

Federal  
Passenger  
Company

Annual Report  
2022

DISCOVERING THE

BEAUTY

OF OUR COUNTRY



# CONTENTS

About the Report	1
<b>01. COMPANY PROFILE</b>	
FPC at a Glance	4
Business Footprint	12
Business Model	14
2022 Highlights	17
Investment Appeal	21
Credit Ratings	21
<b>02. DEVELOPMENT STRATEGY</b>	
Message from the Chairman of the Board of Directors	24
Message from the General Director	25
Market Overview	26
Strategy	30
<b>03. PERFORMANCE OVERVIEW</b>	
Tariff Regulation	38
Marketing Initiatives	40
Corporate Quality Management System	42
2022 Highlights	46
Customer Service	52
Key Operational Highlights	59
Digital Projects	60
Financial Statements (RAS)	62
Investment Management	76
Passenger Safety	80
Russian Federation Government Relations	82
International Engagement	83

<b>04. CORPORATE GOVERNANCE</b>	
Corporate Governance System	86
General Meeting of Shareholders	93
Board of Directors	94
Corporate Secretary	108
General Director	108
Control and Audit	110
Conflict of Interest Management and Corruption Prevention	114
Risk Management	116
To Shareholders and Investors	129
<b>05. SUSTAINABLE DEVELOPMENT</b>	
Sustainability Development Management	134
Stakeholder Engagement	137
HR Management	139
Managing Environmental Impact	158
Energy Efficiency	163
Procurement	164
Charitable Activities	165
<b>06. APPENDICES</b>	
Assets of the Company	168
List of FPC's Branches and their Structural Units Certified to ISO 9001-2015	182
Major Transactions	185
Interested-Party Transactions	185
Disposal of Non-Core Assets	185
Report on Compliance with the Bank of Russia's Corporate Governance Code	196
Disclaimer	220
Contacts	221

# ABOUT THE REPORT

Joint Stock Company Federal Passenger Company (hereinafter, referred to as JSC Federal Passenger Company, JSC FPC, 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 Federal Passenger Company for 2022 (hereinafter also referred to as the Annual Report, or the Report) contains information on the performance of JSC FPC.

The Report is based on an analysis of the Company's operating data and financial performance under RAS for the period from 1 January to 31 December 2022.

Based on the results of the audit of the financial and business activities of JSC FPC for 2022, 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 26 May 2023 (Minutes No. 20 dated 29 May 2023).

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>



<https://eng.rzd.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).



# 01

## COMPANY PROFILE

**95.9** million passengers  
(+14.8 million from 2021)

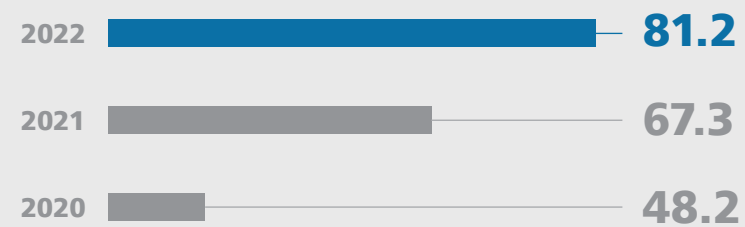
Our Company is the national passenger railway carrier of the Russian Federation. We offer transport accessibility of and geographical connectivity between 77 of the 89 areas of our country.

**14** multimodal routes  
(+10 routes vs. 2021)

**433** carriage purchased  
(including 108 double-deckers)

**250.5** RUB billion revenue  
(+33.1% vs. 2021)

**Passenger-distance**, billion passenger km travelled



MAKING THE

**FAR**

**OFF**

CLOSER



# FPC AT A GLANCE

FPC<sup>1</sup> ensures transport accessibility and connectivity between Russian regions.

**+18%**

year-on-year increase in passenger traffic in 2022

**16,100**

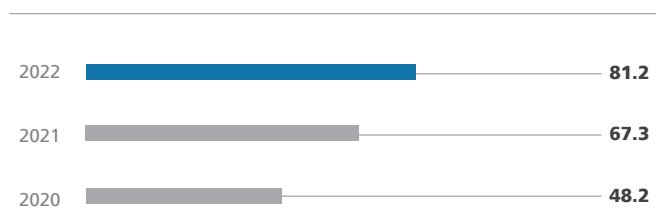
carriages rolling stock fleet

**~30**

touristic routes in 2022

**We develop travel itineraries and ensure comfort on every trip.**

Passenger-km travelled, billion



<sup>1</sup> Joint Stock Company Federal Passenger Company (JSC FPC), Primary State Registration Number (OGRN) 1097746772738, assigned on 3 December 2009 by the Interdistrict Inspectorate of the Federal Tax Service No. 46 in Moscow; Taxpayer Identification Number (INN) 7708709686. JSC FPC is a subsidiary of the Parent Company, hereinafter referred to as the parent company. Location and postal address of the Company: 34, Mashl Poryvaeva St., Moscow, 107078.

## Types of Activities



Rail passenger services on domestic routes in the regulated segment:

- Third-class open sleeping carriages;
- Fourth-class seating carriages;
- Carriages with seats;
- Motorised carriages.



Rail passenger services on domestic routes in the deregulated segment:

- 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.



Baggage, unaccompanied baggage and mail transportation:

- Baggage transportation;
- Unaccompanied baggage 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.



## Competitive advantages of long-distance trains

- Traffic safety
- Environmentally friendly mode of transport
- Extensive route network
- Over 97% train punctuality
- Travelling in any weather
- Comfortable travel
- Provision for the carriage of passengers with special needs
- Growing share of new carriages in the fleet
- Increased baggage allowance: in addition to personal items, passengers are allowed to carry hand luggage of up to 36 kg, or up to 50 kg in first-class sleeping carriages, per each ticket for free
- Children up to five years old travelling free of charge
- No long check-in procedure and proximity of train stations to city centres and other localities

## From Carriage Operator to Integrated Mobility Provider

2021

- Long-distance passenger service is on the path to sustainable recovery.
- More than 20 tourist trains were launched. The Zhemchuzhina Kavkaza (Pearl of the Caucasus) tourist train won the Made in Russia competition in the Across Russia with Love category.

2020

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

2019

- JSC FPC's 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.

2018

- Passenger-kilometres and passenger numbers increased by 6% and 8%, respectively, in 2018 — the largest year-on-year increases in FPC's history.
- A record-high number of passenger carriage replacements was achieved (724 new carriages purchased, up 70% vs. 2017).
- Over 4 million customers registered with the Bonus Loyalty Programme.

2017

- Over 3 million customers registered with the Bonus Loyalty Programme.
- FPC conducted its first Net Promoter Score (NPS) survey, achieving an overall score of 4.1 on a five-point scale.

2016

- The Company reversed its declining passenger numbers, achieving a growth of 4%.

2015

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

2014

- Credit ratings were assigned to FPC by leading rating agencies.
- A pilot project on multimodal transport was implemented.
- Lastochka electric trains were launched.

2012

- The Development Strategy of JSC FPC until 2030 was approved.
- FPC-Logistics, a logistics subsidiary focused on unaccompanied baggage and mail transport, was established.
- The Loyalty Programme was launched.

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.

2010

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

## Significant Developments in 2022

### Increased availability of domestic tourism

The year 2022 saw the successful development of FPC's tourist routes.

In April and May 2022, the tourist train called Tales of the Volga Region made scheduled trips between Moscow and Yoshkar-Ola and Sviyazhsk. Beginning on 30 April 2022, the Pearl of the Caucasus train resumed its weekly schedule along the route Moscow/Rostov-on-Don – Nalchik – Grozny – Derbent – Kislovodsk – Rostov-on-Don/Moscow. Over the course of seven days, passengers on the train can learn about the history and cultures of five southern cities, view Mount Elbrus and the Chechen Republic's mountainous landscape, travel to Dagestan to see the Naryn-Kala castle, walk through Kislovodsk's Narzanaya Gallery, and visit a number of other interesting locations. The train maintains scheduled service from May to September, with two extra runs added in 2022 due to high demand.

The Blossoming Steppe train, which runs between Moscow and Rostov-on-Don, Elista, stops at Rostov-on-Don to take passengers to old merchant homes and historic squares. In the Republic of Kalmykia's capital, passengers can see a one-of-a-kind event – the blossoming of the Kalmyk steppe. Undoubtedly one of the highlights is a trip to the Golden Temple of Shakyamuni Buddha, one of the biggest Buddhist temples in Europe.

There are other tourist trains to enjoy, e.g., Bright Weekend in the Volga Region, Baikal Express, Silver Route, To Siberia, Baikal Tale, Cultural Petersburg, Pomorsky Voyage, etc. To make tourist travel appealing to passengers, special fare approaches are being devised for them.

# >60%

of tourist train passenger traffic in 2022 was on routes to Sochi and Karelia

### Train + plane = convenience and ease

In accordance with an agreement of cooperation signed at SPIEF<sup>1</sup>–2022, the Company and the Russian Airline are working together to develop the train+plane combined transport project. Two Lastochka electric trains had their routes altered particularly to make it more convenient for travellers to and from Sochi Airport. This makes travel logistics simpler and enables trains running to/from the airport to carry three times as many passengers. The electric trains Sochi Airport – Krasnodar and Sochi Airport – Rostov-on-Don started daily scheduled service in August 2022.

The Lastochka trains have all the amenities needed for a comfortable trip, including bio-toilets, individual plugs and USB ports, and climate control systems with air disinfection. There are special seats for disabled passengers. Airline passengers can book a combined train + plane fare on the air carrier's website in the Additional services section.



<sup>1</sup> St. Petersburg International Economic Forum.

## Renewal of the FPC fleet

In 2022, the Company purchased 433 carriages for long-distance trains, including 108 double-decker carriages (sleeping carriages, dining carriages and administrative carriages). As part of its fleet expansion, FPC is adding carriages with specially designed areas that are comfortable for families with kids. A total of more than 200 such carriages were delivered last year.

Climate control, air sanitisation, and bio-toilets are all included in the rolling stock's comfort package. Each compartment has outlets for charging mobile devices and USB-ports. A total of 550 units of new rolling stock will be purchased in 2023.



## 2022 Key Developments

### Key achievements

- FPC signed a number of important agreements during the XXV St. Petersburg International Economic Forum:
  - Memorandum of understanding with the Russian Airline;
  - Agreement with the Russian Postal Service on the development of mail delivery by rail to regions where delivery by road or by land is effortful;
  - Agreements on cooperation in tourism and the expansion of transport mobility with the governments of the Orenburg Region and the Republic of Kalmykia.
- A sovereign version of the passenger carriage, model 61-4447.08, was created during the import substitution process, covering rolling stock designs and technical sovereignty.
- The FPC Collective Bargaining Agreement for 2023–2025 was signed on 15 December 2022, preserving all standard benefits for railway employees. There are various innovations in place, such as the indexation of a number of socially significant payments, and increased financial support for the promotion of physical education, sport and volunteering.
- FPC took first place in the Best Practices of Cooperation with Employers, Educational Organisations and Employment Centres nomination of the All-Russian Best Practices in Youth Employment competition organised by the Russian Ministry of Labour and Social Protection.
- The training programme for Class 3 Passenger Attendant was modified and authorised on 12 April 2022. As a result, personnel could be trained promptly for the peak summer travel season. In 2022, a record 5,475 passenger attendants received training — the largest number in the previous ten years.

### Public regulation and reforms

- New Rules for Technical Operation of Railways of the Russian Federation were approved on 23 June 2022 (Order No. 250 of the Ministry of Transport of Russia dated 23 June 2022). The rules establish a traffic management system for trains, requirements for the technical operation of structures and facilities of public railway transport infrastructure, non-public railway tracks and railway rolling stock and define the obligations of railway staff.
- New Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail were approved on 5 September 2022, (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.
- On 29 December 2022, FPC received RUB 5.9 billion worth of subsidies from the Reserve Fund of the Russian Government to fully compensate for losses in FPC's income from passenger transportation in third-class open sleeping carriages and fourth-class seating carriages (Decree of the Russian Government No. 4183-r dated 24 December 2022).



