

Settlement of Conflicts of Interest

The Company has a commission for conflict of interest settlement chaired by the Deputy General Director for Security. The Corporate Security Centre is in charge of reviewing conflict of interest declarations.

In 2024, 32 situations showing signs of conflict of interest were reviewed, which involved the verification of 35 conflict of interest declarations submitted by the persons involved. Conflict of interest was established in 23 cases. The incidents were related to the participation

of the employee or related persons in the activities of commercial entities engaged with JSC FPC, as well as the subordination or controllability of relatives. Executives were subject to 19 verifications (59%). All discovered conflicts of interest were resolved through employee disclaimer of personal interest, restriction of decision-making and control functions, transfer of an employee to another position within the Company, refusal to approve a candidate for a position involving a conflict of interest.



Anti-Corruption

The Company runs open and honest business, follows the best practices of corporate governance and maintaining business reputation. Anti-corruption issues in the Company are regulated by JSC FPC's Anti-Corruption Policy¹, as well as JSC FPC's Code of Ethics².

The Deputy General Director for Security was appointed commissioner for the prevention of corruption offences. The business unit responsible for the prevention of corruption offences is the Corporate Security Centre, a structural unit of JSC FPC, which has a corporate communications control and anti-corruption division.

To collect and process information on possible instances of corruption, the Company uses several communication channels, including the following:

- JSC FPC's anti-corruption hotline (Email: hotline_bz@fpc.ru)
- Tel. 8 (495) 988-10-00, ext. 3-11-11#
- virtual reception centre of the General Director of JSC FPC (for corruption-related reports and messages)
- Mailing address: 34 Masha Poryvaeva St., Moscow, 107078, JSC FPC's Corporate Security Centre

Corruption risk management is an integral part of the Company's RM&ICS. It is based on the Methodological Recommendations for Corruption Risk Management at JSC FPC. The Company periodically assesses corruption risks and implements multi-stage internal control procedures. The findings of the corruption risk assessment were used to create a list of JSC FPC's positions prone to corruption risks. The share of employees occupying positions with a high corruption risk is 0.9% of the actual headcount of the Company.

To assess the effectiveness of the RM&ICS in preventing and combating corruption, the Company conducts an annual internal audit, on a quarterly basis informs the Audit and Risk Committee of the Board of Directors of the progress in preventing and combating corruption and of other unfair practices, as well as of the outcomes of JSC FPC's anti-corruption hotline.

In 2024, the Company carried out anti-corruption measures in accordance with JSC FPC's anti-corruption plan for 2021–2024.

For example, in 2024, the Corporate Security Centre checked 48 divisions of JSC FPC to ensure they comply with the requirements of anti-corruption regulations. In addition, in the reporting year, the Company received reports on possible corrupt practices through various information channels, namely:

- Five reports to the anti-corruption hotlines of JS FPC and OJSC Russian Railways
- 18 reports received via other communication channels, including virtual reception centres of the General Directors of JSC FPC and OJSC Russian Railways
- 24 notifications of the employer regarding the facts of inducement of an FPC employee to commit a corruption offence, as well as corrupt behaviour
- Eight violations identified during audits of financial and business operations conducted by the Corporate Security Centre of JSC FPC in cooperation with control and supervisory divisions of the Company, the parent company, and law enforcement agencies

¹ Approved by the resolution of the Board of Directors of JSC FPC, Minutes No. 2 dated 1 August 2019.
² Approved by the resolution of the Board of Directors of JSC FPC, Minutes No. 9 dated 22 December 2023.

One of the main principles of the Company's anti-corruption activities is continuous awareness promotion and training of employees in the field of anti-corruption.

As required by JSC FPC's Anti-Corruption Policy, the Company annually familiarises all employees with internal regulatory documents in the area of anti-corruption at the organisational (top) level (JSC FPC's Anti-Corruption Policy and Code of Ethics¹) and key regulatory documents at the operational level.

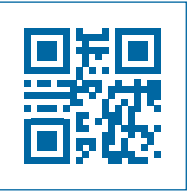
In 2024, 25,671 candidates familiarised themselves with the Anti-Corruption Policy and the Code of Ethics during the recruitment process. A corresponding entry was made in the employment agreement of these employees.

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More than 32,000 Company employees took an e-course to study the practical guide to the Code of Ethics "Fundamentals of JSC FPC's Business Ethics and Methodological Materials on Business Etiquette", Section 4 (Reliability, Safety and Quality) of which contains materials on anti-corruption policy issues (0.6 hours per employee).

In the reporting year, employees of the Corporate Security Centre conducted 237 interviews with the Company's employees on the prevention of corruption offences.

All of the Company's units and divisions set up thematic anti-corruption stands with reference information on the most compelling issues, information on those responsible for organising anti-corruption work in the division, and communication channels for reporting to JSC FPC's anti-corruption hotline.



An Anti-Corruption section was set up on the [official website](#) of JSC FPC

JSC FPC is a member of the Anti-Corruption Charter of Russian Business. In 2024, the Company took part in the annual Anti-Corruption Rating of Russian Business conducted by the Russian Union of Industrialists and Entrepreneurs. Based on its results, JSC FPC was awarded the highest grade of AAA+ as an organisation with the highest anti-corruption level.

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In 2024, JSC FPC and its controlled companies were not held administratively liable for offences under Article 19.28 of the Code of Administrative Offences of the Russian Federation².

¹ Approved by the resolution of the Board of Directors of JSC FPC, Minutes No. 9 dated 22 December 2023.
² Improper inducement on behalf of a legal entity.

Risk Management

Amid constantly changing trends and an unstable external environment, every company needs a well-designed risk management policy. Insufficient information and incorrect calculations can quickly lead to huge losses or even bankruptcy, but competent analysis of large amounts of data, unbiased conclusions and competent management decisions based on them can not only reduce negative trends in the external environment, but also take the company to a new level.

Therefore, identifying risks and making decisions in conditions of uncertainty are important elements of the management process at JSC FPC, the effectiveness of which depends entirely on the means and methods used to identify and assess risks. The conscious use of risk management tools has enabled FPC to withstand external fluctuations, maintain stability, ensure reasonable confidence in the achievement of its goals

and, despite all the limitations, challenges and sanctions, confirm in practice its ability to reliably, efficiently and safely ensure transport accessibility for the population of the Russian Federation.

Risk management system

Risk management at JSC FPC is a continuous and systematic process embedded throughout the organisation levels, integrated with business processes and aimed at mitigating the exposure to risks and boosting confidence that the objectives and goals of the Company will be achieved.

All units and divisions of the Company are involved in the risk management process within their terms of reference.

Overall coordination and methodological support of the risk management process, preparation and submission of reports to JSC FPCs management, and organisation of risk management training for the Company's employees are provided by the Risk Management Department within the Strategic Development and Risk Management Department.

The following documents serve as the foundation for risk management at JSC FPC:

- JSC FPC's risk management and internal control policies
- Methodological recommendations for determining the acceptable risk profile (risk appetite)
- Methodological recommendations on risk management and internal control
- Regulations on interaction in the risk management and reporting process

In 2024, JSC FPC aligned the corporate-wide risk management with the above-listed documents. Lower-level operational risks were handled with fewer steps and a more straightforward approach.

The Internal Audit Department is responsible for assessing the RM&ICS reliability and effectiveness.