

## Report of the Internal Audit Department of Enel Russia Public Joint Stock Company

Moscow

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The Internal Audit Department of Enel Russia (hereinafter - Enel Russia PJSC) during 2020, as part of its activities, assessed the efficiency and effectiveness of the internal control and risk management system of Enel Russia PJSC, in accordance with the audit plan approved by the Board of Directors of Enel Russia PJSC.

In 2020, the Internal Audit Department of Enel Russia PJSC carried out its work as follows:

- ✓ performed the risk assessment, aimed at prioritizing the audit activities on the processes and the risks that could most affect the achievement of corporate objectives, the protection of sensitive assets and information and the conformity with laws and regulations in force;
- ✓ proposed the risk-based audit plan to the Audit and Corporate Governance Committee of Enel Russia PJSC, subject to the approval of the Board of Directors of Enel Russia PJSC;
- ✓ carried out the audit activities defined by the risk-based audit plan and the special audit activities deemed necessary based on any relevant new information acquired during 2020;
- ✓ monitored the actual implementation of the action plans identified by the process owner to eliminate the deficiencies identified during the audit activities;
- ✓ periodically informed top management and the Audit and Corporate Governance of Enel Russia PJSC on audit results and relevant issues;
- ✓ performed the vigilance over the Enel Global Compliance Program adopted by Enel Russia PJSC;
- ✓ assessed the effectiveness of anti-bribery practices set under the Anti-Bribery Management System ex ISO 37001:2016 of Enel Russia PJSC;
- ✓ considered the result of the testing activities coordinated by the Administration unit to assess the effectiveness of the Internal of Control over Financial Reporting (ICFR) system;
- ✓ evaluated any whistleblowing report addressed to the Internal Audit Function.

More specifically, as regard to the risk-based audit plan, the following activities have been performed on the business and staff processes of Enel Russia PJSC:

- ✓ assessment of the internal control system over the submission and approval of applications for the sale of electricity in the day ahead market (DAM) and the activities of the operational accounting department in Energy and Commodity Management;
- ✓ verification of the compliance of Enel Russia PJSC with health and safety requirements in the operation of thermal power plants;
- ✓ evaluation of the costs and timing of the construction of wind farms;
- ✓ assessment of project management for the modernization of thermal power plants;
- ✓ continuous auditing on the management of contracts for the repair and maintenance of thermal power plants;
- ✓ assessment of the practices in the field of health and safety and their conformity with the Russian Federal Laws, including the evaluation of the effectiveness of the investigations of incidents and accidents in the thermal power plants;
- ✓ assessment of the process of qualification of suppliers and contractors in order to improve the efficiency of procurement of goods, works, services and equipment for the needs of PJSC Enel Russia;
- ✓ assessment of the internal control system for treasury operations and payments;
- ✓ continuous auditing of the procurement of consulting and professional services;

- ✓ continuous auditing of "red flags" in the procurement of goods, works, services and equipment for the needs of PJSC Enel Russia.

The results of audits carried out by the Internal Audit Department were reflected in separate audit reports and submitted for consideration to the Audit and Corporate Governance Committee and the Board of Directors of Enel Russia PJSC. At the same time, shortcomings and weaknesses revealed during the audits of the Internal Audit Department were considered with due attention. If necessary, prompt measures were taken to eliminate the identified deficiencies.

Internal Audit Director of Enel Russia PJSC



Shukran Alakbarov