

Total Tax Contribution 2020

Enel Russia

March 2021



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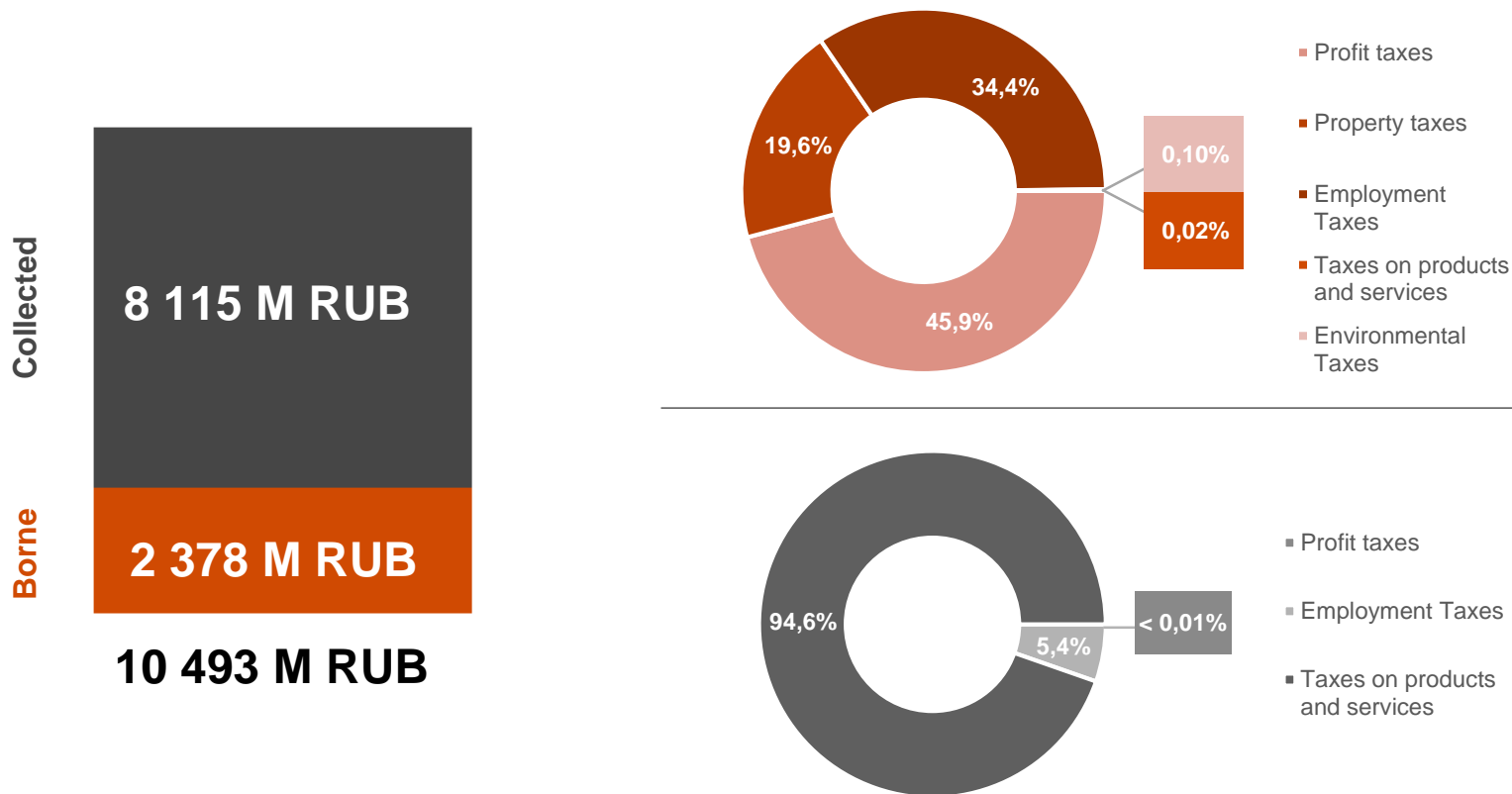
1. Executive Summary



Executive Summary

Total Tax Contribution in 2020

Total Tax Contribution (**Total Tax Contribution or TTC**) of the companies of Enel Group operating in Russia (**Enel Russia**) in 2020 amounted to **10 493 million roubles**, with an increase of **29%** compared to 2019, in which Enel Russia had a total tax contribution of **8 134 million roubles**. In 2020, **23%** of the Total Tax Contribution corresponds to taxes borne and the remaining **77%** to taxes collected.



Taxes borne in 2020

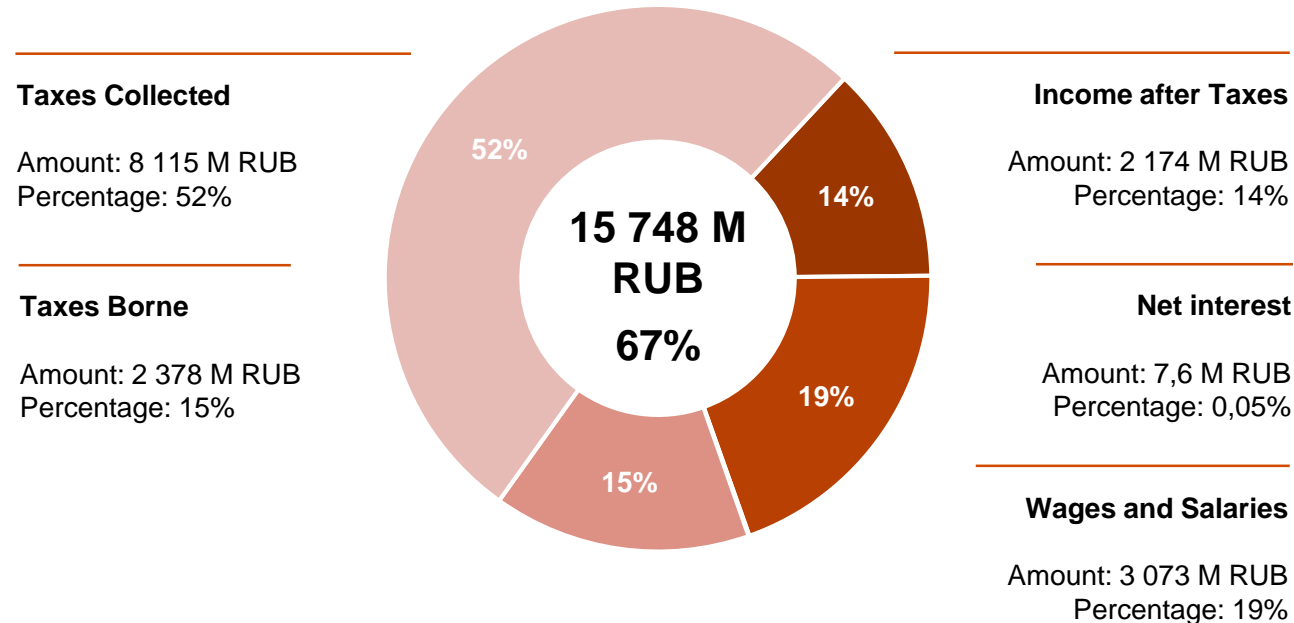
Taxes borne by Enel Russia in 2020 amounted to **2 378 M RUB**

Taxes Collected in 2020

Taxes collected by Enel Russia in 2020 amounted to **8 115 M RUB**

Executive Summary

Distributed Tax Value in 2020



Enel Russia has paid to the public administrations around **67% of the value distributed¹ in 2020** in the form of taxes either borne or collected. Distributed tax value of Enel Russia increased by 3 percentage points in 2020 compared to the previous year.

For every **100 roubles** of value distributed, **67** were used for payment of taxes each year.

¹ The concept of "Value distributed" is explained on page 24

56%
Total Tax Contribution Rate in 2020

Enel had a Total Tax Contribution Rate (TTCR) of **56%** in 2020. TTCR reveals the share of taxes borne on total profit before taxes borne.

Executive Summary

Tax Contribution of Enel Russia with respect to turnover in 2020



In 2020, taxes paid to the public administrations represented **18%** of the total revenues generated. For every 100 roubles of revenue generated, 18 roubles were used in payment of taxes, of which 4 were taxes borne and 14 were taxes collected.

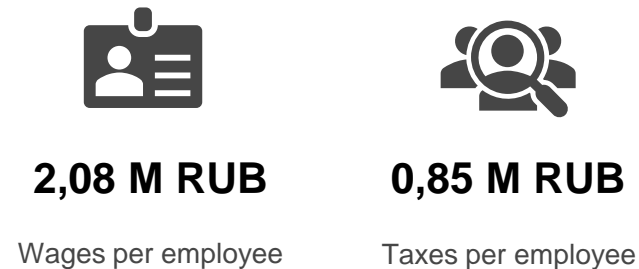
Trend in TTC 2019-2020



In 2020, Enel's **Tax Contribution increased** by **29%** compared to 2019.

It is explained primarily due to a **78% increase** in **taxes collected** over the period 2019-2020.

