

Type of purchase	Number of contracts	Contract value, RUB thousand, incl. VAT	Payments under concluded contracts, RUB thousand, incl. VAT	% of concluded and paid contracts
Purchases from small-and medium-size businesses	2,008	15,462,299.015	6,673,710.240	81.467%
Incl. purchases only from small-and medium-size businesses ("special bidding")	876	7,279,850.398	3,826,372.717	46.709%

The economic effect from the purchases amounted to RUB 1,603,517.069 thousand, incl. VAT or 6.740% of the announced price targets (net of single-source purchases and purchases from vendors). Open purchases contributed 87.247% to the total purchase value.

The following activities are enforced to enhance economic metrics, improve and promote purchase transparency:

- Use of electronic trading platforms to conduct max volume of purchases;
- Revisions of specifications in terms of elimination of unnecessary requirements to procurement participants;

- Negotiations with manufacturers to invite them to apply on the ETP without intermediaries;
- Additional requests for documents, required from participants, via ETP;
- Pre-contract negotiations;
- Repeated rebiddings.

## ANTI-CORRUPTION POLICY AND ENFORCEMENT OF ECONOMIC SECURITY OF OPERATIONS

### Anti-corruption policy

The anti-corruption policy of PAO Rosseti and its SACs is a single strategic document of PAO Rosseti and its subsidiaries that defines the single approach of Rosseti Group to elaboration and implementation of measures to prevent and combat corruption. The goal of the anti-corruption policy is a single approach to implementation of the Federal Law<sup>40</sup>, with regard to elaboration and implementation of measures to prevent and combat corruption: exposure and subsequent elimination of corruption factors (corruption prevention); exposure and prevention of corruption-related and other offences; mitigation and (or) liquidation of consequences caused by corruption-related and other offences, as stated in the Russian Administrative Offence Code<sup>41</sup>.

Section "Anti-corruption Policy" of the corporate web-site discloses information on corruption-related whistleblowing procedures, available whistleblowing communications means, regulatory documents on combating corruption and complete version of the Company's Anti-corruption Policy, Anti-corruption Charter and Certificate on accedence of the Company to the Anti-corruption Charter of the Russian Business.

### Settlement of the conflicts of interest

The Company has the following system for conflict-of-interest disclosures:

- initial disclosure on possible conflicts of interest at hiring or position change;
- annual conflict-of-interest disclosures at the year-end (declaration campaign);
- notification from employees on personal interest that arises during the conduct of official duties and leads or may lead to the conflict of interest.

Initial disclosure on possible conflicts of interest helps check information, declared by a candidate applying for a position, and prepare a post-check report, thus preventing occurrence of new, previously unrecorded, pre-conflict situations. During the reported period the Company examined and checked 2,859 job seekers whether they have pre-conflict of interest or not at hiring or position change. 8 pre-conflict situations related to direct reporting line among employees with kin relations were exposed.

The Company conducted annual conflict-of-interest declaration campaign for employees of OAO IDGC of Urals and its affiliates (AO EESK and AO EES) in full, using electronic declaration system "Automated system for analysis and collection of information on beneficiaries". 7,370 Company's employees, incl. affiliates' employees, filed declarations, with 4 pre-conflict situations exposed after the 2021 declaration campaign.

Results of the 2021 declaration campaign were examined and settled by the Company's panel, liable for compliance with corporate ethics norms and settlement of competing interests.

### Whistleblowing

The Company has the following channels for whistleblowers:

- Hotline (+7.343.293.21.83), disclosed on the corporate web-site, works 365/7/24 in automatic mode, with an option of recording voice messages;
- Feedback form, disclosed on the corporate web-site, works in automatic mode, with an option of sending text messages and evidence, anonymity guaranteed.

We also placed detailed information about all available channels for whistleblowing and reporting on competing interests on information stands in HQ, executive offices in branches, affiliates and customer service centers. In 2022, our hotline received 11 whistleblowing messages on potential corruption behavior. All messages were processed within the time frames, as stated by the existing Regulations. At present, we conduct an audit of performance in a production department in response to a whistleblowing message.



### Prevention of corruption in cooperation with partners and contractors

Experts from relevant unit of the Company conduct examinations of bids received from procurement participants in terms of full disclosures, integrity, affiliation, competing interests, pre-conflict situations and other abuses related to occupied positions. During the reported period, 2,330 procurements were examined, with 6,181 procurement participants scrutinized. 139 negative opinions were prepared after examinations. Upon resolutions of the security department 12 procurements worth RUB 98,647 thousand were cancelled due to non-compliance of all tender participants with the tender documentation requirements and anti-corruption standard on procurements. Pursuant to Company's regulatory documents, the security department reduced initial (ceiling) prices for procurements worth RUB 39,034 thousand. During the reported period, the Company and its SACs conducted checks of integrity and completeness of information on contractors' owners, and loaded 14,885 contracts to automation system, incl. 3,598 contracts with disclosed ownership chain. There were beneficiary checks of 4,567 contractors (parties of contracts associated with spending of funds).

OAQ IDGC of Urals participates in group initiatives related to corruption prevention, in particular, in 2015, the Company acceded to the Anti-corruption Charter of the Russian Business. Accedence to the Charter and gradual implementation of its statements are confirmation of Company's voluntary liability to improve anti-corruption measures, stipulated by international legal standards and Russian laws on corruption prevention and fight against corruption. In May 2021, the Company has confirmed its compliance with the Anti-corruption Charter of the Russian Business by filing self-declaration with the Chamber of Commerce and Industry of the Russian Federation.

The Russian Union of Industrialists and Entrepreneurs, for a second consecutive year, awarded Rosseti Group with A1 grade. The Rosseti Group retained its place among leaders of the anti-corruption rating, which reflects a high level of management and attention of the Group's managers to corruption combating efforts.

### Company's goals for 2023 and mid-term perspectives related to the Anti-corruption Policy

1. Development, approval and implementation of the 2023 anti-corruption action plan.
2. Implementation of measures mitigating risks of involvement of PAO Rosseti and its affiliates into corruption activities.
3. Improvement of measures to prevent and settle competing interests, incl. automation of the process.
4. Conduct of educational activities regarding law fundamentals and formation of law-abiding behavior among Company's employees through trainings and familiarization with anti-corruption information.
5. Conduct of activities to collect feedback from Company's employees through surveys, incl. anonymous surveys, on evaluation of efficiency of the Anti-corruption Policy, improvement of activities focusing on reduction of corruption risks.
6. Automation of due diligence processes by improvement of SAP ERP software.
7. Revision of the Company's regulatory documents to bring them into compliance with the Russian laws on corruption prevention and fight against corruption.
8. Further compliance with the Anti-corruption Charter of the Russian business and filing of self-declarations with the Chamber of Commerce and Industry within established time frames.

## DISCLOSURES

In 2022, the Company continued to uphold the principles of the Rosseti's Single Communication Policy. The Company's information policy rests on the principles of efficient response, trustworthiness, fullness, accessibility, timeliness and thoroughness. Important aspects of Company's management performance are traditionally initiation and maintenance of efficient communications with business, professional, expert and scientific communities; state or municipal authorities, public organizations, veteran and youth movements as well as Company's employees. The primary PR direction focuses on the collaboration with mass media to shape the Company's positive business reputation, to enhance the Company's informational influence, to promote its interests in the external environment. Mass media published over 12.6 thousand articles on the Company and its operations. Positive and neutral mentions totals 98.59%, with average citing index totaling 24.