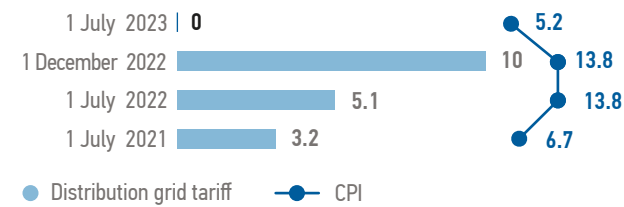
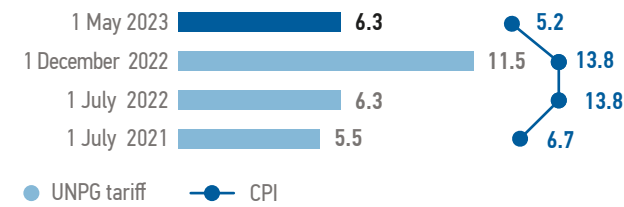


Distribution grid tariff change, %¹



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.