.4	Resolutions concerning the most important issues of the company's business are adopted at the meeting of the board of directors by a qualified majority or by a majority of votes cast by all elected members of the board of directors.	1. The company's articles of association stipulate that resolutions concerning the most important issues specified in recommendation 170 of the Code shall be adopted at a meeting of the board of directors by a qualified majority comprising at least 3/4 of votes, or by a majority of votes cast by all elected members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.8 The board of directors establishes committees for preliminary consideration of the most important issues related to the company's business.				
2.8.1 An audit committee consisting of independent directors has been established for preliminary consideration of any issues related to the monitoring of the company's financial and business operations.	<ol style="list-style-type: none"> The board of directors has formed the audit committee, consisting of independent directors only. The company's internal documents set out the duties of the audit committee, including those specified in recommendation 172 of the Code. At least one member of the audit committee who is an independent director has experience in and knowledge of preparation, analysis, assessment and audit of accounting (financial) statements. The meetings of the audit committee were held at least once a quarter in the reporting period. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.8.2 A remuneration committee consisting of independent directors and chaired by an independent director who is not the chair of the board of directors was established for preliminary consideration of any issues related to the establishment of an efficient and transparent remuneration practice.	<ol style="list-style-type: none"> The board of directors has formed the remuneration committee, consisting of independent directors only. The chair of the remuneration committee is an independent director who is not the chair of the board of directors. The company's internal documents determine the tasks of the remuneration committee, including but not limited to the tasks contained in recommendation 180 of the Code, as well as the conditions (events), upon the occurrence of which the remuneration committee considers revision of the company's remuneration policy for the members of the board of directors, executive bodies and other key executives. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Partially complied with. <p>The Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company, approved by the resolution of the Board of Directors of the Company on 30 September 2015 (Minutes No. 285 dated 2 October 2015), outlines the tasks of the Committee, including those contained in recommendation 180 of the Code. At the same time, the Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company do not contain conditions (events) upon the occurrence of which the Personnel and Remuneration Committee considers revision of the Company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives.</p>	
2.8.3 A nomination (appointment, personnel) committee consisting mostly of independent directors has been established for preliminary consideration of any issues related to workforce planning (succession planning), professional composition and performance of the board of directors.	<ol style="list-style-type: none"> The board of directors has established the nomination committee (or another committee performs its duties specified in recommendation 186 of the Code) consisting mostly of independent directors. The company's internal documents set out the duties of the nomination committee (or another committee with shared functions), including those specified in recommendation 186 of the Code. In the reporting period, in order to form the board of directors that best meets the company's goals and objectives, the nomination committee organized interaction with shareholders, not limited to the largest shareholders, in the context of selecting candidates to the board of directors of the company, either individually or jointly with other committees of the board of directors or the company's authorised subdivision in charge of relations with shareholders. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Not complied with. <p>The procedure for nominating candidates to the Company's Board of Directors is regulated by Decree of the Government of the Russian Federation No. 738 dated 3 December 2004.</p> <p>Due to the Company's being included in the special list approved by the Russian Federation Government Decree No. 91p dated 23 January 2003 "On the List of Joint Stock Companies in respect of which the position of the Russian Federation shareholder is determined by the Government of the Russian Federation, the Chairman of the Government of the Russian Federation or on their instructions by the Deputy Chairman of the Government of the Russian Federation" (hereinafter referred to as the Russian Federation Government Decree No. 91p dated 23 January 2003), candidates to the Company's Board of Directors shall be nominated to the Board of Directors in accordance with the decree of the Government of the Russian Federation.</p> <p>The selection and appraisal of candidates who may be nominated to the Company's Board of Directors is carried out by the Rosimushchestvo Commission for the Selection of Independent Directors and Representatives of the Interests of the Russian Federation for Election to the Governing and Control Bodies of Joint Stock Companies, based on and taking into account the proposals of the Ministry of Energy of Russia and the Company, with preliminary questionnaire survey and appraisal of possible candidates, including in terms of their experience, knowledge, business reputation, absence of conflicts of interest, etc.</p> <p>In 2023, candidates for election to the Company's Board of Directors were nominated in accordance with the Russian Government Decree No. 392-r dated 17 February 2023.</p> <p>Due to the above-described peculiarities of the formation of the Company's Board of Directors, the Company does not plan to implement the above recommendation in the upcoming reporting periods.</p>	<p>The Board of Directors of the Company has established the Personnel and Remuneration Committee of the Board of Directors of the Company, the remit of which includes the tasks of the Nomination (Appointments, Personnel) Committee stipulated by Recommendation 186 of the Corporate Governance Code of the Bank of Russia.</p>

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes	
2.8.4	Given the scale of business and the risk level, the company's board of directors made sure that the membership of its committees meets all objectives of the company's operations. Additional committees have been either formed or considered unnecessary (the strategy committee, the corporate governance committee, the ethics committee, the risk management committee, the budget committee, the health, safety and environment committee, etc.).	1. In the reporting period, the company's board of directors considered whether the structure of the board of directors is appropriate to the scope, nature, business goals, needs, and risk profile of the company. Additional committees have been either formed or considered unnecessary.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.8.5	The membership of committees is determined so that it would enable a comprehensive discussion of issues for preliminary consideration, taking into account different opinions.	1. The audit committee, remuneration committee, and nomination committee (or the relevant committee with a combined function) were chaired by independent directors in the reporting period. 2. The company's internal documents (policies) contain provisions whereby persons who are not members of the audit committee, the nomination committee or the remuneration committee (or the relevant committee with a combined function) may only attend meetings of the committees by invitation of the chair of the relevant committee.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	The Board of Directors of the Company has established the Personnel and Remuneration Committee of the Board of Directors of the Company, the remit of which includes, inter alia, the tasks of the Nomination Committee.	
2.8.6	The chairs of the committees regularly inform the board of directors and its chair on the performance of their committees.	1. In the reporting period, the chairs of the committees regularly reported to the board of directors on the performance of their committees.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.9	The board of directors arranges an assessment of the performance of the board of directors, its committees and members.				
2.9.1	The performance assessment of the board of directors is aimed at determining the level of efficiency the of the board of directors, its committees and members, whether their work meets the company's development needs, as well intensifying the work of the board of directors and identifying opportunities for the improvement of its performance.	1. The company's internal documents stipulate the procedures for assessing (self-assessing) the board of directors' performance. 2. The assessment (self-assessment) of the board of directors' performance carried out in the reporting period included an assessment of the work of the committees, an individual assessment of each member of the board of directors and the board of directors as a whole. 3. The results of the assessment (self-assessment) of the board of directors' performance carried out during the reporting period were reviewed at an in-person meeting of the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	1. Complied with. 2. Complied with. 3. Partially complied with. The Company's internal document – the Regulations on Assessment of Performance of the Company's Board of Directors approved by the decision of the Company's Board of Directors on 6 March 2020 (Minutes No. 490 dated 10 March 2020) – stipulates that the assessment results should be considered at an in-person meeting of the Board of Directors (unless another form of meeting of the Board of Directors is determined by the Chairman of the Board of Directors) with preliminary review by the Personnel and Remuneration Committee of the Board of Directors). The results of the assessment of the performance of the Board of Directors of the Company for 2022, conducted during the reporting period, were reviewed at the meeting of the Board of Directors of the Company held on 7 June 2023 by the decision of the Chairman of the Board of Directors in the form of absentee voting (Minutes No. 620 dated 7 June 2023). When assessing the performance of the Board of Directors in 2024, the Company plans to review the results of the assessment at an in-person meeting of the Company's Board of Directors. The final decision on the form of the meeting shall be made by the Chairman of the Board of Directors of the Company.	
2.9.2	The performance of the board of directors, committees and members of the board of directors is assessed on a regular basis at least once a year. An external organisation (consultant) is engaged at least once every three years to carry out an independent assessment of the board of directors' performance.	1. An external organisation (consultant) was engaged to perform an independent assessment of performance of the board of directors at least once during the last three reporting periods.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
3.1	The company's corporate secretary facilitates efficient ongoing communication with shareholders, coordinates the company's efforts aimed at protecting the shareholders' rights and interests and supports efficient work of the board of directors.				
3.1.1	The corporate secretary has knowledge, expertise and qualification sufficient for performing his or her duties; he or she should also have an excellent reputation and find shareholders' credence.	1. The company's website and the annual report contain biographical information on the corporate secretary (including information on age, education, qualifications, experience), as well as information on positions in management bodies of other legal entities held by the corporate secretary for at least the last five years.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
3.1.2 The corporate secretary is sufficiently independent of the company's executive bodies and has the necessary powers and resources to carry out his or her tasks.	<ol style="list-style-type: none"> The company adopted and disclosed an internal document: the regulations on the corporate secretary. The board of directors approves the candidate for the position of corporate secretary, terminates his/her powers and considers the payment of additional remuneration to him/her. The company's internal documents stipulate the corporate secretary's right to request and receive company documents and information from management bodies, subdivisions and officers of the company. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1 The amount of remuneration paid by the company is sufficient for attracting, motivating and retaining employees who have the competence and qualification required by the company. Remuneration is paid to the members of the board of directors, executive bodies and other key executives of the company in accordance with the remuneration policy adopted by the company.	<ol style="list-style-type: none"> Remuneration of members of the board of directors, executive bodies and other key executives of the company is determined based on the results of a comparative analysis of remuneration levels in comparable companies. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>The procedure for determining the amount of remunerations and compensations to the members of the Board of Directors of the Company is established by the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company (hereinafter referred to as the Regulations) approved by the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).</p> <p>The procedure for determining the amount of remuneration to be paid to the members of the Company's Board of Directors stipulated by the Regulations takes into account the recommendations of the Ministry of Energy of the Russian Federation. The calculation of remuneration payable to a member of the Board of Directors of the Company shall be made using the formula presented in the Regulations. The total remuneration of a member of the Company's Board of Directors (including additional remuneration) may not exceed RUB 900,000.</p> <p>If the federal executive authorities issue new recommendations, the Company will revise the procedure for determining the amount of remuneration and compensation to the members of the Company's Board of Directors in light of such recommendations.</p> <p>Given the unique nature and scale of the Company's operations, it is currently not possible to conduct a comparative analysis of the remuneration level of executive bodies and other key executives of the Company.</p> <p>The Company will consider full compliance with this recommendation should the above specifics (circumstances) change.</p>	
4.1.2 The company's remuneration policy was developed by the remuneration committee and approved by the board of directors. The board of directors supported by the remuneration committee monitors the adoption and implementation of the remuneration policy in the company and, if necessary, revises it and makes adjustments to it.	<ol style="list-style-type: none"> During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and (or) practices of its (their) implementation, assessed their efficiency and transparency, and, if necessary, submitted respective recommendations to the board of directors for revision of the said policy (policies). 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1.3 The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration for the members of the board of directors, executive bodies and other key executives of the company; in addition, it regulates all types of payments, benefits and privileges provided to the said persons.	<ol style="list-style-type: none"> The remuneration policy (policies) of the company includes (include) transparent mechanisms for determining the amount of remuneration for the members of the board of directors, executive bodies and other key executives of the company; in addition, it (they) regulates (regulate) all types of payments, benefits and privileges provided to the said persons. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1.4 The company formulates the policy on reimbursement of expenses (compensation), which defines the expenses to be reimbursed and the service level, which may be provided to members of the board of directors, executive bodies and other key executives of the company. This policy may constitute a part of the company's remuneration policy.	<ol style="list-style-type: none"> The remuneration policy (policies) or other internal documents of the company establish the procedures for reimbursement of expenses incurred by members of the board of directors, executive bodies and other key executives of the company. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
4.2 The system of remuneration for the members of the board of directors ensures that the directors' financial interests are aligned with the long-term financial interests of shareholders.				
4.2.1 The company pays fixed annual remuneration to the members of the board of directors. The company does not pay remuneration for participating in individual meetings of the board of directors or committees under the board of directors. The company does not offer short-term or additional financial incentives to the members of the board of directors.	1. In the reporting period, the company paid remuneration to the members of the board of directors in accordance with the remuneration policy adopted by the company. 2. In the reporting period, the company did not apply any forms of short-term motivation or additional material incentives to the members of the board of directors, the payment of which depends on the results (indicators) of the company's performance. No remuneration was paid for participation in individual meetings of the board of directors or the committees under the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.2.2 Long-term ownership of the company's shares is the most important factor, ensuring that financial interests of members of the board of directors are aligned with long-term interests of shareholders. At the same time, the company does not make the right to sell shares dependent on compliance with certain performance targets, and the members of the board of directors do not participate in stock options plans.	1. If an internal document (documents), namely the company's policy (policies) on remuneration, stipulates (stipulate) that members of the board of directors are to be provided with shares, clear rules regarding the ownership of shares by the members of board of directors, which are aimed at encouraging long-term ownership of such shares, should be introduced and detailed.	<input type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	Compliance with the criterion in this item cannot be assessed because the internal document – the Regulations on Payment of Remunerations and Compensations to Members of the Board of Directors of the Company – does not envisage stock plans for the Board members.	
4.2.3 The company's internal documents do not provide for any additional payments or compensations in case of early dismissal of the members of the board of directors due to a change of control over the company or other circumstances.	1. The company's internal documents do not provide for any additional payments or compensations in case of early dismissal of the members of the board of directors due to a change of control over the company or other circumstances.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.3 The system of remuneration for members of executive bodies and other key executives of the company ensures that the remuneration is linked to the company's performance and reflects their personal contribution to such performance.				
4.3.1 Remuneration paid to the members of executive bodies and other key executives of the company is determined in such a way as to ensure a reasonable and justified ratio of fixed components of remuneration to its variable components, which depend on the company's performance and an employee's personal (individual) contribution to such performance.	1. In the reporting period, annual performance indicators approved by the board of directors were used to determine variable components of remuneration for the members of executive bodies and other key executives of the company. 2. During the last assessment of the system of remuneration for the members of executive bodies and other key executives of the company, the board of directors (the remuneration committee) made sure that the company used an effective combination of fixed and variable components of remuneration. 3. When determining the amount of remuneration payable to the members of executive bodies and other key executives of the company, consideration is given to the risks borne by the company in order to avoid creating incentives for taking excessively risky management decisions.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	<p>The system of remuneration of the Company's top managers is determined in accordance with Decree of the Government of the Russian Federation No. 209 dated 13 February 2023 "On Conditions of Remuneration of Labour of Executives, Their Deputies, Chief Accountants and Members of Collegial Executive Bodies of State Corporations, State Companies, Business Companies, Shares in the Authorised Capital of which are Owned by the Russian Federation" (hereinafter – Decree of the Government of the Russian Federation No. 209 dated 13 February 2023) and is based on the achievement of the results of the Company's approved key performance indicators (KPIs) and functional key performance indicators (FKPIs).</p> <p>The results of achieving the target indicators are reviewed by the Board of Directors of the Company and only after the Board of Directors of the Company has decided to approve the relevant report, remuneration may be paid in the amount in line with the results achieved.</p>	
4.3.2 The company has implemented a long-term incentive plan for the members of executive bodies and other key executives involving the use of the company's shares (options or other derivatives for which the company's shares are underlying assets).	1. If the company introduced a long-term incentive programme for members of executive bodies and other key executives of the company using company shares (financial instruments based on company shares), the programme stipulates that the right to sell such shares and other financial instruments shall not arise earlier than three years after provision of the same. At the same time, the right to sell them is related to achievement of certain performance targets of the company.	<input type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. The assessment of compliance with the criterion in this item cannot be given because the Company does not have a long-term share-based incentive programme for members of executive bodies and other key executives (financial instruments based on the Company's shares).</p> <p>As the Russian Federation Government Decree No. 209 dated 13 February 2023 approved the Regulations on the terms of remuneration of labour of executives, their deputies, chief accountants and members of collegial executive bodies of state corporations, state-owned companies, business entities, shares in the authorised capital of which are owned by the Russian Federation, and the KPI directives of the Russian Federation Government, it should be noted that the Company cannot introduce a long-term share-based incentive programme for members of executive bodies and other key executives (financial instruments based on the Company's shares) due to the fact that these Regulations specify the maximum amount of remuneration for executives of joint stock companies the shares in the authorised capital of which are owned by the Russian Federation.</p>	
4.3.3 The amount of compensation ('golden parachute') paid by the company in the event of early dismissal of members of executive bodies or key executives on the company's initiative and in the absence of wrongdoings on their part does not exceed twice the size of the fixed component of annual remuneration.	1. The amount of compensation ('golden parachute') paid by the company in the event of early dismissal of members of executive bodies or key executives on the company's initiative and in the absence of wrongdoings on their part did not exceed twice the size of the fixed component of annual remuneration in the reporting period.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
5.1	The company has in place an effective risk management and internal control system aimed at providing reasonable assurance that the company would achieve its goals.			
5.1.1	The board of directors established the principles of and approaches to organising a risk management and internal control system in the company.	1. Functions of the company's various governing bodies and divisions within the risk management and internal control system are clearly defined in internal documents/ the relevant policy of the company approved by the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.2	The company's executive bodies ensure the creation and support of an efficient risk management and internal control system in the company.	1. The company's executive bodies have ensured the distribution of duties, powers and responsibility in the sphere of risk management and internal control among heads of subdivisions and divisions accountable to them.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.3	The risk management and internal control system of the company gives a fair, objective and clear picture of the current situation in the company and its prospects and ensures integrity and transparency of the company's statements. It also ensures that risks taken by the company are reasonable and acceptable.	1. The company has the anti-corruption policy approved. 2. The company has developed a convenient, safe and confidential method (hotline) for informing the board of directors or its audit committee about violations of the law, internal procedures or the corporate code of ethics of the company.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is in line with the principles of and approaches to its organisation formulated by the board of directors and that it functions efficiently.	1. During the reporting period, the board of directors (audit committee and/or risk committee, if any) organised an assessment of the reliability and effectiveness of the risk management and internal control system. 2. During the reporting period, the board of directors reviewed the results of the assessment of the reliability and efficiency of the company's risk management and internal control system; information on the results of the review is included in the company's annual report.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.2	The company organises internal audit in order to make an independent and systematic assessment of the reliability and performance of the risk management and internal control system and the corporate governance practice.			
5.2.1	To conduct internal audit, the company has in place a separate subdivision or has engaged an independent third-party organisation. Functional accountability and administrative accountability of the internal audit subdivision are delineated. The internal audit subdivision is functionally accountable to the board of directors.	1. To conduct internal audit, the company has created a separate subdivision responsible for internal audit which is functionally accountable to the board of directors, or an independent third-party organisation has been engaged following the same accountability principles.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.2.2	The internal audit subdivision assesses the reliability and effectiveness of the risk management and internal control systems as well as the corporate governance, and applies generally accepted internal auditing standards.	1. During the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system. 2. In the reporting period, internal audit assessed corporate governance practices (individual practices), including information interaction procedures (along with those related to internal control and risk management) at all management levels of the company, and interaction with stakeholders as well.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
6.1	The company and its operations are transparent to shareholders, investors and other stakeholders.			
6.1.1	The company put in place an information policy ensuring effective communication between the company, its shareholders, investors and other stakeholders.	1. The board of directors approved the company's information policy, which is developed in line with the recommendations of the Code. 2. During the reporting period, the board of directors (or one of its committees) considered the efficiency of information exchange between the company, shareholders, investors and other stakeholders and the expediency (need) to revise the company's information policy.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
6.1.2	The company discloses information on the system and practice of corporate governance, including detailed information on compliance with the principles and recommendations of the Code.	1. The company discloses information on its corporate governance system and general corporate governance principles used by it, including disclosure on the company's website. 2. The company discloses information on the membership of executive bodies and the board of directors, independence of its members and their membership in the committees of the board of directors (as defined in the Code). 3. If there is an entity controlling the company, the company publishes a memorandum of this entity detailing plans of such entity concerning corporate governance in the company.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Complied with. 2. Partially complied with.</p> <p>In accordance with Decree of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Peculiarities of Disclosure and (or) Provision of Information to be Disclosed and (or) Provided in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market" (hereinafter – Decree No. 1102), in order to minimise the risks of negative effect from unfriendly actions of foreign states and organisations, the Company decided not to disclose information on the composition of the committees of the Board of Directors of the Company.</p> <p>The Company will return to full disclosure of information in the event that the relevant risks cease to exist.</p> <p>3. Complied with.</p>