Wages and Taxes per employee in 2020 vs 2019

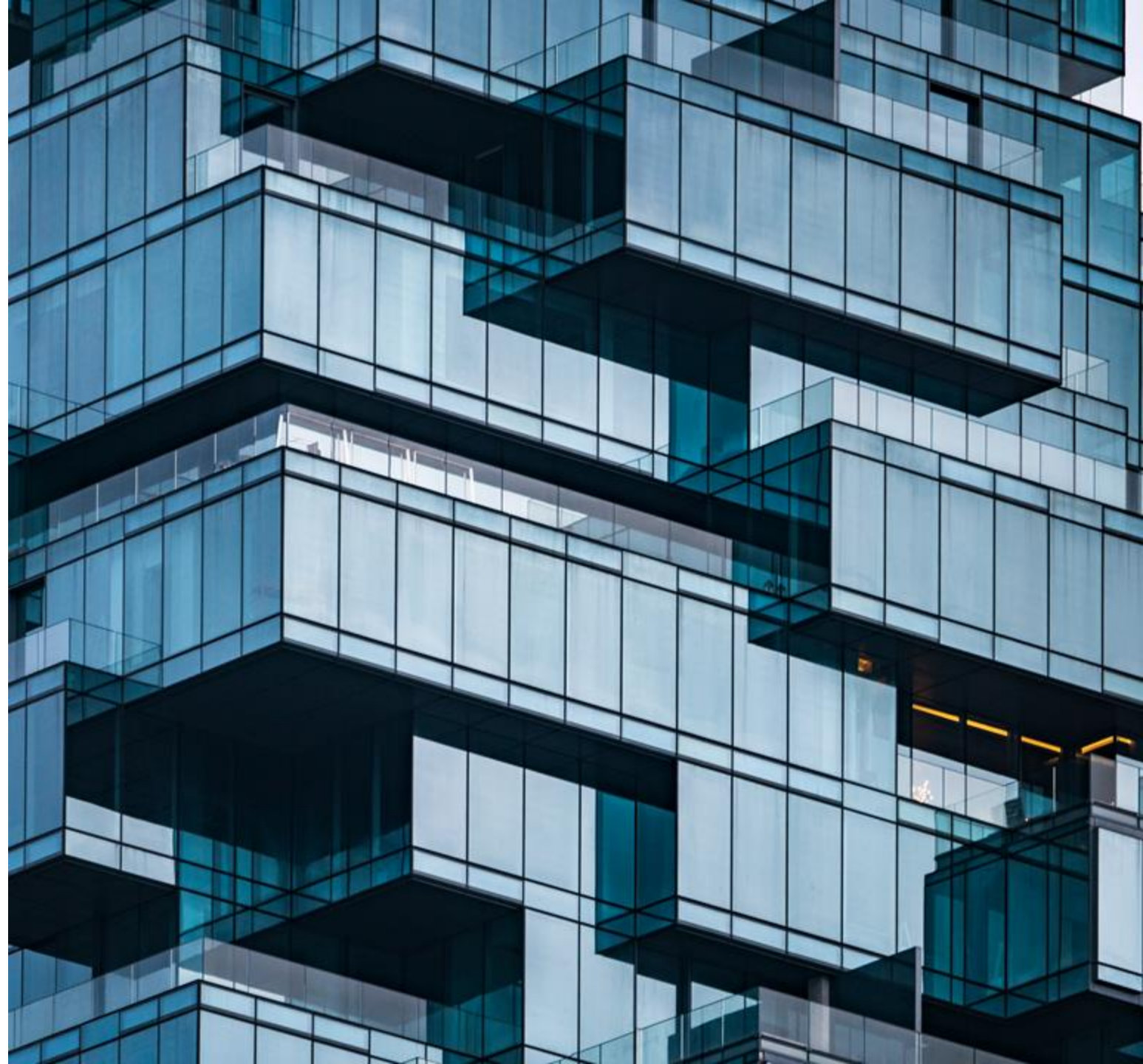


In 2020, annual Wages per employee and Taxes per employee amounted to **2,08 million roubles** and **0,85 million roubles** respectively.

Compared to 2019, the annual wages and taxes paid per employee have increased by **44%** and **55%** respectively due to Reftinskaya GRES disposal¹.

¹ Detailed explanation is provided on page 23

2. Purpose of this report and methodology



Purpose of this report and methodology

Purpose and scope of the report



The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with values of honesty and integrity.

The PwC global network through its different studies is eager to create, maintain, and strengthen links between companies and governments as well as between companies and society. While the actions of companies, regardless of their industry sector, are increasingly put under scrutiny, it is essential to facilitate the dialogue between different stakeholders, promote strong values and principles and innovate by sharing analyses and ideas.

The aim of this report is to obtain and analyse the Total Tax Contribution (TTC) data of the companies of Enel Group operating in Russia (hereafter – Enel Russia Group or Enel Russia) for 2020. The data for 2020, and the analyses of contribution profiles and certain indicators have been compared with the equivalent data for 2019, and a study of the trends was reflected in this report.

The contribution made by major sectors of activity to the public authorities and the way in which its tax contribution is distributed are currently central topics of socio-economic debate. In this context, regarding the tax strategy of Enel Group which is declared to public and shared in its official website, compliance with the tax legislations in which Enel operates carries an utmost importance for the company.

Fully aware of the fact that the tax revenue is one of the main contributors of the economic and social development in the regions in which the Group operates, Enel Russia gives great importance to tax reporting and transparency.

Enel Russia Group has decided to publish this Total Tax Contribution Report to show the importance Enel Russia attaches to tax matters and the extent of its commitment to its main stakeholders. Information available in this report renders it possible to identify measure and communicate the business asset, which is tax contribution of Enel Russia, so that it can have a significant impact on its reputational value. The purpose of this report is to enlarge the concept of corporate social responsibility and to reveal the value of the social function deriving from tax contribution of Enel Russia.

The assessment of Total Tax Contribution provides information about all taxes paid by Enel Russia Group of companies, based on amount of taxes paid by each particular company. It is straightforward in concept, not tax technical, and therefore relatively easy for stakeholders to understand, many of whom will have limited knowledge of the complexities of tax. The main concept of this report is ease of understanding, clarity in perception.

Data for the preparation of this report was provided by PJSC Enel Russia. Our work included review of the data for completeness & accuracy of tax allocation to the baskets and analysis of the tax and non-tax payments made by Enel Russia Group of companies for 2020. The data provided by PJSC Enel Russia was not controlled or verified from the standpoint of the completeness or accuracy.

Background and the purpose of this report

Methodology (1/4)

The Total Tax Contribution methodology measures the total impact of the payment of taxes by a company. TTC Report represents the aggregate of all taxes paid by Enel Russia Group.

The structure of this Report is particular and unified, for which reason it is necessary to note the following key points.

1. It distinguishes between those taxes that constitute a cost for Enel Russia Group and those taxes that it collects

Taxes borne are a direct cost to the company, which impact the financial results. In other words, these are tax payments that represent the actual costs of the company.

Taxes collected are not the company's own costs. Here the company is collecting taxes from others, on behalf of government. However, these taxes are paid directly by Enel Russia Group and are also involved in the tax burden analysis.

In this respect, the TTC methodology is consistent with the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability"), and as «collectors» of taxes on behalf of others ("Legal Remittance Responsibility"), as reflected in working paper no. 32. "Legal tax liability, remittance responsibility and tax incidence"¹.

2. Taking into account the fact that each country has its own exclusive tax legislation, for the purposes of this report taxes are split in 5 main groups:

(i) Profit Taxes

This group includes taxes on company profits that are borne (such as corporate income tax) and collected (such as withholding tax on payments to third parties).

(ii) Property Taxes

Taxes on the ownership, sale, transfer or occupation of property. In accordance with Russian legislation this group can include land tax, property tax, transport tax.

(iii) Employment Taxes

Taxes borne include social security payments, such as compulsory pension insurance contributions, compulsory health insurance contributions, social security contributions, injury insurance contributions. Taxes collected also include personal income tax.

(iv) Taxes on products and services

These are indirect taxes levied on the production and consumption of goods and services, including VAT, customs duties, etc.

¹ <https://www.oecd-ilibrary.org/docserver/e7ced3ea-en.pdf?expires=1616587448&id=id&accname=guest&checksum=1A630E9E89DAFF356DEB7D2794F634DC>

Background and the purpose of this report

Methodology (2/4)

(v) Environmental taxes

Taxes and duties levied on the supply, use or consumption of goods and services that are considered to be harmful to the environment.

In this report, when classifying taxes as environmental taxes, the definition agreed to in the harmonized statistical framework developed jointly in 1997 by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency (IEA). According to such definition, environmental taxes “are taxes whose base is a physical unit (or similar) of a material that has a proven, specific negative impact on the environment. They include all taxes on energy and transport and exclude value added taxes”¹.

3. It includes all non-tax payments made to public administrations

The methodology of this report also allows taking into account other non-tax payments that relate to state revenues and have a regulatory character.

4. It can be tailored to the specific circumstances of the organization

In relation to the overall amount of payments to the Public Authorities taken into consideration for the purposes of this study, a list of all Russian taxes covered by this analysis is attached hereto for illustration purposes in the form of Appendix II.

5. The special characteristics of Value Added Tax and equivalent taxes are taken into account

Value Added Tax is classified as a tax on products and services collected, and its amount reflects the net payments made by Enel Russia Group to the tax authorities.