## 2022 Key Developments

### Business development

- FPC carried 95.9 million passengers in 2022, which is nearly 90% more than it did in 2019 (up 18%, or 14.8 million passengers, year-on-year).
- It is ten years since Bonus Loyalty Programme was launched. More than 8.2 million people signed up for the programme.
- In 2022, FPC passengers experienced thrilling tours around the country. During the year, cruise trains and weekend trains were set going on more than 30 routes (including regional projects).
- The route network increased to 14 multimodal routes in 2022 (just four routes were into place in 2021).
- FPC, together with the Russian Airline, organised multimodal transportation using the train + plane scheme: the departure times of FPC's trains towards Anapa, Rostov-on-Don and Krasnodar are coordinated with the arrival times of flights to Sochi Airport, and similarly the arrival times of rail transport and flight departures to the country's regions are also synchronised.
- In 2022, the Rating Committee of the Russian Union of Industrialists and Entrepreneurs assigned JSC FPC an A1 Anti-Corruption Rating Class (a company with the highest level of anti-corruption and minimal corruption risks and a minimal level of associated threat to investors, creditors, business partners and other stakeholders).
- When FPC adopted year-round ticket plans in 2022, passengers with group I disability and disabled children who are members of the Bonus Loyalty Programme were eligible for discounts of 50% in first-class sleeping carriages and 55% – in second-class sleeping carriages.
- The set of ticket plans created intends to lower the cost of travel. More than 11 million people took advantage of discounted travel.
- The Faster Payment System (FPS) was made available at FPC ticket offices for the convenience of customers. The new payment mechanism gives customers the option to pay for services without using a bank card and is accessible on all BCWS HSCs<sup>1</sup> of the FPC sales network.
- The Business Pass project has been underway since 2018. In 2022, the list of Business Pass destinations was expanded to eight routes.
- A new product, the Gift Card, was launched in December 2022. The card can be applied for three routes. You can use the Gift Card to purchase e-tickets for FPC-marshalled trains on the route of the chosen ticket plan. Depending on the Gift Card ticket plan, passengers may take two trips on a certain route in either first-class or second-class sleeping carriages.
- In 2022, 28 railway stations in the Russian Federation had queue management systems installed in order to enhance the standard of passenger service.
- The Traveller's Club, a refreshed travel rewards scheme for passengers on tourist trains, was introduced in December 2022, enabling rail aficionados to take advantage of even more perks under the Bonus Loyalty Programme. Club members can earn electronic Tourist Medals and tourist points by raiding tourist trains, which can then be exchanged for free tickets and souvenirs.
- The Mobile Customer Identification and Service System alerts train crew members about the travel of physically challenged passengers and Bonus Loyalty Programme participants in order to enhance the quality of customer service.
- In partnership with MTS Bank, a pilot project was started to take non-cash payments from passengers for services and goods using e-ticket checkout devices (before, non-cash payments could only be made to the train manager via the Terminal hardware-software complex).
- A special tour operator fare was put in place from 11 September 2022 to 31 March 2023, under which tour operators had the opportunity to use a static fare, independent of the principles of dynamic pricing, for the transportation of tourist groups in the compartment cars of domestic through-service FPC-marshalled trains covering 15 routes (round trip) of the pilot operating domain. The national "Formula of Movement" award went to the tourist train called To Karelia in the category "The Best Transport Solution in Tourism".

## Redirecting Passenger Traffic in Southern Russia

The long-distance passenger service system was tasked with ensuring the population transportation mobility due to the shutdown of airports in southern Russia and existing flying restrictions. FPC adjusted its resources and responded as flexible as it could to market conditions to ensure seamless and comfortable transport services.

The Company designated more trains running in southern Russia (in addition to those on the regular schedule) and greatly expanded the size of offering. For this purpose, FPC used cutting-edge technology to operate trains while establishing a total turnover. As a result, routes from/to the country's central areas to/from the Black Sea coast resorts could be served by passenger trains made up in the eastern regions of the country and operated by train personnel from FPC's Far Eastern, East Siberian and West Siberian branches.

During peak periods, up to 550 long-distance trains departed from stations all over the country every day. Over 2,300 extra trains, including about 1,500 trains heading to the south of the country, ran in addition to the regular trains throughout the summer holiday time.

Thanks to the hard effort of its personnel, FPC organised the uninterrupted transportation of 42 million people during the summer period, up 17% year-on-year. For their summer vacations, more than 10 million people opted to travel by rail to places along the Black Sea coast and in the North Caucasus.

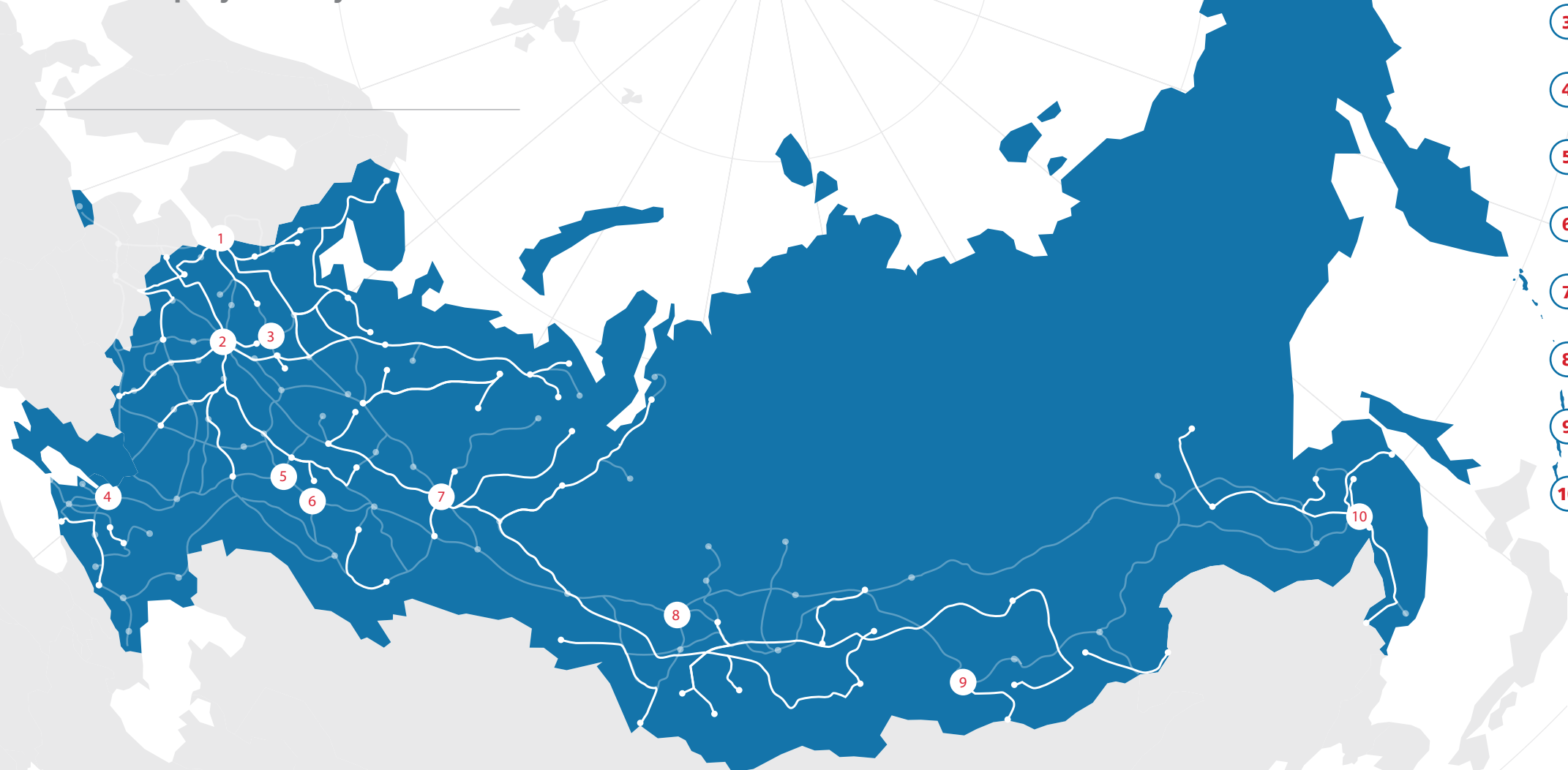


<sup>1</sup> Booking Clerk Workstation Hardware-Software Complex.

# BUSINESS FOOTPRINT

JSC Federal Passenger Company is a national rail passenger carrier of the Russian Federation and an entity subject to anti-monopoly regulation. The rail infrastructure of the Parent Company forms the basis of FPC's route network (over 85,600 km as at the end of 2022) — the world's third-longest rail network.

## Parent Company's railway infrastructure



### Branches of JSC FPC

- 1 Northwest 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 East Branch  
Khabarovsk

- AJSC FPC provides rail passenger service to **77 out of 89 regions of the Russian Federation**, thus offering transport accessibility and geographical connectivity of the territories.
- The Company's route network includes several domestic routes, which have no other alternative modes of transport. Such routes are marked on the map, and a complete list is given in the Appendices.
- Starting in February 2021, a phased restoration of international railway passenger services to **the Republics of Belarus, Kazakhstan, Uzbekistan, Tajikistan, Mongolia and the Kyrgyz Republic** was initiated, based on a presentation by the operational headquarters to prevent the introduction and spread of new coronavirus infection in the Russian Federation. This allowed for the international direct and transit transportation of passengers to seven countries, including trains to the Republic of Abkhazia.

**>85,600**

km – route network

**17**

years – average age of the fleet

**50.5**

thousand people – Company's headcount

**16.1**

thousand carriages – rolling stock fleet of the Company

**77**

Russian regions covered by the route network of JSC FPC

- Railway infrastructure of the parent company
- Socially important routes



# BUSINESS MODEL

## Federal Passenger Company

### KPI

- Fleet availability factor
- Effective corporate governance practices

### KPI

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

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

### 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 **22.0%**
- Internet **74.3%**
- Agencies **3.7%**

### Key values

#### For passengers

- Safe, affordable and comfortable travel
- 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

### Key partners

#### Parent Company and its branches

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

#### Commuter companies

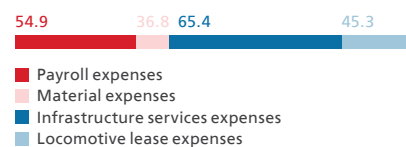
- Ticket sales, multimodal transport services

### Key resources

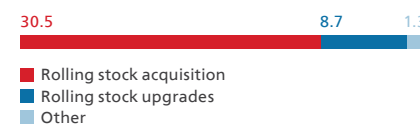
- Carriage fleet **16.1 thousand carriages**
- Carriage turnover **2,563.7 million carriage kilometres**
- Loans and borrowings as at 31 December 2022 **66.5 RUB billion**
- Average headcount **50.5 thousand people**
- Technical services and maintenance **~400 contractors**
- Equipment and materials**
  - 22 depots
  - 37 carriage sites
  - 10 railway agencies
  - Vehicle Transport Centre

### Distribution of key financial flows

#### Operating activities, RUB million



#### Investment activities, RUB million



#### Financial activities

Interest payable **6.1 RUB million**

### KPI

- Passenger departures
- Net debt/EBITDA

### Cost breakdown

#### Cost breakdown, RUB billion



### Net profit (loss)

**11.0 RUB million**

### KPI

- Revenue from regular activities
- EBITDA margin

### Revenue breakdown

#### Revenue breakdown, RUB billion



#### Federal subsidies

**12.1 RUB million**

### Customers

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

Key

risks\*

\* In accordance with the Risk Management section

### JSC FPC's assets at the end of 2022 (as of 31 December 2022)



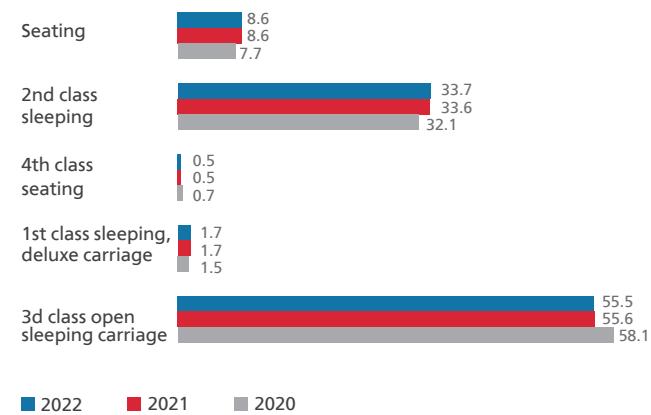
## 2022 HIGHLIGHTS

### Operating Indicators

Indicators	2020	2021	2022	Change 2022/2021, %
<b>Billion passenger-km travelled</b>	<b>48.2</b>	<b>67.3</b>	<b>81.2</b>	<b>120.7</b>
On FPC trains	47.6	66.7	79.9	119.9
Deregulated segment, incl.:	18.1	27.1	32.9	121.2
• Domestic service	17.8	26.1	31.2	119.5
• International service	0.3	1.0	1.6	167.3
Regulated segment, incl.:	29.4	39.6	47.1	119.0
• On trains of the CIS and Baltic States	0.6	0.6	1.2	217.4
<b>Passengers carried, million passengers, incl.:</b>	<b>59.0</b>	<b>81.2</b>	<b>95.9</b>	<b>118.2</b>
• deregulated segment	23.3	33.8	40.5	119.7
• regulated segment	35.7	47.4	55.5	117.1
<b>Average train composition, carriages (TsO-33 format)</b>	<b>9.9</b>	<b>11.4</b>	<b>11.9</b>	<b>104.2</b>



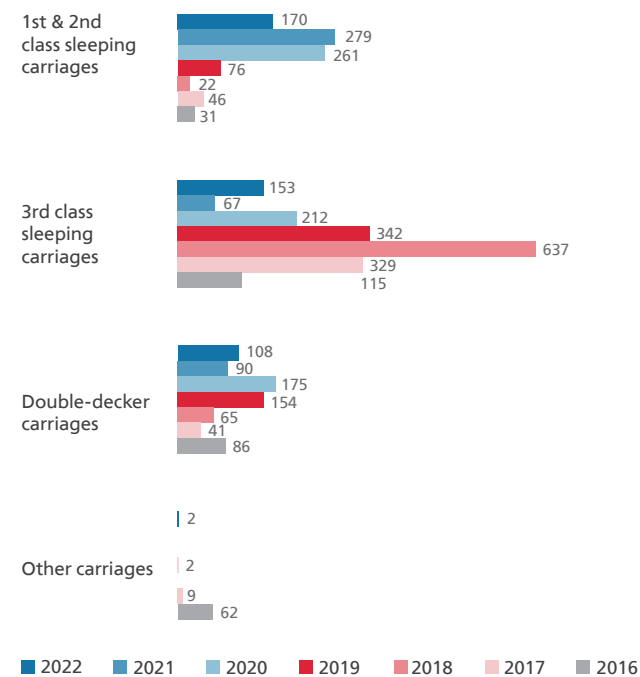
**Passenger turnover by carriage type, %**



**Factors influencing the change in passenger-km in 2022**

- Regulated segment:
  - Change in transport activity of the population (+19.3% vs. 2021)
  - Replacement of single-decker trains with double-decker trains (-0.7% vs. 2021)
  - Marketing promotions (+0.4% vs. 2021)
- Deregulated segment:
  - Change in international rail service (+2.0% vs. 2021)
  - Change in transport activity of the population (+15.9% vs. 2021)
  - Replacement of single-decker trains with double-decker trains (+1.4% vs. 2021)
  - Marketing promotions (+1.9% vs. 2021)

**Dynamics of rolling stock acquisition**

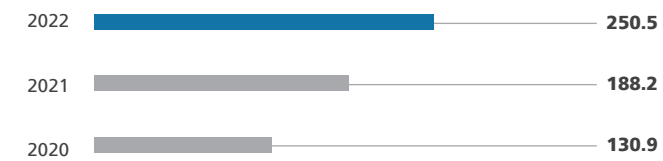


The train make-up plan, which takes into consideration the available FPC-owned fleet of carriages, determines the structure of carriage purchases for the current year.



