FEDERAL PASSENGER COMPANY

Route of renovation

2023

Annual report

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About the Report

Joint Stock Company Federal Passenger Company (hereinafter, referred to as JSC Federal Passenger Company, JSC FPC, the Company) is the national passenger railway carrier of the Russian Federation and an entity subject to anti-monopoly regulation.

This Annual Report of JSC FPC for 2023 (hereinafter also referred to as the Annual Report, or the Report) contains information on the performance of JSC FPC.

The Report has been prepared based on the analysis of the Company's operating data and RAS financial indicators for the period from 1 January to 31 December 2023.

Based on the results of the audit of the financial and business activities of JSC FPC for 2023, the Auditing Commission confirmed the accuracy of the data contained in the annual accounting (financial) statements and the Company's Annual Report.

The Report was approved by the decision of the Board of Directors of JSC FPC on 27 May 2024 (Minutes No. 16 dated 30 May 2024).

The text of the Annual Report may contain errors in the calculation of shares, percentages and amounts due to rounding. The figures in the Annual Report may differ slightly from the previously published preliminary figures of the operating and financial indicators.

You can read the full text of the Company's Annual Reports for the past five years on the following websites:

http://disclosure.skrin.ru/disclosure/7708709686

http://fpc.ru

This Annual Report was prepared in accordance with the requirements of regulatory legal acts of the Russian Federation, taking into account the recommendations of the Corporate Governance Code recommended by the Central Bank of the Russian Federation (hereinafter, referred to as the Bank of Russia).

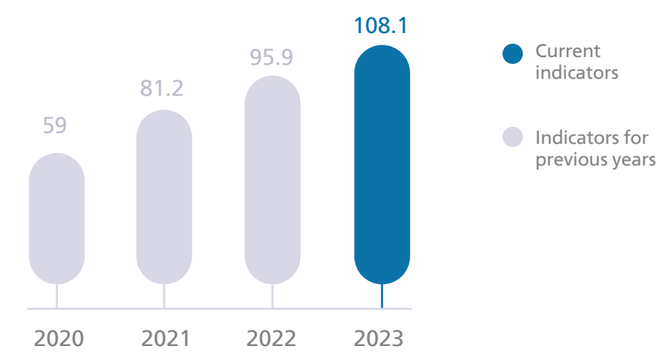
Company Profile

Our Company is the national passenger railway carrier of the Russian Federation. We operate in 77 out of 89 regions of the country, transporting hundreds of thousands of passengers every day, ensuring transport accessibility and geographical connectivity of territories. We are constantly updating and growing in quality to give our customers the best possible travelling experience.

16.3thsd carriages of various categories in the Company's fleet

531 carriages purchased in 2023 (including 104 double-deckers)

Changes in passenger traffic, million people



FPC at a Glance

The Company's route network includes several domestic routes, which have no other alternative modes of transport.

Types of Activities

Regulated domestic long-distance passenger services:
- Third-class open sleeping carriages
- Fourth-class seating carriages
- Carriages with seats
- Motorised carriages

Deregulated domestic long-distance passenger services:
- Deluxe and saloon carriages
- First-class sleeping carriages
- Second-class sleeping carriages
- Special order services
- Tourist trips
- All carriage types in higher-speed trains
- Running of third-party carriages on FPC trains

International long-distance passenger services:
- Passenger services on international routes
- Running of third-party carriages on FPC trains.

Long-distance baggage, unaccompanied cargo luggage, and mail transportation:
- Baggage transportation
- Cargo luggage transportation
- Running of carriages for freight forwarders on FPC trains

Other lines of business:
- Repair and maintenance of clients' rolling stock
- Provision of value-added services on trains
- Leasing of rolling stock
- Leasing of fixed property and equipment.

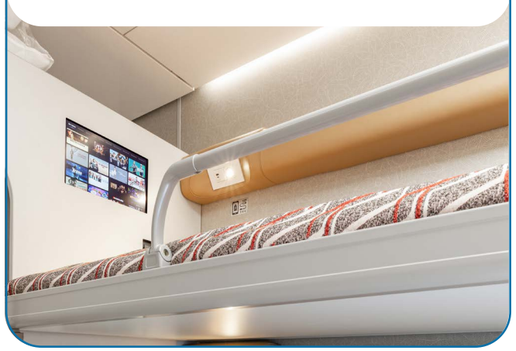
The tight run profile for 2022/2023 includes a total of 468 pairs of trains, about 47 of which have single-option sections on the line.

16,300 carriages
rolling stock fleet

27 tourist trains
in 2023 year (+10 new ones)

Competitive advantages of long-distance trains

1. Security
2. Environmental friendliness
3. Extensive route network
4. Over 97% train punctuality
5. Travelling in any weather
6. Comfortable conditions on train
7. Possibility of transporting impaired passengers
8. Growth in the share of the new fleet
9. High carry-on baggage allowance (up to 36 kg, in first-class sleeping carriages – up to 50 kg)
10. Free travel for children under five years of age
11. No long check-in procedure and proximity of train stations to city centres and other localities



From carriage operator to integrated mobility provider

2010
- FPC commenced independent operations.
- The Company was included in the Register of Natural Monopolies.

2011
- Expansion of JSC FPC's presence in the tourism market: acquisition of a controlling stake in the authorised capital of a company operating in the railway tourism sector.

2012
- High-Speed Traffic Improvement Programme was started.
- Loyalty Programme was launched.

2013
- A logistics company for cargo luggage and mail service started operations.

2014
- Credit ratings were assigned by leading rating agencies.
- The pilot multi-modal service project was put into operation.
- Lastochka electric trains started running.

2015
- A double-decker train made up of carriages with seats was launched.

2016
- A significant increase in passenger-km travelled was achieved after a decline in previous years.

2017
- Over 3 million customers registered with the Loyalty Programme.
- Consumer loyalty index was monitored for the first time, getting a score of 4.1 points out of 5.

2018
- Passenger-km travelled (6%) and number of passengers carried (8%) increased to the highest level since the establishment of JSC FPC.
- A record-high number of passenger carriage replacements was made (724 new carriages purchased, up 70% vs. 2017).
- Over 4 million customers registered with the Loyalty Programme.

2019
- The Development Strategy until 2030 was approved.
- A long-term agreement was signed for passenger carriage development, design, manufacture, testing, certification and delivery until 2025.
- New-design single-decker twin-unit carriages were put into operation.

2020
- Amid COVID-19 challenges, the Company maintained full transport accessibility, protected the health and safety of passengers and employees, continued upgrading the carriage fleet, and retained skilled staff.

2021
- Long-distance passenger service was headed towards sustainable recovery.
- The Zhemchuzhina Kavkaza (Pearl of the Caucasus) tourist train won the Made in Russia competition in the Across Russia with Love category.

2022
- With summer demand drastically increasing, the Company responded to market constraints with flexibility and adapted its resources to maintain stable service. Passenger traffic to/from the southern resorts increased by almost 30% by 2021 and was 10% higher than in pre-pandemic 2019.
- A project of combined transport by train + aircraft was implemented in southern Russia.

2023
- All-time record passenger traffic on the Company's own trains of 106 million passengers was achieved.
- New domestic double-decker carriages and first-class sleeping carriages designed under the import substitution programme and redecorated first class sleeping carriages were put into operation, and a mockup interior of a new first-class sleeping carriage was unveiled.
- The Strategy of Digital Transformation of JSC FPC until 2024 was approved.

2023 Key Developments

Key achievements

- The number of passengers carried by FPC trains reached 106 million, an absolute record since the Company was established. This is 5% more than in 2019 and 13% more than in 2022.
- More than 770.000 children were transported as organised groups (+52.5% vs. 2022).
- JSC FPC joined the Anti-Corruption Charter of Russian Business and took part in the Anti-Corruption Rating of Russian Business. The Company was assigned the AAA+ grade (an organisation with maximum level of anti-corruption).
- The Strategy of Digital Transformation until 2024 was approved. JSC FPC was the first subsidiary of the parent company to successfully approve the Digital Transformation Strategy, having agreed it with the Ministry of Digital Development, Communications and Mass Media of the Russian Federation and the Ministry of Transport of the Russian Federation.
- The Company received the Digital Leaders Award 2023 in the Transformation of the Year category with the project on Formation and implementation of FPC's Digital Transformation Strategy until 2024.
- Important agreements were signed at the XXVI-th St. Petersburg International Economic Forum:
  - Memorandum on joint work on replacing foreign software with domestic software solutions
  - Agreement on co-operation for creating new passenger services
  - Memorandum on expanding co-operation on improving the combined transport (plane + train) project
  - Co-operation agreement to provide long-distance train passengers with access to the best multimedia entertainment content en route – with online cinema
  - Memorandum on development of co-branded cards within the Loyalty Programme

- Following the results of the certification audit of the corporate quality management system (CQMS), a certificate of compliance of the CQMS with the requirements of ISO 9001:2015 was obtained.
- The import substituted models of double-deck carriages 61-4465.08/09, 61-4472.04, 61-4473.04 were designed completed and put into operation.
- First-class sleeping carriages of 61-4174 model with vertical shelves were designed, overhauled (KR-2 scope) with interior renovation and commissioned.
- JSC FPC won the All-Russian Contest "Leaders of Russian Business: Dynamics, Responsibility, Sustainability – 2022" in the category "For Achievements in Occupational Health and Safety".
- The Company's occupational health and safety specialists won individual prizes in the All-Russian Contest "Best Occupational Health and Safety Specialist" and in the IV Open Interregional Contest "Best Occupational Health and Safety Specialist of the Urals –2023".
- A charitable donation agreement was concluded with Pochet Charitable Foundation and an agreement was signed between JSC FPC, the parent company and Pochet Charitable Foundation for the Company to officially join the parent company's corporate volunteering programme.
- The NPS HR project to promote internal customer-oriented approach was recognised as the winner of the parent company's first award in HR management in the "Creating an Atmosphere" category.
- The three-storey building of the passenger technical station of the Ulyanovsk carriage station of the Kuibyshev branch of JSC FPC and the four-storey building of the technical inspection point (attendant pool) of the Vladivostok passenger railroad depot of the Far Eastern branch of JSC FPC were overhauled to improve sanitary and living conditions.
- As part of the International Exhibition and Forum RUSSIA EXPO at the VDNKh, JSC FPC is presenting two modern double-decker second-class sleeping carriages and bistro carriages. A full-size model of an updated first-class sleeping carriage with vertical seats manufactured by JSC Vagonremmash (JSC VRM).
- 1 November marked 10 years since double-decker train scheduled service was lunched. In honour of this event, a function and a photo exhibition dedicated to the history of double-decker trains in Russia were held at Moscow's Kazansky Railway Station.
  In total, double-decker trains carried around 54 million passengers over 10 years, including more than 10 million people in 2023.
- Vladimir Pyastolov, General Director of JSC FPC, received the X All-Russian Tourist Award titled "Route of the Year 2023" (as part of a special nomination by the award's Board of Trustees) for his significant personal contribution to the development of interregional railway tourism.
- The tourist train called the Pearl of the Caucasus won in the Best Excursion Tourist Route category of the Russian Traveller Awards.
- In 2023, the Red Arrow premium-service train became the winner of the annual National Customer Confidence Award called "Brand No. 1 in Russia". The train received a quality mark in the Services and Facilities category (passenger service (railway transport).
- Premium-service train No. 3/4 Express, Moscow – St. Petersburg, turned 50 years old. It was launched on 27 December 1973. For 50 years, it has carried over 10 million passengers.
- JSC FPC became the winner of the XIV Annual Award titled "Quality of Service and Consumer Rights" in the "Service of the Year for Catering on Transport. Railway Transport" nomination in the Retail Services category for new catering concept for passengers.
- JSC FPC became the winner of the competition titled "Transport BPM-project of the year" at Russian University of Transport (MIIT) in nomination called Special Jury Prize for Customer Focus with project on improving customer experience through better passenger service processes in long-distance trains

Public regulation and reforms

- New Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail came into force on 1 September 2023 (Order No. 352 of the Ministry of Transport of Russia dated 5 September 2022), which regulates the procedure for carrying passengers, hand luggage, baggage and cargo luggage by rail. To align the carriage of cargo luggage with the proposal of JSC FPC, the Rules establish separate conditions for carriage of cargo luggage in carriages owned and not owned by the carrier.
- For the first time since the beginning of carriage business of JSC FPC, the federal budget provided for the stated amount of subsidies, which fully covers the Company's revenue losses from usage of third-class open sleeping carriages and fourth-class seating carriages.

Business development

- Since the foundation of JSC FPC and up to present day, the share of electronic sales of travel documents and services has been continuously growing (from 5.5% in 2010 to 80.7% in December 2023).
- To improve the quality of passenger service, the take-a-number-systems were put in place at 15 railway stations across the Russian Federation.
- It is now possible to remotely obtain a certificate of travel fare /luggage allowance. Since the launch, more than 9,000 passengers have make use of this option.
- The "Poputchik" local infotainment system was updated and is now available on 102 trains. It features new films, music, cartoons and books for children, as well as content from online cinema.
- As part of the implementation of the Russian Government's directives in the digital economy on the transition of companies to the predominant use of domestic software, equipment included in the Unified Register of Russian Radioelectronic Products was purchased for issuing tickets and services on trains and for entraining.
- To improve the quality of passenger service and increase the make customer interaction more efficient, an automated system was put in place for assessing and building ratings of personnel, carriages and trains based on the individual customer assessments.
- The software of the Express-3 automated seat reservation management system was updated:
  - When buying a ticket, a passenger can find out about the location of seats on Lastochka electric trains (looking forward or backwards) and choose the most comfortable seats.
  - It is now possible to display transfer services and comfort lounges in the form of pictograms on the travel document.
  - There is an option now to book the transportation of motorcycles and power products in car-carriers.

- The Passenger Identification and Service System of JSC FPC added an information section for a passenger carriage attendant on a mobile data collection terminal, namely:
  - Requests for accompanying support and assistance to passengers with reduced mobility received from the Mobility Assistance Centre of the parent company
  - Numbers of train carriages stopping within the passenger platform on the entire train route, where the timetable indicates a stop, for safe entraining/detraining
  - Data on the geolocation of the train while en route to prevent the yearly detraining of passengers in case of train delay
  - Other features that improve the user experience

- Double-decker trains were added on the routes: No. 357/358 Ufa/Samara –Imeretinsky Resort, No. 571/571 Samara –Anapa, No. 151/151 Moscow – St.Petersburg, No. 549/550 Adler – Togliatti.
- In December, the automated emergency management system at JSC FPC was put into commercial operation. It automates the analysis of data required for making management decisions in abnormal situations.
- The Company offers 10 year-round fare plans with travel discounts. These have been used by about 16 million passengers.
- On the eve of the 80th anniversary of the full liberation of Leningrad from the Nazi blockade, since 1 December JSC FPC granted free travel to persons awarded with the Resident of Blockaded Leningrad badge and one

accompanying person in fourth-class seating carriages, third-class open sleeping carriages, second-class sleeping carriages and first-class sleeping carriages, as well as in carriages with seats in long-distance trains of all categories (without limitation on the number of trips).
- Kuibyshev Branch completed design & survey and construction & installation works to equip the passenger train preparation point of the Ulyanovsk carriage station for launching double-decker trains on the Ulyanovsk – Moscow route.
- Since 1 April, the Company has switched to a new tariff policy for organised groups of passengers (OGP) for domestic service. According to the new policy, special fixed fares are available on trains of the special range, which includes 21 routes (47 pairs of scheduled trains), as well as the majority of JSC FPC's tourist trains, in second-class sleeping carriages and second-class carriages with seats on high-speed trains offer special fixed fares that do not depend on the dynamic pricing. On trains outside this range, there is a discount system of up to 25%, depending on the number of people in the OGP, the number of days before train departure and the travel dates. The special offer for OGP is available to all travel organisers, including tour operators.
- As of year-end 2023, the number of trains with the new catering concept was increased to 26 (in 47 bistro cars).
- The Company launched a project on passenger service allowing to order heat-and-serve hot meals. The projects involves the use of upgraded staff carriages with kitchens equipped with special equipment for storing and warming up heat-and-serve meals, as well as washer and dishwasher.
- The initiative to use FPC's own resources to provide catering services has been underway since March. As of Q4 2023, catering services are provided by employees of three catering units housed by the Moscow, Kuibyshev and Volga branches.
- More than 21,000 passengers used the Food Delivery to Train service. So far, it includes 100 catering companies at 67 stations. The project engaged large chain projects such as Burger King fast food restaurant chain, Sicily and Tanuki restaurant chains, BlinBerry fast food café chain, Milti, JSC Vkusvill and others.
- The loyalty programme is 11 years old and has over 9.9 million people signed up.
- The Travellers Club sub-programme was launched, allowing passengers of tourist trains to save up tourist points and tourist medals, and then exchange them for trips and souvenirs. More than 30,000 people have already joined the club.
- Scheduled service covers 27 tourist trains, including 10 new ones called To the Vineyards by the Sea, To Northern Lights, Along the Golden Ring, Taste of the Era, Russian North. To Veliky Ustyug, To the Lotus Valley, Grushinsky Express, Along the Oldenburgsk Road, as well as regional routes such as Weekend in Dombay and To the Mountains and Thermal Springs for residents and guests of the Rostov Region and the Krasnodar Territory.
  Another new multi-modal tourist project was organised covering Ritsa – Cherepovets – Sochi Airport – Rosa Khutor – Gagra – Sukhum – Sochi – Sochi Airport – Cherepovets.
  New themed carriages have also started running as part of JSC FPC trains. These are the CultSamara carriage in the Zhiguli train, themed carriages dedicated to the work of sculptor, Stepan Nefyodov-Erizi, in the Mordovia train, as well as carriages dedicated to the Orenburg Region in the Orsk – Moscow and Orenburg – St. Petersburg trains.
- Two FPC premium-service trains were given names:
  – In August, special day trains No. 101/102, No. 103/104 and No. 105/106 from Yaroslavl to Moscow were named after V. M. Predybaylov, the honourable railroadman who headed the Northern Railway for about 20 years.
  – On 6 September, a function was held at the railway station in Rostov-on-Don to mark the return of the historic name – Tikhiy Don – to the premium-service train No. 19/20. With the return of the historic name, the interior of the carriages also refreshed. Thus, one of the trains was decorated in a theme inspired by Sholokhov's life. Colourful posters with landscapes of the Don region and quotes of the writer brighten the walls in deluxe carriages, second-class sleeping carriages and third-class open sleeping carriages.
- On 7 December, the first-class sleeping carriage with renewed interior was unveiled at the Vladivostok railway station. Such carriages started its Vladivostok – Khabarovsk scheduled service in the premium train No. 5/6 called Ocean. The carriage seat arrangements were significantly altered; they are now vertical. The width of the shelves increased to 90 cm, the carriage now has a sink, a folding chair and a cubicle for belongings. The concept of a family carriage was also put in practice. According to the concept, two compartments can be combined for accommodate large company.
- A luggage porter service was introduced, which is now available at more than 40 stations.

Redirecting passenger traffic in southern Russia

54 +6.8% vs. 2022
million passengers
carried in summer

~1,900
trains added to cover the south direction

Due to the closure of airports in southern Russia and restrictions on flights, JSC FPC satisfied market demand with maximum flexibility and adapted its resources to ensure uninterrupted and comfortable transport services. The Company significantly increased the supply and scheduled additional trains (over and above the normal schedule).

During peak periods, up to 550 long-distance trains departed from stations all over the country every day. Over 4,600 trains, including about 1,900 trains heading to the south of the country, ran in addition to the regular trains throughout the summer holiday time.

Thanks to the hard efforts of it personnel, the Company organised the uninterrupted carriage of 54 million people during the summer period, up 6.8% year-on-year. For summer holidays, more than 11 million people opted to travel by rail to places along the Black Sea coast and in the North Caucasus.

Geographic Reach

JSC FPC

is a national rail passenger carrier of the Russian Federation and an entity subject to anti-monopoly regulation. JSC FPC's route network is based on the parent company's railway infrastructure (more than 85,600 km by 2023) – the world's third-longest railway network.

JSC FPC branches

1. **North Western Branch** St. Petersburg
2. **Moscow Branch** Moscow
3. **Gorky Branch** Nizhny Novgorod
4. **North Caucasus Branch** Rostov-on-Don
5. **Volga Branch** Saratov
6. **Kuybyshev Branch** Samara
7. **Ural Branch** Yekaterinburg
8. **West Siberian Branch** Novosibirsk
9. **East Siberian Branch** Irkutsk
10. **Far Eastern Branch** Khabarovsk

>85,600 km – railway infrastructure

77 Russian regions covered by FPC's route network

54,3 thousand people – headcount

17 years – average age of the fleet

Business Model

JSC Federal Passenger Company

State

- Regulation, subsidies, interest in increasing transport mobility
- Control of service quality and safety levels to ensure they meet the approved standards
- Stronger investment appeal of the transport industry
- Higher budget efficiency of the transport industry

Lines of business

- Regulated domestic long-distance passenger services
- Deregulated domestic longdistance passenger services
- Regulated international long-distance passenger services
- Long-distance baggage, unaccompanied baggage, and mail transportation
- Other lines of business

Key resources

Carriage fleet
16.3 thousand carriages

Carriage turnover
2,828.2 million carriage kilometres

Loans and borrowings as at 31.12.23
41.5 RUB billion

Equipment and materials

- 23 depots
- 36 carriage sites
- 10 railway agencies
- 1 Vehicle Transport Centre
- 3 Passenger Catering Directorates

Technical services and maintenance
~400 contractors

Average headcount
54.3 thousand people

Key partners

Parent Company and its branches

- Provider of locomotive and infrastructure services
- Supplier of equipment and materials

Commuter companies

- Ticket sales, multimodal transport services

Market

Resource suppliers

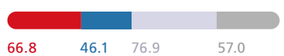
- Carriage supplier
- Finance market
- Labour market
- Materials and equipment market
- Technology market
- Technical services and maintenance market

Distribution of key financial flows

INVESTMENT ACTIVITIES, RUB billion

- Rolling stock acquisition
- Rolling stock upgrades
- Other

OPERATING ACTIVITIES, RUB billion



- Payroll expenses
- Material expenses
- Infrastructure services expenses
- Locomotive lease expenses

FINANCIAL ACTIVITIES
5.3 Interest payable RUB billion

Product range

Transportation

- In branded trains:Deluxe / 1st- and 2nd-class sleeping carriages / 3d-class open sleeping carriages / motorised and seating carriages
- In standard trains: Deluxe / 1st- and 2nd-class sleeping carriages / 3d-class open sleeping carriages / motorised and seating carriages
- In international trains: Deluxe / RIC / seating carriages
- In tourist trains

Other

- Baggage, unaccompanied baggage and mail transportation
- Repair and maintenance of clients' rolling stock
- Value-added services on trains
- Other transportation services

Promotion

- Advertising campaigns
- PR support in media and events
- Posting of information and promotional material on trains, ticket offices, the Internet and social media
- Marketing promotions
- Loyalty programme

Sales channels

JSC FPC (ticket offices)
23%

Internet
75%

Agencies
2%

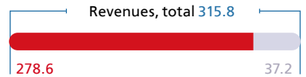
Cost breakdown

COST BREAKDOWN, RUB billion

- Passenger services
- Other lines of business

Revenue breakdown

REVENUE BREAKDOWN, RUB billion



- Passenger services
- Other lines of business

8,4 RUB billion Federal budget subsidies

Profit / Loss

NET PROFIT
21.1 RUB billion

KPI

Traffic safety level
Passenger satisfaction index (long-distance trains)

Key values

For passengers

- Transportation
- Good travel experience
- Time saving

For the state

- Driving population mobility while ensuring the effectiveness of budget expenditures

For corporate clients and other consumers

- High quality work at a decent price in a reasonable time

Customers

- Passengers
- Corporate clients
- Other consumers
- Public authorities and agencies

KPI

Revenue from regular activities
EBITDA margin

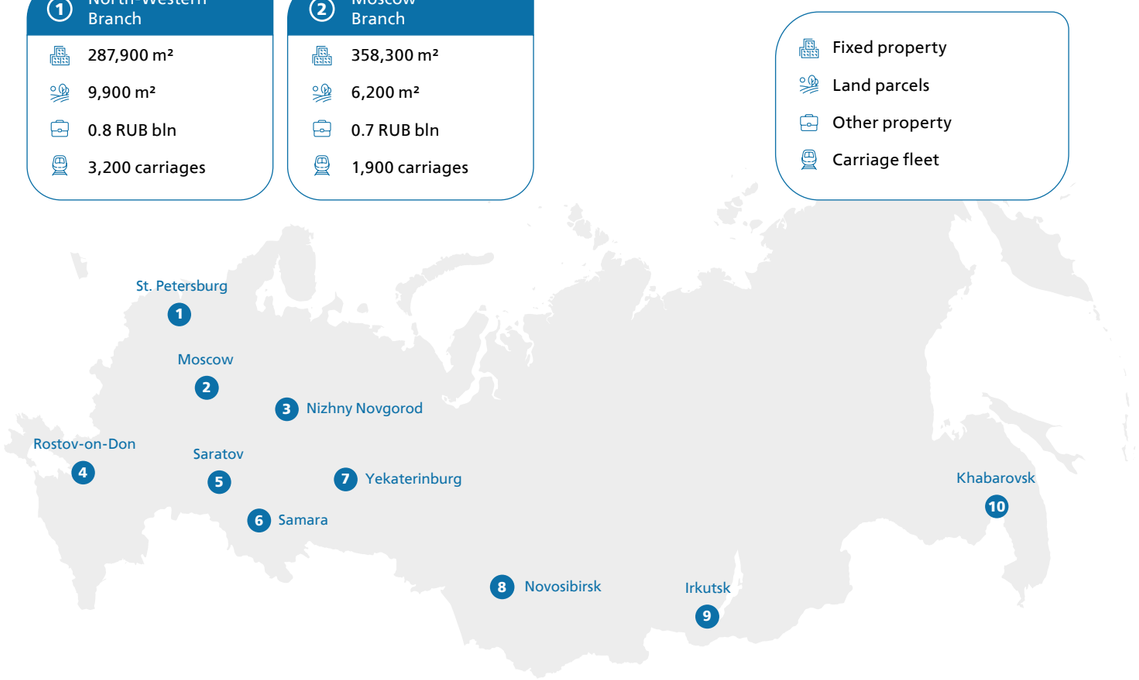
KPI

Passenger departures
Net debt/EBITDA

Key risks*

* In accordance with the Risk Management section

JSC FPC's assets at the 2023 year-end (as of 31 December 2023)



1 North-Western Branch
- 287,900 m²
- 9,900 m²
- 0.8 RUB bln
- 3,200 carriages

2 Moscow Branch
- 358,300 m²
- 6,200 m²
- 0.7 RUB bln
- 1,900 carriages

3 Gorky Branch
- 75,200 m²
- 0.3 RUB bln
- 1,300 carriages

4 North Caucasus Branch
- 204,800 m²
- 6,700 m²
- 0.9 RUB bln
- 1,900 carriages

5 Volga Branch
- 169,000 m²
- 100 m²
- 0.4 RUB bln
- 1,400 carriages

6 Kuybyshev Branch
- 106,300 m²
- 0.4 RUB bln
- 1,300 carriages

7 Ural Branch
- 184,600 m²
- 4,500 m²
- 0.7 RUB bln
- 1,800 carriages

8 West Siberian Branch
- 174,100 m²
- 10,300 m²
- 0.4 RUB bln
- 1,100 carriages

9 East Siberian Branch
- 166,000 m²
- 2,200 m²
- 0.4 RUB bln
- 1,400 carriages

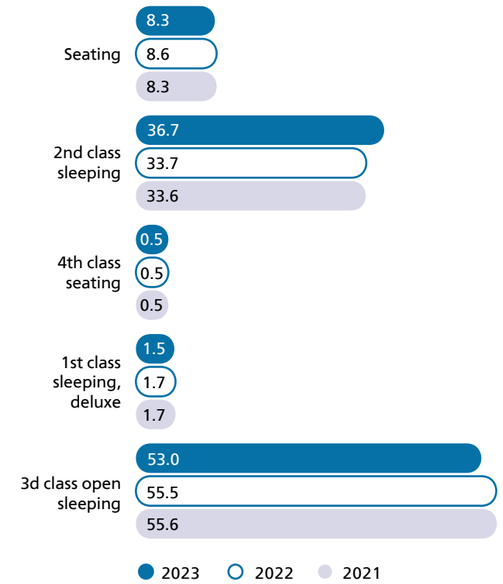
10 Far Eastern Branch
- 65,200 m²
- 3,4 RUB bln
- 1,000 carriages

2023 Highlights

Operating Indicators

Indicator	2021	2022	2023	vs. 2022, %
Billion passenger-km travelled	67.3	81.2	**91.4**	112.6
On trains made up by JSC FPC	66.7	79.9	**89.9**	112.5
Deregulated segment	27.1	32.9	**39.2**	119.2
• Domestic service	26.1	31.2	**37.5**	120.0
• International service	1.0	1.6	**1.7**	103.9
Regulated segment	39.6	47.1	**50.8**	107.8
• On trains made up in the CIS and Baltic States	0.6	1.2	**1.4**	116.1
Passengers carried, million passengers	81.2	95.9	**108.1**	112.7
• deregulated segment	33.8	40.5	**47.3**	117.0
• regulated segment	47.4	55.5	**60.7**	109.5
Average train makeup, carriages (TsO-33 format)	11.4	11.9	**12.3**	103.6

Passenger-km travelled by carriage type, %

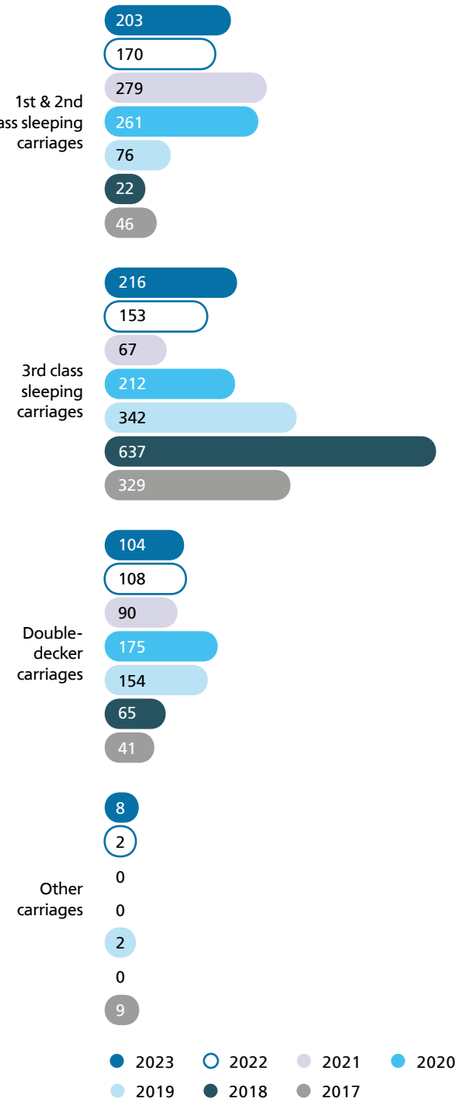


Factors that influenced the change in passenger-km travelled in 2023

Regulated segment:
- Change in transport activity of the population (+7.7% vs. 2022)
- Replacement of single-decker trains with double-decker trains (–0.1% vs. 2022)
- Marketing promotions (+0.2% vs. 2022)

Deregulated segment:
- Change in international rail service (+0.2% vs. 2022)
- Change in transport activity of the population (+17.5% vs. 2022)
- Replacement of single-decker trains with double-decker trains (+0.2% vs. 2022)
- Marketing promotions (+1.3% vs. 2022)

Dynamic pattern of rolling stock acquisition

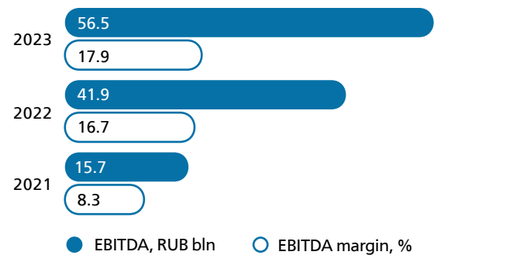


Financial Indicators

Operating revenue, RUB billion

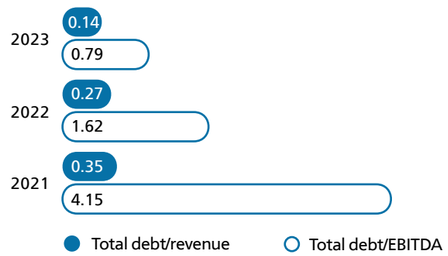
Increases in traffic volumes, indexation and the application of marketing strategies, along with growth in the sales of commodities on trains and the upkeep and repair of customers' rolling stock, are the key factors contributing to the year-over-year increase in income from core activities.

EBITDA and EBITDA margin, including subsidies



The year-on-year improvement in EBITDA and EBITDA margin is driven by revenue growth due to higher passenger-km travelled in 2023.

Total debt to revenue and EBITDA ratio



In 2023, there was a drop in debt ratios due to elevated traffic levels and subsequently higher EBITDA.

Sustainable development indicators

Personnel trained, people

Amount of social security benefits per retiree, RUB ‘000

Personnel training costs, RUB million

Occupational health and safety costs, RUB ‘000

Amount of social security benefits per employee, RUB ‘000

Investment Appeal

Stable position at the long-distance passenger railway carriage market in Russia

Well-developed production grounds and uniquely large fleet of passenger carriages

Government regulation of fares for long-distance passenger service and compensation of related revenue losses

High social and strategic importance for the state as the main carrier on long-distance routes covering a substantial part of Russia, including regions with extreme natural and climatic conditions and a lack of road and air infrastructure

JSC FPC’s investment case

AAA+
Anti-Corruption Rating Grade of Russian Business (companies with the highest level of anti-corruption compliance and the lowest level of risk of corruption and the lowest level of associated threat to investors, creditors, business partners and other stakeholders)

Limited competition in the domestic passenger railway market due to high entry barriers and long payback periods

Growth of transport mobility of the population

Effective risk management and internal control

High corporate governance level

Strategic importance in realising the long-term objectives of the parent company

Application of sustainability standards

Credit Ratings

AA+(RU), with Stable outlook by the National Rating Agency ACRA (JSC) (confirmed in November 2023)

Development Strategy

The goal of JSC FPC's strategy is to fortify its standing as a major participant in Russian passenger transportation service while also adjusting to the ever-changing market. In order to do this, we are growing and refining our route network, upgrading our rolling stock fleet, using cutting-edge technologies, enhancing customer service, and reinforcing our ties with other carriers and travel agencies.

+13% passenger traffic growth vs. 2022

27 tourist trains (+58% vs. 2022)

Message from the Chairman of the Board of Directors

Dear shareholders, partners and colleagues,

JSC FPC ended 2023 with solid financial performance and strong operating results. As a national long-distance railway carrier, the Company made an effective use of the situation unfolding in the domestic freight and passenger market, turning challenges into new opportunities.

Improvement in the macroeconomic situation is one of the contributors to FPC's operations: according to Rosstat, Russia's GDP increased by 3.6% last year. The growth of household disposable income exceeded the forecast values, which had a positive impact on transport mobility of people. Growing interest in domestic travel is now another factor propelling the Company's growth.

In order to meet the growing demand for rail service, FPC used available technical resources and personnel, while placing a strong focus ion passenger comfort.

The Company allocated RUB 48.9 billion (93.5% of the investment programme) for the acquisition and upgrade of the rolling stock fleet. FPC added 104 double-deck and 427 single-deck carriages to its fleet, which meet high comfort and safety requirements.

The use of modern rolling stock and improvement of service quality had a positive impact on the transport process, including in the tourist segment. The Company increased the number of bistro carriages with the new catering concept: there were 47 of them in 2023. Along with an electronic ticket for a tourist train, passengers now have the option to book not only a vacation package but also individual tours. The list of tourist destinations was expanded, and the Travellers' Club became fully operational as part of the loyalty programme.

It is worth noting that in the reporting period, investments aimed at developing information technologies almost doubled and reached RUB 1.3 billion.

The Company's work was highly appreciated by the expert community. Thus, the Analytical Credit Rating Agency affirmed FPC's rating at AA+(RU) with a stable outlook. For the first time, the Russian Institute of Directors assigned JSC FPC a National Corporate Governance Rating of 6++, Good Corporate Governance Practice. These achievements will surely provide the Company with additional motivation for further successful development.

In 2023, FPC joined the Anti-Corruption Charter of Russian Business and according to the rating results, received the highest grade AA+, which is assigned to organisations with the highest possible level of anti-corruption.

The FPC's awards portfolio has also expanded. The Company won the XIV Annual Award "Quality of Service and Consumer Rights" for a new catering concept. The Digital Leaders Award 2023 is given in recognition of the Company's accomplishments related to digital transformation. The Red Arrow premium-service train received the prestigious national customer confidence award "Brand No. 1 in Russia".

I am positive that the achievements will serve as an incentive to enhance FPC's standing within the passenger service market. The Company will continue to introduce innovative services and technologies, expand the range of train services and ensure stable railway connections between the regions of our country.

Chairman of the Board of Directors, JSC FPC

Message from the General Director

Dear shareholders, partners and colleagues,

In 2023, Federal Passenger Company continued to effectively work through shifting market conditions for transportation services, expanded its route network, and raised service standards. I would like to thank our passengers for their trust in our Company and our staff for their excellent job performance, responsible approach and dedication.

By adhering to the principles of customer focus and social responsibility, we ensure transport mobility for the general public and establish conducive environments for secure, reasonably priced and comfortable travel.

During the year, the Company successfully applied a range of tariff plans that allowed approximately 16 million of our passengers to travel at reduced prices. This means that almost every seventh ticket was discounted. Special rates are available for children, large families, students and passengers with disabilities, etc.

Third-class open sleeping carriage and fourth-class seating carriage travel has historically been quite popular; in the state-regulated segment, traffic volume climbed by 9.5% to 60.7 million passengers.

Unquestionably, rolling stock renewal contributes significantly to the Company's competitiveness in addition to an alluring pricing offer. In 2023, the fleet received 531 new carriages meeting all modern comfort and safety requirements. We also gave an overhaul reconditioning to our carriages to revamp our fleet.

At the same time, the Company worked on performance augmentation of rolling stock: for example, first-class sleeping carriages with vertical seats were put into service. This unconventional approach allowed increasing the berth width. And for those travelling with children or elderly relatives, it is now possible to combine two compartments into one. In 2023, these carriages were tried out by passengers of the Ocean branded train Khabarovsk – Vladivostok, and the geography of their service is expanding.

The development of customer care services is still a top priority. Last year, we updated the local infotainment system "Poputchik": it was redesigned to improve the user experience and intuitive navigation, and added a wider range of media content.

What's more, cutting-edge technologies proved to be the recipe for success. The Company has been making comprehensive efforts to integrate them into its business processes.

In the reporting period, JSC FPC approved its Digital Transformation Strategy, which is focused on technological sovereignty, competitive growth and economic efficiency of the Company.

I am convinced that the achievements of the past year will serve as the cornerstone for future success and will give us the confidence to proceed with our development strategy going forward. With tonnes of exciting initiatives in front of it, the Company will keep its focus on the mission, while keeping up and even accelerating its growth rates.

I would note that 2024 is a special year for us: JSC FPC turns 15 years old. There is no doubt that this stage will go down as a pivotal moment in the Company's history, as well as the national railway service history.

General Director, JSC FPC

Market Overview

Key economic growth indicators[1] in % vs. previous year

Indicator	2023
GDP	103.6
Industrial production index	103.5
Consumer price index	105.9
Investment in fixed assets[2]	110.0
Unemployment rate	3.2
Retail sales	106.4
Sales of paid retail services	104.4

In 2023 the volume of population income increased by 10.7% year-on-year to RUB 88,334.1 billion. The average monthly accrued salary in November 2023 was RUB 73,383, an increase of 15.2% compared to the same period of the previous year.

The real population income in 2023 grew by 4.6% year-on-year and in Q4 2023 – by 6.8% compared to a year earlier.

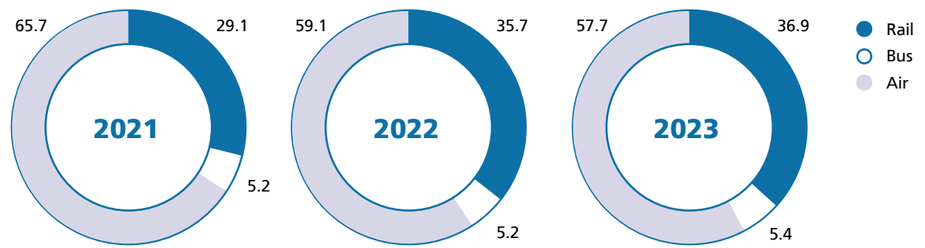
Long-distance passenger service market

Russian transport market

Air carriers, bus carriers and personal vehicles are main competitors of JSC FPC. The market has become much more competitive in recent years. The reasons were the development of aviation, the growth of the personal car fleet, car sharing services, state support for regional aviation, the construction and renovation of new motorways and airports. Therefore, rail transport no longer dominates the long-distance passenger transport market.

[1] Rosstat data (https://rosstat.gov.ru).
[2] Nine months of 2023 to nine months of 2022.

Structure of the domestic passenger transport market[1], %



Share of long-distance passenger transport market players in total passenger-km travelled, %

Indicator	2021	2022	2023
Railway carriers, including	**29.1**	**35.7**	**36.9**
JSC FPC	**26.0**	**31.1**	**31.9**
Directorate for Higher-Speed Services, a branch of the parent company	1.7	1.8	**1.7**
JSC Grand Service Express Transport Company	1.2	2.4	**2.8**
Others	0.2	0.4	**0.5**

Because to the state of the passenger transportation business, particularly the shutdown of several airports in southern Russia, there was a higher share of rail service in passenger-km travelled in 2023.

In 2024, FPC's budget envisages a 1.1% increase in passenger-km travelled against the 2023 level, and a 1.0% increase in the number of passengers carried. It is anticipated that air travel[2] will increase by roughly the same proportion.

The average distance travelled by FPC trains in domestic service in the 12 months of 2023 remained flat with 2022 and amounted to 846 km.

Today, JSC FPC is the leader in the long-distance passenger rail service market. However, as can be seen in the table, competition with other carriers has increased recently. JSC FPC's share in the long-distance domestic service among Russian railway carriers in 2023 was 86.6%, which just marginally (by 0.5 p.p.) lower than in 2022. The expansion of the route network to the areas outside FPC train service and the speed advantages of rivals' rolling stock are the main reasons behind this situation.

86.6%
share of JSC FPC on Russian railways in long-distance transport services

[1] Sources: railway service – statistical reporting by TsO-33, TsO-32, air service – Federal Air Transport Agency (www.favt.ru) and expert evaluation according to Federal Air Transport Agency, bus service – expert evaluation according to Rosstat (www.gks.ru).
[2] According to Resolution No. 1693-r of the Government of the Russian Federation dated 25 June 2022, the Comprehensive Programme for the Development of the Air Transport Industry of the Russian Federation for 2024 projects a 1.0% increase in passenger traffic on domestic air routes compared to 2023.

FPC's peers

Indicator	JSC FPC			DB Fernverkehr (Germany)			SNCF Voyageurs[1] (France)		
	2022	2023	vs. 2022, %	2022	2023	vs. 2022, %	2022	2023	vs. 2022, %
Passengers carried, million people	95.9	108.1	113	132.0	140.3	106	105.4	124.0	118
Revenue, EUR billion	3.5	3.4	99	5.0	5.9	118	8.5	9.7	114

DB Fernverkehr (Germany)

DB Fernverkehr is a Deutsche Bahn Group business unit providing national high-speed and cross-border long-distance rail passenger services.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within Deutsche Bahn Group.

SNCF Voyageurs, Business Unit — TGV-INTERCITÉS (France)

TGV-INTERCITÉS is the business unit of SNCF Voyageurs — the passenger carriage division of SNCF Holding. It specialises in long-distance passenger servicing in France and other European countries.

Rolling stock repair, maintenance, and management, as well as communications and IT services are provided by specialist companies within SNCF Voyageurs Group.

FEDERAL PASSENGER COMPANY

JSC FPC (Russia)

Unlike the above companies, FPC's activities cover the majority of important business processes: acquisition, maintenance and repair of rolling stock, sales organisation, revenue collection, as well as management and administration, IT and communications.

JSC FPC has

10 regional branches,

as well as an extensive network of depots and carriage stations and personnel to support all business processes

[1] Data are provided for the TGV-INTERCITÉS transport company operating long-distance trains in France.

Strategy

The three main pillars of JSC FPC's strategy are excellent passenger service, long-term financial growth, and social responsibility. These goals are the basis for the Company's successful operations and its contribution to the development of Russia's transport infrastructure.

As a key business unit of the parent company, JSC FPC is mainly focused on the achievement of financial and economic volume targets set out in the Parent Company's Long-Term Development Programme of Russian Railways until 2025 (LDP) approved by the Russian Government.

In 2019, the Company put in place the Development Strategy of JSC FPC until 2030[1] (hereinafter – Strategy) and also established its implementation framework.

The Company also approved the Regulations on the System of Key Performance Indicators of JSC FPC[2] to motivate company management to achieve FPC's strategic goals through a system of target key performance indicators (KPIs).

Mission

Improving the quality of life by offering extremely safe, affordable and comfortable passenger experience.

[1] Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 11 dated 27 December 2019).
[2] Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 24 dated 3 July 2023).

Vision

JSC FPC is a leader in the passenger service market in the Russian Federation. It is a highly efficient, financially stable, customer-oriented company committed to increasing the mobility of all customer segments and regions of the Russian Federation and embracing all key and sought-after long-distance destinations.

1. Russia's leader in passenger mobility

National carrier providing traditional and high-speed long-distance rail passenger services both in Russia and abroad

Leader by passenger traffic in long-distance transport in Russia

Leader in long-distance ticket aggregation services, offering single tickets connecting rail passenger services across Russia's regions

2. Customer-focused company

Leader in service quality in long-distance land transport, providing high-quality value proposition and comfortable long-distance travel experience, including transit connections with other modes of transport and multi-modal transport services

3. Socially responsible company

Sustainable development of mobility across customer segments and regions of Russia

4. Highly efficient, financially stable company

Maximisation of the financial result and self-sustainability of operations

Quantitative characteristics of FPC's vision in 2025[1]

Vision of JSC FPC	Reference parameter	Projected value
Russia's leader in passenger mobility	Passengers carried	118 billion people
Customer-focused company	Investment in new rolling stock	RUB 59 billion (cumulatively in 2024–2025)
Socially responsible company	Passenger-km travelled in regulated segment	54 billion passenger-km travelled
Highly efficient, financially stable company	Expected yield	RUB 330 billion

According to the Strategy, the Company's main focus is on boosting the average train speed, developing comprehensive combined transport operations (such as multi-modal transport services), increasing passenger traffic on the key routes in Russia, and improving the competitiveness of our existing services. The Company will also continue to act as a public carrier, which means servicing single-mode or socially important routes.

The Strategy's key targets relevant to FPC address changes in the transport market, the competitive situation, evolving customer requirements, and development trends in the passenger transport regulatory environment.

FPC's strategic goals

Indicator	2025	2030
Passengers carried, million passengers	118	122
Revenues, RUB billion	330	431
EBITDA, RUB billion	53	82
Net debt / EBITDA, ratio	Not more than 2	
Carriage purchase volume	>2,600 carriages (cumulatively in the period from 2024 to 2030)	

Results of the Strategy in 2023

In 2023, in light of the new circumstances, the Company kept up its efforts to maintain and enhance transport accessibility amid airport closures in southern Russia, as well as to increase passenger traffic, stimulate demand for passenger transportation, and optimise costs. About 108 million passengers were carried during 2023.

To ensure the guaranteed quality of transportation, JSC FPC continued to improve its services, develop new routes and renew its rolling stock.

The tourist train network is constantly being expanded to provide our citizens with a comfortable and secure tourism environment. The trains are made up of modern and comfortable carriages.

[1] In accordance with the approved Strategy.

Strategic areas of development

Network

In 2023, the route network of double-decker trains was expanded.

- A new train No. 357/358 Ufa/Samara – Imeretinsky Resort
- In order to meet demand in the summer period, scheduled service was added the following trains: No. 571/571 Samara – Anapa, No. 151/151 Moscow – St. Petersburg, No. 549/550 Adler – Togliatti

Fleet

In 2023, carriages were purchased under the long-term agreement with suppliers until 2025. According to the agreement, four batches of rolling stock are to be supplied:

- Carriages of existing model range
- New models of single-decker carriages
- New models of double-decker carriages
- Innovative single-deckers and double-deckers

Improved carriages are among the rolling stock to be purchased:

- Quiet, private space for personal relaxation
- Spacious interior with room to walk around
- Low floors and barrier-free environment
- Dedicated luggage areas
- Advanced technology intensiveness

In 2023

531 **new carriages**

(427 single-deckers and 104 double-deckers) were purchased

Product offering

The Company is planning a transition to a new unified, high-quality product offering. A consumer focus is at the heart of the strategic initiative. An intuitive value proposition is being developed for passengers, based around the unification of technical equipment of carriages and standardisation of value-added services. As of the end of 2023, the transition to the new product line has not yet been completed.

Multi-modality

In 2023, the Company offered multi-modal service (train + bus) for six routes: Kostroma – Yaroslavl, Boksity – Serov, Belgorod – Rossosh, Vologda – Yaroslavl, Arzamas – Diveevo, Ussuriysk – Andreevka in summer time.

In 2023, multi-modal service covered around 45,300 passengers

FPC is planning to further expand its multi-modal services and improve the performance of the existing routes.

Other business lines and adjacent businesses

To improve market stability, JSC FPC seeks to diversify its operations and develop businesses that increase the profitability of transportation:

- On-train passenger services
- Development of rail tourism
- Services involving all modes of transport
- Logistics services (cargo, mail, etc.)

Developments in this area in 2023:

- The number of FPC trains with access to the Poputchik infotainment system was increased to 102
- The faster payments system (FPS) was implemented at FPC's ticket offices
- Map of tourist routes was significantly expanded (up to 36). In 2023, 27 tourist trains, including regional projects, were offered to passengers. Over 100,000 people used the service last year.

Key performance indicators

The KPI system is used to evaluate the Company's performance and contribution to the implementation of the parent company's strategic goals. The Regulations on the System of Key Performance Indicators of FPC JSC[1] (hereinafter – the Regulations) establish the set of KPIs and the process for determining the extent to which they are met. FPC's corporate KPIs reflect the Company's performance in the reporting period (during the year) and are based on the strategic goals and objectives set for the Company.

The list of FPC's annual corporate KPIs for 2023 includes:

- Passenger satisfaction index (long-distance trains)
- Traffic safety level
- Passenger departures
- Revenue from regular activities
- EBITDA margin
- Net debt/EBITDA

Targets were set for each indicator. The target values for all of JSC FPC's corporate KPIs were achieved by the end of 2023.

FPC's key objectives for 2024

- Consolidating the Company's position in the passenger service market through route network expansion, new level of customer service, rolling stock replacement, and operational infrastructure upgrade and modernisation
- Implementing initiatives envisaged in the FPC Development Strategy until 2030, including expanding the geography of double-decker trains, launching new trains, improving the competitiveness of the existing product line and renewing rolling stock
- Ensuring guaranteed quality of carriage
- Designing and implementing integrated marketing projects to develop new offerings
- Bringing the long-distance passenger satisfaction index to at least 87.9 points
- Improving the level of traffic safety
- Taking measures to reduce the negative environmental impact
- Developing human capital
- Building digital capabilities and actively deploying digital technologies to enhance the efficiency of internal processes and improve services
- Ensuring transport mobility of the population due to increased passenger traffic to southern destinations

[1] Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 24 dated 3 July 2023).

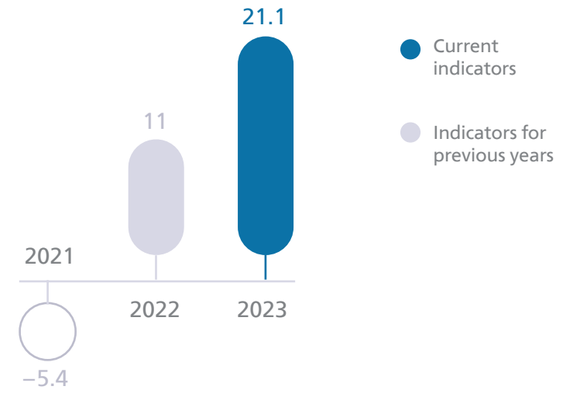
Performance Overview

2023 proved to be a successfull year for JSC FPC. A competent marketing strategy, investments in infrastructure and technology development, efficient management, favourable economic conditions, and rising passenger transportation demand all contributed to the Company's notable improvement in operating and financial performance during the reporting period.

108 mln
total number of passengers carried (+13% vs. 2022)

315.8 RUB bln
Income from operating activities (+26% vs. 2022)

Changes in net profit, RUB billion



Tariff Regulation

Regulated Transportation Segment

Fares for travel in third-class open sleeping carriages and fourth-class seating carriages (with seats) of passenger and high-speed locomotive-hauled trains and first-, second- and third-class carriages in high-speed trains of motor driven rolling stock are established by the Tariff Guide approved by the Order of the Federal Tariff Service of Russia No. 156-t/1 dated 27 July 2010, depending on the category of train, type of carriage and distance travelled by passenger, which is indexed by relevant orders of the Federal Antimonopoly Service (FAS Russia).

Since 1 January 2023, tariffs in this segment were indexed by 8.1% (Order of FAS Russia No. 798/22 dated 11 November 2022).

In accordance with Order of FAS Russia No. 751/23 dated 19 October 2023, since 1 December 2023 these tariffs are indexed by 10.75%.

In order to avoid a sharp increase in fares, JSC FPC decided to reduce fares by 5% from 1 December to 23 December and by 2% from 24 December to 30 December.

Starting from 2003, indices differentiated by calendar periods of the year are applied for tariff rates of domestic public railway service in third-class open sleeping carriages and fourth-class seating carriages (when using locomotive-hauled trains) in long-distance trains of JSC FPC and motor driven rolling stock. The periods of application of differentiated indices are adjusted depending on holidays and weekends on the basis of the occupational calendar.

