

ANTI-CORRUPTION POLICY AND ENFORCEMENT OF ECONOMIC SECURITY OF OPERATIONS

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 implementation of the Federal Law⁴³, 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 Code⁴⁴.

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.

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 2,847 job seekers whether they have pre-conflict of interest or not at hiring or position change, and averted 4 pre-conflict situations.

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". 7,074 Company's employees, incl. affiliates' employees, filed declarations, with 20 pre-conflict situations exposed after the 2020 declaration campaign.

Results of the 2020 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 2021, our hotline received 18 whistleblowing messages, 3 messages containing information on potential corruption behavior of Company's employees. All messages were processed within the time frames, as stated by the existing Regulations. 1 case was confirmed, offender was brought to disciplinary liability.

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, 3,462 procurements were examined, with 7,193 procurement participants scrutinized. 24 negative opinions were prepared after examinations.

During the reported period 3,050 income generating contracts and contracts associated with spending of funds were checked, incl. checks of integrity and completeness of information on contractors' owners, and loaded to automation system, liable for analysis and collection of information about beneficiaries. There were beneficiary checks of 2,828 contractors (parties of contracts associated with spending of funds).

OAO IDGC of Urals participates in group initiatives related to corruption prevention, in particular, 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 proper 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. It should be noted that Russian Union of Industrialists and Entrepreneurs presented results of the 2nd Anti-corruption rating of the Russian business during the reported period.



Company's goals for 2022 and mid-term perspectives related to the Anti-corruption Policy

1. Implementation of 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.
4. Conduct of educational activities regarding law fundamentals and formation of law-abiding behavior among Company's employees through trainings and testing.
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. Revision of regulations to bring them into compliance with the Russian laws on corruption prevention and fight against corruption.
7. 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 as a part of public endorsement.

DISCLOSURES

The Company consistently implements its information policy in line with the Rosseti's Single Communication Policy. Promotion of Rosseti Urals' business reputation is a key component of the Company's strategic management. The Company's information policy rests on 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, as before, focuses on collaboration with mass media to shape Company's positive business reputation, to enhance Company's informational influence, to promote its interests in the external environment.

In 2021, mass media published over 10,800 articles on the Company and its operations. Positive and neutral mentions reached 99%, with average citing index totaling 23.18. A high portion of releases, initiated by the PR department, shows that the Company controls practically all information flows on its operations and explains low portion of negative releases. Major topics of releases issued by mass media about the Company in 2021 were execution of investment program, preparation for maximum load period, operations during severe weather conditions, quick restoration of energy supply after incidents and consolidation of the grid assets. A high percentage of releases covered Company's progress in deployment state-of-the-art technologies in the Urals grid sector.