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
6.2 The company discloses comprehensive, up-to-date and accurate information on the company in a timely manner to ensure that its shareholders and investors are able to make informed decisions.				
6.2.1 The company discloses information in accordance with the principles of regularity, consistency and promptness, as well as availability, accuracy, comprehensiveness and comparability of data disclosed.	<ol style="list-style-type: none"> The company has established a procedure that ensures coordination of work of all subdivisions and employees of the company who are related to disclosure of information or whose activities may result in the need to disclose information. If the company's securities are traded on foreign organised markets, the disclosure of material information in the Russian Federation and on such markets is simultaneous and equivalent during the reporting year. If foreign shareholders own a considerable number of shares in the company, information was disclosed not only in Russian but also in one of the prevailing foreign languages during the reporting year. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.2.2 The company avoids using a formal approach to information disclosure and discloses material information on its operations even if the law does not require disclosing such information.	<ol style="list-style-type: none"> The company's information policy defines approaches to disclosure of information on other events (actions) which have a material effect on the value or quotation of its securities, disclosure of which is not required by law. The company discloses information on its capital structure in the annual report and on its website, in accordance with Recommendation 290 of the Code. The company shall disclose information on controlled entities that are material to the company, including key areas of their activities, mechanisms for ensuring accountability of controlled entities, the authority of the company's board of directors to determine strategy and assess performance of controlled entities. The Company discloses non-financial reports – a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change-related factors), society (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of a joint stock company. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Not complied with. <p>In accordance with Decree No. 1102, in order to minimise the risks of a negative effect from unfriendly actions of foreign states and organisations, the Company decided not to disclose information on controlled organisations that are of material importance to it. The Company will return to full disclosure of information in the event that the relevant risks cease to exist.</p>	4. Complied with.
6.2.3 Being one of the most important means of communication with shareholders and other stakeholders, the annual report contains information enabling an assessment of the company's performance during the year.	<ol style="list-style-type: none"> The annual report of the company contains information on the results of the assessment by the audit committee of the effectiveness of the external and internal audit process. The company's annual report contains information on the company's environmental and social policy. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.3 The company provides equal and easy access to information and documents at the shareholders' request.				
6.3.1 Shareholders can exercise their right of access to company documents and information without unnecessary difficulties.	<ol style="list-style-type: none"> The company's information policy (internal documents defining the information policy) defines a non-onerous procedure for providing access to the company's information and documents upon shareholders' requests. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder requests information on organisations controlled by the company, the company shall make the necessary efforts to obtain such information from the relevant organisations controlled by the company. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.3.2 When the company provides information to shareholders, a reasonable balance is maintained between the interests of individual shareholders and those of the company, as the company is interested in maintaining confidentiality of important commercial information which may have a material effect on its competitiveness.	<ol style="list-style-type: none"> In the reporting period, the company did not reject shareholders' requests for information, or, if it did, it gave reasons for the refusal to provide information. In the cases stipulated by the company's information policy, shareholders are informed that the information is confidential and undertake to keep it confidential. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle Notes
7.1	Actions that have or may have a substantial impact on the company's authorised capital structure and financial position and, accordingly, on the shareholders' position (significant corporate actions) are taken on equitable terms safeguarding the rights and interests of the shareholders and other stakeholders.		
7.1.1	<p>Significant corporate actions include reorganisation of the company, purchase of 30 or more percent of the company's voting shares (acquisition), making major transactions, an increase or reduction of the authorised capital of the company, listing and delisting of the company's shares, as well as other actions that may result in a significant change of shareholders' rights or infringement of their interests. The company's articles of association provides a list (criteria) of transactions or other actions constituting significant corporate actions, and such actions fall within the competence of the company's board of directors.</p> <p>1. The company's articles of association define a list (criteria) of transactions or other actions that constitute significant corporate actions. Making decisions about significant corporate actions is within the competence of the board of directors, according to the company's articles of association. In cases when the legislation specifically states that the exercise of corporate actions falls within the competence of the general meeting of shareholders, the board of directors provides the shareholders with the relevant recommendations.</p>	<p><input type="radio"/> complied with</p> <p><input checked="" type="radio"/> partially complied with</p> <p><input type="radio"/> not complied with</p>	<p>1. Partially complied with.</p> <p>The Company's Articles of Association do not define the very notion of material corporate actions.</p> <p>However, decision-making on matters relating to material actions referred to in recommendation 303 of the Code (e.g., restructuring of the Company, increase/decrease in the authorised capital of the Company, decision-making on the participation of the Company in other organisations, decision-making on applying for delisting of the Company's shares and (or) equity securities convertible into its shares, decision-making on consent or subsequent approval of major transactions, approval of other transactions of the Company and its controlled entities) in accordance with the current legislation and the Articles of Association of the Company are the competence of the Board of Directors or the General Meeting of Shareholders. When any matters, including significant corporate actions, are put to shareholders at a meeting of shareholders, the Board of Directors will make recommendations to shareholders accordingly.</p>
7.1.2	<p>The board of directors plays a key role in making decisions or recommendations with regard to significant corporate actions; the board of directors relies on the opinion of independent directors of the company.</p> <p>1. The company has established a procedure whereby independent directors express their opinions on significant corporate actions before those actions are approved.</p>	<p><input checked="" type="radio"/> complied with</p> <p><input type="radio"/> partially complied with</p> <p><input type="radio"/> not complied with</p>	
7.1.3	<p>When making significant corporate actions affecting the rights and legitimate interests of shareholders, equal conditions are provided for all shareholders of the company, and in case of insufficiency of statutory mechanisms aimed at the protection of shareholders, additional measures are taken to protect the rights and legitimate interests of shareholders of the company. At the same time, the company is guided not only by compliance with the formal requirements of the law but also by the corporate governance principles set out in the Code.</p> <p>1. The company's articles of association, taking into account the peculiarities of the company's operations, stipulate that the competence of the board of directors shall include approval of other transactions that are significant to the company, in addition to those provided for by law.</p> <p>2. During the reporting period, all significant corporate actions were approved prior to their implementation.</p>	<p><input checked="" type="radio"/> complied with</p> <p><input type="radio"/> partially complied with</p> <p><input type="radio"/> not complied with</p>	
7.2	The company ensures that significant corporate actions are taken in a manner that enables the shareholders to receive full information on such actions, provides them with an opportunity to influence such actions and guarantees that their rights are observed and properly protected when such actions are taken.		
7.2.1	<p>Information on significant corporate actions is disclosed, and an explanation of the reasons, conditions and consequences of such actions is provided.</p> <p>1. If the company performed significant corporate actions during the reporting period, the company disclosed information on such actions to shareholders in a timely and detailed manner, including disclosing the reasons, conditions and consequences of such actions.</p>	<p><input checked="" type="radio"/> complied with</p> <p><input type="radio"/> partially complied with</p> <p><input type="radio"/> not complied with</p>	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
7.2.2 The rules and procedures for the implementation of significant corporate actions are set forth in the company's internal documents.	<ol style="list-style-type: none"> The company's internal documents determine the cases and procedure for engaging an appraiser to determine the value of property to be alienated or acquired under a major transaction or a related-party transaction. The company's internal documents establish the procedure for engaging an appraiser to carry out an assessment of the company's shares, for the purposes of purchase or buyback. If there is no formal interest of a member of the board of directors, the sole executive body, member of the collegial executive body of the company or an entity being a controlling entity of the company or an entity entitled to give instructions binding on the company in transactions of the company, but if there is a conflict of interest or other actual interest, the internal documents of the company provide that such entities shall not participate in voting on approval of such transaction. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<p>1. Partially complied with.</p> <p>The company's internal documents did not determine the cases and procedure for engaging an appraiser to determine the value of property to be alienated or acquired under a major transaction or a related-party transaction.</p> <p>In addition, in accordance with subitem 11 of item 15.1 of the Company's Articles of Association, the scope of powers of the Board of Directors includes determining the price (monetary value) of property, the offering price or the procedure for determining it, and the redemption price of equity securities in cases stipulated by the Federal Law "On Joint Stock Companies", as well as when resolving issues specified in subitems 21, 28 of item 15.1 of article 15 of these Articles of Association (making decisions on the Company's participation in other organisations and preliminary approval of decisions on the Company's transactions with the parameters specified in the Articles of Association).</p> <p>In view of the above, failure to implement this recommendation does not entail additional risks for the Company and its stakeholders.</p> <p>2. Complied with.</p> <p>3. Not complied with.</p> <p>If there is no formal interest of a member of the Board of Directors, the sole executive body, member of the collegial executive body of the Company or an entity being a controlling entity of the Company or an entity entitled to give instructions binding on the Company in transactions of the Company, but if there is a conflict of interest or other actual interest, the internal documents of the Company do not prohibit for such entities to participate in voting on approval of such transaction.</p> <p>Given the specifics of the holding structure, numerous related-party transactions are concluded between the Rosseti Group's companies.</p> <p>In the Company's opinion, the formal interest criteria established by the Federal Law "On Joint Stock Companies" and, accordingly, the related cases of non-participation in voting on the approval of transactions are sufficient to ensure optimal protection of the rights and interests of shareholders and investors. Stipulation in the internal documents of cases when members of the Board of Directors of the Company and other persons do not participate in voting on approval of a transaction in the absence of formal interest, but in the presence of a conflict of interest or other actual interest, could make it difficult for the Company to operate due to the increased number of transactions recognised as related-party transactions.</p>	

Appendix No. 3 Report on Related-Party Transactions Concluded by PJSC Rosseti in 2023¹

Appendix No. 4 Report on Major Transactions of PJSC Rosseti and its Controlled Entities¹

¹ Information is not disclosed under the right granted by Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

¹ Information is not disclosed under the right granted by Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

Appendix No. 5 Information on PJSC Rosseti's¹ Actual Fulfilment of Instructions of the President of the Russian Federation and the Government of the Russian Federation in 2023

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
1	2	3	4	5
1. Disposal of Non-Core Assets				
1.1.	Decree of the President of the Russian Federation	No. 596 dated 7 May 2012 (paragraph 4 of sub-item 'c', item 2)	Implementation of programmes for the disposal of non-core assets	Since 2012, the Company has been taking measures to identify and dispose of non-core assets. The Board of Directors of OJSC FGC UES (excerpt from the Minutes of the meeting of the Board of Directors of OJSC FGC UES No. 178 dated 16 November 2012) approved the Non-Core Asset Management Programme of OJSC FGC UES (hereinafter referred to as the NCA Management Programme), and a new version of the NCA Management Programme was approved by the resolution of the Board of Directors of PJSC FGC UES (excerpt from the Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 311 dated 14 March 2016).
	Instructions of the President of the Russian Federation	No. Pr-348 dated 22 February 2016		Based on the Directives of the Government of the Russian Federation No. 4863p-P13 dated 7 July 2016, and in accordance with the Methodological Recommendations for the Identification and Disposal of Non-Core Assets developed by the Ministry of Economic Development of Russia jointly with the Federal Agency for State Property Management (Rosimushchestvo), PJSC FGC UES developed (updated) the Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES (hereinafter referred to as the NCA Disposal Programme) that was approved by the resolution of the Board of Directors of PJSC FGC UES (excerpt from the Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 350/12 dated 28 December 2016).
	Executive Order of the Government of the Russian Federation	No. 894-r dated 10 May 2017 (items 3, 5, and 7)		Based on the Directives of the Government of the Russian Federation No. 6604p-P13 dated 18 September 2017, the Board of Directors of PJSC FGC UES approved new versions of the internal documents of PJSC FGC UES regulating the procedure for identifying and selling non-core assets of PJSC FGC UES on 22 May 2018 (excerpt from the Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 404/1 dated 25 May 2018): <ul style="list-style-type: none"> Programme for the Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES (hereinafter referred to as the NCA Disposal Programme 2018) Procedure for Organising the Sale of Non-core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES In order to improve the efficiency of activities related to the sale of non-core assets, the Company issued the following organisational and administrative documents as a follow-up to the NCA Disposal Programme 2018: <ul style="list-style-type: none"> Order No. 377 dated 5 October 2018, On Approval of the Procedure for Free Transfer (Donation) of Non-Core Assets of PJSC Rosseti into the Ownership of Public Legal Entities Order No. 555r dated 15 November 2018 On Approval of Methodological Recommendations Regulating the Procedure for Filling out the Form of the Non-Core Asset Register

¹ Former title until 12 October 2022: PJSC FGC UES.

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<ul style="list-style-type: none"> Order No. 348 dated 2 October 2019, On Assigning the Persons in Charge of Implementing the Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES Order No. 399 dated 11 November 2019, On Approval of the Procedure for Identifying Non-Core Assets of PJSC FGC UES and Preparing Substantiating Materials for Compiling and Updating the Register of Non-Core Assets of PJSC FGC UES <p>In accordance with the provisions of the NCA Disposal Programme 2018, the Board of Directors of PJSC FGC UES:</p> <ul style="list-style-type: none"> At least once a year, approves an updated register of non-core assets of PJSC FGC UES Considers quarterly reports on the progress and results of the implementation of measures under the NCA Disposal Programme 2018 <p>In 2020, in accordance with resolutions of the Board of Directors of PJSC FGC UES:</p> <ul style="list-style-type: none"> Approves the updated Register of Non-core Assets of PJSC FGC UES (excerpt from the Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 490/5 dated 10 March 2020) Amendments were made to the NPA Disposal Programme (extract from the Minutes of the meeting of the Board of Directors of PJSC FGC UES No. 522/3 dated 11 December 2020) <p>The resolution of the Board of Directors of PJSC FGC UES dated 12 October 2021 (Minutes No. 555 dated 12 October 2021) approved the revised Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES (hereinafter referred to as the NCA Disposal Programme 2021), as well as the Register of Non-Core Assets of PJSC FGC UES as of 30 June 2021.</p> <p>In accordance with the provisions of the NCA Disposal Programme 2021, the Board of Directors of PJSC FGC UES:</p> <ul style="list-style-type: none"> Approves the Register of Non-Core Assets and the Action Plan for the Sale of Company's Non-Core Assets (hereinafter referred to as the Plan) or amends the approved Register of Non-Core Assets and the Plan at least once a year Considers the annual report on the progress of execution of the Non-Core Asset Register of PJSC FGC UES <p>Due to the loss of relevance of Order of PJSC FGC UES No. 348 dated 2 October 2019, Order of PJSC FGC UES and PJSC Rosseti No. 335/525 dated 15 November 2021, On Assigning the Persons in Charge of Implementing the Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES was issued in 2021.</p> <p>The resolution of the Company's Board of Directors dated 16 May 2022 (Minutes No. 574 dated 17 May 2022) approved the Register of Non-Core Assets of the Company as of 31 December 2021.</p> <p>In order to improve the efficiency of non-core asset disposal activities, the Company issued the following organisational and administrative documents as a follow-up to the NCA Disposal Programme 2021:</p> <ul style="list-style-type: none"> Order No. 42/64 dated 3 February 2022, On Approval of the Procedure for Identifying Non-Core Assets of PJSC FGC UES and Preparing Substantiating Materials for Compiling and Updating the Register of Non-Core Assets of PJSC FGC UES Order No. 68/107 dated 3 March 2022, On Approval of the Procedure for Free Transfer (Donation) of Non-Core Assets of PJSC Rosseti into the Ownership of Public Legal Entities Order No. 193/293 dated 24 June 2022 On Approval of the Regulation on the Compensable Disposal of Non-Core Assets of PJSC FGC UES into the Ownership of Third Parties <p>Due to the loss of relevance, the following organisational and administrative documents were cancelled:</p> <ul style="list-style-type: none"> Order No. 377 dated 5 October 2018, On Approval of the Procedure for Free Transfer (Donation) of Non-Core Assets of PJSC Rosseti into the Ownership of Public Legal Entities Order No. 399 dated 11 November 2019, On Approval of the Procedure for Identifying Non-Core Assets of PJSC FGC UES and Preparing Substantiating Materials for Compiling and Updating the Register of Non-Core Assets of PJSC FGC UES