8.1%
tariff indexation in the regulated transport segment

This solution is aimed to streamline the demand for long-distance passenger service and reduce the carrier's overall costs of maintaining a reserve fleet of carriages and locomotive crews. This measure helps to accommodate the traffic during peak demand periods and allows passengers to save money during periods of relatively low transport mobility.

Since 2021, JSC FPC has been authorised to set differentiated indices to the fare level by calendar periods (hereinafter referred to as flexible tariff regulation schedule). The maximum index to fare rates is 1.2, and it is depends on changes in demand and is kept at such a level that annual average does not exceed 1.0. The flexible tariff regulation schedule is approved by the Company's internal regulatory documents.

Since 2015, JSCFPC has been granted the right to regulate fares for travel in third-class open sleeping carriages within the established level. This allows the Company to run various marketing campaigns in this transport segment.

The Company continues to offer marketing initiatives for third-class open sleeping carriages and forth-class seating carriages (with seats). Rail service has been made more accessible to a wider range of people by reducing fares based on where in the carriage seats are.

Deregulated Transportation Segment

In accordance with clause 5 of the List of works (services) of natural monopolies in railway service, tariffs, fees and charges of which are regulated by the state, approved by the Russian Federation Government Resolution No. 643 dated 5 August 2009, the Company has the right to independently set passenger fares for first-class and second-class sleeping carriages.

Price regulation is also not applied to passenger public rail service with high-speed trains in the domestic market. This right is set out in Decree No. 431-t/1 of the FTS of Russia dated 14 December 2010 "On Changing State Regulation of Natural Monopolies in the Context of Domestic Public Rail Passenger Services, as well as Bed Linen Provision Service".

Thus, in the deregulated segment (in deluxe carriages, first-class sleeping carriages and second-class sleeping carriages, as well as in all types of high-speed train carriages), JSC FPC sets passenger fares independently.

The main tariff setting mechanisms in the deregulated segment in force in 2023:
- Dynamic pricing system
- Year-round tariff plans
- Sales promotion

Dynamic Pricing System

Dynamic pricing is a multi-factor tariff setting tool. Fares vary with train category, uneven demand (depending on time of year, day of week, departure and arrival times), seat/berth category (upper or lower berth), depth of sales, etc. At the time of sale, dynamic pricing creates variable fares at the system level by taking into consideration both anticipated demand and a variety of environmental phenomena.

The pricing system helps ensure the balance between the demand for, and cost of, services, ultimately driving the demand for rail services.

FPC offers various marketing initiatives to stimulate consumer demand in both the deregulated and regulated segments and to defend the Company's position in the passenger market.

Marketing Initiatives

The Company's marketing policy is instrumental in retaining the existing market share and attracting new customers.

FPC is a customer-oriented and socially responsible company. In order to increase passenger satisfaction, attract passenger traffic to rail transport and improve the overall affordability of transportation, the Company actively uses incentives and marketing initiatives aimed at reducing the passenger fare burden.

10 fare plans
offered in 2023
(7 selective marketing initiatives)

>1 million passengers
were attracted additionally by flexible pricing policy in 2023

In order to better communicate with our passengers, we are continuously refining the tariff policy for long-distance trains.

In an effort to lower the overall cost of transportation, we allow our clients the option to buy travel documents on special year-round fare plans for several traveller categories:

- On Birthday Better by Train – 10% discount for the birthday person and three accompanying persons in all types of carriages
- Non-refundable fares – 20% discount when purchasing a non-refundable ticket in the last four-seat compartment of a second-class sleeping carriage
- 50% discount for children aged 10 to 17 in fourth-class seating carriages, second-class sleeping carriages of double-decker trains, and 2nd- and 3rd-class seating carriages of motor driven rolling stock
- "Entire Compartment" – up to a 20% discount on the purchase of an entire compartment in the sleeping carriage
- SINGLE in first-class sleeping carriages – 20% discount when buying the whole compartment
- Big Family – 15% discount in second-class sleeping carriages
- For 60+ passengers – 15% discount in second-class sleeping carriages
- For disabled passengers – 50% discount when travelling in a designated compartment for passengers with disabilities and for one person accompanying them; in second-class and first-class sleeping carriages for passengers with the first disability group and one person accompanying them, disabled children and one person accompanying them who are members of the Loyalty Programme
- Loyalty Programme for students – 25% discount for full-time undergraduate and postgraduate full-time students participating in the student project of the Loyalty Programme for second-class sleeping carriages of long-distance trains and carriages with seats on high-speed trains

About 20 million people were able to travel at a discount thanks to a set of ticket plans intended to increase the affordability and availability of rail travel and to improve population travel behaviour.

Projects realised in 2023

Fare products

In 2023, the Business Pass[1] covered a total of 10 routes: Moscow – St. Petersburg, Moscow – Petrozavodsk, Moscow – Bryansk, Moscow – Rostov-on-Don, Moscow – Cheboksary, Moscow – Yaroslavl, high-speed trains Lastochka of 700th numbering (from Moscow to Nizhny Novgorod, Belgorod, Kursk and Smolensk). In total, more than 6,900 business passes were purchased in 2023.

Passengers who make frequent journeys are also offered to purchase personalised discount cards, which entitle them to purchase discounted travel tickets (during card validity period) for seating carriages or in compartment carriages on domestic long-distance trains made up by JSC FPC. The discount ranges from 10 to 20% and depends on the discount plan chosen. A total of about 1,600 discount cards were purchased during 2023.

Total for 2023:

~20 million
passengers made use of discounts

>6,900
business passes purchased

~1,600
discount cards purchased

[1] For reference: in 2018, the first pilot Business Pass e-card was launched on the Moscow – Nizhny Novgorod route.

Corporate Quality Management System

Quality Policy and Targets

JSC FPC's corporate quality management system (CQMS) is built in line with the parent company's Quality Management Strategy, the Development Strategy of JSC FPC, and ISO 9001:2015 Quality management systems. Requirements.

CQMS activities at the Company are governed by JSC FPC's Quality Policy.

In terms of quality, JSC FPC aims to:

- Meet customer requirements and expectations by continuously improving service quality and ensuring high levels of service, comfort and safety
- Continuously improve the Company's operational efficiency and performance by enhancing its CQMS and business processes and introducing new technologies for lean production, rolling stock maintenance, and customer service

To achieve these goals and ensure sustainable development, FPC's management undertakes to:

- Follow the management's leadership principle, foster collaboration between employees in achieving goals, enhance employees' competencies, motivation and corporate relations culture
- Support and develop mutually beneficial long-term relations with suppliers, improve the satisfaction levels among the Company's customers and all of its stakeholders
- Manage potential corporate risks, prevent recurring and potential inconsistencies, and make decisions based on objective evidence and stakeholder requirements
- Keep its CQMS compliant with ISO 9001:2015 international standard and stakeholder requirements
- Continuously improve its corporate quality management system, enhance operational efficiency and performance through process improvement, innovation and cost optimisation
- Organise the work on implementation of the Quality Policy and provide them with necessary resources

Certification of the CQMS and compliance with ISO 9001:2015 Quality management systems. Requirements

In 2023, JSC FPC successfully passed a CQMS inspection for compliance with ISO 9001:2015 Quality management systems. Requirements in support of valid certificate **No. 210890/A/A/0001/UK/RUS** dated 19 April 2023 with validity period till 17 April 2026 for the core business processes of the Company:

- Passenger, baggage and unaccompanied baggage transportation
- Passenger assistance, customer service, and carriage servicing and maintenance on long-distance trains
- Issuance and sales of travel and carriage tickets and documents
- Carriage servicing before journey
- Carriage overhaul reconditioning
- Depot repairs (DR) of carriages
- Stage one and two (KR-1 and KR-2) carriage overhauls
- Current repairs of coupled/uncoupled carriages
- Wheelset repairs
- Repairs of carriage components and assemblies
- Carriage maintenance and inspection (TO-1, TO-2, and TO-3)

Key advantages of having a certificate of compliance with ISO 9001:2015 Quality management systems. Requirements:

- Image of a customer-focused company confirmed by state-level documents
- Confirmation of FPC's compliance with global best practices in quality management by an independent certification body
- Increased passenger satisfaction driven by services provided in line with global quality standards
- Improved operational efficiency and performance of the corporate governance system
- Increased share value
- JSC FPC's higher score in bids (tenders) for the provision of auxiliary services held by the parent company and other customers

2023 Highlights

Daytime trains

As of year-end 2023, 19.8 million passengers were carried by daytime long-distance trains, up 9.9% year-on-year.

>19.8 million
+9.9% year-on-year
of passengers at the year-end 2023

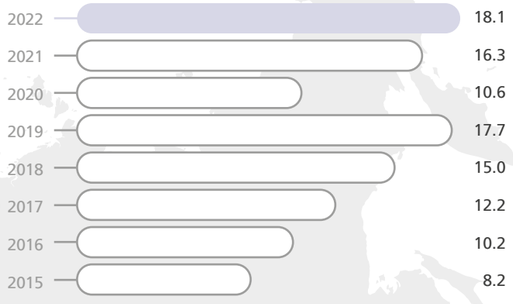
67 **pairs** of daytime trains

38 **routes**[1]

Daytime service accounted for 18.7% of the total annual passenger traffic of JSC FPC.

Number of passengers carried, thousand people

Changes in number of passengers carried by daytime trains since 2015, million people



[1] Including Moscow – Minsk, Moscow – Tambov, Moscow – Lipetsk, Moscow – Yaroslavl, Moscow – Belgorod, Moscow – Smolensk, Moscow – Kursk, Moscow – Bryansk, Moscow – Saransk, Krasnodar – Adler, Krasnodar – Imeretinsky Resort and others.

Double-decker trains

As of year-end 2023, double-decker trains carried more than 12.7 million passengers, 14.0% higher than in 2022. Double-decker service accounted for 12.0% of total annual passenger traffic of JSC FPC.

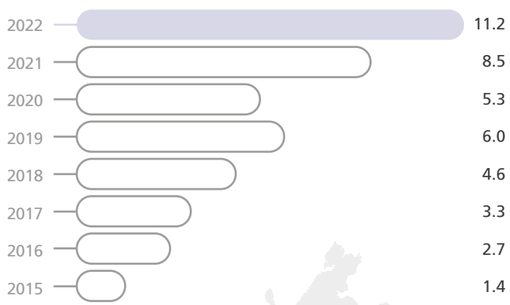
>12.7 million +14% year-on-year
of passengers at the year-end 2023

30 **pairs** of trains

22 **routes**[1]

Number of passengers carried, thousand people

Changes in number of passengers carried by double-decker trains since 2015, million people



A new train No. 357/358 Ufa/Samara – Imeretinsky Resort and three additional trains in the summer period: No. 151/151 Moscow – St. Petersburg, No. 549/550 Adler – Tolyatti and No. 571/571 Samara – Anapa were added to scheduled service.

[1] St. Petersburg – Moscow, St. Petersburg – Belgorod, Moscow – Adler, Moscow – Kazan, St. Petersburg – Adler, Voronezh – Moscow, Samara – Moscow, Izhevsk – Moscow, Penza – Moscow, Togliatti – Moscow, Kislovodsk – Moscow, Petrozavodsk – Moscow, Moscow – Bryansk, St. Petersburg – Murmansk, Moscow – Ulyanovsk, Moscow – Cheboksary, Moscow – Yoshkar-Ola, St. Petersburg – Kostroma, Moscow – Orsk, Ufa/Samara – Imeretinsky Resort, Togliatti – Adler and Samara – Anapa.

Higher-speed trains

In 2023, high-speed trains made up by JSC FPC carried 10.7 million passengers, which is 6.3% higher than in 2022, accounting for 10.1% of FPC's total annual passenger traffic.

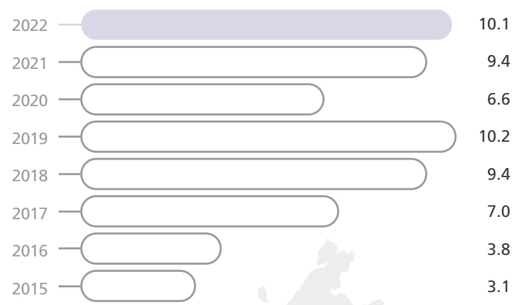
>10.7 million +6.3% year-on-year
of passengers at the year-end 2023

28 **pairs** of daytime trains

8 **routes**[1]

Number of passengers carried, thousand people

Changes in number of passengers carried by higher-speed trains since 2015, million people



since 2 June 2023 daytime high-speed train No. 727/728 St.-Petersburg – Moscow

[1] Moscow – Nizhny Novgorod, Moscow – Smolensk, Moscow – Voronezh, Moscow – Kursk, Moscow – Bryansk, Moscow – Belgorod, Moscow – Minsk, Moscow – St. Petersburg.

Tourist Trains

In 2023, the number of FPC tourist trains increased to 27 (+58% vs. 2022). The trains called the Pearl of the Caucasus, Winter Fairy Tale, To Karelia, To Siberia and Baikal Express are still very well-liked by travellers. New projects were launched: To the Vineyards by the Sea, To Northern Lights, Along the Golden Ring, Taste of the Era, Russian North. To Veliky Ustyug, To the Lotus Valley, Grushinsky Express, Along the Oldenburgsk Road, Weekend in Dombay and To the Mountains and Thermal Springs.

Another new multi-modal tourist route was organised covering Ritsa – Cherepovets – Sochi Airport – Rosa Khutor – Gagra – Sukhum – Sochi – Sochi Airport – Cherepovets. This is a joint project of the parent company, LLC Severstal Aviation Enterprise, JSC FPC and LLC RZD Tour. With the Russian-Belarusian tourist project called the Belarusian Voyage, many tourists had a chance to visit the Republic of Belarus. The Sochi tourist train continues to run between Russian resort cities and to Abkhazia.

For 2024, the Company's top priority areas will continue to be the growth and mainstreamification of tourist service.

Car carriers

4,400

motor vehicles were transported in car carriers in 2023, motor vehicles transported in FPC car carriers on the following routes:

- Khabarovsk – Novy Urgal
- St. Petersburg – Adler
- Moscow – St. Petersburg
- Moscow – Adler
- Moscow – Vladivostok

The southern destinations (St. Petersburg – Adler, Moscow – Adler), according to the findings of 2023, became the most popular.

Traffic and new trains

In the 2022/2023 standard train schedule, the overall traffic of FPC passenger trains amounted to 468 train pairs, including 277 pairs of express trains, 164 pairs of passenger trains and 27 pairs of high-speed trains. To improve efficiency and rational utilisation of rolling stock, the schedule service includes 141 pairs of multi-group trains.

New long-distance trains:

In order to improve transport accessibility of the regions and attract additional passenger traffic to rail service, new trains were added to the train schedule for 2023/24:

- No. 27/28 Vladivostok – Blagoveshchensk
- No. 99/100 Nizhny Novgorod – Labytnangi
- No. 117/118 St. Petersburg – Labytnangi
- No. 141/142 Smolensk – Arkhangelsk
- No. 143/144 Smolensk – Murmansk
- No. 147/148 Kazan – Moscow
- No. 149/150 Kazan – Moscow
- No. 265/266 Tyumen – Kislovodsk
- No. 373/374 Tyumen – Derbent
- No. 517/518 Saratov – Murmansk
- No. 559/560 Volgograd – Rostov-on-Don
- Non-stop groups of carriages Perm – Kislovodsk
- Non-stop groups of carriages Chelyabinsk – Tashkent
- Non-stop groups of carriages Grozny – Kazan
- Non-stop groups of carriages Arkhangelsk – Syktyvkar
- Non-stop groups of carriages Nizhny Novgorod – Minsk
- Non-stop groups of carriages Astrakhan – Anapa

International service

>3.2 million passengers
carried internationally in 2023

As the epidemiological situation in the Russian Federation returns to normal in 2023, JSC FPC focused its attention on the expansion of international passenger service with friendly neighbouring nations. The Company provided railway passenger service between the Russian Federation and Abkhazia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The primary goal of international cooperation in 2023 was to augment the passenger traffic on the Russia Federation – Republic of Belarus passenger market, given its capacity under the existing circumstances. Thus, new trains No. 149/150 Samara – Minsk and No. 67/68 St. Petersburg – Smolensk were scheduled, running along the territory of Belarus through the border towns – Nevel, Vitebsk, Rudnya. Moreover, non-stop groups of carriages Minsk – Mineralnye Vody, Nizhny Novgorod – Minsk, Minsk – Arkhangelsk were arranged, and as for Central Asia direction, a non-stop group of carriages from Chelyabinsk to Tashkent was organised in 2023.

A total of 3,205,820 people were carried internationally as of the year-end.

Import substitution

The Russian Federation's railway transport sector has long been subject to restrictive measures from Western nations. This year is no exception. This may result in issues with rolling stock functioning and the supply of foreign-made parts required for its upkeep.

In order to ensure technological self-sufficiency, the Company made a concerted effort in 2022–2023 to substitute imported system designs and assemblies of passenger carriage, as well as production processes related to maintenance and repair of rolling stock. During this period, 1,220 foreign-made products were listed, including:

- for 866 items (71% of the total number) – counterparts were introduced in design documentation
- 328 items (27% of the total number) – counterparts were selected, but are to be incorporated into the design documentation
- 26 items (2% of the total number) – in the red zone (no counterparts were selected)

However, the situation with these components is not critical and does not affect the continuity of the transportation process, as they are available in the warehouses of suppliers on the territory of the Russian Federation.

Customer Service

The Company is constantly working on improving the quality of services in order to maintain a high level of passenger service. This is one of FPC's priorities.

Customer Service Levels

JSC FPC is constantly striving to improve passenger train schedules. The adjustments made allow to offer more convenient arrival/departure times and maximise train travelling speed, subject to capacity constraints of the parent company's infrastructure.

Long-distance passengers aged under 18 years old receive an email invitation to participate in an online survey that tracks passenger satisfaction on a regular basis. This survey provides the Company with recent feedback and customer reviews, enabling prompt responses to passenger comments and suggestions[1].

Customer Satisfaction Index (CSI[2]) is derived from weighted scores on the following parameters:

- Ticketing process (online, in a mobile app or ticket offices)
- Cost of trip
- Customer service on-board:
  - comfort level
  - technical condition
  - sanitary condition
  - safety
  - work of attendants
  - bedding
  - travelling kit
  - travelling with children
  - Poputchik portal
- Catering services (prepaid meals, dining carriage services)
- Loyalty programme

In 2023, the customer satisfaction survey aimed to assess the quality of services provided by JSC FPC totalled 533,653 passengers (2.2 times more than in 2022). As the mailing and questionnaire completion process was automated and questionnaire was more personalised, the response rates showed a noteworthy increase.

The satisfaction index at year-end was 89.6 points out of 100, which is higher than the target value calculated at year-end 2022 by 2.1 points.

All CSI parameters for the passenger service block are above the target values for 2023 year. The leaders: attendants' performance and ticketing process. The cost of travel and dining carriage services are still under-performing.

The NPS[3] index is also regularly monitored to promote the customer care and increase competitiveness, as well as to determine the level of passenger loyalty and readiness to recommend the Company. In 2023, it stood at 50, up 7 points year-on-year. Passengers showed a higher level of loyalty to the Company: the share of promoters is 50 p.p. higher than the share of critics (in 2022, the share of promoters was higher only by 43 p.p.).

[1] Personal data of FPC clients is processed in strict accordance with the rules of Federal Law No. 152-FZ dated 27 July 2006 "On Personal Data", as well as with the specifications of regulatory documents of regulatory agencies (Federal Service for Technical and Export Control, Roskomnadzor, etc.).
Information systems that process personal data are organised in such a way to exclude the possibility of unauthorised modification, copying, blocking and other harmful actions that could compromise the availability, integrity, and confidentiality of the personal data.

[2] Customer Satisfaction Index.

[3] Net Promoter Score.

Final CSI and NPS figures in 2023

Customer Satisfaction Index

CSI = 89.6

Net Promoter Score

NPS = 50

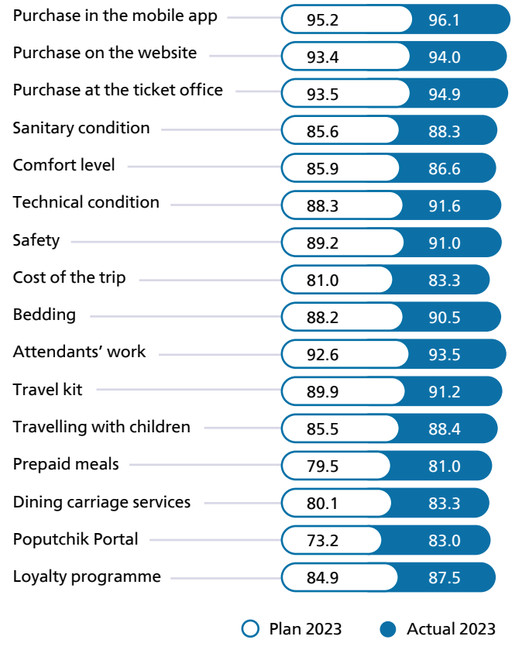
Passenger loyalty index in 2023

Number of respondents –

>530,000

Survey method — **online survey**

Estimation of passenger satisfaction index parameters, %



According to the 2023 year-end results, the number of public negative complaints about poor service on FPC trains per 100,000 passengers carried decreased from 1.8 complaints in 2022 to 1.7 complaints in 2022.

To improve the quality of passenger service, in the Company put a CRM system in place to make targeted offers to customers. A unified customer base allowed to streamline the collection of complaints pertaining to products, as well as to unify passenger service provision standards.

In 2023, the CRM system is capable of auto-sending of letters to passengers with the offer to complete the Trip Review survey. The letter was sent two days after the passenger arrived at the destination station. The information about the trip is transferred to the questionnaire survey without any involvement of the customer. This reduces the time required to complete the questionnaire survey and minimises the possibility of errors when entering travel details. Responses to the Trip Review survey are transmitted to the CRM-system, with a an option to link a specific response to passenger, train and ticket.

Moreover, a dedicated report was devised to analyse passenger trips with a transfer in trains and carriages made up by JSC FPC. This information is used in launching new routes. Passengers who have not travelled on trains and carriages of JSC FPC for more than 365 days are included on the list for auto-sending of personalised offers with information on available discounts. Automatic reports (dashboards) on the FPC Stats portal were also refined.

Customer Service Innovations

Enhancing meal quality

In 2023, JSC FPC implemented a new catering concept on 26 trains and in 47 bistro carriages. The Company became the winner of the XIVth Annual Award titled "Quality of Service and Consumer Rights" in the "Service of the Year for Catering on Transport. Railway Transport" nomination in the Retail Services category for new catering concept.

The Company also launched a project to order hot meals for passengers. The projects involves the use of upgraded staff carriages with kitchens equipped with special equipment for storing and warming up heat-and-serve meals, as well as washer and dishwasher.

The initiative to use FPC's own resources to provide catering services has been underway since March 2023. Catering services are provided by three catering units housed by the Moscow, Kuibyshev and Volga branches.

There is also a service called Food Delivery to Train. Since its launch (in December 2019), it has been used by over 40,000 passengers. More than 21,000 passengers used the service in 2023 for more than RUB 33 million, which is 89% more than for the same period last year. As of today, 100 catering enterprises at 67 stations are connected to the service, including large chain projects: Burger King fast food restaurant chain, Sicily and Tanuki restaurant chains, BlinBerry fast food café chain, Milti, JSC Vkusvill and others.

Making railway service more accessible for different categories of passengers

Improving the conditions for passengers with disabilities

As of 31 December 2023, FPC's fleet has 1,129 carriage equipped with special compartments for wheelchair users, which amounts to 94% of the total number of scheduled trains.

Design features of such carriages:
- Increased width of exterior doors on the non-boiler side of the carriages
- Availability of lifts for wheelchair users
- Increased vestibule area
- Increased width of the entrance door from vestibule to corridor, doors to special compartment for wheelchair user and to toilet
- Extended corridor to a specialised compartment

The width of all listed openings and spaces allows the passenger to travel in a standard-sized wheelchair.

If a passenger with reduced mobility is travelling in a sleeping carriage, the travel booking system informs the attendant accordingly. The attendant makes their berth in advance and helps them to entrain, using a special lift. If a carriage is not equipped with such a lift, a physically incapacitated passenger is helped onboard by the train crew members headed by the passenger train manager.

After a passenger with restricted mobility is onboard in a special carriage, the attendant introduces the passenger to the compartment and the wheelchair-accessible toilet facilities.

If a physically incapacitated passenger chooses to not use a special disabled-friendly carriage, they are provided with a wheelchair and the attendant helps move the wheelchair to public places (boilers, toilets).

Detraining of passengers with reduced mobility follows the entraining procedure.

Moreover, the disabled-friendly carriages are equipped with Braille information signs for blind passengers. After a blind passenger entrains, the attendant shows them around the carriage and its equipment.

Improved conditions for passengers with children

The following conveniences are available for passengers with children:
- Children's play area with soft sofas, educational toys, table and chairs for children's creativity, TV (in double-decker trains Moscow – Voronezh and Moscow – Bryansk)
- Playpen for the youngest kids (in carriages with children's compartments or upon prior request)
- Young Traveller's Library (in a number of trains)
- Children's menu (if there is a dining carriage or bistro carriage in the train)
- Carriage of children aged 10 to 16 years without accompanying adults under supervision of train crew (in some trains)

Improved conditions for passengers with pets

Early in 2024, the Company revised the regulations governing the transportation of pets in order to guarantee their safety.

Now, in case an animal without an owner is found in a carriage, the attendant is to check for contact information about the owner, and if it is available, contacts the owner by phone. If there is no information about the owner, the attendant shall question all passengers of the carriage, starting with those who carry animals according to carriage documents.

If the owner of the pet cannot be found in the carriage, the attendant reports the matter to the passenger train manager, who is to organise a search in other train carriages. If even in this case the owner is not found, the animal is be handed over to the station staff, who will take it to the animal shelter, or, if it is impossible, to a specialised organisation dealing with neglected animals.

New travel kits

Starting from 2024, JSC FPC offers updated travel kits to passengers of high comfort carriages. The new line of travel kits was designed on the basis of feedback on the quality and frequency of service updates, passenger preferences and wishes. All kits meet the improved consumer specifications.

Moreover, new travel kits are offered to children and passengers of tourist trains starting from Q2 2024.

Improving Working Conditions for Train Crews

In 2023, renovated passenger carriage attendant pools were officially opened in Severobaikalsk, Ulyanovsk and Vladivostok. Repair of sanitary and living quarters, as well as purchase of furniture, equipment, household appliances in 57 attendant pools totalled over RUB 144 million

Seven Gazelle and PAZ buses were purchased for organising transfer of personnel from Tynda, Novorossiysk, Makhachkala, Bryansk and Moscow passenger car attendant pools (Nikolayevka passenger carriage depot, Moscow–Yaroslavskaya carriage station).

To improve the living conditions of train crews on route, a large-scale programme was launched to equip the service areas of passenger carriages with additional equipment: service showers, lockers, additional hooks for clothing, sockets, second berth for rest. The programme also includes improvement of noise insulation, installation of liquid crystal display boards in the interior of carriages, and devices for fixing ladders in vestibules. The implementation of the programme is scheduled until the end of 2025.

In December 2023, the FPC INFO corporate portal began trial operation. By the end of the year, about 10,000 employees connected to the portal. Thanks to a single information field, they can receive payslips, order statements and documents remotely, thank each other for work, congratulate each other on birthdays and have access to other useful features. By March 2024, all employees of the Company will be connected to the portal. The phased expansion of the portal functionality will be completed by the end of 2025.

Since 2022, the Company has be supplying new uniforms and issuing them to personnel. The transition to the new uniforms was fully implemented in the high-speed train department of the Moscow–Yaroslavskaya carriage station, the Moscow Railway Agency, the St. Petersburg-Moskovskiy carriage station, the North Caucasus Railway Agency, the Samara passenger carriage depot and the Vladivostok passenger carriage depot. By the end of 2023, 50% of train crews and ticket agents of 29 companies in all branches of JSC FPC will be provided with updated uniforms. 100% transition to new uniforms is scheduled by the end of 2024.

More than 9.100 attendants of the 3rd grade servicing Lastochka electric trains, attendants of the 4th grade, train managers and train electricians are provided with corporate branded accessories: suitcases, covers for clothing, bags for hand luggage, documents wallets for train managers, tool bags for train electricians.

~10,000 employees
joined the FPC INFO corporate portal

Key Operational Highlights

In 2023, the number of carried passengers increased to 112.7% on the 2022 level and to 133.1% on the 2021 level.

According to the year-end 2023 results, passenger-km travelled increased by 12.6% vs. 2022 and by 35.9% vs. 2021. The volume of traffic in own trains increased to 112.5% vs. 2022 and 134.9% vs. 2021. Passenger-km travelled in trains made up in the CIS and Baltic countries totalled 116.1% on the 2022 level and 252.3% on the 2021 level.

The growth in the volume of international traffic was due to an increase in the number of regular passenger interstate trains with the Republic of Belarus, Kazakhstan and Uzbekistan. The volume of scheduled train service with Mongolia, the Republic of Kyrgyzstan and the Republic of Tajikistan remained flat with the 2022 level.

Volume-based indicators

Indicator	2021	2022	2023	vs. 2022, %
Billion passenger-km travelled	67.3	81.2	**91.4**	112.6
On trains made up by JSC FPC	66.7	79.9	**89.9**	112.5
• deregulated segment	27.1	32.9	**39.2**	119.2
• domestic service	26.1	31.2	**37.5**	120.0
• international service	1.0	1.6	**1.7**	103.9
• regulated segment	39.6	47.1	**50.8**	107.8
On trains made up in the CIS and Baltic States	0.6	1.2	**1.4**	116.1
Passengers carried, million people	81.2	95.9	**108.1**	112.7
• deregulated segment	33.8	40.5	**47.3**	117.0
• regulated segment	47.4	55.5	**60.7**	109.5

The passenger-km travelled in trains made up by JSC FPC increased by 12.5% vs. 2022 and drove up the carriage-km work to 2,775.1 million carriage-km, or by 10.0% vs. 2022. Thus, the capacity utilisation rate was 73.8%, which is 1.9 p.p. above the 2022 level and 9.6 p.p. above the 2021 level.

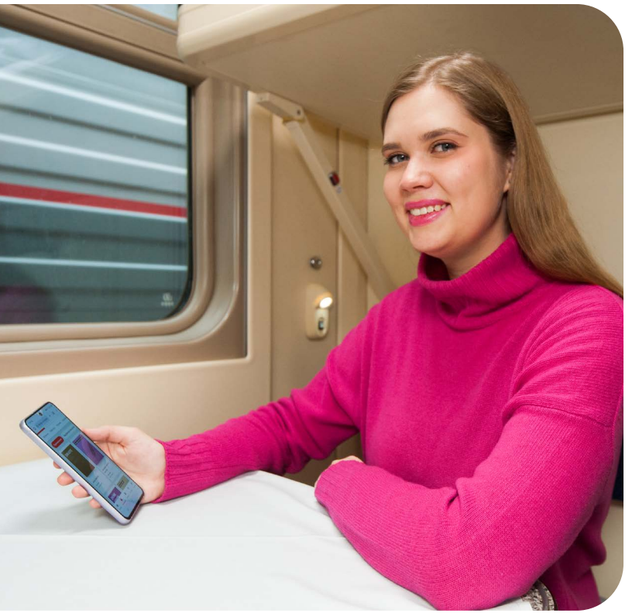
73.8%
capacity utilisation rate
up 1.9 p.p. year-on-year

Digital Projects

Digital Transformation in JSC FPC

JSC FPC is pursuing the Digital Transformation Strategy to fulfil the orders of the President of the Russian Federation and Government directives regarding the transition to Russian software and radio-electronic products, in accordance with the Methodological Recommendations on the Digital Transformation of State Corporations and Companies with State Participation.

Digital transformation process follows a holistic approach, meaning that the automated systems and services are created and integrated into digital platforms, while simultaneously phasing out import of existing software and radio-electronic products. The resulting synergy increases the efficiency of internal processes and brings about the technological sovereignty of JSC FPC.



In 2023, as part of the Digital Transformation Strategy, the Company put the Digital Emergency Management System in place started trial operation of the Automated Management System of the IT Service User Support Service. The new systems have many of FPC's business processes digitised, from those that directly affect transportation (management of abnormal situations on the railway) to those that have supporting functions. The Company's employees can now order certificates or receive a pay slip literally in a couple of clicks.

As at year-end 2023, investments in Russian radioelectronic products and software accounted for 90% of JSC FPC's total investments in information technology. As a result, the Company import substitution amounted to almost 80% of software classes and over 90% of radioelectronic product categories, including a complete transition to domestic information security products.

The Company has fully switched to domestic antivirus and multimedia software, which enabled it to meet import substitution targets.

The plans for 2024 include further development of digital platforms, digitalisation of business processes for procurement and route network management, as well as sophistication of digital products and continuing transition to domestic software and radioelectronic products.

One more area of the Company's focus is digital security. Cybersecurity management is aligned with the requirements of the parent company's information security policy and FPC's standard. The key elements of information security are measures to apply security software and physically protect the Company's perimeter from intruders. All operating systems and files are protected with Russian anti-virus programmes; cryptographic protection means are used during transmission of information via various communication channels, and access control to information is regulated by identification and authentication means with the use of firewalls.

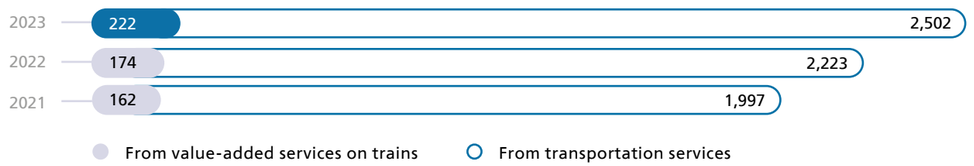
Financial Results

Financial results, RUB bln

Indicator	2021	2022	2023	vs. 2022 +/–	vs. 2022 %
Operating revenue	**188.2**	**250.5**	**315.8**	**65.3**	**126.1**
Passenger service	166.7	221	**278.6**	57.6	126.1
Other sales	21.5	29.5	**37.2**	7.7	126.1
Operating expenses	**203.6**	**236.2**	**286.0**	**49.8**	**121.1**
Passenger service	187	215.9	**261.4**	45.5	121.1
Other sales	16.6	20.3	**24.6**	4.3	121.1
Operating result	**–15.4**	**14.3**	**29.8**	**15.5**	**208.8**
Passenger service	–20.3	5.1	**17.2**	12.1	338.3
Other sales	4.9	9.2	**12.6**	3.4	137.2
Other income	**20.4**	**21.3**	**15.7**	**–5.6**	**73.9**
Federal subsidies	11.1	12.1	**8.4**	–3.7	69.7
Other expenses	**12.0**	**21.8**	**18.4**	**–3.4**	**84.4**
Other revenue and expenses	**8.4**	**–0.6**	**–2.1**	**–3.3**	**–**
Profit (loss) before tax	**–7.0**	**13.7**	**27.1**	**13.4**	**197.5**
EBITDA, including subsidies	**15.7**	**41.9**	**56.5**	**14.7**	**135.0**
EBITDA margin, including subsidies, %	8.3	16.7	**17.9**	1.2	107.1
Income tax and other similar liabilities	–1.6	2.7	**6.0**	3.3	223.9
Net profit	**–5.4**	**11.0**	**21.1**	**10.0**	**191.0**
Net profit margin, %	**–2.9**	**4.4**	**6.7**	**2.3**	**152.3**

Revenue

Average revenue per passenger (including VAT), RUB



Changes in operating revenue, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Operating revenue, total	**188.2**	**250.5**	**315.8**	**126.1**
• Revenue from passenger service	166.7	221.0	**278.6**	126.1
• Domestic traffic revenue from passenger service	156.8	206.9	**261.0**	126.1
Deregulated segment	84.1	116.1	**150.7**	129.9
• Domestic passenger service by first- and second-class sleeping carriages	80.5	109.7	**141.4**	128.9
• International service	3.6	6.4	**9.4**	146.3
Regulated segment	82.6	104.9	**127.9**	121.9
• Domestic passenger servicing by third-class sleeping carriages and fourth-class seating carriages	76.3	97.2	**119.6**	123.0
• Baggage, unaccompanied baggage and mail transportation	6.3	7.7	**8.3**	107.5
Revenue from other activities	21.5	29.5	**37.2**	126.1

Revenue from passenger service

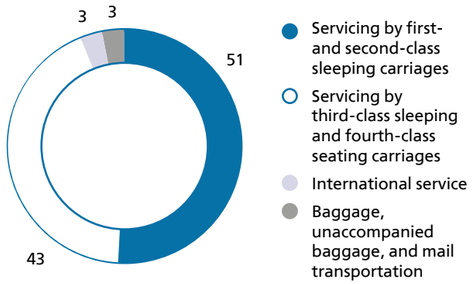
Based on the 2023 year-end results, FPC's total revenue from long-distance railway passenger service significantly exceeded the results for 2022: the average revenue growth rate for the year was over 126% compared to the previous period, and a total of RUB 278.6 billion was received during the reporting period against the backdrop of increased traffic volumes.

A positive trend in revenue growth is observed in both regulated and deregulated segments, but the outstripping rates are still recorded in the segment of passenger service in carriages with higher price category: growth in the deregulated segment for 2023 was about 130% year-on-year. The volume of revenue from domestic service with first-class and second-class sleeping carriages totalled RUB 141.4 billion (128.9% vs. 2022), while revenues from international service exceeded RUB 9.4 billion (146.3% vs. 2022).

In the regulated segment, passenger service with and third-class sleeping carriages and fourth-class seating carriages in 2023 generated RUB 119.6 billion, up 23.0% year-on-year.

Revenues from baggage, unaccompanied baggage, and mail transportation increased by 7.5% compared to 2022 and amounted to RUB 8.3 billion

Structure of revenues from passenger services, %



Revenue from other activities

FPC's other activities include:

- Repair of clients' rolling stock
- Provision of value-added services on trains
- Lease of movable and immovable property
- Other services

Changes in revenue from other activities, RUB billion

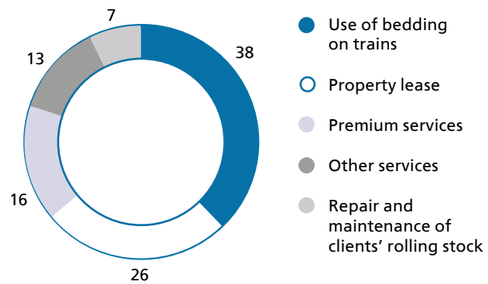
Indicator	2021	2022	2023	vs. 2022, %
Revenue from other activities	21.5	29.5	**37.2**	126.1
Repair of clients' rolling stock	2.0	2.3	**2.6**	115.0
Value-added services on trains	10.9	13.9	**20.0**	143.7
• Provision of bedding	8.2	10.3	**14.0**	135.5
• Premium services	2.8	3.6	**6.1**	167.0
Property lease	5.1	9.9	**9.8**	99.1
Other services	3.5	3.3	**4.7**	140.8

As of year-end 2023, revenue from other activities totalled

RUB 37.2 billion up 26.1% year-on-year

The year-on-year increase mainly pertains to the provision of additional services on trains (by 43.7% above the 2022 level) due to an increase in the volume of passengers carried on FPC trains, other services (40.8%) due to an increase in the volume of goods sold on FPC trains; mainly due to an increase in sales of goods on FPC trains, as well as repair and maintenance of customers' rolling stock (13.0%) due to additional requests for maintenance and depot repairs of carriages.

Structure of revenues from other activities, %



Expenses

Rail service expenses

Based on the 2023 results, the transportation costs amounted to RUB 261.4 billion, or 121.1% year-on-year (139.8% vs. 2021).

The passenger service cost in 2023 was RUB 28.6 per 10 passenger-km, or 107.6% year-on-year (102.9% vs. 2021).

Rail service expenses, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Total	**187.0**	**215.9**	**261.4**	**121.1**
Payroll costs	30.7	38.3	**47.0**	122.7
Social contributions	8.7	10.7	**13.3**	123.7
Material expenses	21.0	25.5	**31.5**	123.5
• Materials	5.4	6.5	**9.1**	140.7
• Fuel	0.7	0.6	**0.7**	116.7
• Electricity	0.5	0.5	**0.5**	100.0
• Other	14.5	17.9	**21.1**	118.0
Other expenses	110.2	123.3	**148.7**	120.6
• Infrastructure payments	60.5	65.4	**76.9**	117.6
• Locomotive lease	38.9	45.3	**57.0**	125.9
Depreciation	16.3	18.1	**21.0**	116.1

Expenses on other activities

Based on the results for 2023, expenses from other activities totalled RUB 24.6 billion, which is 21.1% higher than in 2022.

The year-on-year increase mainly pertains to the provision of additional services on trains (by 34.7% above the 2022 level) due to an increase in the number of passengers carried on FPC trains, other services (30.8%) due to an increase in the volume of goods sold on FPC trains; mainly due to an increase in sales of goods on FPC trains, as well as repair and maintenance of customers' rolling stock (15.4%) due to additional requests for maintenance and depot repairs of carriages and due to an increase in overheads allocated to other activities.

Expenses from other activities, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Expenses on other activities	16.6	20.3	**24.6**	121.1
Repair of clients' rolling stock	1.7	1.6	**1.9**	118.8
Value-added services on trains	8.2	10.2	**13.7**	134.7
• Provision of bedding	6.1	7.6	**9.7**	128.1
• Premium services	2.1	2.6	**3.9**	150.0
Property lease	4.0	5.6	**5.3**	93.2
Other services	2.7	2.9	**3.8**	130.8

Overhauls Programme

In 2023, actual expenses on overhauls of fixed assets were RUB 3.4 billion, or 115.9% vs. 2022, including:

RUB 2.5 billion – 99.5% vs. 2022
on overhauls of passenger carriages

RUB 0.8 billion – 233.5% vs. 2022
on third-party overhaul of buildings, structures and equipment

Changes in expenses on overhauls of fixed assets, RUB billion

Overhauls	2021	2022	2023	vs. 2022, %
Fixed assets, total	2.0	2.9	**3.4**	115.9
Carriages	1.7	2.5	**2.5**	99.5
Buildings, structures and equipment	0.2	0.4	**0.8**	233.5

Headcount and Labour Productivity

Labour productivity is increased by 3.7% year-on-year, which resulted from a 12.5% increase in traffic volumes with a simultaneous growth in headcount by only 8.5%.

Change in headcount and labour productivity

Indicator	2021	2022	2023	vs. 2022, %
FPC's headcount, FTEs	51,299	50,499	**54,331**	107.6
• Including in rail services	45,876	44,827	**48,649**	108.5
Labour productivity, '000 passenger-km/FTE	1,453	1,783	**1,849**	103.7

Other Revenue and Expenses

The financial result from other revenues and expenses for 2023 was a loss of RUB 2.7 billion, which is RUB 3.3 billion above the 2022 level.

Changes in other revenue and expenses, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Other income	20.4	21.3	**15.7**	73.9
Interest receivable	0.3	1.2	**1.9**	162.8
Proceeds from the disposal of fixed and other assets	2.8	1.4	**1.1**	74.9
Federal subsidies	11.1	12.1	**8.4**	69.7
Others	6.3	6.6	**4.4**	65.8
Other expenses	12.0	21.8	**18.4**	84.4
Interest payable	5.0	6.1	**5.3**	87.6
Expenses on the disposal of fixed and other assets	1.8	0.7	**1.1**	163.7
Cash management services	1.8	2.1	**2.8**	135.7
Others	3.4	13.0	**9.1**	70.4

Key revenues received as part of other JSC FPC's income were government subsidies allocated as compensation for the revenue shortfall caused by the government regulation of long-distance tariffs for third-class open-plan sleeping and fourth-class seating carriages. In 2023, RUB 8.4 billion in subsidies were received from the federal budget (RUB 12.1 billion in 2022).

The main item in the structure of other expenses is expenses for loan interests: RUB 5.3 billion in 2023 and RUB 6.1 billion in 2022.

Debt policy

As at 31 December 2023, principal repayments were RUB 41.5 billion, including RUB 16.0 billion – for loans and RUB 25.5 billion – for bonds.

The Company do not have liabilities denominated in foreign currencies.

At the end of 2023, the value of the covenant "Net debt / EBITDA" (for the last 12 months before the reporting date) was 0.6x, "EBITDA (for the last 12 months before the reporting date) / Net interest expense" was 16.2x.

Payment of JSC FPC's principal debt under repayment schedule as of 31 December 2023, RUB billion

Principal repayment	2024	2025	2026	2027	2028
• for bonds	10	5.5	0	0	10
• for loans	0	0	0	0	16

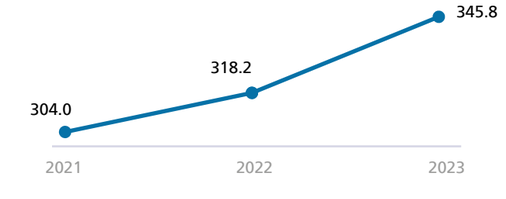
Balance Sheet Total

RUB 33 billion balance sheet total increase for 2023 +9% year-on-year

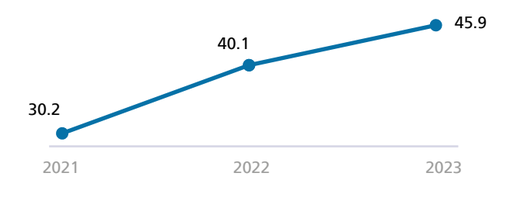
Key balance sheet items, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Non-current assets	304.0	318.2	**345.8**	108.7
Current assets	30.2	40.1	**45.9**	114.4
Assets	334.3	358.4	**391.7**	109.3
Equity and reserves	213.1	250.8	**286.9**	114.4
Non-current liabilities	49.3	41.6	**33.9**	81.5
Current liabilities	71.8	65.9	**70.9**	107.6
Liabilities	334.3	358.4	**391.7**	109.3

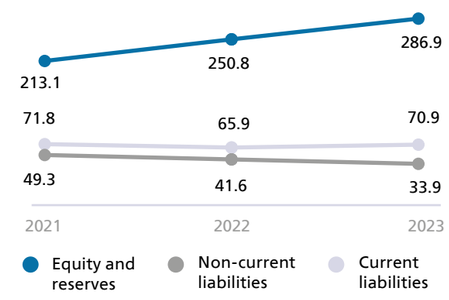
Non-current assets, RUB billion



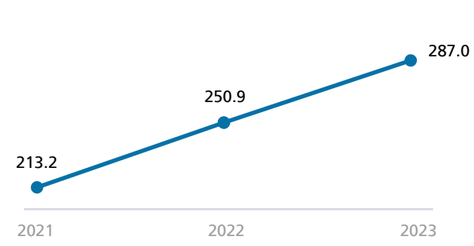
Current assets, RUB billion



Changes in liabilities, RUB billion



Net assets, RUB billion



As at 31 December 2023, FPC's non-current liabilities totalled RUB 33.9 billion, including RUB 31.5 billion of loans and borrowing.

The size of FPC's authorised capital was RUB 263,588,839 thousand as at 31 December 2023.

In the reporting year, the Company's net assets increased by 14% to RUB 287 billion.

Inventory holdings

As of 31 December 2023, without inventories that are not used in the production process, the actual content of inventory holdings in FPC was RUB 6.9 billion (including fuel – RUB 0.2 billion), against the established standard of RUB 7.0 billion (including fuel – RUB 0.3 billion). Actual inventory holdings did not exceed the standard.

The bulk of production inventory holdings consists of passenger carriage spare parts worth RUB 3.3 billion (48% of total inventory holdings), comprised of new spare parts worth RUB 2.2 billion and reuse materials worth RUB 1.1 billion.

Passenger carriage wheelsets worth RUB 1.7 billion account for the largest portion of spare parts, or 50% of all inventory holdings of carriages spare parts.

Receivables and Payables

As at 31 December 2023, FPC's receivables totalled RUB 25.5 billion.

Trade receivables (except for rail service) accounted for 33.8% of total receivables, or RUB 8.6 billion. The bulk of this debt, RUB 6.8 billion, resulted from the application of the terms of settlements stipulated by the long-term agreement.

Taxes, fees and charges receivable accounted for 49.8%, or RUB 12.7 billion.

The largest share of trade receivables (except for rail service) was for sale of property – 79.1%, or RUB 6.8 billion, and for leasing of rolling stock – 8.5%, or RUB 0.7 billion.

Trade receivables due for passenger service amounted to 8.7%, or RUB 2.2 billion, which is in line with the terms of relevant agreements made.

Advances issued as of the end of December 2023 totalled 4.1%, or RUB 1.0 billion

Receivables as at 31 December, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Trade receivables (except for rail services)	10.4	10.4	**8.6**	82.7
Trade receivables (for rail services)	2.6	1.9	**2.2**	115.8
Prepayments	0.6	1.2	**1.0**	83.3
Taxes and charges	7.9	9.7	**12.7**	131.0
Other receivables	0.7	0.9	**0.9**	100.0
Total	**22.2**	**24.2**	**25.5**	**105.6**

Payables as at the end of December 2023 were RUB 48.2 billion, up 43.4% year-on-year. The bulk of this amount was attributable to trade payables – 50.8%, or RUB 24.5 billion, and prepayments received for transportation – 30.9%, or RUB 14.9 billion

Payables as at 31 December, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Trade payables	38.1	13.1	**24.5**	187.0
Payroll liabilities	1.4	2.4	**2.9**	120.8
Taxes and charges, social insurance	1.3	4.7	**3.3**	69.5
Prepayments received for other activities	0.3	0.9	**0.5**	55.6
Prepayments received for rail services	7.0	10.7	**14.9**	139.4
Other payables	1.5	1.9	**2.2**	115.8
Total	**49.6**	**33.6**	**48.2**	**143.4**

As payables are above receivables, the Company can use payables as an additional source of financing. Receivables to payables ratio is 1.89.

1.89
receivables to payables ratio

Cash Flows[1]

Cash balance on accounts of FPC, including short-term deposits, as at 1 January 2023 stood at RUB 3.0 billion.

Operating expenses amounted to RUB 329.6 billion, including expenses for infrastructure services and locomotive lease totalling RUB 160.5 billion, or 49%.

Cash flows from operations

In 2023, the cash flow from operating activities totalled RUB 395.4 billion, including RUB 8.4 billion of federal subsidies. Most of money (71%) was received from passenger service, totalling RUB 280.6 billion excluding transit charges.

RUB 65.8 billion
net cash flow from operations

Cash flows from operations, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Net cash flow	–6.7	45.9	**65.8**	143.3
Cash received	222.9	322.2	**395.4**	122.7
Cash used	229.5	276.3	**329.6**	119.3

[1] In accordance with the management accounting data.

Cash Flows from Investing Activities

Expenses for investment activities totalled

RUB 52.0 billion

In the reporting period, RUB 48.9 billion was allocated for passenger rolling stock replacement and upgrades:
- RUB 38.4 billion for the acquisition of new passenger carriages
- RUB 10.5 billion for passenger rolling stock upgrades

Negative cash flow from investing activities amounted to RUB 49.6 billion.

Cash flows from investing activities, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Net cash flow	–32.6	–62.6	**–49.6**	79.3
Cash received	228.4	3.0	**2.4**	78.5
Cash used	261.0	65.6	**52.0**	79.3

Cash Flows from Financing Activities

In 2023, cash received from financing activities totalled RUB 33.0 billion, 46% of which were borrowings.

Cash outflow of RUB 48.6 billion resulted from:
- Interest payments on loans and borrowings – RUB 5.2 billion
- Repayment of loans and borrowings – RUB 43.0 billion

Negative cash flows from financing activities totalled RUB 15.6 billion.

Cash flows from financing activities, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Net cash flow	38.4	22.5	**–15.6**	–
Cash received	69.2	50.6	**33.0**	65.2
Cash used	30.8	28.1	**48.6**	172.7

JSC FPC's total net cash flow for the reporting year was RUB 0.6 billion.

The cash balance including short-term deposits on the accounts of JSC FPC as at 31 December 2023 amounted to RUB 9.4 billion.

Financial Review

Indicator[1]	2021	2022	2023
Liquidity			
Absolute liquidity ratio	0.04	0.13	**0.13**
Quick liquidity ratio	0.23	0.38	**0.41**
Current liquidity ratio	0.30	0.49	**0.56**
Leverage ratio	0.64	0.70	**0.73**
Margins, %			
Sales margin (including subsidies)	3.7	14.9	**15.21**
Return on equity (ROE)	–2.5	4.8	**7.84**
Return on assets, including subsidies (ROA)	–0.5	8.5	**10.19**
Liabilities			
Liabilities in the balance sheet total	0.36	0.30	**0.27**
Financial leverage (interest-bearing borrowings/equity)	0.31	0.27	**0.15**
Total debt/EBITDA	4.15	1.62	**0.79**
Total debt/revenue	0.35	0.27	**0.14**

0.13 **Absolute liquidity ratio**

The ratio is the most stringent solvency criterion, showing how much short-term debt can be covered by the Company immediately if necessary by the available cash and highly liquid short-term investments.

In 2023 year, the ratio is the same as in 2022.

0.41 **Quick liquidity ratio**

The ratio shows how much short-term debt can be covered by the Company if its receivables are fully repaid (where payments are expected within 12 months after the reporting date).

In 2023, the ratio rose by 0.03 p.p. compared to the previous period (0.38 in 2022).

0.56 **Current liquidity ratio**

The ratio shows how much short-term debt can be covered by current assets of the Company. In contrast to the absolute and quick liquidity ratios, this indicator shows the Company's solvency over a relatively longer term.

In 2023, the ratio rose by 0.07 p.p. compared to the previous period (0.49 in 2022).

0.73 **Leverage ratio**

The ratio shows the share of the Company's assets that are covered by its funds. The higher the ratio, the more financially stable the Company is and the lower its reliance on third-party loans. From an investor or creditor's perspective, the higher the ratio, the lower the risk of losing investments in the Company or loans extended to the Company.

In 2023, the ratio rose by 0.03 p.p. (0.70 in 2022).

[1] According to the accounting records for 2023.

15.2 **Sales margin (including subsidies)**

It is an indicator of the Company's financial performance, indicating the share of profit in the Company's revenue. Sales margin shows the effectiveness of the Company's pricing policy and its ability to control costs. It indicates the share of gross profit in the Company's sales.

