

Functional risks of Rosseti Centre, PJSC for 2023 with significant and critical levels of materiality

Risk ID	Risk name	Impact on performance indicators	Risk materiality level	Risk management measures
FR01-01	Decrease in the volume of electricity transmission services to consumers connected to regional distribution grids	Achievement of consolidated operating profit (EBITDA)	Significant	<ol style="list-style-type: none"> 1. Monitoring and forecasting of electricity consumption broken down by voltage levels at which the price (tariff) for electricity transmission services is differentiated, and categories of consumers, as well as monitoring the physical parameters of the balance of electricity and capacity, work to improve the accuracy and reliability of demand planning for electric energy and power. 2. Carrying out work with consumers of services for the transmission of electric energy to agree on planned volumes of services, including the customer contract demand, for inclusion in the relevant contracts for the provision of services for the transmission of electric energy and submission to state tariff regulation authorities.
FR01-14	Issuance of judicial acts (resolution of disputes) on debt collection for electricity transmission services not in favour of the Company	Achievement of consolidated operating profit (EBITDA)	Significant	<ol style="list-style-type: none"> 1. Appealing against judicial acts that do not meet the Company's interests.
FR03-01	Failure by counterparties to pay for electricity transmission services within the time frame established by the agreement/contract and/or in incomplete volume	Achievement of the planned level of accounts receivable for the rendered services for the transmission of electricity	Significant	<ol style="list-style-type: none"> 1. Claim-related work, monitoring the timing of execution. 2. Introduction of full and (or) partial limitation of energy supply to consumers-debtors at the request of energy sales companies, conducting inspections of the imposed limitation of the mode of consumption of electric energy in relation to consumers who violate their obligations. 3. Control over the execution of agreements on debt restructuring. 4. Interaction with the service of the FSSP RF at the stage of enforcement proceedings, signing agreements with the FSSP RF of cooperation agreements, monitoring debt repayment within the framework of enforcement proceedings on the received court decisions on the collection of overdue debts. 5. Interaction with bankruptcy commissioners in the framework of debtor bankruptcy procedures.
FR03-02	Failure to comply with judicial acts on collection of receivables	Achievement of the planned level of accounts receivable for the rendered services for the transmission of electricity	Significant	<ol style="list-style-type: none"> 1. Interaction with the service of the FSSP RF at the stage of enforcement proceedings, signing agreements with the FSSP RF of cooperation agreements, monitoring debt repayment within the framework of enforcement proceedings on the received court decisions on the collection of overdue debts. 2. Submission of executive documents for execution to credit institutions in which current accounts of debtors are opened. 3. Assistance in the work of subdivisions of the Bailiff Service (execution of orders of bailiffs-executors). 4. Sending the applicant's materials in relation to debtors to law enforcement agencies to initiate criminal cases, accompanying the applicant's materials and criminal cases by ensuring interaction with law enforcement agencies. 5. Interaction with bankruptcy commissioners in the framework of debtor bankruptcy procedures.
FR03-03	Disagreements on the volume and cost of services rendered, including on acts of non-metered electricity consumption	Achievement of the planned level of accounts receivable for the rendered services for the transmission of electricity	Significant	<ol style="list-style-type: none"> 1. Claim-related work, monitoring the timing of execution. 2. Analysis of reasons for disagreements and formation of a unified position of the Company on controversial issues, taking into account the results of judicial practice. 3. Development and promotion of initiatives to change legislation to eliminate ambiguity in the interpretation of norms.
FR03-04	Failure by counterparties to pay for electricity consumed within the time frame established by the agreement/contract and/or in incomplete volume	Achievement of the planned level of accounts receivable	Significant	<ol style="list-style-type: none"> 1. Claim-related work, monitoring the timing of execution. 2. Introduction of full and (or) partial limitation of energy supply to consumers-debtors. 3. Control over the execution of agreements on debt restructuring.
FR06-01	Unavailability of the applicant's facilities for grid connection	Compliance with the timing of grid connection	Critical	<ol style="list-style-type: none"> 1. Organization of control over the timely consideration of applications for grid connection, including automation of grid connection activities. 2. Ensuring the fulfillment of the accumulated obligations of subsidiaries and dependent companies under previously concluded agreements on the implementation of grid connection, the term for which was violated by the subsidiaries and dependent companies. 3. Update of demand for grid connection under previously concluded agreements on the implementation of grid connection.

				<p>4. Organization of sending notifications to applicants on fulfillment of obligations by SDCs in a way that allows confirming the fact of receipt, in case of fulfillment of obligations under contracts by SDCs and failure to receive notification of the execution of measures for grid connection from the applicant.</p> <p>5. Ensuring compliance with the deadlines for the execution of warnings of the FAS Russia and its territorial bodies in terms of grid connection.</p> <p>6. Organization of control over the timely execution of grid connection agreements (at each of the stages: development of technical specifications, calculation of the cost of grid connection, carrying out detail design specifications, conclusion and execution of work contracts, execution of grid connection agreements by own forces), including automation of grid connection activities.</p>
FR09-01	Accidents due to the impact of production factors	Lack of growth in the number of employees of subsidiaries and affiliates injured in accidents	Critical	Comprehensive program to reduce the risk of injury to personnel of Rosseti Centre, PJSC for 2023.
FR09-02	Accidents caused by third parties		Critical	
FR12-04	Involvement of the Company/Company's employees in corruption activities (assessed as "critical" due to the unacceptability of corruption in any form and manifestation in the Company (the principle of "zero tolerance to corruption") and the need to take immediate (priority) measures to manage this risk, while the level of risk probability is assessed as low).	Compliance with laws, including anti-corruption and antitrust laws	Critical	<p>1. Sending information to the management about non-compliance by employees with anti-corruption legislation, as well as responsibility for non-compliance with anti-corruption legislation requirements.</p> <p>2. Updating of information stands "Territory without corruption" in all branches, Distribution Zones, Customer Service Centres.</p>
FR12-06	Violations by the Company/Company's employees of the main prohibitions and restrictions of the antimonopoly legislation	Compliance with laws, including anti-corruption and antitrust laws	Significant	<p>1. Appealing against judicial acts that do not meet the interests of the Company.</p> <p>2. Representing the Company's interests with the antimonopoly regulation bodies.</p> <p>3. Judicial appeal against decisions made by the antimonopoly regulation bodies.</p>
FR13-03	Violation and (or) termination of functioning of information infrastructure facilities and telecommunication systems of power grid facilities	Ensuring integrated safety and security of the Company's activities	Significant	<p>1. Implementation of measures to improve the security of information and data processed in the information systems of Rosseti Centre, PJSC. Development and implementation of additional measures to ensure access control and security of technological premises of Rosseti Centre, PJSC;</p> <p>2. Monitoring of information security events within the framework of an agreement concluded with the corporate SOC of PJSC Rosseti for provision of services for monitoring and responding to computer attacks. Conducting cyber exercises in branches of the Company.</p>
FR13-05	Unlawful influence on facilities of the power grid complex and their information and telecommunication systems (terrorist, sabotage, criminal and other nature), including with the use of information technologies	Ensuring integrated safety and security of the Company's activities	Significant	