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<p>The resolution of the Board of Directors of PJSC Rosseti (PJSC FGC UES until 12 October 2022) dated 13 December 2022 (Minutes No. 601 dated 15 December 2022) introduced the amendments to the Programme for Disposal of Non-Core Assets for 2021.</p> <p>Executive Order of the Government of the Russian Federation No. 985-r dated 19 April 2023 approved amendments to Executive Order of the Government of the Russian Federation No. 894-r dated 10 May 2017, including a new version of the Methodological Recommendations for the Identification and Disposal of Non-Core Assets.</p> <p>The resolution of the Board of Directors of PJSC Rosseti dated 11 September 2023 (Minutes No. 629 dated 13 September 2023), the Board of Directors of PJSC Rosseti approved a new version of the Programme for Disposal of Non-Core Assets of PJSC Rosseti and Affiliates of PJSC Rosseti (hereinafter referred to as the Programme for Disposal of Non-Core Assets of PJSC Rosseti 2023), which was developed pursuant to Executive Order of the Government of the Russian Federation No. 894-r dated 10 May 2017 (as amended by Executive Order of the Government of the Russian Federation No. 985-r dated 19 April 2023) On Approval of Methodological Recommendations for the Identification and Disposal of Non-Core Assets, and approved the List of PJSC Rosseti's Affiliates Subject to the NCA Disposal Programme 2023 and amended the Register of PJSC Rosseti's Non-Core Assets and the Action Plan for the Sale of PJSC Rosseti's Non-Core Assets, as approved by the resolution of the Board of Directors of PJSC Rosseti dated 29 June 2023 (Minutes No. 623 dated 29 June 2023). In addition, the above resolution of the Board of Directors of PJSC Rosseti invalidated the resolution of the Board of Directors of the Company regarding the approval of the Procedure for Organising the Sale of Non-Core Assets of the Company (item 1.2 of Minutes of the meeting of the Board of Directors of the Company No. 404 dated 25 May 2018) due to the inclusion of the relevant provisions in the NCA Disposal Programme 2023.</p> <p>Pursuant to the provisions of the NCA Disposal Programme 2023, the Boards of Directors of PJSC Rosseti's affiliates initiated the approval of the Programmes for Disposal of Non-Core Assets of PJSC Rosseti's Affiliates.</p> <p>By resolution of the Board of Directors of PJSC Rosseti dated 28 December 2023 (Minutes No. 640 dated 28 December 2023), the Board of Directors of PJSC Rosseti amended the resolution of the Board of Directors of PJSC Rosseti dated 11 September 2023 (excerpt No. 629 dated 13 September 2023) to update the list of PJSC Rosseti's POs subject to the NCA Disposal Programme 2023.</p> <p>In order to improve the efficiency of non-core asset disposal activities, PJSC Rosseti issued the following organisational and administrative documents updated in accordance with the NCA Disposal Programme 2023:</p> <ul style="list-style-type: none"> • PJSC Rosseti's Executive Order No. 595r dated 16 October 2023, On Approval of Methodological Recommendations • PJSC Rosseti's Executive Order No. 596r dated 16 October 2023, On Establishing the Commission for Identifying and Disposing of Non-Core Assets of PJSC Rosseti • Order No. 483 dated 1 November 2023, On Approval of the Procedure for Identifying Non-Core Assets of PJSC Rosseti and Preparing Substantiating Materials for Compiling and Updating the Register of Non-Core Assets of PJSC Rosseti • Order No. 513 dated 22 November 2023, On Assigning the Persons in Charge of Implementing the Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES • Order No. 594 dated 19 December 2023, On Approval of the Procedure for Free Transfer (Donation) of Non-Core Assets of PJSC Rosseti into the Ownership of Public Legal Entities

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<p>Due to the loss of relevance, the following organisational and administrative documents of PJSC Rosseti were cancelled:</p> <ul style="list-style-type: none"> • Executive Orders No. 555r dated 15 November 2018, On Approval of Methodological Recommendations, and No. 236r dated 3 June 2022, On Amendments to Executive Order of PJSC FGC UES No. 555r dated 15 November 2018 • Executive Orders No. 163r dated 19 April 2022, On Establishing the Commission for Identifying and Disposing of Non-Core Assets of PJSC Rosseti, No. 23r dated 24 January 2023, and No. 393r dated 9 August 2023, On Amendments to Executive Order of PJSC FGC UES No. 163r dated 19 April 2022 • Order No. 42/64 dated 3 February 2022, On Approval of the Procedure for Identifying Non-Core Assets of PJSC FGC UES and Preparing Substantiating Materials for Compiling and Updating the Register of Non-Core Assets of PJSC FGC UES • Order No. 335/525 dated 15 November 2021, On Assigning the Persons in Charge of Implementing the Programme for Disposal of Non-Core Assets of PJSC FGC UES and Affiliates of PJSC FGC UES • Order No. 68/107 dated 3 March 2022, On Approval of the Procedure for Free Transfer (Donation) of Non-Core Assets of PJSC Rosseti into the Ownership of Public Legal Entities <p>In addition, in accordance with the Procedure for the Implementation of Item 6 of the Executive Order of the Government of the Russian Federation No. 894r dated 10 May 2017, stipulated by the Minutes of the meeting of the Interdepartmental Commission for Monitoring the Sale of Non-core Assets by Companies and Institutions (Minutes No. 67-D06 dated 18 September 2017), as well as in accordance with item 10 of the Executive Order of the Government of the Russian Federation No. 894-r dated 10 May 2017 (as amended by the Executive Order of the Government of the Russian Federation No. 985-r dated 19 April 2023), On Approval of the Methodological Recommendations for the Identification and Disposal of Non-Core Assets, the following measures shall be implemented:</p> <ul style="list-style-type: none"> • Quarterly, by the 8th day of the month following the reporting quarter (from the date of approval of the NCA Disposal Programme 2023 – by the 15th day of the month following the reporting quarter, and for Q4 of the reporting year – by 25 January of the year following the reporting year), details on the sale of non-core assets is posted on the Interdepartmental Portal for State Property Management (of the Federal Agency for State Property Management (Rosimushchestvo)) • Quarterly, by the 15th day following the reporting quarter, the federal executive authorities (Ministry of Energy and Ministry of Economic Development) are provided with reporting details on the actual implementation of the NCA Disposal Programme and the actual implementation of action plans for the sale of non-core assets that are prepared in accordance with the reporting forms approved by the Interdepartmental Commission for Monitoring the Disposal of Non-Core Assets by Companies and Organisations <p>Information on the results for 2023 is reflected in full.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
2. Procurement of Goods, Work, and Services				
2.1.	Instruction of the President of the Russian Federation	No. Pr-2821 dated 5 December 2014 (sub-item 4 of item 1)	Phased replacement of the purchase of foreign products (works, services) by the purchase of Russian products (works, services), which are equivalent in terms of technical characteristics and consumer properties.	<p>PJSC Rosseti's import substitution activities are carried out in accordance with the Corporate Import Substitution Plan for 2016–2027 (Order of PJSC Rosseti No. 466 dated 24 October 2023).</p> <p>PJSC Rosseti's Corporate Import Substitution Plan was developed in accordance with the Methodological Recommendations for the Preparation of Corporate Import Substitution Plans by State Corporations, State-Owned Companies, Joint-Stock Companies in the Authorised Capital of which the Russian Federation Has a Stake of More than 50%, Organisations Implementing Investment Projects Included in the Register of Investment Projects in Accordance with the Decision of the Government Commission on Import Substitution Approved by the Executive Order of the Ministry of Economic Development and Trade of the Russian Federation No. 219R-AU dated 11 August 2016, as considered at the meeting of the Management Board of PJSC Rosseti.</p> <p>The goals and objectives of PJSC Rosseti's Corporate Import Substitution Plan are aimed at ensuring the technological security of the electric grid sector of the Russian Federation and reducing dependence on foreign products, equipment, technical devices, and services/work of foreign companies and the use of foreign software.</p> <p>As of the end of 2020, the share of imported equipment purchases in the total volume of purchases made by PJSC FGC UES totalled 9.7%.</p> <p>As of the end of 2021, the share of imported equipment purchases in the total volume of purchases made by PJSC FGC UES totalled 9.1%.</p> <p>As of the end of 2022, the share of imported equipment purchases in the total volume of purchases made by PJSC Rosseti (PJSC FGC UES until 12 October 2022) was 6.1%.</p>
	Instructions of the Government of the Russian Federation	No. DM-P9-87pr dated 25 November 2013 (items 3 and 6)		
	Instructions of the Government of the Russian Federation	No. AD-P9-9176 dated 12 December 2014		
	Instruction of the Government of the Russian Federation	No. ISh-P13-1419 dated 5 March 2015		
2.2.	Instruction of the Government of the Russian Federation	No. ISh-P13-1872 dated 1 April 2016	Introduction of amendments to a procurement policy with regard to the procurement of domestic competitive software	<p>The resolution of the Board of Directors of PJSC FGC UES (Minutes No. 342 dated 13 October 2016) introduced amendments to the Regulations on Procurement concerning the procurement of domestic competitive software required to support the Company's operations.</p> <p>As part of the implementation, amendments were made to the Regulations on the Procurement of Goods, Work, and Services for the Needs of PJSC FGC UES (as amended by No. 342 dated 13 October 2016).</p> <p>The Customer's right to prioritise products of Russian origin in procurement is provided for in Section 4.5 of the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) (resolution of the Board of Directors dated 29 January 2019, Minutes No. 436).</p> <p>As part of the implementation of the Executive Order, PJSC FGC UES forwarded a letter No. FR-5925 dated 14 October 2017 to subsidiaries and affiliates.</p> <p>In addition, in accordance with the Regulations on Procurement, information on these procurements not included in the software register shall be published on the Company's official website no later than 7 calendar days from the date of placement in the Unified Information System in the Field of Procurement (www.zakupki.gov.ru) and on specialised websites of notices and documentation on software procurement on the Internet.</p>
2.3.	Instruction of the President of the Russian Federation	No. Pr-2578 dated 10 December 2015	Developing and approving a regulation to ensure procurement rationing and implementation of procurement standards in joint stock companies	<p>As part of the implementation, the Order of PJSC FGC UES No. 278 dated 4 August 2016 On Rationing of Purchases of Certain Types of Goods, Works, and Services for the Needs of PJSC FGC UES was approved (as amended by revisions No. 384 dated 12 September 2017; No. 472 dated 9 November 2017; No. 435 dated 27 November 2018; No. 93 dated 25 March 2019; No. 268 dated 15 August 2019).</p> <p>Order No. 278 recommended that the affiliates of PJSC FGC UES, which are initiators of a procurement, ensure the approval of organisational and administrative documents for setting procurement standards.</p> <p>As part of the implementation of the Executive Order, relevant amendments and additions were made to internal documents regulating procurement procedures</p>
	Instructions of the Government of the Russian Federation	No. DM-P9-8413 dated 12 December 2015 (item 2)		

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
2.4.	Minutes of the meeting with the Prime Minister of the Russian Federation	No. DM-P9-38pr dated 14 June 2016 (item 7)	Introduction of amendments to the procurement policy with regard to innovative construction materials	<p>The Management Board of FGC UES (Minutes No. 1422 dated 2 November 2016) recommended that the Board of Directors amend the Regulations on Procurement to prioritise the procurement of innovative Russian construction materials.</p> <p>As part of the implementation, amendments were made to the Regulations on the Procurement of Goods, Work, and Services for the Needs of PJSC FGC UES (as amended by No. 352 dated 9 January 2017).</p> <p>Priority for the procurement of innovative Russian construction materials is established by item 4.5.9 of the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) (resolution of the Board of Directors, Minutes No. 436 dated 29 January 2019).</p>
2.5.	Instructions of the Deputy Prime Minister of the Russian Federation	No. DK-P9-81pr dated 13 May 2019 (item 6)	The purchase of Russian products used for the implementation of national projects and the comprehensive plan for the upgrade and expansion of grid infrastructure	<p>The resolution of the Board of Directors of PJSC FGC UES within the framework of the implementation of Directive of the Government of the Russian Federation dated 1 November 2019 No. 9984p-P13 (letter from the Federal Agency for State Property Management (Rosimushchestvo) No. 11/37814 dated 8 November 2019) regarding the procurement of Russian products used for the implementation of national projects and a comprehensive plan for the modernisation and expansion of grid infrastructure (Minutes No. 481/14 dated 30 December 2019):</p> <ol style="list-style-type: none"> Amendments were made to the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) in accordance with Appendix 76 to the above Minutes The approved amendments to the Standard were placed in the Unified Information System in the Field of Procurement (www.zakupki.gov.ru). Information on the implementation of Directives of the Government of the Russian Federation No. 9984p-P13 dated 1 November 2019 with electronic copies of supporting documents attached was posted on the Interdepartmental Portal for State Property Management
2.6.	Decree of the President of the Russian Federation	No. 618 dated 21 December 2017	Development of programmes to improve the quality of procurement management	<p>The Programme to Improve the Quality of Management of Procurement Activities of PJSC FGC UES in Accordance with the Directive of the Government of the Russian Federation dated 20 February 2019 No. 1519p-P13 (hereinafter referred to as the Directive) was developed and approved by Order of PJSC FGC UES No. 194 dated 26 June 2019. Measures were taken to assess and improve the qualifications of employees not only directly involved in procurement, but also those responsible for the identification of a specific need of PJSC FGC UES, execution of a contract, and payments under it. In accordance with the Executive Order of PJSC FGC UES No. 589r dated 27 October 2020, a training event was held in November 2020 as part of employee qualification improvement under 223-FZ with the issuance of certificates duly executed.</p> <p>The resolution of the Board of Directors of PJSC FGC UES dated 18 April 2019 (Minutes of the Board of Directors of PJSC FGC UES dated 19 April 2019 No. 443, item 1.2.) on the issue: Development of a Programme to Improve the Quality of Procurement Management recommended that affiliates of PJSC FGC UES initiate meetings of the Boards of Directors of affiliates and include the issue of developing programmes to improve the quality of procurement management in accordance with the Directive in the agenda of such meetings.</p>
	Decree of the President of the Russian Federation	No. 204 dated 7 May 2018		
2.7.	Executive Order of the Government of the Russian Federation	No. 867-r dated 29 May 2013	Implementation of partnership programmes with SMEs	<p>As part of the implementation of the Directive of the Government of the Russian Federation No. 7377p-P13 dated 7 December 2013, as well as the resolution of the Board of Directors of OJSC FGC UES (item 2.1.9 of the Minutes No. 208 dated 30 December 2013), a Partnership Programme was developed through Order of OJSC FGC UES No. 92 dated 25 February 2014, On Approval of the Partnership Programme between OJSC FGC UES and Small and Medium Enterprises. Currently, 115 organisations have joined the Programme.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
2.8.	Decree of the President of the Russian Federation Instruction of the Government of the Russian Federation	No. 204 dated 7 May 2018 No. DM-P13-1100 dated 1 March 2016 (item 89)	Expansion of the practice of using factoring in the execution of contracts for the supply of goods (performance of work, rendering of services)	<p>Making amendments to the Regulations on Procurement to establish the possibility of using assignment of claim (factoring) in the execution of contracts for the supply of goods (performance of work, rendering of services) concluded by PJSC FGC UES with small or medium enterprises.</p> <p>As part of the implementation of Directive of the Government of the Russian Federation No. 4111p-P13 dated 8 May 2016, amendments were made to the Unified Procurement Standard (Regulations on Procurement) (Minutes of the Board of Directors of PJSC FGC UES No. 465 dated 6 September 2019).</p> <p>The use of factoring in the execution of contracts for the supply of goods and performance of work (services) is established by item 9.2.7 of the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement):</p> <p>When executing contracts for the supply of goods (performance of work, provision of services) concluded with SMEs based on the results of procurement, the supplier (contractor) is entitled to assign the right of claim (factoring) in favour of another person (financial agent or factor). If the Customer adopts additional documents regulating the assignment of the right of claim (factoring), such documents shall comply with this Standard and shall be obligatorily placed on the Customer's website in the Procurement section and in the relevant subsection provided for placement of documents regulating the Customer's procurement activities.</p>
2.9.	Instruction of the Government of the Russian Federation	No. RD-P7-4168 dated 28 June 2017 (item 2)	The volume of contracts concluded with defense industry entities for the purchase of civilian products in favour of the fuel and energy complex	<p>The Directive of the Government of the Russian Federation No. 7923p-P13 dated 26 September 2018 (hereinafter referred to as the Directive) was forwarded to PJSC FGC UES via letter of the Federal Agency for State Property Management (Rosimushchestvo) No. 05/32761 dated 1 October 2018.</p> <p>Information on contracts concluded by PJSC Rosseti (PJSC FGC UES until 12 October 2022) with Russian defense industry companies for the purchase of civilian products (work and services), which are not part of the state defense order, is submitted annually to the federal executive authorities (Ministry of Energy, Ministry of Industry and Trade, and Ministry of Economic Development).</p>
2.10.	Directive of the Government of the Russian Federation	No. 1021p-P13 dated 6 February 2021	Amendments to the regulations on procurement with regard to the procurement of fibre optic cable products	<p>Within the framework of the implementation of the requirements of Directives of the Government of the Russian Federation No. 1021p-P13 dated 6 February 2021 related to supplements to the Regulations on Procurement with regard to the procurement of fibre optic cable products, the resolution of the Board of Directors of PJSC FGC UES dated 27 April 2021 (Minutes No. 536 dated 28 April 2021) provides for the following:</p> <ol style="list-style-type: none"> Amendments were made to the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) with regard to the procurement of fibre optic cable products, as well as the procurement of work and services that require the supply of fibre optic cable products. The amendments provide for the possibility, when carrying out such procurements by non-competitive methods, to allow participants offering fibre-optic products that meet the criteria for confirmation of production of industrial products in the Russian Federation established by Ordinance of the Government of the Russian Federation No. 719 dated 17 July 2015, On Confirmation of Manufacture of Industrial Products in the Russian Federation, to participate in the procurement, except for the cases of absence of manufacture of such products in the territory of the Russian Federation. The approved amendments to the Standard were placed in the Unified Information System in the Field of Procurement (www.zakupki.gov.ru). Information on the implementation of Directives of the Government of the Russian Federation No. 1021p-P13 dated 6 February 2021 with electronic copies of supporting documents attached was posted on the Interdepartmental Portal for State Property Management

