

In 2015, PJSC IDGC of the North-West received 1,896 complaints with 1,216 (64%) of them found to be well-grounded. Most of these complaints were about technological connection of the applicant's facilities to the Company's grids (55%) and electricity transmission services, including electricity quality (23%). Out of 1,040 grid connection related complaints, 847 complaints were found to be well-grounded (81.4% of all related complaints received). Out of 439 complaints pertaining to the electricity transmission services, 159 complaints were found to be well-grounded (36% of related complaints received).

Additionally to services related to its core operations, PJSC IDGC of the North-West renders additional charged services included in a List of Additional Charged Services approved for each branch.

In 2015, the cost of additional services provided by the Company was RUB 611,938.74 thousand under 6,647 requests.

The 'Dial 8-800 and Connect to Grids in the Comfort of Your Home' project was fully implemented at all of the Company's branches in 2015. It involves acceptance of grid connection requests over common telephone number 8-800-333-02-52 and the 'turnkey' grid connection service.

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### *The Additional Services portal was launched in the Internet Reception.*

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Automation of the main grid connection processes was improved. It includes the updates of reporting forms and information recording processes in the Additional Charged Services system and improvement of the Request and Complaint Recording system.

Over hundred services are offered there. These services are out of the Company's core scope of operations but at the client's request they can be rendered additionally by the Company's energy specialists. National standards and regulations are strictly followed at all stages.

Plans for 2016 include:

- alignment of the consumer service system with the requirements of the Company's Standard, STo 01.B1.03-2015, Consumer Service Quality Standards at IDGC of the North-West;
- implementation of the SMS-notification to notify applicants about key grid connection stages.

## 6.7. RESPONSIBLE BUSINESS PRACTICE

Large-scale changes in anti-corruption laws and organizational changes in the electric grid sector required PJSC ROSSETI to develop a uniform strategic document in 2013 - the Anti-corruption Policy for PJSC ROSSETI and Its Subsidiaries (hereinafter, the Anti-corruption Policy) which sets out the common approach to the requirements of article 13.3 of the Federal Law No. 273-FZ dated December 25, 2008 on Counteracting

Corruption. They pertain to the responsibilities of PJSC IDGC of the North-West to develop and take anti-corruption measures: identify and eliminate corruption causes (corruption prevention); identify, prevent, and combat corruption-related or other violations of laws, including those stipulated by article 19.28 of the Administrative Offenses Code of the Russian Federation, 'Liability for illegal payments on behalf of a legal entity'.

### 6.7.1. Anti-corruption policy

The Anti-corruption Policy is the main anti-corruption document of IDGC of the North-West which outlines interrelated principles, procedures, and actions stipulated by the Recommended Guidelines on Measures Developed and Approved by Organizations to Prevent and Combat Corruption, formulated and approved by the Ministry of Labor and Social Protection of the Russian Federation on November 08, 2013.

The Company performs anti-corruption monitoring of actions under the Company's Anti-corruption Policy, identified cases of corruption and methods to handle them.

The key areas for anti-corruption monitoring are as follows:

- review of the staff opinion on corruption in the Company and effectiveness of taken anti-corruption measures;
- review of the implementation of anti-corruption measures stipulated by orders and instructions of the Company;
- review and analysis of the statistics reports on any cases of corruption identified in the Company;
- review of complaints from individuals and legal entities on cases of corruption in the Company;

- review and analysis of measures taken in the Company to combat corruption;
- analysis of publications about corruption in the Company in mass media.

PJSC IDGC of the North-West focuses on prevention of corruption and other non-compliance with the law. The Company developed measures aimed at identifying and eliminating cases for corruption:

- created and improved the Anti-Corruption Policy section on the Company's official website;
- publishes information on implementation of the Anti-Corruption Policy in corporate periodicals;
- performs anti-corruption expert review of orders and instructions and their drafts;
- organized and exercises internal control;
- sets competency and expertise requirements for any applicants for vacant positions at PJSC IDGC of the North-West, performs duly checks of the personal data submitted by the applicants.

In May 2015, PJSC IDGC of the North-West joined the Anti-Corruption Charter of the Russian Business. The Company

thus demonstrated its willingness to meet international and Russian anti-corruption laws and regulations, ethical standards of open and honest business practices.

The Anti-Corruption Charter of the Russian Business was developed by the Chamber of Industry and Commerce of the Russian Federation, Russian Union of Industrialists and Entrepreneurs, OPORA Of RUSSIA All-Russia Public SME Organization, and Delovaya Rossija, All-Russia Public Organization.

When assessing the trustworthiness of partners and contractors, the Company takes into account their anti-corruption status during business operations, including any anti-corruption programmes. Compliance with the anti-corruption principles is considered an important factor when entering into contracts, including the possibility of terminating any agreements if the anti-corruption principles are violated.

PJSC IDGC of the North-West developed and implemented a uniform mechanism for information check of the contractors' ownership chain, including their beneficiaries (including end beneficiaries), handling of personal data when disclosing information on the ownership chain by contractors, compliance with the anti-

corruption standards when purchasing, and conflict of interest management system.

In 2015, the employees of security units organized and performed 164 business audits with a total prevented damage of RUB 16.9 million. As a result, actions were taken against 292 Company employees, and employment was terminated with 17 of them, administrative sanctions were imposed on 105 employees, and 217 employees were deprived of a bonus.

In 2015, the security units continued to audit the bidding procedure, check bidders and potential winners, identify cases of affiliation, lobbying, and conflicts of interest. Potential contractors were checked in the bidding process to identify affiliation, 547 out of 4,582 potential contractors were found to be unsuitable. A total of 4,089 employees and their family members were checked for affiliation with the Company's contractors and three of them were found to be affiliated.

A total of 841 candidates for vacant positions were checked to identify any personal interests or relationships with contractors and 42 unfavorable opinions were given. A total of 5,418 conflict of interest declarations were checked. Employees of branch security departments identified seven violations in completion of declarations although no conflicts of interest were found.

## 6.7.2. Purchasing

The purpose of PJSC IDGC of the North-West's Regulated Procurement Policy is to establish uniform approach to the implementation of the Regulations on Procurement of Goods, Works, and Services for the Company, organization and coordination of procurement and purchasing in accordance with Russian legislation and internal orders and regulations.

The Company's purchasing activity in 2015 was in line with the Regulations on Procurement of Goods, Works, and Services for PJSC IDGC of the North-West (hereinafter, the Regulations). Its new version was approved by the Board of Directors on July 22, 2013 with the amendments approved by the Board of Directors in 2015.