In 2023, the indicator raised by 0.3 p.p. year-on-year (14.9% in 2022).

0.27 **Liabilities in the balance sheet total**

The lower share of borrowings in the balance sheet total (0.30 in 2022) clearly demonstrates the trend towards stronger financial stability of the Company. Accordingly, the higher the share of own funds in the balance sheet total, the better the financial position of the Company.

7.8 **Return on equity (ROE)**

This indicator is one of the key indicators of the Company's performance, used to evaluate its investment appeal over the longer term and showing how many units of net profit the Company generates with each unit of shareholders' equity.

In 2023, the indicator raised by 3.0 p.p. year-on-year (4.8% in 2022).

0.15 **Financial leverage (interest-bearing borrowings/equity)**

Financial leverage indicates the ratio of borrowings to total capitalisation and shows how efficiently the Company uses its equity. It determines the degree of the Company's reliance on borrowings. The capitalisation ratio is used only in the same industry context and in the context of the Company's revenue and cash flows (0.27 in 2022).

10.2 **Return on assets (ROA), including subsidies**

This financial ratio shows the return on all assets used by the Company. The ratio indicates the Company's ability to generate profit without taking into account its capital structure (financial leverage), as well as the quality of asset management.

In 2023, the indicator improved by 1.7 p.p. compared to the previous period (8.5% in 2022).

Total debt/EBITDA: 0.79

This indicator shows the Company's debt burden and its ability to repay existing liabilities (solvency).

In 2023, the indicator dropped by 0.83 p.p. compared to the previous period (1.62% in 2022).

Total debt/revenue: 0.14

This indicator shows the Company's debt burden vs. its total revenue (0.27 in 2022).

Changes in FPC's net assets, RUB billion

INDICATORS		2021	2022	2023
1	**Authorised capital**	**222.0**	**248.6**	**263.6**
2	**Net assets**	**213.3**	**250.9**	**287.0**
2.1	1. Equity and reserves	213.1	250.8	**286.9**
	• Authorised capital	222.0	248.6	**263.6**
	• Add-on capital	10.1	10.1	**10.1**
	• Retained earnings (accumulated deficit)	–20.6	–9.5	**11.1**
	• Other	1.6	1.6	**2.2**
2.2	2. Future income	0.1	0.1	**0.1**
3	**Deviations**	**–8.7**	**2.3**	**23.4**

The net value of JSC FPC's assets as at 31 December 2023 was RUB 287 billion and exceeds the Company's authorised capital (RUB 263.6 billion as at 31 December 2023). This proves the compliance with the mandatory provisions of Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies" concerning the net asset value of the Company

RUB 287 bln
JSC FPC's net asset value as of 31 December 2023

Report on net profit use

In accordance with the decision of the Annual General Meeting of Shareholders dated 30 June 2023 (Minutes No. 54 dated 5 July 2023), the net profit for 2022 was decided to be distributed as follows.

RUB 21,086,697 thousand
net profit based on the financial and economic performance results for 2023

INDICATOR	Percentage of net profit available for distribution	Amount, RUB '000
Amount of 2022 net profit to be distributed	100%	11,038,611
Distributed as follows:		
• buildup of reserves	5%	551,931
• dividends to shareholders (participants)		
• investments		
Remained undistributed until the relevant decision of the General Meeting of Shareholders (Participants)		
Other (covering losses of previous years)	95%	10,486,680

According to the results of financial and business operations in 2023, JSC FPC cleared a profit of RUB 21,086,697,000.

Based on the results of the financial year, the Annual General Meeting of Shareholders decides on the distribution of the Company's net profit as recommended by the Board of Directors of JSC FPC.

Investment Management

As an integral component of the Development Strategy, the Company's Investment Policy establishes investment priorities, structure, criteria, areas and sources.

The Investment Programme of JSC FPC for 2023–2025 was approved by the decision of the Board of Directors (Minutes No. 15 dated 27 March 2023).

Given that the rolling stock for FPC is the main means of production, it is renewed annually to ensure uninterrupted production activities.

Investment ranking

The projects implemented by FPC are ranked by five types:

- Long-term projects
- Replacement of retired fixed assets with financial effect
- Cost-effective projects
- Replacement of retired fixed assets with technological effect
- Technological and social projects

Each project is ranked from 0 to 100. The higher the score, the higher priority is given to the project within the Investment Programme.

Investment structure

RUB 53.3 billion
volume of the 2023 Investment Programme

The bulk of FPC's investments (RUB 48.9 billion, or 93.5%) in 2023 was spent on the renovation of passenger rolling stock, including purchase of new passenger carriages (RUB 38.4 billion) and upgrade of passenger rolling stock (RUB 10.5 billion).

RUB 3.4 billion worth of investments, or 6.5%, was used to upgrade depot facilities and promote IT projects and other initiatives.

93.5% of FPC's investments in 2023 were used to renew passenger rolling stock

6.5% of FPC's investments in 2023 were used to renew depot facilities, develop information technologies and other projects

Investment programme structure, RUB billion

Indicator	2021	2022	2023	vs. 2022, %
Rolling stock acquisition	26.2	30.5	**38.4**	7.9
Rolling stock upgrades	7.7	8.7	**10.5**	1.8
Depot upgrades	0.6	0.7	**1.7**	1.0
IT promotion	0.2	0.6	**1.4**	0.8
Other projects	0.1	0.1	**0.3**	0.2
Total	**34.8**	**40.6**	**52.3**	**11.7**

Passenger rolling stock replacement

RUB 48.9 billion
investment expenditures in 2023

RUB 38.4 billion – for acquisition of new passenger carriages, including:
- 373 single-decker carriages of 2019 model
- 54 single-decker carriages of 2018 model
- 104 double-deck carriages of 2018 model

RUB 10.5 billion – for passenger rolling stock upgrades.

The main share of these investments (RUB 9.5 billion, or 90.5%) is allocated for overhaul reconditioning with service life extension of 23 carriages and KR-2 overhaul of 698 carriages.

The new rolling stock was purchased to upgrade the fleet and replace retired carriages.

The Company's carriage procurement programme prioritises rolling stock acquisition to replace retired carriages and upgrade profit-making trains. In 2023, 427 single-decker carriages worth RUB 25.3 billion were purchased for this purpose.

In addition, 104 double-deck carriages worth RUB 13.1 billion were purchased for promising destinations with high passenger service demand, to cover schedule train service on the Moscow – Adler, Moscow – Cheboksary routes.

Depot upgrades

RUB 1.7 billion
investment expenditures in 2023

Investments in depot facilities were primarily used to:
- To renovate existing production facilities – RUB 1.3 billion
- To purchase equipment to ensure uninterrupted depot operations – RUB 0.4 billion

IT promotion

RUB 1.4 billion
investment expenditures in 2023

The main investment areas:
- Establishment of a security system for critical information infrastructure facilities of JSC FPC
- Development and import substitution of IT infrastructure
- Delivery of equipment for broadcasting audio recordings and recording of official conversations over the radio train communication and radio broadcasting network
- Supply of personal computers, as well as networking, server and peripheral equipment

Other projects

RUB 0.3 billion
investment expenditures in 2023

Key areas of investment: acquisition of transport safety equipment, development of design documentation, etc.

Priority investment areas

Customer-focused investment

The Company spent

RUB 39.5 billion
to improve the quality of its services in 2023, including:

- reduction of transit time and higher transport safety and better passenger experience (purchase of 531 new highly efficient passenger carriages featuring improved performance and passenger comfort) — RUB 38.4 billion
- Overhaul reconditioning of 23 passenger carriages – RUB 1.1 billion
- A total of RUB 1.4 billion were spent on the information technology innovations

Upgraded of fixed assets

To maintain its existing carriage repair and maintenance facilities, JSC FPC invested RUB 1.3 billion in rehabilitation and upgrades of its fixed assets in 2023.

Investment in safety and security

A total of

RUB 0.5 billion
were used in 2023 to enhance passenger safety and improve the passenger experience:

- RUB 0.4 billion – to replace retired rolling stock
- RUB 0.1 billion – to install new frames, bolsters and 1,520-mm gauge bogies during scheduled carriage repairs

Sources of financing

Sources of financing for the Investment Programme in 2023:

RUB 34.6 billion
internal funds

RUB 17.7 billion
borrowed funds

Passenger Safety

Rail Traffic Safety

With account taken of the service providers involved in the maintenance of railway rolling stock, the 2023 target indicator of traffic safety for JSC FPC was improved by 29% and amounted to 0.0024 adverse events per 1 million train-km of the parent company with a target of 0.0034 maximum.

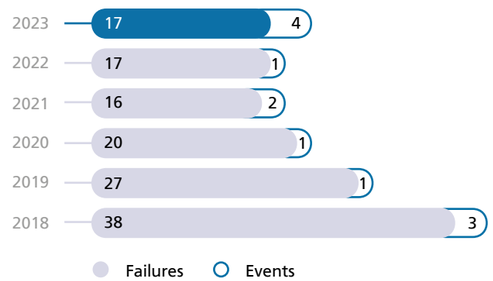
The positive changes were the results of methodical effort in management of traffic safety-related processes:
- Implementation of FPC's Programme of Measures to Reduce the Frequency of Traffic Incidents and Accidents and the Severity of Their Consequences, and to Achieve the Set Targets for Traffic Safety
- Implementation of the Consolidated Action Plan to improve the reliability of technical facilities and reduce the number of technological disturbances and their impact on the transportation process at JSC FPC
- Continued expansion of the annual scope of activities of structural units responsible for technical audits of operating processes and production examinations
- Adoption of digital capabilities and technologies in traffic safety
- Maintenance of staff competencies through training, professional development and mentoring

In 2023, there was one case of fire attributed to the parent company in the Fire Safety ACS (one more case in 2022). The fire occurred on 29 August 2023 in the garage box building of the passenger carriage section of Novosibirsk-Glavny in the result of violation of the rules of operation of electrical appliances and installation of electrical wiring. No damage was recorded.

In 2023, the Company's operational fire safety programme totalled

RUB 166.6 million

Number of train safety alerts



The programme's scope:
- Purchase and delivery of materials and fire protection equipment worth RUB 53.51 million, including fire extinguishers, personal respiratory and visual protection equipment, tools, etc.
- Measures to ensure compliance with statutory and mandatory fire safety requirements with total costs of over RUB 14.44 million, including:
  - Fireproofing
  - Tests of escape ladders and roof railings
- Assignment of explosive and fire hazard classes to premises following the Electric Installation Guidelines
- Joint fire prevention measures for FPC's rolling stock and stationary facilities, under the contractual obligations with Federal State Enterprise "Departmental Protection of Railway Transport of the Russian Federation", for a total amount of over RUB 63.29 million

In 2023, no accidents or incidents were reported at hazardous industrial facilities of FPC.

RUB 34,961 million

spent on the occupational health and safety programme

The following was completed:

Industrial safety expertise, examination and certification of technical devices, development of emergency localisation plans at hazardous production facilities for RUB 28,604 million (483 measures at 180 hazardous production facilities)

Acquisition of removable load-carrying equipment, for an amount of RUB 1,272 million

Maintenance of gas equipment and safety devices in the amount of RUB 5,087 million

In 2023, under the Renewal of Industrial Safety Facilities project of the investment programme, JSC FPC replaced equipment at hazardous facilities that reached the end of its standard service life for RUB 57.049 million. A total of 24 projects were implemented under this programme.

In line with Federal Law No. 225-FZ dated 27 July 2010 "On Compulsory Insurance of Civil Liability of the Owner of a Hazardous Facility for Inflicting Damage as a Result of an Accident at the Hazardous Facility", all JSC FPC's hazardous facilities are insured.

Transport security units are the front-line tool of protection engaged by JSC FPC to protect its passenger trains from acts of unlawful interference. The Company has current contracts with this service until 2025.

FPC JSC's efforts in ensuring transport security are aligned with the Decree of the President of the Russian Federation No. 757 dated 19 October 2022 "On measures taken in constituent entities of the Russian Federation in connection with the Decree of the President of the Russian Federation No. 756 dated 19 October 2022", which establishes the average level of response in the Belgorod, Bryansk, Voronezh, Kursk and Rostov Regions, as well as the Krasnodar Territory. All FPC passenger trains running to the above regions are escorted by transport security units. The spending on such units in 2023 totalled RUB 1.4 billion.

Another crucial security-related component involves a set of measures to protect FPC's facilities, comply with entry and internal security regimes at the enterprises, and ensure the safety of property. The Company's 74 facilities are subject to 24/7 security ensured by 507 guard posts. Last year costs on providing security at JSC FPC's facilities totalled RUB 0.7 billion.

In 2023, FPC JSC continued to certify employees as units of transport security forces. This kind of certification has been done every year since 2017. In total, the certification covered more than 2,400 employees directly involved in ensuring transport security, most of whom are train managers and passenger car attendants responsible for ensuring transport security on passenger trains. In 2023, over 1,000 employees of JSC FPC underwent transport safety certification, which is a record number for the last seven years.

Violations of the rules of traffic safety and operation of rail transport are considered and investigated in accordance with Order of the Russian Ministry of Transport No. 344 dated 18 December 2014.

>1,000 employees

of JSC FPC were certified in transport safety in 2023

Provision of safety and security of passengers, seers-off and other persons

Before train departure all passenger carriages undergo maintenance and inspection of their compliance with traffic and fire safety requirements. In addition, all carriage spaces and undercarriage equipment are checked for absence of foreign objects. Technological recesses, hatches are sealed.

Passengers board the train only upon presentation of valid travel documents and identity documents. Seers-off are allowed into carriages only if the passengers they are seeing off confirm their status. Entraining and detraining of passengers are only permitted within the passenger platform.

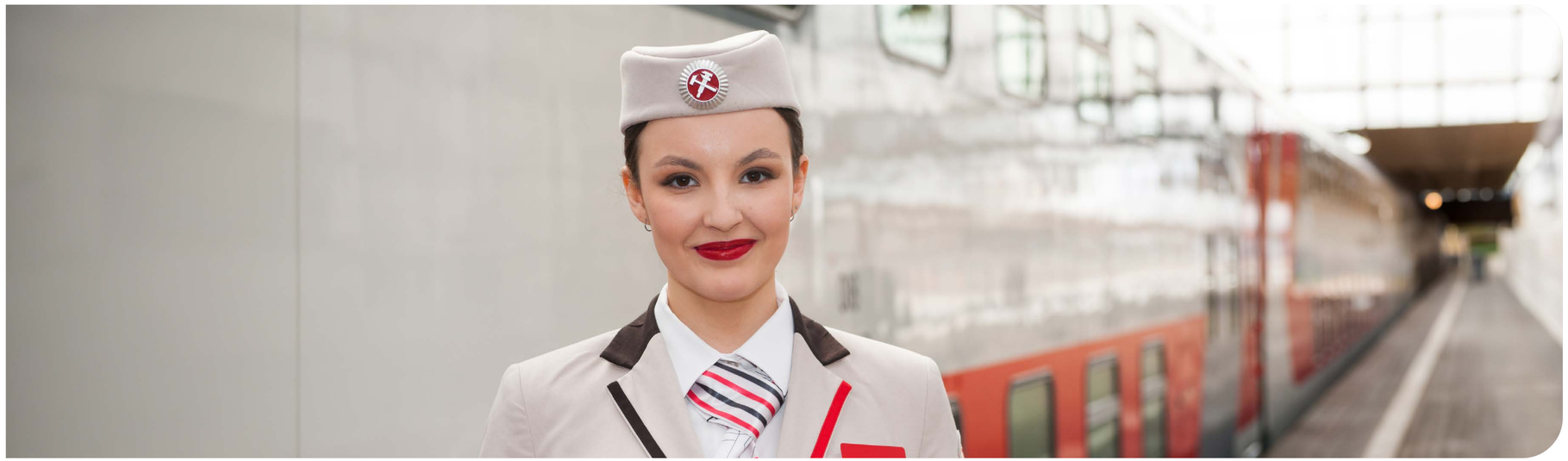
If suspicious persons or items prohibited for carriage are detected, the attendant of the passenger train shall call the passenger train manager, who shall bring in police officers or transport security officers if necessary.

When en route, the train crew personnel controls the technical condition of the carriages and compliance with fire safety requirements, does not allow passengers to exit when the train is moving or make sure that passengers or unauthorised persons do not ride on footsteps and other inappropriate places.
If unlawful actions are detected en route, the train crew shall immediately call transport security officers and police officers to take action against the offenders. If there are no police officers on the train, they shall be called in at the nearest station where there is a transport police unit.

After a passenger gets off the train, the attendant checks the berths/seats they occupied to make sure that they did not leave anything behind. If prohibited items or substances are found (identified), the attendant of the passenger carriage shall inform the passenger train manager, who notifies the duty services of the Ministry of Internal Affairs of Russia and the Federal Security Service of Russia. In this instance as well as in the event of a fire, the passengers are to be evacuated.

In case of illness or injury of passengers, train crew members administer first aid, including with the involvement of medical personnel from among passengers, call medical personnel at the nearest railway station where a medical centre is available, and if necessary – an ambulance crew, including with a non-scheduled stop of the train.

To ensure safety, the carriages are equipped with equipment diagnostics systems, fire alarm system, water fire extinguishing system, and video surveillance system. The compartment doors in first-class sleeping carriages are fitted with electronic locks. Passenger carriage attendants can use the portable terminal to remotely monitor the heating of axle box units and fire alarms, sound an alarm, and, if necessary, call the train electrician, the passenger train manager or the train police.



Russian Federation Government Relations

Below are two main areas of JSC FPC's interaction with state authorities in 2023:

- Allocation of subsidies to compensate in full the Company's shortfall in income from regulation of tariffs for carriage of passengers in third-class sleeping carriages and fourth-class seating carriages
- Indexation of tariffs in the regulated segment for 2024

As a result of joint work of FPC and the parent company with the Russian Ministry of Transport in early 2023, the amount of subsidies to compensate for losses in FPC's revenues from railing third-class sleeping carriages and fourth-class seating carriages was increased from RUB 7.2 billion to RUB 8.4 billion through the redistribution of funds between long-distance carriers. For the first time since the beginning of carriage business of JSC FPC, the federal budget in 2023 provided for the stated amount of subsidies, which fully covers the Company's revenue losses from usage of third-class open sleeping carriages and fourth-class seating carriages.

JSC FPC also worked with the Ministry of Transport of Russia and the Federal Railway Transport Agency (Roszheldor) so that the latter allocate subsidies to JSC FPC for 2024–2026 to compensate losses in revenue from railing third-class sleeping and fourth-class seating carriages (RUB 7 billion every year) and to offset service to/from the Kaliningrad Region (RUB 2.3 billion, RUB 2.5 billion and RUB 2.6 billion, respectively) in the full amount stated in the Company's budget request on the need for subsidies for the specified period.

In view of changes in the main parameters of the forecast of socio-economic development of the Russian Federation for 2024 and the planning period of 2025 and 2026, JSC FPC submitted proposals for the indexation of tariffs, charges and fees for the transportation of passengers, baggage and cargo luggage from 1 December 2023. Thus, FAS Order No. 751/23 dated 19 October 2023 approved the indexation of tariffs in the regulated segment of transportation for 2024 in the amount of 10.75%.

In addition, as part of the improvement of the Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail in cooperation with the Ministry of Transport of the Russian Federation, provisions important for the organisation of the transportation process were included, such as the list of identity documents on the basis of which a travel document (ticket) can be issued; the prohibition of the use of sound amplification devices in carriages (except for hearing aids and other individual devices (headphones); the procedure for issuing tickets in case of replacement of a national identity document; regulatory enshrinement of the procedure for making changes to the passenger's personal data specified in the ticket (in cases where the passenger made mistakes when filling in the data on the website); and prohibition to detrain minors under the age of 16.

The updated Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail came into force from 1 September 2023[1].

[1] Approved by Order of the Ministry of Transport of Russia No. 352 dated 5 September 2022.

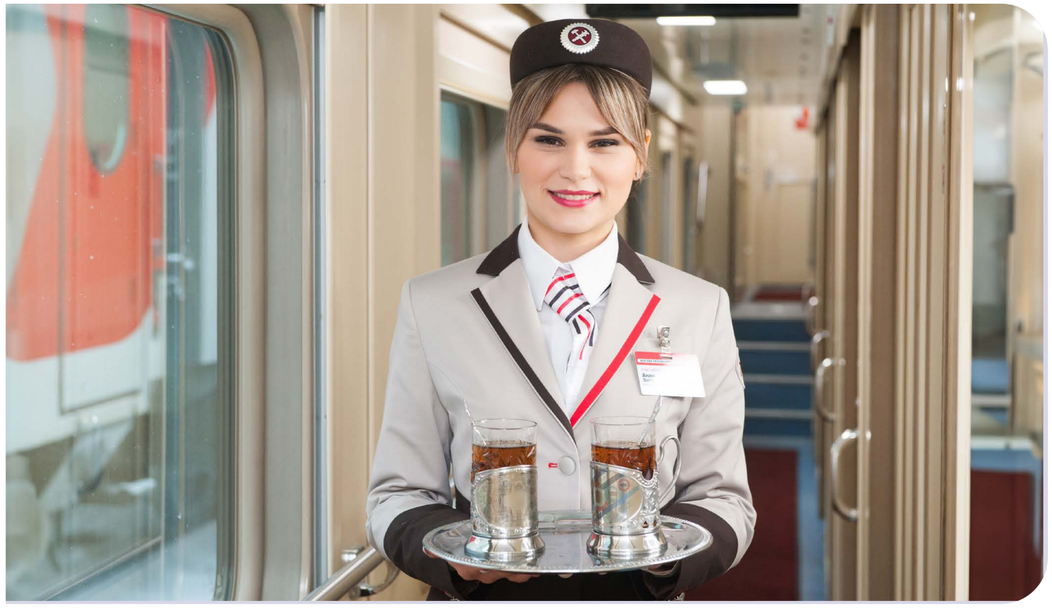
International Engagement

Cooperation with international organisations and foreign railways

Since 2022, the interaction with companies who are residents of friendly countries was rearranged to be bilateral with the purpose of cooperation within the framework of the Council on Railway Transport of the Commonwealth member states and the Organisation for Cooperation between Railways, which enabled the Company to successfully address operational and strategic issues of international passenger transportation.

40
international events
in 2023

During 2023, managers and specialists of JSC FPC participated in 40 international events, which considered issues related to regulatory and tariff regulation in international service, the use of passenger cars, transport safety, and other issues affecting FPC's operations.



Corporate Governance

JSC FPC's corporate governance system is an important tool for ensuring the effective and responsible management of the Company in the interests of its shareholders, employees and society as a whole. It is based on the principles enshrined in the Corporate Governance Code of the Bank of Russia.

AAA+
rating of the Anti-Corruption Charter of Russian Business

NCGR 6++
RID rating (good corporate governance practices)

95%
full and partial compliance with the recommendations of the CGC of the Bank of Russia

Corporate governance principles

Protection of shareholder interests and rights

The Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC provide for the corporate governance rights of shareholders.

Protection of the interests and rights of FPC's shareholders is ensured through a reliable method for recording their rights to shares – the share register is maintained by an independent entity, JSC STATUS registrar.

Shareholders are given additional information when the General Meeting is being prepared, on top of the information that is needed by law.

Equal treatment of all shareholders

Shareholders have equal and fair rights to share JSC FPC's profit by receiving dividends. The Regulations on JSC FPC's Dividend Policy establish a mechanism for determining the dividend amount and paying dividends.

All shareholders are provided with materials required for the General Meetings of Shareholders and have equal access to all required information at the Company's office.

Timely disclosure of information

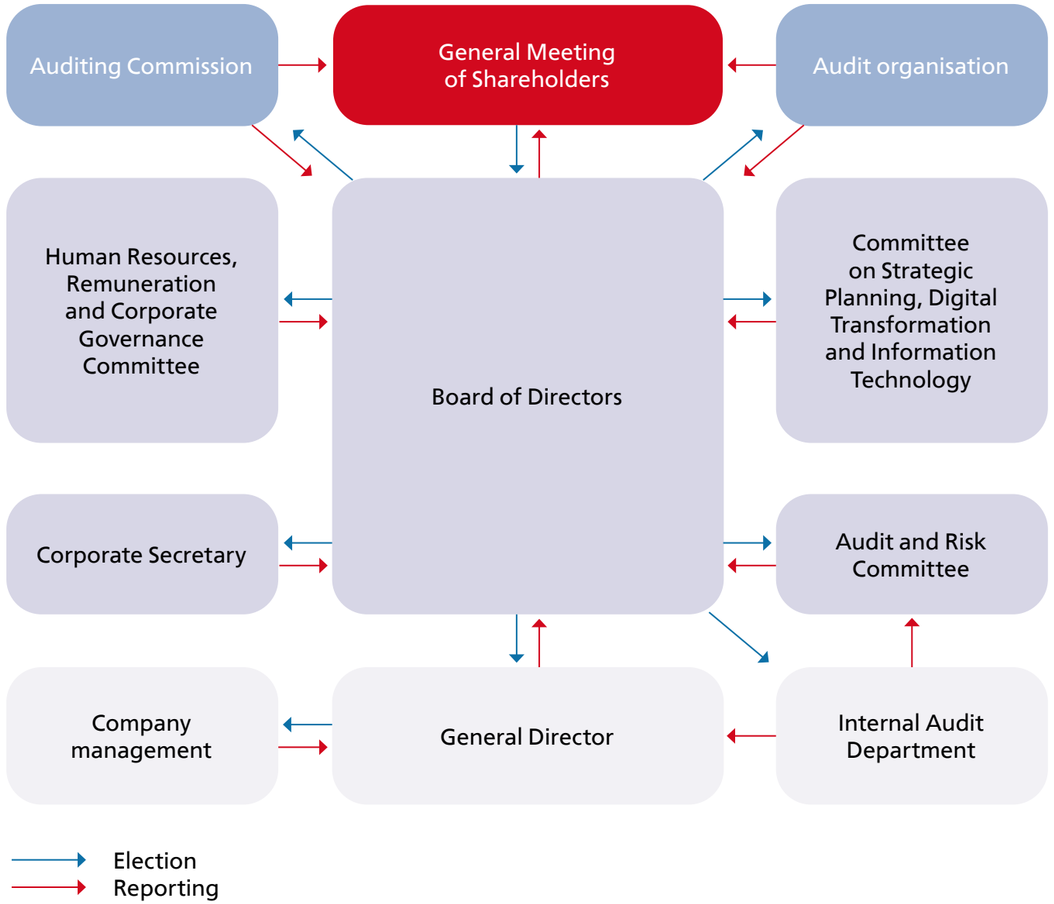
The Company ensures timely disclosure of information on its website, as well as on the website and in the news feed of LLC SKRIN information agency (Integrated Information and News Disclosure System) authorised to disclose information about securities and other financial instruments.

Mutual trust and respect for all stakeholders

Relationships between the Company's shareholders, members of the Board of Directors, and management are based on integrity, trust, mutual respect for legitimate interests, and all parties performing their obligations in good faith.

Corporate governance model and practice

The Company's corporate governance model



JSC FPC's corporate governance model is built in line with Russian statutory requirements and is a multi-tier system of relationships between participants in the corporate governance process.

The highest governance body of the Company is the General Meeting of Shareholders. The Board of Directors occupies a key position in the corporate governance system. The Company's day-to-day operations are managed by the General Director, who reports to the General Meeting of Shareholders and the Board of Directors of JSC FPC. The Board of Directors, in its turn, is accountable to JSC FPC's General Meeting of Shareholders.

The scope of functions of all governance bodies is clearly defined and formalised in the Articles of Association of the Company .

Matters reserved to the General Meeting of Shareholders include:
- Amendments and addenda to the Articles of Association and approval of a new version of the document
- Reorganisation of the Company
- Liquidation of the Company, appointment of a liquidation committee, and approval of interim and final liquidation balance sheets
- Determination of the number, par value, and type (class) of authorised shares and rights attached to such shares
- Resolutions on the placement of bonds convertible into shares, and other issue-grade securities convertible into shares
- Determination of the number of Board members, election of Board members and early termination of their powers
- Distribution of the Company's profit (including payment (declaration) of dividends, except for the payment (declaration) of dividends for the first quarter, the first six months, and the first nine months of the reporting year) and loss in the reporting year
- Payment (declaration) of dividends for the first quarter, the first six months, and the first nine months of the reporting year
- Decision-making on preliminary consent for related-party transactions (except for transactions in which a controlling entity of the Company is a related party), if the number of disinterested members of the Board of Directors is less than half of the number of elected Board members
- Decision-making on preliminary consent to make or on subsequent approval of major transactions involving property with a value of more than 50 (fifty) per cent of the book value of the Company's assets, in accordance with the Federal Law "On Joint Stock Companies"
- Approval of internal documents regulating the activities of the Company's governance and control bodies
- Resolution on the payment of remuneration and/or compensation to the members of the Board of Directors
- Resolution on filing an application to the Bank of Russia requesting for an exemption from the obligation to disclose or provide information according to the Russian laws on securities
- Resolution on cancelling or amending previously adopted resolutions of the General Meeting of Shareholders.

Unique features of JSC FPC's corporate governance model

JSC FPC is a company of strategic importance for national defence and security[1]. The Company s controlling entity is the Russian Federation, which owns 100% of the shares of the parent company, which is the major (controlling) shareholder of JSC FPC. Accordingly, there are some unique features in JSC FPC's corporate governance:
- The Company may not pledge, sell or otherwise dispose of the shares of its owned subsidiaries (with transfer of ownership) without the consent of the Government of the Russian Federation[2]
- The Federal Agency for State Property Management is obliged to give directives to agents of the Russian Federation sitting in the board of directors of joint stock companies on the matter of a subsidiary or affiliated business entity acquiring the shares (stakes in the authorised capital) of other business entities, including during their establishment, if the articles of association of the joint stock company states that the position of the joint stock company or its representatives (when the governing bodies of a subsidiary or affiliated business entities consider agenda items of the general meeting of shareholders and meetings of the boards of directors) is to be determined by the board of directors (supervisory board) of the joint-stock company[3]
- JSC FPC is required to carry out certain directives from the Russian Federation's Government and, if necessary, to make sure that subsidiaries do the same

JSC FPC is also on the list of key controlled entities that must obtain the parent company's board of directors' permission on matters that are material to their operations. The material matters include:
- Approving development strategies and monitoring their implementation
- Endorsing the main budget parameters
- Determining the voting position on the most important issues on the agenda of the general meeting of shareholders and (or) the meeting of the board of directors (liquidation or reorganisation of the company; election of the board of directors and the sole executive body of the company; increase/decrease in the authorised capital of the company; settlement of major and other transactions by the company)

[1] As its carries out the type of activity specified in sub-clause 36, Article 6, Federal Law No. 57-FZ dated 29 April 2008 on the Procedure for Foreign Investment in Business Entities of Strategic Importance for National Defence and Security (it is a natural monopoly included in the register of natural monopolies in the areas referred to in clause 1, Article 4, Federal Law No. 147-FZ dated 17 August 1995 on Natural Monopolies).

[2] In accordance with Federal Law No. 29-FZ dated 27 February 2003 "On peculiarities of management and disposal of railway transport property".

[3] In accordance with Decree of the Government of the Russian Federation No. 738 dated 3 December 2004 (revised on 31 March 2021, amended on 31 August 2022) "On Management of Federally Owned Shares in Joint Stock Companies and Use of the Special Right of Participation of the Russian Federation in Management of Joint Stock Companies (Golden Share)".

Assessment of corporate governance quality

External assessment of corporate governance quality by external consultants

This year the Russian Institute of Directors (RID) assessed the corporate governance system of JSC FPC for the first time. Based on the results of the assessment for 2023, the Company was assigned the National Corporate Governance Rating (NCGR®) at 6++ "Good Corporate Governance Practice".

In accordance with the NCGR scale, a company with an NCGR 6++ follows a number of key recommendations of the Russian Corporate Governance Code and sustainability standards. The company has acceptable stakeholder risks related to the quality of corporate governance and sustainability management.

The RID experts factored in the following features of JSC FPC: non-public status, publicly traded securities, high concentration of share capital, and significant social significance of operations.

The RID employed the current NCGR methodology to assess four components:
- Shareholder rights
- Performance of governance and control bodies
- Information disclosure
- Sustainable development and ESG

Key strengths and areas requiring additional improvement were determined by analysing the findings within each of the four components.

Key strengths

- The Company's administrator of shareholder register is an independent registrar with a strong reputation and reliable technologies.
- The Company carries out competitive selection of suppliers of goods, works and services, the cost of which exceeds a certain level, as stipulated by the relevant internal document.
- The Board of Directors regularly reviews the implementation of the procurement policy.
- The powers of the Board of Directors of JSC FPC were broadened in terms of making decisions on revenue-intensive transactions.
- The process of pre-qualification of external auditors is in place.
- The Board of Directors includes two independent directors, thus providing the necessary balance for the independence of the Board of Directors from the management.
- It is a general practice for JSC FPC to have D&O insurance for members of the Board of Directors.
- There is a comprehensive regulation of conflicts of interest of Board members.
- JSC FPC regularly conducts self-assessment of the Board of Directors' performance.
- The main committees are actively working, including the Audit and Risk Committee, the Human Resources, Remuneration and Corporate Governance Committee, and the Strategic Planning, Digital Transformation and Information Technology Committee.
- A structural unit with the internal audit functions – the Internal Audit Department (IAD) was established, which is in line with the recommendations of the best corporate governance practices. The IAD is functionally accountable to the Board of Directors / Audit and Risk Committee.
- A regulatory and methodological framework for risk management was put in place, and a unit responsible for coordination and methodological support of the risk management process is in operation.
- The corporate secretary is a new separate position independent from the management, and the functions and powers assigned to the corporate secretary generally comply with the recommendations of the Russian Corporate Governance Code.
- The Board of Directors approved the Regulation on the Information Policy, the content of which is generally in line with the recommendations of the Russian Corporate Governance Code.
- The remit of the Board of Directors includes the matters on determining the development strategy, assessing results of the Company's activities, nominating candidates to governing and control bodies, as well as control over revenue-intensive transactions of controlled companies.
- Meetings of the Board of Directors are held regularly and in sufficient quantity, at least once every two months, and in accordance with the approved work plan.
- The Company discloses interim IFRS financial statements.
- Disclosure covers the amount of remuneration paid to the external auditor for auditing the IFRS and RAS financial statements, as well as indicates the absence of consulting services provided by the auditor to the Company.
- The Annual Report is available on the Company's website, prepared in accordance with legal requirements, and discloses a substantial amount of additional information in accordance with the recommendations of the Russian Corporate Governance Code.
- The website of JSC FPC contains a significant amount of information about the Company and the results of its activities, in addition to the information required by law.
- The Company runs ESG risk identification process.
- A number of internal documents regulating corporate social responsibility policies in relation to key stakeholders were approved.
- In the year preceding the assessment, the Company implemented numerous corporate social projects for employees and their family members, the local communities within the Company's footprint, as well as charitable and sponsorship projects.
- The Company's activities are certified for compliance with ISO 9001 standard in the field of quality management.

Area for improvement

- The number of independent directors in the Board of Directors is assessed as insufficient.
- The composition of the Audit and Risk Committee and the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors does not comply with the recommendations of the Russian Corporate Governance Code.
- There is no practice of external independent assessment of the Board of Directors once in three years.
- The Company does not disclose explanations of executive agencies to IFRS financial statements, including analyses of financial position and performance.
- The strategy does not comprehensively take into account the sustainable development goals.
- The Board of Directors has not established a dedicated Sustainability Committee, the competence of the existing committees has not been further expanded by relevant issues, and a sustainability supervisor from the Board of Directors has not been assigned.
- There is no climate change programme and no carbon neutrality programme, nor identification of the risks associated with climate change.
- The Company does not prepare a report on sustainable development according to GRI standards.

Internal quality assessment of corporate governance conducted by the Internal Audit Department

FPC's Internal Audit Department conducted an assessment of FPC's corporate governance practices for the 2022/2023 corporate year. The results of the assessment confirmed its predominant compliance with the established regulatory requirements, including a number of recommendations of the Bank of Russia Corporate Governance Code applicable to the Company's operations. In certain areas, corporate governance improved in a good way.

For the subsidiaries of JSC FPC, specific corporate governance development areas were also identified as part of recommendations for further strengthening corporate governance practices.

Report on the progress in compliance with the Bank of Russia's Corporate Governance Code (self-assessment of corporate governance quality)

In 2023, the Annual General Meeting of Shareholders approved a new edition the Articles of Association of JSC FPC, which takes into account not only legislative innovations but also best practices in corporate governance. The key changes relate to:

- Bringing the Company into compliance with the current version of the Federal Law "On Joint Stock Companies", the Moscow Exchange's requirements for bond issuers and the Corporate Governance Code recommended by the Bank of Russia (the possibility of electronic voting at the General Meeting of Shareholders and the Board of Directors, as well as remote voting at meetings held in person, was introduced; and provisions on the mandatory presence of an internal audit department and an auditing commission were set forth)
- Bringing the Company into conformity with the practice of the main controlling shareholder (the concepts of controlling entity and controlled company were introduced, the right was provided to issue binding written instructions to a subsidiary company on the development and approval of internal documents on the basis of organisational and administrative documents of the main company, the Company's accession to the documents of the main company)
- Redistributing the powers of the governing bodies

Main amendments made to the Articles of Association

Changes in the remit of the Board of Directors	• Supplemented with issues on determining the initial (maximum) price of the auditor's services, approval of the succession pool for the position of General Director, approval of the programme of measures for operational efficiency and optimisation of the Company's expenses, consideration of the action plan for eliminating the Auditing Commission's observations, approval of the Company's annual accounting (financial) statements • Excluded the subsequent approval of completed transactions • Shortened the list of issues in respect of which the Board of Directors determines FPC's position on voting in controlled companies
Electronic voting capability	• Provided a possibility of electronic voting at the General Meetings of Shareholders and the Board of Directors, as well as remote participation in meetings held in person (joint attendance)
Shareholder rights	• Provided the right to issue binding written instructions to a subsidiary of the parent company on the development and approval of internal documents on the basis of organisational and administrative documents of the parent company, as well as on the implementation of directives of the Government of the Russian Federation, which require extension to subsidiaries; provided the possibility of dividend payment by property
Other amendments	• Introduced the concepts of a controlling entity and controlled company • Defined the approaches to organising the internal audit function • A significant volume of amendments to the Articles of Association is brought into conformity with changes in the legislation of the Russian Federation

Following the approval of a new version of FPC's Articles of Association, the main area of improvement of the corporate governance system in 2023 was the harmonisation of the Company's internal regulatory documents.

In 2023, for example, new internal documents of JSC FPC were updated and developed, which will allow the Company to improve its level of corporate governance.

Company's area of activity	Document
Shareholder Rights	FPC's Articles of Association (revised) Amendments to Regulations on Dividend Policy JSC FPC
Board of Directors and relevant committees	Regulation on Preparation and Submission of Materials and Information to the Board of Directors of JSC FPC and Committees of the Board of Directors of JSC FPC, Organisation of Control over Execution of Decisions of the Board of Directors of JSC FPC and Recommendations of the Committees of the Board of Directors of JSC FPC as amended
Remuneration System	Regulations on JSC FPC Executive Remuneration System Regulations on the Procedure for Indexation of Management Salaries of JSC FPC Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC as amended
Conflict of interest and anti-corruption policy	Code of Ethics of JSC FPC Regulations on Avoidance of Conflict of Interests in Procurement
Interactions with subsidiaries and affiliates (S&As)	Incentive system for sole executive bodies and key executives Model Regulations on the secretary of the board of directors of a subsidiary, controlled company or other company with the participation of JSC FPC Model Regulations on evaluation of the performance of the board of directors and committees under the board of directors of a subsidiary and other controlled company of JSC FPC
Ensuring financial performance	Regulations on the debt policy of JSC FPC (revised) Regulations on budget formation and performance monitoring of JSC FPC (revised) New forms for the FPC General Director's report on the Company's performance in the reporting period Procedure for drafting and reviewing reports of the General Director of JSC FPC on fulfilment of instructions from the General Meeting of Shareholders and the Board of Directors
Procurement	Amendments to Regulations on the procurement of goods, work and services for the needs of JSC FPC Amendments to standard terms of settlements with counterparties for which JSC FPC is the payer
Disposal of property	Non-core asset disposal programme of JSC FPC (revised) Procedure for identifying non-core assets of JSC FPC (revised)

Moreover, the Company continued to follow the recommendations of the Bank of Russia's Corporate Governance Code (hereinafter referred to as the Code):

- The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors made recommendations to the Company's shareholders in the process of nominating candidates to the Board of Directors on the availability of necessary experience and competences, absence of conflicts of interest, as well as on the compliance with the independence criteria set out in the Code.
- The Board conducted a self-assessment of its work, committees and Board members, including analysing its own needs in terms of professional qualifications, experience and business skills, the size of the Board, and the effectiveness of the Chairman and Corporate Secretary.
- While maintaining continuity in respect of executive bodies, the Board of Directors approved the succession pool for the position of the Company's General Director.
- The Board of Directors defined the KPI "Ensuring Effective Corporate Governance Practices" as one of the key performance indicators for the General Director and the Corporate Secretary.
- The main results of the Board of Directors' performance assessment were included in the Annual Report.

The following areas are identified by the Company as top priorities for the corporate governance system growth in 2024:

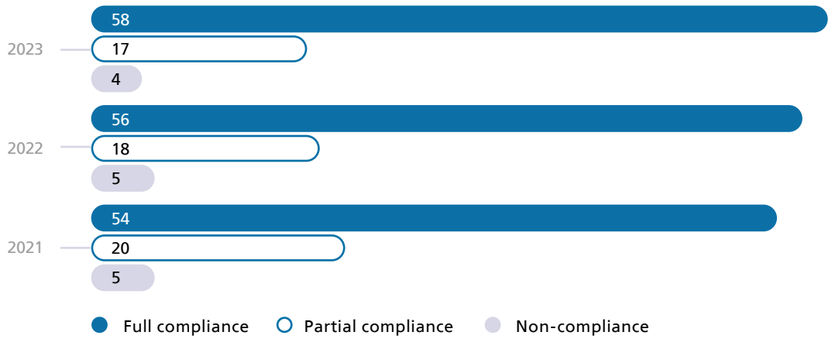
- Introduction of digital technologies into the organisation of the work of the Board of Directors and relevant committees
- Development of ESG principles at strategic level and involvement of the Board of Directors in managing the Company's sustainable development
- Upgrade of the corporate governance rating

While developing its corporate governance practices in line with the Code's recommendations, JSC FPC managed to retain progress in part of the fully complied principles despite sanctions pressure and restrictive measures affecting the Company's operations in 2023. Progress towards compliance with the principles of the Code was achieved by improving the quality of information on the corporate secretary disclosed in the Annual Report and bringing internal documents regulating the system of remuneration of Board members, the executive body and key executives of the Company into compliance with the recommendations of the Code.

Compliance with the principles and recommendations of the Corporate Governance Code[1]

Sections	Corporate governance principles recommended by the Code	Compliance								
		Full compliance			Partial compliance			Non-compliance		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
Shareholder Rights	13	10	10	10	3	3	3	–	–	–
Board of Directors	36	26	25	25	8	9	9	2	2	2
Corporate Secretary	2	2	1	2	–	–	–	–	1	–
Remuneration System	10	6	7	8	2	1	–	2	2	2
Risk Management System	6	6	6	6	–	–	–	–	–	–
Information Disclosure	7	1	3	3	6	4	4	–	–	–
Material Corporate Actions	5	3	4	4	1	1	1	1	–	–
Total	**79**	**54**	**56**	**58**	**20**	**18**	**17**	**5**	**5**	**4**

Compliance with the Corporate Governance Code



Detailed information on compliance with the provisions of the Code is given in the Appendix "Report on Compliance with the Bank of Russia Corporate Governance Code"[2].

[1] In accordance with the Bank of Russia's letter dated 27 December 2021 "On disclosure of a report on compliance with the principles and recommendations of the Corporate Governance Code in the annual report of a public joint stock company".

[2] The Company evaluated compliance with the Corporate Governance Code by examining and comparing internal standards and practices with the Code's recommendations.

General Meeting of Shareholders

The General Meeting of Shareholders of JSC FPC is the highest governing body of the Company. There were four general meetings of shareholders in 2023: one annual and three extraordinary ones.

General Meetings of Shareholders held in the reporting year

Extraordinary General Meeting of Shareholders	20 January 2023	
Extraordinary General Meeting of Shareholders	29 May 2023	
Annual General Shareholders Meeting		30 June 2023
Extraordinary General Meeting of Shareholders	11 September 2023	
Number of items reviewed	5	6

Resolutions taken by the extraordinary General Meetings of Shareholders

Date	Decisions taken
20 January 2023	On determining the number, par value, class (type) of the authorised shares of JSC FPC and the rights granted by such shares
	On amendments and additions to the Articles of Association of JSC FPC
29 May 2023	On early termination of powers of members of the Board of Directors of JSC FPC
	On election of members of the Board of Directors of JSC FPC
11 September 2023	On approval of a major transaction

Resolutions taken at the Annual General Meeting of Shareholders

Date	Decisions taken
30 June 2023	On approval of annual accounting (financial) statements of JSC FPC for 2022
	On distribution of net profit by results of 2022
	On non-payment of dividends by results of 2022
	On payment of remuneration and compensation to members of the Board of Directors of JSC FPC
	On election of the Board of Directors in new composition
	On approval of the new version of the Articles of Association of JSC FPC

JSC STATUS Registrar performed the functions of a counting commission at FPC's General Shareholders Meetings. The results of the voting were announced at the in-person meetings.

Board of Directors[1]

The Board of Directors occupies a key position in JSC FPC's corporate governance system. Its activities are governed by the Regulations on the Board of Directors of JSC FPC approved by the General Meeting of Shareholders. Information on the activities of the Board of Directors is disclosed in the Annual Report and made available to shareholders.

The scope of functions of the Board of Directors:

- To determine the Company's priority areas of activity, approve its strategy
- To approve the budget, investment programme, major investment projects and their adjustments
- To review the report of the sole executive body on the Company's performance results for the reporting period, the report on the progress in implementing the programme of measures for operational efficiency and optimisation of the Company's expenses, the report on the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors
- To determine the number of members of the Auditing Commission, election of members of the Auditing Commission and early termination of their powers; to decide on payment of remuneration and (or) compensation to the members of the Auditing Commission in accordance with the internal document approved by the General Meeting of Shareholders
- To appoint the audit organisation (individual auditor), to determine the initial (maximum) price of the contract for the provision of services by the audit organisation (individual auditor), to determine the amount of payment for the services of the audit organisation (individual auditor)
- To approve the annual report, annual accounting (financial) statements
- To convene annual and extraordinary General Meetings of Shareholders, with exception of cases stipulated by the Federal Law "On Joint Stock Companies"; to approve the agenda of the General Meetings of Shareholders; to set the date for determining (recording) the persons entitled to participate in the General Meetings of Shareholders, to sort out other issues related to preparation and holding of the General Meetings of Shareholders
- To review the results of performance evaluation of the Board of Directors, members of the Board of Directors, committees of the Board of Directors, and the Corporate Secretary
- To determine KPIs for the Company, the sole executive body (temporary sole executive body), key management personnel and approve reports on their fulfilment
- To define general principles and approaches to organising the risk management, internal control and internal audit system in the Company
- To approve the acceptable amount of risks for the Company (risk appetite, preferred risks), including the approach to its determination

For the full list of powers of the Board of Directors, please see JSC FPC's Articles of Association

The exclusive competence of the Board of Directors also covers the election of the General Director, early termination of their powers, determination of the terms and conditions of their employment agreement, as well as the person authorised to sign documents on behalf of the Company in the framework of employment relations with the sole executive body. The General Director shall combine positions in the governance bodies of other organisations, as well as other paid positions held on a part-time basis in other organisations upon approval of the Board of Directors. The succession of executive bodies is ensured by the Board of Directors through an annually approved succession pool for the position of the General Director.

Three standing committees of the Board of Directors of JSC FPC were out in place for preliminary work on the most important issues:

- Committee on Strategic Planning, Digital Transformation and Information Technology
- Audit and Risk Committee
- Human Resources, Remuneration and Corporate Governance Committee

The committees are governed by relevant regulations approved by the Board of Directors. The number and personal composition of the committees, as well as candidates for their chairpersons, shall be determined by the Board of Directors at its first meeting. The committees submit reports on their activities to the Board of Directors on an annual basis.

[1] This section does not disclose the full names of the members of the Company's Board of Directors and their biographical information in accordance with Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023.

Nomination and selection of candidates

In accordance with the Company's Articles of Association, the Board of Directors is elected by the General Meeting of Shareholders of JSC FPC. The quantitative composition of the Board of Directors is determined by the decision of the General Meeting of Shareholders.

The selection and appointment of candidates for election to the Board of Directors of JSC FPC is done by the shareholder while taking the Company's present needs into account. Since JSC FPC is a key controlled company, including independent directors in the list of candidates is a mandatory criterion in formation of the Board of Directors.

Candidates to the Board of Directors of JSC FPC must be persons with impeccable reputation, knowledge, skills and experience necessary for making decisions within the remit of the Board of Directors and required for the effective performance of its functions. The principle of balance is used in the formation of JSC FPC's Board of Directors to make sure that the number of independent directors and the range of their knowledge, skills and experience are appropriate for the size and scope of the Company's operations.

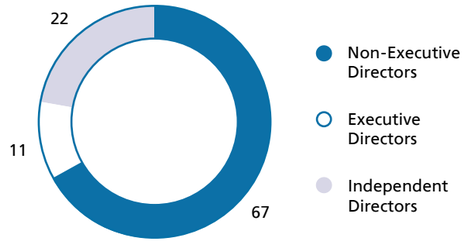
In order to make voting recommendations to shareholders for the Annual General Meeting on the election of candidates to the Board of Directors, the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors analyses the professional qualifications and independence of all nominations to the Board of Directors.

Process of electing the Board of Directors:

- Approval of candidates by the board of directors of the parent company
- Nomination of candidates by shareholders or the Board of Directors
- Assessment by the relevant Committee of the Board of Directors of whether candidates meet the criteria of independence, qualifications, competences and experience
- Presentation to shareholders of the committee's recommendations on the candidates' compliance with the requirements
- Election of the Board of Directors by the Annual General Meeting of Shareholders

In the reporting period, there were three compositions of the Board of Directors with the same number of nine people. The Board of Directors that were in place before the Annual General Meeting of Shareholders included three independent directors each, i.e., the proportion of independent directors recommended by the Code was retained. In June 2023, two independent directors and one new non-executive director were elected to the Board of Directors of JSC FPC by the Annual General Meeting of Shareholders. The share of new members of the Board of Directors was 10%.

Board structure, %



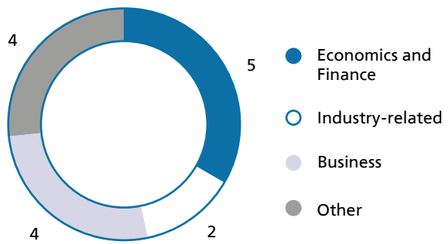
The Board of Directors is comprised of highly qualified professionals who enjoy confidence of shareholders. The efficiency of the Board of Directors is achieved through a balanced composition, including the qualifications of its members, their experience, knowledge and business qualities, age and gender.

In the reporting year, the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assessed the balance of the Company's composition for compliance with the Company's strategic goals and objectives. In addition, the competences and professional qualifications of all candidates nominated to the Board of Directors were assessed.

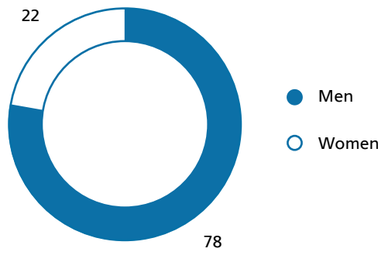
Area of competence	Board members									
	NE1	NE2	NE3	NE4	E	NE5	NE6	I1	I2	I3[1]
Cooperation with public authorities	●	●	●	●	●	●		●		
Information technology and telecommunications			●					●		
Corporate governance				●			●		●	●
Corporate finance and investor relations		●								
Macroeconomic and sectoral analysis	●	●				●	●			
Strategic planning and development	●	●	●	●	●	●			●	●
Strategic management	●			●	●		●	●	●	
Finance and audit			●			●			●	●
Internal control and audit										●
Risk management							●			●
Human resources management and social responsibility									●	
PR and marketing								●		

NE–Non-executive E–Executive I–Independent

Remuneration of members of the Board of Directors[2]

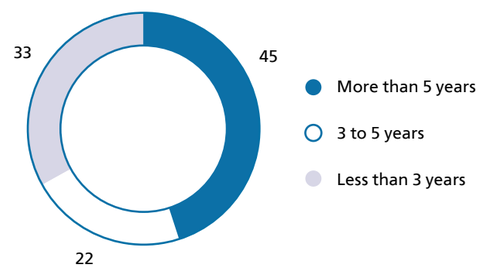


Gender balance, %



The Board of Directors includes two women and seven men representing different age groups, which enables members of the Board of Directors to consider agenda items comprehensively.

Tenure, %



The average tenure of Board members of the JSC FPC is 4.1 years. Such a period allows for both the need for rotation (to assess and work through issues in the most objective and innovative way) and accumulation of sufficient experience (to be deeply immersed in the Company and to make informed decisions that fall within the remit of the Board members).

Role of independent directors in the Company's activities

Independent directors ensure an objective and comprehensive review of matters based on their knowledge, experience and qualifications. Unbiased judgement and constructive criticism by independent directors at meetings of the Board of Directors and relevant committees help to make well-informed decisions.

All independent directors are involved in the work of committees. The Human Resources, Remuneration and Corporate Governance Committee is headed by an independent director. All independent directors sit on the Strategic Planning, Digital Transformation and Information Technology Committee.

The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assess Board members, particularly at the stage of nomination to the Board, for compliance with the independence criteria set out in the Corporate Governance Code. For shareholders, the Committee formulated the recommendations on whether the candidates proposed to the Board of Directors as independent meet all the independence criteria set out in the Code and presented these recommendations in materials for the Annual General Meeting of Shareholders in 2023.

Additional information about members of the Board of Directors

Members of the Board of Directors do not hold any shares in the authorised capital of JSC FPC, do not own the Company's ordinary shares and have not entered into any transactions to acquire shares of JSC FPC or dispose of them during the reporting year.