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
2.11.	Decree of the President of the Russian Federation Instructions of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. 204 dated 7 May 2018 No. Pr-2472 dated 4 December 2019 No. YuB-P9-14129 dated 3 November 2020 (item 4), No. YuB-P7-13014 dated 15 October 2020 (item 2), No. YuB-P7-6553 dated 18 June 2020 (item 4) and No. DCh-P10-5598 dated 27 May 2020 (item 3 of the Minutes of the meeting of the Security Council of the Russian Federation dated 29 April 2020), No. MM-P7-9pr dated 25 March 2020 (sub-item 'b' of item 2)	The minimum share of purchases of goods of Russian origin	<p>Within the framework of the implementation of the requirements of Directives of the Government of the Russian Federation No. 3853p-P17 dated 23 April 2021 related to supplements to the Regulations on Procurement with regard to the minimum share of purchases of goods of Russian origin, the resolution of the Board of Directors of PJSC FGC UES dated 28 June 2021 (Minutes No. 547 dated 28 June 2021) provides for the following:</p> <ol style="list-style-type: none"> Amendments were made to the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) in respect of items 8.2.7.5 and 9.2.13: <ul style="list-style-type: none"> In case a customer conducts a procurement with limited participation in order to ensure the minimum share of procurement of goods of Russian origin (including goods to be supplied in the course of performance of procured works, provision of procured services), the procurement documentation shall establish a requirement for the presence of the goods proposed for delivery in the registers provided for by Ordinance of the Government of the Russian Federation No. 2013 dated 3 December 2020, On the Minimum Share of Procurement of Goods of Russian Origin, and for the participants of such procurement to submit information on the number(s) of a register entry (entries) in appropriate registers, as a part of a participant's application. In the course of procurement by means of procurement with limited participation, in order to ensure a minimum share of goods of Russian origin (including goods supplied in the course of performance of procured works or rendering of procured services), contracts concluded as a result of such procurement shall include the number (numbers) of the register entry (entries) of the goods offered for delivery by a participant of such procurement. In the course of execution of such contracts, it is not allowed to replace goods covered by one of the registers provided for by Ordinance of the Government of the Russian Federation No. 2013 dated 3 December 2020, On the Minimum Share of Procurement of Goods of Russian Origin, with goods not covered by such registers. The approved amendments to the Standard were placed in the Unified Information System in the Field of Procurement (www.zakupki.gov.ru).
2.12.	Instruction of the Government of the Russian Federation	No. YuB-P7-5298 dated 26 April 2021 (item 4)	Purchases from the entities of the defense industry complex	<p>The resolution of the Board of Directors of PJSC FGC UES dated 5 March 2022 (Minutes No. 567 dated 5 March 2022) as part of fulfilling the requirements of the Directives of the Government of the Russian Federation No. 14241p-P13 dated 23 December 2021 on the issue of making additions to the Regulations on Procurement with regard to the procurement of products from a defence-industrial complex entity by a non-competitive method, provided that there is a conclusion on the classification of the products as industrial products that do not have analogues produced in the Russian Federation:</p> <ol style="list-style-type: none"> Amendments were made to the Unified Procurement Standard of PJSC FGC UES (Regulations on Procurement) in clause 5.7.3.21 (purchase from a sole supplier): <ul style="list-style-type: none"> Procurement from a defense industry entity of products manufactured by it that do not have analogues produced in the Russian Federation, provided that there is an opinion issued by the Russian Ministry of Industry and Trade on the classification of such products as industrial products that do not have analogues produced in the Russian Federation. The approved amendments to the Standard were placed in the Unified Information System in the Field of Procurement (www.zakupki.gov.ru). Information on the implementation of Directives of the Government of the Russian Federation No. 14241p-P13 dated 23 December 2021 was posted on the Interdepartmental Portal for State Property Management.
2.13.	Executive Order of the Government of the Russian Federation	No. 350-r dated 13 February 2021 (item 24 of section II of the Action Plan (Roadmap) for the Development of the Market for Low-Tonnage Liquefied Natural Gas and Natural Gas Vehicle Fuel in the Russian Federation until 2025)	The phased purchase (retrofitting) of natural gas vehicles and equipment within a time frame synchronised with the commissioning of the relevant infrastructure in the constituent entities of the Russian Federation	<p>Pursuant to the Directives of the Government of the Russian Federation No. 1482p-P13 dated 17 February 2022, the Board of Directors considered the issue On Phased Procurement (Conversion) of Natural Gas Vehicles and Equipment within the Timeframe Synchronised with the Commissioning of the Relevant Infrastructure in the Constituent Entities of the Russian Federation (Minutes No. 578 dated 17 June 2022).</p> <p>An excerpt from the Minutes of the meeting of the Board of Directors No. 578/2 dated 17 June 2022 was posted on the Interdepartmental Portal for State Property Management on the Internet.</p> <p>The results of the analysis of the activities and operating conditions of the vehicle fleet with regard to the possibility of converting vehicles to gas motor fuel (methane) were forwarded to the Ministry of Energy of the Russian Federation.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
3. Development and Update of the Strategies and Long-Term Planning				
3.1.	Instruction of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. Pr-3013 dated 27 December 2014 (items 1 and 2) No. ISh-P13-54 dated 13 January 2015 No. ISh-P13-8144 dated 30 December 2016	Development and approval of a list of internal regulatory documents governing the activities of a joint stock company	Pursuant to item 2 of Pr-3013, the Long-Term Development Programme for the Period of 2020–2024 and the Forecast until 2030 was developed and approved by the Board of Directors of PJSC FGC UES (Minutes No. 526 dated 30 December 2020). The Report on the execution of the Long-Term Development Programme in 2022 was included in the materials for the Annual General Meeting of Shareholders in 2023.
3.2.	Instruction of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. Pr-769 dated 26 April 2016 (item 2) No. AD-P36-4292 dated 20 July 2016 (item 6)	Filling out the questionnaire for analysing the implementation of internal documents	Pursuant to letter of the Federal Agency for State Property Management (Rosimushchestvo) No. RB-11/9968 dated 20 March 2017, questionnaires for the analysis of the implementation of the Regulations on Improving Operating and Investment Efficiency and Reducing Costs, the Regulations on Internal Audit, the Regulations on the Quality Management System, the Regulations on the Risk Management System, and the Regulations on the Procedure for Developing and Implementing the Innovative Development Programme were filled out in the personal account of PJSC Rosseti on the Interdepartmental Portal for State Property Management within the established time frames. The Interdepartmental Portal of the Federal Agency for State Property Management (Rosimushchestvo) contains updated details of a standard questionnaire for the analysis of the implementation of the internal audit regulation by an entity, a questionnaire for the analysis of the implementation of the Risk Management System Regulations, and a questionnaire for the analysis of the implementation of the Quality Management System Regulations. At present, the above reporting form of the Interdepartmental Portal for State Property Management in personal accounts of PJSC Rosseti (https://mp.rosim.ru) is up to date.
3.3.	Instruction of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. Pr-3086 dated 27 December 2013 (sub-items 32, 33, and 34 of item 1) No. DM-P13-9589 dated 31 December 2013 (items 32, 33, and 34)	Approval of long-term development programmes and audit of such programmes	The Board of Directors of PJSC Rosseti (Minutes No. 637 dated 22 December 2023) took note of the independent auditor's report on the results of the audit of the Report on the Implementation of the Long-Term Development Programme for 2022 and approved the Report on the Implementation of the Long-Term Development Programme for 2022 and the Achievement of Key Performance Indicators. The Long-Term Development Programme for the Period of 2020–2024 and the Forecast until 2030 was approved by the Board of Directors of PJSC FGC UES (Minutes No. 526 dated 30 December 2020). The revised Standard for Assessing the Implementation of the Long-Term Development Programme and the Achievement of Key Performance Indicators of PJSC FGC UES was approved by the Board of Directors of PJSC FGC UES (Minutes No. 520 dated 26 October 2020) pursuant to the Directives of the Government of the Russian Federation No. 6739p-P13 dated 30 July 2020.
3.4.	Instruction of the Government of the Russian Federation Minutes of the meeting of the Presidium of the Russian Federation Presidential Council for Economic Modernisation and Innovative Development of Russia	No. AD-P36-6296 dated 15 September 2015 (item 5) No. AD-P36-8381 dated 10 December 2015 (item 1) No. 2 dated 17 April 2015 (sub-item 'b' of item 2, section 2)	Inclusion of the integral KPI: Innovation Activity Efficiency in the list of key performance indicators of a long-term development programme	The Long-Term Development Programme for the Period of 2020–2024 and the Forecast until 2030 approved by the Board of Directors of PJSC FGC UES (Minutes No. 526 dated 30 December 2020) includes the integral KPI: Innovation Activity Efficiency as part of the key performance indicators.

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
3.5.	Minutes of the Meeting of the Interdepartmental Working Group on the Implementation of Innovative Development Priorities of the Presidium of the Russian Federation Presidential Council for Economic Modernisation and Innovative Development of Russia Instruction of the Government of the Russian Federation	No. 1 dated 14 April 2017 (item 9 of section III) No. DM-P36-7563 dated 7 November 2015	Comparison of the level of technological development and current values of key performance indicators of a joint stock company with the level of development and indicators of leading foreign peers	Section 4.1.1, Results of Comparative Analysis of PJSC FGC UES Activities, of the Long-Term Development Programme of PJSC FGC UES for the Period of 2020–2024 and the Forecast until 2030 (approved by the Company's Board of Directors, Minutes No. 526 dated 30 December 2020) contains information on the comparison of PJSC FGC UES with international peer companies in 10 aspects, comparison results, and conclusions.
3.6.	Ordinance of the Government of the Russian Federation	No. 1502 dated 27 December 2016	The procedure for approval, by the Ministry of the Russian Federation for the Development of the Far East, of investment programmes and other infrastructure development plans implemented by state corporations, state companies, and other organisations with state participation	The Long-Term Development Programme of PJSC FGC UES for the Period of 2020–2024 and the Forecast to 2030 (approved by the Board of Directors of PJSC FGC UES, Minutes No. 526 dated 30 December 2020) was approved by the Ministry of the Russian Federation for the Development of the Far East (letter No. 09-18/77 dated 12 January 2021).
3.7.	Decree of the President of the Russian Federation Instruction of the Government of the Russian Federation	No. 204 dated 7 May 2018 No. DM-P13-4513 dated 21 July 2018 (item 3.6)	Updating the long-term development programme and submission of audit reports on the same	The Long-Term Development Programme of PJSC FGC UES for the Period of 2020–2024 and the Forecast until 2030 approved by the Board of Directors of PJSC FGC UES (Minutes No. 526 dated 30 December 2020) takes into account, among other relevant strategic planning documents, the provisions of Decree of the President of the Russian Federation No. 204 dated 7 May 2018 and the Action Plan for accelerating the growth rate of investments in fixed assets and increasing their share in the gross domestic product to 25%. The Auditor's Opinion on the LTDP is posted on the Interdepartmental Portal of the Federal Agency for State Property Management (Rosimushchestvo) on an annual basis. In 2023, the Auditor's Opinion on the LTDP was forwarded to the Federal Agency for State Property Management (Rosimushchestvo), the Ministry of Energy of Russia and the Ministry of Economic Development of Russia via letter No. LYu-4730 dated 8 June 2023.
3.8.	Decree of the President of the Russian Federation Instruction of the Government of the Russian Federation	No. 204 dated 7 May 2018 No. DM-P13-4513 dated 21 July 2018 (item 3.5) No. SA-P13-10176 dated 21 November 2019	Assessing the implementation of long-term development programmes and meeting key performance indicators	The revised Standard for Assessing the Implementation of the Long-Term Development Programme and the Achievement of Key Performance Indicators of PJSC FGC UES was approved by the Board of Directors of PJSC FGC UES (Minutes No. 520 dated 26 October 2020) pursuant to the Directives of the Government of the Russian Federation No. 6739p-P13 dated 30 July 2020.