Net VAT position (tax paid minus tax received from the budget) should be calculated at the country level by summarizing individual results of each local entity. If the resulting amount at the country level is negative (i.e. tax refunded) then it is amounted as zero for TTC purpose.

Net VAT position calculation relates to rechargeable VAT (i.e. related to acquisition of goods and services further used in generating VAT-able revenue) and it is treated as **tax collected**.

Non-deductible VAT that represents a cost for the company is treated as **tax borne**.

6. Main Assumptions made during the preparation of this report

Perimeter. The scope of companies included in this report was aligned with the scope of the CbCR (please refer to Appendix I). In particular, this report considers the tax contributions made by 14 entities in 2020.

Currency. This report considers Russian roubles (RUB) as the currency to be referred.

¹ <https://stats.oecd.org/glossary/detail.asp?ID=6437>

Background and the purpose of this report

Methodology (3/4)

Certain Economic Indicators:

1) Revenues: considering that consolidated financial statements are not prepared under the Russian GAAP, this indicator was calculated as the sum of revenue of each entity in the scope.

2) Wages and salaries: considering that consolidated financial statements are not prepared under the Russian GAAP, this indicator was calculated as the sum of wages and salaries of each entity in the scope (excluding the social security contributions, incentives or benefits).

3) Profit before taxes: the report considers data on profit before taxes which is provided as “EBT / earnings before tax” in the local reporting. Considering that consolidated financial statements are not prepared under the Russian GAAP, this indicator was calculated as the sum of profit (loss) before taxes of each entity in the scope (excluding the inter-company dividends).

4) Total Value Distributed to society is composed of:

4.1) Net interest, which is calculated as the net value of interest expense and interest income as per information published in the annual accounts of Enel Russia.

4.2) Income after tax, which is the Net income of the company. Considering that consolidated financial statements are not prepared under the Russian GAAP, this indicator was calculated as the sum of income after taxes of each entity in the scope. In case the resulting amount of the figure is negative, then it is accounted as zero for TTC purposes.

4.3) Taxes borne and collected as per the Total Tax Contribution Report.

4.4) Wages and Salaries have been calculated as mentioned in the relevant section above.

7. Effective Tax Rate (ETR)

Effective Tax Rate (ETR) shall be calculated as the ratio of “Corporate Income Tax expense” to “Profit before taxes”. If the group has overall negative “Profit before taxes”, the ETR should not be calculated.

It should be noted that Enel Russia had overall negative Profit before taxes in 2019 primarily due to the loss of PJSC Enel Russia for the local accounting purposes related to the disposal of Reftinskaya power station in 2019 (fixed assets were sold under the price below their residual value). Considering that, ETR was not calculated for the purpose of the previous report and the respective benchmark with peers’ ETRs was not conducted.

Given that fact, the comparative analysis of the ETR between 2020 and 2019 was not conducted.

Background and the purpose of this report

Methodology (4/4)

8. Highlighting the main changes of the TTC methodology in 2020

Enel Group is continuing the path to increase tax transparency by issuing an extended TTC Report for 2020, which aligned with the GRI 207 new sustainability standard. In the light of the above, some changes have been introduced to TTC principles and methodology.

Moreover, these changes required a re-computation of TTC items for 2019 to provide comparability between 2019 and 2020 data. As a result, the following indicators of TTC report calculated in 2019 were adjusted:

(i) Profit taxes collected

Withholding tax was reported as a tax collected by Enel Russia only if it was withheld on payments made to third party entities or a natural person. Before 2020 taxes withheld on payments made to other Enel Group entities had also been included in taxes collected.

(i) Number of employees

This indicator was reported as the FTE (full time equivalent) as of the year-end. Before 2020 the average number of employees had been used.

(iii) Revenues

For the TTC purpose in 2020 and 2019 in-country intercompany revenues within Enel Russia Group were excluded from the “Revenues” indicator as far as possible.

There were several other changes introduced to TTC principles and rules in 2020. However, they do not significantly affect TTC items calculated in 2019.

9. Cut off date for economic data collection

For the purpose of this local TTC report economic data of Enel Russia was used in accordance with the financial statements prepared under the Russian GAAP (provided as of March 22, 2021).

3. TTC of Enel Russia in 2020



TTC of Enel Russia in 2020

Analysis of the Total Tax Contribution in 2020

Total Tax Contribution amounted to **10 493 million roubles** in 2020.

The sum of taxes borne amounted to **2 378 million roubles**. The share of this figure in the total amount of tax payments is 23%. Taxes collected are **8 115 million roubles**, and account for 77% of the total amount of taxes.

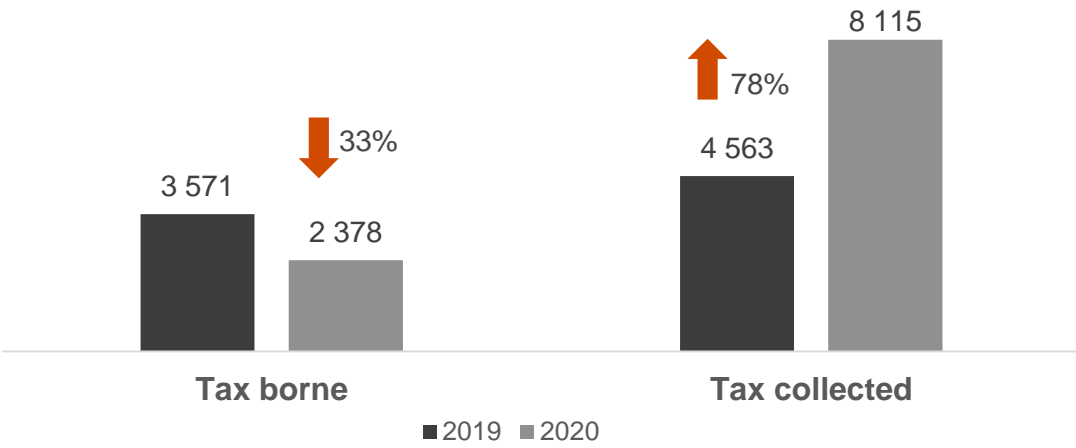
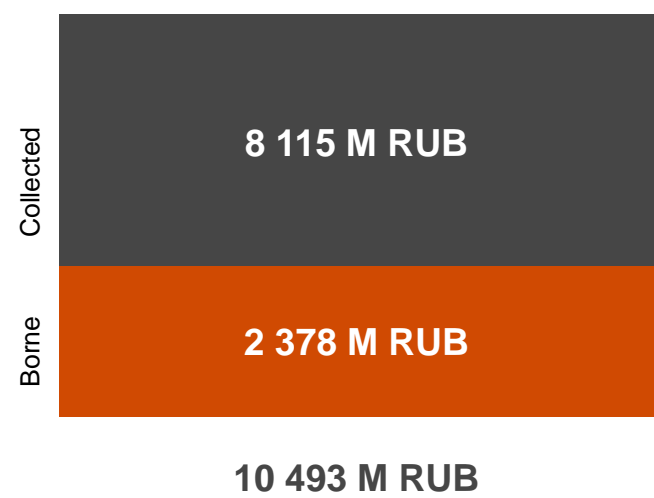


Chart 1. Evolution of Enel Russia's Tax Contribution (M RUB)

The amounts taken into account for the purpose of analysing the trend in Total Tax Contribution over the years 2019 and 2020 include taxes borne and collected.

In 2020 Enel Russia's tax contribution has grown compared to 2020 by **29%**, which is explained primarily by the rise of tax collected over this period (by **78%**). As explained in the following subsection of this section, this is primarily due to an increase in the payment of taxes on products and services.

At once, such tax payments as taxes borne decreased by **33%** at 2020. This change is primarily due to a decrease in profit tax payments.

TTC of Enel Russia in 2020

Analysis of taxes borne in 2020

Profile of Taxes borne

The sum of **taxes borne** by Enel Russia amounted to **2 378 million roubles** in 2020. A major part of this amount corresponds to **profit taxes**.

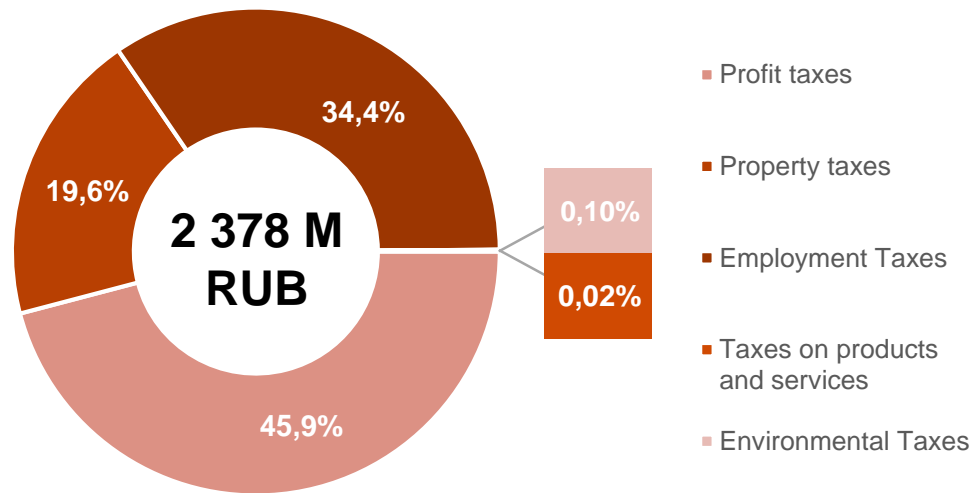


Chart 2: Types of taxes borne by Enel Russia in 2020



Profit tax is the largest tax group of Enel Russia in 2020 which amounted to **1 092 million roubles**. The share of this indicator is **45,9%**.