No claims were filed against the members of the Board of Directors in connection with the performance of their duties as members of the Board of Directors.

The Company did not issue loans (credits) to members of the Board of Directors.

No notices on conflicts of interest were received by the Board of Directors.

Non-executive and independent directors are not provided with pension contributions, insurance schemes, investment programmes and other benefits and privileges.

[1] Person who sat on the Board of Directors before the Annual General Meeting of Shareholders held on 30 June 2023.
[2] Six of the nine members of the Board of Directors have two or more higher education degrees and two members of the Board of Directors have an academic degree.

Induction and training programme

In order to familiarise newly elected members of the Board of Directors with the operational, financial and economic activities of JSC FPC as quickly and efficiently as possible, an special induction course is put in place. Taking this course prescribed by the Induction Programme for newly elected members of the Board of Directors of JSC FPC.

The induction course includes meetings with the General Director and key employees of the Company held at the Company's office, presentation of key documents and presentation materials on the Company's activities and visits to the Company's production facilities. In 2023, an induction course was held for the newly elected non-executive director: meetings were held with the Company's management and the Chairman of the Board of Directors.

Moreover, in order to develop the professional competencies of Board members, the Company encourages them to participate in forums, strategic sessions, conferences and other events dedicated to the specific activities of JSC FPC. Every year, the Company participates in the International Forum and Exhibition "Transport of Russia", the main business event of the transport industry. Board members are also invited to participate in the forum, including plenary sessions, working meetings and discussions with representatives of the transport industry and expert community.

In November 2023, independent directors took part in a school of best practices dedicated to pressing issues of corporate governance. The event was organised by the major shareholder of JSC FPC. It was attended by the top management of the parent company, heads of the holding company's subsidiaries, independent directors of the holding company's largest subsidiaries, and invited speakers. The school discussed the strategic development of holding companies within the corporate governance framework, the role of the board of directors in corporate governance in companies with state participation, sustainable development management in the current realities, and other issues related to the development of corporate governance.

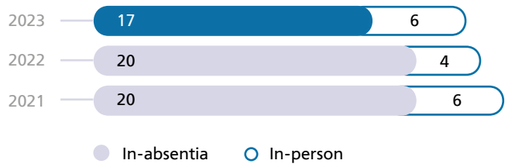
Meetings of the Board of Directors

Meetings of the Board of Directors are held in line with the annually approved work plan of the Board of Directors, as well as when necessary, but at least once a quarter. In 2023, the Board of Directors held 23 meetings. In 2023, in-person meetings lasted 50 min on average.

In 2023, in-person meetings were primarily held in a joint attendance format, but to maximise engagement, Board members were also given the opportunity to participate remotely using domestic online conferencing software. This hybrid form of holding meetings helped to maximise the consideration of personal aspects of each Board member's schedule and reduce the risk of not having a quorum when making the most significant decisions.

The attendance of meetings by Board members traditionally remains at a high level. In 2023, it stood at 97%.

Format of meetings of the Board of Directors



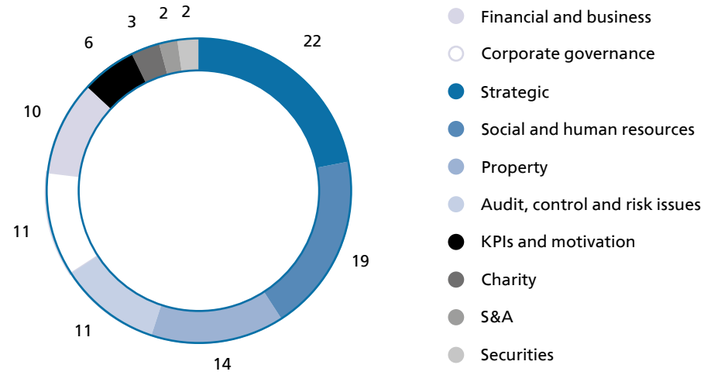
Information on the attendance of Board meetings by Board members of JSC FPC in 2023[1]

	Status of the director	Meetings of the Board of Directors			Meetings of the Audit and Risk Committee			Meetings of the Committee on Strategic Planning, Digital Transformation and Information Technology			Meetings of the Human Resources, Remuneration and Corporate Governance Committee		
		In-person meeting of the Board of Directors	Absentee meeting of the Board of Directors	Total share of participation in Board meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %
1	NE1	6/6	17/17	100				5/5	4/4	100			
2	NE2	4(1)/5	14/14	100	10(2)/12	5/5	100						
3	NE3	0(5)/6	13/17	78				1(4)/5	3/4	89			
4	NE4	4(2)/6	17/17	100				2(3)/5	4/4	100			
5	E	5(1)/6	17/17	100				5/5	4/4	100			
6	NE5	5(1)/6	17/17	100									
7	NE6[2]	3/4	11/11	93									
8	I1	6/6	17/17	100				5/5	4/4	100	6/6	–	100
9	I2	6/6	17/17	100							9/9	–	100
10	I3[3]	2(1)/3	9/9	100	6/6	2/2	100				2/3	–	67

NE–Non-executive E–Executive I–Independent

Number of issues reviewed by the Board of Directors in 2023, %

143
issues
addressed
by the Board of Directors
during the reporting year



[1] The data in the table is given in the 4(1)/5 format, which means that a Board member attended five of five meetings and participated in one in-person meeting by sending a written opinion.
[2] A person elected to the Board of Directors for the first time following the results of the Annual General Meeting of Shareholders on 30 June 2023.
[3] A person who sat on the Board of Directors until the Annual General Meeting of Shareholders held on 30 June 2023.

Key resolutions taken the Board of Directors in 2023

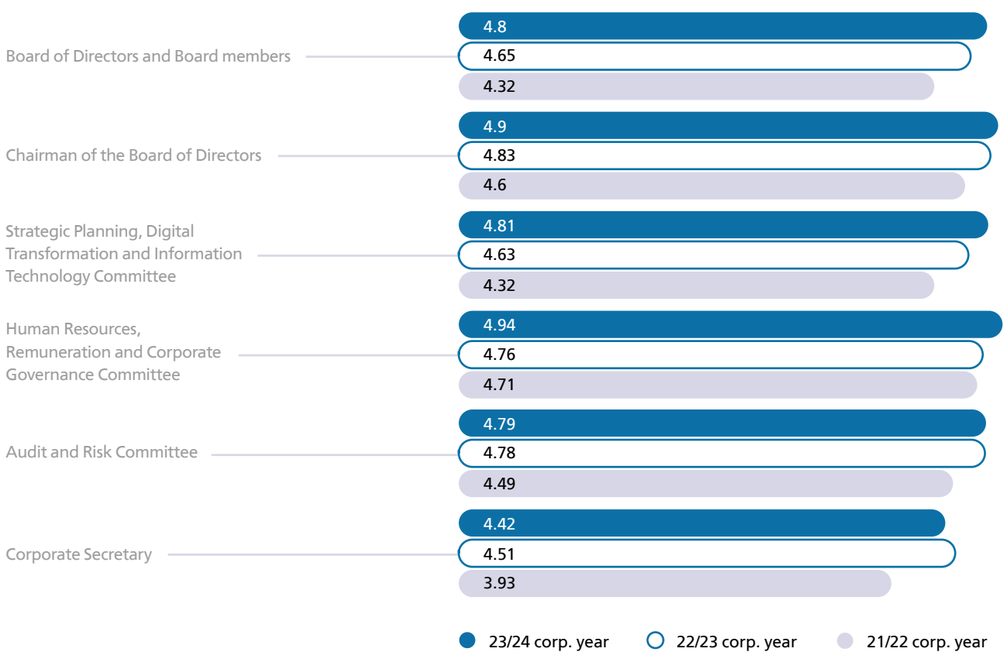
Group of matters	Decisions taken
Strategic	The draft updated Development Strategy of JSC FPC until 2030 was reviewed
	The Informatisation Programme of JSC FPC for 2023 and for 2024 was approved
	The Digital Transformation Strategy of JSC FPC until 2024 was approved
	The budget, investment programme and programme of measures to increase operational efficiency and optimise FPC's costs for 2023 were approved
Securities	It was decided to increase the authorised capital of JSC FPC by placing additional shares A document containing the terms and conditions of securities placement was approved
Corporate governance	Decisions were taken on the matters related to the convening and organisation of general meetings of shareholders
	Amendments to the Regulation on the Dividend Policy of JSC FPC and a new version of the Code of Business Ethics of JSC FPC were approved
	Decisions were taken on the organisation of activities of the Board of Directors' committees, in particular, to review the committees' report for the 2022/2023 corporate year
	The results of the evaluation of the performance of the Board of Directors, Board Committees, Board members, Chairman of the Board of Directors, and Corporate Secretary for 2022/2023 corporate year were reviewed
Audit, internal control and risks	The Internal Audit Department's 2022 performance report were reviewed and the Internal Audit Department's 2023 work plan and budget were approved
	The report on risk monitoring of JSC FPC (including the report on the results of the self-assessment of the Risk Management and Internal Control System (RM&ICS) for 2022) and the updated register of key risks for 2022 were reviewed
	The draft statement of risk appetite for 2023, register and map of key risks of the Company for 2023 were reviewed
	An audit organisation was appointed to audit the RAS and IFRS accounting (financial) statements of JSC FPC for 2023, and the amount of payment for its services was determined
Human resource planning	Candidates for the positions of Deputy General Directors and branch managers were agreed upon
	The succession pool for the position of the sole executive body for 2024 was approved
	The term of office of the General Director was extended
	The terms of employment agreements with key management employees (General Director, Deputy General Directors) were negotiated
Motivation	The report on fulfilment of key performance indicators of JSC FPC for 2022 was approved, decisions were made on bonuses for key management employees
	New versions of the Regulations on the system of key performance indicators for bonus payment to managers of JSC FPC, the Regulations on the system of remuneration for managers of JSC FPC, and the Regulations on the procedure for indexing the salaries of managers of JSC FPC were approved

Assessing the performance of the Board of Directors

The evaluation of the performance of the Board of Directors, Board Committees, members of the Board of Directors and Corporate Secretary of JSC FPC is subject to the provisions of the relevant Regulation[1].

In 2023, the self-assessment of the effectiveness of the Board of Directors for 2023/2024 the corporate year employed the method of a questionnaire survey. The analysis included the review of the needs of the Board of Directors in terms of professional qualifications, experience and business skills of Board members, their number, and the performance of the Chairman and the Corporate Secretary.

The weighted average performance score was 4.8 out of five for the Board of Directors and 4.9 out of five – for the Board Chairman. By most of the parameters assessed, the situation is in line with best practices. Following the assessment results, proposals for improvement were developed and will be integrated into the Company's practice. The Board of Directors will review the assessment results at its meeting in June 2024.



[1] Regulations on evaluating the performance of the Board of Directors, Board Committees, members of the Board of Directors and Corporate Secretary of JSC FPC, approved by the decision of FPC's Board of Directors (Minutes No. 23 dated 1 July 2022).

Key results of performance assessment

- The qualitative composition of the Board of Directors (experience and qualifications) corresponds to the specifics of the Company's business and ensures that the Board of Directors fulfils its functions.
- The duration and procedure of meetings of the Board of Directors are sufficient for making balanced decisions and comprehensive consideration of agenda items.
- The number of in-person meetings of the Board of Directors is sufficient to consider and resolve the most important issues.
- Meetings of the Board of Directors are held in such a way as to ensure an open exchange of views, active participation of all members and timely decision-making.
- The Board of Directors exercises proper control over the implementation of the decisions taken.
- The Board of Directors approves in a timely manner the Company's internal documents on matters within its remit.
- The Board of Directors is involved in improvement of the Company's corporate governance system.
- Members of the Board of Directors duly fulfil their duties as stipulated by the Regulations on the Board of Directors of JSC FPC and the Company's regulatory documents.
- Members of the Board of Directors are open for discussion of issues related to the Company's operations with members of executive bodies and stakeholders.
- A constructive relationship has been built between the management and Board members.
- The issues reviewed by the committees and recommended for consideration by the Board of Directors have been worked out and are ready for discussion at meetings of the Board of Directors.

Remuneration of members of the Board of Directors

The principles for motivating the Board members, as well as paying compensation and reimbursement of expenses to Board members are set out in the Regulations on Remuneration and Compensation Payable to Members of FPC's Board of Directors approved by FPC's Annual General Shareholders Meeting in June 2018.

The Regulations include transparent mechanisms to determine remuneration in line with the recommendations of the Corporate Governance Code. The remuneration paid for the past corporate year is the only form of monetary remuneration payable to members of the Board of Directors. Forms of short-term motivation and additional material incentives are not applied.

Remuneration is differentiated depending on the scope of directors' responsibilities and considering additional time spent on discharging the functions of the Chairman, the Deputy Chairman, a committee member, and a committee chairman or deputy chairman.

To calculate the basic remuneration for participation in the work of the Board of Directors, a formula is used based on the fixed part of remuneration adjusted for the ratio of attendance at meetings and a coefficient that takes into account the contribution to the work of the Board of Directors as Chairman or Deputy Chairman.

Additional remuneration is payable for serving on a committee of the Board of Directors, which is calculated based on the fixed part of remuneration adjusted for the ration of attendance at committee meetings and an additional factor for discharging the functions of the chairman, the deputy chairman, or a member of a committee.

Payments to members of the Board of Directors for discharging extra functions

Function	Payment
Chairman	50% of the base part of remuneration
Deputy Chairman	25% of the base part of remuneration
Chairman of the committee	25% of the base part of remuneration
Deputy Chairman of the Committee	25% of the base part of remuneration for the meetings where the director acted as chairman of a committee
Committee member	15% of the base part of remuneration

If a member of the Board of Directors is a member of several committees, additional remuneration is calculated and paid for serving on each committee.

The remuneration is only paid if a director attends at least 50% of meetings (from his/her election till the termination of powers). Additional remuneration is only paid if a director attends (personally or by submitting a written opinion) at least 50% of in-person committee meetings (from his/her election to the termination of powers).

Members of the Board of Directors are reimbursed for expenses incurred when attending the Board meetings (committee meetings) in the amount of actual and documented expenses, in particular:

- Travel expenses for a round trip to the venue of the Board meeting (committee meeting) (including passenger insurance and service fee) by plane in business class or by train in a first-class sleeping carriage
- Travel expenses for a round trip from/to an airport or railway station to/from a hotel
- Accommodation expenses for a single room in a hotel
- as well as other expenses related to participation of a Board member in a meeting of the Board of Directors (committee)

Total remuneration paid to members of the Board of Directors[1], RUB million

[1] There amounts do not include personal income tax or payments related to the performance of duties by the General Director under the employment contract with JSC FPC. Two executive directors declined remuneration in 2023. In 2022, four non-executive directors waived remuneration and in 2021 five non-executive directors waived remuneration.

Committees of the Board of Directors

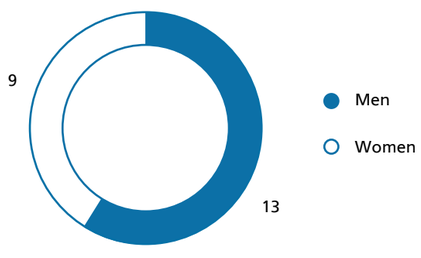
In accordance with the recommendations of the Bank of Russia's Corporate Governance Code, the Board of Directors of JSC FPC has established three area-related committees for preliminary consideration of the most important issues:

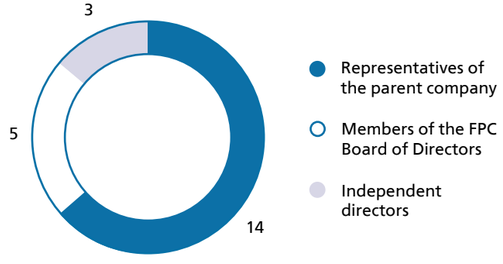
- Audit and Risk Committee
- Committee on Strategic Planning, Digital Transformation and Information Technology
- Human Resources, Remuneration and Corporate Governance Committee

Principles of committee formation

Indicator	Audit and Risk Committee	Committee on Strategic Planning, Digital Transformation and Information Technology	Human Resources, Remuneration and Corporate Governance Committee
Quantitative composition	At least three people	At least three people	At least three people
Chairman	The Chairman of the Board of Directors may not be elected Chairman of a committee	No restrictions	The Chairman of the Board of Directors may not be elected Chairman of a committee
Committee members	Persons who are not members of the Board of Directors may be elected. The General Director may not be elected as a member of the committee	Persons who are not members of the Board of Directors may be elected	Persons who are not members of the Board of Directors may be elected. The General Director may not be elected as a member of the committee
Scope of competence of candidates to committee members	Preference should be given to candidates with professional training and current expertise in accounting (financial) accounting and IFRS, as well as audit, economics and finance, management, with experience in management positions	The election process of committee members shall factor in their education, professional training, work experience in the sphere of activity of the committee and other knowledge necessary for fulfilment of powers. A committee member should have knowledge in management and strategic management	The election process of committee members shall factor in their education, professional training, work experience in the sphere of activity of the committee and other knowledge necessary for fulfilment of powers

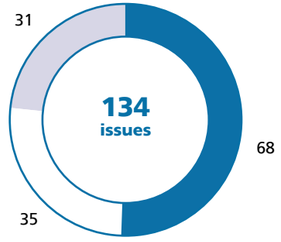
Structure of committees under the Board of Directors in 2023, %



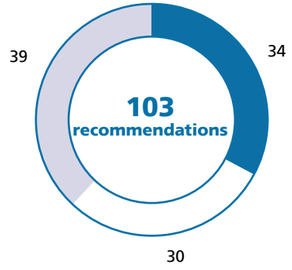


Work of the Committees of the Board of Directors in 2023

Issues considered



Recommendations provided



- ARC - Audit and Risk Committee
- HRR&CGC - Human Resources, Remuneration and Corporate Governance Committee
- SPDT&ITC - Strategic Planning, Digital Transformation and Information Technology Committee

In the reporting period, eight members of the Board of Directors, including three independent directors, and 14 representatives of the parent company assisted with the work of the committees.

During 2023, the committees considered 134 issues at 35 meetings. A total of 103 recommendations were made to the Board of Directors.

Report of the Audit and Risk Committee

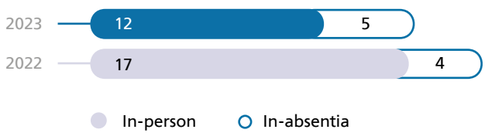
The Audit and Risk Committee is a consultative and advisory body of the Board of Directors. The Committee's decisions are of an advisory nature. The Committee's primary goal is to assist the Board of Directors' efficient operation in controlling the Company's financial and business activities.

The Committee's goals and objectives

Area	Competencies
Accounting (financial) statements	• Monitoring the completeness, accuracy and integrity of JSC FPC's accounting (financial) statements; reviewing the material aspects of the Company's accounting policy; participating in reviewing material matters and judgements related to JSC FPC's accounting (financial) statements • Review of external audit results • Reviewing the rationale behind, and acceptability of, the current accounting methods, accounting (financial) reporting principles, as well as management accounting methods and management reporting principles • Previewing the draft annual report, budget, investment programme, operational efficiency and cost optimisation programme, and relevant performance reports
Risk management and internal control	• Monitoring the risk management and internal control system reliability and effectiveness • Reviewing the effectiveness of risk management and internal control procedures; preparing proposals for their improvement • Reviewing and assessing the implementation of the risk management and internal control policy • Reviewing and assessing the implementation of the conflict of interest management policy • Preparing recommendations on acceptable risk levels (risk appetite, preferred risks)

Area	Competencies
Internal and external audit	• Ensuring independent and unbiased approach of the internal audit function and reviewing its effectiveness; reviewing the internal audit policy and internal audit plan; considering matters related to the appointment (dismissal) of the head of internal audit unit and the amount of his/her remuneration • Assessing nominees to the Company's external auditor for independence, objectivity and absence of conflicts of interest, in particular, assessing potential candidates for the Company's auditor role, making proposals on the external auditor's appointment, re-appointment and dismissal as well as remuneration and terms of engagement, overseeing external audits and assessing audit quality and auditors' reports • Ensuring effective interaction between the internal audit function and the Company's external auditor
Combating malpractice by the Company's employees or third parties	• Monitoring the performance of the system of alerting on potential fraud being committed by the Company's employees or third parties • Overseeing special investigations of potential fraud and misuse of insider or confidential information • Monitoring the implementation of measures adopted by the Company in response to reports of suspected fraud or other violations

Statistics on the Committee meetings



A total of

17 **Committee meetings**

were held during 2023 with

68 issues addressed

Key items reviewed by the Committee

JSC FPC budget for 2024–2026
Operational efficiency and cost optimisation programme of JSC FPC for 2024–2026
Quarterly reports of the General Director on financial and economic activities of the Company
Progress in preventing and combating corruption and other unfair practices at JSC FPC, and the operation of JSC FPC's anti-corruption hotline for 2022
Internal audit issues: report on the results of the internal audit department's activities for 2022, results of self-assessment of the quality of its activities for 2022, results of internal audits conducted
Issues of external audit, including: on RAS accounting (financial) statements for 2022, auditor's report on accounting (financial) statements; the procedure for determining the auditor in 2023 was considered and the initial (maximum) price of the contract for auditing the RAS accounting (financial) statements and IFRS consolidated financial statements for 2023 was determined.
Programme for the development of the internal control and risk management system for 2023 and 2024

The Committee's plans for 2024

To review the 2023 progress report on the Operational Efficiency and Cost Optimisation Programme of the Company
To establish the acceptable risk profile (risk appetite, preferred risks) for 2024 and to consider the Company's key risk register and map for 2024
To approve the audit organisation, negotiate the material terms of the contract with it, including the cost of services
To review annual accounting (financial) statements for 2023
To review the 2023 risk monitoring report
To review the report on results of self-assessment of the RM&ICS and the updated register of key risks for 2023 year and 2023 year.
To review the results of the audit of the financial and business activities for 2023 and the draft action plan to remove the remarks and violations identified by the Auditing Commission following the audit of the Company's financial and business activities for 2023
To review the IFRS consolidated financial statements for 2023, the auditor's report on the consolidated financial statements

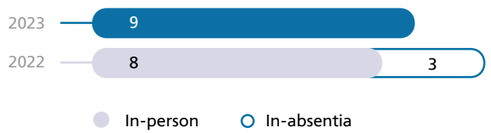
Report of the Human Resources, Remuneration and Corporate Governance Committee

The Human Resources, Remuneration and Corporate Governance Committee is a consultative and advisory body of the Board of Directors. The Committee's decisions are of an advisory nature. The main purpose of the Committee is to assist the Board of Directors in efficiently performing its functions with regard to the development of corporate governance, effective workforce planning and establishing transparent compensation practices in the Company.

The Committee's goals and objectives

Area	Competencies
Incentive and remuneration systems	• Development and periodic reviews of the Company's policy for remuneration of the members of the Board of Directors, executive bodies and other key executives of the Company • Monitoring the introduction and implementation of the Company's remuneration policy and incentive programmes, performance assessment of the executive bodies of the Company and other key executives of the Company, including review of the reports on the achievement of key performance indicators • Preliminary review and development of recommendations to the Board of Directors regarding material terms of employment contracts to be entered into with the Company's executive bodies and key executives, as well as bonuses for executive bodies and key executives • Preliminary assessment of the work of the Company's Corporate Secretary by year-end results
Human resources policy and succession planning	• Assessment of the Company's Board of Directors in terms of professional expertise, experience, independence and involvement of the Board members; review of the professional qualifications and independence of all Board nominees • Development of recommendations on the performance assessment system and improving procedures for the same in respect of the Board of Directors and its committees • Development of recommendations for the induction programme for newly elected members of the Board of Directors • Analysis of current and anticipated needs of the Company with regard to the professional qualifications of the members of the executive bodies and other key executives • Succession planning, developing recommendations for candidates for the Company's executive bodies and other key executives
Corporate governance	• Oversight of corporate governance practices • Analysis of the compatibility of corporate governance with the Company's goals and objectives, as well as with the scale of its operations and the risks the Company undertakes • Development of proposals on improvement of corporate governance practices

Statistics on the Committee meetings



In 2023, the Committee held

9 **meetings**

and addressed

35 issues

Key items reviewed by the Committee

Revised regulation on the remuneration system for managers of JSC FPC in the new version, Regulation on the procedure for indexing the salaries of managers of JSC FPC
Reports on achievement of corporate and functional KPIs for 2022, prepared recommendations on motivation of the General Director and Deputy General Directors based on the results of KPI achievement for 2022
Quarterly reports of the General Director on the Company's social and human resources policy on the implementation of decisions of the Board of Directors and the work plan of the Board of Directors
Results of the performance assessment of the Board of Directors and members of the Board of Directors, committees of the Board of Directors, Chairman of the Board of Directors, FPC's Corporate Secretary for the 2022/2023 corporate year
Election of the General Director of JSC FPC, determination of the material terms of their employment agreement
Approval of candidates for the position of Deputy General Directors and terms of employment agreements with them, candidates for heads of branches
Results of the internal audit review regarding the balance of executive pay for the General Manager and key management positions for the period from 1 January 2022 to 31 December 2022, as well as the first half of 2023
Interim assessment of independent directors for compliance with the independence criteria
Results of the internal audit assessment of the Company's corporate governance practices for 2021/2022
Annual Report 2022 of JSC FPC in terms of corporate governance and sustainable development (principles of corporate social responsibility, personnel and social policy, occupational health and safety)
Succession pool for the position of the sole executive body for 2024
Evaluation of nominees to the Board of Directors, including the candidates' compliance with the independence criteria

The Committee's plans for 2024

To review the General Director's report on performance results for 2023(on HR policy, compliance with the Code of Business Ethics, implementation of resolutions of the Board of Directors and the Board of Directors' work plan)
To review the results of the performance assessment of the Board of Directors, members of the Board of Directors, committees, the Chairman of the Board of Directors, and the Corporate Secretary for the 2023/2024 corporate year
To review the results of the assessment of the Company's corporate governance practices (2022/2023 corporate year)
To review the Report on the achievement of KPIs for 2023, preparation of recommendations on bonuses for the General Director and key executives based on the results of KPI achievement for 2023
To review the report on the Committee's activities
To appraise nominees to the Board of Directors, as well as to assess the compliance of nominees to the Board of Directors with the independence criteria and prepare recommendations to the Annual General Meeting of Shareholders

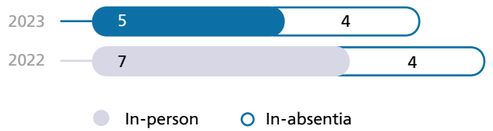
Report of the Committee on Strategic Planning, Digital Transformation and Information Technology

The Committee on Strategic Planning, Digital Transformation and Information Technology is an advisory and consultative body of the Board of Directors intended to improve the Company's performance in the longer term. The Committee's decisions are of an advisory nature.

The Committee's goals and objectives

Area	Competencies
Strategic development	• Elaboration of the Company's priority areas of activities • Identification of the Company's key performance indicators, assessment of the Company's performance in the longer term • Consideration of the financial and valuation model for the Company's business and its business segments; reorganisation and liquidation of the Company and its controlled entities; changes in the organisational and staff structure of the Company's management apparatus; consideration of reorganisation of the Company's business processes and its controlled legal entities • Preliminary review and development of recommendations to the Board of Directors on the following issues: • Company's dividend and investment policies • Approval of major transactions • Identification of a development strategy • Approval of the budget and the investment programme
Information technology	• Determination of the Company's strategic goals, participation in the formulation of the development strategy, long-term development programme and IT strategy, control over their implementation and preparation of recommendations to the Board of Directors on adjustments to these documents • Oversight of the implementation of the IT strategy, review of its progress reports • Preliminary review and recommendations to the Board of Directors on IT projects and the IT budget
Digital transformation	• Preliminary review and development of recommendations to the Board of Directors on the following issues: – Approval of the main focus areas of the digitalisation programmes and products – Assessment of the impact of the introduction of new technologies on the Company's activities – Approval and adjustment of the Company's informatisation programme and innovative development programme and approval of the report on their implementation

Statistics on the Committee meetings



In 2023, the Committee held

9 meetings

and addressed

31 issues

Key items reviewed by the Committee

Draft updated Development Strategy of JSC FPC until 2030 and Digital Transformation Strategy of JSC FPC until 2024
Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC as amended
Changes in the Company's organisational structure
Budget and investment programme for 2024–2026
Informatisation Programme of FPC JSC for 2024 and a progress report on the Informatisation Programme of JSC FPC for 2022
Roadmap of corporate measures on dividend payout by property and recommendations on the amount of dividends
List of functional KPIs for the General Director and key management personnel for 2024

The Committee's plans for 2024

To Consider the issue of developing recommendations on the amount of dividends on shares and the procedure for their payment according to the results of 2023
To review the progress report on the Informatisation Programme for 2023
To review the General Director's report on the results of operations for 2023
To review the issue of updating the development strategies of FPC's subsidiaries

Corporate Secretary

The Corporate Secretary ensures effective ongoing interaction with shareholders, coordinates the Company's efforts to protect their rights and interests, and supports the activities of the Board of Directors. He/she is elected by the Board of Directors by majority vote for an indefinite term. The Board of Directors is entitled to re-elect the Corporate Secretary at any time.

FPC's Corporate Secretary acts as a secretary at the meetings of the Board of Directors, General Meetings of Shareholders and the meetings of the committees under the Board of Directors. His/her activities are regulated by the relevant Regulations[1].

Tasks of the Corporate Secretary:

- Organisational and information support for the work of the General Meeting of Shareholders, the Board of Directors, and committees of the Company's Board of Directors
- Coordination of collaboration between members of the Board of Directors, shareholders and Company's executive bodies to ensure efficient performance of the Board of Directors
- Compliance by the management bodies and employees of the Company with the requirements of the legislation of the Russian Federation, the Articles of Association and internal documents of JSC FPC, which ensure the enforcement of the rights and legitimate interests of shareholders
- Development of the Company's corporate governance practices

The Department for Organising the Work of the Board of Directors and Committees of the Corporate Development Department is functionally subordinate to the Corporate Secretary.

By decision of the Board of Directors on 12 October 2018, Andrey Styopochkin was elected Corporate Secretary of JSC FPC.

Andrey Styopochkin

Year of birth, citizenship:

1977, Russian Federation

Education

Higher, Lomonosov Moscow State University

Qualification

Lawyer

Positions for the last five years

Since October 2018 – Corporate Secretary of JSC FPC

Share in the authorised capital of the Company

None

Holdings of the Company's ordinary shares

None

Transactions to acquire or dispose of FPC shares during the reporting year

None

Results for 2023:

62 **corporate events** held

289 **issues** worked through

4.42 **out of 5** **average evaluation score**

The Corporate Secretary reports to the Board of Directors, which reviews the effectiveness of his/her work on an annual basis. The principles of bonus payment for the Corporate Secretary are based on the recommendations of the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors and are set out in the Regulations on Bonuses for the Corporate Secretary of JSC FPC, which are approved by the General Director. The incentive system of the Corporate Secretary is based on the achievement of KPIs, including the indicator pertaining to ensuring effective corporate governance practices.

[1] Regulations on the Corporate Secretary approved by JSC FPC's Board of Directors in December 2021 (Minutes No. 10).

General Director
and her Deputies

General Director

FPC's day-to-day operations are managed by its sole executive body, the General Director. The General Director is accountable to JSC FPC's shareholders and the Board of Directors and submits quarterly reports to the Board on the Company's performance (budget and contract work performance, HR and credit policy, social programmes, insurance coverage, implementation of the Board's resolutions).

Decisions on election of the General Director, termination of his/her powers, determination of the term of his/her tenure and other terms of his/her employment agreement are made by the Board of Directors.

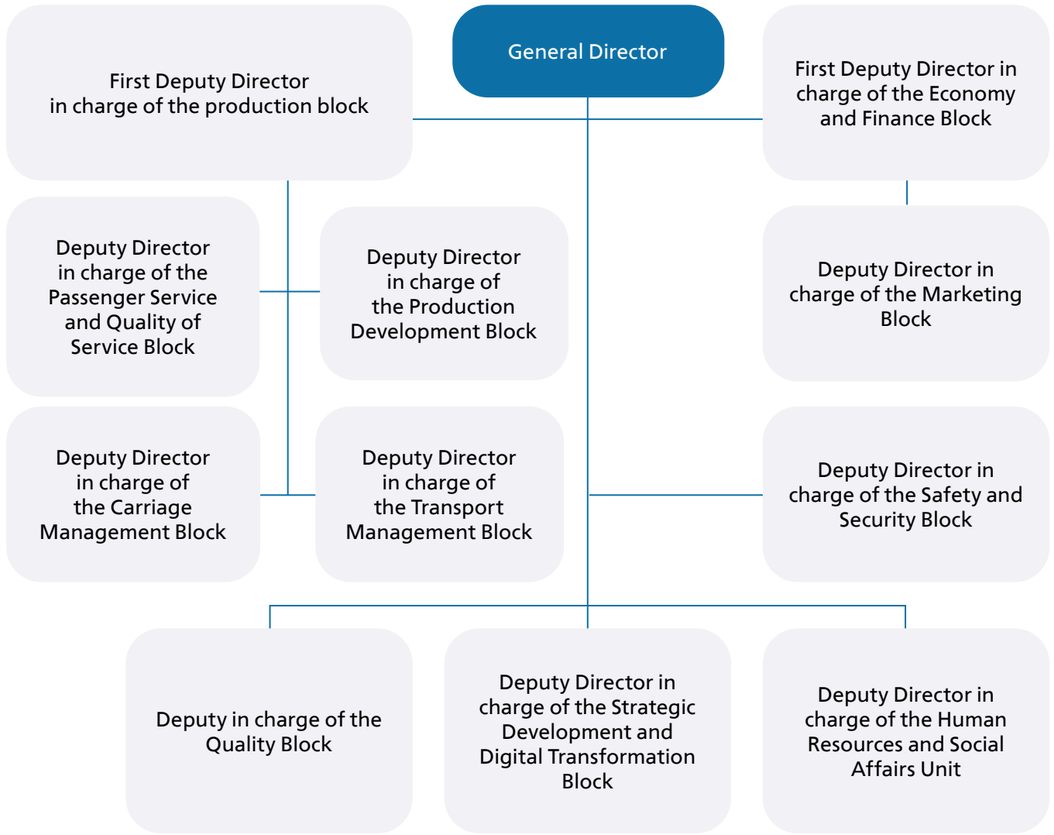
The General Director is responsible for timely and quality budgeting and budget performance at the Company, preparing budget execution reports and organising activities at the Company's branches.

By decision of the Board of Directors in October 2020, Vladimir Pyastolov was elected General Director of JSC FPC. By decision of the Board of Directors in September 2023, Vladimir Pyastolov was elected General Director for a new term.

The General Director has no shares (stakes) in the Company and its controlled organisations. In 2023, he did not make any transactions with securities (shares) of the above companies.

Deputy General Directors

The governance structure of JSC FPC is formed by main areas of activity (functional blocks) and includes eleven Deputy General Directors.



The First Deputy Directors and Deputy Directors in charge of safety, quality, strategic development and digital transformation, human resources and social issues report directly to the General Director.

To ensure the balance of the top-level governance processes and to set up a single centre of responsibility for the organisation and provision of transport services and a single centre of responsibility for the development of financial and business operations, marketing operations, business and product portfolio, the following positions were included in the governance structure of the Company:

- First Deputy General Director in charge of the Production Block, who has four subordinate Deputy General Directors in charge of railcar facilities, production development, transport organisation, customer service and service quality
- First Deputy General Director, heading the Economics and Finance Block, to whom the Deputy General Director for Marketing reports

Remuneration and reimbursement for the executive body and other key managers

The management incentive system aims to improve the efficiency of individual and collective work and is based on the results of the Company's KPI achievement. The principles of setting up the KPI system, defining a set of indicators, the procedure for their approval and performance monitoring are set out in the Regulations on the KPI System[1].

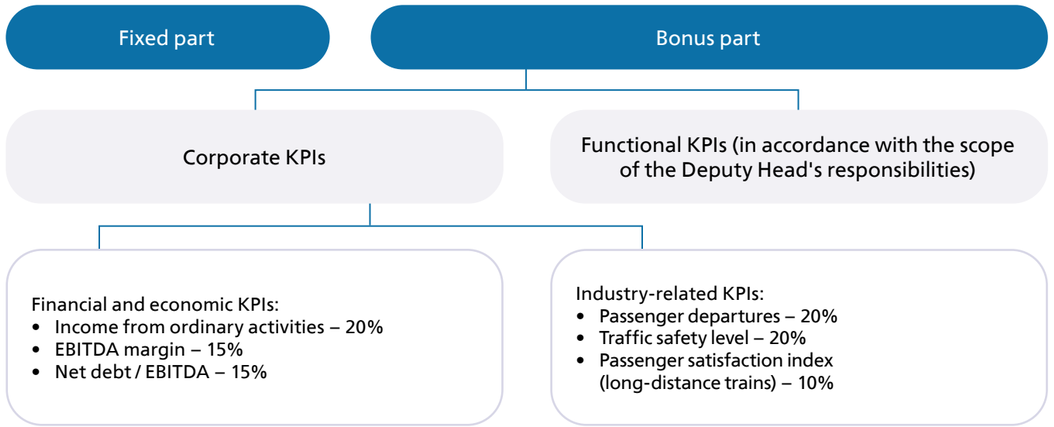
The principles, procedure for remuneration and annual bonus payments to executives are set out in the Regulations on the Executive Remuneration System[2].

Management remuneration consists of a fixed and a bonus part. The bonus part depends on the Company's performance and is determined by financial, economic and industry-related indicators. Its size is set based on KPIs, which are approved and updated annually by the Board of Directors on the recommendation of the Strategic Planning, Digital Transformation and Information Technology Committee.

The decision on whether to award bonuses to management based on the results for the reporting year is made by the Board of Directors based on the KPI achievement report and recommendations of the Human Resources, Remuneration and Corporate Governance Committee.

Remuneration of FPC's General Director and key executives of the Company, RUB million

Remuneration of the General Director of JSC FPC and key executives of the Company



[1] Regulations on the KPI system for the bonus purposes for FPC's executives, approved by the Board of Directors (Minutes No. 24 dated 3 July 2023). The Regulations were developed in pursuance of the Russian Federation Government Order No. 3579-r dated 28 December 2020 "Methodological Recommendations on the Formation and Application of Key Performance Indicators of Joint Stock Companies, the shares of which are owned by the Russian Federation, and Certain Non-Profit Organisations for the Purpose of Determining the Amount of Remuneration for their Management Personnel" and the Model Regulations on the System of Key Performance Indicators for the Bonus Payments to Managers of the Parent Company's Controlled Entity, approved by Order No. 867/r dated 10 April 2023 "On Amendments to Certain Acts Regulating the Incentive System for Managers of Companies Controlled by the Parent Company".

[2] Regulations on the Management Remuneration System of JSC FPC approved by the Board of Directors (Minutes No. 24 dated 3 July 2023). The Regulations were developed in pursuance of Resolution No. 209 of the Government of the Russian Federation dated 13 February 2023 "On the terms of remuneration of managers, their deputies, chief accountants and members of collegial executive bodies of state corporations, state-owned companies, business entities, shares in the charter capital of which are owned by the Russian Federation" and the model regulation on the system of remuneration of executives of the major shareholder's controlled company, approved by Order No. 867/r dated 10 April 2023 "On Amendments to Certain Acts Regulating the System of Incentives for Managers of Companies Controlled by the Major Shareholder".

Control and Audit

To provide shareholders with reliable and complete information on the Company's financial and economic activities, the Board of Directors annually appoints an auditing organisation and elects the Auditing Commission for a period of three years.

To assess the reliability and efficiency of risk management and internal control, the Company put an internal audit division in place.

External audit

The Board of Directors annually appoints an audit organisation to audit the financial statements prepared under IFRS and RAS. The independent audit organisation is selected on a competitive basis in accordance with the Company's current procedure. The initial (maximum) price of the contract for the audit of accounting (financial) statements is determined by the Board of Directors based on the recommendations of the Audit and Risk Committee. Following the results of competitive procedures, the Audit and Risk Committee makes a recommendation regarding the appointment of the audit organisation by the Board of Directors.

The Audit and Risk Committee of the Board of Directors shall arrange for assessment of independence, objectivity and absence of conflict of interest of the Company's external auditors, supervision of the external audit and assessment of the quality of the audit and auditor's report. The provision of non-audit services by the audit organisation is subject to FPC's Policy on the Provision of Non-Audit Services[1].

For the audit of the Company's RAS and IFRS financial statements for 2023, the Board of Directors appointed the auditing organisation which won an open tender. No non-audit services were rendered in the reporting year.

The Audit and Risk Committee of the Board of Directors at its meeting held on 11 May 2023 (Minutes No. 15) considered the issue on the IFRS consolidated financial statements for 2022, the auditor's report on the consolidated financial statements and the auditor's recommendations, where the Auditor reported that there were no instances of bad faith and no conflicts of interest.

In 2023, the aggregate remuneration of the audit organisation totalled

RUB 23.1 million

Remuneration to the Audit Organisation for the audit of the 2023 financial statements

Description of service	Cost, including VAT (RUB mln)
Review of the Company's IFRS interim condensed consolidated financial statements for the first half of 2023	7.2
Review of the Company's IFRS summarised consolidated interim condensed financial statements for the first half of 2023	0.36
Audit of the Company's RAS financial statements for 2023	8.4
Audit of the Company's IFRS consolidated financial statements for 2023	6.6
Audit of the Company's IFRS summarised consolidated financial statements for 2023	0.54
Non-audit services	0
Total:	**23.1**

[1] Approved by the Board of Directors (Minutes of the Board of Directors of JSC FPC No.10 dated 7 December 2018).

Auditing Commission

The Auditing Commission is a permanent elected body of control over financial and economic activities of the Company.

As stipulated by the Company's Articles of Association, the Auditing Committee is elected by the Board of Directors for a term of three years. Its quantitative composition is determined by the decision of the Board of Directors and may not include less than three persons. The General Director and members of the Board of Directors may not be elected to the Auditing Commission.

In its activities, the Auditing Committee shall be guided by the legislation of the Russian Federation, the Company's Articles of Association, the Regulations and other internal documents, as well as decisions of the General Meeting of Shareholders.

The results of audits, proposals to eliminate causes and conditions contributing to violations of financial and economic activities, as well as proposals to improve the internal control system and increase the efficiency of the Company's operations are communicated to the General Meeting of Shareholders, the Board of Directors and the executive bodies.

During 2023, the Auditing Committee conducted:
- audit of the financial and economic activities of JSC FPC and its branches for 2022
- Monitoring that individual measures to address the concerns arising from the audit of the financial and economic activities of the Company are implemented
- confirmation of the reliability of the data contained in the Company's Annual Report.

Incentives for the members of the Auditing Commission are established by the Regulations on Remuneration and Compensation for the Members of JSC FPC's Auditing Commission and imply the payment of remuneration for participation in every audit of the financial and business activities of the Company as well as additional remuneration.

In 2023, the aggregate remuneration of the Auditing Commission totalled

RUB 1,607,900

In the course of the audit, the Auditing Commission of JSC FPC identified violations totalling RUB 1,010,000. A respective plan[1] was devised to eliminate the identified violations. It outlines 116 actions, identifies those responsible and sets deadlines for elimination.

Interim plan progress monitoring showed that the planned activities were fulfilled; violations were eliminated by 99.9%. There are still violations amounting to RUB 0.2 million outstanding (work is ongoing to bring inventories into economic turnover).

Internal Audit

The main purpose of internal audit at JSC FPC is to assist the Board of Directors and executive management bodies in improving the efficiency of the Company's management, improving its financial and business operations through a systematic and consistent approach to the analysis and assessment of the RM&ICS and corporate governance practices as tools for providing reasonable assurance of achieving the Company's goals.

The Board of Directors of the Company approves internal documents defining the policy in the field of organisation and implementation of internal audit. The Head of the Internal Audit Function is appointed and dismissed by the General Director based on the decision of the Board of Directors. The action plan and budget of the internal audit function, as well as the terms of the employment agreement with its head, including the amount of remuneration, are approved by the Board of Directors. The Board of Directors also considers a progress report on the internal audit action plan.

[1] Action Plan for the elimination of violations identified by the Auditing Commission of JSC FPC for 2022, approved by Order No. 204 dated 5 May 2023.

Internal audit at JSC FPC is delegated to the Internal Audit Department, which operates in accordance with the requirements of the regulations of the Russian Federation, the regulations of the parent company and JSC FPC, the conceptual framework of professional practice of the Institute of Internal Auditors and other documents. The internal audit function at JSC FPC is in line with the recommendations of the Federal Agency for State Property Management. It is regulated by the following documents:

- Regulations on internal audit[1]
- Regulations on Internal Audit Department[2]
- Internal corporate auditing standards[3]
- Code of Ethics for Internal Auditors
- Internal audits quality assurance and improvement programme

In 2023, the Internal Audit Department conducted internal audits of individual business processes, assessed corporate governance, reliability and efficiency of the risk management and internal control processes. It has also monitored the elimination of violations and deficiencies in the Company's operations identified during internal audits.

Each year, the internal audit specialists attend conferences, seminars, and other events to advance their knowledge in order to maintain the level of quality for internal audits. The share of employees certified in internal audit is 80%, which is in line with the target value. In April 2023, the Head of Internal Audit was awarded a diploma in the category "Best Internal Auditor of the Year" in the national award "Effective Internal Control and Audit – 2022".

Assessment of the effectiveness of the Internal Control and Audit System

The Company has a standard annual procedure in place for quality control of the internal control and audit system. Approaches to quality control are defined in the relevant programme[4].

The internal audit quality assessment covers all aspects of the internal audit function and is conducted through a questionnaire survey of members of the Audit and Risk Committee of the Board of Directors, management, and employees of the Internal Audit Department. The results of the assessment are presented to the Audit and Risk Committee and the Board of Directors.

The final internal audit quality score for 2023 was 94% (+3 p.p. year-on-year), which is in line with stakeholder expectations[5]. The Department has also prepared an Internal Audit Assurance and Quality Improvement Plan for 2024–2026.

The self-assessment of the RM&ICS at JSC FPC is carried out in accordance with the Risk Management and Internal Control Policy approved by the Company's Board of Directors and the local regulations adopted in its development.

The heads of the Company's divisions conduct a self-assessment of the RM&ICS through a questionnaire survey, which determines the effectiveness and consistency of the methods and tools used in the risk management process, the quality of the interaction between RM&ICS participants, and the RM&ICS shortcomings.

The results of the assessment are presented to the Audit and Risk Committee of the Board of Directors of JSC FPC and to the Board of Directors of JSC FPC.

According to the results of the self-assessment of RM&ICS at the end of 2023, the level of RM&ICS development in the Company can be characterised as 'above average'. The Company fulfils all regulatory procedures under the risk management process, but some aspects still need to be improved.

The management of the Company took into advisement all comments and data gathered during the self-assessment, which will be considered during the development of the RM&ICS Development Plan in the future.

[1] All of the above documents were approved by decisions of the Board of Directors of JSC FPC, unless otherwise stated.
[2] Agreed by the Board of Directors and approved by the order of JSC FPC.
[3] Approved by the Parent Company's Order No. 2327r dated 16 November 2016 and put in practice by the Board of Directors of JSC FPC.
[4] Internal Audit Quality Assurance and Improvement Programme approved by the Board of Directors of JSC FPC (Minutes No. 15 dated 5 February 2021).
[5] The results of the internal audit quality assessment for 2023 were reviewed by the Audit and Risk Committee of FPC's Board of Directors in February 2024 (Minutes No. 10 dated 22 February 2024).

Conflict of Interest Management
and Corruption Prevention

Managing conflicts of interest

The procedure for preventing, identifying and resolving conflicts of interest is formalised in the Company's internal documents (regulations):

- The Regulations on the Board of Directors of JSC FPC regulate conflicts between the interests of the Company and the personal interests of a member of the Board of Directors or the sole executive body of the Company, which shall mean any direct or indirect personal interests or interests in favour of a third party, including due to their business, friendly, family and other relations and relationships, their holding of positions in another legal entity or the ownership of shares in another legal entity by them or related persons, conflicts between their duties to the Company and their duties to another person.
- The Regulations on Preventing and Resolving Conflicts of Interest in JSC FPC regulate conflicts of interest that arise for employees in the performance of their employment duties.

The Board of Directors plays a key role in preventing, identifying and settling internal conflicts. The Regulations on the Board of Directors stipulate that members of the Board of Directors are obliged to report:

- Facts that may cause or have already caused a conflict of interest, including information on organisations related and affiliated Board members, persons serving on the governing bodies of organisations, members of the executive body, other key management personnel and conflicts of interest that exist in connection therewith (including the existence of an interest in the conclusion of transactions)
- Intention to enter into transactions involving shares in the Company or shares (interests) in legal entities controlled by the Company and immediately after entering into such transactions to report that such transactions are made
- Existence of a conflict of interest and the reasons for it before the matter is discussed by the Board of Directors or its committee

The Regulations also stipulate that a member of the Board of Directors may not participate in decision-making if there is a conflict of interest. He/she may be advised not to be present when such matter is discussed at the meeting. Independent directors who do not have a conflict of interest may present their standpoint (provide an assessment) in advance with respect to material corporate actions involving a possible conflict of interest.

The Company has a Conflict of Interest Committee chaired by the Deputy General Director for Security. The Corporate Security Centre is responsible for reviewing conflict of interest declarations.

In 2023, 86 conflict of interest declarations were reviewed for 55 situations showing signs of conflict of interest. In 29 cases, a conflict of interest was found, in 26 cases there was no conflict of interest. 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. There were 36 inspections of managers (65%), and 19 inspections of white-collar and blue-collar employees (35%).

Thirty-seven conflicts of interest were resolved (29 established in 2023, 8 – in 2022). The following ways of resolving conflicts of interest were applied: employee's renunciation of personal interest (including dismissal), limitation of decision-making and control functions, transfer to another position within the Company, non-approval of a candidate for a position. Disciplinary sanctions (warning, reprimand) were applied to six employees (17%).

Anti-Corruption

In accordance with FPC's Anti-Corruption Policy, the Company conducts open and honest business and follows the best practices of corporate governance and strong business reputation. The Anti-Corruption section is publicly available on FPC's official website.

The Deputy General Director in charge of the Security Block was appointed Commissioner for the Prevention of Corruption Offences. The 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. In 2023, JSC FPC implemented measures to prevent and combat corruption in line with its Anti-Corruption Plan for 2021–2024.

FPC's corruption risk management is an integral part of the Company's RM&ICS. It is based on the Methodological Recommendations for Managing Corruption Risks 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 FPC's positions associated with corruption risks. The share of employees occupying positions with a high corruption risk is 0.1% of the actual Company's headcount. In 2023, JSC FPC and controlled companies were not held administratively liable for offences under Articles 19.28 and 19.28 of the Code of Administrative Offences of the Russian Federation.

To assess the effectiveness of the RM&ICS in preventing and combating corruption, an annual internal audit is conducted and the Audit and Risk Committee of the Board of Directors is informed on a quarterly basis of progress in preventing and combating corruption and other unfair practices, as well as of the work of FPC's Anti-Corruption Hotline.

Sources of information on possible corruption:
- Reports to FPC's anti-corruption hotline and other communication channels
- Notification of the employer of the instigation of an employee to commit corruption offences
- Reports of employees on receiving a gift in connection with protocol events, business trips and other official events, participation in which is connected with their official position or performance of their official duties
- Results of audits of financial and business operations carried out by control and supervisory divisions of JSC FPC, the parent company, and state authorities

In 2023, 26 reports were received about possible corrupt practices at JSC FPC. Following the review, four staff members were dismissed, two were reassigned, and six were subject to disciplinary action. Information on two cases was sent to law enforcement agencies.

Anti-corruption work was monitored at 40 divisions of the Company, and measures to eliminate identified violations and shortcomings were developed and are being implemented.

The Company's personnel are familiarised annually with key internal anti-corruption regulations. Anti-corruption information boards were placed in all divisions of the Company.

In 2023, JSC FPC joined the Anti-Corruption Charter of Russian Business and took part in the Anti-Corruption Rating of Russian Business. The Company was assigned the AAA+ grade (an organisation with maximum level of anti-corruption).

Risk Management

Risk Management System

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

All units and divisions are involved in the risk management process within their scope of responsibility. The Risk Management Department is responsible for the overall coordination and methodological support of the risk management process, the creation and submission of reports to the management, and the risk management training for the Company's personnel.

The following documents serve as the foundation for risk management at JSC FPC:
- Risk Management Policy of JSC FPC[1]
- Methodological recommendations for determining the acceptable risk profile (risk appetite)[2]
- Methodological recommendations on risk management and internal control[3]
- Regulations on interaction in the risk management and reporting process[4]

In 2023, JSC FPC managed corporate-wide risks in accordance with the mentioned regulations. Lower-level operational risks were managed in a simplified manner, with limited procedures.

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

Management principles

The Board of Directors approved the Risk Management and Internal Control Policy of JSC FPC (hereinafter, the Policy), which was developed in accordance with the Risk Management and Internal Control Policy of the parent company.

In accordance with the Policy, the main purpose of the RM&ICS is to provide reasonable assurance that the following will be achieved:
- Strategic objectives
- Operational objectives
- Objectives in ensuring compliance with applicable international regulations, regulations of the Russian Federation and internal regulations of the Company
- Objectives in ensuring the reliability, timeliness and quality of all types of reporting

The Risk Management and Internal Control Policy stipulates that RM&ICS organisation and functioning in the Company is to be carried out in accordance with the principles set out in GOST R ISO 31000-2019 Risk Management. Principles and guidelines, namely:
- Risk management creates and protects value
- Risk management is an integral part of all organisational processes
- Risk management is part of the decision-making process
- Risk management is explicitly associated with uncertainty
- Risk management is systematic, structured and timely
- Risk management is based on the best available information
- Risk management is adaptable
- Risk management takes into account human and cultural factors
- Risk management is transparent and takes into account the interests of stakeholders
- Risk management is dynamic, iterative and responsive to changes
- Risk management contributes to the continuous improvement of the organisation

[1] Approved by the resolution of the Board of Directors (Minutes No. 11 dated 27 December 2019).
[2] Approved by the decision of the Board of Directors (Minutes No. 24 dated 2 July 2020).
[3] Approved by Order of the General Director of JSC FPC No. 258r dated 20 March 2020.
[4] Approved by Order of the General Director of JSC FPC No. 258r dated 20 March 2020.