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
3.9.	Minutes of the meeting of the Government Commission on the Use of Information Technologies	No. 1 dated 9 February 2018 (items 4 and 6 of section II)	Transition to predominantly domestic software	<p>As part of the execution of and in accordance with the Directives of the Government of the Russian Federation No. 10068p-P13 dated 6 December 2018, the meeting of the Board of Directors of PJSC FGC UES held on 24 April 2019 (Minutes No. 445 dated 26 April 2019) considered the issue On the Transition of PJSC FGC UES to the Predominant Use of Domestic Software.</p> <p>In accordance with the resolutions adopted:</p> <ul style="list-style-type: none"> The Transition Plan was approved as part of the Digital Transformation Strategy of Rosseti Group for the period until 2030 (Minutes of the Board of Directors No. 601 dated 15 December 2022) Pursuant to the requirements of the Directives, PJSC Rosseti submits a quarterly report on the implementation of the Directives to the Ministry of Digital Development, Communications, and Mass Media of the Russian Federation by posting it on the Interdepartmental Portal for State Property Management; the letter No. KK-11084 dated 20 December 2023 was also forwarded to the Federal Agency for State Property Management (Rosimushchestvo) on this matter Affiliates of PJSC Rosseti update the plans for transition to the predominant use of domestic software as appendices to the Digital Transformation Strategy of relevant companies, for subsequent approval of the same by the Board of Directors <p>Letters were forwarded to the Ministry for Digital Technology, Communication, and Mass Media of the Russian Federation and the Ministry of Energy of the Russian Federation on the implementation of the Directives (No. KK-3784 dated 21 September 2021, No. KK-3996 dated 4 October 2021, No. KK-5326 dated 17 December 2021, No. 296/5 dated 10 January 2023, No. KK-4724 dated 8 June 2023, and No. KK-10810 dated 14 December 2023).</p>
3.10.	Directive of the Government of the Russian Federation	No. 3438p-P13 dated 14 April 2021	Ensuring the development (updating) of the strategy (programme) of digital transformation of a joint stock company for the period not less than up to and including 2024	<p>PJSC Rosseti complied with the requirements of Directives of the Government of the Russian Federation No. 3438p-13p dated 14 April 2021 with regard to the development of the draft Digital Transformation Strategy in accordance with the Methodological Recommendations.</p> <p>The Digital Transformation Strategy of Rosseti Group for the Period until 2030 was approved by the Board of Directors of PJSC Rosseti (Minutes of the Board of Directors No. 601 dated 15 December 2022).</p> <p>At present, the draft Strategy has been finalised taking into account the updated Methodological Recommendations for Digital Transformation of State Corporations and Companies with State Participation approved at a meeting of the Presidium of the Government Commission for Digital Development (Minutes No. 34 dated 31 August 2022) and approved by the Board of Directors (Minutes of the Board of Directors of PJSC Rosseti No. 604 dated 29 December 2022).</p> <p>The finalised draft Strategy in response to PJSC Rosseti's letter No. KK-9241 dated 27 October 2023 was approved by the Ministry of Energy of Russia, including the establishment of individual import substitution indicators taking into account the priorities and financial capabilities of Rosseti Group companies by letter No. ESh-18202/14 dated 15 November 2023.</p> <p>The Strategy was also forwarded for approval to the Ministry for Digital Technology, Communication, and Mass Media of the Russian Federation (the Ministry of Energy of the Russian Federation) via letters No. KK-4724 dated 8 June 2023, No. KK-6263 dated 27 July 2023, No. KK-7549 dated 11 September 2023, and No. KK-9241 dated 27 October 2023.</p> <p>Order of PJSC Rosseti and PJSC FGC UES No. 324/210 dated 7 July 2021 On the Implementation of Directives of the Government of the Russian Federation was issued. It sets the deadlines for the development of individual digital transformation programmes and approval of the same by the boards of directors of subsidiaries and affiliates.</p> <p>Letters were forwarded to the Ministry for Digital Technology, Communication, and Mass Media of the Russian Federation and the Ministry of Energy of the Russian Federation on the implementation of the Directives (No. KK-3784 dated 21 September 2021, No. KK-3996 dated 04 October 2021, No. KK-5326 dated 17 December 2021, No. 296/5 dated 10 January 2023, No. KK-4724 dated 8 June 2023, and No. KK-10810 dated 14 December 2023).</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
4. HR Management				
4.1.	Instruction of the President of the Russian Federation	No. Pr-2821 dated 5 December 2014 (sub-item 5 of item 1)	Introduction of a bonus system for executives based on key performance indicators in view of the need to reduce operating expenses (costs) by at least 2% to 3% annually	<p>Pursuant to Instructions of the President of the Russian Federation No. Pr-2821 dated 5 December 2014 and Directive of the Government of the Russian Federation No. 2303p-P13 dated 16 April 2015, Minutes of the Board of Directors No. 274 dated 25 June 2015 instructed the Chairman of the Company's Management Board to submit the following to the Board of Directors for consideration:</p> <ul style="list-style-type: none"> An issue to ensure that the target values of KPI: Reduction of Operating Expenses are included in the list of key performance indicators of management that should be taken into account when making decisions on labour remuneration and personnel appointments, and that the achievement of the value of KPI: Reduction of Operating Expenses is linked to the amount of remuneration of the Company's management An issue to ensure introducing amendments to the employment agreement (contract) with the sole executive body of the Company so as to include in it the obligation to achieve the values of KPI: Reduction of Operating Expenses, as defined in the Long-Term Development Programme of the Company <p>In accordance with the Minutes of the meeting of the Board of Directors No. 307 dated 1 February 2016, on the issue:</p> <ol style="list-style-type: none"> Including the target values of KPI: Reduction of Operating Expenses (Costs) in the list of key performance indicators of management that should be taken into account when making decisions on labour remuneration and personnel appointments, and linking the achievement of the value of KPI: Reduction of Operating Expenses (Costs) to the amount of remuneration of the Company's management <p>The following resolutions were taken:</p> <ol style="list-style-type: none"> To amend the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of OJSC FGC UES for 2015 approved by the resolution of the Board of Directors of OJSC FGC UES on 19 December 2014 (Minutes No. 243 dated 22 December 2014), by replacing the existing KPI: Reduction of Specific Operating Expenses with the KPI: Reduction of Specific Operating Expenses (Costs). The target value of KPI: Reduction of Specific Operating Expenses (Costs) to be set at the level of not less than 14.2% based on the results of 2015 against the 2014 level. <p>Also, KPI: Reduction of Operating Expenses (Costs) is included in the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES for 2016, approved by the resolution of the Board of Directors of PJSC FGC UES (Minutes No. 354 dated 9 February 2017); the target value of the indicator is set at the level of at least 10% of the actual value of the 2015 indicator.</p> <p>In accordance with clause 4.1 of Section 4 of the Regulations on the Terms and Conditions of Employment Contracts and Determination of Remuneration and Compensation for Senior Managers of OJSC FGC UES, approved by the resolution of the Board of Directors of OJSC FGC UES (Minutes No. 105 dated 17 June 2010), "the system of material incentives for the Company's senior managers establishes the dependence of the amount of remuneration on the degree of achievement of key performance indicators (hereinafter referred to as KPIs) approved by the Board of Directors of the Company, including within the framework of the Long-Term Development Programme".</p> <p>In accordance with item 4.6 of Section 4 of the Regulations on Material Incentives for Senior Managers of PJSC FGC UES approved by Order of PJSC FGC UES / PJSC Rosseti No. 322/437 dated 25 September 2020, bonuses for the KPI performance of the Company's senior managers establish the dependence of the amount of remuneration on the KPI performance results determined by the Methodology for Calculating and Assessing the Fulfilment of KPIs by the Company's Senior Managers approved by the Board of Directors of PJSC FGC UES, as well as those included in the Company's Long-Term Development Programme.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<p>In accordance with the Board of Directors' Minutes No. 370 dated 13 June 2017, the Board of Directors approved the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES, which included the KPI: Reduction of Specific Operating Expenses (Costs), with a target value of $\geq 3.0\%$.</p> <p>The Board of Directors, in accordance with Minutes No. 396 dated 30 August 2018, approved the target KPI values for the senior managers of PJSC FGC UES for 2018. The target value of KPI: Reduction of Specific Operating Expenses (Costs) was set at $\geq 2.0\%$. For 2019, the same target value of KPI: Reduction of Specific Operating Expenses (Costs) was set at $\geq 2.0\%$ (Minutes of the meeting of the Board of Directors No. 474 dated 26 November 2019).</p> <p>The Board of Directors (Minutes No. 480 dated 27 December 2019) approved the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES, to be effective from 2020. The indicators of the Methodology include the KPI: Reduction of Specific Operating Expenses (Costs) with a target value of $\geq 2.0\%$. The target KPI values for 2021 and 2022 were approved by the Board of Directors of PJSC FGC UES (Minutes No. 529 dated 25 February 2021 and No. 562 dated 30 December 2021, respectively).</p> <p>Thus, when including KPI: Reduction of Operating Expenses in the list of KPIs of the Company's management, the degree of achievement of this KPI is automatically taken into account in the bonus system for the Company's senior managers, i.e. no additional amendments to labour agreements (contracts) with the Company's senior managers are required.</p> <p>The composition of KPIs and FKPIs of PJSC Rosseti's senior management for 2023 is set forth in Directives of the Government of the Russian Federation No. 991p-P13 dated 31 January 2023. In 2023, KPI: Reduction of Operating Expenses (Costs) for PJSC Rosseti by at least 2–3% annually is not applicable.</p>
4.2.	Instruction of the President of the Russian Federation Instruction of the Government of the Russian Federation	No. PR-1474 dated 5 July 2013 (item 5) No. ISh-P13-2043 dated 27 March 2014	Ensuring that a joint stock company adopts key performance indicators to evaluate the performance of management	<p>The Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES has been prepared taking into account the requirements of the methodological guidelines for the application of key performance indicators by state corporations, state companies, state unitary enterprises, as well as business entities in whose authorised capital the share of the Russian Federation or a constituent entity of the Russian Federation in the aggregate exceeds fifty per cent.</p> <p>The Board of Directors approved the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES for 2014 (Minutes No. 217 dated 15 April 2014) and 2015 (Minutes No. 243 dated 22 December 2014), that of PJSC FGC UES for 2016 (Minutes No. 354 dated 9 February 2017) and 2017 (Minutes No. 370 dated 13 June 2017).</p> <p>In 2018, PJSC FGC UES followed a quarterly and annual bonus system based on the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES approved by the Board of Directors of PJSC FGC UES (Minutes No. 370 dated 13 June 2017, in the light of Minutes No. 396 dated 2 April 2018).</p> <p>In 2018, Reports on the Fulfilment of KPIs by the Senior Managers of PJSC FGC UES were submitted to the Company's Board of Directors for consideration:</p> <ul style="list-style-type: none"> • Reports on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q1 and Q2 2018 were approved by the resolution of the Board of Directors on 20 November 2018 (Minutes No. 428 dated 21 November 2018) • The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of PJSC FGC UES for 2017 was approved by the resolution of the Board of Directors on 18 December 2018 (Minutes No. 432 dated 20 December 2018) <p>In 2019, PJSC FGC UES followed a quarterly and annual bonus system based on the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES approved by the Board of Directors of PJSC FGC UES (Minutes No. 370 dated 13 June 2017, in the light of Minutes No. 474 dated 26 November 2019 and No. 480 dated 27 December 2019).</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<p>In 2019, Reports on the Fulfilment of KPIs by the Senior Managers of PJSC FGC UES were submitted to the Company's Board of Directors for consideration:</p> <ul style="list-style-type: none"> • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q3 2018 was approved by the resolution of the Board of Directors on 5 April 2019 (Minutes No. 442 dated 5 April 2019) • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q4 2018 was approved by the resolution of the Board of Directors on 5 July 2019 (Minutes No. 457 dated 8 July 2019) • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for 2018 was approved by the resolution of the Board of Directors on 14 November 2019 (Minutes No. 473 dated 18 November 2019) • Reports on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q1 and Q2 2019 were approved by the resolution of the Board of Directors on 27 December 2019 (Minutes No. 480 dated 27 December 2019) <p>In 2020, Reports on the Fulfilment of KPIs by the Senior Managers of PJSC FGC UES were submitted to the Company's Board of Directors for consideration:</p> <ul style="list-style-type: none"> • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q3 2019 was approved by the resolution of the Board of Directors on 27 February 2020 (Minutes No. 486 dated 28 February 2020) • The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of PJSC FGC UES for 2018 was approved by the resolution of the Board of Directors on 6 March 2020 (Minutes No. 490 dated 10 March 2020) • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for Q4 2019 was approved by the resolution of the Board of Directors on 7 May 2020 (Minutes No. 500 dated 7 May 2020) • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for 2019 was approved by the resolution of the Board of Directors on 7 May 2020 (Minutes No. 500 dated 7 May 2020) • The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of PJSC FGC UES for 2019 was approved by the resolution of the Board of Directors on 20 October 2020 (Minutes No. 519 dated 21 October 2020). <p>In 2020, PJSC FGC UES follows an annual bonus system based on the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers of PJSC FGC UES approved by the Board of Directors of PJSC FGC UES (Minutes No. 480 dated 27 December 2019, in the light of Minutes No. 496 dated 9 April 2020).</p> <p>In 2021, Reports on the Fulfilment of KPIs by the Senior Managers of PJSC FGC UES were submitted to the Company's Board of Directors for consideration:</p> <ul style="list-style-type: none"> • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of PJSC FGC UES for 2020 was approved by the resolution of the Board of Directors on 28 June 2021 (Minutes No. 547 dated 28 June 2021) • The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of PJSC FGC UES for 2020 was approved by the resolution of the Board of Directors on 30 November 2021 (Minutes No. 559 dated 30 November 2021) <p>In 2022, Reports on the Fulfilment of KPIs by the Company's Senior Managers were submitted to the Company's Board of Directors for consideration:</p> <ul style="list-style-type: none"> • The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of the Company for 2021 was approved by the resolution of the Board of Directors on 17 June 2022 (Minutes No. 547 dated 17 June 2022) • The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of the Company for 2021 was approved by the resolution of the Board of Directors on 26 December 2022 (Minutes No. 602 dated 27 December 2022)

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				<p>The system of KPIs and FKPIs for PJSC Rosseti's management personnel from 2023 was developed taking into account the Methodological Recommendations for the Development and Application of Key Performance Indicators for Joint-stock Companies Whose Shares Are Owned by the Russian Federation and Certain Non-profit Organisations for the Purpose of Determining the Amount of Remuneration for Their Management Personnel approved by Executive Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 (as amended by revision dated 29 December 2022). The composition of KPIs and FKPIs of PJSC Rosseti's management personnel and the target values of the indicators for 2023 were established by Directives of the Government of the Russian Federation No. 991p-P13 dated 31 January 2023. Pursuant to these Directives, the Board of Directors of PJSC Rosseti approved the composition and target values of KPIs and FKPIs of the Company's management personnel for 2023 (Minutes No. 615 dated 17 April 2023) and the Procedure for Calculating KPIs and FKPIs of the Company's Management Personnel (Minutes No. 616 dated 16 June 2023).</p> <p>In 2023, Reports on the Fulfilment of KPIs by the Company's Senior Managers were submitted to the Company's Board of Directors for consideration (in accordance with the Methodology for Calculating and Assessing the Fulfilment of KPIs by the Company's Senior Managers approved by the resolution of the Board of Directors (Minutes No. 480 dated 27 December 2019, in light of Minutes No. 496 dated 9 April 2020 and Minutes No. 592 dated 20 October 2022)):</p> <ul style="list-style-type: none"> The Report on the Fulfilment of Key Performance Indicators by the Senior Managers of the Company for 2022 was approved by the resolution of the Board of Directors (Minutes No. 622 dated 16 June 2023) The Report on the Fulfilment of the Key Performance Indicator: Innovation Activity Efficiency, by Senior Managers of the Company for 2022 was approved by the resolution of the Board of Directors (Minutes No. 635 dated 4 December 2023).
4.3.	Instruction of the Government of the Russian Federation	No. SA-P13-11470 dated 25 December 2019	Increasing labour productivity	<p>The resolution of the Board of Directors of PJSC FGC UES dated 8 April 2020 (Minutes of the meeting of the Board of Directors dated 9 April 2020 No. 496) on the issue: Amendments to the Methodology for Calculating and Assessing the Fulfilment of the KPI: Increase in Labour Productivity, by Senior Managers of PJSC FGC UES, pursuant to the Directives of the Government of the Russian Federation No. 12153p-P13 dated 25 December 2019, amendments to the Methodology for Calculating and Assessing the Fulfilment of the KPI: Increase in Labour Productivity, by Senior Managers of PJSC FGC UES were approved to be effective starting from 1 January 2020. The amendments were developed in accordance with the Order of the Ministry of Economic Development of Russia No. 659 dated 15 October 2019, On Amending the Methodology for Calculating Labour Productivity Indicators of an Enterprise, Industry, Subject of the Russian Federation approved by Order of the Ministry of Economic Development of Russia No. 748 of 28 December 2018, On Approving the Methodology for Calculating Labour Productivity Indicators of an Enterprise, Industry, Subject of the Russian Federation and the Methodology for Calculating Certain Indicators of the National Project: Labour Productivity and Employment Support.</p> <p>Also, the resolution of the Board of Directors of PJSC FGC UES dated 8 April 2020 (Minutes of the meeting of the Board of Directors No. 496 dated 9 April 2020) on the issue: Amendments to the Methodology for Calculating and Assessing the Performance of the KPI: Increase in Labour Productivity by Senior Managers of PJSC FGC UES in pursuance of the Directives of the Government of the Russian Federation dated 25 December 2019 No. 12153p-P13, contains the information on the inclusion of the task to increase labour productivity by at least 5% annually, measures aimed at implementation of the same, and the inclusion of KPI: Increase in Labour Productivity, in the draft Long-Term Development Programme of PJSC FGC UES for the Period of 2020-2024.</p> <p>The Board of Directors of the Company (Minutes No. 616 dated 16 June 2023) approved the Procedure for Calculating KPIs and FKPIs of the Company's Management Personnel; FKPI: Increase in Labour Productivity Relative to 2022 was set for the Deputy General Director – Head of the Office and the Deputy General Director for Economics and Finance. The methodology for calculating the indicator was developed in accordance with Order of the Ministry of Economic Development of Russia No. 659 dated 15 October 2019, On Amending the Methodology for Calculating Labour Productivity Indicators of an Enterprise, Industry, Subject of the Russian Federation approved by Order of the Ministry of Economic Development of Russia No. 748 dated 28 December 2018, On Approving the Methodology for Calculating Labour Productivity Indicators of an Enterprise, Industry, Subject of the Russian Federation and the Methodology for Calculating Certain Indicators of the National Project: Labour Productivity and Employment Support.</p>
	Minutes of the extended meeting on monitoring the implementation of the national projects: Labour Productivity and Employment Support, Small and Medium-Sized Entrepreneurship and Support for Individual Entrepreneurial Initiative, International Cooperation and Export	No. SA-P13-25pr dated 5 March 2019 (item 1 of section 1)		

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
4.4.	Instruction of the President of the Russian Federation	No. Pr-1921 dated 21 September 2015 (sub-item 'd' of item 1)	Participation in preparation of regulatory documents on holding professional mastery championships according to the WorldSkills standards	<p>PJSC Rosseti (PJSC FGC UES until 12 October 2022) annually participates in WorldSkills corporate championships and has been the organiser of WorldSkills corporate championships since 2023.</p> <p>Pursuant to PJSC Rosseti's Executive Order No. 185r dated 5 April 2019, PJSC FGC UES took part in the Open Corporate Professional Skills Championship of PJSC Rosseti – Young Professionals, under the WorldSkills methodology (hereinafter referred to as the Championship) from 29 July 2019 to 2 August 2019 at the site of PJSC IDGC of Urals (Yekaterinburg).</p> <p>In order to prepare for and participate in the Championship, PJSC FGC UES issued Order No. 237r dated 3 June 2019, On Preparing for the WorldSkills Championship. One employee of PJSC FGC UES participated in the Championship in the competence Maintenance and Repair of Relay Protection and Automation Equipment.</p> <p>Also, two employees of PJSC FGC UES, who were trained in the Union: Agency for the Development of Professional Communities and Workforce – Young Professionals (WorldSkills Russia), under the programme WorldSkills Russia Expert, took part in the Championship as experts in the competence Maintenance and Repair of Relay Protection and Automation Equipment.</p> <p>Due to restrictions caused by the epidemiological situation, PJSC Rosseti did not hold corporate championships under the WorldSkills methodology in 2020.</p> <p>In accordance with the Order of PJSC Rosseti / PJSC FGC UES No. 278/180 dated 15 June 2021, On Preparations for the WorldSkills Professional Skills Championship in 2021, PJSC FGC UES ensured the participation of its employees, both as participants and experts, in the Open Corporate Professional Skills Championship of PJSC Rosseti – Young Professionals, under the WorldSkills methodology, in the competence: Maintenance and Repair of Relay Protection and Automation Equipment. The contest was held at the site of the IDGC of Urals training centre (Yekaterinburg) from 7 August 2021 to 13 August 2021.</p> <p>In 2022, the Company continued to actively participate in the Young Professionals championship movement: the Company took part in the Rosseti Group's Open Corporate Professional Skills Championship – Young Professionals, under the WorldSkills methodology. From 20 August 2022 to 26 August 2022 at the site of the Interregional Energy Institute of the South (the corporate training centre of PJSC Rosseti South), the Company was represented in the competition programme for the professional competence Maintenance and Repair of Relay Protection and Automation Equipment, where the Company's employees acted not only as competitors but also as members of the expert community.</p> <p>In 2023, the Company (following the merger of PJSC FGC UES and PJSC Rosseti) acted not only as a participant but also as an organiser of the corporate championship of Rosseti Group under the standards of the Agency for the Development of Professions and Skills (ARPN, formerly WorldSkills Russia). In 2023, the professional competence Operational Maintenance of Power Grid Substations was included in the competition programme of the corporate championship for the first time, thus expanding the range of professional competences supervised by PJSC Rosseti to four competences: Maintenance and Repair of Relay Protection and Automation Equipment, Operation of Cable Power Transmission Lines, Intelligent Electricity Metering Systems, and Operational Maintenance of Power Grid Substations. Pursuant to PJSC Rosseti's Order No. 206 dated 18 May 2023, the competitions were held from 29 July 2023 to 15 September 2023 at the sites of Rosseti Ural and Rosseti Lenenergo corporate training centres in Yekaterinburg, Chelyabinsk Region, and Leningrad Region. Employees of Rosseti Group companies took part in the competition as 95 contestants and 80 accredited experts.</p> <p>PJSC Rosseti has traditionally been an annual partner of ARPN in terms of site development and organising competitions in sponsored professional competences at Hi-Tech – the International Championship of High-Technology Industries. The year 2023 was no exception; in accordance with the Company's Order No. 467 dated 25 October 2023, the winners of the corporate championship represented PJSC Rosseti at the Hi-Tech 2023 – the 10th International Championship of High-Technology Industries held in November 2023 in Yekaterinburg. 29 contestants and 47 accredited experts from among employees of PJSC Rosseti and other companies and educational institutions took part in the Hi-Tech Championship in various professional competences of PJSC Rosseti: SIBUR, Rosatom State Corporation, Roscosmos State Corporation, PJSC RusHydro, JSC Grid Company, PJSC Rosneft Oil Company, PJSC Krasnoyarskenergosbyt, and St. Petersburg State University of Aerospace Instrumentation.</p>
	Instructions of the Government of the Russian Federation	No. OG-P8-6629 dated 29 September 2015		

