

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.