The next group of taxes in 2020 is **employment taxes**. The share of this category is **34,4%**. Social security contributions amounted to **818 million roubles**.



Property taxes amounted to **465 million roubles**. The share of this figure in the total amount of taxes borne is **19,6%**.

This group includes the following tax payments:

- property tax – 403 million roubles;
- land tax – 62 million roubles;
- transport tax – 0,4 million roubles.



Environmental taxes, which include the water tax, amount to **2,4 million roubles** and constitute one of the smallest shares of taxes borne (**0,10%**).



Taxes on products and services are the smallest one, which account for **0,02%** of taxes borne payments made by Enel Russia and amount to **0,4 million roubles**.

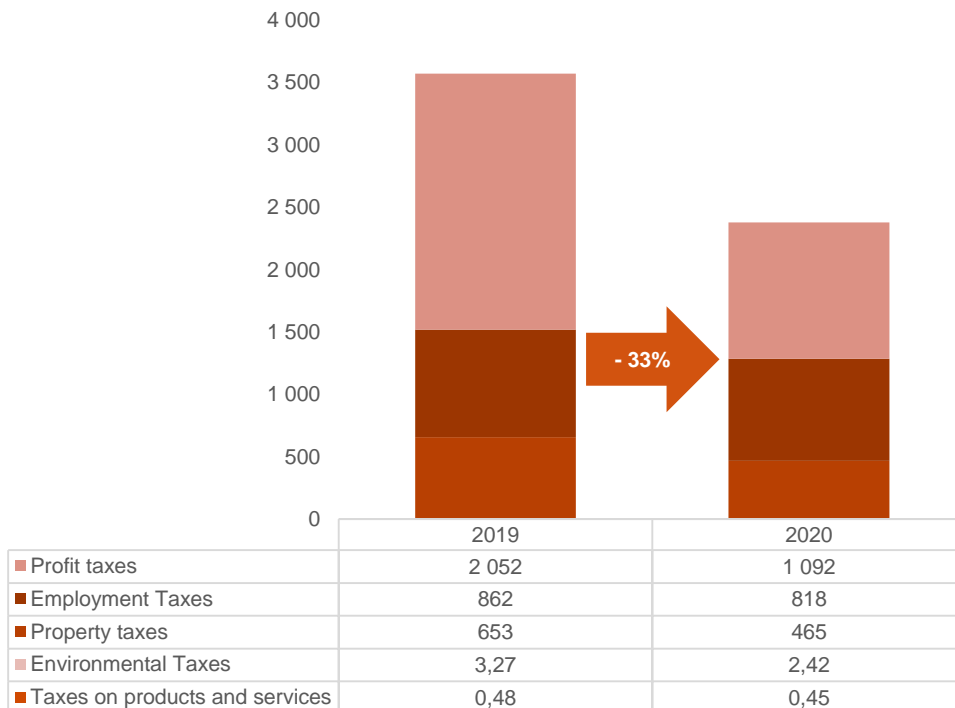
TTC of Enel Russia in 2020

Analysis of taxes borne in 2020

Trend in Taxes borne

Taxes borne reflect a downward trend in 2020 compared to 2019, having **decreased** by approximately **1 193 million roubles**.

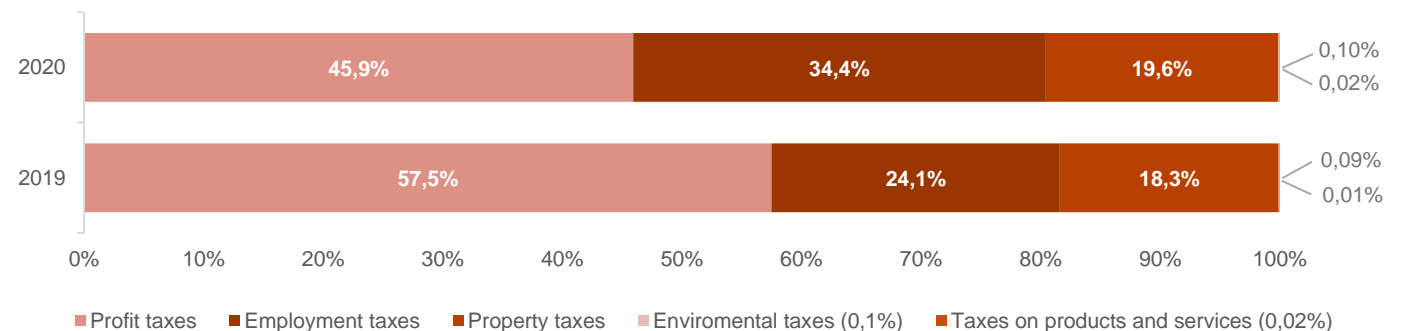
Chart 3 and 4: Evolution of taxes borne by Enel Russia (M RUB)



The amount of **taxes borne has decreased** compared to the previous year **by 33%** mainly because of the decline **of profit tax**. This trend is explained by reduction of revenue from the core business activity caused by disposal of Reftinskaya GRES and negative macroeconomic impact of the COVID-19 pandemic.

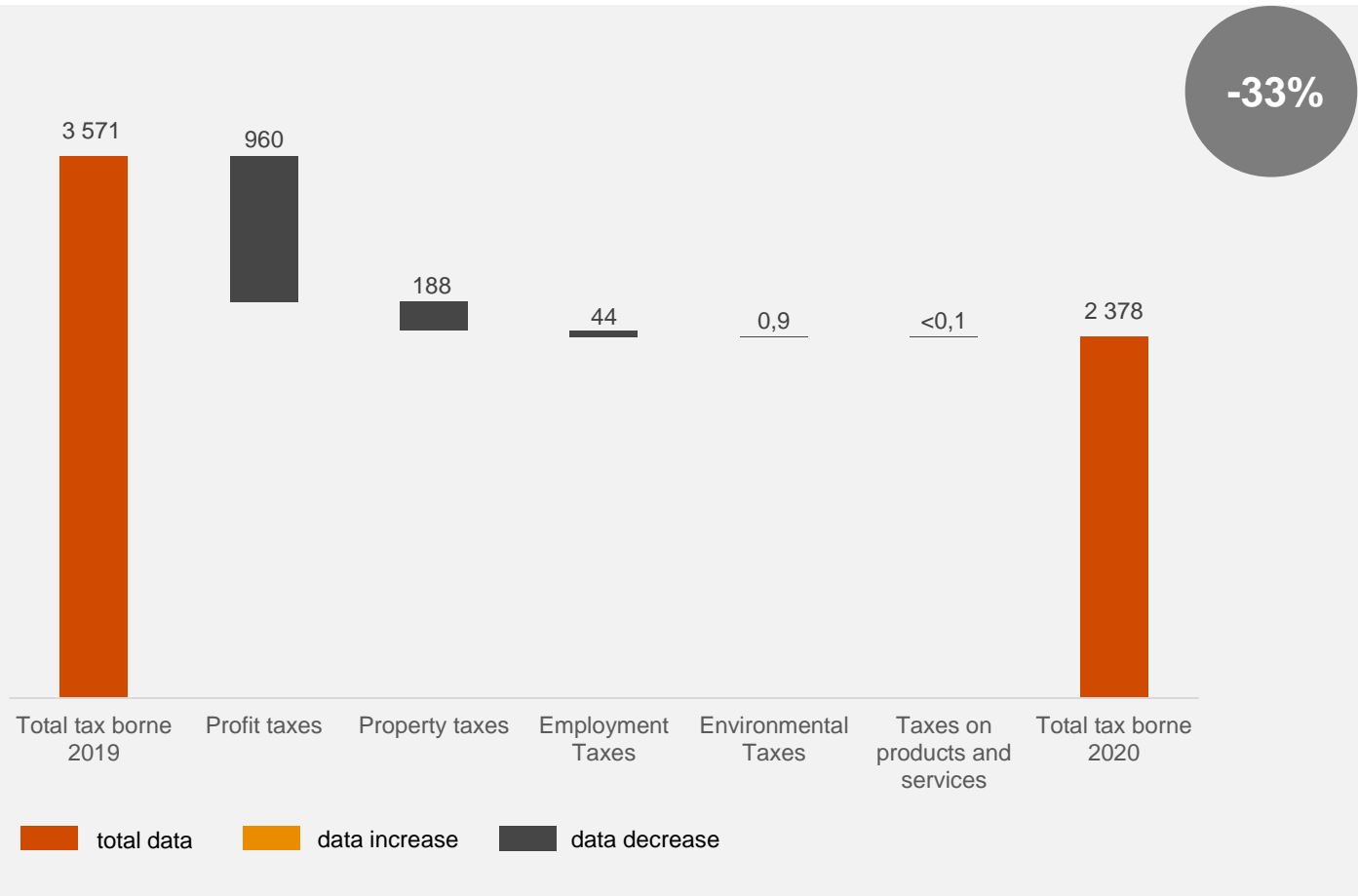
Moreover, the decrease of taxes borne is caused by the **reduction of property taxes by 29%**. The amount of this tax has declined due to Reftinskaya GRES disposal on October 1, 2019. In addition, the TTC report for 2019 contained the property tax paid in the beginning of 2019 for the period of 2018 (when movable property was included into the tax base for property tax purposes). Starting from January 1, 2019, movable property was excluded from the property tax base due to the relevant amendments of the Russian tax legislation. Therefore, the amount of property tax related to 2019 and paid in the beginning of 2020 has decreased compared to the same period last year.