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
4.5.	Executive Order of the Government of the Russian Federation	No. 1388-r dated 27 June 2019	Updating the KPIs	The system of KPIs and FKPIs for PJSC Rosseti's management personnel from 2023 was developed taking into account the Methodological Recommendations for the Development and Application of Key Performance Indicators for Joint-stock Companies Whose Shares Are Owned by the Russian Federation and Certain Non-profit Organisations for the Purpose of Determining the Amount of Remuneration for Their Management Personnel approved by Executive Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 (as amended by revision dated 29 December 2022).
4.6.	Instruction of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. Pr-1627 dated 1 July 2014 (sub-item 'b' of item 2) No. ISh-P8-6196 dated 15 August 2014	Inclusion in a long-term development programme of the main parameters of the demand for human resources, including engineering and technical trades, which are required for the implementation of the main activities of the programme	On 19 December 2014, the Company's Board of Directors (Minutes No. 243 dated 22 December 2014) approved the Long-Term Development Programme of the Company for the Period of 2015–2019 and the Forecast until 2030, which included the section: Need for Human Resources. On 30 December 2020, the Company's Board of Directors (Minutes No. 526 dated 30 December 2020) approved the Long-Term Development Programme of the Company for the Period of 2020–2024 and the Forecast until 2030, which included the section: Satisfying the Company's Need for Human Resources. In implementing the HR policy, PJSC Rosseti (PJSC FGC UES until 12 October 2022) pays special attention to ensuring growth in employee labour productivity while meeting the requirements for the reliability of the power grid complex.
4.7.	Directive of the Government of the Russian Federation	No. 4509p-P13 dated 29 April 2022	Establishment of an indicator of bones reduction for the executive bodies of a joint stock company	According to the resolution of the Board of Directors of PJSC Rosseti dated 17 June 2022 (Minutes No. 578 dated 17 June 2022), the Company's management was instructed to ensure that the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers be amended to establish a bonus reduction indicator for late preparation and implementation of plans developed under Directives of the Government of the Russian Federation No. 3438p-P13 dated 14 April 2021 for the Company's transition to the predominant use of domestic software included in the Unified Register of Russian Software for Electronic Computing Machines and Databases in the amount of at least 20% of the aggregate annual remuneration for achieving key performance indicators. The resolution of the Board of Directors of PJSC Rosseti dated 17 October 2022 (Minutes No. 592 dated 20 October 2022) amended the Methodology for Calculating and Assessing the Fulfilment of Key Performance Indicators by Senior Managers and the Target Values of Key Performance Indicators of the Company's Senior Managers for 2022 to establish the bonus reductio for Indicator: Transition to the Predominant Use of Domestic Software, with a specific weight of –20%. The system of KPIs and FKPIs for PJSC Rosseti's management personnel from 2023 was developed taking into account the Methodological Recommendations for the Development and Application of Key Performance Indicators for Joint-stock Companies Whose Shares Are Owned by the Russian Federation and Certain Non-profit Organisations for the Purpose of Determining the Amount of Remuneration for Their Management Personnel approved by Executive Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 (as amended by revision dated 29 December 2022). The resolution of the Company's Board of Directors (Minutes No. 616 dated 16 June 2023) approved the Procedure for Calculating KPIs and FKPIs of the Company's Management Personnel; FKPI: Efficiency of Transition to the Use of Domestic Software was set for the Deputy General Director for Digital Transformation.
4.8.	Directive of the Government of the Russian Federation	No. 991p-P13 dated 31 January 2023	Approval of key performance indicators and functional key performance indicators of a company, as well as amendments to internal documents regulating the definition of key performance indicators, functional key performance indicators, and remuneration of the company's management	Pursuant to Directives of the Government of the Russian Federation No. 991p-P13 dated 31 January 2023, resolutions of the Board of Directors of PJSC Rosseti approved the composition and target values of KPIs and FKPIs of the Company's Management Personnel for 2023 (Minutes No. 615 dated 17 April 2023) and the Procedure for Calculating KPIs and FKPIs of the Company's Management Personnel (Minutes No. 616 dated 16 June 2023).

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
5. Corporate Governance				
5.1.	Instruction of the Government of the Russian Federation Minutes of the meeting of the Government of the Russian Federation	No. ISh-P13-5859 dated 31 July 2014 No. DM-P36-46pr dated 28 May 2014 (item 2) No. 5 dated 13 February 2014 (item 4 of section I)	Implementation of the provisions of a corporate governance code	As a follow-up to the implemented Action Plan (Roadmap) for Implementing the Provisions of the Corporate Governance Code, the Company developed and the Board of Directors approved the Action Plan for the Development of Corporate Governance of PJSC FGC UES for 2016 (Minutes No. 318 dated 25 April 2016). The Plan identified a number of key activities for the reporting period, including an analysis of the need to update internal documents of the Company and model documents for the needs of affiliates. In addition, it provided for the development of methodologies for assessing the corporate governance of PJSC FGC UES and its affiliates, as well as the Regulations on Assessing the Performance of the Company's Board of Directors. The main priority of the plan was to analyse the corporate governance practices established as a result of the roadmap implementation. In April 2016, resolution of the Board of Directors (Minutes No. 318 dated 28 April 2016) approved the Methodology for Self-Assessment of Corporate Governance of PJSC FGC UES. This Methodology was developed on the basis of the Methodology for Self-assessment of Corporate Governance Quality in Companies with State Participation approved by Order of the Federal Agency for State Property Management (Rosimushchestvo) No. 306 dated 22 August 2014 to ensure comparability of the results of an annual self-assessment conducted by the Company. The Board of Directors (Minutes of the Board of Directors dated 20 February 2017 No. 355) approved the Methodology for Self-Assessment of Corporate Governance of PJSC FGC UES Affiliates. The resolution of the Board of Directors (Minutes of the Board of Directors No. 318 dated 28 April 2016) approved the Regulations on Assessing the Performance of the Company's Board of Directors. As of December 2016, the measures stated in the Plan were fully implemented by PJSC FGC UES. The Expert Council under the Government of the Russian Federation noted the positive dynamics in monitoring the implementation of the Corporate Governance Code in companies with state participation, thus assigning PJSC FGC UES 5th place in the Council's rating. PJSC Rosseti (PJSC FGC UES until 12 October 2022) continues to implement the best applicable Russian and global corporate governance practices to further improve the quality of corporate governance in the Company. The resolution of the Extraordinary General Meeting of Shareholders held on 14 September 2022 (Minutes No. 27 dated 15 September 2022) approved the following documents: 1. Revised Articles of Association. The amendments are related to the addition of a collegial executive body, the Management Board, to the structure of the Company's bodies, as well as the expansion of the competence of the Board of Directors in order to increase its role in making key decisions for the Company. 2. Regulations on the General Meeting of Shareholders ¹ . The amendments are related to the improvement of the procedure for holding General Meetings of Shareholders of the Company. 3. Revised Regulations on the Board of Directors of the Company. The amendments are related to the improvement of the procedure for holding meetings of the Company's Board of Directors as well as regulating issues related to conflicts of interest among members of the Board of Directors. 4. Regulations on the Management Board of the Company. The document was approved due to the introduction of a collegial executive body, the Management Board, into the structure of the Company's bodies. 5. Revised Regulations on the Remuneration and Reimbursement Paid to the Members of the Company's Board of Directors. The amendments are related to the clarification of the conditions for payment of remuneration and compensations to members of the Company's Board of Directors if, in the relevant corporate year, the restrictions or prohibitions on receiving any payments from commercial entities ceased to apply to a member of the Company's Board of Directors. The resolution of the Board of Directors of PJSC Rosseti dated 1 March 2023 (Minutes No. 609 dated 3 March 2023) approved the Regulations on the Information Policy of PJSC Rosseti. The resolution of the Board of Directors of PJSC Rosseti dated 1 March 2023 (Minutes No. 616 dated 18 April 2023) approved the Risk Management and Internal Control Policy of PJSC Rosseti and its Affiliates (Rosseti Group). The resolution of the Board of Directors of PJSC Rosseti dated 1 March 2023 (Minutes No. 620 dated 7 June 2023) approved the Internal Audit Policy of the Company. The Board of Directors of PJSC Rosseti approved the Anti-Corruption Policy of the Company and its Affiliates by the resolution dated 1 March 2023 (Minutes No. 620 dated 7 June 2023).

¹ At the same time, the Regulations on the Procedure for Preparing and Holding the General Meeting of Shareholders were declared null and void.

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
5.2.	Instruction of the President of the Russian Federation Instructions of the Government of the Russian Federation	No. Pr-3013 dated 27 December 2014 (item 3) No. ISh-P13-54 dated 13 January 2015	Changing the structure of a joint stock company's annual report	<p>According to the Russian Federation Government Directive No. 2007p-P13 dated 6 April 2015, the Annual Report of JSC shall comply with the following requirements:</p> <p>I. The structure of the Annual Report shall include the following information:</p> <ol style="list-style-type: none"> Information on the Company's Development Strategy: date of adoption by the Board of Directors, Minutes number, strategic goals, key directions, planned terms of implementation. Information on the Company's Long-Term Development Programme (hereinafter referred to as LTDP): date of approval by the Board of Directors, Minutes number, key goals and objectives, main activities aimed at implementation of the LTDP in the reporting year, and time frames of planned implementation. Information on changes in the development strategy and LTDP compared to the previous year (if any): description of changes/adjustments to the main goals and objectives, reasons for changes/adjustments, comparison of the main goals, objectives, and development areas of the current period with the data of the previous period for specific activities. Information on the Company's other programmes (including investment, innovation, and other programmes) within the framework of implementation of the Development Strategy and LTDP: date of approval by the Company's Board of Directors, Minutes number, objectives and main projects, key directions of a programme, planned terms of implementation. Information on whether the Company has an approved Programme for Disposal of Non-Core Assets (hereinafter referred to as NCA) and a register of NCAs: <ul style="list-style-type: none"> Date of approval of the current NCA Disposal Programme and NCA Register by the Company's Board of Directors, Minutes number Description of the NCA Disposal Programme Main areas of the NCA Disposal Programme Actual data on the disposal of NCAs Reasons for deviations of the actual value of disposed NCAs from the book value of NCAs (if any) Total values of indicators (book value, sale value, and the number of NCAs sold within the reporting period) Information on whether the Company has an auditor's opinion on the implementation of the LTDP (if the Company does not have an auditor's opinion on the implementation of the LTDP for 2014 before the Annual General Meeting of Shareholders in 2015, it is acceptable not to provide this information in the Company's Annual Report for 2014. Information on the availability of the auditor's opinion and main conclusions on the implementation of the LTDP for 2014–2015 shall be provided on a mandatory basis starting from 2016): date and number of the auditor's opinion, main conclusions of the auditor

