

Anti-corruption policy aspect	Measures taken in 2022
Anti-corruption measures in interaction with partners and subcontractors	Information about signed agreements, additional agreements, and new subcontractors or business partners was added on a daily basis to the Company's automated system for collection and analysis of beneficiary data; in 2022, more than 69,000 agreements and additional agreements were uploaded there. The procurement documentation underwent the approval procedure. In 2022, the Company participated in 821 procurement procedures, reduced the initial (maximum) price in 101 procurement procedures for the total amount of RUB 17.78 million, and cancelled two procurement procedures for RUB 23.63 million. More than 6,600 agreements submitted for procurement procedures include an anti-corruption clause and a beneficiary disclosure obligation for the counterparty
Joint corporate efforts to prevent and combat corruption	The Company participated in the Knowledge Day organised by Rosseti Group on implementing the instructions of the President of the Russian Federation on the National Anti-Corruption Plan for 2021–2024 in Rosseti Group and its S&As. Innovations in Russian anti-corruption legislation
Combating bribery of foreign public officials and officials of public international organisations	The Company received no reports on bribery of foreign public officials and officials of public international organisations from representatives of state authorities and law enforcement bodies of the Russian Federation, international and other organisations in 2022
Legal education and development of law-abiding behaviour, counselling and training for employees	The Company continuously updates its legal framework and takes all the necessary measures and anti-corruption procedures to instill zero tolerance to corruption in its employees. Over 2022, 804 employees of the Executive Office and branches of Rosseti Kuban underwent training under a programme on preventing and combating corruption. The Company modified its Territory without Corruption stand to increase the efficacy of awareness, education, and other initiatives designed to combat corruption. Along with the representatives of the Security Department of Rosseti, the representatives of the Company participated in the meetings of the working group, in the meeting of Rosseti Central Commission on Compliance with Corporate Ethics and Conflict of Interest Resolution, in the end-of-year meeting

For 2023, the Company scheduled to approve and put in place its Annual Anti-Corruption Plan and to enhance the following mechanisms:

- Identification and clearing of conflict of interests
- Compliance with anti-corruption procurement standards
- Prevention of corruption in interaction with partners and subcontractors

ECONOMIC SECURITY OF OPERATIONS

Ensuring the economic security of operations is one of Rosseti Kuban's most important tasks.

In the reporting year, to ensure the economic security of its own operations, the Company undertaken the following:

- Protecting the Company's interests against external and internal threats of an economic nature
- Combating the unaccounted electricity consumption and an increase in accounts receivable
- Interacting with law enforcement and supervisory authorities
- Conducting inspections of the following:
 - Whistleblowing reports of individuals and legal entities
 - Potential and existing subcontractors of the Company, their business reputation and financial position, and to identify and prevent possible unfair practices on their part
 - People recruited in terms of the credibility of their documents and the existence of compromising information about them

The amount of damage avoided in 2022 is 2.15 times higher than in 2021.

In the reporting year, the value of overdue accounts receivable decreased, and consequently, the General Director's KPI in this part was met.

In 2022, more than RUB 29 million of debts related to grid connections were recovered; the efforts in this area were made systematic, accounted for and controlled.

In 2022, there were 420 writs of execution for debts for electricity transmission services, which is 155 (58%) more than in 2021. In 2022, the recovery amounted to RUB 124.5 million, which is RUB 59.1 million, or 90%, more than in 2021. The amount owed under the enforcement documents, to be recovered, was RUB 1,238.63 million. There has been an increase in the number of enforcement documents.

The most significant results of economic security activities of the Company in the reporting year:

- Practices were established to counter illegal tampering and fraudulent schemes by third-party grid organisations
- Damage of more than RUB 160 million was prevented by stopping an attempt by a TGO to use fraudulent tariff schemes
- The Company participated in efforts to recover over RUB 3 billion in damages caused by a deliberate breach of contractual obligations on the part of a counterparty
- The Company initiated criminal proceedings under Article 165 of the Criminal Code against an individual entrepreneur who caused damage to the Company in the amount of RUB 1.8 million as a result of non-contractual electricity consumption. The court found the defendant guilty and sentenced him, while the civil claim of the Company against the individual entrepreneur for full compensation for damages (RUB 1.8 million) was satisfied

KEY INDICATORS OF ECONOMIC SECURITY PERFORMANCE OF ROSSETI KUBAN IN 2020–2022

Indicators in terms of security	2020	2021	2022	Δ 2021/2022 (%)
Number of audits carried out with the involvement of branch security functions in the area of financial and economic activities to detect, prevent and recover (repay) damage	2,319	9,771	10,396	+6
Anti-corruption control of the stages of procurement activities (review of analytical notes, issues submitted to meetings of the Central Procurement Body (Central Tender Commission), anti-corruption expertise of draft agreements, check of procurement participants for possible affiliation with Company employees)	2,534	2,124	2,211	+4
Calls handled by the hotline about possible corruption and fraud	20	21	11	–10
Material damage prevented, based on the results of the work done (RUB mn)	5,170.21	132.2	284.06	+115
Percentage of security personnel trained in the Company's human rights policy or specific security procedures and their application (%)	25	29	34	+5 p.p.