The amount of **employment taxes** has decreased by **5%** due to disposal of Reftinskaya GRES.



TTC of Enel Russia in 2020

Analysis of taxes borne in 2020



The amount of taxes borne for 2020 **decreased by 33%** compared to 2019.

As shown on the left, **profit taxes** and **property taxes reduction** has the most influence on the amount of taxes in this group (by 47% and 29%, accordingly).

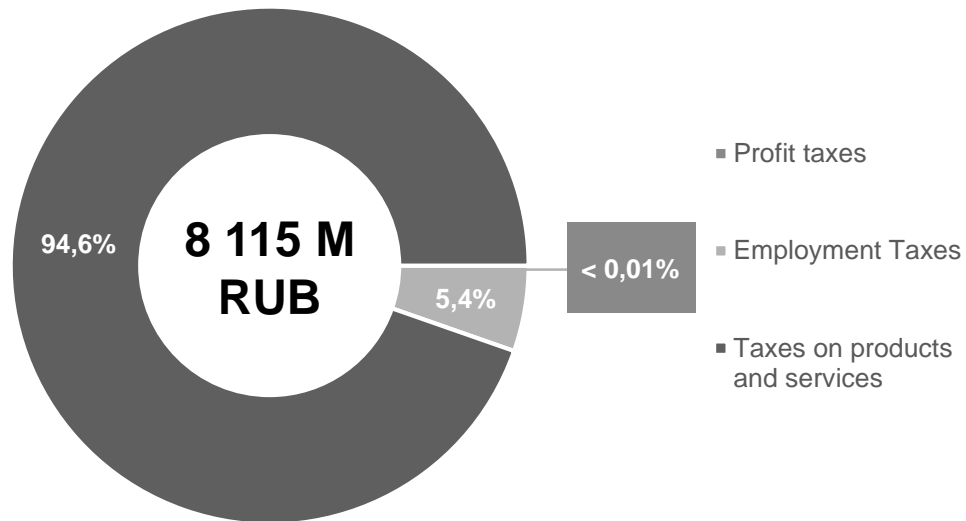
Thus, the overall decline of taxes borne can be mainly attributable to the Reftinskaya GRES disposal as well as some extraordinary costs in 2020 caused by the negative macroeconomic impact of the COVID-19 pandemic.

TTC of Enel Russia in 2020

Analysis of taxes collected in 2020

Profile of Taxes collected

Taxes collected in 2020 amounted to **8 115 million roubles**, their profile is shown below.



The group of **taxes on products and services** (VAT) has the largest share. The absolute value of this type of payment amounted to **7 680 million roubles**. Thus, the share of VAT in the total amount of taxes collected is **94,6%**.



Employment taxes account for approximately **5,4%** of total taxes collected by Enel Russia. Employment taxes consist of the personal income tax (amounting to **434 million roubles**).



Profit taxes constitute **< 0,01 %** of taxes collected and include withholding income tax withheld on payments made to third party entities amounting to **0,07 million roubles**.

Chart 5: Types of taxes collected by Enel Russia in 2020

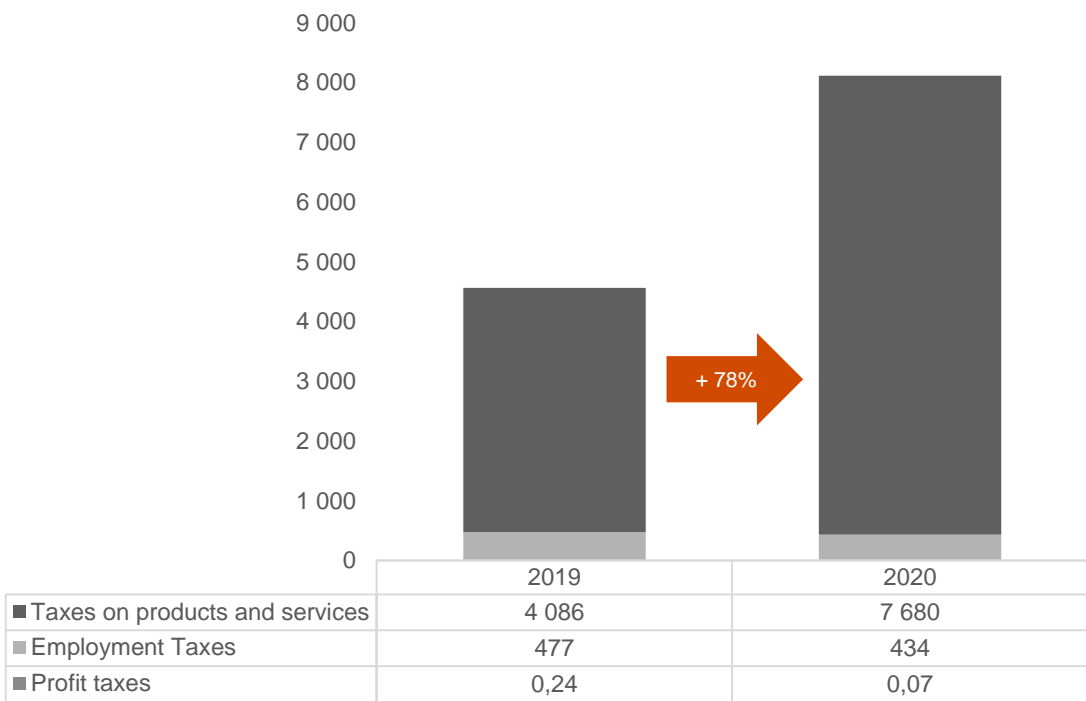
TTC of Enel Russia in 2020

Analysis of taxes collected in 2020

Trend in Taxes collected

Taxes collected during 2020 have raised in absolute terms by approximately **3 551 million roubles**. This represents an increase of **78%** with respect to 2019.

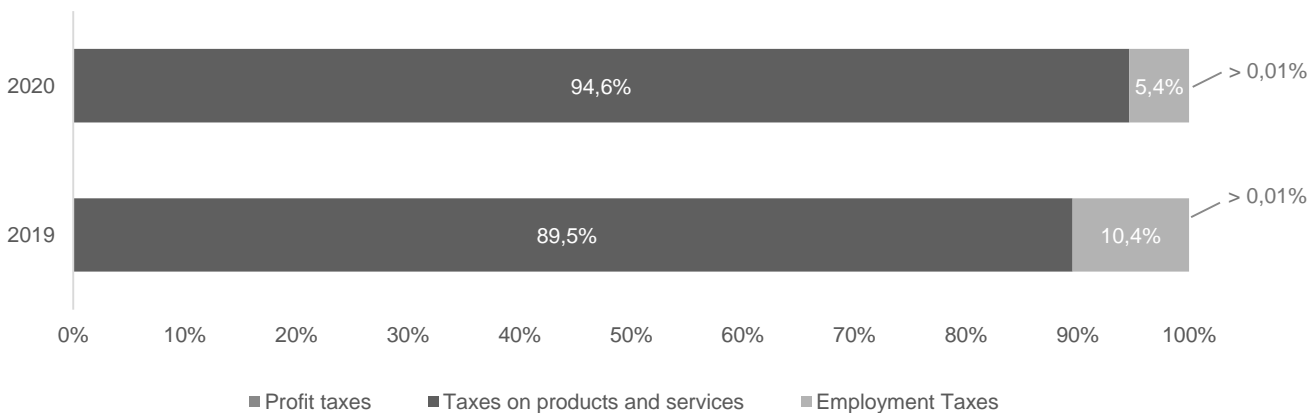
Chart 6 and 7: Evolution of taxes collected by Enel Russia (M RUB)



There has been a **78%** increase in **taxes collected** primarily related to the rise of taxes on products and services.