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
7.				<p>Information on whether the Company has an approved system of key performance indicators (hereinafter referred to as KPIs):</p> <ul style="list-style-type: none"> Date of approval by the Company's Board of Directors, Minutes number The range of KPIs, including financial and economic indicators (including mandatory ones (TSR / Dividend Amount), industry specific KPIs, bonus reduction indicators (if any) and other KPIs mandatory for inclusion in the KPI system in accordance with separate Instructions of the President of the Russian Federation and the Government of the Russian Federation Target values of indicators approved by the Board of Directors for the current and subsequent years The degree of achievement of KPIs in the reporting year compared to the previous year in percentage Reasons for deviations of actually achieved KPIs from the planned indicators (if any) Changes in the KPI system, including a description of changes/adjustments to target values, justification of the reasons for the changes made, date of approval by the Company's Board of Directors, Minutes number (if any) The Company established the dependence of the achievement of KPIs on the amount of management remuneration in the Company <p>8. A brief description of the Company's risks and risk management activities:</p> <ul style="list-style-type: none"> Description of the most significant risks inherent in the Company's activities (including those realised in the reporting year) and measures taken by the Company to respond to such risks Description of risk management methods used by the Company, as well as key measures implemented by the Company in the field of risk management <p>9. Description of the principles and approaches to the organisation of the internal control and risk management system (hereinafter referred to as IC and RMS) and information on the internal audit function:</p> <ul style="list-style-type: none"> Subdivisions whose competence includes the development of IC and RMS and specialised bodies of IC and RMS (risk management and internal control subdivision(s), internal audit subdivision(s), Auditing Commission): accountability, main functions and tasks Brief description of the internal audit function (general description of the Company's internal audit policy, resources used, etc.), implementation of development programmes for the internal audit function (quality improvement programme, passing an external assessment, etc.) A list of key measures aimed at improving the IC and RMS implemented by the Company in the reporting year, including in accordance with the decisions of the Company's Board of Directors, as part of the implementation of policies and strategies approved by the Company's Board of Directors <p>II. Approval of the Company's Annual Report based on the audited financial statements for the reporting and previous years.</p> <p>III. Inclusion in the Annual Report of information on basic internal regulatory documents that form the basis for the current Annual Report, including key internal regulatory documents governing the internal audit function and issues related to the activities of the IC and RMS.</p> <p>At the same time, the Federal Agency for State Property Management (Rosimushchestvo) initiated amendments to the approximate structure of the annual report of a joint stock company approved by Ordinance of the Government of the Russian Federation No. 1214 dated 31 December 2010, On Improving the Management Procedure for Open Joint Stock Companies Whose Shares Are in Federal Ownership and Federal State Unitary Enterprises (Ordinance of the Government of the Russian Federation No. 1211 dated 10 November 2015, On Amendments to the Approximate Structure of the Annual Report of a Joint Stock Company Whose Shares Are in Federal Ownership).</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
				Information requested from structural units of PJSC Rosseti (PJSC FGC UES until 12 October 2022) as part of the preparation of the Annual Report in accordance with the annual orders on the preparation of the Annual Report, corresponds to the above structure of the JSC's Annual Report: <ul style="list-style-type: none"> Order No. 487 dated 9 December 2015 On Preparing the Annual Report of PJSC FGC UES for 2015 Order No. 20 dated 18 January 2017 On Preparing the Annual Report of PJSC FGC UES for 2016 Order No. 549 dated 28 December 2017 On Preparing the Annual Integrated Report of PJSC FGC UES for 2017 Order No. 480 dated 19 December 2018 On Preparing the Annual Integrated Report of PJSC FGC UES for 2018 Order No. 458 dated 17 December 2019 On Preparing the Annual Integrated Report of PJSC FGC UES for 2019 Order No. 616/425 dated 25 December 2020 On Preparing the Annual Reports for 2020 Order No. 612/391 dated 14 December 2021 On Preparing the Annual Reports for 2021 Order No. 4 dated 11 January 2023 On Preparing the Annual Report of Public Joint Stock Company Federal Grid Company – Rosseti for 2022 Order No. 580 dated 13 December 2023 On Preparing the Annual Report of Public Joint Stock Company Federal Grid Company – Rosseti for 2023 <p>The structure of PJSC Rosseti's Annual Reports fully meets the above requirements.</p>
5.3.	Direction of the President of the Russian Federation	No. Pr-758 dated 20 April 2017	Allocation of a portion of net profit to the federal budget in the form of dividends on shares owned by the Russian Federation	Due to the need to finance the Company's investment programme, the Annual General Meeting of Shareholders of the Company (Minutes No. 29 dated 30 June 2022) decided not to pay dividends based on the results of 2022.
	Executive Order of the Government of the Russian Federation	No. 774-r dated 29 May 2006		
	Instruction of the Government of the Russian Federation	No. 944-r dated 18 May 2017		
		No. DM-P13-2672 dated 26 April 2017		
6. Control of the Company's Activities				
6.1.	Instruction of the Government of the Russian Federation	No. ISh-P13-1925 dated 5 April 2018	Taking inventory of intellectual property rights for the purpose of further organisation of measures to ensure legal protection of the intellectual deliverables, rights to which belong to a joint stock company, placing the rights to them on the balance sheet as intangible assets for further introduction into economic turnover, and assessment of the value of the rights to the same	<p>In line with the resolution of the Board of Directors of PJSC FGC UES (Minutes No. 426 dated 2 November 2018), the Chairman of the Management Board of PJSC FGC UES was instructed to ensure that an inventory of rights to intellectual deliverables is taken no later than May 2019 for the purpose of subsequently organising measures to ensure that the identified deliverables, the rights to which are owned by PJSC FGC UES, are legally protected, that the rights to them are placed on the balance sheet as intangible assets for subsequent introduction into economic turnover, and, if necessary, to assess the value of the rights to them.</p> <p>In accordance with the above Instructions of the Board of Directors of PJSC FGC UES, as well as the Order of Public Joint Stock Company Russian Power Grids (PJSC Rosseti) No. 29 dated 5 February 2019, On Taking Inventory of Rights to Intellectual Deliverables, an inventory of rights to intellectual deliverables of PJSC FGC UES was taken; the results were forwarded to Public Joint Stock Company Russian Power Grids (PJSC Rosseti) by letter No. 252/164 dated 26 July 2019 and are used within the framework of the current activities of PJSC FGC UES to manage intellectual deliverables rights.</p> <p>To approve the conceptual provisions of the Programme for Intellectual Deliverables Rights Management at Public Joint Stock Company Russian Power Grids (PJSC Rosseti) in 2020, the Company initiated the development of an action plan to create mechanisms for intellectual deliverables rights management at Public Joint Stock Company Russian Power Grids (PJSC Rosseti) and its affiliates.</p> <p>The above plan was approved by the Company's relevant departments and approved at the meeting of the Management Board of Public Joint Stock Company Russian Power Grids (PJSC Rosseti), Minutes No. 1059/8 dated 13 April 2021.</p> <p>As part of the implementation of the approved plan, in 2022, the rights to intellectual deliverables were updated again, as part of which the data on intellectual deliverables, the rights to which belong to the affiliates of the Public Joint Stock Company Russian Power Grids (PJSC Rosseti), were identified, as well as the existing local executive documents related to intellectual property, including executive documents on the transfer and exchange of intellectual deliverables within the Rosseti Group.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
6.2.	Minutes of the Government of the Russian Federation	No. AD-P36-153pr dated 1 October 2014 (items 1 and 4)	Implementation of recommendations on the management of rights to the results of intellectual activities	<p>Pursuant to the Minutes of the Board of Directors of PJSC Rosseti No. 295 dated 2 March 2018, in 2018, an analysis of the management of intellectual deliverable rights at PJSC Rosseti and affiliates of PJSC Rosseti was undertaken.</p> <p>The results of the analysis were reviewed by the Management Board of PJSC Rosseti (Minutes No. 748pr dated 7 August 2018)</p> <p>In 2022, the rights to intellectual deliverables were updated again, identifying data on intellectual deliverables rights that belong to affiliates of PJSC Rosseti.</p> <p>Minutes of the Management Board of PJSC Rosseti No. 1059/8 dated 13 April 2021 approved the Action Plan to Create Mechanisms for Intellectual Deliverables Rights Management in the Company and Affiliates (hereinafter referred to as the Plan).</p> <p>As part of the Plan's implementation, PJSC Rosseti approved, by Executive Order No. 253p dated 30 November 2022, a standard contract for the provision of comprehensive expert and patent licensing services in a one-stop-shop mode to support Rosseti Group's R&D and a standard licence contract with the transfer of the right to grant sublicences to third parties to JSC STC FGC UES.</p> <p>As part of the promotion of the most promising (from the point of view of commercialisation) intellectual deliverables in 2023, the relevant licence agreements were signed between JSC STC FGC UES and all affiliates.</p> <p>Additionally, in 2023, the following model documents were approved by PJSC Rosseti's Order No. 458 dated 23 October 2023 in order to establish a unified system for managing rights to intellectual deliverables obtained as a part of innovation activities at PJSC Rosseti and affiliates: <ul style="list-style-type: none"> Regulations on the Management of Rights to the Rosseti Group's Intellectual Deliverables Regulations on Transfer and Exchange of Results of Intellectual Activity within the Rosseti Group The procedure for compiling and updating the Register of Rights to the Rosseti Group's Intellectual Deliverables Procedure for the use of rights to scientific and technical documentation of the Rosseti Group </p>
	Instruction of the Government of the Russian Federation	No. DM-P36-7563 dated 7 November 2015		
		No. ISH-P8-5594 dated 25 August 2017		
6.3.	Minutes of the meeting of the National Council for Financial Stability	No. 7 dated 10 April 2015 (sub-item 1 of item 1, section I)	Settlements in roubles under new export contracts	<p>Pursuant to clause 4 of Article 8 of Federal Law No. 35-FZ dated 26 March 2003, On Electric Power Industry, PJSC Rosseti (until 12 October 2022, PJSC FGC UES), as an organisation managing the Unified National Power Grid (of Russia) is prohibited from engaging in activities related to the sale and purchase of electric power and capacity (except for the purchase of electric power (capacity) carried out for its own (economic) needs; the purchase of electric power (capacity) for the purpose of compensating losses in power grids and technological support for the joint operation of the Russian electric power system and electric power systems of foreign states, and in cases determined by the Government of the Russian Federation, when performing the functions of a supplier of last resort, and in accordance with the relevant procedures).</p> <p>The Treaty on the Eurasian Economic Union dated 29 May 2014 states that export means the export of goods from the customs territory of the Union to the territory of third countries without the obligation of re-importation. According to the Customs Code of the Eurasian Economic Union, export is a customs procedure under which goods of the Customs Union are exported outside the customs territory of the Customs Union and are intended to be permanently located outside the customs territory of the Customs Union. Goods are cleared under the export procedure by submitting a declaration of goods to the customs authority of the Russian Federation in compliance with the conditions for placing goods under the export customs procedure.</p> <p>PJSC Rosseti does not export electric power from the Russian Federation and does not submit such declarations to the customs authority of the Russian Federation. PJSC Rosseti has not entered into and does not plan to enter into electric power export contracts. The said activities are performed by PJSC Inter RAO and PJSC TGC-1.</p>

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
6.4.	Instruction of the Government of the Russian Federation	No. DM-P13-8pr dated 13 February 2019 (item 4)	The possibility of transitioning to tax control in the form of tax monitoring	<p>As part of the procedure for transition to tax control in the form of tax monitoring, an application for tax monitoring was forwarded to the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 (letter No. NA-4217 dated 28 June 2019).</p> <p>The information is posted on the Interdepartmental Portal for State Property Management (of the Federal Agency for State Property Management (Rosimushchestvo)).</p> <p>The decision to conduct tax monitoring of PJSC FGC UES for 2020 was received from the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 via letter No. 19-06/09 dated 31 October 2019.</p> <p>The decision to conduct tax monitoring of PJSC FGC UES for 2021 was received from the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 via letter No. 20-06/29 dated 1 December 2020.</p> <p>The decision to conduct tax monitoring of PJSC FGC UES for 2022 was received from the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 via letter No. 21 dated 20 December 2021.</p> <p>The decision to conduct tax monitoring of PJSC Federal Grid Company – Rosseti for 2023 was received from the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 via letter No. 40 dated 13 December 2022.</p> <p>The decision to conduct tax monitoring of PJSC Federal Grid Company – Rosseti for 2024 was received from the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No. 6 via letter No. 48 dated 15 December 2023.</p>
6.5.	Directive of the Government of the Russian Federation	No. 2182p-P13ks dated 6 March 2022	Non-application of penalties, as well as the possibility of extending the deadlines for the fulfilment of contracts and adjusting prices in 2022 in case of breaches of obligations by a supplier (contractor) due to the consequences of restrictive measures imposed on the Russian Federation by unfriendly foreign states	<p>Within the framework of the implementation of the Directives of the Government of the Russian Federation No. 2182p-P13ks dated 6 March 2022 on non-application of penalties, as well as on the possibility of extending the terms of execution of contracts and adjustment of prices in 2022 in case of breaches of obligations by a supplier (contractor) due to the consequences of restrictive measures imposed on the Russian Federation by unfriendly foreign states, the resolution of the Board of Directors of PJSC FGC UES (Minutes No. 572 dated 15 April 2022) provides for the following:</p> <ol style="list-style-type: none"> In 2022, no penalties in connection with the supplier's (contractor's) breach of obligations under the contract due to the imposition of restrictive measures against the Russian Federation by unfriendly foreign states. In 2022, enabling changes in the terms and conditions of a contract if, in connection with the imposition of restrictive measures against the Russian Federation by unfriendly foreign states, circumstances beyond the control of the parties to such a contract arise during its performance and make it impossible to perform such a contract without changing its terms and conditions. Information on the implementation of Directives of the Government of the Russian Federation No. 2182p-P13ks dated 6 March 2022 was posted on the Interdepartmental Portal for State Property Management.

No.	Instruction	Registration details	Brief content of the incoming document	Information on the implementation of relevant instructions and orders by PJSC Rosseti
6.6.	Instruction of the Prime Minister of the Russian Federation	No. MM-P13-16997ks dated 8 October 2022	The possibility of extending the terms of contracts for the supply of goods, work, and services and not imposing penalties in the event of changes in the terms of such contracts, the execution of which became impossible due to mobilisation	<p>Within the framework of the implementation of Directives of the Government of the Russian Federation No. 12061p-P13 dated 14 October 2022 on the possibility of extending the terms of execution of contracts for supply of goods, performance of work, rendering of services, and non-application of penalties in case of changes in the terms of such contracts, the execution of which became impossible due to mobilisation, the resolution of the Board of Directors of PJSC FGC UES (Minutes of 30 December 2022 No. 604) provides for the following:</p> <ol style="list-style-type: none"> Imposing no penalties for supplier's (contractor's) breach of obligations under the contract in connection with partial mobilisation during the period of validity of Decree of the President of the Russian Federation No. 647 of 21 September 2022, On the Announcement of Partial Mobilisation in the Russian Federation (hereinafter referred to as the Decree). The possibility of changing the terms and conditions of a contract if, during the execution of such a contract, circumstances beyond the control of the parties to the contract arise that make it impossible to perform it without changing its terms and conditions, during the period of validity of the Decree Information on the implementation of Directives of the Government of the Russian Federation No. 12061p-P13ks dated 14 October 2022 was posted on the Interdepartmental Portal for State Property Management.
6.7.	Directive of the Government of the Russian Federation	No. 5945p-P13 dated 25 August 2017	Ownership of assets located in the Russian Federation through foreign legal entities	<p>Pursuant to the Directive of the Government of the Russian Federation No. 5945p-P13 dated 25 August 2017, which was forwarded to PJSC FGC UES via the letter of the Federal Agency for State Property Management (Rosimushchestvo) No. 05/33973 dated 30 August 2017, and the resolution of the Board of Directors of PJSC FGC UES (excerpt from the Minutes No. 382/4 dated 20 November 2017), PJSC FGC UES shall annually, within 30 calendar days from the end of a calendar year, provide the Ministry of Economic Development of Russia with information on PJSC FGC UES' ownership of assets located in the Russian Federation through foreign legal entities, starting from 2016.</p> <p>The Report for 2021 was forwarded to the Ministry of Economic Development of Russia via letter No. KDV-94 dated 14 January 2022.</p> <p>The Report for 2022 was forwarded to the Ministry of Economic Development of Russia via letter No. KDV-897 dated 3 February 2023.</p> <p>The Report for 2023 was forwarded to the Ministry of Economic Development of Russia via letter No. KDV-11372 dated 29 December 2023.</p>
6.8.	Executive Order of the Government of the Russian Federation	No. 1546-r dated 11 June 2020	Involvement of Russian engineering companies in the implementation of JSC's projects abroad	<p>In accordance with the provisions of Directive of the Russian Government No. 3502p-P13 dated 15 April 2021, the Ministry of Industry and Trade of the Russian Federation ensures that reports on the involvement of Russian engineering companies in projects abroad are posted on the Interdepartmental Portal for State Property Management on a semi-annual basis (by 15 January and 15 July).</p> <p>As of 31 December 2023, the Company did not implement projects abroad involving Russian engineering companies.</p>

Appendix No. 6

Information on the Company's Participation in Other Business Entity (Commercial Organisations) in 2023

No.	Abbreviated Corporate Name of a Business Entity	Region of Activity	Core Type of Activities	Purpose of Participation	Share of the Company in the Authorised Capital of a Business Entity at 31.12.2023	Financial Indicators for 2023		Dividends Received in the Reporting Year on Shares Held by the Company, RUB '000
						Revenue, RUB '000	Net profit RUB '000	
Information on subsidiaries with the Company's share in the authorised capital from 50% + 1 share to 100%								
1.	JSC MTCES	Moscow, St. Petersburg, Republic of Buryatia, Republic of Mari El, Republic of Mordovia, Udmurt Republic, Republic of Khakassia, Krasnodar Territory, Krasnoyarsk Territory, Perm Territory, Primorsky Territory, Stavropol Territory, Khabarovsk Territory, Amur Region, Volgograd Region, Vologda Region, Kemerovo Region, Kirov Region, Novosibirsk Region, Omsk Region, Orenburg Region, Penza Region, Rostov Region, Samara Region, Saratov Region, Sverdlovsk Region, Tambov Region, Tomsk Region, Tula Region, Tyumen Region, Ulyanovsk Region, Chelyabinsk Region, Yaroslavl Region, Khanty-Mansiysk Autonomous Area – Yugra	Organisation, development and operation of distribution communication networks in the fuel and energy complex	Auxiliary support of the Company's core business	100.00%	1,392,659	184,473	90,919
2.	JSC STC FGC UES	Moscow, Novosibirsk, Vladivostok	Research, development, design and survey works and expert services in the field of electric power industry	Auxiliary support of the Company's core business	100.00%	8,258,526	415,323	144,573
3.	JSC CECM UES	Moscow, St. Petersburg, Yekaterinburg, Krasnoyarsk, Khabarovsk, Surgut, Zheleznovodsk	Construction project management (including customer-developer functions, engineering services for construction, renovation and retrofitting of technologically complex facilities)	Auxiliary support of the Company's core business	100.00%	35,987,140	1,459,170	–
4.	JSC Rosseti Procurement Centre	Moscow, St. Petersburg, Yekaterinburg, Krasnoyarsk, Samara, Khabarovsk, Surgut, Zheleznovodsk	Organisation and conduct of procurement procedures for the selection of suppliers, contractors and providers	Auxiliary support of the Company's core business	100.00%	222,973	43,071	2,084
5.	JSC Rosseti Electrosetservis	Moscow, Moscow Region, Ryazan Region, Novgorod Region, Novosibirsk, Ulyanovsk Region, Pyatigorsk, Ekaterinburg, Khabarovsk, Surgut	Diagnostics, maintenance, repair and emergency recovery work in power grids and other power grid facilities of UNPG, as well as of other entities which own or otherwise control power facilities, both connected and not connected to UNPG, as stipulated by federal laws	Auxiliary support of the Company's core business	100.00%	5,717,965	73,006	–
6.	LLC Index of Electric Power Industry – FGC UES	Moscow	Transactions with securities	Share in the authorised capital of LLC Index of Electric Power Industry – FGC UES received under the separation balance sheet of OJSC RAO UES of Russia when OJSC RAO UES of Russia merged with the Company during their restructuring on 1 July 2008	100.00%	–	4,129	–
7.	LLC Rosseti Capital	Moscow	Transactions with securities	Accumulation of assets (securities, shares in authorised capitals of business entities) for the Company	100.00%	166,266	332,175	–
8.	JSC Rosseti Mobile GTES	Moscow, Moscow Region, Republic of Crimea, Sevastopol, Krasnodar Territory	Electric power generation	Shares received in accordance with the dividing balance sheet of OJSC RAO UES of Russia when OJSC RAO UES of Russia merged with the Company during their restructuring on 1 July 2008	100.00%	6,095,878	113,119	4,240

