

Quality Management System³⁷

A component of the Company’s comprehensive management system with its organizational structure, processes, procedures and resources required for the overall supervision of quality.

Environment Management System³⁸

An element of the Company’s comprehensive management system with its organizational structure, mechanisms, procedures and resources required for managing environmental aspects by developing and achieving the goals of environmental policy.

Energy Management System³⁹

A part of the Company’s comprehensive management system that has a well-defined structure and aims at achieving provisions from the energy policy by implementing energy-saving and enhanced efficiency programs.

Occupational Health and Safety Management System⁴⁰

A component of the Company’s comprehensive management system, which helps manage risks and improve OH&SM performance indicators.

Division	Management systems / Certificate validity period			
	ISO 9001	ISO 50001	ISO 14001	ISO 45001
HQ	No. 20829/0	No. 00178/0	No. 03657/0	No. 00025/0
Perm-energo	No. 20829/2	No. 00178/2	No. 03657/2	No. 00025/2
Sverdlov-energo	No. 20829/1	No. 00178/1	No. 03657/1	No. 00025/1
Chelyab-energo	No. 20829/3	No. 00178/3	No. 03657/3	No. 00025/3

Certificates issued 21.07.2021, valid through 09.07.2024.

Certification authority: 000 Russian Certification Technologies (000 Rostechsert).

Generally, the Company’s management systems reported positive performance during the reported period. Primary results of management system performance are disclosed below:

- “Network Exploitation” (enhanced reliability and quality of supply; better supply safety);
- “Environment Protection” (enforcement of environmental safety and environment protection);
- “Technological Connection” (better quality of connection services);
- “Energy consumption and energy saving” (enhancement of energy efficiency);
- “Occupational health and safety” (enforcement of occupational health and safety during operations).

During 2021 efforts were made to design and implement Innovative Management System in compliance with GOST⁴¹ and recommendations of ISO 56002:2019. Relevant certification procedures are scheduled for 3Q 2022.

PROCUREMENTS

Purchase activities during the reported period were regulated by the Rosseti’s Single Purchase Standard (Procurement Regulations)⁴².

Principles for building-up purchase activities of the Company:

1. Information transparency of tenders — enforcement of the transparency of purchase activities in compliance with the laws of the Russian Federation to the extent, required and sufficient for potential contractors to decide on tender bidding.
2. Equal rights, lack of discrimination and unwarranted competitiveness restrictions towards tender bidders — provision of non-discriminatory access of suppliers (contractors) to tenders is preferential; suppliers (contractors) are selected mainly via tenders with equal opportunities, lack of discrimination and unwarranted restrictions toward tender bidders, in compliance with reasonable demand to potential tender bidders and purchased goods, works and services, keeping in mind, if required, product life cycle; discontinuation of single-source contract practices.
3. Appropriate and efficient expenditures on goods, works and services, implementation of cost-cutting measures — offers are selected through a totality of predefined price and non-price criteria defining economic and other efficiency of a tender.
4. Unrestricted access to a tender by setting immeasurable requirements for bidders.
5. Transparency and controllability of purchasing activities — planning, accounting, monitoring, control and audit of purchasing activities on all stages.
6. Professionalism and competency of employees engaged in purchasing activities — personal responsibility of officials for efficient arrangement of tenders and their decisions on tenders; flawless performance of actions prescribed in documents regulating tenders; evaluation and retraining of the personnel, liable for purchasing activities;
7. Compliance with the laws regulating purchasing activities and combating corruption, incl. Anti-corruption Tender Regulations

In 2021, the Company conducted 3,145 purchases worth 28,207,486.666 RUB thousand incl. VAT

Tender type	Number of tenders		Tender value	
	pcs	% of total amount of tenders	RUB thousand, plus VAT	% total tender value
Electronic tender	182	5.787	8,825,983.008	31.290
Price inquiry after competitive pre-selection	639	20.319	1,352,088.523	4.794
Price inquiry after pre-selection	282	8.967	1,809,500.267	6.415
Single-source purchase	530	16.852	3,991,955.867	14.152
Purchase from vendors	27	0.859	143,345.255	0.508
Single-source purchases after cancelled tenders	538	17.107	6,146,507.622	21.790
Pre-selection	4	0.127	0.00	0.00
Competitive pre-selection	4	0.127	0.00	0.00
Electronic auction	8	0.254	2,382,400.000	8.446
Electronic quote inquiry	97	3.084	91,514.151	0.324
Electronic price comparison	74	2.353	11,789.847	0.042
Electronic request for proposals	760	24.164	3,452,402.126	12.239

There were 2,588 e-commerce procurements worth RUB 24,072,185.544 thousand plus VAT (100% of total purchases and 100% of total value, net of single-source purchases and purchases from vendors).

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	2,541	17,147,463.091	9,569,791.677	68.197%
incl. purchases only from small- and medium-size businesses ("special bidding")	1,235	7,847,781.784	5,335,819.453	38.024%

The economic effect from the purchases amounted to RUB 1,162,921.693 thousand, incl. VAT or 4.6% of the announced price targets (net of single-source purchases and purchases from vendors). Open purchases contributed 85.340% 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.

Type of purchase	2019	2020	2021	2021/ 2020, %
Share of open competitive purchases and purchases on electronic trading platforms in total amount of purchases, %	95.21	94.30	85.34	0.905
Savings volume, %	3.33	5.26	4.6	0.875
Share of purchases from small-and medium-size businesses and purchases from SMB acting as subcontractors, %	88.02	72.55	68.20	0.940