

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).