No.	Abbreviated Corporate Name of a Business Entity	Region of Activity	Core Type of Activities	Purpose of Participation	Share of the Company in the Authorised Capital of a Business Entity at 31.12.2023	Financial Indicators for 2023		Dividends Received in the Reporting Year on Shares Held by the Company, RUB '000
						Revenue, RUB '000	Net profit RUB '000	
9.	JSC Chitatekhenenergo	Chita, Ulan-Ude, Far Eastern Federal District (Amur Region), Western Siberia, Republic of Sakha (Yakutia)	Activities in the field of telecommunications, design and operation of communication lines	The shares were acquired during restructuring of OJSC Chita Main Grids – the owner of 100% shares of JSC Chitatekhenenergo, by merger with the Company on 1 July 2008	100.00%	744,117	100,021	58,338
10.	JSC APBE	Moscow, Kostroma Region, Smolensk Region, Yaroslavl Region	Metrological support of the automated information-measuring system of fiscal electricity metering (AIMS FEM)	Shares received in accordance with the dividing balance sheet when OJSC RAO UES of Russia merged with the Company during their restructuring on 1 July 2008	100.00%	4,092	(2,856)	–
11.	LLC IT Energy Service	Moscow	Consulting on computer hardware, software development and consultancy in this field	Shares received in accordance with the dividing balance sheet when OJSC RAO UES of Russia merged with the Company during their restructuring on 1 July 2008	100.00%	568,668	19,104	–
12.	JSC Nurenergo	No data (*)	No data (*)	Shares of the additional issue were received as repayment of loans previously issued to the Company. Decision of the Board of Directors of FGC UES dated 20 May 2004 (Minutes No. 15)	100.00%	No data	No data	–
13.	JSC ENIN	Moscow	Performance of research & development, design & experimental, technological, technical, design and related works in the field of electric power engineering	The shares were received in accordance with the dividing balance sheet of JSC RAO UES of Russia when JSC RAO UES of Russia merged with the Company during their restructuring on 1 July 2008, as well as on the basis of the share purchase agreement with JSC RAO ES of East No. 104 dated 28 December 2022	100.00%	40,092	(7,146)	1,541
14.	JSC Rosseti Yantar	Kaliningrad Region	Power distribution	Profit earning	100.00%	9,828,008	858,619	337,062
15.	JSC Rosseti Tyumen	Tyumen Region, Khanty-Mansiysk Autonomous Area – Yugra, Yamalo-Nenets Autonomous Area	Electricity transmission and connection to distribution grids	Profit earning; grid complex management	100.00%	80,936,788	4,354,429	972,161
16.	JSC Rosseti CTS	The entire territory where the Rosseti Group's grids are present	Activities in the field of engineering surveys, engineering design, construction project management, construction control and author's supervision, technical consultancy in these areas	Profit earning	100.00%	363,142	8,956	–
17.	JSC Rosseti Property Management	Moscow, St. Petersburg, Chelyabinsk, Irkutsk, Krasnoyarsk, Rostov-on-Don	Lease and management of owned or leased immovable property	Profit earning	100.00%	713,154	515,972	140,477
18.	JSC Rosseti Digit	The entire territory where the Rosseti Group's grids are present	Communications activities based on hard-wired technology	Profit earning	100.00%	10,086,614	79,816	–
19.	JSC Karachaevo-Cherkesskenergo	No data (*)	No data (*)	No data (*)	100.00%	No data	No data	–
20.	JSC Kalmenergosbyt	No data (*)	No data (*)	No data (*)	100.00%	No data	No data	–
21.	JSC Tyvaenergosbyt	No data (*)	No data (*)	No data (*)	100.00%	No data	No data	–
22.	JSC Energetik	Novosibirsk, Novosibirsk Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	100.00%	649,833	8,392	–
23.	PJSC Rosseti Kuban	Krasnodar Territory, Republic of Adygeya, Sirius Federal Territory	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	99.72%	74,557,482	6,166,520	664,907
24.	PJSC Rosseti Northern Caucasus	Republic of Ingushetia, Republic of North Ossetia-Alania, Republic of Dagestan, Karachay-Cherkess Republic, Kabardino-Balkar Republic	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	98.23%	48,501,107	(11,863,215)	–
25.	JSC RES	Novosibirsk, Novosibirsk Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	95.98%	No data	No data	–
26.	PJSC TDC	Tomsk Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	86.40%	No data	No data	112,819
27.	JSC Chechenenergo	Chechen Republic	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	90.45%	8,117,145	(830,884)	–
28.	PJSC Rosseti Siberia Tyvaenergo	Republic of Tyva	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	88.68%	3,120,805	423,681	–
29.	PJSC Rosseti South	Rostov Region, Volgograd Region, Astrakhan Region, Republic of Kalmykia	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	84.16%	48,151,231	2,430,773	–
30.	PJSC Rosseti Volga	Saratov Region, Samara Region, Orenburg Region, Penza Region, Ulyanovsk Region, Republic of Mordovia, Chuvash Republic	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	68.47%	76,810,154	2,320,252	–
31.	PJSC Rosseti Lenenergo	St. Petersburg, Leningrad Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	67.48%	108,777,004	20,746,923	297,488

No.	Abbreviated Corporate Name of a Business Entity	Region of Activity	Core Type of Activities	Purpose of Participation	Share of the Company in the Authorised Capital of a Business Entity at 31.12.2023	Financial Indicators for 2023		Dividends Received in the Reporting Year on Shares Held by the Company, RUB '000
						Revenue, RUB '000	Net profit RUB '000	
32.	JSC Kabbalkenergo	No data (*)	No data (*)	No data (*)	65.27%	No data	No data	–
33.	JSC Electromagistral	Novosibirsk, Novosibirsk Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	64.60%	2,041,497	243,603	–
34.	PJSC Rosseti Siberia	Republic of Altai, Republic of Buryatia, Republic of Tyva, Republic of Khakassia, Altai Territory, Transbaikal Territory, Krasnoyarsk Territory, Kemerovo Region, Omsk Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	57.90%	69,232,354	(728,974)	–
35.	PJSC Rosseti North-West	Arkhangelsk Region, Vologda Region, Murmansk Region, Novgorod Region, Pskov Region, Republic of Karelia, Komi Republic	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	55.38%	53,358,966	(354,687)	–
36.	PJSC Rosseti Ural	Sverdlovsk Region, Chelyabinsk Region, Perm Territory	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	55.23%	105,283,472	12,864,396	214,607
37.	PJSC Dagestan Energy Retail Company	No data (*)	No data (*)	No data (*)	51.00%	No data	No data	–
38.	PJSC Rosseti Moscow Region	Moscow, Moscow Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	50.90%	228,006,729	19,441,165	261,008
39.	PJSC Rosseti Centre	Belgorod Region, Bryansk Region, Voronezh Region, Kostroma Region, Kursk Region, Lipetsk Region, Orel Region, Smolensk Region, Tambov Region, Tver Region, Yaroslavl Region	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	50.69%	123,264,876	6,114,765	208,703
40.	PJSC Rosseti Centre and Volga Region	Vladimir Region, Ivanovo Region, Kaluga Region, Kirov Region, Nizhny Novgorod Region, Ryazan Region, Tula Region, Republic of Mari El, Udmurt Republic	Electricity transmission and connection to distribution grids	Profit generation, management of the power grid complex	50.40%	130,014,908	13,579,967	100,810
Information on affiliated companies with the Company's share in the authorised capital of 20 to 50%								
41.	JSC UES SakRusenergo	Georgia; on the territory of the Russian Federation – Karachay-Cherkessia Autonomous District, Krasnodar Territory	Electricity transmission services	Support of the development of the Company's core business	50.00%	No data	No data	–
42.	JSC Sevkavkazenergo	Republic of North Ossetia – Alania	Electricity trading	Profit earning	49.00%	–	(7,178)	–
43.	JSC NWEMC	St. Petersburg, Leningrad Region, North-West Region	Maintenance of IT systems, communications, telephony and data transmission	Profit earning	49.00%	21,045	(7,902)	–
44.	JSC Ingushenergo	No data (*)	No data (*)	No data (*)	49.00%	No data	No data	–
45.	OJSC Engineering Center for Power Industry in Volga Region	No data (*)	No data (*)	No data (*)	25%	No data	No data	–
Information on business entities with the Company's share in the authorised capital of 2 to 20%								
46.	PJSC Inter RAO	Constituent entities of the Russian Federation, China, Cuba, Ecuador, Finland, Georgia, Latvia, Lithuania, Poland and Ecuador	Generation of electricity and heat energy, electricity and heat supply (sale) activities	Financial investments	8.57%	249,948,573	36,408,674	2,209,006
47.	ACRA (JSC)	Moscow	Rating activities	Financial investments	3.70%	629,611	228,161	5,516

(*) The Company was recognised as insolvent (bankrupt). The Company is subject to bankruptcy procedure – bankruptcy proceedings; the Company did not carry out any commercial activities during 2023.

Information on the Company's participation in non-profit organisations in 2023

No.	Non-commercial organisation	Financial parameters of PJSC Rosseti's participation, RUB '000'	Effect of participation
1.	Non-Profit Partnership Corporate Educational and Scientific Centre of the Unified Energy System	In 2023, PJSC Rosseti did not pay membership/other fees	PJSC Rosseti, as a member of the Partnership, participates in the development and implementation of a unified policy and in monitoring compliance with the unified standards of production personnel training. The Company participates in the General Meeting of Partnership Members and the Supervisory Board of the Partnership.
2.	Non-profit Partnership Council of Power Industry Veterans	21,000	PJSC Rosseti, as a member of the Partnership, assists in realising the Partnership's main goal of providing comprehensive assistance to veterans of the power industry. The Company participates in the General Meeting of Partnership Members and the Supervisory Board of the Partnership.
3.	All-Russian Industrial Association of Electric Power Industry Employers Energy Employers Association of Russia (ERA Russia Association)	5,600	The main purpose of participation is: <ul style="list-style-type: none"> participation in the preparation of the Industry Tariff Agreement (ITA) and its use in the preparation of Rosseti's regulatory documents; guaranteed right to use the ITA in tariff regulation; information and advisory assistance from the ERA Russia Association on issues of social and labour relations. Participation in public events of the ERA Russia Association (seminars, conferences and others).
4.	Non-Profit Partnership Scientific and Technical Council of the Unified Energy System	4,000	The main objective of NPP STC UES is to assist its members in the formation of science-based technical policy in the Unified Energy System of Russia (UES of Russia), in the consideration of the most significant problems of functioning and development of the UES of Russia, as well as expertise of various projects and works in new areas of engineering and technology, R&D programmes, technical regulation and standardisation. PJSC Rosseti is a Member of the Partnership.
5.	Self-Regulatory Organisation of the Association of Construction Organisations "Support of Construction Industry Organisations" (SRO ACO SCIO)	106.80	The main purpose of participation is to comply with the requirements of the legislation of the Russian Federation. As part of PJSC Rosseti's investment activities, the branches of PJSC Rosseti – MPGs perform construction and installation works with the use of internal resources without contractors. This activity is regulated by the Town Planning Code of the Russian Federation No. 190-FZ dated 29 December 2004.
6.	Global Energy Association	58,000	The main objective of the participation is to support energy research and innovation at an international level. The Association holds the annual Global Energy International Award, as well as a number of popular science events aimed at supporting scientific research, international cooperation in science and technology, and solving the most pressing scientific and technical problems of our time.
7.	SRO NPP PetersburgErgoAudit	72	The main purpose of participation is to enable PJSC Rosseti to carry out mandatory energy audits partially or fully using its own resources. Since 2017, the measuring stage of PJSC Rosseti's mandatory energy audits has been carried out entirely by the personnel of branches, thus reducing the cost of the audits.
8.	ANO Innovation Engineering Centre	In 2023, PJSC Rosseti did not pay membership/other fees	The main objective of ANO Innovation Engineering Centre is to form a systematic approach: <ul style="list-style-type: none"> to identifying and fixing technological problems and tasks faced by Russian corporations within the framework of development programmes and searching for their optimal solution using new domestic technologies; to forming cooperation chains of Russian enterprises, SMEs, engineering and scientific centres to implement engineering projects to create technological solutions required by corporations. <p>As part of its participation in the Association's activities, PJSC Rosseti develops cooperation with leading Russian enterprises in the area of import substitution and implementation of innovative solutions.</p>

¹ Membership and other contributions made by PJSC Rosseti in 2023.

No.	Non-commercial organisation	Financial parameters of PJSC Rosseti's participation, RUB '000'	Effect of participation
9.	NPP Market Council Association	2,640	In accordance with item 1 of Article 33 of Federal Law No. 35-FZ "On Electric Power Industry" dated 26 March 2003, the objectives of NPP Market Council Association are to ensure the functioning of the commercial market infrastructure, effective interconnection of the wholesale and retail markets, to form favourable conditions for attracting investment in the electric power industry and the existence of a common position of wholesale and retail market participants in the development of regulatory documents governing the functioning of the electric power industry, to organise, on the basis of self-regulation, an efficient system of wholesale and retail trade in electricity, capacity, other goods and services admitted to circulation on the wholesale and retail markets in order to ensure energy security of the Russian Federation, unity of economic space, freedom of economic activity and competition on the wholesale and retail markets, to observe the balance of interests of producers and buyers of electricity and capacity, to satisfy public needs in reliable and stable electricity and capacity supply. PJSC Rosseti is a member of NPP Market Council Association as part of the Chamber of Infrastructure Organisations and ensures the functioning of the wholesale market's technological infrastructure.
10.	Non-Profit Partnership Association of Owners and Investors of Land and Real Estate (NPP AOILRE)		In the interests of its members NPP AOILRE prepares and introduces amendments to legislative acts of the Russian Federation in the field of land and property relations, represents the interests of NPP AOILRE members before municipal and federal authorities and responsible persons who determine the state policy on the land and property investment market, together with its members participates in public events and activities for the development of the real estate and land market.
11.	Association Russian National Committee of CIGRE (RNC CIGRE)	3,235.052	PJSC Rosseti's efforts in the Association are aimed at: <ul style="list-style-type: none"> study of new world practices and the best technologies for management of electric power systems and production of electrical equipment; timely identification of risks and threats based on the study of international experience, and assistance in identifying ways to minimise them; improvement of the quality of long-term planning of R&D activities by analysing global practices and industry development trends, developing analytical models, and creating favourable conditions for using the latest technologies in the interests of PJSC Rosseti; participation in the development of IEC International Standards through participation in international working groups; formation of talent pool through interaction with the Youth Section of RNC CIGRE.
12.	All-Russian Association of Employers Russian Union of Industrialists and Entrepreneurs AAE RUIE	600	The main goal of AAE RUIE is to defend the interests of business and create a favourable business climate in the Russian Federation. Rosseti's representatives are members of several advisory bodies (committees and commissions) of the RUIE, initiate discussions on issues relevant to the power grid sector, hold joint events, and take part in developing the Union's position on key legislative initiatives and areas of development in the relevant areas of activity.
13.	CIS Electric Power Council	21,946.21	As a backbone company in the industry, PJSC Rosseti participates in the development of sectoral and cross-sectoral development strategies, energy concepts, innovative development programmes and programme documents in the field of industrial cooperation, draft regulatory documents in the electric power industry of the Russian Federation and CIS countries, drafting multilateral agreements and treaties, information and analytical and reference statistical reports, reviews, and other materials of the CIS EPS/Executive Committee of the CIS EPS.

¹ Membership and other contributions made by PJSC Rosseti in 2023.

Appendix No. 7 Information on PJSC Rosseti's Non-Core Asset Disposal Programme in 2023

Pursuant to Russian Presidential Decree No. 596 dated 7 May 2012, the Board of Directors of PJSC Rosseti (as decided on 11 September 2023 (Minutes No. 629 dated 13 September 2023)) approved a new version of the Programme for Disposal of Non-Core Assets of PJSC Rosseti and S&As of PJSC Rosseti (hereinafter referred to as the Programme), which was developed to comply with Russian Federation Government Decree No. 894-r dated 10 May 2017 (as amended by Russian Federation Government Decree No. 985-r dated 19 April 2023) "On Approval of Methodological Recommendations for Identification and Disposal of Non-Core Assets". Prior to the adoption of the above decision, the Company had in place the Programme approved by the decision of the Company's Board of Directors dated 12 October 2021 (Minutes No. 555 dated 12 October 2021 as amended by Minutes No. 601 dated 15 December 2022).

The Programme defines the basic approaches, principles, and the mechanism for identifying and disposing of non-core assets, establishes the criteria for classifying assets as non-core, the procedure for maintaining the non-core asset register and the main provisions for disposing of non-core assets. The programme and information on the disposal of non-core assets is available on the official website of PJSC Rosseti in the section: "Home / Company / Property Management / Sale of Property / Non-Core Assets".

By resolution of the Company's Board of Directors dated 29 June 2023 (Minutes No. 623 dated 29 June 2023), the Company's Non-Core Asset Register and the action plan for disposal of the Company's non-core assets as of 31 December 2022 were approved. By resolution

of the Board of Directors of PJSC Rosseti dated 11 September 2023 (Minutes No. 629 dated 13 September 2023), amendments were made to the Company's Non-Core Asset Register.

Disclosure Link:

<https://www.rosseti.ru/company/property-management/sale-of-property/non-core-assets/>



Information on the sale of non-core assets in 2023, including the reasons for deviations of the actual value of disposed non-core assets from their carrying value (if any) and the total values of the indicators (carrying value, realisable value and number of sold non-core assets for the reporting period), is presented in the table below.

Information on Disposal of Non-Core Assets in 2023

No.	Asset	Inventory number (if applicable)	The balance sheet line where the asset was recorded at the balance sheet date prior to the disposal of the asset	Ledgers (analytics included) containing income and expenditure from asset disposal (91.1xxx/91.2xxx)	Carrying amount of an asset (RUB '000)	Effective realisable value (RUB '000)	Deviation of effective realisable value from carrying amount (RUB '000)	Reason for the deviation of effective realisable value from carrying amount of an asset
1	2	3	4	5	6	7	8	9
1	Energosvyaz Serviced Amplification Point of the Moscow Region, Pavlovsky Posad	Property complex	1150	9110201010, 9110600610/9120301010	112.20	2,522.92	2,410.72	The actual realisable value was defined by open competitive procedures with the initial selling price established according to the report of an independent appraiser.
2	Non-residential building – office building of the repair operation point (new)	0701-2-11-06489	1150	9110201010, 9110600610/9120301010	1,392.95	1,203.33	(189.62)	The actual realisable value was defined by open competitive procedures with the initial selling price established according to the report of an independent appraiser. Sale at a price lower than the carrying (residual) amount was approved by the relevant resolution of the Company's Board of Directors.
Total:					1,505.15	3,726.25	2,221.10	

Appendix No. 8 Information on Litigation Work to Recover Receivables from Counterparties and the Results of this Work for the Reporting Period

In 2023, PJSC Rosseti filed 840 lawsuits and applications for inclusion in the register of debtors' claims with arbitration courts to recover receivables of its counterparties. In total, claims totalling RUB 19,234 billion were filed.

Based on the court trials in 2023, court rulings were passed to recover receivables in favour of the Company in 592 cases for a total amount of claims of RUB 5,758 billion.

Information about Pending Litigation in 2023

Information on pending as of 31.12.2023 court proceedings in which the Company acts as a **plaintiff** in debt collection claims:

Total number of pending proceedings	Amount of claims, RUB '000
487	28,015,855

Information on pending as of 31.12.2023 court proceedings in which the Company acts as a **defendant** in debt collection claims:

Total number of pending proceedings	Amount of claims, RUB '000
249	25,807,442

Appendix No. 9 Information on Agreements Concluded by PJSC Rosseti in 2023 for the Sale and Purchase of Interests, Shares, Stocks of Business Partnerships and Companies¹

¹ Information is not disclosed under the right granted by Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Specifics of Disclosure and (or) Provision of Information Subject to Disclosure and (or) Provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".