Main objectives of the RM&ICS

- Creation of infrastructure and a regulatory and methodological basis for the effective functioning of the risk management process
- Integration of risk management and internal control procedures into the strategic and operational activities of the Company, which will enable proactive responses to risks and negative changes in the external and internal environment (through planning and implementation of risk treatment activities)
- Awareness-building among RM&ICS participants and other stakeholders
- Reduction in the number of unforeseen events that could have a negative impact on the achievement of JSC FPC's goals
- Central decision-making bodies for risk management are its Board of Directors and the General Director The Audit and Risk Committee of the Board of Directors and the Risk Management Committee, a collegial advisory body consisting of the relevant heads of FPC's divisions and chaired by the Deputy General Director, function to develop recommendations for management decision-making

Improvement of the RM&ICS in 2023

Though 2023 was a challenging year, FPC's risk management system still facilitated increased adaptability of the Company, its core processes and systems. In turn, this made it possible to promptly adjust business objectives and form scenario options for the development of JSC FPC until 2025. Thus, the risk management system supported the achievement of the Company's objectives.
During 2023, the Programme for the Development of the Risk Management and Internal Control System at FPC JSC for 2023 was put in force, aiming to develop and improve the effectiveness of the RM&ICS:

- Approaches to identifying, analysing and assessing the Company's risks were upgraded
- Advanced training of risk owners was provided through one of the country's leading educational institutions
- Automation of the risk management process continued, including the development and implementation of an automated risk indicator monitoring panel

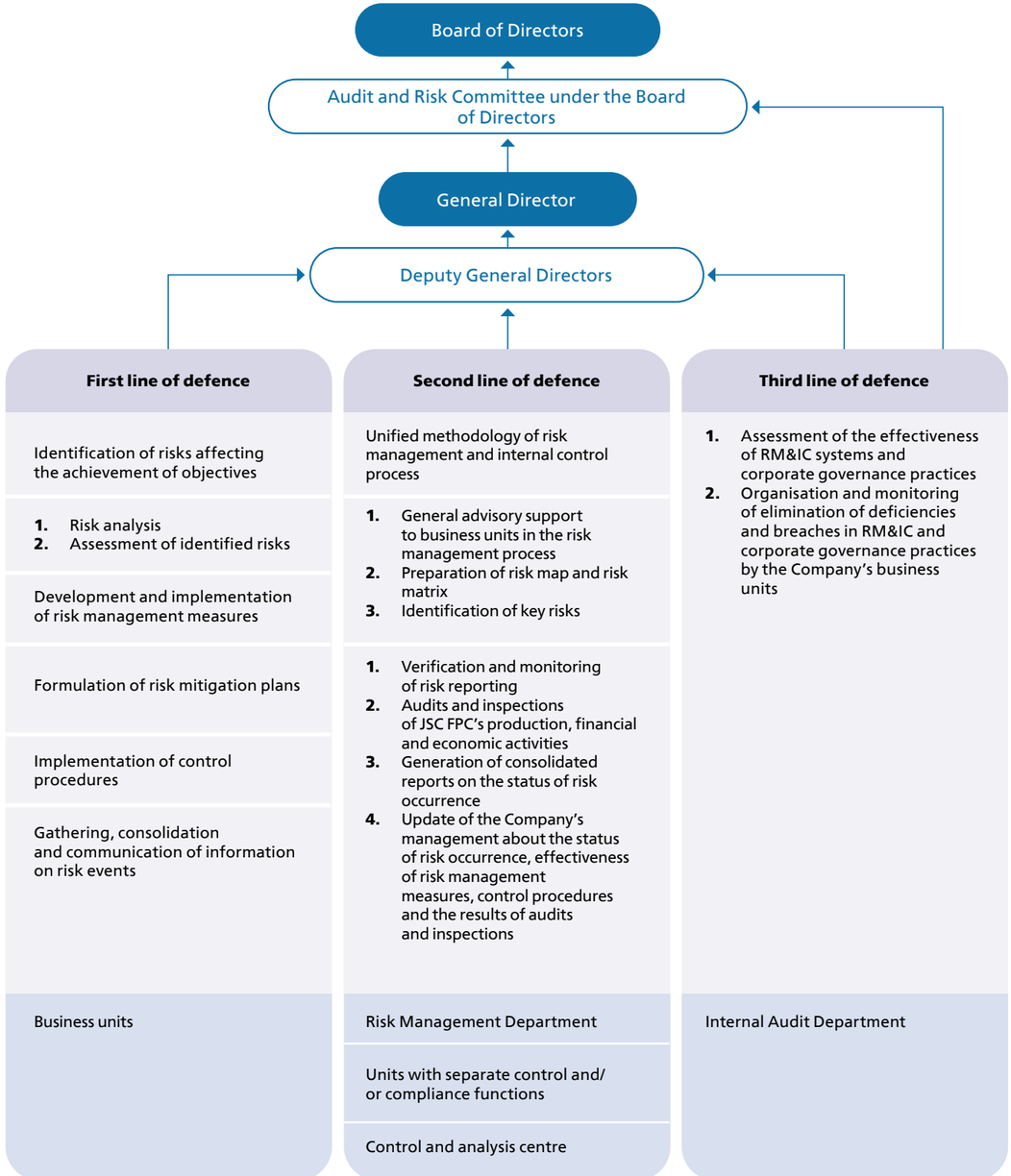
The Internal Audit Department assessed the reliability and efficiency of the risk management and internal control process for 2023. Based on the results of the assessment, a conclusion was drawn that the risk management and internal control process at JSC FPC is functioning in accordance with the principles and approaches approved by the Board of Directors, COSO documents and GOST R ISO 31000-2019. To further improve the efficiency of the risk management and internal control process, a number of relevant recommendations were prepared and an Action Plan was developed to eliminate the identified violations, deficiencies and improve the risk management and internal control systems; all items of the action plan were implemented.

RM&ICS Improvement plans for 2024 :

- To develop the risk management system in line with the realisation of the project to improve and develop the integrated risk management model of the parent company
- To finalise methodological materials in the area of risk management
- To upgrade the skills and expertise of the staff involved at various levels
- To continue to automate the risk management process
- To further improve approaches to identifying, analysing and assessing the Company's risks

Three lines of defence model

In its operations, JSC FPC uses an approach driven by Three Lines of Defence Model, which is based on roles and responsibilities sharing. Each of three lines increases the likelihood of JSC FPC successfully achieving its objectives.



Risk treatment methods applied

- **Risk avoidance** – withdrawing from an activity or project associated with a particular (inherent) risk where other treatment strategies (risk mitigation, risk sharing, risk acceptance) are not economically viable or feasible. Given that any activity of the Company is associated with risks and complete withdrawal from any activity leads to its discontinuation, this strategy can be used to manage individual, specific risks (and/or new activities, projects).
- **Risk mitigation** – risk treatment involving activities to reduce the likelihood of a risk event and/or the potential impact of its occurrence to an acceptable level. Risk mitigation activities may include both the deployment and execution of control procedures and the implementation of other measures (e.g., creating provisions to cover losses caused by a risk event).
- **Risk acceptance** – method which involves no active risk treatment. It is used when:
  - the level of risk is at an acceptable level
  - risk avoidance, risk mitigation, risk sharing is economically inefficient or impossible (e.g., political or macroeconomic risks)
- **Risk sharing** – transfer of a risk where the Company's risk mitigation is ineffective, while the level of risk is not acceptable (the risk cannot be accepted) and third-party services can be used for risk treatment. Risk sharing is mainly aimed to mitigate the consequences rather than the likelihood of risk occurrence.

Risk management structure

The showed risk management structure is in line with FPC's Risk Management and Internal Control Policy.

Board of Directors of JSC FPC	• Defines the principles of and approaches to the organisation of RM&ICS at JSC FPC, approving and reviewing the RM&IC policy • Reviews the register of key risks and establishes the risk appetite
Audit and Risk Committee under the Board of Directors of JSC FPC	• Monitors the reliability and effectiveness of the risk management and internal control system • Reviews and assesses the implementation of the risk management and internal control policy • Reviews risk reports, register of key risks and risk portfolio
Auditing Commission of JSC FPC	• Reviews and analyses how well RM&ICS functions
General Director of JSC FPC	• Ensures implementation of decisions made by JSC FPC's Board of Directors related to RM&IC • Ensures the creation, maintenance and development of RM&ICS at JSC FPC
Deputy General Directors of JSC FPC	• Organise, within their remit, the improvement and operation of the RM&ICS
Deputy General Director supervising JSC FPC unit in charge of coordination of risk management and internal control system	• Coordinates activities on RM&ICS improvement and development at JSC FPC
Unit in charge of coordination of risk management process	• Develops and updates the company-wide regulatory framework and RM&IC development programme • Coordinates the procedure of RM&IC self-assessment (analysis) • Consolidates and formulates the declaration and indicators of JSC FPC risk appetite assessment • Analyses risk portfolio and generates the consolidated reporting • Organises RM&IC-related training
Units in charge of coordination of individual risk management	• Develop and update the general corporate regulatory and methodological framework in terms of management of certain types of risks
Units in charge of control (inspections, audit, revisions, etc.)	• Conduct systematic and successional assessment of reliability and effectiveness of the risk management and internal control system • Verify and check that the detected shortcomings/failures are removed • Develop proposals and recommendations to improve RM&ICS reliability and effectiveness
Heads of JSC FPC business units	• Organise and support RM&ICS • Prepare proposals for statement and indicators of risk appetite assessment
JSC FPC's employees	• Implement risk management and internal control procedures, including the risk mitigation measures

Risk management process stages

In line with the Policy, the risk management process at JSC FPC has five stages:
1. Risk identification
2. Risk analysis and assessment
3. Risk treatment
4. Monitoring and review
5. Communication and consultation

As part of these processes, risk reports are prepared to be submitted to the executive bodies, Audit and Risk Committee, the Company's Board of Directors and external stakeholders (if necessary), including information on risks, risk treatment measures and effectiveness of the RM&ICS.

Risk register

In 2023, risk aggregation was done to capture risks at the corporate level. Some of them remained in FPC's risk register, while others were taken into account as risk factors or consequences of other risks. The remaining risks are excluded from FPC's risk register due to their low or zero probability of realisation. The following year-on-year changes were recorded:
- The total number of risks in the register decreased from 104 to 23
- The number of key risks increased from 8 to 12
- The number of risk owners was reduced to 15, with the heads of the remaining divisions involved in the risk management process as those responsible for key indicators and implementation of risk management measures.

23 risks
identified in 2023 in JSC FPC

Thus, as a result of the work carried out in 2023 to improve the RM&ICS and the risk management process in terms of risk identification, analysis and assessment (approaches to risk identification, analysis and assessment changed) and risk aggregation, a completely new risk register of JSC FPC was made, which is not comparable with the previous one in terms of both quantity and quality.

Key risks

The key risk register of JSC FPC for 2023 contains 12 risks which have been identified based on their impact on the achievement of the Company's goals and grouped into categories by business process.

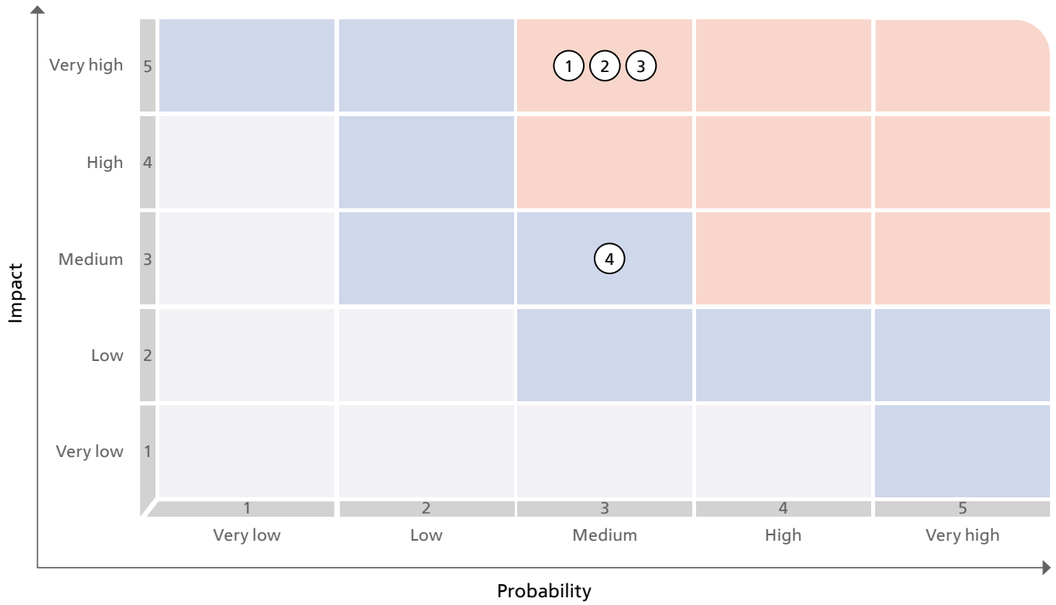
Business process	Risk factors	Risk treatment measures
Financial and economic management	Failure to release rolling stock from maintenance and repairs.	Redistribution of the carriage fleet between branches to maximise its efficient use.
	Diversion of rolling stock fleet (including leasing).	Optimising the amount of traffic.
	Violation of terms and conditions of concluded contracts by suppliers/contractors for the objects within the project.	Redistribution of repair volumes to third-party car repair organisations.
	Macroeconomic factors, including increased inflation rates, taxation in the Russian Federation and external sanctions.	Amendments to contracts.
	Increase in the cost of tariffs for counterparty services.	Claims handling with suppliers/contractors on issues of rolling stock supply.
	Change in carriage-km is not proportional to passenger-km travelled	Organisation of multi-group and two-group trains.
		Agreement with contractors on the amount of indexation of tariffs for their services not exceeding the deflator index.
		Preferential loaning
Security assurance	Failure of hardware and (or) software parts of automated systems, computing and peripheral equipment, communication and telecommunication devices.	Analysis of the status and efficiency of the system for protecting information resources and software and hardware of JSC FPC.
	Lack of possibility to purchase/upgrade equipment, software, licences.	Implementation of a unified technical policy in the field of information security with the parent company.
	Emergency.	Enhancement of FPC's information security.
	Insufficient provision of stationary facilities with technical and primary fire safety means.	Planning and control over the implementation of information security measures at FPC's facilities
	Exacerbation of political, social, national and religious tensions.	
	Increase in terrorist acts	

Business process	Risk factors	Risk treatment measures
Shaping and implementing a marketing policy	Lowed appeal of domestic tourism.	Implementation of marketing promotions and tariff management.
	Competition with alternative modes of transport.	Expansion of the menu based on modern trends in healthy eating, setting the frequency of menu updates (seasonality).
	Shortage of rolling stock.	Upgrading of dining carriages.
	Macroeconomic situation.	Increase the share of e-ticket sales.
	Cancellation of the airport closure regime, as well as resolution of associated problems related to aircraft operations.	Introduction of children's compartments in trains, hot meals for children.
	User-friendliness of the Loyalty Programme.	Better cleaning quality before and during the trip.
	Quality of catering and service provision in dining carriages.	Elaboration of the issue of train escort by private security companies and the Ministry of Internal Affairs.
	Quality of service in ticketing.	Update of content on the Poputchik portal, improvement of the interface and quality of internet connection.
	Usability of the mobile app.	Redundancy of critical infrastructure nodes.
	Website usability.	Investigation of fire incidents, analysis of these incidents and organisation of measures for their prevention.
	Quality of services and passenger care in the carriage.	Equipping stationary facilities with technical fire safety equipment, installation of alarm and fire extinguishing systems, provision of primary fire extinguishing equipment.
	Quality and sanitary safety of children carried.	Establishment of transport security control points at each branch of JSC FPC.
	Quality of work and content of the Poputchik portal	Installation of video surveillance and registration systems in the carriages
Compliance	Significant change in environmental legislation.	Planning and implementation of investment projects of environmental significance (wastewater treatment facilities, carriage washing facilities, storm sewers).
	Emergencies, natural disasters.	Measures of the FPC Anti-Corruption Plan for 2021–2024.
	FPC managers and employees at all levels of corporate governance violated the requirements of anti-corruption legislation and FPC's anti-corruption regulations.	Analysis of the status and efficiency of the system for protecting information resources and software and hardware of JSC FPC.
	Unauthorised access to FPC's information systems.	Implementation of a unified technical policy in the field of information security with the parent company.
	Industrial espionage	Orchestration of measures to protect personal data, confidential and insider information, information constituting a trade secret of the Company, and ensuring the information security of JSC FPC

Risk map

Risk map was designed to visualise the significance of risks in the Company. The Y-axis of the risk map displays the magnitude (degree) of the impact of identified risks on JSC FPC's operations, while the X-axis shows the likelihood of their occurrence.

Map of FPC's key risks for 2023 (grouped by business processes)



Name of business process

1. Financial and economic management
2. Shaping and implementing a marketing policy
3. Security assurance
4. Compliance

Relations of key risks and the Company's strategy

FPC's Development Strategy until 2030 defines the following list of strategic benchmarks:

- Passenger departures
- Revenues
- EBITDA
- Net debt/EBITDA
- Carriage acquisition volume

In 2023, the following factors had the main impact on the key performance indicators:

- Improvement of the macroeconomic situation expressed in the above-the-target growth of GDP, real disposable household income
- Changes in the structure of domestic traffic due to continued restrictions on flights in the south of Russia (closure of airports) and a reduction in the number of aircraft

The Strategy outlines a number of strategic projects that drive the achievement of the objectives set. FPC implements strategic initiatives while taking into consideration the macroeconomic conditions in the country and making the necessary modifications to the pace, scale and resource requirements.

Since key risks may have a significant negative impact on JSC FPC's operations, the achievement of strategic goals, and the implementation of the Strategy, the Company pays due attention to managing its key risks. The register of key risks is approved by the General Director based on a decision of the Board of Directors (taken after the review of the register) and taking into account the opinion of the Audit and Risk Committee of the Board of Directors. The Board of Directors then supervises the implementation of risk treatment measures by the divisions.

Sustainable development risks

JSC FPC also identified sustainability risks, possible consequences for the Company in case of their occurrence and developed measures to treat the same.

Sustainable development risk register

Sr.No.	Risk	Possible consequences	Risk treatment measures
1	Occurrence of transport accidents and other events related to violation of railway transport safety and operation rules	Material damage. Reputational damage. Threat to the health and life of passengers	Development of organisational and technical arrangements for the remit of the divisions involved. Claims handling work. Investigation of traffic safety violations, development of organisational and corrective action plans for identified cases
2	Decrease in passenger satisfaction with the quality of service	Decrease in revenues from transportation activities	Revision of JSC FPC's Catering Standard. Expansion of the menu based on modern trends in healthy eating, setting the frequency of menu updates (seasonality). Upgrading of dining carriages. Increase the share of e-ticket sales. Improved usability of the application. Enhanced usability of the website. Introduction of children's compartments on trains. Organisation of hot meals for children. Elaboration of the issue of train escort by private security companies and the Ministry of Internal Affairs. Update of content on the Poputchik portal, improvement of the interface and quality of internet connection
3	Violation of environmental laws	Fines and penalties, reputational losses	Planning and implementation of investment projects of environmental significance (wastewater treatment facilities, carriage washing facilities, storm sewers). Training of managers and specialists responsible for environmental protection. Timely/unscheduled repairs of fixed assets and equipment
4	Risk of violation of industrial safety requirements	Causing harm to human life and health. Penalties imposed by supervisory authorities. Damage to property of third parties	Replacement of devices that are beyond their normal service life. Development/updating of internal regulatory documents. Training and certification of managers and specialists
5	Shortage of rolling stock	Decrease in revenues from transportation activities	Redistribution of the carriage fleet between branches to maximise its efficient use. Optimising the amount of traffic. Redistribution of repair volumes to third-party car repair organisations
6	Work-related injuries	Penalties in accordance with the Code of Administrative Offences, payments in accordance with the Collective Bargaining Agreement	Timely provision and control of the use of PPE by employees. Investigation of occupational injuries followed by development of corrective measures. Training of personnel in occupational safety requirements. Special assessment of working conditions at workplaces. Development of local regulations in the field of occupational safety
7	Illegal disclosure (loss, transfer) of information constituting a trade secret, personal data and insider information of the Company	Deterioration of business reputation. Material damage	Analysis of the status and efficiency of the system for protecting information resources and software and hardware of JSC FPC. Implementation of a unified technical policy in the field of information security with the parent company. Orchestration of measures to protect personal data, confidential and insider information, information constituting a trade secret of the Company, and ensuring the information security of JSC FPC

To Shareholders and Investors

Share capital

As at 31 December 2023, the authorised capital of JSC FPC amounted to

RUB 263,588,838,994

comprising 263,588,838,994 ordinary registered shares with a par value of RUB 1 each.

In 2023, the Company completed the additional issue of ordinary shares of additional issue 1-01-55465-E-010D for RUB 15 billion. The shares of the additional issues were placed through private subscription among a pre-determined circle of persons, namely the major shareholder of the Company. The money raised is used to purchase rolling stock.

Ordinary share issues in 2023

State registration number of an additional issue	Date of the issue state registration	Number of shares issued	Registration date of the placement report
1-01-55465-E-010D	17 July 2023	15 billion	4 September 2023

Voting shares by type (class) as at 31 December 2023

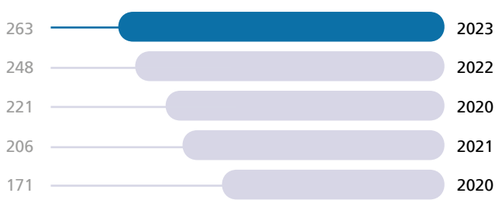
Indicator	Ordinary shares
Number of shares issued	263,588,838,994
State registration details	1-01-55465-E
Par value per share, RUB	1

No shares are owned by the Company and its controlled entities.

JSC FPC's shareholders do not have any preferred shares or shares with different par value.

No shareholder agreements were signed by JSC FPC's shareholders.

Changes in the Company's authorised capital, RUB billion



Bond issues

Issue No.	Issue volume, RUB billion	Maturity, years	Put option term, years	Issue rating
001P-03	10	10	6.5	AA+(RU)
001P-05	10	10	10	AA+(RU)
001P-07	5.5	10	6	AA+(RU)

Dividend Policy

The Company has the Regulations on Dividend Policy of JSC FPC approved by the Board of Directors. In accordance with the Regulations, when making a recommendation to the General Meeting of Shareholders on the dividend amount, the Board of Directors seeks to ensure that the minimum amount of annual dividends on the Company's shares should be at least 50% of net profit according to financial statements prepared in accordance with the Russian Accounting Standards (RAS).

In making a recommendation to the General Meeting of Shareholders on the dividend amount, the Board of Directors is guided by Russian laws, JSC FPC's Articles of Association and the Regulations on JSC FPC's Dividend Policy and may take into account:

- Data from the Company's accounting statements, budgets (business plans), investment programmes and development programmes
- Free cash flow under RAS[1]
- Target (limit) level of debt load and credit covenants in accordance with the Regulations on the Debt Policy of JSC FPC and the terms and conditions of the loan agreements concluded by the Company
- Terms of the Shareholders' Agreement concluded between the shareholders of JSC FPC

JSC FPC's Board of Directors decides on the recommended dividend amount, the timing, procedure and form of payment, and the dividend record date, to be submitted to the General Meeting of Shareholders for consideration.

According to the Regulations on the Dividend Policy of JSC FPC[2], the conditions for payment (declaration) of dividends to shareholders are as follows:

- Availability of net profit at the Company, calculated according to RAS accounting statements and not distributed earlier by resolution of the General Meeting of Shareholders
- No restrictions on dividend payment (declaration) as established by the legislation of the Russian Federation.

The General Meeting of Shareholders, with due consideration of recommendations from the Board of Directors, may decide to direct all net profit less mandatory deductions stipulated by Russian law, the Articles of Association and internal documents of JSC FPC to dividend payout to shareholders of JSC FPC.

No dividends were paid out in 2023.

According to the accounting records for business activities in 2023, JSC FPC cleared a profit of RUB 21,086,697,000. The decision on dividend payment will be made following the Annual General Meeting of Shareholders in June 2024[3].

[1] Free cash flow is cash flow from operations increased by interest receivable less payments under investment activities associated with the acquisition, creation, upgrade, overhaul and preparation for use of non-current assets, and increased by income from participation in other business entities.
[2] Section "Terms and Grounds for Payment (declaration) of Dividends".
[3] For reference:
The 2020 results show a loss of RUB 33.6 billion. No dividends were paid for 2020.
The 2021 results show a loss of RUB 5.4 billion. No dividends were paid for 2021.
The 2022 results show a profit of RUB 11 billion. No dividends were paid for 2022.

Sustainable Development

One of the most important aspects of FPC's operations and a crucial component in accomplishing the Company's strategic objectives is the application of sustainable development concepts. We work hard to give our staff members the greatest possible working and growth opportunities, to engage in environmental and socially conscious projects, and to adopt energy-efficient technologies.

1.57 RUB bln | Occupational health and safety costs (2x growth vs. 2022)

-9.8% reduction of waste generation

+10.7% growth of average employee salaries

Sustainability Development Management

Recognising the strategic value of integrity in business and sustainable development, JSC FPC endeavours to continuously enhance the effectiveness of its corporate governance framework, as well as the way in which decisions are made and the perspectives of every relevant stakeholder. The Company's operations are guided by the principles of sustainable development, and all decisions — strategic, managerial, and operational — are made with these concepts in mind.

JSC FPC bases its development on the parent company's acceptance of and adherence to the UN Global Compact principles, and it continuously enhances its internal corporate management institutions by embedding sustainable development principles into its current methods of operation.

The sustainable development management system is an essential component of the Company's general corporate management system, and the decision-making process and operational activities successfully incorporate sustainable development concepts.

JSC FPC's management structure for sustainable development has three tiers.

Strategic tier	Board of Directors' approval of key policies/documents in the area of sustainable development and control over their implementation: determination of approaches to organisation of the risk management system, reporting on risk monitoring, approval of core and functional strategies, determination of KPIs, approval of budget and investment programme
Management tier	Development of key policies/documents in the field of sustainable development to embed sustainable development principles into the Company's operational activities Assigning the responsible subdivisions
Operational tier	Implementation of sustainable development solutions, preparation of reports

Key sustainable development decisions taken by the Board of Directors in 2023

Decision taken	Impact on sustainable development principles	UN SDGs
Updated draft Development Strategy of JSC FPC for the period until 2030 is preliminarily approved	Includes the implementation of the following ESG projects: • Procurement of carriages to ensure transport accessibility • Better energy efficiency and lower energy intensity of production activities • Digital emergency management system • Guaranteed traffic safety • Advance of the passenger service system on trains • Development of the motivation and social safety net system for the Company's personnel • Creation of a favourable environment for labour and recreation of employees of wide-spread professions	3, 7, 8, 9, 12
JSC FPC Investment Programme for 2023–2025 was approved	• Projects on fleet renewal and upgrade of the existing rolling stock will improve safety indicators on railways by modernising obsolete and less reliable units of carriages in an effort to eliminate equipment failures while in transit, improving the technological process of repair and maintenance of passenger carriages, introducing more advanced and efficient technologies and technical means. • Digital HR, which aims to increase employee satisfaction with the Company's HR services and improve HR management efficiency by implementing modern IT solutions. • Depot infrastructure development projects aimed at improving the work environment for employees	3, 8, 9
A number of corporate governance documents were approved	• In 2023, the Company continued to improve its regulatory framework in order to maintain progress in adhering to the principles of the Corporate Governance Code and compliance with best practices. • Regulations on sponsorship and charitable activities of JSC FPC. • Code of Ethics of JSC FPC	16
Risk appetite for 2023 is approved and key risk register for 2023 is reviewed	• The Company's key risks include: Corruption Risk, Violation of Environmental Legislation, Acts of Unlawful Interference in long-distance trains made up by JSC FPC and Risk of Violation of Industrial Safety Requirements. All of the above risks have zero tolerance. • Compliance-related risk appetite statement is drafted, which covers nine areas, including environmental, occupational, industrial and fire safety risks	3, 16
KPIs for the Company's operations and management are approved	• Corporate ESG-related KPIs include Passenger Satisfaction Index, Safe Travel, Dispatched Passengers. • Ensuring Good Corporate Governance Practices is a functional KPI of General Director	3, 16
A new organisational and staffing structure was approved	• A quality management vertical function was introduced into the organisational structure. • By improving the quality of its passenger services, JSC FPC will be able to satisfy the demands of the present-day Russian passenger transport market. The vertical function will also focus on streamlining internal processes such as train preparation, repair and procurement, which will contribute to reducing process upsets and reject costs, optimising value chains and rolling out the lean production system	12

Structure of Sustainable Development Management at JSC FPC

Strategic tier

Board of Directors

Committee on Strategic Planning, Digital Transformation and Information Technology handles the following issues:	Human Resources, Remuneration and Corporate Governance Committee handles the following issues:	Audit and Risk Committee handles the following issues:
• Industrial safety • Environmental responsibility • Stakeholder engagement	• Ethics • Human capital • Occupational safety	• Anti-corruption • Supply chain management • Customer relations

Management tier

General Director	First Deputy General Director, Head of the Production Block	First Deputy General Director, Head of the Economics and Finance Block
• Deputy General Director, Head of the Security Block • Deputy General Director, Head of the HR and Social Affairs Unit • Deputy General Director, Head of the Quality Block	• Deputy General Director, Head of the Passenger Service and Quality of Service Block • Deputy General Director — Chief Engineer, Head of the Production Development Block	• Deputy General Director, Head of the Marketing Block

Operational tier

Functional areas and divisions

Ethics and anti-corruption	Human capital	Occupational safety and industrial safety	Environmental responsibility	Supply chain management	Customer relations	Stakeholder engagement
Corporate Security Centre	Office of Personnel and Social Development	Occupational Safety Department	Industrial, Fire and Environmental Safety Department	Procurement and Contractual Work Department	Passenger Services Office	Department of Communications and Engagement with Authorities
Anti-Corruption Committee	Personnel Development Centre	Transport Safety Authority	Strategic Development and Risk Management Department	Internal Control Centre	Process Monitoring and Quality Management Centre	Carrier Relationship Development and Corporate Sales Organisation Department
Commission for Management of Conflict of Interest	Youth Council	Chief Auditor for Rail Traffic Safety	Lean Production Department			
Office of Personnel and Social Development	Coordination Council on Improving Working Conditions, Recreation and Social Support for Women					
Officers-in-Charge of Business Ethics in JSC FPC						
Responsible for business ethics at FPC's branches						
Business Ethics Commissions at FPC's management office and branches						

Stakeholder Engagement

JSC FPC is aware of its high responsibilities to all stakeholders and strives to maintain an ongoing constructive dialogue with them. The Company is focused on meeting the expectations of all stakeholders in its integrated sustained economic, social and environmental development.

Stakeholder engagement mechanisms

Stakeholders	Engagement approaches and mechanisms	Key communication channels
Internal stakeholders		
Our people	• Labour relations under the Collective Bargaining Agreement • Management functions • Social partnership • Personnel development • Corporate surveys • Reporting to a stakeholder • Procedure for dispute settlement • Employee recognition and commendation	• Addresses from top management • E-mail • Corporate publications • Corporate website • Social networks, Telegram channels • By-laws
Governance and control bodies	Descriptions of governance and control bodies, as well as interaction principles and governance procedures, are set forth in JSC FPC's Articles of Association and other internal documents of the Company. For more details, please see the Corporate Governance Model and Practice section on p. 77 of the Report	• Management reporting and financial statements • Ongoing interaction within business processes
External stakeholders		
Shareholders	• Open communication during general meetings of shareholders • Reporting to a stakeholder • Disclosure of material facts of the Company's operations	• Mandatory disclosure, including issuer reports, RAS and IFRS financial statements, statements of material facts, registers of affiliates through an authorised disclosure agency (http://disclosure.skrin.ru/disclosure/7708709686) • Voluntary disclosure of additional information on the Company's website (https://fpc.ru) • Meetings of the parent company's management with the Company's management
Government authorities and non-governmental organisations	• Agreements on cooperation in the transportation of passengers, baggage and unaccompanied baggage on long-distance trains • Joint participation in image-building ceremonies and business events at the federal and regional levels • Responding to requests from government authorities	• Submission of financial, statistical and environmental reports to regulatory authorities • Publication of reports on the Company's operations

Stakeholders	Engagement approaches and mechanisms	Key communication channels
Business partnerships	• Contractual relations • Development and signing of co-operation agreements • Regular working meetings • Joint working groups with Russian and foreign project partners • Participation in conferences and forums	• Publication of information on the Company's operations on the corporate website and dedicated procurement sites • Mass media
Consumers and customers	• Passenger service • Catering on trains • Passenger satisfaction surveys • Marketing campaigns • Informing on the Company's operations • Charity events • Volunteer events	• Feedback channels: – Questionnaire survey – Single help desk – Mobile app – Company's website • Public reporting by the Company • Infotainment system "Poputchik" (Fellow Passenger)
Media and NGOs	• Press releases and other materials with information on JSC FPC's activities • Responding to requests from the media • Media assistance during filming at infrastructure facilities	• Company's website • Mass media • Industry-specific media • Social networks, Telegram channels • Events for external audiences
Educational institutions	• Targeted admission of students • Vocational guidance • Benefits for JSC FPC employees' children • Joint research and cultural initiatives • Participation of JSC FPC's employees in school activities	• Company's website • Mass media • Social networks of the Company and educational institutions
Social partnership actors	Engagement with trade unions in the social protection of employees and non-working retirees	• Meetings • Corporate events • E-mail

HR Management

Corporate Social Responsibility Principles

The main goal of the Company s HR policy is to develop human capital. This is achieved through:
- Attracting labour resources
- Ensuring continuous training and development of personnel
- Improving the incentives policy
- Caring for employee health
- Ensuring social stability
- Creating a favourable working environment in labour collectives

The purpose of the HR policy is to build human capital and supply the Company with qualified employees in the appropriate numbers at a cost-effective rate. This is achieved by following a number of principles.

The principles of the HR Policy:
- Areas and priorities of the HR Policy should ensure the implementation of the Company's strategic goals
- Attraction and retention of personnel
- Systematic training and continuous development of personnel
- Creation of conditions for the employees' personal growth
- Remuneration for the result, thus stimulating the achievement of the Company's strategic goals

The Company advocates for personal freedom and human rights and excludes any form of discrimination in a workplace. When it comes to respecting human rights, the Company focuses on occupational safety, wages and prohibition of slave labour and child labour.

One of the Company's primary goals is to protect the lives and health of its employees. Ensuring safe working conditions in the workplace and at railway transport facilities and preserving the lives and health of employees are the priorities of the HR Policy.

JSC FPC welcomes equal opportunities for all. In accordance with the current legislation, the Company provides equal opportunities for employment, career development, advanced training, and wages to all employees regardless of their religious commitments, sex, age, orientation, marital status, national origin, etc.

The Company pays special attention to gender equality, in particular the availability of new trades for women. Equal pay conditions are ensured for both women and men. Any managerial decisions related to hiring, training and career development are based on the skills and the necessary stack of competencies of a candidate or employee.

Employee satisfaction and social security have a direct impact on the competitiveness and quality of services provided. With this in mind, the Company annually conducts staff surveys and studies, covering thousands of employees. JSC FPC provides decent conditions for employees, including competitive salaries and an extended social package (voluntary medical insurance (VMI), corporate loan programmes, pension plans, health resort recuperation, etc.).

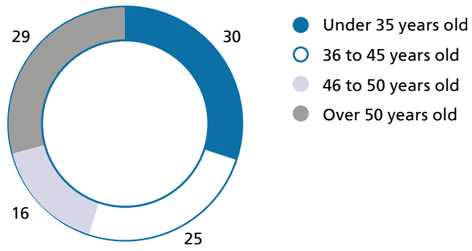
The Company has a primary trade union organisation under the Russian Professional Union of Railwaymen and Transport Builders (ROSPROFZHEL). It covers 52,250 people (95% of the actual headcount of the Company). The Collective Bargaining Agreement of JSC FPC for 2023–2025 is also in force and applies to all employees.

Personnel structure

55,002 people
+0.7% vs. 2022
+7.2% vs. 2021
headcount as of 31 December 2023 year

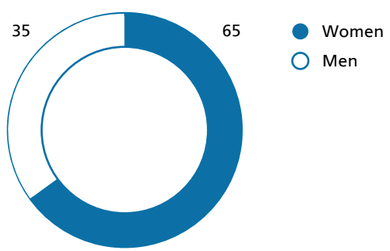
63% of employees
are directly involved in passenger services

By age, %

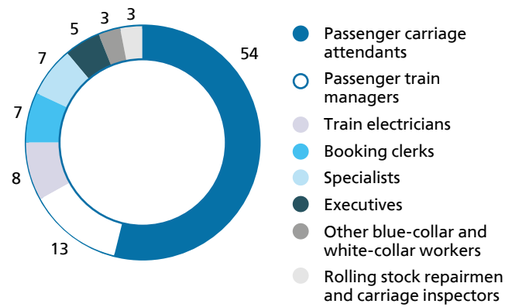


The Company maintains the right balance between young talent and more experienced employees. The average age of employees is 42 years.

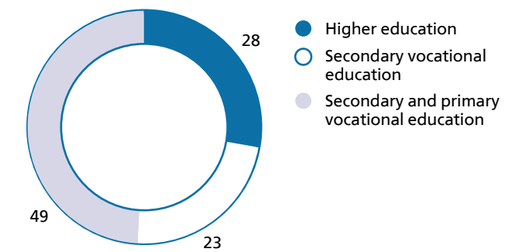
By gender, %



By position/trade, %



By education, %



JSC FPC employs 543 employees with disabilities (1%of headcount). According to their particular rehabilitation regimens, they did not require any extra workplace setup. Employees with disabilities are provided with benefits in accordance with the requirements of Russian legislation, the Collective Bargaining Agreement and by-laws of JSC FPC.

Staff recruitment

Various evaluation tools, such as ability testing, personality surveys, and competence-related structured interviews, are used to ensure the quality of managerial decisions on selection of candidates to fill vacancies, talent pooling, staff rotation and training. In 2023, about 23,000 employees underwent the corporate skills assessment, with customer-facing employees accounting for 91% of the total.

Personnel training and development

>21,000
employees (39.3% of total headcount) received training in 2023

16 hours per year
average number of training hours for managers and specialists

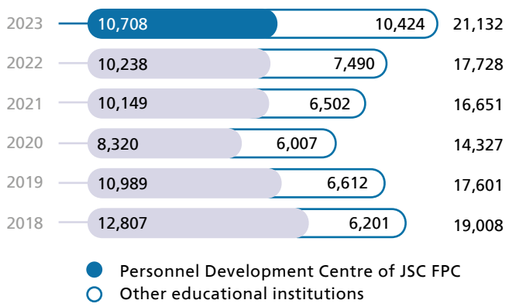
18 hours per year
average number of training hours for employees of blue-collar jobs[1]

Training system indicators

Indicator	2018	2019	2020	2021	2022	2023
Total employees trained	19,008	17,601	14,327	16,651	17,728	**21,132**
Share of employees trained at FPC's Personnel Development Centre, %	62.7	62.4	58.0	61.0	60.0	**51.0**
Budget, RUB million	118.2	196.6	112.8	134.2	164.2	**204.173**

[1] The total number of training (advanced training) hours for 2023 is 662,744 hours. The training was given to 36,931 FPC's employees of blue-collar occupations.

Training broken down by training centre, people

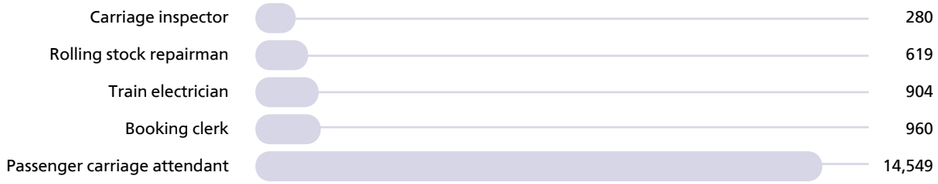


Every year, there is a greater need of the Company's branches in training. In the reporting year, more than 7,000 people were trained in white-collar and blue-collar jobs. Over 14,000 people upgraded their skills. The Personnel Development Centre of JSC FPC is the main platform for training in general trades.

>7,000 people

trained in common white-collar and blue-collar trades in 2023

Professional training of employees of general trades (initial training and advanced training), people



The Company implements the "Evolution of Train Crew Training" concept, which is based on the unified practice-oriented approach to assessing the level of professional knowledge with gradual transfer of training to the licensed Personnel Development Centre of JSC FPC. This approach has two stages:

- first stage — 335 passenger train managers were trained in 2023
- second stage — 375 passenger train managers and 2,762 passenger carriage attendant are to be trained in 2024

In accordance with the professional standard, the Company approved a model of professional skills of train electricians, requirements to their level of education and a professional expertise development matrix. The skills assessment for this trade was completed in 2023, covering 1,348 people (89% of the total number of train electricians to be assessed). According to the assessment results, the overall level of development of professional skills was 1.53 points, which corresponds to the level of 'specialist' (a professional capable of independently solving standard tasks; has the potential to solve non-standard tasks). Train electricians have the highest level of development in cross-cutting skills (1.59–1.76 points), as well as in the competence area pertaining to maintenance of carriages at train turn-around point (1.97 points). The lowest level is in the competence area pertaining to maintenance of carriages en route (1.15 points).

For targeted development of skills and competences, the Personnel Development Centre approved the Professional Expertise Development Matrix for 'train electrician' trade in 2023. The Matrix includes professional reskilling courses, open e-courses on different competences, video clips, memos, self-study materials.

On 16 February 2023, the model of professional skills of a passenger carriage attendant was approved. The model includes 12 skills: four cross-cutting and eight core (focused) skills.

On 22 June 2023, the procedure for applying the model in personnel performance appraisal was approved. The appraisal has a database of relevant test tasks and includes 1,420 questions with answers. Each employee is randomly given 180 questions to answer.

From 1 September 2023 to 1 May 2024, the professional knowledge of passenger carriage attendants was assessed with the use of the Distance Learning System. At least 90% of the permanent attendant pool was scheduled to be evaluated during the given period. Once reviewed, the assessment findings will show the best employees and the areas for further improvement of professional knowledge of the Company's personnel.

Nineteen (19) training programmes were created in 2023, 18 of which also envisage transferring part of the training to a distance learning format. Training programmes for rolling stock repairmen, carriage inspectors, and ticket agents allow for shorter training periods. Two professional training programmes for rolling stock washermen and outfitters were updated in conjunction with the enactment of regulation guidelines on occupational safety and the technical operation of Russian Federation railways.

Three advanced training programmes (for public train safety inspectors, train crew tasksetters, dining carriage/bistro carriage staff of catering division) and five occupational safety programmes for various categories of employees were also prepared. In addition, four standard programmes were developed and sent to the parent company for consideration (for training of train electricians, rolling stock repairmen of the 2nd and 3rd category, attendants of passenger carriages of the 4th category, as well as for training of candidates from the train manager pool).

In order to fill a pool of passenger train managers, a programme on modern techniques in the organisation of passenger transportation for passenger train managers was developed on the basis of the new professional standard. As part of the School for Young Managers project, a programme was drawn up to develop the professional competencies of heads of business units and employees from the talent pool for these positions.

The development of the Distance Learning System is ongoing. In 2023, 35 training courses and 29 open e-courses were available. Nine new training courses and 14 open courses were added. 29 check tests for briefings and 213 check tests for passenger train managers, passenger carriage attendants, train electricians, train crew instructors and ticket agents were created within the scope of technical training. A total of 3,740 employees of the Company received advanced training through the Distance Learning System.

In helping frontline staff members improve corporate skills, the focus is placed on enhancing client interactions. Special consideration is given to accommodating organised groups of children and passengers with reduced mobility, as well as helping passengers in abnormal situations. For example, psychologists of the structural divisions of JSC FPC's branches held around 7,000 training seminars in 2023, with a total number of over 70,000 participants. Among other things, almost 25,000 members of the train crews received training on handling unusual scenarios that arise when they engage with passengers. The training included practical assignments and case studies.

The procedural framework is expanded every year. New training courses for train crews were created in 2023, along with suggestions for how to help employees who exhibit symptoms of post-traumatic stress disorder (PTSD). These courses will also be available online.

>25,000 members

of the train crews received training on handling unusual scenarios that arise when they engage with passengers

Advanced Training

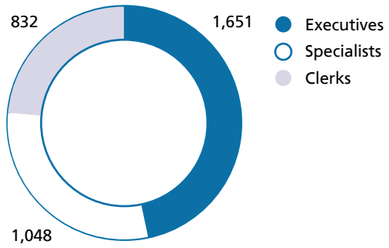
In 2023, the Company's managers and specialists by mandatory vocational and management training covered 2,699 people in total. The 2023 training plan for managers and specialists was over-fulfilled 156.7%.

RUB 204 million

talent development expenses and related payments

More than 200 managers received training in the Effective Communications Programme to help them improve their communication skills. The programme included an e-course and a webinar with case studies and leaning activities. The main focus was on methods of task setting, control, delegation, motivation, feedback, types of interaction in a company, management tools for effective communications, etc.

Personnel training in 2023 by position level, people



Targeted training of staff

To have well-qualified personnel with higher and secondary vocational education, the Company cooperates with nine railway transport universities under the company-sponsored (targeted) training terms. More than 200 company-sponsored students are enrolled in intramural and extramural higher education programmes. Majors:

- Railway rolling stock "Passenger Carriages"
- Operation of railways "Railway Passenger Service System"
- Operation of railways "Transport Business and Logistics"

>200

company-sponsored students
are enrolled in intramural and extramural higher education programmes

Vocational guidance

In 2023, the Company's executives held open lessons in field-specific educational organisations, hub schools and at the parent company's Children's Railways. Thus, as part of the Petrovsky Meetings project under the auspices of Russian University of Transport (MIIT), an open lesson was held in March with the participation of Vladimir Pyastolov, Director General of JSC FPC. It is a priority for the parent company's Children's Railways to open passenger railway classes or branded areas for the passenger carriage attendant profession.

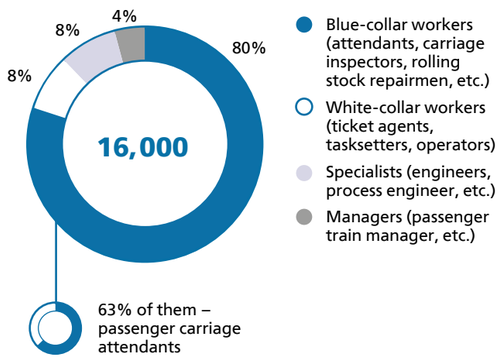
Youth policy

More than 16.000 employees, or 30% of the Company's total headcount, are aged 35 and under. The share of young managers of this age is 16% of the total number of managers in the Company. Since young people make about one-third of JSC FPC's workforce, it is imperative that the Company's youth policy be implemented effectively.

The young employees of JSC FPC, who have the necessary professional and corporate competencies, are change agents, promoters of modern corporate culture and values, involved as much as possible in solving the Company's current tasks and systematic innovative development.

Source: Youth of JSC FPC (2021–2025), Targeted Programme

The youth of JSC FPC are presented by:



The main tasks and domains for the development of the Company's Youth Policy are defined by the Youth of JSC FPC (2021–2025) Targeted Programme.
For its implementation, the Company has 72 youth councils.
The programme's activities involve at least 75% of young employees each year and address the following issues:

- Onboarding and retention of young people in the Company
- Stimulation of scientific and technical creativity, innovation and scientific activities of young people
- Improvement of motivation mechanisms for young managers and employees
- Assistance in personal and professional development of young employees with knowledge and skills tailored to JSC FPC's needs, as well as career growth of young people
- Establishment a set of positive values, maintenance of generational continuity, and strengthening of the image of the workplace among young people

While working with youth, it's important to always be refining techniques used and creating new digital tools that not only solve priority business tasks but also address primary needs of young people.

Source: Youth of JSC FPC (2021–2025), Targeted Programme

In 2023, a new approach to youth work planning was put in place, and new projects were introduced in all areas of youth policy work.

FPC's youth policy activities for 2023 include:

>20

mandatory network-wide events

>200 events

and projects were conducted during the year

>12,000

young employees are reached through activities

Six areas of work with young people

1. Youth onboarding system

- Common onboading days
- Onboading courses
- Young specialist status

2. Corporate volunteering and healthy lifestyle

- FPC joining the parent company's corporate volunteering programme
- YouMeVolunteerFPC volunteer project competition
- Winning the "Attendants of Good Deeds" grant competition
- Network and local actions, races and events throughout the year

3. Addressing corporate challenges

- Activities of 72 youth councils of the structural subdivisions of FPC's branches
- 2 wins in the New Link youth project competition
- Mentor lounges with the participation of FPC management

4. Comprehensive youth development

- Hi-Po Talent Pool 2023
- Events on career and personal development
- XIII FPC Youth Meeting
- Work with young specialists

5. Comprehensive youth co-operation

- Rosmolodezh grant competitions and forums
- Parent company Youth Gathering and Volunteer Forum
- All-Russian contest called My Country is My Russia

6. Work on youth engagement

- FPC.TUT social networks in VK and Telegram
- Leaders of Change competition among the youth councils of structural subdivisions of FPC's branches
- Meetings with management

SC FPC Annual Youth Policy Cycle for 2023

Onboarding	Engagement	Young professionals

January
Common onboarding day for the entire network

February
XX All-Russian contest called My Country is My Russia

March
Mentor Lounge with the Loyalty Programme Development and CRM Department

April
New Link youth project competition

May
Manage Your Career career workshop

June - August
Career Marathon about personal career development

April - September
YouMeVolunteerFPC-2023 competition

October
XIII Youth Meeting of JSC FPC

September - December
Common onboarding day in branches of JSC FPC

December
Career Route marathon on career opportunities for FPC's core occupations

2023 key projects by focus area

1. Development a system for onboarding and retaining young people in the Company

- The Procedure for Onboarding of Young Employees of JSC FPC was approved, which regulates the mandatory holding of Common Onboarding Days, onboarding talks, and taking onboarding courses.
- 18 onboarding courses for the Management Office and branches of JSC FPC were updated, taking into account the general established form and regional specifics.
- 2,523 people, or 42% of the total number of the Company's young employees hired in 2023, participated in the Common Onboarding Days.

2. Higher engagement of the youth

- More than 7,000 employees (44% of the Company's youth) are subscribers to the FPC.TUT (FPC here) channels on VKontakte and Telegram. Developing online youth communities aims to raise awareness of the Company's key events, as well as increase motivation to participate in networking, holding and federal events.
- For the first time, the Leaders of Change competition was held among 72 youth councils of JSC FPC. The ten runners-up of the competition – leaders within their branches – presented reports on their activities in 2023 at the XIII FPC Youth Meeting. The winner and holder of the Leaders of Change cup in 2023 was the youth council of the Omsk passenger carriage depot of the Western Siberian branch of JSC FPC.
- The XIII FPC Youth Meeting was held. It was the first offline FPC Youth meeting since 2019. The participants included 85 young employees from ten delegations of FPC branches, guests from the passenger complex of the parent company, and senior management of FPC, including General Director, Vladimir Pyastolov. The main concept – "We are the History", "We are the Present", "We are the Future" – was shown through team-building activities, master classes and lectures from external experts, speeches by the Company's top management, open dialogue with the management, and a strategic session to develop proposals aimed at improving service in the passenger complex of the parent company. During the ceremonial part of the event, awards were presented by JSC FPC and the parent company to active participants who had made a significant contribution to the Company's development, and winners of corporate competitions were honoured.

3. Maintenance of conditions for continuous and holistic development of young people

- To provide career opportunities for young people, a high-potential talent pool of 41 young staff members of all job categories was created. The development programme for talent pool members includes work with individual development plans, master classes by experts from FPC, the parent company and the external circuit on such topics as "Manage Yourself", "Manage the Team" and "Manage the Project", as well as group project work on solving production problems at FPC's branches. At the end of the development programme, 20 successful graduates were recommended for priority consideration for vacant positions in the Company. The overall efficiency of the talent pool was 46% (19 vertical assignments for 2023)
- A series of three career events for young employees was organised with a total of over 2,000 participants:
  - Webinar titled "Manage Your Career" on opportunities for personal and career development of young people at JSC FPC
  - Career marathon in the Telegram messenger, where for three weeks participants received tools for self-determination, learnt to understand and formulate their personal and career goals
  - Career Route Marathon in Telegram messenger dedicated to career development trajectories for workers and employees of the Company, as well as sharing success stories of heads of structural subdivisions of branches. Each week was dedicated to one of the general wide-spread trades (passenger carriage attendant, train electrician, ticket agent, rolling stock repairman)

4. Development of corporate volunteering, promotion of healthy lifestyle and sports

Volunteer movement of JSC FPC involves:

>1,500
active volunteers

>200
regional volunteer projects since 2018

Every year, the Company's volunteers take part in corporate, holding, all-Russian and international projects, win competitions and participate in major volunteer events, as well as implement their own projects to develop the regions where the Company operates.