**Financial Indicators**

**Operating revenue, RUB billion**

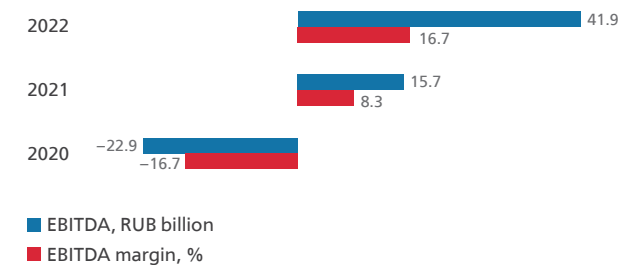


Revenue from core activities grew to RUB 62.3 billion by 2021, including:

- Passenger transportation revenues increased by RUB 54.2 billion because of higher passenger turnover
- Revenue from other activities increased by RUB 8.0 billion, mainly driven by the rise in passenger carriage rental applications, the quantity of bedding, and the value-added services offered to customers

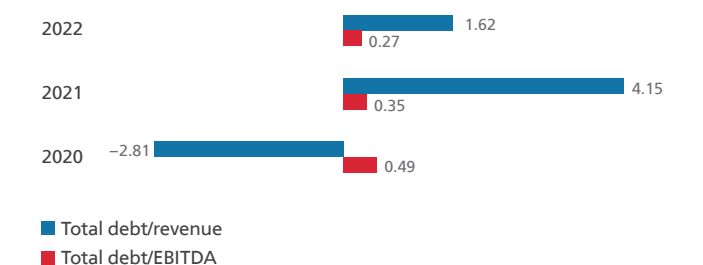


**EBITDA and EBITDA margin, including subsidies**



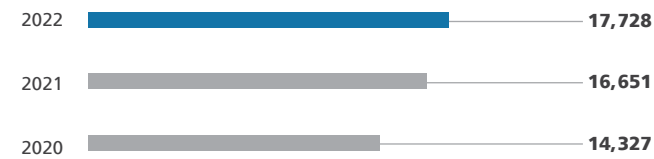
The increase in EBITDA margin from 2021 level is the result of greater revenues brought on by an increase in passenger turnover in 2022.

**Total debt to revenue and EBITDA ratio**

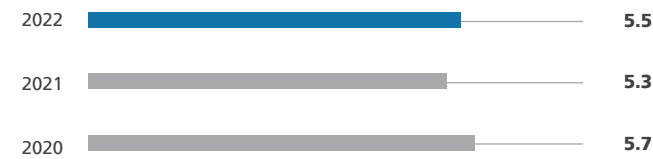


## Sustainable Development Indicators

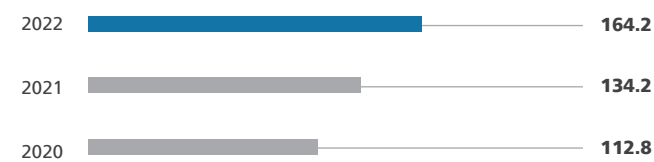
### Personnel trained, people



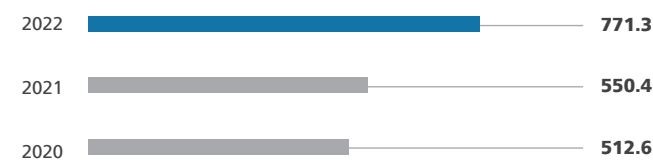
### Amount of social security benefits, per retiree (RUB '000)



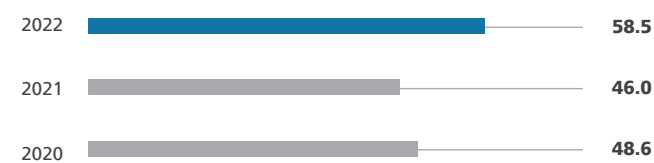
### Personnel training costs, RUB million



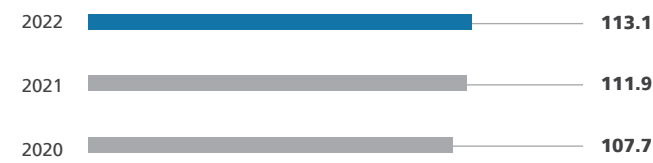
### Occupational health and safety costs, RUB million



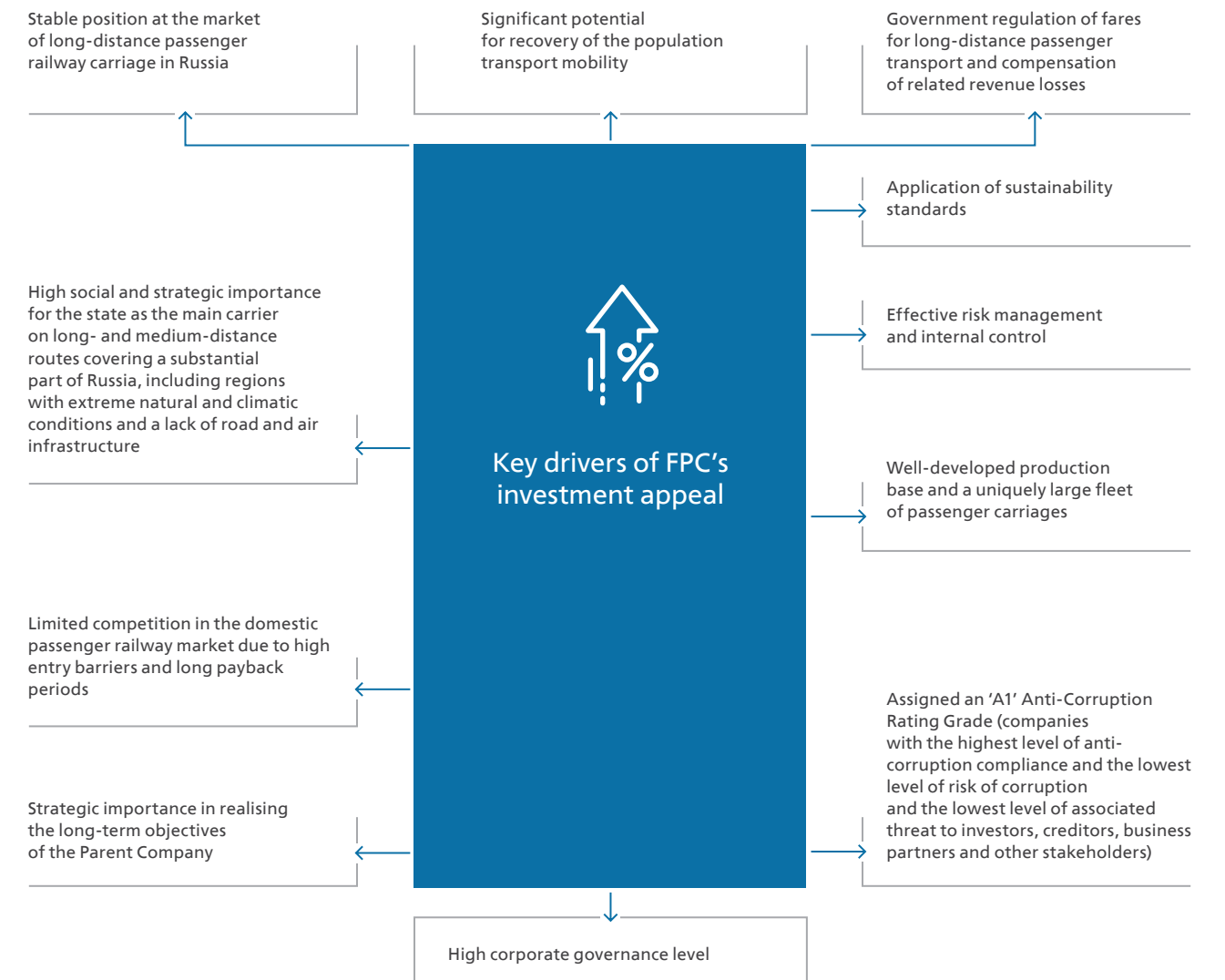
### Amount of social security benefits, per employee (RUB '000)



### Electrical energy, million kWh



## INVESTMENT APPEAL



## CREDIT RATINGS

In December 2022, the Analytical Credit Rating Agency (ACRA) affirmed its AA+(RU) high credit quality rating for FPC, with a stable outlook.

# 02

## DEVELOPMENT STRATEGY

**> 81.2** thousand km  
length of the railway network

In 2022, the Company expanded the traffic volume, made investments in the renewal of the rolling stock and lessened its adverse environmental impact in accordance with its development strategy.

**46** RUB billion  
volume of the Investment Programme in 2022

Strategic goals for 2030

**16%**  
reduction of greenhouse gas emissions



**122** million  
passengers  
dispatched



**431** RUB billion  
annual income

# ENFO

# RCING

THE COMPANY'S CAPACITIES



# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

## Dear shareholders and colleagues,

The Russian railway passenger service system saw historically unparalleled changes in 2022, necessitating quick decision-making and efficient corporate procedures to adapt to the new circumstances. JSC FPC demonstrated that it is a stable, sustainable and socially responsible company with a lot of potential.

The Company finished the year with a net profit that was 1.7 times greater than the pre-pandemic 2019 figure. ACRA affirmed JSC FPC's credit quality rating at the high level of AA+(RU), with a stable outlook. This implies that the Company will keep generating profitable operating and financial results.

There has been a sustained positive trend in terms of passenger traffic volume. In doing so, the Company has passed another test and proved that it is ready for the increased demand and is growing, while keeping travellers' wishes and needs in mind, and thus guarantees convenient travel and top-notch service at every stop along the way.

Due to air traffic restrictions in some areas of the Russian Federation, the Board of Directors' primary focus in 2022 was on swift decision-making to ensure the population's access to transportation options. To this end, the Board of Directors adopted a number of strategically significant decisions, including adjustments to the investment programme, approval of parameters for major investment projects, and approval of a major transaction for the purchase of rolling stock.

For instance, the 2022 investment programme volume (with a total of RUB 40.6 billion) exceeded the same figure for 2021. The bulk of the funds (96.6%) was spent on the purchase of new carriages and the upgrade of rolling stock. The fleet of the Company received 108 advanced double-decker carriages and 325 single-decker carriages. Climate control, air sanitisation, and bio-toilets are all included in the rolling stock's comfort package. One of the Company's top priorities continues to be the development of new varieties of rolling stock in partnership with manufacturers.

Last year, new bistro carriages were added to the fleet, offering more room and two seating options for guests to relax comfortably and enjoy their time. There has been a considerable increase in demand for the train meal delivery service and an expansion of the list of trains that have a new catering concept.

Rail tourism is becoming more popular. Since 2020, this transport sector has been expanding rapidly, and about 30 tourist trains, including regional projects, were offered to passengers in the reporting period. In 2023, passengers will have access to even more travel options. Rail cruises offer a distinctive style of travel where a train serves as a mobile hotel, being a full-fledged element of tourist infrastructure.

I am confident that the experience we have gathered will provide the groundwork for future successes and help JSC FPC accomplish its goals, build on promising trends, and effectively grow.

Chairman of the Board of Directors, JSC FPC

# MESSAGE FROM THE GENERAL DIRECTOR

## Dear shareholders, partners and colleagues,

The previous year served as a test for FPC, which the Company passed with flying colours. Experience gained through time, the best railway traditions paired with innovation, and of course the hard work of a team of thousands of people, are what go into every accomplishment. I really appreciate our staff's devotion and professionalism.

The establishment of a seamless train management process, the extension of the train route network, including double-decker and tourist trains, the renewal of rolling stock, and the provision of a high-quality product offering continue to be our primary tasks.

Assuring stable traffic throughout the summer months in the face of much higher demand is the most important of the objectives outlined for 2022. Passenger traffic to/from the southern resorts increased by almost 30% by 2021 and was 10% higher than in pre-pandemic 2019. Along with assigning more train runs, we changed the way we organise our transportation service. For instance, the heavily-used Centre-South route was served by trains and train crews from branches of the Eastern operating domain. This was the first time that such train turnaround technology was used. In southern Russia, three Lastochka electric trains were extended to the Sochi Airport Station as part of a joint project with the Russian Airline to provide passengers with convenient train and airline travel options.

Families travelling together received our special consideration, allowing for their more comfortable cross-country travel. The Company's rolling stock fleet had more than 200 new carriages added in 2022, including more recent models with cheerful child compartments. Families with children are now able to make holiday arrangements at a reduced cost thanks to special fare offerings. For school-age children, there was a Happy Holidays promotion in place during the summer period, and under the loyalty scheme, a discount was made accessible all year long for families with many children.

FPC continues to provide an environment where employees can perform their jobs effectively. We are implementing progressive production process automation and the use of cutting-edge digital technology for crew training. For instance, since last year, our staff no longer needs to complete paper forms for carriage occupancy and bed linen consumption because they have been replaced with an electronic version. Thus, attendants can spend more time focusing on the service aspect and on interaction with passengers.

