

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.

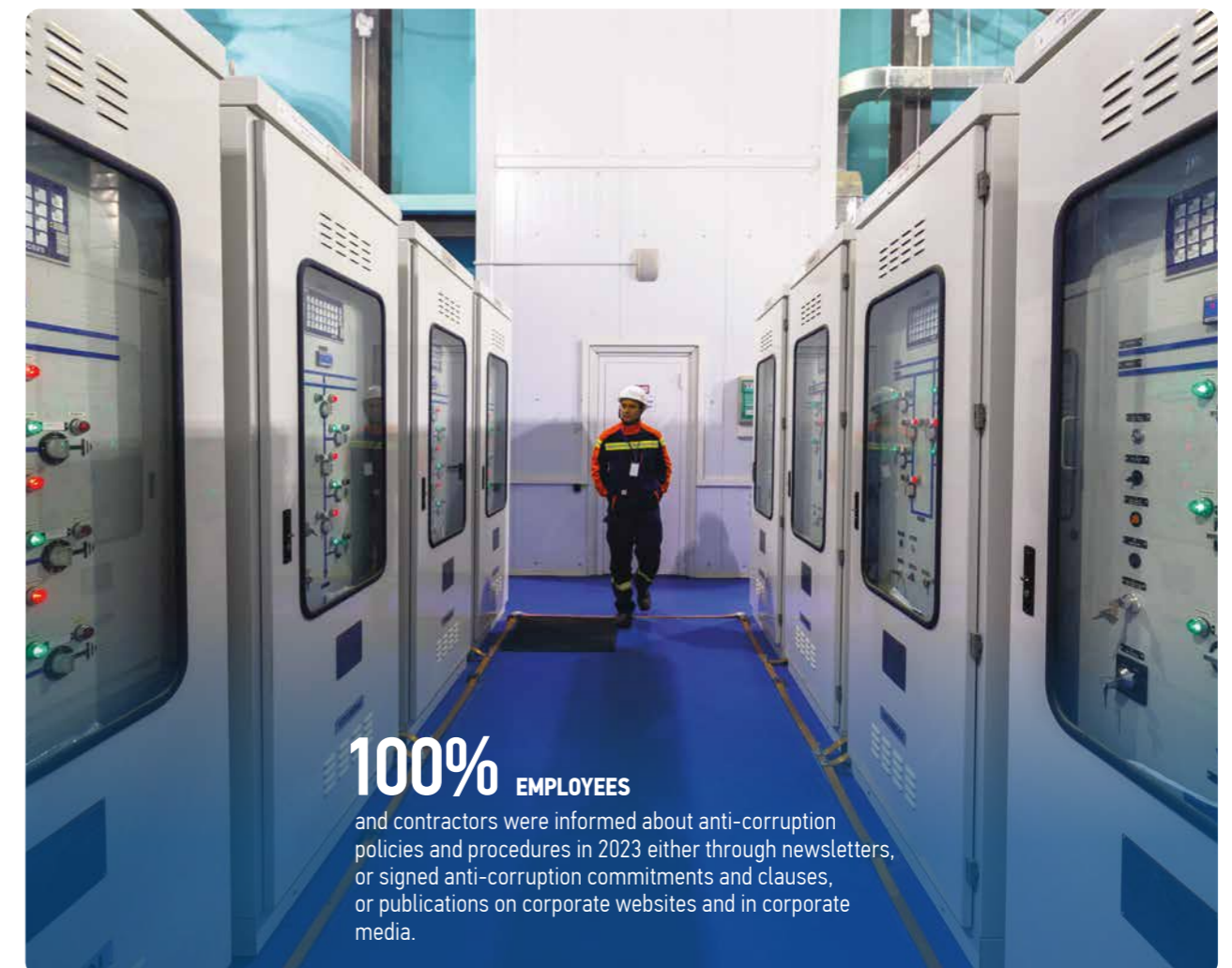
The Rosseti Group put in place a unified Anti-Corruption Policy¹, Code of Corporate Ethics and Conduct for Employees², Regulations on Prevention and Settlement of Conflicts

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 totalling 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.