In 2023, volunteers of JSC FPC:
- Traditionally helped sponsored orphanages and boarding schools
- Participated in projects of volunteer, donor, social and governmental organisations in their regions
- Helped families of railway workers, war and labour veterans
- Organised congratulations on Victory Day, Railway Worker's Day, Senior Citizen's Day, Attendant's Day and other important holidays for the Company

In 2023, in order to promote volunteerism:
- An agreement was concluded with the Pochet Charitable Foundation, which allowed FPC to join the parent company's corporate volunteering programme, and the Company's employees to take part in major volunteer actions and projects of the parent company and the country: the Clean Shores environmental action, the EcoLeaders corporate forum for employees of the parent company, State Corporation Rosatom and JSC United Metallurgical Company, other major federal forums
- A tripartite agreement was signed between JSC FPC, the parent company and the Pochet Charitable Foundation on long-term co-operation to develop corporate volunteering
- The annual contest of volunteer projects YouMevolonterFPC was held. This is a competition of already completed projects, where participants talk about the results of their work, share their experience, train each other and form teams to run new projects. In 2023, 33 socially significant projects were announced and 22 of them were put into practice. All contest winners were awarded diplomas and corporate gifts as part of the XIII FPC Youth Meeting
- 100 active volunteers were awarded diplomas and FPC Volunteer badges

5. Involvement of young people in resolving corporate (strategic) tasks (including innovative and scientific activities)

Since 2010, the Company's young people have traditionally participated in the New Link youth project competition of the parent company. Systematic work has been done to promote the competition and prepare participants. 2023 was the first year when won the following competions:

- "New Link. Projects" in the "Development of Passenger Customer Care and Services" category with the project: "Reis+ Application"
- "New Link. Ideas" as part of the youth team of the parent company with the "Innovative Infrastructure" idea

6. Development of intra-holding, inter-industry and international youth cooperation

Creating strong horizontal ties between young employees is the key to the efficient and uninterrupted work of the Company. In 2023, young employees of JSC FPC took part in the following events:

- 15th anniversary of the parent company's Youth Festival, which brought together over 1,000 participants, including young industrial leaders of the country and foreign partners
- IV Volunteer Forum of the parent company, which included the finals of the "Attendants as Conductors of Good Deeds" grant competition. OpenSpase project in the format of an inclusive picnic originated by a young employee of JSC FPC won the competition
- XX All-Russian contest of youth projects called "My Country is My Russia". Two employees of JSC FPC became finalists in the category "Railway Transport. Routes of Communication of My Country"
- International youth project titled "100 CIS Ideas" with the project "Kind Express" aimed at organising trips on Russian railways for children from social shelters, boarding schools and orphanages
- International Climate Contest called "Green Eurasia" with the ecological project "It's COVER for algae"
- More than 1,000 events related to railways of the parent company, the Federal Agency for Youth Affairs (Rosmolodezh), etc.

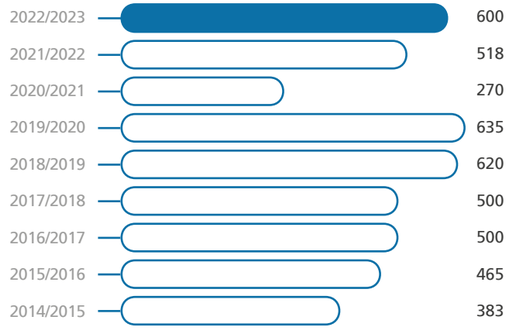
Student train attendant teams

In 2023, more than 9,000 members of student attendant squads worked during the peak passenger transportation period, including 600 – during the winter period of 2022/2023 and 8,500 – during the summer period.

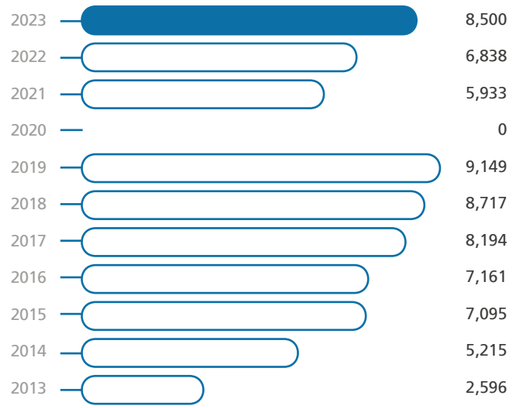
Key outreach activities with the youth all-Russian public organisation "Russian Student Squads" (hereinafter – ARPO RSS) in 2023:

- On 17 February 2023, FPC participated in the opening ceremony of the "Labour is Cool" career forum in honour of the RSS Day. A new three-year co-operation agreement No. FPC-23-31 between JSC FPC and ARPO RSS was officially signed at the Career Forum
- The updated Handbook of the Student Attendant Squad Member was approved and uploaded into the Distance Learning System (DLS)
- For the first time in 2023, the talent pool of FPC's branches was formed from among participants of student attendant squads, which included 127 members of the ARPO RSS
- In cooperation with ARPO RSS, a large-scale campaign called "The train that unites the country – the longest train drawn on asphalt" was held at 29 railway stations across Russia on Railway Workers' Day.
- In order to increase the level of motivation of participants in student attendant squads, FPC approved the Regulation on Awarding the 'Pace-Setter of Labour Semester' Badge. For the first time in 2023, the Company awarded 766 students with the 'Pace-Setter of Labour Semester' Badge of the III degree
- The results of the competition "The Best Structural Division of an FPC Branch in Organising Work with Student Attendant Squads" were summed up. The winners of the competition were the Kazan carriage station of the Gorky Branch (1st place), the Izhevsk carriage station of the Gorky Branch (2nd place) and the Volgograd carriage station of the Volga Branch (3rd place)

Number of members of student attendant squads involved in winter passenger service, people



Number of members of student attendant squads involved in summer passenger service, people



Employee remuneration and motivation system

The Company has an effective employee incentive system in place. A wide range of social benefits is stipulated by the provisions of the Collective Bargaining Agreement, which covers 100% of employees. All payments, without exception, are regularly indexed and are reviewed taking into account the best practices available on the market, as well as staff opinion, which is formed based on the results of engagement surveys. The non-financial motivation system also includes the best available non-financial incentive practices for personnel.

The Company is now digitalising its non-financial motivation system by introducing gamified processes for rewarding labour merits. In 2023, a pilot project called "Bonus Package" was completed on the basis of the North-Western branch, which includes a automated gamified system for accumulating and writing off bonuses for significant work achievements in the Company. These can then be exchanged for goods and services in the corporate shop. A total of 349 workers participated in the pilot project and provided positive feedback. A decision was taken to integrate the Bonus Package in the form of a store into the FPC.INFO Corporate Portal.

Wages by leading occupations

Name of position/trade	Salary, RUB	vs. 2022, %
Passenger train manager	130,741	113.6
Passenger carriage attendant	63,982	108.2
Train electrician	85,827	120.6
Rolling stock repairman	61,247	116.2
Carriage inspector / repairman	76,947	116.7
Ticket agent	56,177	114.3
Production area foreman	106,128	114.7

The Company's remuneration and labour motivation policy is aimed at preserving social guarantees for employees and retaining qualified personnel. To implement the above objectives and in accordance with clause 3.2.2 of the FPC Collective Bargaining Agreement for 2023–2025, wages were indexed by 2.63% from 1 March, by 3% from 1 October and by 2.12% from 1 November. All motivational payments are made as provided for by the Regulations on the Labour Remuneration System and the Concept of Targeted Motivation of Branch Employees[1].

Personnel incentives

Based on the results of work in 2023, the salary of FPC's employees of all types amounted to RUB 74,651. The growth against the same period of the last year was 10.7%. Taking into account the growth of the consumer price index (105.4%), real wages in the Company increased by 4.6%.

Note that, according to Rosstat data, the average monthly nominal gross salary in the intercity and international segment in the Russian Federation for the 12 months of 2023 is RUB 52,868, which is 41.2% lower than the salary level for the FPC.

10,958 employees
were rewarded for their continuous working efforts and dedication to the Company.

Payments for continuous employment were made to 10,958 employees in the form of remuneration for loyalty to the Company. The total amount of payments for the period totalled RUB 1.2 billion.
Individual employees are encouraged to achieve a higher level of professional excellence and promote interest in labour results through the application of the following motivational payments:

- Allowances for professional excellence – an average of RUB 3,283 per employee (5,718 employees)
- Allowances for class rank – an average of RUB 4,676 per employee (7,319 employees)
- personal salaries – an average of RUB 34,359 per employee (632 employees).

As a collective incentive for ensuring high quality passenger service, there is a reward for having the Quality Certificate given to the train crew. As of year-end 2023, 152 train crews were awarded the Quality Certificate and 11 train crew instructors – the Quality Coupon.

Bonuses for the Company's personnel are used to increase material interest in improving performance, ensuring traffic safety, quality of carriage repair and maintenance, passenger service, and travelling comfort. For 2023, the additional bonus was paid:

- For finding hard-to-detect defects and malfunctions of passenger carriages – an average of RUB 5,728 per employee (147 people)
- For income from other types of activities – an average of RUB 1,055 per employee (50,443 people)
- For ensuring train traffic safety based on the 2022 performance – an average of RUB 26,441 per employee (2,606 people)
- For ensuring high quality of repair and maintenance of passenger cars – an average of RUB 25,470 per employee (2,281)
- For providing high quality passenger service – an average of RUB 51,624 per employee (761 people).

Social policy

In 2023, the Company's expenditures to fulfil the obligations under the FPC Collective Bargaining Agreement totalled over RUB 8 billion.

In accordance with the Collective Bargaining Agreement, FPC personnel are given free commuter travel from their place of residence to their place of work, study or medical treatment and back, as well as free travel once a year to a place of recreation in the Russian Federation and back in a second-class sleeping carriage on FPC's passenger trains of all categories. In total, the Company's expenses on railway travel for employees and their minor children in 2023 totalled over RUB 1.4 billion.

Additional benefits and guarantees related to maternity and childhood, stipulated by the Collective Agreement, are also in place:

- Supplement to the maternity allowance paid from the Russian Social Fund to bring the total payment to the employee's average monthly earnings
- One-off financial aid at the birth of a child – RUB 5,775
- Monthly allowance to employees for child care until the child reaches the age of three – RUB 2,900

The total expenditures on these payments amounted to

RUB 190.8 million

On average, an employee's individual social package in 2023 totalled

RUB 66,800

2023 was declared the Year of Health

The following centralised sports and cultural events, as well as other significant events, were organised and held at JSC FPC during 2023.

- From 30 May to 2 June, Krasnoyarsk hosted the Bowling Cup of the ROSPROFZHEL primary trade union organisations of JSC FPC. The total number of the Company's employees participating in the event, organisers and judges was 70 people. The East Siberian Branch took first place in the team scoring, followed by the Moscow Branch in second place and the North-Western Branch in third place.
- On 6 August, in honour of Railway Worker's Day, FPC employees traditionally took an active part in the Reaching the Goal! charity races. In Moscow, more than 300 employees of the Management Office, Moscow and North-Western branches took to the starting line. The overall contribution earned the FPC team the title of "The Most Enduring Team of the Life Line Running Cup 2023 Open Team Tournament".

[1] Regulations on the remuneration system for employees of FPC's branches and their structural divisions, approved by FPC's Order No. 961r dated 12 October 2017, and Concept of Targeted Motivation of Employees of FPC's Branches, approved by FPC's Order No. 1305r dated 29 December 2017.

- From 13 to 16 September, Kislovodsk hosted the FPC Employee Spartakiade. The event was attended by ten teams from the Company's branches, as well as a team from the Management Office. The total number of participants, organisers and judges of the Spartakiade exceeded 230 people. As a result of the absolute team scoring, the North-Western Branch took the first place, the West Siberian Branch– the second place and the Moscow Branch – the third place.

At the end of 2023, a large-scale event to wrap up the Year of Health was held in Moscow as part of the Common Sense Territory Forum. FPC's employees became participants in this big event and were honoured with awards from the parent company, including:

- **Ekaterina Kislitsina,** an attendant of a passenger carriage of the Nikolayevka passenger railway depot, became a direct participant of the All-Russian project Health Train "Together Against Diabetes". Ekaterina acted as a senior attendant throughout the train journey and also helped to organise the campaign in each city where the train stopped. Ludmila Zharnikova, Head of the International and Commercial Transportation Department of the Transportation Organisation Department, also organised a similar campaign;
- **Andrey Simonov,** Deputy Manager for Human Resources and Social Affairs, West Siberian Branch, noted for his great personal contribution to the organisation and implementation of events within the framework of the Year of Health of the parent company;
- **Pashovkina Angelina,** a process engineer of the I category of the Department of the Agency Networking, Paid Services and Rail Conditions of the Volga Railway Agency, in 2023 showed good results in sports, actively engaged in swimming, attended the basketball section and participated in sports team competitions at the Volga Railway Range.

Awards

The Company has various formats for rewarding employees both for their personal and collective contribution to the solution of corporate tasks. The corporate awards policy plays an important role in recognising merit. In addition, employees are commended by state awards.

In 2023, 2,705 employees of the Company were rewarded for their great contribution to the development of railway transport, labour achievements and conscientious work (+14% year-on-year), including:

- State awards of the Russian Federation – 14 employees
- Awards of the Ministry of Transport of Russia – 94 people
- Awards of the parent company – 1,157 employees
- Awards of the General Director of JSC FPC – 1,440 people

Awards for the professionalism in the performance of a particularly important production task

6,215 employees.

Housing policy

RUB 48.3 million
expenditures on housing policy in 2023

The possibility to improve housing conditions is one of the significant conditions for the staff. The Company provides corporate support (subsidies, mortgage loans) for the purchase of own housing, including gratuitous subsidies to employees of certain categories.

Every month, 327 FPC's employees receive a subsidy under the corporate programme to pay accrued interest on mortgage loans; 18 new mortgage subsidies were issued in 2023. In addition, in 2023, 28 of the Company's employees received gratuitous subsidies, of which 25 employees – upon the birth of their children during the period of repayment of debts on purchased or constructed housing.

Since 13 October 2023, an interest rate of 15.6% p.a. has been set, with the payment burden being shared between FPC and the employee as follows:

- young specialist – employee rate 5.6%, FPC subsidy rate 10%
- other specialists – employee rate 8.1%, FPC subsidy rate 7.5%

Also, according to FPC's regulations, certain categories of FPC personnel are reimbursed for the costs associated with renting accommodation.

A total of RUB 48.3 million was spent on the implementation of housing policy during the reporting period, including RUB 28.7 million for the payment of gratuitous subsidies.

Health resort rehabilitation

RUB 440.2 million
expenses on personnel VHI in 2023

Employees receive a full package of medical services at the parent company's private healthcare facilities under VHI framework. FPC's staff VHI costs in 2023 totalled RUB 440.2 million.

An integral part of the social policy is the programme of health resort treatment, health improvement and recreation for employees, their family members and non-working retirees. The Company's employees, their family members and non-working retirees receive treatment and recuperation under a 14-day programme both in sanatoriums on the Black Sea coast, Caucasian Mineral Waters, Kaliningrad Region, and in regional sanatoriums. A total of 3,618 vouchers were sold in 2023 to the parent company's sanatoriums, local and other health resorts for a total of RUB 137.8 million.

The Company pays great attention to preserving and strengthening the health of employees' children, preventing childhood illnesses, and creating conditions for full-scale recreation and engagement for children during the summer period. In 2023, 1,881 vouchers for children of employees were allocated, including:

- 1,121 vouchers to children's health centres of social sphere, branches of the parent company
- 586 vouchers to the Black Sea coast
- 174 vouchers to other recreational institutions for children

In 2023, the West Siberian Branch implemented the project on "Preventive treatment under short-term recovery programmes". The essence of the project is that the staff of train crews had the opportunity to receive free medical procedures for five to seven days in private health care facilities and the Physical Fitness Centre of the Directorate of Motor-Driven Rolling Stock of the parent company. The project was a success. The number of recuperated employees increased by more than 60% year-on-year.

Care for psychological health

Preserving the psychological health of personnel has been and remains a priority for the Company. Today, the Company has equipped and operates 19 stress relief rooms, four of which were opened in 2023. Specialised equipment for diagnostics and correction of employees' psycho-emotional state makes it possible to quickly and effectively restore fitness for working, relieve emotional stress, and teach self-regulation and stress management skills. Cardio-intervalometry sensors allow to timely determine the presence of psychophysiological changes in the organism under stress, as well as to assess the impact of corrective measures before and after the session.

In 2023, more than 4,000 employees visited stress relief rooms. In 75% of cases, employees report an improvement in their emotional state; every third employee restores his or her capacity for work to an optimum level after undergoing a course of rehabilitation measures.

Corporate pension system

RUB 489.3 million
expenditures on non-state pension benefits for JSC FPC employees in 2023

Corporate pensions are included in the Company's employees' social security packages. Over 17,000 employees have pension plans with Blagosostoyanie, a private pension fund. In its commitment to match funding of private pension plans, FPC pays monthly pension contributions until a corporate pension is assigned, and then additional pension contributions once a corporate pension is granted. In 2023, non-state pension costs for JSC FPC's employees totalled RUB 489.3 million.

Upon retirement, a lump-sum incentive for honest labour is paid, depending on the length of service in railway sector, in the amount of one to six average monthly earnings of the employee. Expenditures for these payments in 2023 totalled RUB 232.2 million

Social support for non-working retirees

RUB 309.4 million

Company's expenditure for social support of non-working retirees in 202

At present, FPC supports over 51,000 non-working retirees. Social guarantees for them are realised through the Pochet Charitable Foundation.

Non-working retirees who have worked at FPC for over 20 years receive compensation for dentures and subsequent repairs, high-tech medical services at the Parent Company's healthcare facilities, free travel on suburban and long-distance trains, and health resort rehabilitation services.

Special attention is paid to the railway workers who took part in the Great Patriotic War (World War II), home front workers, and survivors of Nazi concentration camps. On the Victory Day, 1,220 veterans received additional material aid through the Pochet Charitable Foundation. Veterans are also reimbursed for the purchase of household fuel, health resort recuperation, financial assistance in connection with their difficult financial situation and for the provision of ritual services to the families of the deceased. In order to foster patriotism, respect for the defenders of the Motherland and to preserve the historical memory of the Great Patriotic War, as part of the social action titled "Letter to a Veteran" from 18 April 2023 to 9 May 2023, thank-you letters were written and delivered to veterans of the Great Patriotic War.

During the reporting period, the Company's expenses for social support of non-working retirees amounted to RUB 309.4 million[1]. RUB 254.2 million was allocated for the provision of social benefits and guarantees through the Pochet Charitable Foundation, including:

- RUB 95.8 million for fares on long-distance and suburban trains
- RUB 1.8 million for payments to veterans of the Great Patriotic War on Victory Day
- RUB 9.2 million to reimburse high-tech medical care
- RUB 19.3 million to pay for services for the manufacture and repair of dental prostheses
- RUB 17.8 million for one-time charitable assistance for the purchase of household fuel, as well as compensation of expenses related to its delivery and unloading
- RUB 110.2 million for the payment of monthly financial aid to non-working retirees.

More than RUB 55.2 million was spent on health resort treatment of non-working retirees, payment of financial aid for funeral expenses and assistance to veterans' councils.

The average individual social package of a non-working retiree in 2023 was RUB 6,100.

Social support for mobilised employees and their family members

To provide social support to the employees of JSC FPC whose employment agreements were suspended due to their conscription for military service under mobilisation or conclusion of a contract on voluntary assistance in the armed forces of the Russian Federation, all benefits stipulated by the Collective Agreement of JSC FPC for 2023–2025 and local regulations of JSC FPC were preserved for their family members.

For example, in 2023, material assistance was provided to mobilised FPC employees in the amount of RUB 59.4 million.

Promoting women's leadership

JSC FPC is working on the development of women's leadership within the framework of the National Action Strategy for Women for 2023–2030 approved by the Government of the Russian Federation. In 2023, more than 50 events were held in various areas – from health promotion to strengthening the position of women in the life of the Company[1]. The main focus is on the formation, development, support and popularisation of a positive image of a businesswoman, as well as the enhancement of professional and personal competencies of female executives.

In March 2023, a new educational programme titled Perspective, aimed at training women to fill managerial positions in the production unit, was presented for the first time in Moscow at the FPC Women's Potential Development Forum, attended by more than 50 women from all branches. The first 14 women have already been included in the talent pool for 2024. As part of the Forum, the final stage of the 4th FPC Businesswoman contest was held, an effective social lift that enables caring, ambitious and talented women to prove themselves and gain new experience and knowledge.

To develop creativity and professional IT skills, a Graphic Design Skills competition was held between 11 September and 31 October 2023.

To celebrate Mother's Day and preserve traditional family values, from 1 November to 24 November 2023, a contest was held among female employees of JSC FPC in three categories: a video message "Say tender words to your mothers", a postcard "My Mother", and a photo collage "Selfie with Mom". The contest received positive feedback from female employees, and 94 women participated.

Dialogue with employees

FPC traditionally ensures that it has a continuing dialogue with its employees. Corporate surveys assist in gaining insight into the situation within the company from the perspective of the personnel, in assessing the efficiency of the work accomplished, and in identifying the vector of development. In 2023, 18,900 Company's employees of all job categories shared their opinion. A number of indicators under study remain on a positive trend. Satisfaction with work at JSC FPC is 64%. Employees are most satisfied with the information system (90%), ethical standards (89%), interaction with management (84%), and social benefits and guarantees (82%). There is a high level of commitment: 61% of respondents are willing to work for the Company for more than eight years.

The survey covers not only full-time employees but also students hired to help with extensive summer traffic. Thus, the level of students' job satisfaction in the Company in 2023 increased by 2% year-on-year and reached 78% (the survey was conducted among 4,500 students).

All this allows us to speak about the effectiveness of measures taken following the results of the surveys.

Development of digital services for employees

In December 2023, the FPC INFO corporate portal began trial operation. About 5,000 employees, regardless of their location, are now in a single information field and actively use basic services such as receiving payslips, ordering certificates and documents remotely, thanking each other for their work, and congratulating each other on their birthdays.

Code of Ethics

In order to enshrine uniform corporate values, standards and rules of personnel behaviour, the updated Code of Business Ethics of JSC FPC (hereinafter, the Code) was approved by the Board of Directors in 2023. It is supplemented with new sections on assisting the Company in achieving the national goals and priorities of the Russian Federation, on sustainable development, and on regulating employee behaviour in social and professional situations. New corporate culture principles have also been introduced to replace the existing ethical principles. These principles are further enshrined in the management's Rules of Conduct.

[1] In addition, Order No. FPC-463 of JSC FPC dated 9 November 2023 and Order No. FPC-1254/r. dated 9 November 2023 established the amounts of lump-sum payments to non-working retirees who received awards from the parent company, JSC FPC and the Central Council of LLC VTZh.

[1] Within the approved Action Plan for improving working conditions, recreation and social support for women No. FPC-763 dated 23 December 2022.

Key ethical principles of JSC FPC

Values, principles and corporate competences constitute an inseparable whole, the core of our corporate culture.

Basic principle – doing for the country

Every day we work to contribute to the development of the economy, transport hundreds of thousands of passengers. Patriotism and commitment to our country allow us to create a favourable environment for citizens and expand on a nation-wide scale.

Beeing reliable

The key features of our work are reliability and safety. We work responsibly and smoothly. We guarantee high quality of our work and fulfilment of our commitments. Our work impacts people's lives and the world around us. Therefore, we minimise risks and create confidence in our partners through our actions.

Doing things with respect to people

We always keep in mind that the main thing in any process is a person: a colleague, a client, or a partner.
We are committed to constructive dialogue and concern for everyone's well-being. We are respectful of people's opinions and needs, friendly in our communications and do not tolerate any form of discrimination.

Doing things efficiently while conserving resources

We are persistent in achieving the desired result, while rationally and responsibly using the Company's resources to find the best approach to each task.

Doing as a team, while achieving a common goal

We are united by a common cause. We act openly and honestly. We trust the professionalism of our colleagues, honour agreements and are always ready to support and help. We are considerate of each team member and work towards a common goal.

Doing better

We are open to exploring and introducing new ideas, solutions and technologies, creating conditions for their application to improve the quality of our work. We do not rest on our laurels and strive for continuous improvement. We refuse inefficient ways of doing things, simplify processes and procedures wherever possible, while maintaining safety and sustainability. We create a framework for the professional and personal development of the entire team and each employee.

To build a systematic approach to introducing business ethics into the daily activities of employees, as well as to monitor employee compliance with the provisions of FPC's Code of Business Ethics:

- A plan to implement the Code of Business Ethics in the Company was put in place
- An authorised business ethics officer and business ethics officers in the Company's branches were appointed
- Business ethics commissions were formed at the level of the Management Office and the Company's branches
- The Procedure for Organising the Work of the Business Ethics Officer at the branch of JSC FPC was developed and approved

Brand Value		Principles	Competences
Value in people	Doing for the country	Doing things with respect to people	• Development and care for employees • Effective communication
Partnership		Doing as a team, while achieving a common goal Being reliable	• Teamwork and mutual support • Customer focus • Accountability
Openness to innovation		Doing things efficiently while conserving resources Doing better	• Innovativeness • Workflow organisation • Complex thinking

Occupational Health and Safety

Occupational Health and Safety Management System in the Company

FPC JSC developed a Regulation on the Occupational Health and Safety Management System (OHSMS) to assist in complying with occupational health and safety requirements. The Regulations are to be applied by FPC's divisions. The OHSMS is an integral part of FPC's management and production system

The Company constantly improves occupational safety and strives to prevent work-related injuries.

The standard on Labour Safety Management System. General Provisions (STO FPC 1.15.001-2014) and the Regulations on the Occupational Safety Management System at FPC[1] are the fundamental documents defining the principles of occupational health and safety at workplaces in JSC FPC.

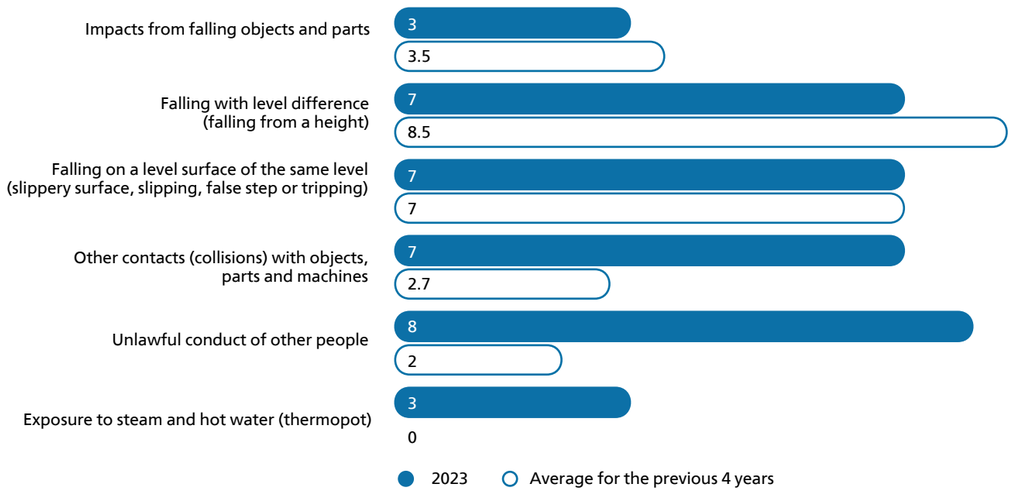
In 2023, 11 accidents through the fault of the employer were recorded (13 cases in 2022), down 15%. A total of 41 injury cases (of which 6 carried over from 2022, 2 cases taken by court order) were recorded in 2023 and 33 cases – in 2022. In 2023, as in 2022, there were no cases of group work-related injuries to employees.

RUB 1,565.11 million

spent on OHS measures in 2023

[1] Approved by Order of JSC FPC No. 202r dated 16 March 2022.

Analysing the causes of accidents



The occupational injury rate in 2023 was increased due to a larger number of unlawful actions of passengers towards train crew employees. The number of such cases rose to eight against two in 2022. The rise in occupational injury rate due to illegal actions is caused by increasing social tensions among people.

Also worth mentioning is a new type of accident – exposure to steam and hot water (falling thermopots with boiling water in the carriage). Three such cases were recorded during the reporting period, whereas there were none in 2022.

Injury prevention measures implemented in 2023

All work-related injuries at FPC trigger preventive action to help avoid them in the future.
A total of RUB 1,565.11 million was spent on OHS measures at JSC FPC in 2023, which is 1.8% of total operating expenses. The terms and conditions of the FPC Collective Bargaining Agreement were fulfilled. Excluding expenses for special clothing, footwear and other personal protective equipment, RUB 737.06 million (0.99% of total operating expenses) was spent on occupational heath and safety, including:

- RUB 447.5 million for prevention of work-related injuries, de-manning of hazardous areas and new equipment deployment
- RUB 289.05 million for the improvement of working conditions

Under the investment project on ensuring occupational heath and safety conditions, RUB 24.147 million (RUB 20.287 million more than in 2022) was disbursed in 2023, which is 98.3% of the annual plan.

RUB 9.446 million was allocated for measures to reduce injuries, including:

- to reduce the work burden by mechanising the labour process – purchase of self-propelled trolleys in the amount of RUB 2.62 million
- to ensure safety when doing work at height – purchase and installation of anchoring systems for RUB 4.929 million
- To reduce exposure to harmful substances at the workplace – purchase of a welder's table and air purifier for RUB 0.496 million
- To organise training and raise information awareness of employees – RUB 1.401 million

A total of RUB 14.701 million was allocated to improve sanitary and living conditions, including the purchase of the following pieces of equipment:

- modular centres and production facilities – RUB 11.013 million
- split-systems and heat curtains – RUB 1.552 million
- drying cabinets for overalls and special footwear – RUB 0.78 million
- water heaters – RUB 1.356 million

The units of JSC FPC branches provide 21,781 work places, including 1,598 work places with harmful conditions, or 7.3% of the total number, with 3,945 employees appointed to such work places. In 2023, work was carried out to improve labour conditions at 892 work places employing 2,012 people.

During the 12 months of 2023, 25,926 employees received mandatory occupational health and safety training in organisations providing OHS training services.

The Company's employees also contribute to the development and monitoring of OHS regulations:

- Participate in staff surveys on the quality, satisfaction and completeness of assigned personal protective equipment and flushing agents
- Hold a Labour Safety Day
- Join the World Day of Labour Protection (hold quizzes, round tables)
- Authorised occupational safety officers from among employees participate in inspections and accident investigations; representatives of the employer and employees sit on the Occupational Safety Committee on a parity basis
- Every employee can call the hotline directly to JSC FPC's Deputy General Director, Chief Engineer in charge of OHS, and report violations of safety rules

Measures to foster a culture of safety

In order to build a safety culture at FPC and involve all employees in it, the following activities were carried out in 2023 and early 2024:

- Best Workplace Maintenance competition
- Participation in the All-Russian Week of Occupational Safety and Health, as well as in the International Specialised Exhibition and Forum "Occupational Safety and Health"
- Round table on "Sharing Experience in Ensuring Labour Conditions and Safety", which was held as part of the Network School meeting, involving representatives of the State Labour Inspectorate and the Social Fund of Russia
- Establishment of a Labour Protection Committee at FPC from representatives of the employer and employees on a parity basis
- Consideration of proposals made by the employer, trade union and individual employees to create healthy and safe working conditions, at a meeting of the Labour Protection Committee

Measures to improve the OHS system in 2023

The following documents were put in place in 2023:

- Procedure for organising and passing the regular test of passenger carriage attendants' knowledge of the rules of working in electrical installations in Joint Stock Company Federal Passenger Company, using the parent company's DLS. The introduction of this Procedure increased the efficiency of testing passenger carriage attendants' knowledge of the rules for working in electrical installations, reduced financial costs, and allowed to optimise the time to conduct the knowledge test
- Regulation "Basic Requirements for the Procedure for Development and Content of Labour Protection Rules and Instructions at JSC FPC" 1.07.001.1-2023
- FPC Standard STO FPC 1.07.002.1-2023 "Occupational Health and Safety Management System in Joint Stock Company Federal Passenger Company. Occupational Risk Management and Methodology of Risk Assessment"
- FPC Standard STO FPC 1.07.003.1–2023 "Occupational Health and Safety Management System in Joint Stock Company Federal Passenger Company. Procedure for providing FPC employees with personal protective equipment"

The Company also devised a plan of labour protection measures aimed at reducing occupational injuries in the structural subdivisions of FPC's branches in 2024.

Plans for 2024

1. To launch a pilot project of transition to alternative personal protective equipment (PPE) (providing employees with PPE and dermatological types of protective means with the involvement of an outsourcing company).
2. To implement measures aimed at reducing the impact of harmful factors in 2024.
3. To implement the Investment Programme on occupational safety, improvement of labour conditions and occupational safety for 2024.
4. To implement the programme for improvement of working conditions and occupational safety for 2024.

The Company is intended to make sure that the number of injury cases in 2024 does not exceed that of the previous year.

Managing Environmental Impact

JSC FPC is the 'face' of the parent company in long-distance passenger service. The Company operates in all regions of the Russian Federation where railway infrastructure exists and everywhere it aims to minimise its environmental impact[1]. The targets for mitigating negative impacts are given in the FPC Development Strategy until 2030.

Key environmental indicators

- Reduction of waste generation – by 9.8% year-on-year
- Slight increase in air emissions (by 2.9%)
- Reduction of water consumption – by 11.5%
- Decrease in wastewater discharge – by 3.1%

Such reduction was achieved by optimising operations and processes across the Company's branches, adopting new technology, and maintaining consistent supervision.

The Company had no fines for violation of environmental legislation in 2023.

The Company prevents environmental contamination and maintains an adequate level of sanitation at rail infrastructure by acquiring only carriages equipped with environmentally friendly toilet facilities. Such toilet facilities are installed on carriages, which undergo overhaul.

Parameters	2021	2022	2023	vs. 2022, %
Waste generation, '000 tonnes	83.2[2]	102.1	**92.1**	90.2
Air emissions, '000 tonnes	3.2	3.3	**3.4**	102.9
Water consumption, million m³	5.7	5.2	**4.6**	88.5
Water discharge, million m³	3.3	3.2	**3.1**	96.9

Goals	Initiatives
Minimising negative environmental impacts	Equipping carriages with environmentally friendly toilet facilities
	Purchasing carriages with centralised power supply and separate waste accumulation systems
	Installing high-voltage heating points at the turnaround and originating stations
Caring for human health and the environment	Revamping treatment facilities
	Retrofitting water recirculation systems to carriage washing facilities
	Gasification of boiler houses
	Upgrading water and sewer networks

[1] In doing so, the Company is guided by the environmental legislation of the Russian Federation, the Environmental Strategy of the parent company, the development strategy of JSC FPC until 2030 and FPC Standard 1.16.001-2016.

[2] Compared with data included in the 2021 Report, there were changes related to methods of summarising data of branches: 2021 indicators were specified according to statistical reporting of branches, according to data from the official website of the Federal Service for Supervision of Natural Resources (Rosprirodnadzor).

Hazardous waste handling

During 2023, the Company generated a total of 92,100 tonnes of waste of hazard classes I-V, of which more than 36% (about 34,000 tonnes) was passenger carriage cleaning waste.

The increase in the volume of hazard class V waste generation is due to the reduction of solid waste generation (hazard class VI) through separate accumulation of waste for recycling.

Gross volume of waste generation by hazard class, '000 tonnes

Year	2021	2022	2023	vs. 2022, %
Total	83.266	102.087	**92.137**	90.3
Hazard Class 1	0.013	0.009	**0.008**	88.9
Hazard Class 2	0.205	0.240	**0.211**	87.9
Hazard Class 3	0.147	0.200	**0.158**	79
Hazard Class 4	65.705	84.561	**69.516**	88.2
Hazard Class 5	17.197	17.078	**22.244**	+23.2

Air protection and climate impact

In total, the Company emitted 3,400 tonnes of pollutants into the atmospheric air in 2023.

Air emissions, thousand tonnes, '000 tonnes

Pollutants	2021	2022	2023	vs. 2022, %
Total pollutants	**3.2**	**3.3**	**3.4**	**102.9**
Including:				
• pollutants emitted into the atmosphere from stationary sources	2.9	3.0	**3.1**	100.9
• pollutants emitted into the atmosphere from mobile sources	0.3	0.3	**0.3**	103

The slight year-on-year increase in pollutant emissions is due to the high use of motorised vehicles for production needs in 2023.

The main measures to reduce pollutant emissions: gasification of boiler houses, construction of high-voltage stations for heating passenger carriages at the points of train makeup and turnover, reduction of coal and fuel oil consumption.

In order to maintain the entire passenger carriage fleet equipped with electric heating to reduce atmospheric air pollution, JSC FPC formulated a targeted investment programme on equipping passenger train preparation fleets with power supply devices with an implementation period of 2018 through to 2025. The total amount of investment funds allocated under the programme is RUB 3.7 billion.

In 2019–2023, the Company disbursed RUB 1.9 billion under this programme. During this period, 15 high-voltage heating points with 47 high-voltage columns were built. This made it possible to reduce coal consumption by 25,550 tonnes, due to which the amount of greenhouse gas emissions into the atmospheric air decreased by 41,400 tonnes, or 24%.

Sustainable water use

Total water use (water consumption), million m³

Water consumption	2021	2022	2023	vs. 2022, %
Total	**5.7**	**5.2**	**4.6**	**88.5**

Total water discharge, million m³

Wastewater discharge	2021	2022	2023	vs. 2022, %
Total	**3.27**	**3.24**	**3.14**	**96.9**
of these				
• Wastewater discharge into the environment	0.06	0.04	**0.04**	0
• Discharge of wastewater into centralised sewage systems	3.21	3.2	**3.1**	96.9

In order to reduce the amount of waste water that may have a negative impact on the environment and operation of centralised sewage systems, the Company implements programs for retrofitting treatment facilities and carriage washing facilities by furnishing them with a closed-loop water supply system and local treatment facilities.

In particular, the following works are carried out:
- Retrofitting carriage washing facilities featuring water recirculation systems
- Upgrading water supply and sewer networks
- Retrofitting the Company's buildings and structures with water consumption and discharge meters

Energy Efficiency

In order to improve energy efficiency and reduce the energy intensity of production activities, the Company annually reduces costs for the use of fuel and energy resources, by doing as follows:
- Purchasing new, advanced and energy-efficient rolling stock
- Using energy-saving technologies in the depot and site lighting systems (LEDs and smart control systems)
- Upgrading and converting boilers from liquid fuels to gas
- Equipping buildings and structures with electricity and heat metering devices
- Installing high-voltage charging points at passenger train preparation sites

Progress in the use of fuel and energy resources

Use of fuel and energy resources in physical terms

Resources	2021	2022	2023	vs. 2022, %
Electric energy, million kWh	111.942	113.134	**114.324**	101.1
Diesel fuel, '000 tonnes	3.139	1.646	**1.334**	81
Coal, '000 tonnes	79.198	84.627	**87.365**	103.2
Fuel oil, '000 tonnes	10.797	9.998	**9.567**	95.7
Natural gas, million m³	22.917	22.744	**23.709**	104.2
Petrol, '000 tonnes	0.603	0.591	**0.568**	96
Briquettes, '000 tonnes	2.725	2.575	**2.895**	112.4
Pellets, '000 tonnes	0.452	0.280	**0.165**	58.9
Firewood, '000 m³	0.074	0.080	**0.012**	14.9
Total, '000 TFOE	**150.231**	**153.099**	**155.866**	**101.8**

Use of fuel and energy resources in monetary terms, RUB million

Resources	2021	2022	2023	vs. 2022, %
Electric power	662.7	699.4	**787.1**	112.5
Diesel fuel	150.2	89.6	**78.7**	87.8
Coal	279.0	362.4	**443.5**	122.4
Fuel oil	213.2	205.9	**170.1**	82.6
Natural gas	139.9	148.3	**167.3**	112.8
Petroleum	32.8	34.0	**33.0**	97.1
Briquettes	22.4	25.5	**31.0**	121.3
Pellets	3.3	2.3	**2.0**	87
Firewood	0.2	0.4	**0.0**	4.5

Procurement

FPC's procurement activities are aligned with the Regulation on the Procurement of Goods, Work and Services for the Needs of FPC[1]. In accordance with Art. 3 of Law No. 223-FZ, JSC FPC is guided by the following principles of procurement:

1. Procurement transparency
2. Equality, fairness, non-discrimination, and no unreasonable anticompetitive practices towards bidders
3. Targeted and cost-effective use of funds to procure goods, works and services (using life cycle costing for procurement as necessary), as well as focus on reducing expenses born by customers
4. Unrestricted access to bidding through the elimination of non-measurable requirements

Single sourcing is only used when expressly allowed by the Regulations on Procurement of Goods, Works and Services for the Needs of JSC FPC.

In 2023, JSC FPC signed 4,813 agreements for a total of RUB 95.5 billion, including VAT, based on the results of procurement procedures for goods, works and services carried out:

- 2,632 agreements concluded as a result of competitive and contestable procurement procedures, for a total of RUB 55.5 billion, including VAT
- 1,677 agreements concluded with a sole supplier (contractor), for a total of RUB 24.1 billion, including VAT
- 504 agreements with related parties of JSC FPC, for a total of RUB 15.9 billion, including VAT.

According to 2023 procurement results, JSC FPC saved RUB 1.3 billion.

In 2023, 2,645 agreements were signed with small and medium-sized businesses for a total amount of RUB 12.2 billion[2].

[1] Developed on the basis of the legislation of the Russian Federation, namely: Federal Law No. 223-FZ dated 18 July 2011 "On procurement of goods, works, services by certain types of legal entities", Federal Law No. 135-F dated 26 July 2006 "On protection of competition", resolutions and orders of the Government of the Russian Federation; other documents adopted to implement the requirements of Federal Law No. 223-FZ.

[2] Pursuant to the requirements of the Russian Federation Government Resolution No. 1352 dated 11 December 2014 "On the specifics of participation of small and medium-sized businesses in the procurement of goods, works and services by certain types of legal entities", as well as in order to support and develop small and medium-sized businesses in the Russian Federation.

Charitable Activities

In 2023, FPC's regulatory framework for charitable activities was updated. The Company's Board of Directors approved the Regulation on Sponsorship and Charitable Activities of JSC FPC, and the General Director approved the Regulations on Organising Charitable Assistance to Legal Entities and Individuals at JSC FPC and the standard regulations on charitable assistance to employees and non-working retirees of a branch of JSC FPC, as well as their family members, and on the Commission of a branch of JSC FPC to provide charitable assistance to employees and non-working retirees of a branch of JSC FPC, as well as their family members.

In 2023, the Commission held 26 meetings and reviewed 239 applications from organisations and citizens, 148 of which were resolved positively. The total amount of funds approved by the Commission for charitable assistance totalled RUB 92.2 million, including:

- RUB 66.5 million – to provide financial assistance to FPC's employees and non-working retirees in difficult life situations, as well as mobilised employees and their family members
- RUB 20.8 million – to organise gratuitous transportation, including RUB 19.5 million for transportation of participants and disabled veterans of the Great Patriotic War and persons accompanying them
- RUB 3 million – to organise the transportation of humanitarian aid
- RUB 1 million – to support corporate volunteering
- RUB 0.6 million – to support disabled children
- RUB 0.3 million – other assistance

Major Transactions

In 2023, JSC FPC made one major transaction: approval of amendments to the terms and conditions of the Contract for the Manufacture of Passenger Carriages dated 14 February 2019 (Minutes of the Extraordinary General Meeting of Shareholders of JSC FPC No. 55 dated 11 September 2023).

Interested-Party Transactions

There were no interested-party transactions in 2023.

6

Appendices

RAS Financial Statements
and Auditor's Report

Balance sheet, '000 RUB

Indicator	Line code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
ASSET				
I. NON-CURRENT ASSETS				
Intangible assets	11100	**547,594**	416,791	488,040
Including:				
• intangible assets	11110	**193,588**	412,163	478,885
• capital investments in intangible assets	11120	**341,518**	4,566	8,663
• advances made	11199	**12,488**	61	491
R&D results	11200	**59,798**	43,083	33,850
Including:				
• research, development and engineering	11210	**-**	-	-
• capital investments in research, development and engineering	11220	**32,620**	43,083	33,850
• advances made	11299	**27,178**	-	-
Intangible exploration assets	11300	**-**	-	-
Tangible exploration assets	11400	**-**	-	-
Fixed assets	11500	**339,275,912**	311,617,468	296,335,287
Including:				
• fixed assets	11510	**327,144,273**	297,201,259	278,983,651
including:				
• buildings, machinery and equipment, vehicles	11511	**322,433,757**	293,215,122	275,127,001
• structures and transmission equipment	11512	**3,232,120**	3,325,303	3,327,776
• other fixed assets	11519	**1,478,395**	660,834	528,873
• capital investments in fixed assets	11520	**11,181,065**	11,466,087	17,125,209
• advances made	11599	**950,574**	2,950,122	226,427
Income-bearing investments in tangible assets	11600	**-**	-	-
Financial investments	11700	**1,247,137**	1,247,137	1,298,274
Including:				
• contributions to equities (share capitals) of other entities	11710	**1,247,137**	1,247,137	1,247,137
• loans issued and bank deposits	11720	**-**	-	51,137
• other financial investments	11790	**-**	-	-
• prepayments	11799	**-**	-	-

Indicator	Line code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Deferred tax assets	11800	**1,835,684**	4,203,962	4,766,934
Other non-current assets	11900	**2,872,739**	702,169	1,110,401
Total for Section I	**11000**	**345,838,864**	**318,230,610**	**304,032,786**
II. CURRENT ASSETS				
Inventories	12100	**10,383,618**	6,049,474	4,290,080
Including:				
• supplies, materials and other similar valuables	12110	**10,319,284**	6,021,456	4,166,941
• rearers and fatteners	12120	**-**	-	-
• work-in-progress costs	12130	**6,301**	12,678	42,987
• finished products and goods for resale	12140	**8,019**	6,797	11,757
• goods dispatched	12150	**-**	-	-
• prepaid expenses	12160	**50,014**	8,543	68,395
• other inventories and costs	12190	**-**	-	-
Value added tax on acquired valuables	12200	**13,784**	20,815	12,739
Receivables	12300	**25,527,314**	24,164,222	22,151,080
Including:				
• receivables due in more than 12 months from the reporting date	12310	**6,117,570**	7,911,712	8,645,558
including:				
• trade receivables (except for rail services)	12311	**6,117,570**	7,891,672	8,611,634
• trade receivables (for rail services)	12312	**-**	-	-
• advances made	12313	**-**	9,829	27,743
• other receivables	12319	**-**	10,211	6,181
• receivables due within 12 months from the reporting date	12320	**19,409,744**	16,252,510	13,505,523
including:				
• trade receivables (except for rail services)	12321	**2,502,536**	2,530,716	1,781,707
• trade receivables (for rail services)	12322	**2,226,575**	1,883,228	2,559,250
• advances made	12323	**1,048,706**	1,200,642	524,473
• "taxes and charges, social insurance and social security"	12324	**12,714,872**	9,708,566	7,937,874
• other receivables	12329	**917,055**	929,358	702,219

Indicator	Line code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Financial investments (excluding cash equivalents)	12400	-	-	-
Including:		-		
• loans issued and bank deposits	12410	-	-	-
• other financial investments	12490	-	-	-
Cash and cash equivalents	12500	9,397,355	8,811,052	2,963,909
Including:				
• cash on hand	12510	44,629	36,848	35,433
• cash at bank	12520	552,494	668,114	788,132
• cash in foreign currency accounts	12530	0	10,368	11,997
• cash in special accounts	12540	771,407	1,704,201	28,010
• cash equivalents	12550	6,817,476	5,600,000	1,600,000
• other cash and cash in transit	12590	1,211,350	791,522	500,337
Other current assets	12600	584,509	1,087,205	799,605
Total for Section II	**12000**	45,906,579	**40,132,768**	**30,217,414**
Balance	**16000**	391,745,443	**358,363,378**	**334,250,200**
LIABILITIES				
III. EQUITY AND RESERVES				
Authorised capital	13100	263,588,839	248,588,839	221,961,041
Treasury shares	13200	-	-	-
Revaluation of non-current assets	13400	-	-	-
Additional paid-in capital (excluding revaluation)	13500	10,054,693	10,076,698	10,112,790
Including:				
• share premium	13510	-	-	-
• contributions to share capital	13520	-	-	-
• other equity	13590	10,054,693	10,076,698	10,112,790
Reserve capital	13600	2,200,098	1,648,168	1,648,168
Including:				
• statutory reserves	13610	2,200,098	1,648,168	1,648,168
• "reserves under constituent documents"	13620	-	-	-
Retained earnings (accumulated deficit)	13700	11,054,645	(9,502,463)	(20,577,166)
Total for Section III	**13000**	286,898,276	**250,811,242**	**213,144,833**
IV. NON-CURRENT LIABILITIES				
Loans and borrowings	14100	31,500,000	41,500,000	48,500,000
Including:				
• loans maturing in more than 12 months from the reporting date	14110	16,000,000	16,000,000	10,000,000
• borrowings maturing in more than 12 months from the reporting date	14120	15,500,000	25,500,000	38,500,000

Indicator	Line code	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Deferred tax liabilities	14200	-	-	-
Provisions	14300	-	-	-
Other liabilities	14500	2,433,453	146,936	779,097
of these: deferred income	14510	56,296	73,069	96,498
Total for Section IV	**14000**	33,933,453	**41,646,936**	**49,279,097**
V. CURRENT LIABILITIES				
Loans and borrowings	15100	10,499,374	25,600,399	16,657,339
Including:				
• loans maturing within 12 months from the reporting date	15110	23,211	12,020,022	6,006,762
• borrowings maturing within 12 months from the reporting date	15120	10,476,163	13,580,378	10,650,576
Payables	15200	48,207,361	33,610,098	49,627,569
Including:				
• trade payables	15210	24,487,904	13,091,647	38,063,383
• salaries payable	15220	2,917,306	2,365,428	1,428,095
• taxes and charges, social insurance and social security	15230	3,262,412	4,692,801	1,301,498
• advances received (excluding tail services)	15240	455,279	861,092	347,063
• advances received for rail services	15250	14,913,073	10,698,443	7,032,599
• dividends payable	15260	-	-	-
• other receivables	15290	2,171,386	1,900,688	1,454,930
Deferred income	15300	16,395	16,401	13,870
Provisions	15400	11,724,547	6,001,600	4,976,675
Other liabilities	15500	466,037	676,701	550,817
Total for Section V	**15000**	70,913,714	**65,905,200**	**71,826,270**
Balance	**17000**	391,745,443	**358,363,378**	**334,250,200**

The Annual Report of JSC FPC was prepared on the basis of the audited RAS financial statements for 2023.

The Annual Financial Statements and the Auditor's Report for 2023 can be found on FPC's website – **fpc.ru** in the To Shareholders and Investors section.

Statement of financial results, RUB ‘000

Indicator	Line code	For January— December 2023	For January— December 2022
Revenue	21100	315,788,825	250,456,808
Cost of sales	21200	274,882,115	226,009,606
Including:		-	-
Gross profit (loss)	21000	40,906,710	24,447,202
Selling expenses	22100	249	60
Administrative expenses	22200	11,096,332	10,168,879
Profit (loss) from sales	22000	29,810,129	14,278,263
Income from participation in other entities	23100	88,186	-
Interest receivable	23200	1,872,791	1,150,590
Interest payable	23300	5,347,070	6,102,358
Other income	23400	13,769,396	20,142,059
Other expenses	23500	13,093,543	15,744,356
Profit (loss) before tax	23000	27,099,889	13,724,198
Income tax	24100	-5,999,874	-2,640,983
Including:			
• current income tax	24110	-3,631,597	-2,078,011
• deferred income tax	24120	-2,368,277	-562,972
Other	24600	-13,318	-44,604
Net profit (loss)	24000	21,086,697	11,038,611
Gain/loss from revaluation of non-current assets, excluded from the net profit (loss) for the period	25100	-	-
Gain/loss from other operations, excluded from the net profit (loss) for the period	25200	-	-
Income tax on transactions that are not included in the net profit (loss) of the period	25300	-	-
Total financial result for the period	25000	21,086,697	11,038,611
FOR REFERENCE			
Basic earnings (loss) per share	29000	-	-
Diluted earnings (loss) per share	29100	-	-

Summarised Consolidated IFRS Financial Statements and Auditor's Report

The Summarised Consolidated Financial Statements and the Auditor’s Report for 2023 can be found on FPC’s website – **fpc.ru** in the To Shareholders and Investors section.

Assets of the Company

Structure and Dynamics of Assets

Passenger rolling stock is FPC's key asset, making up 91% of total assets. As at the end of 2023, the Company's carriage inventory totalled more than 16,300 carriages.

Structure of the Company's assets as at 31 December 2023, RUB billion

Assets	Book value
Passenger carriages	296.33
Fixed property	21.83
Other movable property	8.86
Intangible assets	0.19
Land parcels	0.13
Total	**327.34**

Changes in the carriage fleet structure, carriages

Carriage type	Description	Fleet as at 31 December 2022	Acquired	Retired	Fleet as at 31 December 2023	Average age of carriages as at 31 December 2022, years	Average age of carriages as at 31 December 2023, years	Average wear, %
Deluxe	Second-class sleeping carriage (each featuring a shower room, a washbasin and a toilet)	114	–	–	114	15.2	16.2	53.4
СВ	Compartment carriages with double berth compartments	464	13	3	474	15.6	16.1	52.9
РИЦ (RIC)	Second-class sleeping carriage, Euro standard size	265	–	–	265	13.7	14.7	41.8
МИКСТ (MIXED)	Compartment carriages with deluxe and first-class sleeping compartments	13	–	–	13	10	11	28.1
К	Second-class sleeping carriages (with four-berth compartments)	7,268	306	150	7,424	18.1	18	57.6
О	Third-class open sleeping carriage	6,618	209	32	6,795	15.9	16.2	48.1
МО	Interregional carriages	571	-	58	513	15.8	15.4	51.8
Б	Baggage carriages	91	1	8	84	23	23.4	84.7
Р	Dining carriages	643	9	31	621	27	27	71.8
Other carriages	Power stations and ancillary carriages	44	6	4	46	24.2	25.3	66.3
Total		**16,091**	**544**[1]	**286**	**16,349**	**17.3**	**17.4**	**53.7**

[1] Taking into account the commissioning of carriages built in 2022.

North-Western branch
3,200 units

Kuibyshev branch
1,300 units

Moscow branch
1,900 units

Ural branch
1,800 units

Gorky branch
1,300 units

West Siberian branch
1,100 units

North Caucasus branch
1,900 units

East Siberian branch
1,400 units

Volga branch
1,400 units

Far Eastern branch
1,000 units

Current condition of the passenger carriage fleet

16,349 cars
is FPC's fleet as at 31 December 2023

FPC operates a diverse rolling stock:
- by type and age (average age is about 17 years)
- by wear – approximately 54%
- by furnishing with air conditioning units – 90.7%
- by furnishing with environmentally friendly toilets – about 83.8%

The average carriage age, a key metric showing the technical condition of a carriage fleet, was 17.4 years as at 31 December 2023.

Modern, higher-performance rolling stock

To meet the demands of increasing passenger traffic as well as reduce travel times and ticket prices, JSC FPC purchases carriages with advanced technical features and improved interior design. All new rolling stock is equipped with environmentally friendly toilet facilities (bio toilets) and air conditioning units.