For JSC FPC, social stability and the growth of human capital are equally crucial. In addition to supporting seasoned personnel, the Company aids young people in realising their potential. We recently signed a new Collective Bargaining Agreement for 2023–2025, which synchronised major payments and conditions with the Parent Company's collective bargaining agreement, while also retaining the usual benefits and guarantees.

Environment protection is another focus area for FPC. Nearly twice as much waste as in 2021 was sent for recycling, disposal, and treatment in 2022. The operation of new carriages with separate waste collection system in place was the primary factor in the Company's ability to accomplish these noteworthy results.

The intensity of pollutant emissions per 1.000 passenger-km decreased by 16% year-on-year. Gasification of boiler houses and the procurement of carriage with centralised power supply, which lowered the consumption of coal and fuel oil, helped to make this possible. GHG intensity also fell by 16% in 2022.

Railway sector is still one of the cleanest and greenest, and the Company is making every effort to further lessen its impact on the environment.

I am positive that JSC Federal Passenger Company will prosper in 2023 and continue to occupy a strong position in the transportation sector.

General Director, JSC FPC

# MARKET OVERVIEW

Key economic growth indicators<sup>1</sup>

% of the corresponding period of the previous year

Indicators	12 months of 2022
GDP	97.9
Consumer Price Index	113.8
Investment in fixed assets <sup>2</sup>	105.9
Unemployment rate	3.9
Retail sales	93.3
Sales of paid retail services	103.2

According to Rosstat, the first estimate of Russian GDP for 2022 is up 97.9% year-on-year. The GDP deflator index for 2022 relative to 2021 prices was 114.3%.

There was a decline in consumer activity as at the end of 2022. The total turnover of retail, public catering and paid services was down 4.1% year-on-year.

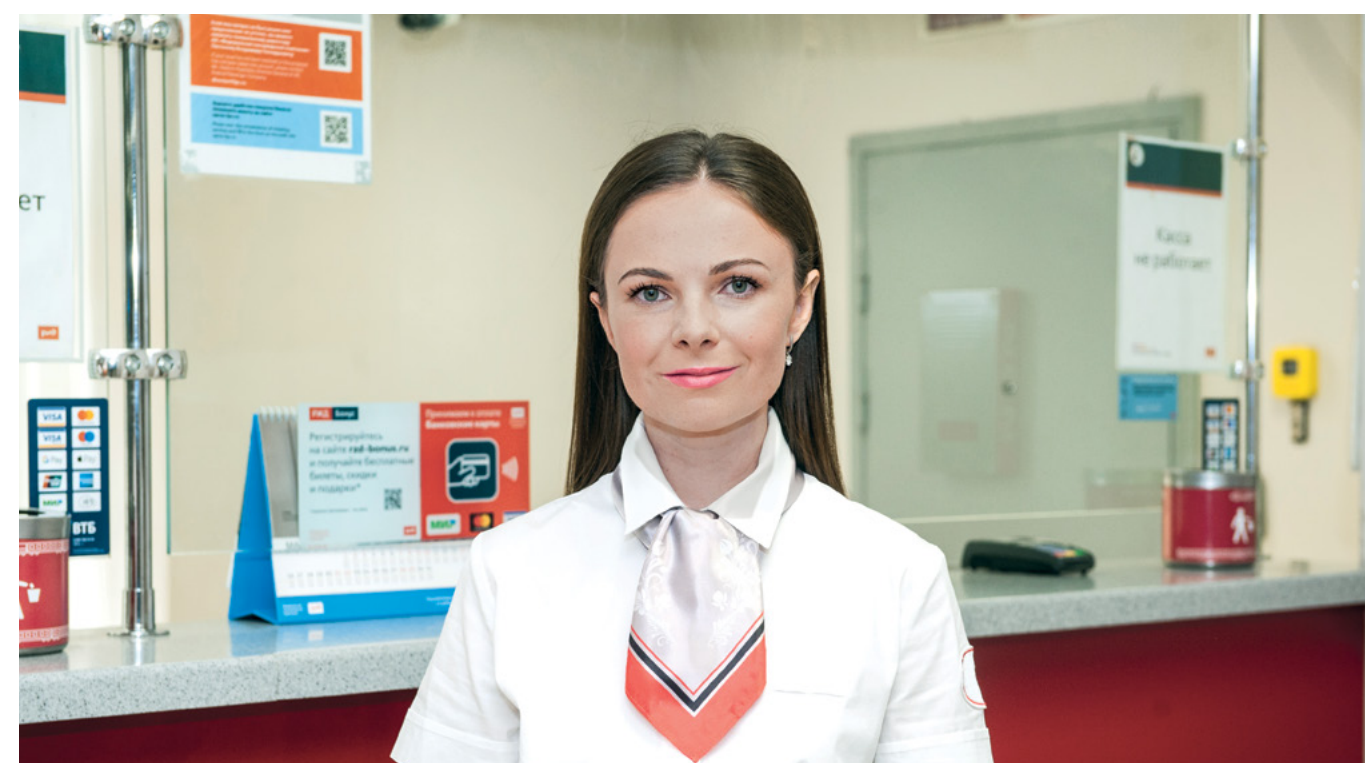
The labour market is in a stable state. The average annual unemployment rate over the year is 3.9% (4.8% in 2021). Similar to the previous month, the percentage of unemployed people in December stayed at a historic low of 3.7% of employables.

During the reporting period, the consumer price index was 113.8% (a year earlier – 106.7%), the retail turnover fell to 93.3% (a year earlier – 107.8%), and the volume of paid services to the population fell to 103.2% (a year earlier – 116.7%).

The average monthly nominal gross wage in November 2022 increased by 12.3% compared to the corresponding period in 2021 and amounted to RUB 63,060.

<sup>1</sup> Rosstat data ([rosstat.gov.ru](https://rosstat.gov.ru)).

<sup>2</sup> Nine months of 2022 to nine months of 2021.

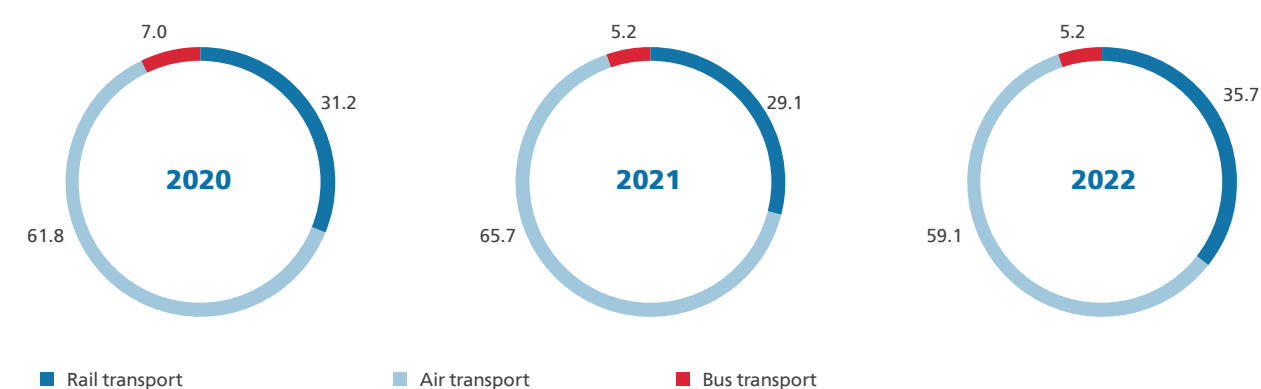


## Russian Transport Market

FPC's main competition in the long-distance passenger market is from airlines, coach service operators, and private road transport. Competition in the long-distance passenger transport market has intensified considerably in recent years. Rail transport has ceased to dominate the long-distance

passenger market as airline industry grew, the number of private vehicles increased, modern car-sharing services developed, government support was rolled out to promote regional aviation, and new highways and airports were constructed and upgraded.

Structure of the domestic passenger transport market, %



Carrier	2020	2021	2022
<b>Railway including</b>	<b>31.2</b>	<b>29.1</b>	<b>35.7</b>
<b>JSC FPC</b>	<b>27.7</b>	<b>26.0</b>	<b>31.1</b>
Directorate for Higher-Speed Services, a branch of the Parent Company	1.8	1.7	1.8
CJSC TransClassService	0.3	–	–
JSC Grand Service Express Transport Company	1.0	1.2	2.4
Other	0.4	0.2	0.4

Sources: railway transport – statistical reporting by TsO-33, TsO-32, air transport – Federal Air Transport Agency ([www.favt.ru](http://www.favt.ru)) and expert evaluation according to Federal Air Transport Agency, bus transport – expert evaluation according to Rosstat ([www.gks.ru](http://www.gks.ru))

Due to the situation on the passenger traffic market, specifically the reduced number of aircraft and the closure of several airports beginning on 24 February 2022, in southern

Russia in connection with a special military operation, the share of passenger traffic by rail increased from 29.1% in 2021 to 35.7% in 2022.

According to JSC FPC's budget, passenger traffic and the total number of passengers carried are projected to increase by 1.9% and by 1.6%, respectively, in 2023 compared to 2022.

According to Resolution No. 1693-r of the Government of the Russian Federation dated 25 June 2022 under the Comprehensive Programme for the Development of the Russian Federation's Air Transport Industry until 2030, domestic air lines are expected to carry 1.2% more passengers in 2023 than in 2022.

The average distance covered by FPC domestic trains during the first 12 months of 2022 climbed by 2.2% compared to the same time period in 2021 and totalled 846 km, which consequently resulted in outpacing growth in passenger turnover relative to the number of passengers carried (2.6 p.p.).

Currently, FPC dominates the long-distance passenger rail transportation business, but there is growing internal rivalry from companies like Directorate for Higher-Speed Services (a branch of the Parent Company) and Grand Service Express.

JSC FPC's share in the volume of long-distance domestic traffic among Russian railway carriers for 2022 was 87.1%, which just marginally (by 2.0 p.p.) less than it was during the same time period in 2021.

The major causes of FPC's falling share in the railway traffic volume are the development of the route network to locations where there is no service provided by FPC-marshalled trains and the speed-related advantages of rivals' rolling stock.

## International Transport Market

As agreed upon with foreign railway authorities, all international passenger trains were suspended in March 2020 to stop the spread of a new coronavirus infection (COVID-19).

Before restrictions were imposed in 2020, FPC provided direct and transit passenger services to and from 23 European and Asian countries: Germany, France, Poland, Austria, the Czech Republic, Monaco, Italy, Finland, China, Mongolia, North Korea, Latvia, Lithuania, Estonia, Ukraine, Moldova, Belarus, Abkhazia, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Azerbaijan.

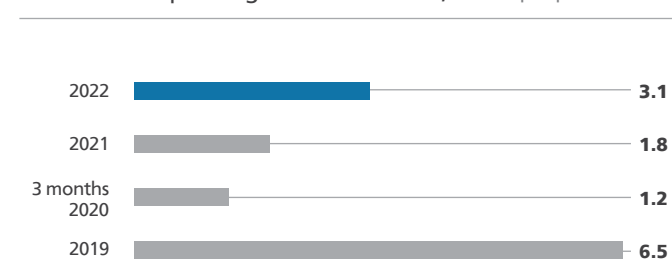
JSC FPC offered passenger transportation service between the following countries in 2022:

- Russian Federation and the Republic of Belarus. The number of passengers carried in 2022 was 2,459,900 passengers;
- Russian Federation and the Republic of Abkhazia. The number of passengers carried in 2022 was 358,900 passengers;
- Russian Federation and the Republic of Kazakhstan. The number of passengers carried in 2022 was 154,300 passengers;
- Russian Federation and the Republic of Uzbekistan. The number of passengers carried in 2022 was 71,900 passengers;
- Russian Federation and Mongolia. The number of passengers carried in 2022 was 20,600 passengers;

- The Russian Federation and the Republic of Tajikistan. The number of passengers carried in 2022 was 15,200 passengers;
- Russian Federation and the Kyrgyz Republic. The number of passengers carried in 2022 was 8,900 passengers.

The total number of passengers carried internationally in 2022 approximated 3,089,700 people, up 176.5% year-on-year, including 2,710,200 passengers carried to/from CIS and Baltic countries (up 188.4% year-on-year), 358,900 passengers carried to/from Abkhazia (up 115.1% year-on-year), and 20,600 passengers – to/from Mongolia.

International passenger traffic volume, million people



## FPC's Peers

Indicators	JSC FPC			DB Fernverkehr (Germany)			SNCF Voyageurs <sup>1</sup> (France)		
	2021	2022	Growth rate, %	2021	2022	Growth rate, %	2021	2022	Growth rate, %
Passengers carried, million people	81.2	95.9	18	81.9	132.0	61	104.9	105.4	0
Revenue, EUR billion	2.2	3.5	61	2.9	5.0	71	5.4	8.5	59



### 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 cited 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. FPC has 10 regional branches and an extensive network of depots and carriage sites, as well as an ample amount of highly skilled personnel to support all business processes.

<sup>1</sup> Data are provided for the TGV-INTERCITÉS transport company operating long-distance trains in France.



# STRATEGY

As a key business unit of the Parent Company, FPC's operations in general are focused on achieving financial, economic, and volume targets set out in the Parent Company's Long-Term Development Programme until 2025 (LDP) approved by the Russian Government.

In 2019, JSC FPC developed and approved the Long-Term Development Strategy until 2030<sup>1</sup> and set up a framework for its implementation.

The Company also approved the Regulations on the Key Performance Indicator System of JSC FPC<sup>2</sup> in an effort to encourage its management to use a system of targeted key performance indicators (KPIs) to meet its strategic objectives.

