

APPROVED  
on May 18, 2022  
by the Board of Directors  
of PJSC “Rosseti Lenenergo”  
(Minutes No. 52 of May 19, 2022)

PUBLIC JOINT-STOCK COMPANY “ROSSETI LENENERGO”

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**CORPORATE POLICY**

**PK-05.05-001-2022**

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**PJSC “ROSSETI LENENERGO”**

**INNOVATION POLICY**

Saint Petersburg  
2022

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## 1. General

**Innovation Policy of PJSC “Rosseti Lenenergo”** (“Policy”) is a strategy document setting out key innovation, research and development principles of PJSC “Rosseti Lenenergo” (“Company”) aimed at improving the Company’s operating efficiency by creating and implementing new technology and producing and marketing new innovative products and services meeting international standards. The Company’s innovation efforts and progress require involvement of all employees and teams within the Company and its affiliates and subsidiaries who must follow this Policy.

Innovation Efficiency is a key performance indicator within the Development Strategy of PJSC “Rosseti” and its affiliates and subsidiaries (Rosseti Group Development Strategy 2030) approved by the Board of Directors of PJSC “Rosseti” (Minutes No. 388 of December 26, 2019). The Innovation Efficiency scopes are assigned across the affiliates and subsidiaries of PJSC “Rosseti” as part of the Long-Term Development Program of PJSC “Rosseti” and its affiliates and subsidiaries (Rosseti Group Development Program 2030) approved by the Board of Directors of PJSC “Rosseti” (Minutes No. 444 of December 30, 2020). The Innovation Efficiency is a key measure of the Company’s top management’s effectiveness.

This Innovation Policy guides selection among the Company’s main innovation focus areas and acting within such areas in line with the Strategy for Scientific and Technological Development of the Russian Federation approved by the Russian President (Presidential Order No. 642 of December 1, 2016; Russian Fuel and Energy Sector Engineering Technological Outlook 2035 approved by the Ministry of Energy of the Russian Federation on October 14, 2016; and subject to the Russian innovation regulations.

## 2. Objective

**The Company’s main objective in terms of Innovation is** to bring about a new generation, game changing controllable and client-oriented national electricity system offering reliable, effective, and accessible electricity by sharing the innovation principles throughout the Rosseti Group companies, which shall be enabled by:

- Involving all employees and teams throughout the Company and its subsidiaries and affiliates;
- Managing Innovation and assessing innovation efforts by setting key innovation performance indicators for the top management of the Company and its subsidiaries and affiliates;
- Making sure that Innovation Projects, Outcomes, and Deliverables are not only designed, but also upscaled with the R&D deliverables marketed by managing Innovation;
- Having efficient system in place for managing R&D deliverables, copyrighted items, and protected assets;
- Using the existing designs and research and development outcomes to drive Innovation the greatest possible extent, and unlocking the marketing and commercial production opportunities;
- Implementing and improving innovative organizational schemes and mechanisms including management systems;
- Consistently keeping track of the innovative technology progress, innovative equipment uses and innovative organizational practices both in Russia and abroad;
- Developing a technology register covering main focus areas in terms of innovation including digital technology, and understanding how innovative technologies can be used together to create synergies;
- Developing and refining organizational and financial mechanisms to implement Complex Projects;

- Enabling human development including growing the employees’ knowledge in the field of innovation, fostering an innovation-oriented culture, and promoting the employees’ involvement via incentives;
- Creating a more effective management system for managing technological and regulatory data and resources and using relevant guidelines and methods;
- Designing innovative equipment, implementing pilot projects and enabling serial production of new equipment or technology across the board to achieve higher levels of efficiency by managing assets’ lifecycle;
- Improving the framework for interaction with innovation actors within the Innovation Ecosystem including development institutions such as venture centers, area development clusters, research institutions and organizations, universities, colleges, and schools, and designers and design bureaus; SMEs and leading domestic and international equipment manufacturers; and
- Enabling advanced research, development and innovative production assets and practices nationally.

### **3. Innovation Management**

The Company’s top management shall be responsible for:

- Making sure that this Policy is implemented successfully by developing, implementing and updating the Company’s Innovation Program as approved by the Board of Directors of PJSC “Rosseti Lenenergo” (Minutes No. 66 of April 30, 2021); and
- Ensuring that adequate human and financial resources are in place to enable Innovation by and within the Company as instructed by the national government and prescribed by the national innovation regulations.

PJSC “Rosseti Lenenergo” has adopted this Policy and agrees to be bound by it.

Documents to be developed by the branches of PJSC “Rosseti Lenenergo” concerning innovation shall be developed in line with this Policy.

## APPENDIX A

### Terms and definitions

**Outcome:** an outcome achieved by innovation such as a new or enhanced product or service, (production) process, a new marketing technique or organizational method improving operations, workplace management or stakeholder relations.

**Innovation Project:** time-based efforts with dedicated resources aimed at creating a Deliverable, starting a pilot/trial project for a Deliverable and/or implementing, marketing or launching commercial production of research and development deliverables.

**Innovation:** a framework of research, process-based, organizational, business, and financial efforts aimed at implementing Innovation Projects and creating and maintain the innovation infrastructure.

**Deliverable:** products or services developed by the Company as a result of implementing a medium-term innovation program.

**Development (develop):** companies' operations pursuing^

- Mastering new technology;
- Developing and producing innovative products;
- Management innovation;
- Other operations aimed at developing and implementing new technology, innovative products or services meeting international standards, upgrading (overhauling) the existing technology, and/or promoting development across the key national industry sectors.

**Copyrighted Items (copyright):** copyrighted items (products) and other assets protected by copyright or assets and/or items qualifying as copyrighted items (products) or items protected by copyright. Copyrighted Items include inventions, utility models, industrial designs, prototypes, know how, trade secret items, computer software, databases, brands, trademarks, service marks, and trade names.

**Complex Project:** an Innovation Project for implementing more than one innovative solution or technology.

**Innovation Ecosystem:** a coordinated ecosystem including the framework for interaction between the innovation actors who work together with one another and the Company on a regular basis in order to achieve the national electricity sector's top-priority innovation goals including sharing or risks and resources associated with innovation.