Double-decker carriages

902 double-decker carriages
in the Company's rail fleet

The fundamental advantage of a double-decker carriage is its increased passenger capacity, allowing to carry more passengers on busy routes, especially to southern resorts. Double-decker carriages are as comfortable and furnished as modern conventional carriages, and even surpass them in many other respects.

Depending on the class, double-decker carriages have double-berth and four-berth compartments. Air conditioning and heating units in each carriage help constantly maintain a comfortable microclimate. Environmentally friendly toilet facilities with three cabins allow passengers to use toilets at stops and within resort areas. Slackless couplings and pressure-proof gangways helped reduce noise and vibration in carriages and increase the safety of passengers when moving from carriage to carriage. Also, one of the carriages in each train (administrative carriage) is equipped with special lifts for boarding wheelchair passengers from low platforms and has a special compartment and toilet.

In addition to two-berth and four-berth compartments, the train running on the Moscow – Voronezh route now has double-decker carriages with seats in standard and improved interiors. The Russian-made double-decker seating carriage features curved glass windows on the second deck – used for the first time in the history of Russian carriage building.

The carriage is equipped with modern rigid slackless couplings and pressure-proof gangways. For visually impaired passengers, all signage in carriages is duplicated in Braille.

RIC carriages

200 RIC carriages
in the Company's rail fleet

RIC type sleeper carriage of 61-4476 model (WLABmz) is intended for international traffic within the International Union of Railways – Union Internationale des Chemins de fer, UIC – (track gauge 1,435 mm) and in European part of the Russian Federation, CIS countries and Baltic states (track gauge 1,520 mm).

The carriage complies with mandatory standards of the Russian Federation (GOST, NB ZhT – Railway Transport Safety Regulations) and the European Community (Technical Specifications for Interoperability, TSI; European Norm, EN, and UIC) in terms of design and construction, as well as exterior and interior design.

Operation between railway networks with different track gauges is carried out by replacing bogies at gauge-changers using existing infrastructure facilities (gauge changing station at Brest).

The maximum operating speed is 200 km/h on 1,435-mm gauge tracks and 160 km/h on 1,520-mm gauge tracks.

Carriage–2019

1,362 carriages
in the Carriage–2019 model range in the Company's fleet

The carriages are used by all branches of the Company.

The Carriage–2019 model range was designed by a supplier. The model range includes model 61-4516 (third-class open sleeping carriages), model 61-4517 (second-class sleeping carriages), and model 61-4-529 (administrative carriages). The carriage designs have incorporated the most advanced features popular with passengers.

Specific features of the new model range carriages:
- Use of semi-automated customer service technologies with a single service compartment for two carriages
- No redundant vestibules, which allows creating additional areas for extra passenger comfort during travel (shower, multifunctional service area with vending machines, hot and cold drinking water purifiers, and other equipment)

This design means that new carriages are included in a train set as twin units: one carriage with a service compartment plus one carriage with no service compartment.

The design features of the new model range carriages also include:
- Pressure-proof gangways
- Full LED lighting
- Power sockets (220 V) and USB ports at each berth
- Sensor taps, hand driers and baby changing tables in toilets
- Convertible tables and personal safes for each passenger in compartment carriages
- Automated sliding interior doors
- Renovated interior design

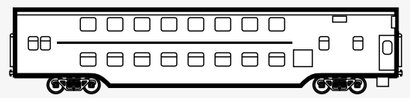
The administrative carriage features a compartment to accommodate two wheelchair users along with their travelling companions, a specially designed toilet with shower and boarding lifts in the redundant vestibule. The disabled passenger compartment is equipped with a passenger information display featuring a text-to-voice service activated by a button.

Modern carriage types

Average carriage life:

at least 40 years

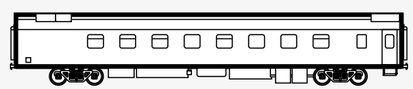
Double-decker compartment carriage with berths. Model 61-4465



64 passengers | 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system

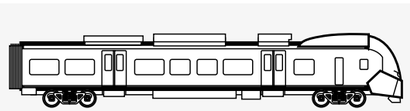
RIC type sleeping carriage for on international routes. Model 61-4476



32 passengers | 160–200 km/h

- Environmentally friendly toilet facility, including a shower
- Climate control (heating, ventilation, cooling)
- Water supply system
- Reading lights
- Power sockets to charge mobile phones or laptops
- Public address system with a volume control

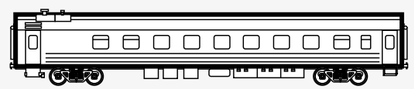
Lastochka higher-speed electric train (Desiro RUS)



443 passengers | 160 km/h

- Environmentally friendly toilet facility
- Air conditioner (an individual unit in each driving cab and each passenger compartment)
- Retractable steps for easy boarding from and alighting to low (220 mm) platforms
- Passive safety system for passengers
- Floor-mounted racks for large hand luggage

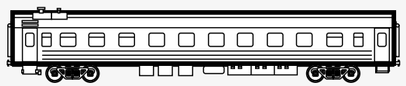
Passenger seating carriage. Model 61-4458



60 passengers | 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system
- Attendant call buttons

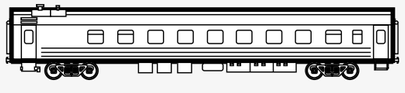
Compartment sleeping carriage for permanent composition train sets. Model 61-4462



36 (18) passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system

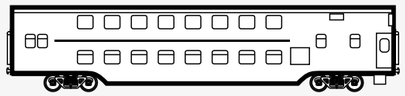
Open sleeping carriage. Model 61-4447



54 passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Fire-extinguishing system connected to the on-board water supply system

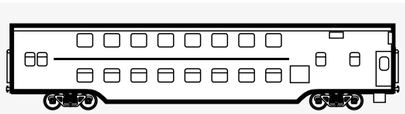
Double-decker carriage with seats. Model 61-4492



60 berths in first-class carriage 160 km/h
104 berths in second-class carriage

- Environmentally friendly toilet facility
- Air conditioning and purification system
- Passenger information displays
- Audio and video system
- Fire alarm system
- Train security and communication monitoring and control system

Double-deck compartment staff carriage with sleeping places. Model 61-4472



50 passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system

Carriage–2019

Twin units: transition to semi-automated customer service technologies with a single attendant team per two carriages; smart use of the carriage space (including service areas and shower cubicles).

Single-vestibule body: reduced labour intensity of carriage equipment maintenance.

LED lighting: reduced energy consumption and operating expenses.

Autonomous operation of bio toilets: continued operability of toilet modules, translating into improved equipment reliability.

Carriage–2020, model 61-4523

115 of 902
double-decker carriages
are from Carriage–2020 range

Carriage–2020 is a new design of double-deck carriages. The project features:

- Use of twin units
- Increased double-decker height in size Tpr under GOST 9238-2013 (upper outline along the a-b-b1-a2 line), improving passenger comfort on upper berths of the second deck by increasing the distance between the berth and the ceiling
- Refreshed interior and modern design
- Bogies with air suspension system (improved smoothness and passenger comfort)
- A next-generation system for detecting potential failures (mechanical parameters monitoring, real-time data transmission to the situation centre, mileage intervals before first maintenance (or TO-1) increased to 10,000 km)
- Semi-automated customer service technologies with a single service compartment for two carriages (improving train crew productivity)

Features to provide additional comfort for passengers in the carriage:

- Modern design developed using international best practices and high-quality finishing materials
- Improved soundproofing and vibration insulation
- Wi-Fi hotspot
- Intercoms for communication with a train attendant
- Full-fledged self-service area with vending machines and a purifier
- Convertible tables and personal safes in compartments
- Automated sliding interior doors
- Individual temperature control at each compartment
- Shower cubicle in each carriage

Dining Carriage–2020, model 61-4525

The design of the 61-4525 double-decker dining carriage is based on a comprehensive analysis of the operating experience of the previous model carriage, 61-4473.

The ground floor houses the kitchen, washing room, and bar, while the first floor houses the dining room. Some of the equipment, such as induction hobs and dishwashers, has been installed for the first time. There is a lift to move hot food and used dishes between the first and second floors. The sanitary part of the carriage accommodates two environmentally friendly toilet facilities, a shower, and a separate waste collection area.

The dining carriage is designed to operate as a part of double-decker trains, made up of carriages from the new 2020 model range: the 61-4523 and 61-4524 models. For the first time, the double-decker dining car is equipped with air-cushioned suspension that provides smoother riding when the train is in motion. The new dining carriage has a first-ever ticket option for passengers – all seats in the dining room on the first floor are designed as separate seats, are numbered, and the seats are equipped with armrests and the longitudinally arranged seats have a swivel mechanism. The dining room is also fitted with individual lights with adjustable colour and brightness, 220 V and USB sockets, wireless charging points for gadgets and a waiter call button. The dining carriage has baggage racks and a shelf for bulky baggage. The process chain of the installed equipment is selected so to implement the Catering Concept.

Rolling stock improvement in 2020–2025

JSC FPC is continuously working to improve passenger carriage design with a particular focus on the comfort and functionality of a passenger seat.

The Company, is working on the development of new types of T-gauge carriages in Tver. The use of carriages of this gauge enables an increase in the size of passenger spaces and berths, as well as the creation of separate amenity spaces.

The main objective of such changes is to increase the level of individual comfort and personalise the space for passengers.

The new carriage is larger than the standard 1-BM carriage by 28 cm in width and 73 cm in length. By increasing the overall size of the carriage, the designers were able to enlarge the size of the passenger compartment. It became longer by almost 3 m (from 16 to 18.9 m).

In the course of development, a model of the capsule carriage interior was presented to the general public at the VDNKh Exhibition in Moscow. This carriage accommodates 56 individual capsule seats: 28 each at the bottom and top. The capsules are located along the central aisle of the interior. For the passenger's comfort, the berth is surrounded by an ergonomically shaped backrest in the form of a chair. A passenger can sit cosily and use the stationary table located next to it, which has recesses for glasses. USB sockets and light switches are located on the side surface, between the backrest and the table cover. The lighting concept was created especially for the capsule carriage. Contour lighting, which creates atmospheric lighting, is integrated into the cornices. Also, a number of brighter diodes act as individual lights. Between the table and the wall at the passenger's feet, there is a wide space where personal belongings or small luggage can be placed.

Another feature of the concept is a variable baggage storage system. The traditional option is under the lower capsule. There is also a special baggage compartment in the car. Inside, there are shelves for suitcases and spaces for oversized luggage with special fasteners. This solution accounts for the requests of passengers about accommodating oversized luggage, such as kayaks, skis, and bicycles. This zone can also accommodate a rest compartment for an attendant or a lounge area for passengers.

Special attention is paid to hygiene issues. The carriages will be equipped with a water and air disinfection system (which allows for the inactivation of 95% of bacteria and viruses), ultraviolet treatment of toilets and showers, touchless taps, soap dispensers, and hand dryers. Antibacterial materials will be used in the interior finishes.

Potential passengers and specialists highly appreciated this concept of prospective open carriage. So, it was accepted for further implementation on the new rolling stock.

Subject to the introduction of new materials and technological advancements in terms of space optimisation and increased passenger comfort (curtains, design of tables and stairs, individual light and ventilation, and space for baggage accommodation), the conventional third-class open sleeping carriage is still in demand and looks promising for production, based on the results of a comparison of such carriages with the said concept.

Capsule carriages are of interest to passengers as an addition to current carriage types rather than as a replacement for the traditional open-type carriage, particularly in regional trains on a select few routes with night travel modes. Also, they are attractive to those travelling with small kids who do not occupy a separate seat.

Launching a new type of carriage on a network-wide scale is associated with high financial risks. That's why we consider the option of fine-tuning the carriage layout to accommodate the results of the evaluation with subsequent re-testing of the resultant prototype carriages. Based on the findings obtained, it is planned to take the final decision on their possible purchase and trial operation.

The launch of the rolling stock in the new gauge requires upgrading the infrastructure and the elimination of a number of barrier places, which predetermines the phasing of its introduction. The date of commissioning will be determined by the readiness of the infrastructure.

In addition, the change in body dimensions requires large-scale investments in the upgrade of the factory's production equipment for the assembly of such carriages. Measures were started to re-equip the plant without reducing the established production output. The first train of prototype carriages is scheduled to be commissioned by the end of 2024.

At the same time, the development of compartment passenger and administrative carriages is planned within the framework of creating T-gauge carriages. At the same time, the development of the compartment carriage provides for five layout variants (versions with and without service areas):

- With service areas (master carriage) – with four-berth compartments
- Without service areas (slave carriage) – with four-berth compartments and a service space
- With service areas (master carriage) – with four-berth compartments and recreation area
- With service areas (master carriage) – with two-berth and one-berth compartments
- Without service areas (slave carriage) – with two-berth and one-berth compartments and baggage area

The layout of the compartment administrative carriage differs from the traditional one in the presence of two compartments to accommodate wheelchair passengers, a baggage compartment, and a kitchen. The purpose of the kitchen is to provide passengers with meals in accordance with the concept of preparing meals on the train from cook-chill food.

Upgrading the carriages

In addition to new rolling stock purchases, JSC FPC focuses on upgrading and improving the equipment of carriages built earlier.

In 2019, a new concept for an open carriage was introduced. The new concept was implemented in a pilot batch of carriages converted from traditional mass-produced carriages while undertaking overhauls with service life extensions.

The main feature of the new concept is the personal space optionality offered to each passenger by using partitions installed along the aisle, and individual curtains. The refreshed third-class open sleeping carriage provides for a modular replacement of interior elements, which will help reduce repair time and costs and also enable changes to the interior over the service life of the carriage.

In 2020–2021, JSC FPC continued to refresh its fleet of third-class open sleeping carriages. A total of 67 carriages of this type underwent overhauls with service life extensions.

Based on the successful projects for overhauls (with service life extension) of third-class open sleeping carriages with interior renewal, a refreshed interior design was developed for second-class sleeping carriages 47K, which are subjected to overhaul with service life extension. All innovations successfully used in the overhauled third-class open sleeping carriages were also leveraged for second-class carriages.

In 2021–2023, the programme of overhaul with service life extension refreshed the interiors of 315 second-class sleeping carriages.

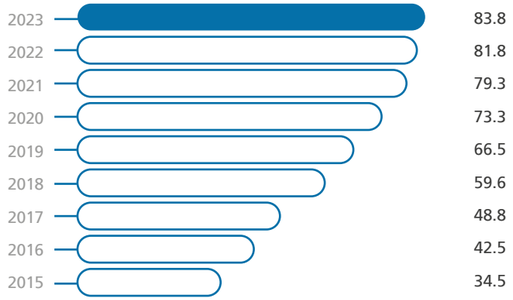
In 2020–2022, the Company launched branded carriages for the Ruskeala Express, Urals Express and Sochi trains to promote rail tourism. The Ruskeala Express interiors were inspired by the famous Nikolayevsky Express carriages, and the Urals Express and Sochi carriages were retro-styled after the 1970s–1980s Soviet Union period. All carriages are built using latest technology and fitted with advanced equipment.

As part of the implementation of the new Catering Concept in 2022, work was carried out to retrofit five single-storey dining carriages with kitchen equipment: microwave ovens, high-end baking ovens, dishwashers, additional information trunks, coffee machines, heat shelves were installed, and the kitchen space for serving dishes was upgraded. Also, four administrative carriages underwent an overhaul with service life extension, in which refrigerators and juicers were installed, and a new set of electrical equipment was added. The carriages are equipped with liquid heating, compartments for persons with disabilities (with a set of appropriate furniture), a buffet with a set of furniture, microwave ovens and other equipment.

The installation of environmentally friendly toilets is underway. In 2023, the share of carriages equipped with air conditioning units increased by 1.2%, and the share of carriages with environmentally friendly toilet facilities increased by 2% of the assigned fleet.

Availability of carriages equipped with air conditioning units and environmentally friendly toilet facilities

Share of the assigned fleet equipped with bio toilets, %



Share of the assigned fleet equipped with air conditioning units, %

The Company operates 14,177 carriages with power sockets for device charging, with the share of such carriages in the total fleet at 90.9%.

JSC FPC completed a project to equip its branded trains with high-speed data lines. A total of 8,018 carriages were equipped. The data line is used to provide passengers with access to the Poputchik (Fellow Passenger) multimedia portal, as well as for technical purposes – to support the operation of the carriage equipment monitoring and diagnostics system, the CCTV system, and the passenger boarding control system.

The Company also plans to use the data line to provide a voice communication service for the train crew and to deploy the software to replace legacy equipment used in the passenger train security and communication monitoring and control system.

Water and air sanitisers are also being installed, with the share of carriages already equipped with these solutions standing at 44.4% and 54.5%, respectively.

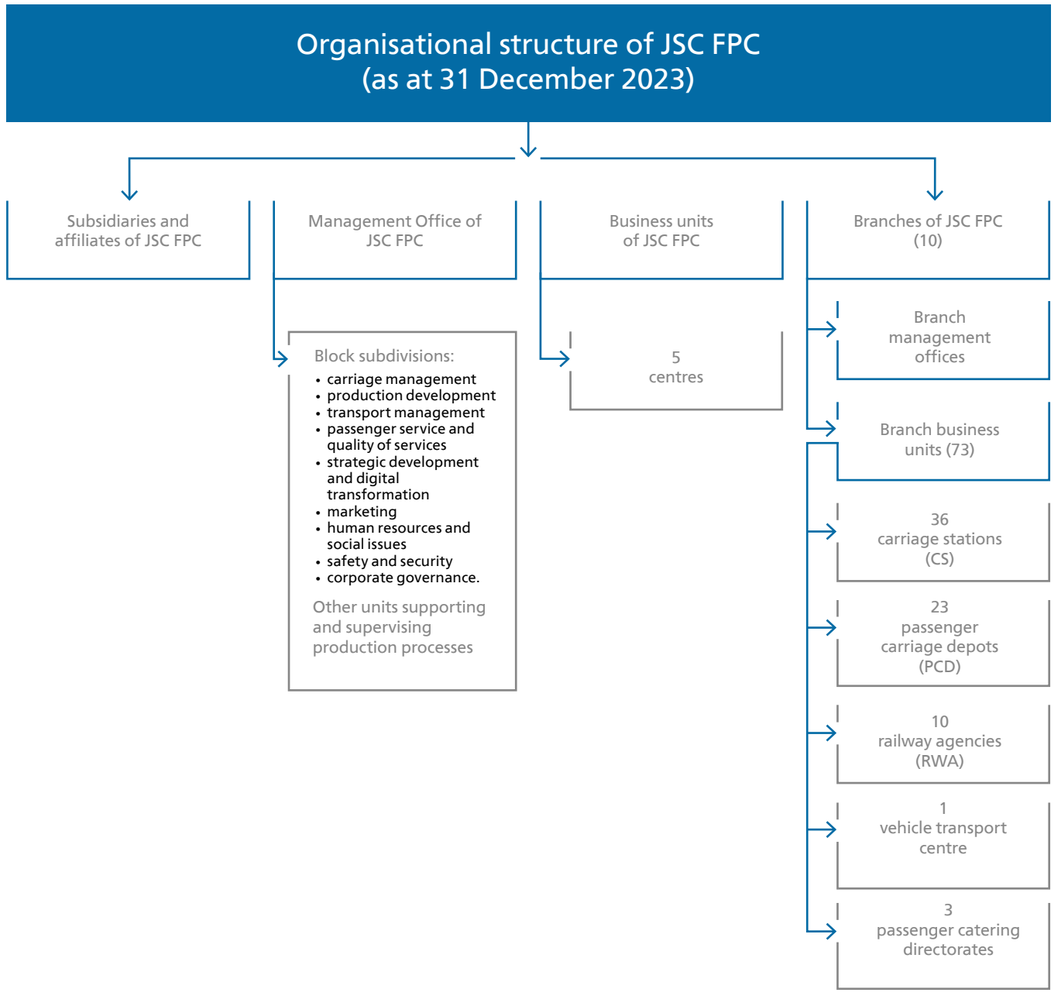
Sandwich frames made of plastic and aluminium have almost completely replaced wooden window frames in passenger carriages.

List of trains with single-option route sections in the 2022–2023 train schedule

Item	Train	Service
FAR EASTERN BRANCH		
1	No. 325/326	Khabarovsk – Neryungri
2	No. 351/352	Vladivostok – Sovetskaya Gavan
3	No. 363/364	Tynda – Komsomolsk-on-Amur
4	No. 663/664	Khabarovsk – Chegdomyn
EAST SIBERIAN BRANCH		
5	No. 67/68	Abakan – Moscow
6	No. 77/78	Abakan – Moscow
7	No. 124/124	Abakan – Krasnoyarsk
8	No. 362/361	Irkutsk – Naushki (with trailed Irkutsk – Ulan-Ude carriages)
9	No. 381/382	Severobaikalsk – Ulan-Ude
10	No. 601/602	Priargunsk – Chita
11	No. 606/605	Krasnoyarsk – Karabula
WEST SIBERIAN BRANCH		
12	No. 109/110	Omsk – Rubtsovsk
13	No. 347/348	Barnaul – Severobaikalsk
14	No. 602/601	Biysk – Tomsk
15	No. 609/610	Tomsk – Novokuznetsk
16	No. 635/636	Tomsk – Bely Yar
URAL BRANCH		
17	No. 127/128	Yekaterinburg – Priobye
18	No. 603/604	Yekaterinburg – Solikamsk
19	No. 609/610	Ust'-Akha – Yekaterinburg
GORKY BRANCH		
20	No. 51/52	Nizhny Novgorod – Izhevsk
21	No. 377/378	Kazan – Novy Urengoy
22	No. 379/380	Moscow – Pervomaisk/Bereshchino
23	No. 397/398	Kirov – Kazan
VOLGA BRANCH		
24	No. 379/380	Kamyshin – Moscow
KUIBYSHEV BRANCH		
25	No. 675/676	Ufa – Sibai
NORTH CAUCASUS BRANCH		
26	No. 677/678	Novorossiysk – Vladikavkaz
MOSCOW BRANCH		
27	No. 85/86	Moscow – Klimov
28	No. 141/142	Moscow – Kursk
29	No. 602/601	Moscow – Rybinsk
30	No. 687/688	Stavropol – Kavkazskaya (a group of Stavropol – Moscow non-stop carriages to train No. 145/146 Nazran – Moscow)
NORTH-WESTERN BRANCH		
31	No. 9/10	Moscow – Pskov
32	No. 53/54	Usinsk – Syktyvkar
33	No. 77/78	Vorkuta – St. Petersburg
34	No. 87/88	St. Petersburg – Smolensk
35	No. 143/144	Yaroslavl – Murmansk
36	No. 305/306	Usinsk – Syktyvkar
37	No. 350/682–681/349	St. Petersburg – Kostomuksha
38	No. 375/376	Vorkuta – Moscow
39	No. 371/371	Kotlas – Arkhangelsk
40	No. 609/610	Sonkovo – St. Petersburg
41	No. 653/653	Labytnangi – Vorkuta
42	No. 662/661	Kineshma – Moscow
43	No. 667/668	Karpogory – Arkhangelsk
44	No. 677/678	Koslan – Syktyvkar
45	No. 677/677	St. Petersburg – Velikiye Luki
46	No. 680/679	Petrozavodsk – Kostomuksha
47	No. 691/692	Usinsk – Pechora (for Adler – Usinsk non-stop carriages)

Organisational Structure

The organisational structure of JSC FPC comprises the management apparatus, five centres, ten regional branches, and six subsidiaries and other companies with JSC FPC's participation. The branches comprise 23 passenger carriage depots, 36 carriage sites, 10 railway agencies, Vehicle Transport Centre, and three Passenger Catering Directorates.



Disposal of Non-Core Assets

Disposal of FPC's non-core assets (passenger carriages)

As at 1 January 2023, the Company had 93 passenger carriages recognised as non-core assets. Criteria of non-profile category: not used in the transportation process for more than 3 years and no prospects for use in the activities of FPC.

The general list included:

- 23 baggage carriages, after FPC terminated its baggage transportation activities
- 65 RIC carriages manufactured in 1980–1994 and intended for passenger transportation on international routes, which are not suitable for operation on domestic routes and not required on international routes due to lower demand and failing to meet modern requirements
- Five carriages of other types not required in transportation in view of design features

In 2023, 15 carriages were withdrawn, including 10 carriages written off; one carriage was sold; and four cars were repaired and used in transportation.

Information on disposal of non-core assets (immovable property) for 12 months of 2023

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
1	2	3	4	5	6	7	8	9	10	11
1	Sewage pumping station building located at Building 7, 9 Industrialny Pereulok, Moscow	10011	3,161.81	0.00	2,914.84	–276.97	–859.93	59.31	–246.97	The final sale price is defined in accordance with the resolution of the Board of Directors of JSC FPC
2	Building of service carriage repair and outfitting shop located at Building 2, 9 Industrialny Pereulok, Moscow	10007*	334,684.01	0.00	316,617.66	–18,096.36	–81,419.89	5,102.20	–18,066.36	
3	Water pumping station building located at Building 8, 9 Industrialny Pereulok, Moscow	10013	5,766.65	0.00	5,408.72	–387.92	–1,469.67	114.87	–357.92	
4	Production and utility sewer located at lit. G, 9 Industrialny Pereulok, Moscow	30004	1,666.32	0.00	2,954.19	1,257.87	667.03	133.90	1,287.87	
5	Motorroad with asphalt concrete surface located at lit. 22, 9 Industrialny Pereulok, Moscow	24004	18,985.92	0.00	94,019.08	75,003.16	56,199.34	5,894.25	75,033.16	
6	Oil trap located at lit. M, 9 Industrialny Pereulok, Moscow	24002	0.00	0.00	938.83	908.83	721.06	0.00	938.83	
7	Luggage compartment with an annex located at lit. V, 1 Privokzalnaya Square, Timashevsk, Timashevskiy District, Krasnodar Territory	302/10410/9857	0.00	0.00	3,613.33	3,579.58	2,856.92	304.59	3,613.33	The final sale price is defined during an open tender procedure
8	Paint shop located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100090	8,663.04	6,449.49	174.71	–8 518,33	–8 518,33	359.53	–8,488.33	
9	Closed car wash located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100091	6,936.40	35,010.61	174.71	–6,791.69	–6,791.69	321.54	–6,761.69	
10	Garage building located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100096 9878_100096-1	1,547.57	13.05	174.71	–1,402.86	–1,435.20	202.99	–1,372.86	
11	Automatic fire extinguishing station building located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100112	1,045.11	779.43	174.71	–900.40	–900.40	191.94	–870.40	
12	Service station located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100120 9878_100120-1	35,324.65	6,057.29	174.71	–35,179.94	–35,179.94	2,586.78	–35,149.94	
13	Disinfection chamber at Kutum station located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100966	965.81	3,079.51	174.71	–821.11	–821.11	190.19	–791.11	
14	Checkpoint located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100215	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
15	Hangar-type warehouse located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100089 9878_100088	0.00	0.00	349.41	319.41	249.53	168.94	349.41	
16	Main building located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100110-1 9878_100110 9878_100965 9878_100109	149,138.41	55,323.91	698.83	–148,469.58	–148,469.58	3,476.11	–148,439.58	
17	Compressor house building located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100107	1,401.33	181.67	174.71	–1,256.62	–1,256.62	199.77	–1,226.62	
18	Tare warehouse located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_100969*	1,427.08	1,712.73	174.71	–1,282.37	–1,282.37	200.34	–1,252.37	

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			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
19	Sewerage pumping station No. 5 located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_240600	88.14	4.98	174.71	56.56	22.62	170.88	86.56	The final sale price is defined during an open tender procedure
20	Electric power supply to the hangar-type warehouse located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300131	12.15	0.00	12.15	–30.00	–32.43	169.21	0.00	
21	Power supply to the automatic liquid heater pumping station located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300128	10.13	0.00	10.13	–30.00	–32.03	169.17	0.00	
22	Upper track structure of the passenger depot on the territory of PCD-16 located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_220001–2 9878_220001 9878_220001–1	161,630.62	653.87	524.12	–161,136.50	–161,136.50	3,724.82	–161,106.50	
23	Fence located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210110	661.25	409.99	174.71	–516.54	–516.54	554.29	–486.54	
24	Depot site improvements located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210109	8,215.74	0.00	174.71	–8,071.03	–8,105.98	349.69	–8,041.03	
25	Wheelset pool located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210108	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
26	Technical air ducts located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 106	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
27	Internal cleaning area of depot located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_240599	7,662.89	0.00	174.71	–7,518.18	–7,553.12	337.53	–7,488.18	
28	Coal warehouse located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210 505	21,471.47	478.08	174.71	–21,326.76	–21,326.76	641.32	–21,296.76	
29	Electric train depot sewer located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 111	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
30	Electric train depot water network located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 110	4,560.43	0.00	174.71	–4,415.73	–4,450.67	269.27	–4,385.73	
31	Gantry crane catenary located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 057	214.48	0.00	174.71	–69.77	–104.72	173.66	–39.77	
32	Pressure pipeline located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 107	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
33	Fixed communication line of the depot's electric shop located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 058	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
34	Electric train depot heating network located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300112	2,132.96	0.00	174.71	–1,988.26	–2,023.20	215.87	–1,958.26	
35	Electric train depot heating network located at the tie-in to the existing heating line, 150 m east of the residential building at 61 Zvezdnaya St., up to the heating point at 7, 1st Garazhnaya St., along 2nd Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 123	6,549.63	0.00	174.71	–6,404.92	–6,439.86	313.03	–6,374.92	

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			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
36	Power supply mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 126	0.00	0.00	174.71	144.71	109.77	168.94	174.71	The final sale price is defined during an open tender procedure
37	Lighting mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 129	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
38	Power supply mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 132	14.62	0.00	14.62	–30.00	–32.92	169.26	0.00	
39	Power supply mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 109	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
40	Lighting mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300127	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
41	Power supply mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 125	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
42	Lighting mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 124	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
43	Power supply mains located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 130	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
44	Sewerage pumping station No. 3 located at 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_240398	0.00	0.00	174.71	144.71	109.77	168.94	174.71	
45	Site improvements located at lit. XLI, 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210506	14,837.38	4,859.04	174.71	–14,692.68	–14,692.68	495.37	–14,662.68	
46	Outdoor lighting located at lit. XLIV, 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_300 133	2,817.10	1,100.25	174.71	–2,672.39	–2,672.39	230.92	–2,642.39	
47	Site for equipment located at lit. XLII, 7, 1st Garazhnaya St., Astrakhan, Astrakhan Region	9878_210 507	472.38	169.92	174.71	–327.67	–328.63	179.34	–297.67	
48	Garage located at lit. 14, Privokzalnaya Square, Yelets, Lipetsk Region	0100500_VCh4_LVChD-8	1,596.40	251.06	129.07	–1,497.33	–1,497.33	140.16	–1,467.33	The final sale price is defined during an open tender procedure
49	Non-residential one-storey building (warehouse) located at lit. B, 51A Zheleznodorozhnaya St., Rtishchevo, Saratov Region	0100020_RTI_LVChD-14	284.48	1,658.24	30.00	–284.48	–284.48	0.04	–254.48	The final sale price is defined during an open tender procedure
50	Building of attendants' storehouse at Stary Oskol station located at lit. 4, Pobedy St., Stary Oskol, Belgorod Region	0100016_VCh-6	464.76	63.67	25.83	–468.92	–468.92	0.19	–438.92	The final sale price is defined during an open tender procedure
51	Garage located at lit. 2, 7 Vokzalnaya Square, Ivanovo, Ivanovo Region	10058	0.00	0.00	4,077.07	4,047.06	3,231.65	65.23	4,077.07	The final sale price is defined during an open tender procedure
52	Heating station building located at lit. A-A2, 90 Chekhova St., Vologda, Vologda Region	10126	2,781.73	81.09	3,961.00	1,149.27	373.28	243.44	1,179.27	The final sale price is defined during an open tender procedure

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			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
53	Building of railway ticket outlet office located at lit. A, 4A Lenina St., Izhevsk, Udmurt Republic	10029/2236	43,513.26	7,456.56	44,652.99	1,105.98	–6,333.31	2,254.40	1,139.73	The final sale price is defined during an open tender procedure
54	Land plot located at 4A Lenina St., Izhevsk, Udmurt Republic	80001/2236	2,120.46	133.78	9,519.06	7,364.85	5,487.79	278.28	7,398.60	
55	Premises located at 77/I Krasina St., Kurgan	010021*/9903	929.97	357.48	3,848.00	2,888.13	2,190.02	214.47	2,918.03	The final sale price is defined during an open tender procedure
56	One-storey building of luggage compartment located at 16A Privokzalnaya St., Barnaul, Altai Territory	0100122/9905	905.51	139.77	926.00	–9.41	–166.66	55.41	20.49	The final sale price is defined during an open tender procedure
57	One-storey compressor house building located at 1 Zelenaya Roshcha St., Barnaul, Altai Territory	010006/9911	766.89	0.00	1,695.00	898.21	559.21	310.09	928.11	The final sale price is defined during an open tender procedure
58	Carriage assembly shop located at 1 Zelenaya Roshcha St., Barnaul, Altai Territory	010001/9911	6,612.19	712.22	31,601.00	24,958.91	18,781.15	3,216.67	24,988.81	
59	Power equipment located at 1 Zelenaya Roshcha St., Barnaul, Altai Territory	030001/9911	0.00	0.00	361.00	331.10	258.90	6.35	361.00	
60	Luggage compartment located at lit. A, Railway Station, Railway Station Compound-2, Starominskaya station, Starominskiy District, Krasnodar Territory	302/10189/9857	0.00	3.29	261.50	231.50	179.86	0.00	261.50	The final sale price is defined during an open tender procedure
61	Luggage compartment building located at 200 m south-east of the 38 km of Sovgavan to Vanino settlement motorway, intersettlement territory of Vaninsky District, Vaninsky District, Khabarovsk Territory	024443/9934	1,683.88	144.39	150.00	–1,567.63	–1,568.75	67.64	–1,533.88	The final sale price is defined during an open tender procedure
62	Building (vehicle garage) located at 34 Stantsionnaya St., Abakan, Republic of Khakassia	110000000017/0000/9918	3,939.62	2,071.89	2,454.17	–1,515.45	–1,591.91	153.55	–1,485.45	The final sale price is defined during an open tender procedure
63	Electric shop building located at lit. V6, 79 Stantsionnaya St., Abakan, Republic of Khakassia	110000000019/0000/9918	6,362.33	4,266.02	829.17	–5,533.17	–5,533.17	252.32	–5,533.17	The final sale price is defined during an open tender procedure
64	Base building located at lit. A, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/001	16,241.79	457.73	1,419.17	–14,852.62	–15,044.91	0.00	–14,822.62	The final sale price is defined during an open tender procedure
65	Base warehouse located at lit. B, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/002	0.00	0.00	216.67	186.67	143.33	0.00	216.67	The final sale price is defined during an open tender procedure
66	Boiler house located at lit. E, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/016	0.00	0.00	40.00	10.00	2.00	0.00	40.00	The final sale price is defined during an open tender procedure
67	Garage building located at lit. V, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/010	1,120.01	0.00	1,125.00	–25,01	–250.01	0.00	4.99	The final sale price is defined during an open tender procedure

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68	Asphalt concrete pavement located at lit. IX, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/062	188.90	0.00	190.00	–28.90	–66.90	0.00	1.10	The final sale price is defined during an open tender procedure
69	Telephone line located at lit. L-1, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/063	22.47	4.14	22.50	–29.97	–33.64	0.00	0.03	The final sale price is defined during an open tender procedure
70	Fencing located at lit. I, VII, XII, 28 Pirozhnogo St., Novorossiysk, Krasnodar Territory	306/061	0.00	102.24	100.00	70.00	70.00	0.00	100.00	The final sale price is defined during an open tender procedure
71	Land plot located at 28 Pirozhnogo St., Novorossiysk	306/01	2,554.43	0.00	3,072.00	487.57	–126.83	265.35	517.57	The final sale price is defined during an open tender procedure
72	Heating point located at 55 Zheleznodorozhnaya St., Chishmy settlement, Chishminsky District, Republic of Bashkortostan	010029/9888	137.46	774.56	36.37	–134.83	–134.83	74.69	–101.08	The final sale price is defined during an open tender procedure
73	Outfitting point, motor tractor vehicle garage located at 55 Zheleznodorozhnaya St., Chishmy settlement, Chishminsky District, Republic of Bashkortostan	010026/9888	7,235.03	16,540.63	2,986.63	–4,282.15	–4,282.15	1,317.81	–4,248.40	The final sale price is defined during an open tender procedure
74	Luggage compartment building located at Vokzalnaya St., Sarapul, Udmurt Republic	10020–05/2236	3,836.50	1,265.33	1,681.67	–2,188.58	–2,271.85	176.39	–2,154.83	The final sale price is defined during an open tender procedure
75	Luggage compartment building with annexes located at at lit. V, V1, V2, V3, V2, 1 Oktyabrskaya St., Tikhoretsk, Krasnodar Territory	302/10150/9857	0.00	0.00	2,162.50	2,132.50	1,700.00	0.00	2,162.50	The final sale price is defined during an open tender procedure
76	Luggage compartment located at lit. A, 19B Zheleznodorozhnaya St., Rtishchevo, Saratov Region	0100140_YuVZhA	0.00	0.00	746.50	895.80	716.64	0.00	746.50	The final sale price is defined during an open tender procedure
77	Passenger vehicle garage located at lit. P, 3, 1st Proyezd Stroiteley, Priozerie settlement, Vereyskoye Settlement, Orekhovo-Zuevskiy District, Moscow Region	10079/9818	990.09	116.01	737.17	–286.67	–410.91	12.30	–252.92	The final sale price is defined during an open tender procedure
78	Stary Oskol station laundry building located at lit. 13, 20 Svobody St., Stary Oskol, Belgorod Region	0100019_VCh-6	4,998.29	151.79	508.33	–4,489.95	–4,561.26	0.00	–4,489.95	The final sale price is defined during an open tender procedure
79	Building (warehouse), located at: 54 Stantsionnaya St., Abakan, Republic of Khakassia	110000000008/0000/9918	0.00	149.00	2,935.00	2,905.10	2,347.90	120.04	2,935.00	The final sale price is defined during an open tender procedure
80	Garage with charging room for passenger fleet located at lit. B, 1 Privokzalnaya Square, Krymsk, Krasnodar Territory	302/10817/9857	0.00	0.00	66.77	33.02	19.66	0.00	66.77	The final sale price is defined during an open tender procedure

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81	Garage building, outfitting storage room located at lit. 19, 1 Tovarny Proyezd, Lipetsk	0100090_VCh4_LVChD-14	349.07	10.94	143.25	–235.72	–262.18	19.52	–205.82	The final sale price is defined during an open tender procedure
82	Building of the maintenance and repair shop of Valuiki station located at lit. B4, Privokzalnaya Square, Valuiki, Belgorod Region	0100026_VCh-6	1,964.50	145.31	564.75	–1,429.65	–1,513.53	35.61	–1,399.75	The final sale price is defined during an open tender procedure
83	Garage building located at lit. Zh, 8 km, railway milestone 0+75.00, Cheboksary – Moscow direction, on the right, Cheboksary-2 station, Cheboksary, Chuvash Republic	0100090/9843	845.46	17.94	599.00	–280.21	–396.42	242.23	–246.46	The final sale price is defined during an open tender procedure
84	Warehouse building located at 110 V. Maksimovoy St., Biysk, Altai Territory	010086/9911	292.62	124.69	233.00	–89.52	–111.18	27.45	–59.62	The final sale price is defined during an open tender procedure
85	Ticket pre-sale outlet office located at 32 Pushkina St., Omsk	100061/9905	33,525.67	3,772.90	48,711.73	15,156.16	6,168.40	3,628.61	15,186.06	The final sale price is defined during an open tender procedure
86	Land use located at 32 Pushkina St., Omsk	930001/9905	1,312.50	106.69	1,756.93	414.53	84.48	60.62	444.43	The final sale price is defined during an open tender procedure
87	Non-residential building of the administrative and utility building of the luggage compartment located at 13 Privokzalnaya St., Chelyabinsk, Chelyabinsk Region	010016/9899	0.00	0.00	8,736.87	8,667.19	6,919.82	0.00	8,736.87	The final sale price is defined during an open tender procedure
88	Non-residential two-storey building (passenger carriage outfitting and preparation point, garages) located at lit. A, A1, A2, A3, 51A Zheleznodorozhnaya St., Rtishchevo, Saratov Region	0100010_RTI_LVChD-14	0.00	192.43	707.08	677.18	574.25	0.00	707.08	The final sale price is defined during an open tender procedure
89	Luggage compartment building located at Privokzalnaya Square, Nevinnomyssk, Stavropol Territory	302/0100073	0.00	0.00	749.50	715.75	565.85	0.00	749.50	The final sale price is defined during an open tender procedure
90	Warehouse building (of luggage compartment) located at Privokzalnaya Square, Mineralnye Vody, Stavropol Territory	302/1100000000037/0000	0.00	0.00	2,320.00	2,286.25	1,822.25	0.00	2,320.00	The final sale price is defined during an open tender procedure
91	Production building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	444020/9930	9,623.07	827.31	34.50	–9,618.47	–9,618.47	540.42	–9,588.57	The final sale price is defined during an open tender procedure
92	Garage building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010022/9930	1,654.22	385.58	17.00	–1,667.12	–1,667.12	514.88	–1,637.22	The final sale price is defined during an open tender procedure
93	Trestle for maintenance of motor tractor vehicles located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020003/9930	306.95	0.00	1.00	–335.85	–336.05	22.77	–305.95	The final sale price is defined during an open tender procedure

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94	Auxiliary support shops located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010048/9930	5,561.91	1,610.03	42.75	–5,549.06	–5,549.06	1,596.50	–5,519.16	The final sale price is defined during an open tender procedure
95	Luggage shed located at lit. B, 1 Privokzalnaya St., Kamensk-Shakhtinsky, Rostov Region	302/1000064/9856	0.00	16.34	1,253.75	1,220.00	972.52	0.00	1,253.75	The final sale price is defined during an open tender procedure
96	Non-residential premises No. 10 located at lit. 4.4, 4.5, Premise No. 10, 7A Privokzalnaya Square, Tambov	0100071_LVChD-14	198.93	25.96	60.00	–168.83	–175.63	0.00	–138.93	The final sale price is defined during an open tender procedure
97	Non-residential premises No. 11 located at lit. 4.1, Premise No. 11, 7A Privokzalnaya Square, Tambov	0100072_LVChD-14 0100100_LVChD-14	4,922.08	757.50	1,463.24	–3,488.74	–3,629.88	3.62	–3,458.84	The final sale price is defined during an open tender procedure
98	Non-residential premises No. 12 located at lit. 4.1, Premise No. 12, 7A Privokzalnaya Square, Tambov	0100073_LVChD-14	1,787.85	235.40	466.67	–1,351.08	–1,397.33	0.00	–1,321.18	The final sale price is defined during an open tender procedure
99	Non-residential premise No. 13 located at lit. 4.1, Premise No. 13, 7A Privokzalnaya Square, Tambov	0100074_LVChD-14	455.23	59.47	150.00	–335.13	–353.23	0.00	–305.23	The final sale price is defined during an open tender procedure
100	Luggage warehouse located at lit. V, 1 Privokzalnaya Square, Krymsk, Krasnodar Territory	302/10791/9857	0.00	0.00	261.50	227.75	175.45	0.00	261.50	The final sale price is defined during an open tender procedure
101	Two-storey building of the former locomotive depot located at 110 V. Maksimovoy St., Biysk, Altai Territory	010079/9911	4,269.42	1,406.91	2,357.90	–1,941.42	–2,131.61	1,002.92	–1,911.52	The final sale price is defined during an open tender procedure
102	Heating point of GP-8 gas gathering station located at Zvezda station, Bezenchukskiy District, Samara Region	0100003/9887	109.35	40.93	5.19	–137.91	–137.91	4.81	–104.16	The final sale price is defined during an open tender procedure
103	Office of passenger carriage outfitting at Zvezda station located at Zvezda station, Bezenchukskiy District, Samara Region	0100025/9887	9,098.83	18,696.67	196.74	–8,935.84	–8,935.84	1,093.59	–8,902.09	The final sale price is defined during an open tender procedure
104	Heating point located at Zvezda station, Bezenchukskiy District, Samara Region	0100027/9887	152.11	51.16	6.40	–179.46	–179.46	6.44	–145.71	The final sale price is defined during an open tender procedure
105	Luggage storage room located at Syzran-1 station, Syzran, Samara Region	010069/9884	342.55	101.77	241.67	–134.64	–162.62	129.90	–100.89	The final sale price is defined during an open tender procedure
106	Luggage storage room located at Syzran-1 station, Syzran, Samara Region	010068/9884	1,535.12	0.00	366.67	–1,202.21	–1,275.54	160.69	–1,168.46	The final sale price is defined during an open tender procedure

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
107	Wheel and roller shop located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010060/9930	27,920.73	29,097.01	27.15	–27,923.48	–27,923.48	5,870.07	–27,893.58	The final sale price is defined during an open tender procedure
108	Passenger carriage repair shop located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010015/9930	10,521.51	2,174.85	24.66	–10,526.75	–10,526.75	4,298.60	–10,496.85	The final sale price is defined during an open tender procedure
109	Electric shop building of carriage repair shop located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010040/9930	14,159.12	1,235.13	11.82	–14,177.20	–14,177.20	940.54	–14,147.30	The final sale price is defined during an open tender procedure
110	Paint shop building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010012/9930	0.00	0.00	27.45	–2.45	–7.94	396.65	27.45	The final sale price is defined during an open tender procedure
111	Dry cleaning building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010049/9930	324.97	235.83	0.66	–354.20	–354.20	101.45	–324.30	The final sale price is defined during an open tender procedure
112	Passenger carriage outfitting department located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010001/9930	0.00	0.00	12.56	–17.34	–19.85	296.52	12.56	The final sale price is defined during an open tender procedure
113	Administrative and utility building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010021/9930	9,282.08	1,102.10	13.85	–9,298.13	–9,298.13	633.80	–9,268.23	The final sale price is defined during an open tender procedure
114	Linen shop building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010011/9930	1,407.35	429.27	2.47	–1,434.77	–1,434.77	492.93	–1,404.87	The final sale price is defined during an open tender procedure
115	Shower and dressing room building located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010018/9930	12,382.25	899.76	6.06	–12,406.09	–12,406.09	3,536.82	–12,376.19	The final sale price is defined during an open tender procedure
116	Laundry shop building located at lit. A34, 1 Vokzalnaya St., Shimanovsk, Amur Region	010039/9930	0.00	0.00	11.77	–18.13	–20.48	272.23	11.77	The final sale price is defined during an open tender procedure
117	Forge located at 1 Vokzalnaya St., Shimanovsk, Amur Region	010062/9930	3,074.63	7,170.76	2.10	–3,102.43	–3,102.43	533.96	–3,072.53	The final sale price is defined during an open tender procedure
118	Reinforced concrete fencing of site located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020028/9930	0.00	0.00	0.18	–29.72	–29.76	0.00	0.18	The final sale price is defined during an open tender procedure
119	Outdoor sewer networks located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020026/9930	2.54	87.43	0.05	–32.39	–32.39	153.04	–2.49	The final sale price is defined during an open tender procedure

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
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120	Asphalt concrete pavement located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020029/9930	0.00	0.00	0.16	–29.74	–29.77	5.81	0.16	The final sale price is defined during an open tender procedure
121	Fire water tank located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020025/9930	0.00	0.00	0.75	–29.15	–29.30	0.00	0.75	The final sale price is defined during an open tender procedure
122	0.4 kV line located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020024/9930	0.00	0.00	1.39	–28.51	–28.79	0.00	1.39	The final sale price is defined during an open tender procedure
123	Transfer lanes located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020001/9930	12,824.08	9,441.12	3.13	–12,850.85	–12,850.85	794.07	–12,820.95	The final sale price is defined during an open tender procedure
124	Outdoor sewer located at 1 Vokzalnaya St., Shimanovsk, Amur Region	030009/9930	0.00	0.00	1.83	–28.07	–28.44	0.00	1.83	The final sale price is defined during an open tender procedure
125	Lighting tower located at 1 Vokzalnaya St., Shimanovsk, Amur Region	030003/9930	0.00	0.00	0.23	–29.67	–29.72	23.71	0.23	The final sale price is defined during an open tender procedure
126	Lighting tower located at 1 Vokzalnaya St., Shimanovsk, Amur Region	030004/9930	0.00	0.00	0.23	–29.67	–29.72	23.71	0.23	The final sale price is defined during an open tender procedure
127	Lighting tower located at 1 Vokzalnaya St., Shimanovsk, Amur Region	030005/9930	0.00	0.00	0.23	–29.67	–29.72	23.71	0.23	The final sale price is defined during an open tender procedure
128	Outdoor electrical power network located at 1 Vokzalnaya St., Shimanovsk, Amur Region	030002/9930	0.00	0.00	0.33	–29.57	–29.64	0.00	0.33	The final sale price is defined during an open tender procedure
129	Outdoor 0.4 kV power supply networks located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020031/9930	0.00	0.00	0.09	–29.81	–29.83	0.00	0.09	The final sale price is defined during an open tender procedure
130	Driveway improvements located at 1 Vokzalnaya St., Shimanovsk, Amur Region	020030/9930	0.00	0.00	0.87	–29.03	–29.20	24.06	0.87	The final sale price is defined during an open tender procedure
131	Luggage compartment located at 8 Vokzalnaya St., Pokhvistnevo, Samara Region	010017/9884	267.42	143.91	65.42	–235.76	–235.76	0.03	–202.01	The final sale price is defined during an open tender procedure
132	Land plot located at site 130G, Lenina St., Sharya, Kostroma Region	90014/2	1,653.30	0.00	429.50	–1,257.55	–1,343.45	21.68	–1,223.80	The final sale price is defined during an open tender procedure

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
133	Luggage compartment located at lit. B, Lena station, Ust-Kut, Irkutsk Region	110000000016/0000/9923	0.00	0.00	8,804.00	8,774.10	7,013.30	0.00	8,804.00	The final price is defined by an agreement with the parent company
134	Battery charging house building located at lit. I, 8 km, railway milestone 1+7.50, Cheboksary – Moscow direction, on the right, Cheboksary-2 station, Cheboksary, Chuvash Republic	0100105/9843	1,396.32	502.08	794.40	–635.67	–694.13	52.28	–601.92	The final sale price is defined during an open tender procedure
135	Supervisory centre building located at lit. B, 7 km, railway milestone 9+7.00, Cheboksary – Moscow direction, on the right, Cheboksary-2 station, Cheboksary, Chuvash Republic	0100107/9843	13,913.13	5,439.18	3,871.00	–10,075.88	–10,075.88	503.18	–10,042.13	The final sale price is defined during an open tender procedure
136	Structure: passenger carriage outfitting station staging track extension located at lit. IV, 51A Zheleznodorozhnaya St., Rtishchevo, Saratov Region	0241010_RTI_LVChD-14	150.18	0.00	2,709.00	2,525.07	1,983.27	1,727.11	2,558.82	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
137	Structure: fence located at lit. I, 51A Zheleznodorozhnaya St., Rtishchevo, Saratov Region	0241180_RTI_LVChD-14	2,623.05	0.00	3,022.00	365.20	–239.20	1,429.05	398.95	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
138	Building of woodworking shop, lit. 9, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100101/9892	0.00	0.00	507.00	477.00	375.60	108.42	507.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
139	Garage building, lit. 12, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010019/9892	0.00	0.00	592.00	562.00	443.60	108.42	592.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
140	Experimental shop building, lit. 14, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010036/9892	0.00	0.00	134.00	104.00	77.20	108.42	134.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
141	Storage room building, lit. 11, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100181/9892	0.00	0.00	685.00	655.00	518.00	108.42	685.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
142	Electric shop building, lit. 20, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100131/9892	0.00	0.00	2,867.00	2,837.00	2,263.60	108.42	2,867.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
143	Fuel oil storage building, lit. 24, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100051/9892	0.00	0.00	463.00	433.00	340.40	108.42	463.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
144	Carriage depot building located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100041/9892	0.00	0.00	4,455.00	4,425.00	3,534.00	108.42	4,455.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
145	Prefabricated dismountable building, lit. 13, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010030/9892	0.00	0.00	266.00	236.00	182.80	108.42	266.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
146	Boiler house building located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100021/9892	0.00	0.00	363.00	333.00	260.40	108.42	363.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
147	Prefabricated dismountable building, lit. 22, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010028/9892	0.00	0.00	722.00	692.00	547.60	108.42	722.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
148	Compressor house building, lit. 19, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100111/9892	0.00	0.00	219.00	189.00	145.20	108.42	219.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
149	Building of utility centre located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100031/9892	0.00	0.00	2,195.00	2,165.00	1,726.00	108.42	2,195.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
150	Warehouse building, lit. 15, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010037/9892	0.00	0.00	739.00	709.00	561.20	108.42	739.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
151	Wood dryer building, lit. 7, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100081/9892	0.00	0.00	151.00	121.00	90.80	108.42	151.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
152	Battery charging house building, lit. 18, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100011/9892	0.00	0.00	297.00	267.00	207.60	108.42	297.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
153	Chief mechanic's building located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010038/9892	0.00	0.00	227.00	197.00	151.60	108.42	227.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
154	Building of the staging base checkpoint, lit. 4, located at 1A Lineynaya St., Tavda, Sverdlovsk Region	010015/9892	0.00	0.00	280.00	250.00	194.00	108.42	280.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
155	Technical inspection building (TO-3) located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0100161/9892 0100171/9892	0.00	0.00	4,776.00	4,746.00	3,790.80	108.42	4,776.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
156	Water mains located at 1A Lineynaya St., Tavda, Sverdlovsk Region	030009/9892	0.00	0.00	351.00	321.00	250.80	88.42	351.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
157	Structure: carriage depot fence located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0240091/9892	0.00	0.00	870.00	840.00	666.00	108.42	870.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
158	Structure: fence of the staging base located at 1A Lineynaya St., Tavda, Sverdlovsk Region	0240111/9892	0.00	0.00	146.00	116.00	86.80	108.42	146.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
159	Structure: underground air pipeline located at 1A Lineynaya St., Tavda, Sverdlovsk Region	030006/9892	0.00	0.00	90.00	60.00	42.00	20.00	90.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
160	Structure: depot power line located at 1A Lineynaya St., Tavda, Sverdlovsk Region	030002/9892	0.00	0.00	83.00	53.00	36.40	20.00	83.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
161	Heating mains located at 1A Lineynaya St., Tavda, Sverdlovsk Region	030010/9892	0.00	0.00	841.00	811.00	642.80	176.85	841.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