## Mission

We are improving the quality of life by offering extremely safe, affordable and comfortable passenger experience.

<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 11 dated 27 December 2019).

<sup>2</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 12 dated 30 December 2022).



## Vision

JSC Federal Passenger Company is Russia's leader in passenger mobility. It is a highly efficient, financially sound, and customer-focused company that strives to enhance value while ensuring sustainable development in passenger mobility across customer segments and regions of Russia, covering key long-distance destinations in demand.

### 01 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

### 03 Socially responsible company

- Sustainable development of mobility across customer segments and regions of Russia

### 02 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 multimodal transport services

### 04 Highly efficient, financially stable company

- Maximising financial results and ensuring self-sufficiency in operations

Quantitative characteristics of FPC's vision in 2025<sup>1</sup>

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 98 billion (cumulatively in 2023–2025)
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 significantly increasing the average train speeds, developing comprehensive combined transport operations (such as multimodal 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 Strategy assumes the Company retains its current role within the strategic development programme of the Parent Company.

## FPC's strategic goals

Indicators	2025	2030
Passengers carried, million passengers	118	122
Revenue, RUB billion	330	431
EBITDA, RUB billion	53	82
Net debt/EBITDA	Not more than 2	
Carriage acquisition volume	>3,100 (cumulatively between 2023 and 2030)	

## 2022 Strategy delivery summary

Despite the shifting economic and geopolitical conditions in Russia in 2022, the Company was able to adjust to the new realities and work to maintain and enhance transport accessibility despite the closure of airports in southern Russia, boost passenger traffic, spur demand for passenger transportation, and reduce costs. FPC carried around 96 million passengers in 2022.

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 include modern and comfortable carriages.

## Strategic Areas of Development



## Network

In 2022, the route network of double-decker trains was expanded. New double-decker trains such as No. 66/65 Moscow – Togliatti, No. 22/21 Moscow – Ulyanovsk, No. 54/53 Moscow – Cheboksary, No. 58/57 Moscow – Yoshkar-Ola, No. 30/29 St. Petersburg – Belgorod, No. 160/159 Petrozavodsk – Moscow and No. 32/31 Moscow – Orsk were included into schedules service.



## Fleet

In 2022, 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:

- Existing model range of carriages;
- 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 baggage areas;
- Advanced technology intensiveness.

In 2022, 433 new carriages (325 single-decker and 108 double-decker) 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.

The transition to the new product line is still in progress as of the end of 2022.



## Multimodality

In 2022, there were six multimodal routes served by the Company: Kostroma – Yaroslavl, Vologda – Yaroslavl, Boksity – Serov, Belgorod – Rossosh, Arzamas – Diveevo and Ussuriysk – Andreevka.

By the end of 2022, around 45.300 passengers were carried on multimodal routes.

FPC plans to increase multimodal services and improve the efficiency of existing routes.



## Other business lines and adjacent businesses

To improve its market reliability, FPC diversifies its activities and promotes businesses that boost the economic viability of transportation:

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

Developments of 2022 in this area:

- Unaccompanied pet carriage service was made available
- Payment for travel documents at FPC's ticket offices via the FPS was introduced
- Map of tourist routes was significantly expanded A total of about 30 tourist trains, including regional projects, were offered to passengers in 2022. Over 100,000 people used the service last year. New routes will be offered to passengers in 2023.

<sup>1</sup> In accordance with the approved Strategy of JSC FPC.

## Key Performance Indicators

The Company's KPI system is used to evaluate FPC's performance and contribution to the implementation of the Parent Company's strategic goals.

The list of KPIs and the methodology for calculating the extent of KPI fulfilment are determined by the Regulations on the System of Key Performance Indicators for the Purposes of Bonus Payment to JSC FPC Managers<sup>1</sup> (hereinafter referred to as the Regulations).

FPC's corporate KPIs reflect the Company's performance in the reporting period and are based on the strategic goals and objectives set for the Company.

The reporting period during which KPIs are evaluated is one year in accordance with the Regulations' criteria.

The list of corporate KPIs of JSC FPC for 2022 includes the following indicators:

- Passenger satisfaction index (long-distance trains);
- Fleet availability factor;
- Traffic safety level;
- Passenger departures;
- Revenue from regular activities;
- EBITDA margin;
- Net debt/EBITDA;
- Effective corporate governance practices.

Targets were set for each indicator. The target values for all of JSC FPC's corporate KPIs were achieved by the end of 2022.

## FPC's Key Objectives for 2023

FPC's key objectives for 2023 are as follows:

- Consolidating the Company's position in the passenger market through route network expansion, offering a new level of customer service, rolling stock replacement, and operational infrastructure upgrade and modernisation;
- Implementing the initiatives outlined in JSC FPC's Development Strategy until 2030. Key initiatives to be implemented in 2023: expanding the double-decker service footprint, launching new trains, enhancing the competitiveness of the existing product range, and replacing the rolling stock;
- Ensuring guaranteed quality of transportation;
- Designing and implementing integrated marketing projects to develop new offerings in the passenger market;
- Bringing the long-distance passenger satisfaction index to at least 87.5 points;
- Improving the level of traffic safety;
- Undertaking the measures to minimise the adverse environmental impact;
- Developing the human capital of JSC FPC;
- 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.

<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC (extract from Minutes No. 12 dated 30 December 2022).



# 03

## PERFORMANCE OVERVIEW

**+20.7%**

increase in passenger distance in 2022

An effective marketing strategy, an increase in rolling stock and compliance with the corporate quality management system with ISO 9001:2015 quality standard criteria are some of the contributors to the growth of transportation volume, higher-quality service and upgrading of the rolling stock.

**+33.1%**

increase in operating revenue

**39.2 RUB billion**

investments in the renewal and upgrade of rolling stock

Strategic goals for 2030



**127,000**

travelers on tourist trains (+13.1%)



**87.6** points

out of 100 – index of passenger satisfaction with service quality

**+31%**

increase in the number of passengers on double-decker trains

# EXPANDING

THE HORIZONS OF WHAT IS POSSIBLE



# TARIFF REGULATION

## Regulated Transportation Segment

The Tariff Guidelines approved by Decree No. 156-t/1 of the Federal Tariff Service (FTS of Russia) dated 27 July 2010 set the fares for travelling in third-class open-plan sleeping and fourth-class seating carriages on locomotive-hauled passenger and express trains, as well as first-, second- and third-class motorised carriages on express trains. The fares are indexed annually and depend on the train category, carriage type and travelling distance.

From 1 January 2022, fares in this transportation segment are indexed by 4.3% to the level of 2021 (Order of the Federal Anti-Monopoly Service (FAS of Russia) No. 1193/21 dated 28 October 2021).

From 1 October 2022, fares were additionally indexed by 6.52% (FAS of Russia Order No. 676/22 dated 23 September 2022).

It should be noted that with the additional indexation, the average annual increase in fares in the regulated transport segment was 6%.

Since 2003, applicable laws allow for tariff differentiation. To reduce seasonal fluctuations in demand, indexes differentiated by calendar periods are applied to base fares.

Since 2021, JSC FPC has been granted the right to establish calendar-period differentiated indices to the tariff rates with a maximum index of 1.2. The indices are calculated depending on demand changes at a level, which ensures that their average annual value does not exceed 1.0 (Order of the Federal Anti-Monopoly Service No. 1193/21 dated 28 October 2021), and approved by the Company's internal regulatory documents.

Starting from 2015, FPC can adjust tariffs for third-class open sleeping carriages within the set price limits, which enables various marketing promotions in the segment.

We continued to run marketing campaigns to generate demand for tickets in third-class open sleeping carriages and fourth-class seating carriages. Reduced fares for certain categories of seats and berths (depending on their location) has made passenger services more affordable for different passenger categories without exceeding the price limits set in Decree of FAS Russia No. 1193/21 dated 28 October 2021.

A zero VAT rate for long-distance public rail passenger services was set as from 2017 under Federal Law No. 401-FZ dated 30 November 2016 On Amendments to Parts One and Two of the Tax Code of the Russian Federation and Certain Legislative Acts of the Russian Federation.

## Deregulated Transportation Segment

The Company may set the prices of fares for first-class and second-class sleeping carriages at its discretion in line with item 5 of the List of Services of Natural Rail Monopolies with Regulated Fares, Fees and Charges.

JSC FPC may also set the prices of fares for domestic public rail passenger services on higher-speed trains at its discretion. 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.

As a result, in the deregulated segment, FPC provides passenger services in the second- and first-class sleeping carriages, deluxe carriages, and in all types of carriages on higher-speed trains.

In this segment, FPC may set the prices of passenger fares at its discretion.

In the deregulated segment in 2022, the dynamic pricing system and numerous marketing campaigns served as the primary fare-setting instruments.

## Dynamic Pricing System

Within the established timeframe, FPC replaced the dynamic pricing system (Sabre) with domestic software included in the Unified Register of Russian Computer Programmes and Databases.

The year-round domestic long-distance trains were transferred to the software named Dynamic Fare and Demand Management System – ACS Express-3 (hereinafter – DFDMS) from the date of sale – no later than 12 January 2023, from the date of departure – no later than 25 January 2023.

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.

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

FPC runs 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 plays an important role in retaining existing customers and attracting new ones.

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

## 10

ticket plans

implemented in 2022 (>35 point marketing initiatives)

FPC is a business that caters to a wide range of customers. The emphasis of the promotional tariff strategy changed from the execution of one-time promotions and discounts to the adoption of year-round ticket plans in order to increase availability of transport service and attract passengers in 2022:

- "On your birthday, better by train" (applies to all types of carriages; 10% birthday discount for a birthday person and up to three companions)
- 20% discount on the purchase of a non-refundable ticket on a second-class sleeping carriage
- 50% discount for children aged 10-17 in fourth-class seating carriages, second-class sleeping carriages of double-decker trains, and 2nd- and 3rd-class sitting carriages
- "Entire Compartment" – up to a 20% discount on the purchase of an entire compartment in the sleeping carriage

## ≈1.2

million additional passengers

in 2022 thanks to a flexible pricing policy

- "SINGLE" – a discount of up to 30% on the purchase of the entire compartment in the first-class sleeping carriage
- "Off-peak season" Special fares in the second-class sleeping carriages of trains travelling to the resorts of the Russian Black Sea coast
- "Large family" – 15% discount in second-class sleeping carriages for Bonus Loyalty Programme member
- "For 60+ passengers" – 15% discount in second-class sleeping carriages for passengers aged 60 and over
- "Discount in third-class open sleeping carriage" – a discount of up to 30% in third-class open sleeping carriages, depending on the location of a berth reserved
- Passengers with the 1st- degree of disability and disabled children who are Bonus members, along with a companion, are entitled to book tickets in first-class sleeping carriages with a 50% discount and in second-class sleeping carriages – with a 55% discount

About 17 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.

In 2022, the Company implemented more than 20 marketing campaigns using promo codes, aimed at encouraging passengers to travel by rail, increasing the number of participants in the loyalty programme as well as expanding the customer base that left their consent to receive information and promotional mailings.

The following promotions were offered under Promo Code project for 2022:

- Promo codes for subscribers to the Discount Carriage Telegram channel (as part of giveaways);
- Promo codes for partner – VTB Bank (PAO) customers;
- Promo codes as incentives for participating in FPC's surveys;
- Pompa promo codes for participants in the Where the Eye Can't See Project (for the visually impaired);
- Promo codes as part of the 'We're Together' award to support the FPC Association of Volunteer Centres;
- Promo codes for customers of a Stockmann partner chain shop;
- Promo codes as part of the 'We're both going the same way' promotion – for passengers who have not taken a FPC train in more than 1 year and others.

About 16.300 tickets totalling more than RUB 21.6 million were bought with promo codes over 2022.

In 2022, the list of Business Pass routes was expanded from three to eight. The passes are accepted on the Moscow – St. Petersburg, Moscow – Yaroslavl, Moscow – Petrozavodsk, Moscow – Cheboksary routes and on the 700th Lastochka higher-speed trains (from Moscow to Nizhny Novgorod, Belgorod, Kursk and Smolensk).

In total, more than 2.100 Business Passes were purchased in 2022<sup>1</sup>.

Passengers 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 long-distance trains in FPC-marshalled domestic services. The discount ranges from 10 to 20% and depends on the Discount Card plan chosen.

A total of about 1.455 discount cards were purchased in 2022.

<sup>1</sup> 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

FPC's corporate quality management system (CQMS) is built in line with 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 managing the quality of its services, FPC strives 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
- Orchestrate the implementation of the Quality Policy and ensure that it is adequately resourced



## Certification of the CQMS and Compliance with ISO 9001:2015 Quality Management Systems. Requirements

In 2021, FPC successfully passed a QMS inspection for compliance with ISO 9001:2015 Quality management systems. Requirements to confirm its existing certificate No. 19.2511.026 dated 24 December 2019 for the Company's core business processes:

- Passenger, baggage and unaccompanied baggage transport
- 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
- FPC's higher score in bids (tenders) for the provision of auxiliary services held by the Parent Company and other customers



## Lean Production

Lean production utilises the P-D-C-A cycle (Plan – Do – Check – Act).

FPC is guided by the above principles in developing and improving its lean production technologies, such as:

- Customer focus
- Focus on the process
- Production process flexibility
- Standardisation
- Elimination of waste
- Transparency
- Error proofing
- Excellence

Projects implemented following the introduction of lean production technologies across FPC's operating processes:

- Improvement in the approach to the 5C system at workplaces Daily self-assessment of workplaces and workspaces, involving the use of assessment sheets and photo reports Posting of all data on the Company's public portal accessible to its operating units
- Delivery of a training course in the remote learning system on the 5C system at workplaces, workspaces and in offices, with over 3.000 FPC employees finishing it successfully

Development and approval of the Road Map for Lean Production System in FPC for 2021–2023 Identification of participants, processes, monitoring procedure and resources required to achieve the target state of the lean production system.

