

# 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 Policy<sup>1</sup>, as well as JSC FPC's Code of Ethics<sup>2</sup>.

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

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