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			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
162	Outfitting road located at 1A Lineynaya St., Tavda, Sverdlovsk Region	024020/9892	0.00	0.00	98.00	68.00	48.40	20.00	98.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
163	Vehicle supervision centre building located at 4 Vokzalnaya St., Yekaterinburg, Sverdlovsk Region	010002/9897	0.00	0.00	13,778.00	13,748.00	10,992.40	784.74	13,778.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
164	Vibration damper repair department building, lit. 2, located at 4 Vokzalnaya St., Yekaterinburg, Sverdlovsk Region	010006/9897	0.00	0.00	4,934.00	4,904.00	3,917.20	0.00	4,934.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
165	04 kV electric cable line, lit. 4, located at 4 Vokzalnaya St., Yekaterinburg, Sverdlovsk Region	033001–5/9897	0.00	0.00	159.00	129.00	97.20	0.00	159.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
166	04 kV electric cable line, lit. 5, located at 4 Vokzalnaya St., Yekaterinburg, Sverdlovsk Region	033001–6/9897	0.00	0.00	323.00	293.00	228.40	0.00	323.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
167	Electric shop building, lit. A, A1, located at 10 Vokzalnaya St., Yekaterinburg, Sverdlovsk Region	010003/9897	0.00	0.00	32,639.00	32,609.00	26,081.20	0.00	32,639.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
168	Soft and hard inventory warehouse building located at Parkovaya St., Tyumen, Tyumen Region	10078/9893	0.00	0.00	14,849.00	14,819.00	11,849.20	0.00	14,849.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

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			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
169	Land use located at 70A Volgogradskaya St., Tyumen, Tyumen Region	00003/9893	0.00	0.00	471.00	441.00	346.80	0.00	471.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
170	3-storey building of supervisory centre located at 4 Genkelya St., Perm, Perm Territory	110003/9891	0.00	0.00	81,638.00	81,608.00	65,280.40	3,056.32	81,638.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
171	1-storey hangar building located at 4 Genkelya St., Perm, Perm Territory	110009/9891	0.00	0.00	6,727.00	6,697.00	5,351.60	0.00	6,727.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
172	1-storey building of the customs clearance centre's guard booth located at 4 Genkelya St., Perm, Perm Territory	10034/9891	0.00	0.00	2,084.00	2,054.00	1,637.20	0.00	2,084.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
173	Vegetable storage building, lit. A, located at 22 Tyumenskaya St., Yekaterinburg, Sverdlovsk Region	010027/9897	0.00	0.00	12,497.00	12,467.00	9,967.60	0.00	12,497.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
174	Land use located at 22 Tyumenskaya St., Yekaterinburg, Sverdlovsk Region	100004/9897	0.00	0.00	1,159.00	1,129.00	897.20	0.00	1,159.00	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement
175	Luggage staging yard platform located at Novosibirsk-Glavny station, Novosibirsk, Novosibirsk Region	020302/9905	3,833.81	581.80	7,582.00	–3,863.71	–5,567.03	207.66	3,748.19	The final price is defined under an agreement between the parent company and FPC JSC when concluding an exchange agreement

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
176	Vehicle supervision centre, lit. L, L1, located at lit. L, L-1, 1 Privokzalnaya Square, Oryol, Oryol Region	0100018–9823	2,879.76	0.00	83.33	–2,830.18	–2,846.85	64.42	–2,796.43	The final sale price is defined during an open tender procedure
177	Welding section building located at lit. D, 8 km, railway milestone 0+12.30, Cheboksary – Moscow direction, on the right, Cheboksary-2 station, Cheboksary, Chuvash Republic	0100108/9843	0.00	45.81	610.00	576.25	463.41	145.68	610.00	The final sale price is defined during an open tender procedure
178	Building of the maintenance and repair shop located at lit. E, 8 km, railway milestone 0+70.50, Cheboksary – Moscow direction, on the right, Cheboksary-2 station, Cheboksary, Chuvash Republic	0100092/9843	1,691.02	40.67	2,850.00	1,125.23	563.36	73.79	1,158.98	The final sale price is defined during an open tender procedure
179	Luggage claim facility located at railway section from 5137 km (+400 m) to 5165 km (+200 m), on the territory of Angarsk municipal entity, Irkutsk Region	011024/703G	0.00	0.00	314.25	284.35	221.50	51.55	314.25	The final sale price is defined during an open tender procedure
180	Motor transport shop garage located at lit. G, 147, 22-go Partsyezda Proyezd, Mineralnye Vody, Stavropol Territory	303/0100069	1,015.09	14.70	2,301.25	1,252.41	795.10	84.14	1,286.16	The final sale price is defined during an open tender procedure
181	Boiler house located at lit. K, 147, 22-go Partsyezda Proyezd, Mineralnye Vody, Stavropol Territory	303/0240036	0.00	0.00	4,711.50	4,677.75	3,735.45	0.00	4,711.50	The final sale price is defined during an open tender procedure
182	Land plot located at 147, 22-go Partsyezda Proyezd, Mineralnye Vody, Stavropol Territory	303/0000001	6,923.59	0.00	7,000.00	42.67	–1,357.34	0.00	76.42	The final sale price is defined during an open tender procedure
183	Passenger warehouse located at lit. D, 1 Vokzalnaya St., Novocherkassk, Rostov Region	302/1000074/9856	0.00	87.70	1,198.00	1,164.25	942.19	0.00	1,198.00	The final sale price is defined during an open tender procedure
184	Luggage compartment located at 2 Magistralnoye Shosse, Komsomolsk-on-Amur, Khabarovsk Territory	024445/9934	1,922.60	211.82	3,241.00	1,932.85	1,197.37	344.42	1,318.40	The final sale price is defined during an open tender procedure
185	Building of automated pumping station located at lit. P, Privokzalnaya St., Michurinsk, Tambov Region	0100164_LVChD-14	1,844.05	0.00	85.13	–1,792.67	–1,809.69	384.39	–1,758.92	The final sale price is defined during an open tender procedure
186	Mechanical workshops located at lit. O, Privokzalnaya St., Michurinsk, Tambov Region	0100910_LVChD 14	0.00	0.00	37.07	3.32	–4.09	719.55	37.07	The final sale price is defined during an open tender procedure
187	Forge located at lit. Zh, Zh1, Zh2, Privokzalnaya St., Michurinsk, Tambov Region	0100200_LVChD-14	0.00	0.00	244.36	210.61	161.73	3,048.30	244.36	The final sale price is defined during an open tender procedure
188	Compressor house located at lit. N, Privokzalnaya St., Michurinsk, Tambov Region	0100210_LVChD-14	3,793.01	0.00	222.45	–3 604,31	–3,648.80	808.43	–3,570.56	The final sale price is defined during an open tender procedure

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
189	Passenger carriage depot with attached paint shop, production building, and heating station located at lit. A, A1, A2, A3, A4, A5, A6, A, A1, A2, A3, Privokzalnaya St., Michurinsk, Tambov Region	0240300_LVChD-14 0100030_LVChD-14 0100640_LVChD-14 0100630_LVChD-14 0100490_LVChD-14	39,784.26	0.00	6,846.98	–32,971.03	–34,340.42	30,553.46	–32 937,28	The final sale price is defined during an open tender procedure
190	Storage room building located at lit. M, M1, Privokzalnaya St., Michurinsk, Tambov Region	0100050_LVChD-14	3,093.24	0.00	251.97	–2,875.02	–2,925.41	1,122.27	–2,841.27	The final sale price is defined during an open tender procedure
191	Sewerage line located at lit. IX, Privokzalnaya St., Michurinsk, Tambov Region	0300130_LVChD-14	1,579.65	0.00	191.55	–1,421.85	–1,460.16	959.94	–1,388.10	The final sale price is defined during an open tender procedure
192	Power transmission cable line located at lit. XVI, Privokzalnaya St., Michurinsk, Tambov Region	0300330_LVChD-14	0.00	0.00	11.67	–22.08	–24.41	1,199.87	11.67	The final sale price is defined during an open tender procedure
193	Power transmission cable line located at lit. XVII, Privokzalnaya St., Michurinsk, Tambov Region	0300340_LVChD-14	0.00	0.00	6.18	–27.57	–28.81	696.82	6.18	The final sale price is defined during an open tender procedure
194	Tank located at lit. XVIII, Privokzalnaya St., Michurinsk, Tambov Region	0240310_LVChD-14	71.46	0.00	43.25	–61.96	–70.61	1,427.39	–28.21	The final sale price is defined during an open tender procedure
195	Power transmission cable line located at lit. XV, Privokzalnaya St., Michurinsk, Tambov Region	0300080_LVChD-14	0.00	0.00	2.06	–31.69	–32.10	2,421.12	2.06	The final sale price is defined during an open tender procedure
196	Pedestrian walkways located at lit. VIII, VIII-I, Privokzalnaya St., Michurinsk, Tambov Region	0240010_LVChD-14	0.00	0.00	153.79	120.04	89.28	3,889.85	153.79	The final sale price is defined during an open tender procedure
197	Fence located at lit. IX, Privokzalnaya St., Michurinsk, Tambov Region	0240040_LVChD-14	0.00	0.00	87.19	53.44	36.01	3,251.63	87.19	The final sale price is defined during an open tender procedure
198	Sewerage line located at lit. X, Privokzalnaya St., Michurinsk, Tambov Region	0300140_LVChD-14	105.42	0.00	105.73	–33.43	–54.58	144.79	0.32	The final sale price is defined during an open tender procedure
199	Heating network located at lit. XIII, Privokzalnaya St., Michurinsk, Tambov Region	0300320_LVChD-14	0.00	0.00	43.94	10.19	1.40	203.51	43.94	The final sale price is defined during an open tender procedure
200	Service and storage premises located at lit. B, 4 Mezhevaya St., Novorossiysk, Krasnodar Territory	306/010078/1	828.59	950.39	7,036.00	6,173.66	4,956.54	26.06	6,207.41	The final sale price is defined during an open tender procedure
201	Building of laundry plant located at lit. A, 2D Gagarina St., Izhevsk, Udmurt Republic	010046/9844	73,773.54	19,786.01	28,640.00	–45,167.29	–46,938.08	2,968.87	–45,133.54	The final sale price is defined during an open tender procedure

Item	Real estate assets, including parts of structures – facilities, land plots (owned by subsidiaries), and movable estate disposed of together with real estate assets	Accounting inventory No.	Book value as at transaction date, RUB '000		Actual cash received (net of VAT), RUB '000	Financial result, RUB '000		Total maintenance costs for the past 12 months, RUB '000	Actual cost of sale vs book value, RUB '000	Reasons for the deviation of the actual cost of sale from book value
			According to accounting records	According to tax records		Profit/loss before tax	Net profit/loss			
202	Passenger warehouse located at lit. B, 1 Privokzalnaya St., Shakhty, Rostov Region	302/1000081/9856	0.00	68.12	315.00	281.25	231.87	0.00	315.00	The final sale price is defined during an open tender procedure
203	Luggage compartment building located at lit. B, 1B Privokzalnaya St., Balashov, Saratov Region	0100080_YuVZhA	0.00	35.57	435.67	401.92	321.90	675.38	435.67	The final sale price is defined during an open tender procedure
204	Luggage storage room of Pskov station located at lit. A, 25C Vokzalnaya St., Pskov, Pskov Region	0100024/9803/061B	0.00	0.00	2,368.00	2,334.25	1,860.65	24.93	2,368.00	The final sale price is defined during an open tender procedure
205	Auxiliary service building located at lit. A, 25B Vokzalnaya St., Pskov, Pskov Region	0100080/9803	0.00	0.00	1,479.60	1,445.85	1,149.93	5.85	1,479.60	The final sale price is defined during an open tender procedure
206	Recovery centre building located at lit. 2, Smolensk-Sortirovochny station, Smolensk, Smolensk Region	10053/9824	2,974.42	1,629.15	585.75	–2,422.42	–2,422.42	5.44	–2,388.67	The final sale price is defined during an open tender procedure
207	Non-residential premises of the ground floor of luggage compartment Nos. 1-32 located at Building 2, 1 Privokzalnaya Square, Krasnodar, Krasnodar Territory	302/10018/9857	11,724.97	10,325.37	17,364.67	5,605.95	4,198.09	465.31	5,639.70	The final sale price is defined during an open tender procedure
208	Non-residential premises located at Premise No. 2, 13 Kominterna St., Shakhunya, Shakhunsky District, Nizhny Novgorod Region	10027/1/2236	6,538.42	3,139.49	372.00	–6,200.17	–6,200.17	270.13	–6,166.42	The final sale price is defined during an open tender procedure
Total		–	**1,265,938.95**	**276,645.64**	**938,371.80**	**–340,750.28**	**–515,761.99**	**133,086.22**	**–327,567.15**	–

Report on Compliance with the Bank of Russia
Corporate Governance Code

Report on Compliance with the Principles and Recommendations of the Corporate Governance Code

Sr. No.	Corporate Governance Principles	Criteria for Assessing Compliance with Corporate Governance Principle	Status of Compliance with Corporate Governance Principle	Explanations of Deviations from the Criteria for Assessing Compliance with Corporate Governance Principle
1.1	The company shall ensure equal and fair treatment of all shareholders in exercising their corporate governance right			
1.1.1	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop informed positions on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered	1. The company provides accessible means of communication with the company, such as a hotline, email, or online forum, to enable shareholders to express their opinions and send questions on the agenda in preparation for the general meeting. These channels of communication were organised by the Company and made available to shareholders in preparation for each general meeting held during the reporting period	Full compliance	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting	1. In the reporting period, the notice of the general meeting of shareholders was posted (published) on the company's website no later than 30 days before the date of the general meeting, unless a longer period is stipulated by law. 2. The notice of the meeting lists the documents required for admission to the venue. 3. Shareholders were provided with access to information on the persons being initiators of the agenda items and nominating the candidates for the board of directors and the auditing commission (if establishment of the same is stipulated by the company's articles of association)	Partial compliance	1. Partial compliance. In the reporting period, the notice of the General Meeting of Shareholders was posted (published) on the Company's website less than 30 days before the date of the General Meeting of Shareholders, however the rights of the shareholders were not violated. 2. Full compliance. 3. Full compliance.
1.1.3	In preparation for the general meeting and during the general meeting, shareholders were enabled to receive information about, and all materials related to, the meeting, put questions to executive bodies and members of the board of directors, as well as communicate with each other, in an unobstructed and timely manner	1. In the reporting period, shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors during the annual general meeting and in the preparation for the same. 2. The position of the board of directors (including dissenting opinions entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting of shareholders. 3. The company gave duly authorised shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, in all instances of general meetings held in the reporting period	Full compliance	

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1.1.4	Shareholders did not encounter unjustified difficulties in exercising their right to request that a general meeting be convened, to nominate candidates to governing bodies, and to make proposals for the agenda of the general meeting	1. The company's articles of association stipulate a deadline for shareholders to submit proposals for inclusion on the agenda of the annual general meeting of shareholders; such deadline should be at least 60 days after the end of the relevant calendar year. 2. In the reporting period, the company did not reject proposals for the agenda or candidates to governing bodies due to misprints or other insignificant flaws in the shareholder's proposal	Full compliance	
1.1.5	Each shareholder was enabled to freely exercise his/her voting right in the simplest and most convenient way	1. The company's articles of association provide for the possibility of completing the electronic form of the ballot on the website (its address is specified in the notice of the general meeting of shareholders)	Full compliance	
1.1.6	The general meeting procedure established by the company equally enables all persons attending the meeting to voice their opinions and ask questions	1. When general meetings of shareholders were held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was provided for reports on agenda items and time for discussion of these issues, and shareholders were given the opportunity to express their opinions and ask questions of interest on the agenda. 2. The company invited candidates to the management and control bodies of the company and took all necessary steps to ensure their participation in the general meeting of shareholders, at which their nominations were put to a vote. The nominees to the management and control bodies of the company who were present at the general meeting of shareholders were available to answer questions from shareholders. 3. The sole executive body, the accounting officer, the chairman or other members of the audit committee of the board of directors were available to answer questions from shareholders at the general meetings of shareholders held during the reporting period. 4. In the reporting period, the company used telecommunication means for remote access of shareholders to participate in general meetings, or the board of directors made a reasonable decision that there was no need (possibility) to use such means in the reporting period	Partial compliance	1. Full compliance. 2. Partial compliance: the controlling shareholder entitled to nominate candidates to the Company's governing bodies conducts all necessary interviews with candidates when preparing respective proposals. 3. Partial compliance. 4. Full compliance.
1.2	Shareholders have equal and fair rights to share profits of the company by receiving dividends			
1.2.1	The company has developed and introduced a transparent and clear mechanism for determining the dividend amount and paying dividends	1. The company's regulation on the dividend policy was approved by the board of directors and disclosed on the company's website. 2. If the dividend policy of a company submitting the consolidated financial statements uses the company's reporting figures to determine the dividend amount, then the respective provisions of the dividend policy shall take into account the consolidated financial statements. 3. Justification of the proposed distribution of net profit, including the payment of dividends and the company's own needs, and assessment of its compliance with the dividend policy adopted by the company, with explanations and economic justification of the need to direct a certain portion of net profit to its own needs in the reporting period were included in the materials for the general meeting of shareholders, the agenda of which includes an item on profit distribution (including the payment (declaration) of dividends)	Partial compliance	1. Full compliance. 2. Partial compliance: JSC FPC's Dividend Policy uses the Company's reporting figures to determine the dividend amount, and the respective provisions of the Dividend Policy take into account the RAS financial statements. 3. Full compliance.
1.2.2	The company does not resolve to pay out dividends if such resolution, while formally remaining in line with statutory restrictions, is not economically feasible and may lead to a false representation of the company's performance	1. The regulations on company's dividend policy, in addition to the statutory restrictions, defines the financial/economic circumstances the company should not decide to pay dividends under	Full compliance	

Sr. No.	Corporate Governance Principles	Criteria for Assessing Compliance with Corporate Governance Principle	Status of Compliance with Corporate Governance Principle	Explanations of Deviations from the Criteria for Assessing Compliance with Corporate Governance Principle
1.2.3	The company does not allow the dividend rights of its existing shareholders to be impaired	1. In the reporting period, the company did not take any actions causing a deterioration in terms of dividend rights of existing shareholders	Full compliance	
1.2.4	The company strives to exclude any ways for its shareholders to receive profit (income) from the company other than dividends and liquidation value	1. During the reporting period, there were no other ways other than dividends for the entities who have control over the company to receive profit (income) at the company's expense (e.g., through transfer pricing, unjustified provision of services to the company by the controlling entity at inflated prices, through internal loans substituting dividends to the controlling entities and (or) its controlled entities)	Full compliance	
1.3	Corporate governance system and practices ensure equal treatment for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company			
1.3.1	The company has created conditions for fair treatment of each shareholder by the governing bodies and the company's controlling entities, including conditions ruling out abuse of minority shareholders by major shareholders	1. During the reporting period, the company's controlling entities did not abuse their rights in relation to the company's shareholders, there were no conflicts between the company's controlling entities and the company's shareholders, and if there were, the board of directors paid due attention to the same	Full compliance	
1.3.2	The company does not take any actions that lead or may lead to an artificial redistribution of corporate control	1. Quasi-treasury shares are absent or did not participate in voting during the reporting period	Full compliance	
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares, as well as are enabled to freely dispose of their shares without any hindrance			
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares, as well as are enabled to freely dispose of their shares without any hindrance	1. The technologies and service conditions of the company's registrar meet the needs of the company and its shareholders and ensure that shareholder rights are regarded and exercised in the most efficient manner	Full compliance	
2.1	The board of directors carries out the strategic management of the company, establish the basic principles of, and approaches to, setting up a risk management and internal control system in the company, control the activities of the company's executive bodies, and perform other key functions			
2.1.1	The board of directors is responsible for passing resolutions related to appointment and removal of the members of executive bodies, including due to their inadequate performance. The board of directors also ensures that the company's executive bodies act in accordance with the approved growth strategy and along the company's core lines of business	1. The board of directors has the authority stipulated in the articles of association to appoint and remove members of executive bodies and to set out the terms and conditions of their contracts. 2. During the reporting period, the nominations (appointments, personnel) committee reviewed the compliance of the professional qualifications, skills and experience of the members of the executive bodies in respect of the current and expected needs of the company as dictated by the approved strategy of the company. 3. In the reporting period, the board of directors reviewed the report(s) by the sole executive body or members of the collective executive body (if any) on the implementation of the company's strategy	Full compliance	
2.1.2	The board of directors defines the main long-term targets of the company's operations, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business	1. In the reporting period, the board of directors reviewed at its meetings matters related to the progress in the implementation of the strategy and its updates, approval of the company's financial and business plan (budget), and consideration of the implementation criteria and performance (including interim criteria and performance) of the company's strategy and business plans	Full compliance	

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2.1.3	The board of directors determines the principles of, and approaches to, organising a risk management and internal control system in the company	1. The principles of and approaches to the organisation of the risk management and internal control system in the company are determined by the board of directors and stipulated in the company's internal documents, which determine the risk management and internal control policy. 2. In the reporting period, the board of directors approved (revised) an acceptable amount of risks (risk appetite) of the company or the audit committee and (or) risk committee (if any) considered whether it is expedient to submit the issue of revising the company's risk appetite by the board of directors for consideration	Full compliance	
2.1.4	The board of directors defines the company's policy on remuneration due to, and/or reimbursement (compensation) of costs to the members of the board of directors, executive bodies, and other key managers of the company	1. The company has developed and put in place the policy on remuneration and/or reimbursement (compensation) of costs of the members of the board of directors, executive bodies, and other key managers, approved by the board of directors. 2. In the reporting period, the board of directors reviewed the matters related to the said policy (policies)	Full compliance	
2.1.5	The board of directors plays a key role in preventing, identifying and settling internal conflicts between the company's bodies, shareholders and employees	1. The board of directors plays a key role in preventing, identifying and settling internal conflicts. 2. The company has set up a system for identification of transactions involving a conflict of interest, and a set of measures to resolve such conflicts	Full compliance	
2.1.6	The board of directors plays a key role in ensuring the company's transparency, the timeliness and completeness of its information disclosures, and unhindered access to the company's documents for shareholders	1. The company's internal documents define the persons responsible for implementing the information policy	Full compliance	
2.1.7	The board of directors controls the company's corporate governance practices and plays a key role in its significant corporate events	1. During the reporting period, the board of directors reviewed the results of a self-assessment and/or an external assessment of the company's corporate governance practices	Full compliance	
2.2	The board of directors is accountable to the company's shareholders			
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders	1. The company's annual report for the reporting period includes the information on attendance at board of directors and committee meetings by every member of the board of directors. 2. The annual report contains key results of assessment (self-assessment) of the board of directors' performance in the reporting period	Full compliance	
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders	1. The company has a transparent procedure in place to ensure that shareholders can send their enquires to and receive feedback from the chairman of the board of directors (and, where applicable, the senior independent director)	Full compliance	
2.3	The board of directors manages the company in an efficient and competent manner and makes fair and independent judgements and decisions in line with the best interests of the company and its shareholders			
2.3.1	Only persons with impeccable business and personal reputation, possessing the knowledge and expertise required to make decisions falling within the authority of the board of directors and to essential performing its functions efficiently are elected to the board of directors	1. In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors in terms of having the required experience, knowledge, business reputation, absence of a conflict of interest, etc.	Full compliance	

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2.3.2	The company's directors are elected via a transparent procedure, enabling shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities	1. Whenever the agenda of a general meeting of shareholders held in the reporting period included the election to the board of directors, the company provided its shareholders with biographical details of all nominees for the board of directors, the results of the assessment of their professional qualifications, skills and experience for the compliance with the current and expected needs of the company (such assessment to be carried out by the board of directors (or its nomination committee)), as well as information on whether the candidate met the criteria of independence as set forth in **recommendations 102–107** of the Code and the written consent of the nominees for election to the board of directors	Full compliance	
2.3.3	The board of directors is balanced, including in terms of qualifications of its members, their experience, knowledge and business qualities, and has the trust of shareholders	1. During the reporting period, the board of directors analysed its own needs in terms of professional qualifications, experience and skills and identified the competencies required by the board of directors in the short and long term	Full compliance	
2.3.4	The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote	1. During the reporting period, the board of directors considered whether the number of the board of directors' members meets the company's needs and the interests of shareholders	Full compliance	
2.4	The board of directors includes a sufficient number of independent directors			
2.4.1	An independent director is a person of sufficient professionalism, experience and self-reliance to form his/her own opinion, able to make impartial judgements in good faith independent of the company's executive bodies, particular groups of shareholders or other stakeholders. It should be noted that under normal circumstance a nominee (elected director) cannot be considered independent if he/she is related to the company, its substantial shareholder or counterparty, the company's competitor, or the government	1. In the reporting period, all independent directors met the independence criteria set out in **recommendations 102–107** of the Code, or were deemed independent by resolution of the board of directors	Full compliance	
2.4.2	The compliance of nominees to the board of directors with the criteria for independence is assessed, and a regular review of compliance of independent directors with such criteria is performed. Substance prevails over form in such assessments	1. In the reporting period, the board of directors (or the nomination committee of the board of directors) formed its opinion on the independence of each nominee to the board of directors and presented respective opinions to shareholders. 2. During the reporting period, the board of directors (or the board of directors' nomination committee) reviewed the independence of the current board of directors' members at least once (after they were elected). 3. The company has developed procedures defining the actions to be taken by a member of the board of directors if he/she ceases to be independent, including the obligation to timely notify the board of directors thereof	Full compliance	
2.4.3	Independent directors make up at least one third of the elected board of directors	1. Independent directors make up at least one third of the board of directors	Partial compliance	Partial compliance: the Board of Directors that were in place before the annual general meeting of shareholders included three independent directors each, i.e., the proportion of independent directors recommended by the Code was retained. In June 2023, two independent directors were elected to the Board of Directors of JSC FPC by the Annual General Meeting of Shareholders.
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in the performance by the latter of material corporate actions	1. In the reporting period, independent directors (who did not have a conflict of interest) carried out a preliminary assessment of material corporate actions implying a possible conflict of interest, and the results of such assessment were presented to the board of directors	No compliance	In the reporting period, the Board of Directors reviewed the matters of an additional issue of the Company's shares. These material corporate actions were not interested-party transactions.

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2.5	The chairman of the board of directors facilitates the best performance of assigned duties by the board of directors			
2.5.1	The board of directors is chaired by an independent director, or a senior independent director is chosen from among the elected independent directors to coordinate the activities of independent directors and enable the interaction with the chairman of the board of directors	1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. 2. The role, rights and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents	Partial compliance	1. No compliance. the Chairman of JSC FPC's Board of Directors is not an independent director. The candidate to become Chairman of FPC's Board of Directors is approved by the Board of Directors of the parent company. Independent directors do not require additional coordination; a senior independent director is not appointed. 2. Full compliance.
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussions of agenda items, and supervises the execution of resolutions passed by the board of directors	1. The efficiency of the chairman of the board of directors was assessed as part of the procedure for assessing (self-assessing) the performance of the board of directors in the reporting period	Full compliance	
2.5.3	The chairman of the board of directors takes all steps necessary for the timely provision to directors of information required to pass resolutions on agenda items	1. The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to directors of full and reliable information regarding items on the agenda of the board meeting	Full compliance	
2.6	Directors act reasonably and in good faith in the best interests of the company and its shareholders, relying on sufficient information, exercising due care and prudence			
2.6.1	Directors make decisions based on all information available, without conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks	1. The company's internal documents provide that a director should notify the board of directors if he/she has a conflict of interest in respect of any item on the agenda of the board meeting or the board's committee meeting, prior to the discussion of the relevant agenda item. 2. The company's internal documents stipulate that a director should abstain from voting on any item in connection with which he/she has a conflict of interest. 3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company	Full compliance	
2.6.2	The rights and obligations of directors are clearly defined and set out in the company's internal documents	1. The company has adopted and published an internal document clearly defining the rights and duties of directors	Full compliance	
2.6.3	Directors have sufficient time to perform their duties	1. Individual attendance of the meetings of the board of directors and committees, as well as sufficient time to work on the board of directors, including its committees, is analysed as part of the procedure for assessment (self-assessment) of the board of directors' performance in the reporting period. 2. In accordance with the company's internal documents, directors inform the board of their intentions to joint management bodies of other organisations (except for entities controlled by the company), or of the relevant appointment made	Full compliance	
2.6.4	All directors have equal access to the company's documents and information. Newly elected directors are furnished with sufficient information about the company and performance of the board of directors as soon as possible	1. In accordance with the company's internal documents, the members of the board of directors have the right to obtain information and documents necessary for the members of the board of directors to perform their duties relating to the company and its controlled entities, and the executive bodies of the company should ensure that relevant information and documents are provided. 2. The company implements a formalised induction program for newly elected directors	Full compliance	
2.7	Meetings of the board of directors, preparation for such meetings and participation of directors ensure efficient performance by the board of directors			
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of operations and goals of the company at a particular time	1. The board of directors held at least six meetings in the reporting year	Full compliance	

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2.7.2	The company's internal regulations formalise a procedure for arranging and holding meetings of the board of directors, enabling members of the board of directors to prepare for such meetings properly	1. The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and sets out, in particular, that the notice of the meeting shall be given, as a rule, at least five days prior to such meeting. 2. During the reporting period, the members of the board of directors who were not present at the meeting venue were given the opportunity to participate in the discussion of agenda items and vote remotely via conference calls and video conferencing	Full compliance	
2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of items on the agenda. The most important matters shall be dealt with at meetings of the board of directors held in person	1. The company's articles of association or internal documents stipulate that the most important issues (including those listed in **recommendation 168** of the Code) should be considered at in-person meetings of the board of directors	Partial compliance	The Regulations on the Board of Directors of JSC FPC contain a recommendation to the Board of Directors to deal with the most important matters at meetings held in person. The list of such issues is 94% compliant with recommendation 168 of the Code.
2.7.4	Resolutions on the most important matters related to the company's operations are passed at a meeting of the board of directors by a qualified majority or by a majority of all elected directors	1. The company's articles of association provide for resolutions on the most important matters (including those set out in **recommendation 170** of the Code) to be passed at a meeting of the board of directors by a qualified majority of at least 3/4 or by a majority of all elected directors	Partial compliance	In accordance with paragraph 18.7 of the Articles of Association, resolutions of the Company's Board of Directors on including the persons nominated by shareholders or the Company's Board of Directors in the list of members of the collegial executive body or the Company's Auditing Commission and electing the person acting as the sole executive body of each company created through reorganisation in the form of merger, division or spin-off, as well as on the issue specified in subparagraph 3, paragraph 15.1, Article 15 the present Articles of Association and in cases stipulated by the Federal Law "On Joint Stock Companies", are passed by a majority of at least three quarters of the total number of Directors. The votes of the retired members of the Board of Directors of the Company shall not be taken into account when the Board of Directors of the Company adopts resolutions stipulated by this clause. The criteria for recognising a member of the Board of Directors of the Company as retired shall be determined by the Regulations on the Board of Directors of the Company. In accordance with paragraph 18.8 of the Articles of Association, resolutions of the Company's Board of Directors on matters listed in subparagraphs 1, 12, 21, 24, 26, 36, 42, 43, 45 of paragraph 15.1, Article 15 of the present Articles of Association, as well as on approving the Company's Dividend Policy are passed by a majority of the members of Company's Board of Directors.
2.8	The board of directors sets up committees to preview the most important matters related to the company's operations			
2.8.1	To preview matters related to controlling the company's financial and business activities, it is recommended to set up an audit committee comprised of independent directors	1. The board of directors has set up an audit committee comprised solely of independent directors. 2. The company's internal documents set out the tasks of the audit committee, including those listed in **recommendation 172** of the Code. 3. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing and auditing accounting (financial) statements. 4. Meetings of the audit committee were held at least once a quarter during the reporting period	Partial compliance	1. No compliance: the Committee includes members of the Board of Directors, experts – representatives of the parent company; an independent director was in the Committee prior to the annual general meeting of shareholders. 2. Full compliance. 3. Partial compliance: from 1 January 2023 to 30 June 2023, the Committee consisted of an independent director who has experience and expertise in the preparation, analysis, evaluation and audit of accounting (financial) statements. No independent directors were included in the Committee elected after 30 June 2023. 4. Full compliance.
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors	1. The board of directors has set up a remuneration committee comprised solely of independent directors. 2. The remuneration committee is headed by an independent director who is not the chairman of the board of directors 3. The company's internal documents determine the tasks of the remuneration committee, including but not limited to the tasks covered by **recommendation 180** of the Code, as well as the conditions (events), upon the occurrence of which the remuneration committee considers revision of the company's remuneration policy for the members of the board of directors, executive bodies and other key executives	Partial compliance	1. Partial compliance: the Company established the Human Resources, Remuneration and Corporate Governance Committee consisting of two independent directors, representatives of the shareholder and the Company's management. 2. Full compliance. The members of the Board of Directors — employees of the controlling shareholder — sit on the Committee. 3. Partial compliance: the Regulations on the Human Resources, Remuneration and Corporate Governance Committee do not include the tasks contained in paragraph 4 of recommendation 180 of the Code, and also do not envisage the revision of the Company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives.

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2.8.3	To preview matters related to talent management (succession planning), professional composition and efficiency of the board of directors, a nomination (appointments, human resources) committee was set up, predominantly comprised of independent directors	1. The board of directors has set up a nomination committee (or its tasks listed in recommendation 186 of the Code are fulfilled by another committee) predominantly comprised of independent directors. 2. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in **recommendation 186** of the Code. 3. In the reporting period, in order to form the board of directors that best meets the company's goals and objectives, the nomination committee organised interaction with shareholders, not limited to the largest shareholders, in the context of selecting candidates to the board of directors of the company, either individually or jointly with other committees of the board of directors or the company's authorised subdivision in charge of relations with shareholders	Partial compliance	1. Partial compliance: JSC FPC has set up the Human Resources, Remuneration, and Corporate Governance Committee of the Board of Directors of JSC FPC. The roles of this Committee are set out in the Regulations on the Committee of FPC's Board of Directors and comply with recommendations of the Corporate Governance Code concerning the remuneration committee and the nomination committee. Two independent directors were elected to the Committee, one of whom chairs it. 2. Full compliance. 3. No compliance. Given the existing structure of FPC's share capital, i.e., the presence of a single shareholder in the share capital structure, this criterion is irrelevant for the Company. For selection of candidates to the Company's Board of Directors, the Human Resources, Remuneration and Corporate Governance Committee presented the Committee's recommendations to shareholders on the candidates' compliance with the criteria of independence, qualifications, competences and experience.
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is fully in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.)	1. In the reporting period, the company's board of directors considered whether the structure of the board of directors is appropriate to the scope, nature, business goals, needs, and risk profile of the company. Additional committees were either set up or not deemed necessary	Full compliance	
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions	1. The audit committee, remuneration committee, and nomination committee (or the relevant committee with a combined function) were chaired by independent directors in the reporting period. 2. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee (or the relevant committee with a combined function) and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee	Partial compliance	1. Partial compliance: during the reporting period, the Human Resources, Remuneration and Corporate Governance Committee was chaired by an independent director. 2. Full compliance.
2.8.6	Committee chairmen inform the board of directors and its chairman on the work of their committees on a regular basis	1. During the reporting period, committee chairmen reported to the board of directors on the work of committees on a regular basis	Full compliance	
2.9	The board of directors ensures performance assessment of the board of directors, its committees and members of the board of directors			
2.9.1	The board of directors ensures the assessment of performance of the board of directors, its committees and members of the board of directors, whether their work meets the company's development needs, as well intensifying the work of the board of directors and identifying opportunities for the improvement of its performance	1. The company's internal documents stipulate the procedures for assessing (self-assessing) the board of directors' performance. 2. The assessment (self-assessment) of the board of directors' performance carried out in the reporting period included an assessment of the work of the committees, an individual assessment of each member of the board of directors and the board of directors as a whole. 3. Results of assessment (self-assessment) of the board of directors' performance carried out in the reporting period were reviewed at the in-person meeting of the board of directors	Partial compliance	1. Full compliance. 2. Full compliance. 3. No compliance: The results of the Board of Directors' self-assessment were reviewed at a meeting in absentia on 30 June 2023.
2.9.2	The performance of the board of directors, committees and members of the board of directors is assessed on a regular basis at least once a year. An external organisation (consultant) is engaged at least once every three years to carry out an independent assessment of the board of directors' performance	1. The company engaged an external institution (advisor) to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods	No compliance	The performance of the Board of Directors was not assessed in the reporting period.

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3.1	The company's corporate secretary ensures efficient ongoing interaction with shareholders, coordinate the company's efforts to protect shareholder rights and interests, and supports the activities of the board of directors			
3.1.1	The corporate secretary has the knowledge, experience and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders	1. The company's website and the annual report contain biographical information on the corporate secretary (including information on age, education, qualifications, experience), as well as information on positions in management bodies of other legal entities held by the corporate secretary for at least the last five years	Full compliance	
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks	1. The company has adopted and published an internal document – regulations on the corporate secretary. 2. The board of directors approves the candidate for the position of corporate secretary, terminates his/her powers and considers the payment of additional remuneration to him/her. 3. The company's internal documents stipulate the corporate secretary's right to request and receive company documents and information from management bodies, subdivisions and officers of the company	Full compliance	
4.1	Remuneration payable by the company is sufficient to attract, motivate and retain people with competencies and qualifications required by the company. Remuneration payable to directors, executive bodies and other key managers of the company is in compliance with the approved remuneration policy of the company			
4.1.1	The amount of remuneration paid by the company to the members of the board of directors, executive bodies and other key managers creates sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and the company's employees	1. Remuneration of members of the board of directors, executive bodies and other key executives of the company is determined based on the results of a comparative analysis of remuneration levels in comparable companies	Full compliance	
4.1.2	The company's remuneration policy is devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, ensures control over the introduction and implementation of the company's remuneration policy, revising and amending it as required	1. During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and (or) practices of its (their) implementation, assessed their efficiency and transparency, and, if necessary, submitted respective recommendations to the board of directors for revision of the said policy (policies)	Full compliance	
4.1.3	The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key managers of the company, and regulate all types of expenses, benefits and privileges provided to such persons	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key managers of the company, and regulates (regulate) all types of expenses, benefits and privileges provided to such persons	Full compliance	
4.1.4	The company defines a policy on reimbursement (compensation) of costs, detailing a list of reimbursable expenses and specifying service levels that members of the board of directors, executive bodies and other key managers of the company can claim. Such policy can make part of the company's remuneration policy	The remuneration policy (policies) defines (define) the rules for reimbursement of costs incurred by directors, executive bodies and other key managers of the company	Full compliance	

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4.2	Remuneration system for directors ensures alignment of financial interests of directors with long term financial interests of shareholders			
4.2.1	The company pays fixed annual remuneration to directors. The company does not pay remuneration for attending particular meetings of the board of directors or its committees. The company does not apply any form of short-term motivation or additional financial incentive for directors	1. In the reporting period, the company paid remuneration to the members of the board of directors in accordance with the remuneration policy adopted by the company. 2. In the reporting period, the company did not apply any forms of short-term motivation or additional material incentives to the members of the board of directors, the payment of which depends on the results (indicators) of the company's performance. No remuneration was paid for participation in individual meetings of the board of directors or the committees under the board of directors	Full compliance	
4.2.2	Long-term ownership of the company's shares helps align the financial interests of directors with long-term interests of shareholders to the utmost. At the same time, the company does not link the right to dispose of shares to performance targets, and directors do not participate in stock option plans	1. If the company's internal document(s) – the remuneration policy (policies) – stipulate(s) (stipulate) provision of the company's shares to directors, clear rules for share ownership by directors shall be defined and disclosed, aimed at stimulating long-term ownership of such shares	No compliance	Not applicable. Regulations on Payment of Remuneration and Compensations to Members of the Board of Directors do not provide for granting shares in the Company to the members of the Board of Directors.
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' mandates resulting from the change of control or any other reasons	1. The company does not provide for any extra payments or compensations in the event of early termination of directors' mandates resulting from the change of control or any other reasons	Full compliance	
4.3	The company considers its performance and the personal contribution of each executive to the achievement of such performance, when determining the amount of a fee payable to members of executive bodies and other key managers of the company			
4.3.1	Remuneration due to members of executive bodies and other key managers of the company is determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration, depending on the company's results and the employee's personal contribution	1. In the reporting period, annual performance indicators approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key managers of the company. 2. During the latest assessment of the system of remuneration for members of executive bodies and other key managers of the company, the board of directors (remuneration committee) made sure that the company applies efficient ratio of the fixed and variable parts of remuneration. 3. When determining the amount of remuneration payable to the members of executive bodies and other key executives of the company, consideration is given to the risks borne by the company in order to avoid creating incentives for taking excessively risky management decisions	Full compliance	
4.3.2	The company has in place a long-term incentive program for members of executive bodies and other key managers of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset)	1. If the company has introduced a long-term incentive programme for members of executive bodies and other key executives of the company using company shares (financial instruments based on company shares), the programme stipulates that the right to sell such shares and other financial instruments shall not arise earlier than three years after provision of the same. The right to dispose of such shares or other financial instruments is linked to the company's performance targets	No compliance	Not applicable. The Company does not have a long-term incentive stock option plan for top managers. The Company uses other management incentives based on the achievement of the KPIs set by the Company's Board of Directors.
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key managers at the company's initiative, provided that there have been no actions in bad faith on their part, does not exceed the double amount of the fixed part of their annual remuneration	1. In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of the powers of executive bodies or key managers at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration	Full compliance	

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5.1	The company has in place an effective risk management and internal control system, providing reasonable assurance in the achievement of the company's goals			
5.1.1	The company's board of directors determined the principles of, and approaches to, organising a risk management and internal control system in the company	1. Functions of different management bodies and units of the company in the risk management system and internal control are clearly defined in the company's internal documents/relevant policy approved by the board of directors	Full compliance	
5.1.2	The company's executive bodies ensure establishment and continuous operation of an efficient risk management and internal control system in the company	1. The company's executive bodies ensured the distribution functions, powers and responsibilities related to risk management and internal control between the heads (managers) of units and departments accountable to them	Full compliance	
5.1.3	The company's risk management and internal control system ensures an objective, fair and clear representation of the current state of the company and its future prospects, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure	1. The company has the anti-corruption policy approved. 2. The company has arranged for safe, confidential and accessible means (hotline) of notifying the board of directors or the board's audit committee about violations of the law, the company's internal procedures and code of ethics	Full compliance	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to its setting up determined by the board of directors, and that the system is functioning efficiently	1. During the reporting period, the board of directors (audit committee and/or risk committee) (if any) organised an assessment of the reliability and effectiveness of the risk management and internal control systems. 2. During the reporting period, the board of directors reviewed the results of the assessment of the reliability and efficiency of the company's risk management and internal control systems; information on the results of the review is included in the company's annual report	Full compliance	
5.2	The company performs internal audits for regular independent assessment of the reliability and effectiveness of the risk management and internal control system, as well as corporate governance practices			
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits. The functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the company has set up a separate internal audit business unit functionally reporting to the board of directors, or an independent external organisation with the same line of reporting is engaged	Full compliance	
5.2.2	The internal audit unit assesses the reliability and effectiveness of the risk management and internal control systems as well as the corporate governance, and applies generally accepted internal auditing standards	1. During the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system. 2. During the reporting period, internal audit assessed corporate governance practices (individual practices), including information interaction procedures (along with those related to internal control and risk management) at all management levels of the company, and interaction with stakeholders as well	Full compliance	
6.1	The company and its business are transparent for shareholders, investors and other stakeholders			
6.1.1	The company has developed and adopted an information policy ensuring an efficient exchange of information between the company, its shareholders, investors and other stakeholders	1. 1. The company's board of directors approved an information policy developed in accordance with the **Code's** recommendations. 2. 2. During the reporting period, the board of directors (or one of its committees) considered the efficiency of information exchange between the company, shareholders, investors and other stakeholders and the expediency (need) to revise the company's information policy	Full compliance	
6.1.2	The company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of this **Code**	1. The company discloses information on its corporate governance system and general principles of corporate governance applied in the company, including disclosure on a website. 2. The company discloses information on the composition of executive bodies and the board of directors, independence of the board members and their membership in the board's committees (as defined in the **Code**). 3. If the company has a controlling entity, the company publishes a memorandum of the controlling entity setting out the latter's plans for the company's corporate governance	Partial compliance	1. Full compliance. 2. No compliance: information on the personal composition of the Board of Directors was not disclosed based on Decree of the Government of the Russian Federation No. 1102 dated 4 July 2023. 3. No compliance: There is no Memorandum in place.

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6.2	The company makes timely disclosures of complete, updated and reliable information to allow shareholders and investors to make informed decisions			
6.2.1	The company discloses information based on the principles of regularity, consistency and promptness, as well as availability, reliability, completeness and comparability of disclosed data	1. The company has established a procedure that ensures coordination of work of all subdivisions and employees of the company who are related to disclosure of information or whose activities may result in the need to disclose information. 2. If the company's securities are traded on foreign regulated markets, the company ensures concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting period. 3. If foreign shareholders hold a significant amount of the company's shares, during the reporting year, information was disclosed not only in the Russian language, but also in one of the most widespread foreign languages	Partial compliance	1. Full compliance. 2. Not applicable. The Company's securities are not traded on foreign organised markets. 3. Not applicable. JSC FPC has no foreign shareholders.
6.2.2	The company avoids a formalistic approach to information disclosure and discloses critical information about its operations even if such disclosure is not required by law	1. The company's information policy defines approaches to disclosure of information on other events (actions) which have a significant effect on the value or quotation of its securities, while disclosure of which is not required by law. 2. The company discloses complete information on its capital structure, as stated in recommendation 290 of the Code, in its annual report and on the corporate website. 3. The company discloses information on controlled entities that are significant to the company, including key areas of their activities, mechanisms for ensuring accountability of controlled entities, the authority of the company's board of directors to determine strategy and assess performance of controlled entities. 4. The company discloses non-financial reports — a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change related factors), society (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of the joint stock company	Partial compliance	1. Full compliance. 2. Partial compliance. The information specified in paragraphs 1, 3, 4 of recommendation 290 of the Code shall not be disclosed in the Company's annual report on the basis of Resolution No. 1102 of the Government of the Russian Federation dated 4 July 2023. 3. Full compliance. 4. Partial compliance. The company discloses non-financial reports — a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change related factors), society (social factors) and corporate governance, within the annual report only.
6.2.3	The annual report, as one of the most important tools of information exchange with shareholders and other stakeholders, contains information enabling assessment of the company's performance in the reporting year	1. The annual report of the company contains information on the results of the assessment by the audit committee of the effectiveness of the external and internal audit process. 2. The company's annual report contains information on the company's environmental and social policy	Partial compliance	1. 1. Partial compliance. The Company's annual report contains information on the results of the internal audit quality review for the reporting year by the Audit and Risk Committee of FPC's Board of Directors. 2. Assessment of the efficiency of the external audit process by FPC's Audit and Risk Committee was not considered as a separate issue in the reporting period. When reviewing the results of audits, the Committee considers the independence, objectivity and lack of conflict of interest of FPC's auditor. 3. Full compliance.
6.3	The company provides information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access			
6.3.1	Shareholders can exercise their right of access to company documents and information without unnecessary difficulties	1. The company's information policy (internal documents defining the information policy) defines a non-onerous procedure for providing access to the company's information and documents, upon shareholders' requests. 2. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder requests information on organisations controlled by the company, the company shall make the necessary efforts to obtain such information from the relevant organisations controlled by the company	Full compliance	
6.3.2	When providing information to shareholders, the company ensures reasonable balance between the interests of particular shareholders and its own interests, consisting in preserving the confidentiality of important commercial information which may materially affect its competitiveness	1. In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified. 2. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality	Full compliance	

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7.1	Actions that significantly impact or may significantly impact the share capital structure or financial condition of the company and, respectively, shareholders position (material corporate actions) are fairly executed providing observance of rights and interests of shareholders and other stakeholders			
7.1.1	Material corporate actions include restructuring of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of significant transactions, increase or reduction of the company's authorised capital, listing or de-listing of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's articles of association define a list of transactions or other actions classified as material corporate actions pertaining to the competence of the company's board of directors	1. The company's articles of association define a list (criteria) of transactions or other actions that constitute significant corporate actions. Resolutions on material corporate actions are referred to the jurisdiction of the board of directors, according to the company's articles of association. When execution of such corporate actions is expressly referred by law to the jurisdiction of the general shareholders meeting, the board of directors presents relevant recommendations to shareholders	Full compliance	
7.1.2	The board of directors plays a key role in making decisions or working out recommendations regarding material corporate actions, relying on the opinions of the company's independent directors	1. The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof	Full compliance	
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, equal terms and conditions are ensured for all shareholders of the company, and, in case of insufficient statutory mechanisms for protecting shareholder rights, additional measures are taken to protect the rights and legitimate interests of the company's shareholders. In doing so, the company is guided by the corporate governance principles set forth in the **Code**, as well as by formal statutory requirements	1. The company's articles of association, taking into account the peculiarities of the company's operations, stipulate that the competence of the board of directors shall include approval of other transactions that are significant to the company, in addition to those provided for by law. 2. In the reporting period, all material corporate actions were duly approved before they were taken	Full compliance	
7.2	The company performs material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when performing such actions			
7.2.1	Information about material corporate actions is disclosed with explanations of the grounds, circumstances and consequences	1. If the company performed significant corporate actions during the reporting period, the company disclosed information on such actions in a timely and detailed manner, including disclosing the reasons, conditions and consequences of such actions to shareholders	Full compliance	

Sr. No.	Corporate Governance Principles	Criteria for Assessing Compliance with Corporate Governance Principle	Status of Compliance with Corporate Governance Principle	Explanations of Deviations from the Criteria for Assessing Compliance with Corporate Governance Principle
7.2.2	The rules and procedures related to material corporate actions are set forth in the company's internal documents	1. The company's internal documents provide for the cases and procedure for engaging an appraiser to determine the value of the property disposed of or acquired pursuant to a major transaction or an interested party transaction. 2. The company's internal documents set out the procedure for engaging an appraiser to assess the value of the company's shares at their repurchase or redemption. 3. If there is no formal interest of a member of the board of directors, the sole executive body, member of the collegial executive body of the company or an entity being a controlling entity of the company or an entity entitled to give instructions binding on the company in transactions of the company, but if there is a conflict of interest or other actual interest, the internal documents of the company provide that such entities shall not participate in voting on approval of such transaction	Partial compliance	1. Partial compliance. The Company's internal documents stipulate the procedure for engaging an independent appraiser to determine the market value of the disposed immovable property. 2. Partial compliance. When approving major transactions by the General Meeting of Shareholders, JSC FPC is guided by the provisions of the Federal Law "On Joint Stock Companies" and JSC FPC's Articles of Association. Thus, in order to respect the rights of shareholders to buy back shares in major transactions, JSC FPC engages an independent appraiser to assess the market value of the shares to be bought back, and the results of such assessment are reviewed by the Company's Board of Directors. 3. In internal documents, the Regulations on the General Meeting of Shareholders stipulate the submission of a share appraisal report to shareholders in the event of major corporate actions. 4. Partial compliance. Section 3.3 of the Regulations on the Board of Directors of JSC FPC (approved on 5 July 2022, Minutes of the Annual General Meeting of Shareholders No. 50) specifies the following: • a member of the Board of Directors who has a conflict of interest shall immediately notify the Board of Directors, through its Chairman or the Company's Corporate Secretary, of both the fact of the conflict of interest and the grounds for the conflict of interest. Such notification shall in any case be made prior to the discussion of the matter on which such member of the Board of Directors has a conflict of interest at a meeting of the Board of Directors or its committee with the participation of such Board member; • a Board member may not participate in decision-making if there is a conflict of interest. He/she should abstain from voting on matters in respect of which he/she has a conflict of interest; • where the nature of the matter under discussion or the specifics of a conflict of interest so requires, the Board of Directors shall have the right to propose that the member of the Board of Directors with the relevant conflict of interest not attend the discussion of such matter at the meeting

Disclaimer

This Annual Report of the Joint Stock Company Federal Passenger Company (hereinafter referred to as the Company) based on the results of work for 2023 (hereinafter referred to as the Annual Report) was prepared using information available to the Company at the time of its preparation.

This Annual Report contains information on the results of the Company's activities in 2023 and forecast data, statements regarding the intentions, opinions or current expectations of the Company regarding the results of its activities, financial position, liquidity, growth prospects, strategy, as well as the development of an industry in which Company works.

By their nature, such forward-looking statements are characterised by risks and uncertainties, since they relate to events and depend on circumstances that may not occur in the future.

The Company does not give any direct or implied representations or warranties and does not bear any responsibility in case of losses that individuals or legal entities may incur as a result of using the forward-looking statements of this Annual Report, for any reason, directly or indirectly. These individuals should not fully rely on the forward-looking statements contained in this document, as they are not the only possible scenario.

The sum of the parts of the whole is not always equal to the total due to the use of arithmetic rounding. Except as provided for by the laws of the Russian Federation, the Company does not undertake to revise or confirm expectations and estimates, as well as publish updates and changes to forecast statements presented in the Report in connection with subsequent events or the receipt of new information.

Contact Details

Full name of the Company

Joint Stock Company Federal Passenger Company

Abbreviated name of the Company
JSC FPC

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+7 (499) 262-33-49

Website
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Registrar Details

Protection of the interests and rights of FPC's shareholders is ensured through a reliable method for recording their rights to shares – the share register is maintained by an independent entity, JSC STATUS.

On 28 April 2014 (Minutes No. 15), the Board of Directors of JSC FPC approved Joint Stock Company Registrar Society STATUS as the registrar of JSC FPC and approved the terms and conditions of the contract with this registrar.

Full name of the registrar
Joint Stock Company Registrar Society STATUS

Abbreviated name of the registrar
JSC STATUS

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