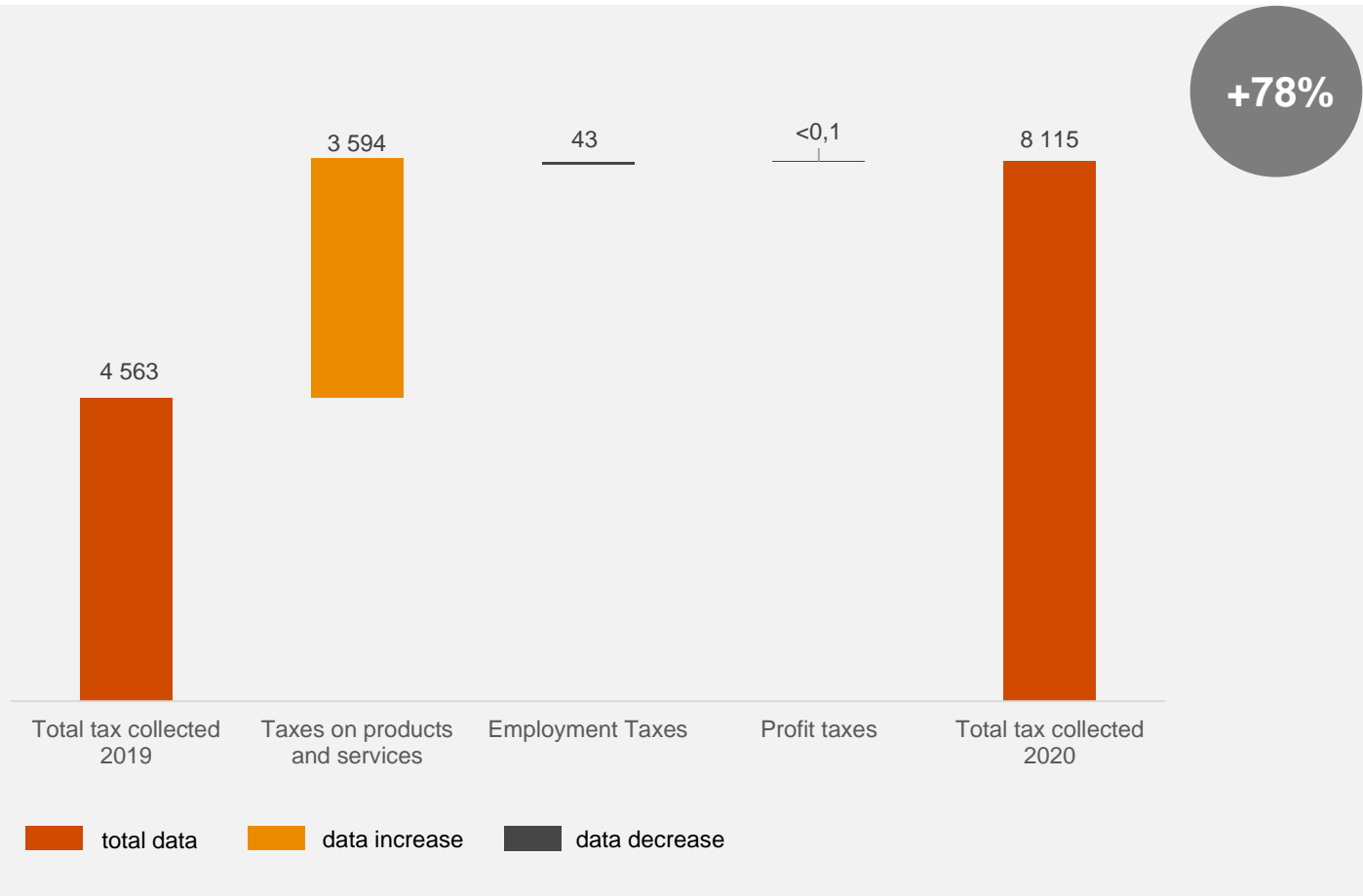
The amount of this group of taxes has increased due to the significant amount of VAT paid by PJSC Enel Russia with respect to Reftinskaya GRES disposal at the end of 2019 (since this amount of VAT has been paid at the beginning of 2020, it is taken into account for the purpose of the TTC report for 2020). Thus, the amount of **VAT in 2020 increased by 88%**.

The amount of **employment taxes** has decreased by **9%** due to disposal of Reftinskaya GRES.



TTC of Enel Russia in 2020

Analysis of taxes collected in 2020



The amount of taxes collected for 2020 **increased by 78%** compared to 2019.

As demonstrated, the increase in the tax collected was caused by **88% growth of VAT** payments. Reductions in other taxes within this group (**profit and employment taxes**) were insignificant.

Thus, the overall growth of taxes collected by Enel Russia can be mainly attributable to Reftinskaya GRES disposal and related amount of VAT that has been paid in 2020.

TTC of Enel Russia in 2020

TTC Indicators



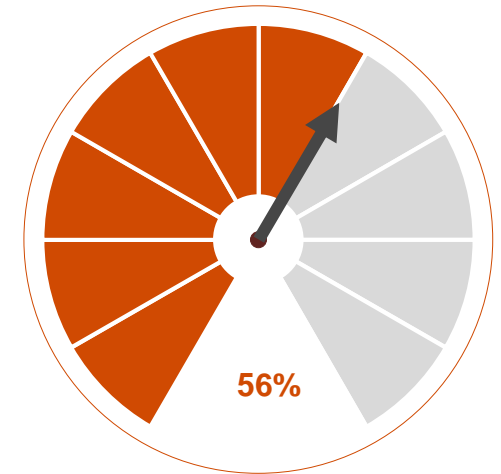
Taxes borne representing a direct cost for Enel Russia accounted for 56% of profit before all taxes borne in 2020.

Total Tax Contribution Rate

Total tax contribution rate (TTCR) is an indicator that calculated as the percentage of taxes borne with respect to profit before such taxes, based on the consolidated figures for Enel Russian Group's activity.

According to the results of 2020 for Enel Russia, this figure was **56%**.

Enel Russia has overall negative Profit before taxes borne in 2019 primarily due to the loss of PJSC Enel Russia for the local accounting purposes related to the disposal of Reftinskaya GRES (fixed assets were sold under the price below their residual value). Considering that, TTCR for 2019 was not calculated and a comparative analysis of TTCR between 2020 and 2019 is not conducted.



TTCR of Enel Russia in 2020

TTC of Enel Russia in 2020

TTC Indicators

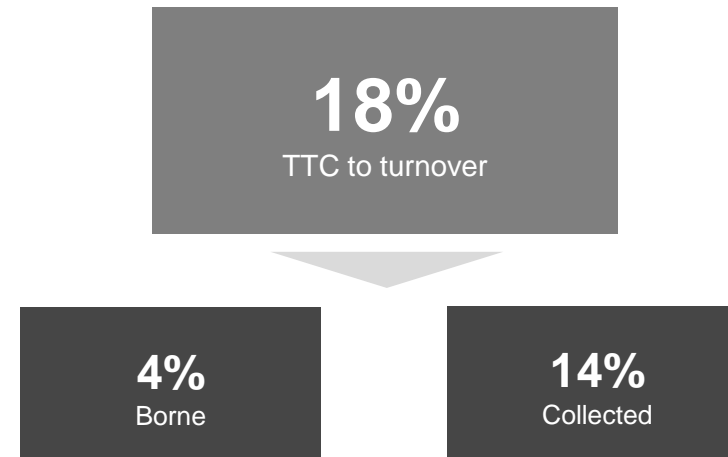
TTC with respect to turnover



Enel Russia pays 18 rubles in taxes for every 100 rubles of net revenues, of which 4 rubles represent a direct cost for the Group.

TTC with respect to turnover is an indicator that reflects the extent of the contribution made by Enel Russia Group in relation to the size of its business.

The average Total Tax Contribution rate in relation to net revenues was **18%** in 2020. For every 100 rubles of Enel Russia's revenue was accounted for **18 rubles** of taxes, of which 4 were taxes borne and 14 were taxes collected.



TTC of Enel Russia in 2020

TTC Indicators

Taxes paid in respect of wages and salaries per employee

Taxes paid in respect of **annual wages and salaries per employee** are an indicator that relates the level of employment to associated taxes. This indicator is calculated by dividing total taxes linked to employment (borne and collected) by the number of employees as of the year-end.

In 2020, Enel Russia paid in employment taxes totalling **0,85 million roubles** per employee. Of this figure for employment taxes, **0,30 million roubles** correspond to taxes collected on payments to employees and **0,55 million roubles** to taxes borne by Enel Russia. In relation to the average salary paid by Enel in Russia, which amounted to **2,08 million roubles** in 2020, **employment taxes** borne and collected represented **41%**.

Compared to 2019, the growth of the average salary and paid taxes per employee in 2020 is primarily explained by the fact that the Wages and salaries indicator in 2020 includes payments to employees of Reftinskaya GRES. Despite Reftinskaya GRES was sold on October 1, 2019, its employees were employed with PJSC Enel Russia until June 30, 2020. At the same time the Number of employees is taken into account at the end of the year (i.e., does not include employees of Reftinskaya GRES), so the headcount in 2020 decreased by 975 employees compared to 2019.