The main milestones of the roadmap:

- Implementing the 5C system at operational workplaces and offices
- Training on the requirements of the 5C system, lean production technologies and tools
- Introducing lean technologies in managing process equipment, metrology and fuel and energy resources
- Building a lean production system across FPC's operating processes
- Updating and developing the regulatory framework for using lean production technologies and managing a lean production system
- Conducting a certification for compliance with ISO/TS 22163 Railways. Quality Management System. Requirements for Business Management Systems at Enterprises in the Railway Industry: ISO 9001:2015 and Specific Requirements for the Railway Industry



### FPC quality-related targets for 2023

Item	Target	Target assessment criteria	Responsible for implementation
1	Decrease in the number of carriages uncoupled for current repair compared to 2022/2023	Greater than or equal to 0.0% – Target met 0.0% inclusive up to and 3.0% inclusive – Target partially met More than 3.0% – Target not met	Rolling Stock Management Office
2	Reduction of train delays due to inadequate repairs and maintenance of passenger carriages against 2022/2023	Greater than or equal to 5.0% – Target met 4.9% inclusive up to and 3.0% inclusive – Target partially met Less than 3.0% – Target not met	Rolling Stock Management Office
3	Decrease in negative passenger feedback on passenger service on trains to the total number of passengers carried	Greater than or equal to 2.0% – Target met 0.0 to 2.0% – Target partially met Less than 0.0% – Target not met	Passenger Services Office
4	Reduction in the number of complaints about passenger service during the purchase of travel documents at FPC ticket offices compared to 2022/2023	Greater than or equal to 5.0% – Target met 4.9% inclusive up to and 3.0% inclusive – Target partially met Less than 3.0% – Target not met	Sales Organisation Department
5	Accomplishment of the logistical resource plan in financial terms for the repair and maintenance of passenger carriages	Greater than or equal to 97.0% – Target met 96.9% inclusive up to and 95.0% inclusive – Target partially met Less than 95.0% – Target not met	Procurement and Contract Management Centre
6	Implementation of the action plan for training, retraining and professional development of FPC personnel	More than 98.0% – Target met 98.0% inclusive up to and 80.0% inclusive – Target partially met Less than 80.0% – Target not met	Personnel Development Centre, Personnel and Social Development Department
7	Confirmation of compliance of the Quality Management System with the requirements of the national standard GOST R ISO 9001–2015 Quality Management Systems. Requirements	Confirmation of compliance of activities with GOST R ISO 9001–2015 by 30 November 2023 – Target met Failure to confirm compliance of activities with GOST R ISO 9001–2015 by 30 December 2023 – Target not met	Technical Policy Office



# 2022 HIGHLIGHTS

## Projects Realised in 2022

### Daytime trains

By the end of 2022, 18.1 million passengers were carried by long-distance trains with daytime service, up 11.1% year-on-year. Daytime traffic accounted for 19.1% of FPC's total annual passenger traffic.

In the 2021/2022 train schedule, 66 daytime train pairs ran on 38 routes, including

Moscow – Minsk, Moscow – Tambov, Moscow – Lipetsk, Moscow – Yaroslavl, Moscow – Belgorod, Moscow – Smolensk, Moscow – Kursk, Moscow – Bryansk, Moscow – Saransk, Krasnodar – Adler, and Krasnodar – Imeretinsky Resort, etc.

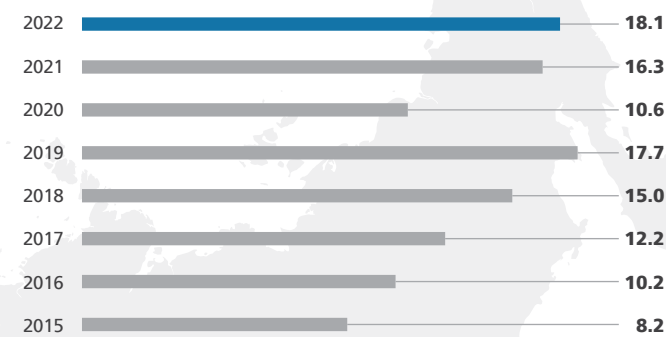
A new daytime train No. 65/66 from Moscow to Voronezh was launched on 21 February 2022.

### FPC's daytime passenger services

Number of passengers carried in 2022, thousand people



Passengers carried by daytime train, million people



### New trains launched in 2022

No. 65/66 Moscow – Voronezh (from 21.02.2022)



**38** routes

**66** train pairs

**11.1%**

increase in passenger traffic by daytime trains in 2022

### Double-decker trains

By the end of 2022, double-decker trains carried 11.2 million passengers, 31.0% more than in 2021. Double-decker traffic accounted for 11.8% of FPC's total annual passenger traffic.

The following new trains were introduced in 2022 under of the expansion of the double-decker train service: No. 66/65 Moscow – Togliatti, No. 22/21 Ulyanovsk – Moscow, No. 54/53 Moscow – Cheboksary, No. 58/57 Moscow – Yoshkar-Ola, No. 160/159 Petrozavodsk – Moscow and No. 31/32 Moscow – Orsk.

**31.0%**

increase in passenger traffic by double-decker trains in 2022

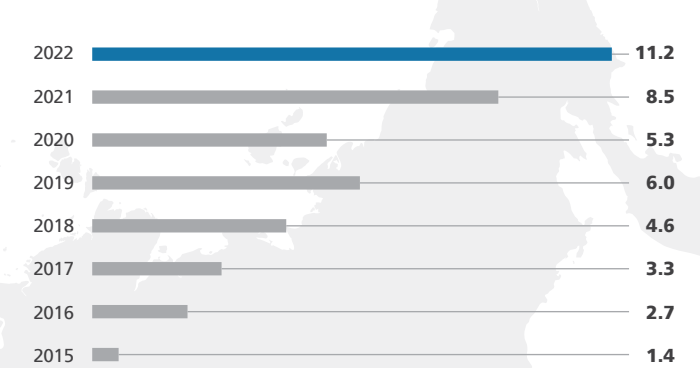
The double-decker rolling stock was used on 20 routes: St. Petersburg – Moscow, St. Petersburg – Belgorod, Moscow – Adler, Moscow – Kazan, St. Petersburg – Adler, Voronezh – Moscow, Samara – Moscow, Izhevsk – Moscow, Penza – Moscow, Togliatti – Moscow, Kislovodsk – Moscow, Petrozavodsk – Moscow, Moscow – Bryansk, St. Petersburg – Murmansk, Moscow – Ulyanovsk, Moscow – Cheboksary, Moscow – Yoshkar-Ola, Rostov – Adler, St. Petersburg – Kostroma and Moscow – Orsk.

### FPC's passenger services operating double-decker carriages

Number of passengers carried in 2022, thousand people



Changes in passengers carried by double-decker trains, million people



### New trains launched in 2022:

- No. 66/65 Moscow – Togliatti
- No. 21/22 Moscow – Ulyanovsk
- No. 53/54 Moscow – Cheboksary
- No. 57/58 Moscow – Yoshkar-Ola
- No. 29/30 St. Petersburg – Belgorod
- No. 160/159 Petrozavodsk – Moscow
- No. 31/32 Moscow – Orsk

**20** routes

**27** train pairs

### Higher-speed trains

In 2022, higher-speed trains marshalled by FPC carried 10.1 million passengers, which is 6.9% higher than in 2021, accounting for 10.7% of FPC's total annual passenger traffic.

As of the end of 2022, 28 pairs of high-speed JSC FPC trains were running on nine routes (Moscow – Nizhny Novgorod, Moscow – Smolensk, Moscow – Voronezh, Moscow – Orel, Moscow – Kursk, Moscow – Bryansk, Moscow – Belgorod, Moscow – Minsk, Moscow – St. Petersburg).

**6.9%**

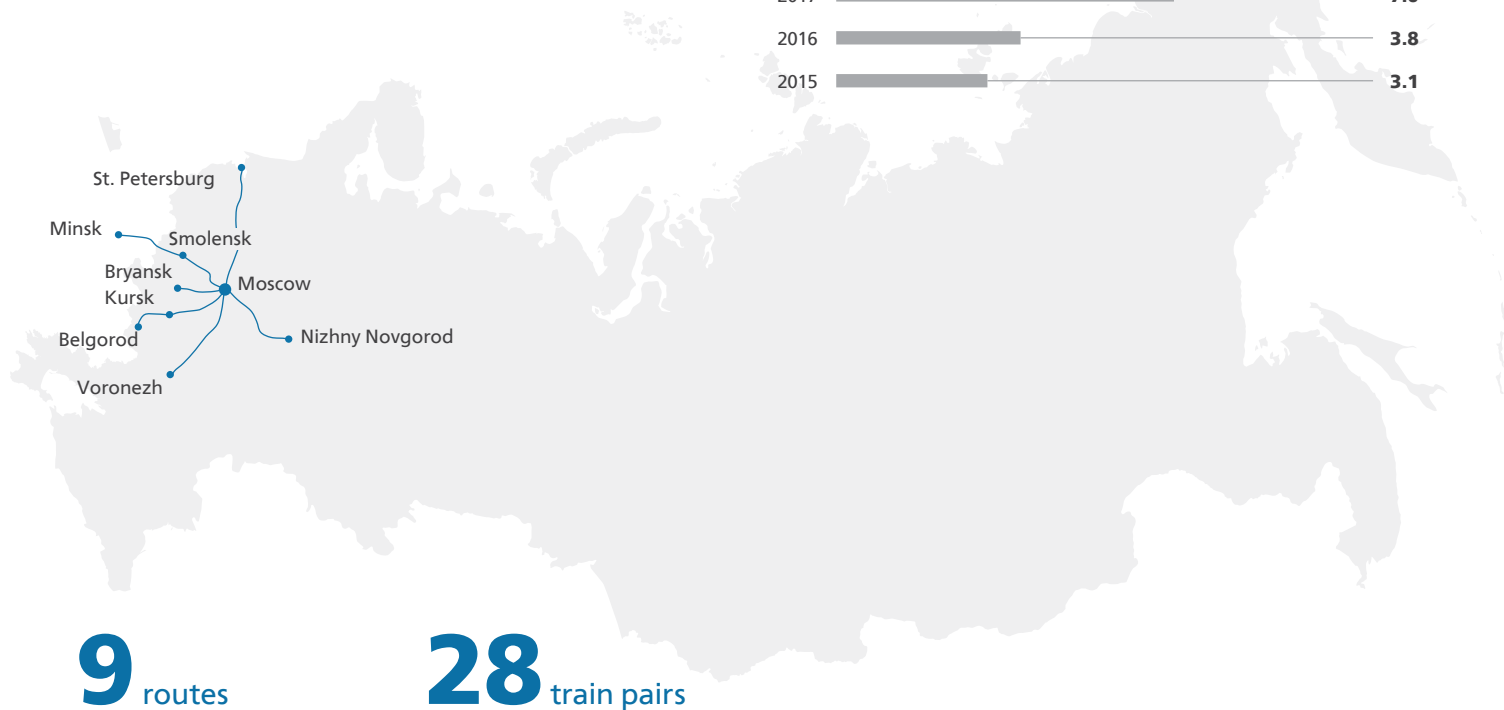
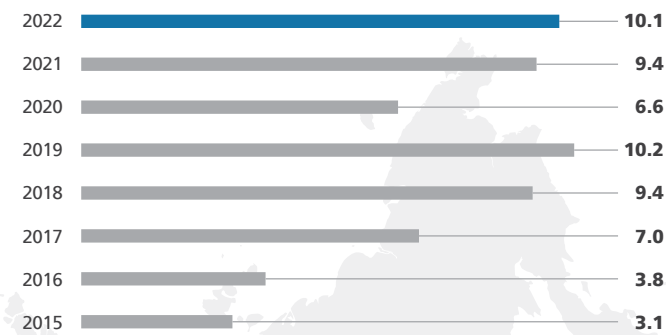
increase in passenger traffic by high-speed trains in 2022

### FPC's higher-speed passenger services

Number of passengers carried in 2022, thousand people



Passengers carried by double-decker trains, million people



### Tourist trains

More than 30 tourist trains, including regional trains, were offered to passengers in 2022. Tourist trains, including those ordered by tourist operators, as well as additional trains running in the New Year period to transport tourists to ski resorts, carried around 126,700 passengers (up 13.1% year-on-year).

The first international tourist train: Belarusian Voyage Moscow – Grodno/Brest – Minsk – Moscow was scheduled in August 2022.

In 2022, the tourist train bound to Karelia (Moscow – Petrozavodsk – Karelia – Vyborg – Moscow) won the Best Transport Solution for Tourism category in the Formula of Movement national award at the Transport of Russia forum.

The regional tourist train called Spectacular Weekend in the Urals (Samara/Ufa – Yekaterinburg – Samara/Ufa) also

won first place in the Best Interregional Itinerary category at the All-Russian Tourism Award – Itinerary of the Year 2022.

### Car carriers

Around 5,000 motor vehicles were transported in FPC-marshalled car carriers on the following routes:

- Khabarovsk – Novy Urgal
- St. Petersburg – Adler
- Moscow – Rostov – Adler
- St. Petersburg – Adler
- St. Petersburg – Vorkuta
- Moscow – St. Petersburg
- Moscow – Adler
- Moscow – Kazan

The southern destinations (St. Petersburg – Adler, Moscow – Adler and Moscow – Rostov – Adler), according to the findings of 2022, became the most popular.

