

## MANAGEMENT SYSTEMS

The Company has five management systems in force, compliant with international and national standards ISO 9001:2015 (GOST R ISO 9001), ISO 50001:2018 (GOST R ISO 50001), ISO 14001:2015 (GOST R ISO 14001), ISO 45001:2018 (GOST R ISO 45001-2020), CEN/TS 1655-1 (GOST R 56273.1):

### 1. Quality Management System<sup>32</sup>

A component of the Company's comprehensive management system, designed for provisioning high-quality services in compliance with regulatory documents, needs and expectations of consumers and satisfaction of all stakeholders, incl. employees, shareholders, investors and partners.

### 2. Environment Management System<sup>33</sup>

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.

### 3. Energy Management System<sup>34</sup>

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.

### 4. Occupational Health and Safety Management System<sup>35</sup>

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

### 5. Innovation Management System<sup>36</sup>

A part of the Company's comprehensive management system that has a plurality of interrelated or interplaying elements, required for the elaboration of innovation policies and goals as well as goal achievement processes.



## PROCUREMENTS

Purchase activities of the Company are regulated by Federal Law<sup>37</sup> and Rosseti's Single Purchase Standard (Procurement Regulations)<sup>38</sup>.

### Principles for building-up purchase activities of the Company:

- 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
- 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
- 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
- Unrestricted access to a tender by setting immeasurable requirements for bidders
- Transparency and controllability of purchasing activities – planning, accounting, monitoring, control and audit of purchasing activities on all stages
- 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
- Compliance with the laws regulating purchasing activities and combating corruption, incl. Anti-corruption Tender Regulations



In 2023, the Company conducted 4,230 purchases worth RUB 58,770,879.242 thousand plus VAT

Tender type	Number of tenders		Tender value	
	pcs	% of total amount of tenders	RUB thousand, plus VAT	% total tender value
Electronic tender	197	4.657	9,460,459.734	16.097
Price inquiry after competitive pre-selection	837	19.787	1,593,940.509	2.712
Price inquiry after pre-selection	453	10.709	6,566,070.899	11.172
Single-source purchase	652	15.414	5,665,374.176	9.640
Purchase from vendors	9	0.213	1,977,579.328	3.365
Single-source purchases after cancelled tenders	988	23.357	25,372,341.658	43.172
Electronic auction	13	0.307	5,879,000.000	10.003
Electronic quote inquiry	166	3.924	175,850.448	0.299
Electronic price comparison	384	9.079	60,739.198	0.104
Electronic request for proposals	522	12.340	2,019,523.292	3.436
Electronic competitive pre-selection	3	0.071	0	0
Electronic pre-selection	6	0.142	0	0

There were 3,569 e-commerce procurements worth RUB 51,127,925.738 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	3,434	28,548,809.242	15,312,669.530	89.34 %
Incl. purchases only from small and medium-size businesses ("special bidding")	1,419	11,604,021.358	6,831,554.272	39.03 %

The economic effect from the purchases amounted to RUB 2,647,047.574 thousand, incl. VAT or 4.922% of the announced price targets (net of single-source purchases and purchases from vendors). Open purchases contributed 86.995% 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