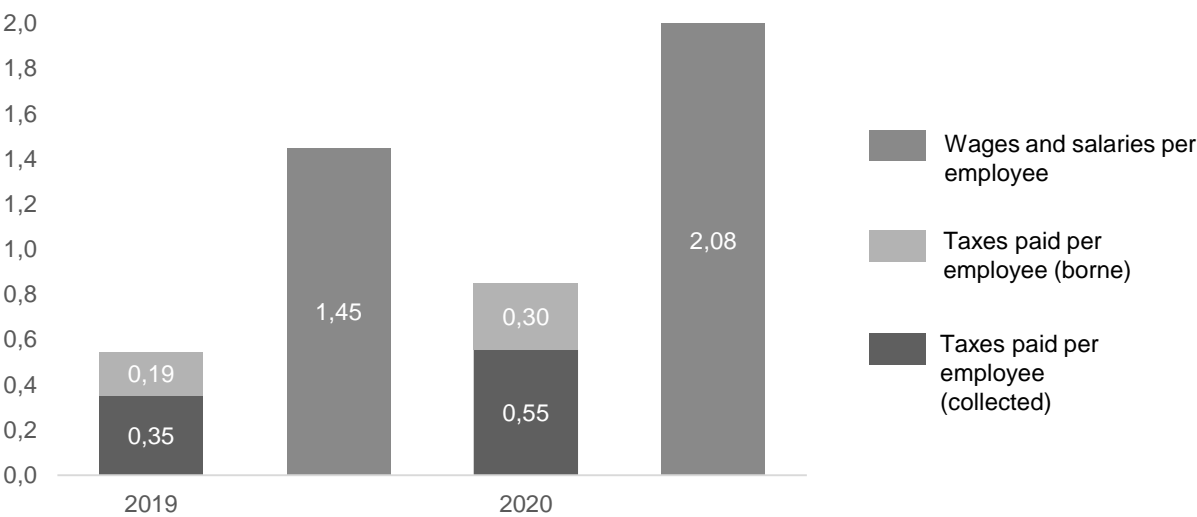


Chart 8: Trend in average salary and average taxes linked to employment in Enel Russia (M RUB)

TTC of Enel Russia in 2020

TTC Indicators

Tax value distributed to society



In 2020, 67% of the value distributed by Enel Russia was used to pay taxes borne and collected.

The concept of distributed value refers to the contribution that the company makes to society in general.

According to the TTC methodology, **the Value Distributed** of a company is composed of the sum of the following elements:

- Taxes borne and collected (as value distributed to government)
- Net interest (as value distributed to creditors)
- Wages and salaries net of taxes (as value distributed to employees)
- Profits retained for reinvestment or paid as dividends (as value distributed to shareholders).

The Distributed Tax Value index illustrates the percentage of the value distributed by Enel used to pay taxes borne and collected to public administrations.

For the purposes of this calculation, the value to shareholders is represented by the amount of net profit after tax.

The total distributed value amounted to **15 748 million roubles** of which **10 493 million roubles** were paid to different public administrations in the form of taxes borne and collected in 2020.

The diagram above shows that about **67%** of the value generated by Enel Russia Group in 2020 benefits society through the payment of taxes borne and collected.

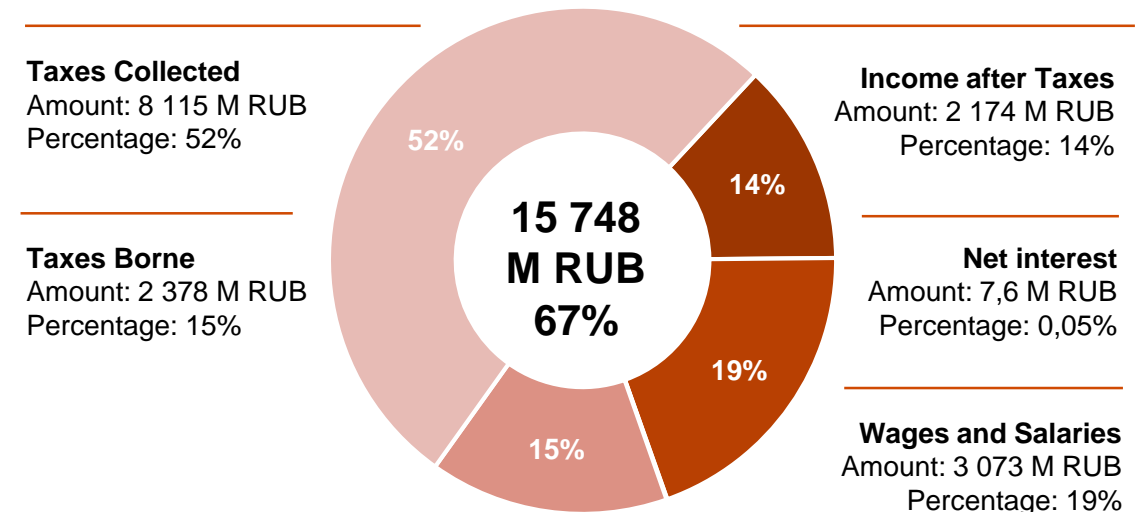


Chart 9: Tax Value Distributed by Enel Russia in 2020

4. Comparative Indicators



Comparative Indicators

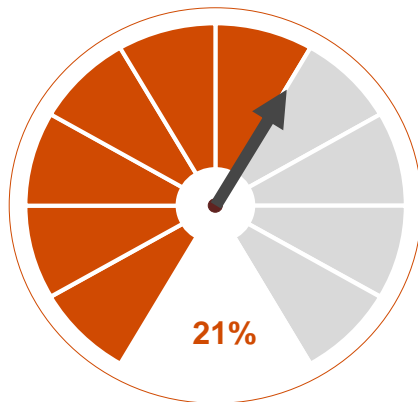
Corporate Income Tax Effective Rate

Approach for calculating ETR of Enel Russia

In the following pages, **the effective tax rate (ETR)** is analysed, as well as the factors effecting the difference between this rate and the nominal rate.

ETR was calculated based on the data provided in the financial statement of PJSC Enel Russia. Income tax expenses were adjusted for deferred tax (i.e. were calculated as a sum of current income tax reflected in the financial statements and the difference in deferred tax assets / liabilities in comparison with the previous year).

In 2020 ETR of Enel Russia Group is **21%**. The main deviation of the ETR from the statutory CIT rate (20%) is explained by the differences between tax and finance accounting (in particular, by the amount of expenses that was not deducted for tax purposes and the amount of reserves created according to the Russian GAAP).



ETR of PJSC Enel Russia in 2020

In 2019 Enel Russia has overall negative Profit before taxes primarily due to the loss of PJSC Enel Russia for the local accounting purposes related to the disposal of Reftinskaya GRES. Considering that, ETR for 2019 was not calculated and a comparative analysis of ETR between 2020 and 2019 is not conducted.

“

In 2020 the Effective Tax Rate of PJSC Enel Russia is 21%.

Comparative Indicators

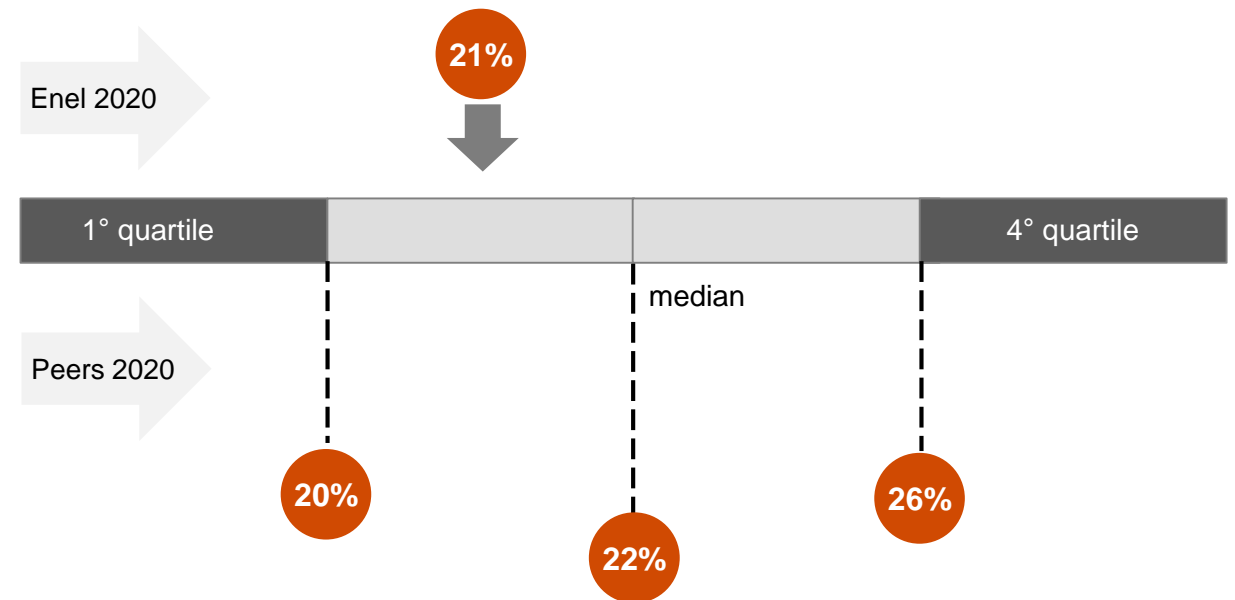
Corporate Income Tax Effective Rate

For benchmarking study purposes, we have taken into account the largest public companies engaged in electric power generation and distribution in Russia. These companies have comparable productive capacity as well as plants' location (please refer to Appendix IV).

The peers' ETRs were calculated using the same calculation principle as used when calculating PJSC Enel Russia's ETR. We have analysed the publicly available financial data of these companies prepared in accordance with the Russian GAAP for 2020. The current income tax was also adjusted for deferred taxes.

As can be seen, the ETR of Enel Russia is **21%** for 2020 and within the interquartile range of the industry ETR.

The information about “Profit before Tax”, “Income Taxes” and “Deferred Taxes” was retrieved from the financial statements of the respective entities / groups published on their websites.