## Key Principles of FPC's Passenger Services

In an effort to increase passenger comfort, FPC is continuously developing suggestions for alterations to passenger train timetables to offer more convenient

arrival/departure times and maximise train travelling speed, subject to capacity constraints of Parent Company's infrastructure.



## Traffic and New Trains

In the 2021/2022 standard train schedule, the overall traffic of FPC passenger trains amounted to 479 train pairs, including 283 pairs of express trains, 168 pairs of passenger trains and 28 pairs of higher-speed trains.

In order to improve efficiency and rationalise the use of rolling stock, the 2021/22 timetable included 141 pairs of multi-group trains.

**7** pairs

of new long-distance trains scheduled for 2022/2023

To improve the passenger experience and attract more passengers to rail service, the 2022/2023 FPC marshalling schedule includes seven pairs of new long-distance trains.

New long-distance trains:

- No. 37/38 Moscow – Vyborg
- No. 55/56 Yekaterinburg – Moscow
- No. 59/60 Surgut – Moscow
- No. 63/64 Saint Petersburg – Samara
- No. 319/320 Kursk – Stary Oskol (for St. Petersburg – Stary Oskol through passenger carriages)
- No. 391/392 Kursk – Valuiki (for Moscow – Valuiki through passenger carriages)
- No. 603/604 Adler – Stavropol (via Krasnodar)

## Development of Partnership Programmes

FPC and the Russian Postal Service signed Agreement No. FPC-22-166/1 on intent to cooperate to organise the regular traffic of Russian Post's mail and baggage trains and cars in domestic service.

In accordance with this agreement, the Russian Postal Service conducted a market analysis and determined which businesses and groups of people needed to have consumer items delivered to places where transportation was restricted.

FPC includes post carriages in its trains as requested by the Russian Postal Service.

There are around 260 carriages of the Russian Postal Service on the railway network every day. According to the Electronic Baggage Management Subsystem, more than 25,600 carriages of the Russian Postal Service were dispatched in FPC-marshalled trains in 2022 (up 101.8% year-on-year), with the income of FPC earnings from this arrangement exceeding RUB 3.6 billion (up 110.6% year-on-year).

## Import Substitution

The sanctions policy pursued by Western nations, which aims to impose limitations on a variety of activities, including the operation of the Russian Federation's transport sector (and in particular, railway services), sets up conditions for potential limitations on the operation of railway rolling stock and the supply of foreign-made components required for its maintenance.

During 2022, intensive efforts were put into ensuring the import substitution and technological independence in terms of the design of passenger car systems and assemblies, as well as production processes related to the maintenance and repair of rolling stock.

Below is a list of 1,231 foreign-made products, including:

- 702 items (57% of the total), equivalents of which were incorporated into the design documentation
- 494 units (40% of the total) equivalents of which were selected, but their use requires these analogues to be incorporated into the design documentation

- 35 items (3% of the total) that are in the red zone, i.e., no equivalents were selected

Electronic, radio and electrical equipment account for the biggest part of the total number of imported components (21 items) for which no equivalents have yet been found.

Other accessories and materials:

- nine items – accessories for eco-friendly toilet complexes
- two items – lubricants
- one item – bodywork (stainless steel profiles)
- one item - accessories for sliding plug doors (toothed belts)
- one item - components for slack-free coupler BSU-TM136

However, these items are now available at suppliers' warehouses in the Russian Federation, which ensures continuity of shipment.



# CUSTOMER SERVICE

The Company has been able to maintain a high level of customer service through constant focus on service quality improvement. Improving passenger experience is a top priority for the Company.

## Customer Service Levels

Passenger satisfaction is monitored regularly through an online survey on the website [opros.fpc.ru](https://opros.fpc.ru) and by e-mail. This channel provides the Company with recent feedback and customer reviews, enabling prompt responses to passenger comments and suggestions.

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.).

According to the 2022 Passenger Service Quality Assessment, the Customer Satisfaction Index (CSI) was 87.6 on a one hundred point scale, which corresponds to the target for 2022 calculated at the end of 2021, adjusted for realised external factors.

## Final CSI<sup>1</sup> and NPS<sup>2</sup> figures in 2022

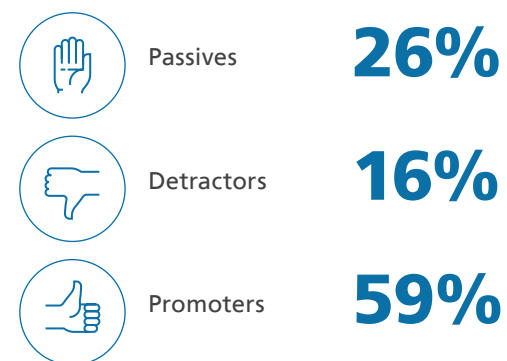
Level of satisfaction

CSI = **87.6**

Level of loyalty

NPS = **43**

## Passenger loyalty index by the end of 2022



Total number of respondents

**240,542**  
passengers

Survey method

**Online survey**

<sup>1</sup> Customer satisfaction index.

<sup>2</sup> Net promoter score.

### Overall passenger satisfaction with FPC services is based on passenger ratings of the following:

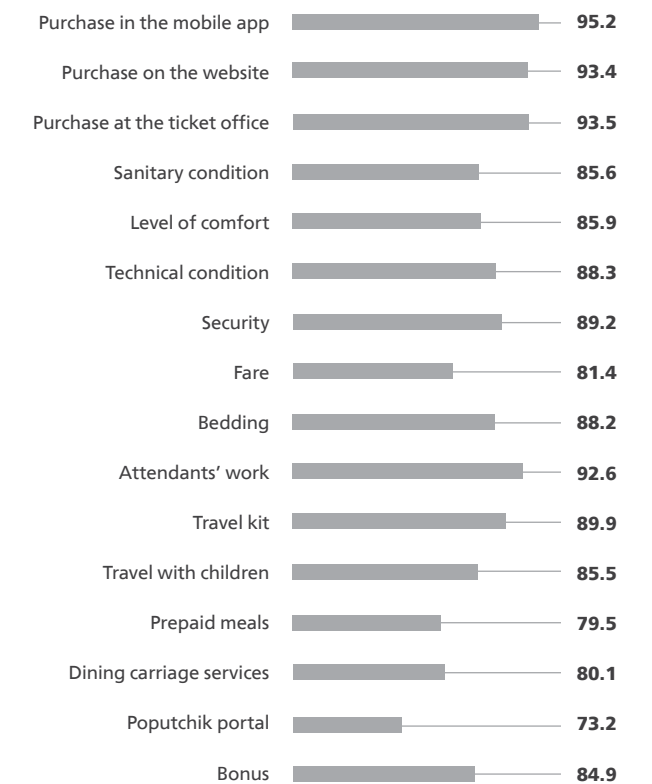
- Ticketing process (online, in a mobile app or ticket offices)
- Fare pricing
- Customer service on-board (travel comfort, technical condition and cleanliness of carriages, attendants' performance, quality of bed linen and travel kit)
- Catering (prepaid meals, dining carriage services and merchandise)
- Loyalty programme

In 2022, 240.542 passengers responded to the survey asking them to rate the FPC services.

In order to develop service and improve the competitiveness of the Company, as well as to determine the level of passenger loyalty to the Company and willingness to recommend its services, the NPS1 index is regularly monitored.

In 2022, the NPS index is recorded at 43. This index decreased by 7 points compared to 2021. Passengers are loyal to the Company, as the share of promoters is 43 p.p. larger than that of detractors.

### Key customer service quality metrics



## Customer Service Innovations

### Providing passengers with linen and bedding made from environmentally friendly materials

The Company and the rest of the globe place a high focus on environmental safety.

Rethinking marketing tactics and emphasising sustainability are becoming more important due to rising public interest in how products are made and what happens to them after they are used <https://rb.ru/story/going-green/>.

FPC participates in initiatives to protect the environment.

Deluxe carriages of the Saratov – Moscow branded train No. 9/10 were furnished with bedding and linens made of eco-friendly materials to keep up with current eco-friendly trends. The project is launched on 15 December 2022.

The bedding, curtains and window-table cloth are made from 100% organic cotton grown without synthetic pesticides and GMOs according to the principles of organic farming.

The pillows and blankets are made from organic cotton, organic nettle and hemp shiver. Nettle fabric is an eco-friendly material with antistatic, hygroscopic, hypoallergenic and antibacterial properties. Hemp shiver has water-repellent and warming properties.

Passengers gave the quality of the bed linen and bedding produced from eco-friendly materials a rating of four out of five. Seventy per cent of passengers are in favour of using this type of bedding and linen on trains.

### Organising the sale of food and non-food items with the use of an e-ticket checkout device

FPC started a pilot project in January 2022 to use an e-ticket checkout device to accept cash and non-cash payments.

The main objectives of this project:

- Ensuring that payments (cash and non-cash) for goods and services sold en route can be made in each train carriage using e-ticket checkout devices
- Generating and sending electronic receipts to an e-mail address or as an SMS to the passenger's mobile phone number
- Using existing equipment without the cost of additional cash registers and cash register tape.

Since 20 January 2023, the pilot project for accepting cash and non-cash payments via e-ticket checkout devices has been running in all branches of FPC, in 38 long-distance trains (all trains of the St. Petersburg – Moscow carriage site of the North-West branch, one train in each structural subdivision of the North-West branch and one train in nine other branches).

Since the launch, more than 43,000 items worth RUB 3.1 million have been sold on trains participating in the pilot project using e-ticket checkout devices.

The rollout of the system for accepting cash and non-cash payments using e-ticket checkout devices in all FPC trains is scheduled for 2023.

### Developing the Passenger Identification and Service System

FPC's trains have the Passenger Identification and Service System in place. The status of travel and carriage documents as well as relevant information regarding the passenger's journey are updated online for train crew members.

Improvements to the Passenger Identification and Service System software were made in 2022 to improve working conditions and raise awareness of passenger services among train crews.

The passenger train manager and attendants can now access information on additional services (bedding, information on guaranteed and additional meals) included in the price of the travel document (ticket), on documents issued for the carriage of pets, on the carriage of baggage in baggage compartments, on the travel of a disabled passenger, on the elite status of passengers – Bonus members, as well as additional information about the gender of the compartment, the sales channel for the travel document (ticket) and the method of payment.

The development of this system is ongoing.

### Enhancing Meal Quality

Food delivery to a train

**85** caterers

in 58 stations are connected to the Food to Train service

**>18,600** passengers

made use of the service since its launch

**>13,600** orders

worth > RUB 17.6 million placed by passengers

+283% year-on-year



The food delivery service to the train car was launched in December 2019.

The service is now provided both at departure and transit stations. Food delivery can be ordered when purchasing an e-ticket on the Parent Company's website or in the mobile app, as well as in through the Ordering Services to Tickets section (if a ticket is already booked), including after boarding a train (via a QR code link placed on information stickers in carriages).

At present, the FPC service includes 88 caterers covering 60 stations<sup>1</sup> (Moscow, St. Petersburg, Yaroslavl, Novosibirsk, Krasnodar, Ulan-Ude, Chita, Khabarovsk, Saratov, Petrozavodsk, Ekaterinburg, Voronezh, Tyumen, Surgut, Krasnoyarsk, Ivanovo, Vladivostok, Ufa, Mineralnye Vody, Nizhny Novgorod, Smolensk, Adler, Cheboksary, Rostov-on-Don, Omsk, Anapa, Novorossiysk, Taganrog, Izhevsk, Mikun, Ussuriysk, Nakhodka, Artem, Taishet, Nizhneudinsk, Pskov, Sochi, Volgograd, Perm, Kirov, Kanash, Arzamas, Sergach, Agryz, Veliky Novgorod, Timashevsk, Lipetsk, Goryachi Klyuch, Balezino, Belorechensk, Krasny Uzel, Stavropol, Tuapse, Kavkazskaya, Kanevskaya, Volzhsky, Penza, Kotlas, Tikhoretskaya, Kazan).

## Catering concept

On 15 April 2021, the Federal Passenger Company launched the Concept of Catering in Long-Distance Trains (hereinafter – the Concept). It covered 14 trains in 2022.

The Concept-aligned revised service standards are being offered in 30 bistro carriages on 19 trains.

The following trains succeeded in achieving the Concept's primary goal of making food in the bistro carriages accessible, affordable and safe:

- No. 1/2 Volgograd – Moscow
- No. 103/104 Adler – Moscow
- No. 25/26 Voronezh – Moscow
- No. 31/32 Tambov – Moscow
- No. 23/24 Moscow – Kazan
- No. 737/738 Moscow – Bryansk

- No. 739/740 Moscow – Bryansk
- No. 741/742 Moscow – Bryansk
- No. 71/72 Belgorod – Moscow
- No. 59/60 Nizhny Novgorod – St. Petersburg
- No. 35/36 St. Petersburg – Adler
- No. 21/22 St. Petersburg – Murmansk
- No. 739/740 Moscow – Voronezh
- No. 737/738 Moscow – Voronezh
- No. 9/10 Samara – Moscow
- No. 25/26 Izhevsk – Moscow
- No. 49/50 Samara – Moscow
- No. 51/52 Penza – Moscow
- No. 65/66 Togliatti – Moscow

FPC plans to roll out the Concept to another 26 trains in 2023. To this end, procurement of professional heating equipment is currently underway.

Additionally, one of the focuses of the Concept is the implementation of a new catering option for passengers: they can order meals on the train for a reasonable price, and the train's design includes a modernised staff carriage with specialised equipment for storing and heating ready-to-eat meals, as well as a washing machine and a dishwasher. Services are provided through FPC attendants, who were trained in the basics of service, catering and carriage set-up.