5. Other payments made to Public administrations



Other payments made to public administrations

Trend in other payments made to public administrations



Other payments to Public administrations of Enel Russia in 2020 amounted to 936 million roubles.

Enel Russia makes other payments to public administrations.

In 2019, this type of payments totalled about **1 088 million roubles**. In 2020, the figure decreased by about **14%** and was equal to **936 million roubles**.

These include, among others, the regulatory payments such as payment for negative impact on the environment and for water use.

- i. **Payment for negative impact on the environment:** the solution of environmental problems is one of the most important priorities of Enel Group and the legislation imposes a number of obligations on the companies affecting the environment. In accordance with the environmental legislation, PJSC Enel Russia is recognized as the payer for the negative impact on the environment. In 2020 the total amount of payment for negative impact on the environment was equal to **59 million roubles**.
- ii. **Water use:** the legislation imposes a number of obligations on water users. The fee for water use was transferred to public administrations in the amount of **994 million roubles** in 2019. In 2020, this figure was **877 million roubles**, which is about **12%** less than in the previous period. The amount of these payments have declined due to the Reftinskaya GRES disposal at the end of 2019 and the actual decrease in the use of water at Konakovskaya GRES.

5. Appendices



Appendices

Appendix I: Perimeter of TTC Report for Enel Russia

	2019	2020
PJSC Enel Russia	✓	✓
LLC Enel Rus Wind Generation	✓	✓
LLC Enel Rus Wind Azov	✓	✓
LLC Enel Rus Wind Kola	✓	✓
LLC Reftinskaya GRES	✓	✓
LLC Sanatorium-Preventorium Energetik	✓	✓
JSC Teploprogress	✓	✓
LLC Enel Green Power Rus	✓	✓
LLC Enel X Rus	✓	✓
Belomechetskaya WPS	✓	✓
Rodnikovskaya WPS	✓	✓
Enel Produzione SpA in Ekaterinburg P.E.	✓	✓
Koporie WPS	✗	✓
Tula WPS	✗	✓
Total	12	14

The scope of entities included in this report was aligned with the scope of the CbCR in 2020. The following companies included in this report are the fully-owned subsidiaries of PJSC Enel Russia:

- LLC Enel Rus Wind Generation
- LLC Enel Rus Wind Azov
- LLC Enel Rus Wind Kola
- LLC Reftinskaya GRES
- LLC Sanatorium-Preventorium Energetik (until disposal in August 2020 due to sale)

Economic data of LLC Sanatorium-Preventorium Energetik was not taken into account when preparing the TTC report in 2020, since it was impossible to obtain this information after the sale (interim financial report was not prepared, the annual financial report was not provided by the new owner). This company is not considered as material by Enel Russia Group (taxes of this company are less than 0,1% in TTC 2020).

PJSC Enel Russia holds 60% of the share in JSC Teploprogress. Considering that JSC Teploprogress was consolidated on an integral basis, economic indicators and tax data of JSC Teploprogress were fully included in TTC report.

Other 7 entities located in Russia (LLC Enel Green Power Rus and its subsidiaries) are not owned by PJSC Enel Russia, however, were included in the scope of the CbCR and TTC report in 2020.

Appendices

Appendix II: List of taxes

Taxes	State tax	Regional tax	Local tax	Tax borne	Tax collected	Scope
Profit taxes						
Corporate income tax	✓			✓		✓
Withholdings on payments to third party entities (non-residents)	✓				✓	✓
Property taxes						
Property tax		✓		✓		✓
Transport tax		✓		✓		✓
Land tax			✓	✓		✓
Employment taxes						
Personal income tax	✓				✓	✓
Contribution into social insurance fund	✓			✓		✓
Contribution into social insurance fund for accidents	✓			✓		✓
Contribution into pension fund	✓			✓		✓
Contribution into social medical fund	✓			✓		✓
Contribution into pension fund (additional payments)	✓			✓		✓
Taxes of products and services						
Value-added tax (VAT)	✓				✓	✓
Non-deductible VAT	✓			✓		✓
Environment taxes						
Water tax	✓			✓		✓
Other regulatory payments						
Payment for negative impact on the environment	✓			✓		✓
Payment for water use	✓			✓		✓

Appendices

Appendix III: TTC of Enel Russia in 2019 and 2020

Economic data	2019 RUB	2019 EUR	2020 RUB	2020 EUR
Revenues	73 926 442 070	1 056 923 224	56 942 322 262	622 572 212
Wages and salaries	3 548 903 146	50 738 519	3 073 438 834	33 603 084
Number of employees	2 450	2 450	1 475	1 475
Net Interest	1 043 380 823	14 917 172	7 637 533	83 504
Income before tax	-14 585 156 585	-208 523 369	2 964 458 695	32 411 562
Income before tax borne	-13 066 422 736	-186 810 095	4 250 625 217	46 473 713
Income tax accrued for local ETR benchmark	n/a	n/a	958 267 000	10 477 100
Income after Tax	-11 790 583 624	-168 569 477	2 174 328 148	23 772 762
Total taxes borne	3 570 661 212	51 049 593	2 377 928 951	25 998 808
Total taxes collected	4 563 222 336	65 240 197	8 114 644 186	88 720 512
Total Tax Contribution	8 133 883 549	116 289 790	10 492 573 136	114 719 320

Taxes borne	2019 RUB	2019 EUR	2020 RUB	2020 EUR	Taxes collected	2019 RUB	2019 EUR	2020 RUB	2020 EUR
Profit taxes	2 051 927 363	29 336 319	1 091 762 429	11 936 657	Profit taxes	237 030	3 389	69 996	765
Property Taxes	652 879 434	9 334 190	464 958 787	5 083 572	Property Taxes	-	-	-	-
Employment Taxes	862 096 068	12 325 351	818 342 383	8 947 251	Employment Taxes	476 815 915	6 817 017	434 266 839	4 748 006
Taxes on products and services	484 063	6 921	447 659	4 894	Taxes on products and services	4 086 169 391	58 419 791	7 680 307 351	83 971 741
Planet/Environmental Taxes	3 274 284	46 812	2 417 693	26 434	Planet/Environmental Taxes	-	-	-	-
TOTAL	3 570 661 212	51 049 593	2 377 928 951	25 998 808	TOTAL	4 563 222 336	65 240 197	8 114 644 186	88 720 512

Total Tax Contribution in 2020, RUB **10 492 573 136**

Other regulatory payments	2019 RUB	2019 EUR	2020 RUB	2020 EUR
Payment for negative impact on the environment	94 498 183	1 351 037	58 634 510	641 074
Payment for water use	993 801 606	14 208 340	877 380 875	9 592 741

Total payments to Public Authorities in 2020, RUB **11 428 588 522**

TTC indicators	2019 RUB	2019 EUR	2020 RUB	2020 EUR
1. TTC ratio	n/a	n/a	56%	56%
2. TTC in relation to revenues	11%	11%	18%	18%
3. Taxes borne in relation to revenues	5%	5%	4%	4%
4. Taxes collected in relation to revenues	6%	6%	14%	14%
5. Tax value distributed to society	64%	64%	67%	67%
6. Wages and salaries per employee	1 448 532	20 710	2 083 687	22 782
7. Taxes paid per employee	546 495	7 813	849 227	9 285

Methodology for TTC indicators calculation

1. Total taxes borne / Income before taxes borne
2. Total Tax Contribution /Revenue
3. Taxes borne / Revenue
4. Taxes collected / Revenue
5. Tax borne and collected /Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)
6. Wages and salaries / Number of employees
7. Total taxes linked to employment (borne and collected) / Number of employees

Appendices

Appendix IV: Methodology used in the comparative analysis of ETR and list of peers

The analysis has been based on public information available for the largest Russian companies engaged in electric power generation and distribution. These companies have comparable productive capacity as well as plants' location (detailed information provided in the table – Peers' list of Enel Russia).

The effective tax rate for corporate income tax purposes ("Effective Tax Rate", or ETR) has been calculated as the ratio of "Corporate Income Tax expense" to "Income before taxes".

In order to ensure comparability of results and considering data available on peers, we calculated the ETRs based on stand-alone statements of the peers' groups parent companies (i.e. haven't included the financial indicators of the subsidiaries). We consider this approach as acceptable since the main part of the core assets involved in production of electricity is owned by the parent companies.

In this regard, **the upper (75%) and lower (25%) quartiles** have been calculated for the sample of companies, indicating the results obtained. This makes it easy to identify the range of average results within which the majority of the companies are moving

List of peers	Locations of peers
OJSC "INTER RAO — Electrogeneratsiya"	United Energy System Center (Central Federal District), North-West United Energy System, United Energy System of the Urals
PJSC "Mosenergo"	United Energy System Center (Central Federal District), North-West United Energy System
JSC "Rosenergoatom Concern"	United Energy System Center (Central Federal District), North-West United Energy System, Southern Integrated Energy System, United Energy System of the Urals
PJSC "RusHydro"	United Energy System Center (Central Federal District), North-West United Energy System, Southern Integrated Energy System
PJSC "OGK-2"	Southern Integrated Energy System, United Energy System of the Urals
PJSC "Fortum"	United Energy System of the Urals
PJSC "Unipro"	United Energy System of the Urals

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