The pilot project was launched in December 2022 in the operating domain of FPC Ural Branch.

Currently you can order meals through the attendant on Ekaterinburg – Surgut train No. 49/50, as well as on Surgut – Moscow train No. 59/60.

More than 4,000 food rations have been sold since the pilot project's beginning.

Food sales are analysed daily, and the results indicate a rising tendency. This demonstrates the passengers' interest in the service.

Six more remodelled carriages are anticipated to be delivered in a subsequent batch in 2023, allowing the project to grow further on other routes.

## Improving Working Conditions for Train Crews

### New uniforms

A new collection of uniforms for train crews and ticket office staff was created in 2022, utilising high-quality, long-wearing materials. Coats, undercoats, dresses, waistcoats, women's shoes, scarves and gloves were all added to the list of uniform items.

Deliveries of the new line of uniforms commenced in Q4 2022. The personnel of the high-speed portion of the Moscow – Yaroslavl carriage site, the Samara Passenger Carriage Depot, the Vladivostok Passenger Carriage Depot and the North Caucasus Railway Agency are the primary recipients of the 2,100 sets of the new uniforms.

St. Petersburg – Moskovskiy Carriage Site, Kaliningrad Passenger Carriage Depot, Yaroslavl Carriage Site, Petrozavodsk Carriage Site, Gorky – Moskovskiy Passenger Carriage Depot, Voronezh Carriage Site, Ekaterinburg Carriage Site, Tomsk Carriage Site, Severobaikalsk Carriage Site, North-Western and Moscow Railway Agencies are all scheduled to receive 5,800 sets of new uniforms in 2023.

### Providing employees with accessories

Since 2022, the Company has been providing employees with branded accessories as additional elements of uniform.

The list of accessories includes:

- Carry-on bag – made from modern, durable materials, attachable to a suitcase and designed to hold the personal belongings of train crew members
- Travel case – capacious, with sturdy wheels for easy transport (carrying), designed for storing personal belongings of employees
- Garment cover – for storing and transporting uniforms and special clothing, protecting them from moisture and dirt
- Documents wallet – made from durable material, with several handy compartments for storing the passenger train manager's documents
- Tool bag – designed for storing and transporting tools for the train's electricians while the train is en route



Over 2,900 third- and fourth-class attendants who work on Lastochka and Strizh trains was given these accessories in 2022, including 700 attendants in the Moscow branch, 1,200 – in the North-Western branch, 200 – in the North Caucasus branch, 600 – in the Kuibyshev branch, and 28 – in the Urals branch. In every branch of the Company, accessories were also distributed to all train managers (more than 1,500 people).

The remaining fourth-class attendants working on company trains (3,200 employees), along with 1,500 train electricians, will receive accessories by the end of the first quarter of 2023.

<sup>1</sup> The list of caterers and stations is constantly expanding.

### Improving sanitary and living conditions for train crews

Eight major passenger carriage attendant pools, including those in St. Petersburg, Vladivostok, Tyumen, Chelyabinsk, Ulyanovsk, Voronezh, Volgograd and Kirov, had renovations in 2022.

In total, maintenance and equipment purchases totalling more than RUB 84.6 million were made in 2022 in 49 passenger carriage attendant pools, of which more than RUB 53 million were utilised to buy furniture and household appliances.

More than RUB 144 million were budgeted for the improvement of living and sanitary conditions in 57 passenger carriage attendant pools in 2023.

Five Gazelle NEXT minibuses for train crews in Nizhny Novgorod, Kazan, Samara, Penza and Ulyanovsk were purchased in 2022 in order to improve the transport availability of passenger carriage attendant pools.

To improve the working conditions of train crews en route, they can have three meals a day in dining cars at the employer's expense. These meals are provided on nine passenger trains (65 series of carriages) that are en route for long periods of time.

For the staff members who handle the passenger carriages of autonomous coupling type, more than 800 chairs were purchased to place in the working areas.



## KEY OPERATIONAL HIGHLIGHTS

An improvement in the epidemiological situation in the Russian Federation, a temporary halt to operations at a number of airports in southern Russia and fewer flights as a result of a decrease in the number of aircraft were the main drivers behind the growth of FPC's passenger traffic in 2022. The number of passengers carried totalled 95.9 million, including 55.5 million in the regulated segment and 40.5 million in the deregulated segment. The number of passenger carried as a whole rose to 118.2% compared to 2021, and to 162.6% compared to 2020.

Passenger traffic for 2022 increased by 20.7% against 2021 and amounted to 81.2 billion passenger-km (up 68.5% vs. 2020). The volume of traffic on the FPC-marshalled trains increased to 79.9 billion passenger-km (up 119.9% vs. 2021,

up 168.1% vs. 2020), including 47.1 billion passenger-km in the regulated segment (up 119.0% vs. 2021, up 160.0% vs. 2020) and 32.9 billion passenger-km in the deregulated segment (up 121.2% vs. 2021, up 181.1% vs. 2020).

In the reporting year, passenger-kilometres served by trains of the CIS and Baltic States totalled 1.2 billion passenger-km (up 217.4% vs. 2021, 197.3% vs. 2020).

The reinstatement of regular interstate passenger services with the Republics of Belarus, Kazakhstan, Uzbekistan, Tajikistan and the Kyrgyz Republic is the reason for the rise in international traffic. The passenger service to Mongolia has been resumed since April 2022.

#### Volume-based indicators

Indicators	2020	2021	2022	Change 2022/2021, %
<b>Passenger-km travelled, billion</b>	<b>48.2</b>	<b>67.3</b>	<b>81.2</b>	<b>120.7</b>
<b>On FPC trains</b>	<b>47.6</b>	<b>66.7</b>	<b>79.9</b>	<b>119.9</b>
Deregulated segment, including:	18.1	27.1	32.9	121.2
• Domestic traffic	17.8	26.1	31.2	119.5
• Interstate traffic	0.3	1.0	1.6	167.3
Regulated segment	29.4	39.6	47.1	119.0
<b>On trains of the CIS and Baltic States</b>	<b>0.6</b>	<b>0.6</b>	<b>1.2</b>	<b>217.4</b>
<b>Passengers carried, million people</b>	<b>59.0</b>	<b>81.2</b>	<b>95.9</b>	<b>118.2</b>
Deregulated segment	23.3	33.8	40.5	119.7
Regulated segment	35.7	47.4	55.5	117.1

The number of passenger kilometres travelled by FPC-marshalled trains climbed to 79.9 billion, up 119.9% year-on-year, while the amount of carriage kilometres worked increased to 2,522.2 million, up 105.4% year-on-year. Thus, the capacity utilisation rate was 71.9%, which is 7.7 p.p. above 2021 and 14.7 p.p. above 2020.

**95.9** million people

number of passengers dispatched in 2022

+118.2% year-on-year

# DIGITAL PROJECTS

## ACS PCR

FPC has the Innovative Development Programme in place for 2019–2025. One of the programme's objectives is to develop intelligent transport process management systems based on modern digital technologies and specialised information and management systems.

In 2022, terms of reference were developed for an automated control system for repairs of passenger carriages in passenger carriage depots (ACS PCR), which will make it possible:

- To analyse and forecast the condition of the rolling stock, passenger carriage assemblies and the condition and capacity utilisation of the repair facilities
- To analyse the causes and consequences of failures
- To introduce electronic logbooks at repair positions
- To optimise stocks of spare parts and materials
- To keep a complete history of repairs carried out on passenger cars, subassemblies, parts, units and process equipment

## Yield Management System

Since 2013, FPC has used the Sabre Dynamic Pricing System in the calculation of fares in the deregulated segment of long-distance trains (compartment, first-class sleeping carriage, deluxe carriages and seating carriages of higher-speed trains).

Sabre was replaced by Russian software (SW) in 2022. During the year, all year-round domestic long-distance trains transitioned to the Dynamic Fare Management

and Demand Incentive System software of the Express-3 ACS. The fare setting depends on the train category, the level and irregularity of demand, the load level of the train, and the number of days before the train departure.

The system is planned to be rolled out to seasonal and additional trains in 2023. The system is currently being reconfigured and modified.

## Intelligent Feedback Handling System

In 2022, FPC, together with NAUMEN, a Russian developer of software solutions for business and authorities, implemented the Intelligent System for processing citizens' feedback. With the aid of this technology, it is now feasible to get customer feedback much more quickly and to respond promptly to customer inquiries about how the Company operates.

The system is based on a domestic software solution that protects customers' personal data in accordance with the information security requirements of the Federal Service for Technical and Export Control and Federal Law No. 152-FZ on Personal Data. It helps the Company's specialists to consolidate passenger messages received

through various official channels (including feedback forms on the website, official email addresses and verbal messages received by specialists of the Russian Railways Customer Support Centre) and then promptly distribute them to the problem owners.

Thanks to intelligent automation of the processing and routing processes, the time it takes to transfer a message from the passenger to the problem owner was cut down to a few minutes. In doing so, the system is able to precisely identify the accountable party from among more than 30,000 employees stationed across 10 branches of the Company.





# FINANCIAL STATEMENTS (RAS)

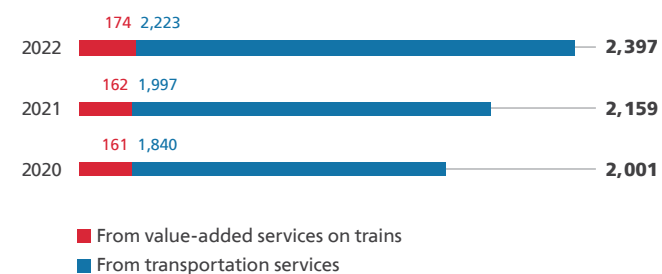
## Financial results

RUB billion

Indicators	2020	2021	2022	Change 2022/2021	
				+/-	%
<b>Operating revenue</b>	<b>130.9</b>	<b>188.2</b>	<b>250.5</b>	<b>62.3</b>	<b>133.1</b>
Passenger services	114.6	166.7	221.0	54.3	132.6
Other sales	16.3	21.5	29.5	8.0	137.2
<b>Operating expenses</b>	<b>181.5</b>	<b>203.6</b>	<b>236.2</b>	<b>32.6</b>	<b>116.0</b>
Passenger services	169.0	187.0	215.9	28.9	115.5
Other sales	12.5	16.6	20.3	3.7	122.3
<b>Operating result</b>	<b>-50.6</b>	<b>-15.4</b>	<b>14.3</b>	<b>29.7</b>	<b>-92.9</b>
Passenger services	-54.4	-20.3	5.1	25.4	-25.1
Other sales	3.8	4.9	9.2	4.3	187.8
<b>Other income</b>	<b>24.4</b>	<b>20.4</b>	<b>21.3</b>	<b>0.9</b>	<b>104.4</b>
Federal subsidies	6.6	11.1	12.1	1.0	109.0
<b>Other expenses</b>	<b>17.2</b>	<b>12.0</b>	<b>21.8</b>	<b>9.8</b>	<b>181.7</b>
<b>Other revenue and expenses</b>	<b>7.2</b>	<b>8.4</b>	<b>-0.5</b>	<b>-8.9</b>	<b>-6.0</b>
<b>Profit (loss) before tax</b>	<b>-43.4</b>	<b>-7.0</b>	<b>13.7</b>	<b>20.7</b>	<b>-195.7</b>
<b>EBITDA, including subsidies</b>	<b>-22.9</b>	<b>15.7</b>	<b>41.9</b>	<b>26.2</b>	<b>266.9</b>
EBITDA margin, including subsidies, %	-17.5	8.3	16.7	8.4	201.2
Income tax and other similar liabilities	-9.8	-1.6	2.7	4.3	-168.8
<b>Net profit</b>	<b>-33.6</b>	<b>-5.4</b>	<b>11</b>	<b>16.4</b>	<b>-203.7</b>
<b>Net profit margin, %</b>	<b>-25.7</b>	<b>-2.9</b>	<b>4.4</b>	<b>7.3</b>	<b>-151.7</b>

## Revenue

### Average revenue per passenger (including VAT), RUB



## Changes in operating revenue

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %	
				+/-	%
<b>Operating revenue, total</b>	<b>130.9</b>	<b>188.2</b>	<b>250.5</b>	<b>133.1</b>	<b>133.1</b>
<b>Revenue from passenger services</b>	<b>114.6</b>	<b>166.7</b>	<b>221.0</b>	<b>132.5</b>	<b>132.5</b>
Domestic traffic revenue from passenger service	106.2	156.8	206.9	131.9	131.9
Deregulated segment:	53.6	84.1	116.1	137.9	137.9
• Domestic passenger servicing by the first- and second-class sleeping carriages	51.2	80.5	109.7	136.2	136.2
• International services	2.3	3.6	6.4	176.8	176.8
Regulated segment:	61.1	82.6	104.9	127.0	127.0
• Domestic passenger servicing by the third-class sleeping carriages and fourth-class seating carriages	55.0	76.3	97.2	127.4	127.4
• Baggage, unaccompanied baggage and mail transportation	6.1	6.3	7.7	122.6	122.6
<b>Revenue from other activities</b>	<b>16.3</b>	<b>21.5</b>	<b>29.5</b>	<b>137.2</b>	<b>137.2</b>

### Revenue from passenger services

Revenues from passenger traffic totalled RUB 221.0 billion in 2022 as a result of rising demand for long-distance rail transit, up 32.5% year-on-year.

The deregulated segment exhibited the most noticeable revenue growth pattern, with passenger transport in first-class and second-class sleeping carriages seeing a year-on-year gain of 36.2%, and total proceeds amounted to RUB 109.7 billion by the end of 2022. For the first time in the previous three calendar years, revenues from international service exceeded the RUB 6.4 billion level.

The regulated segment of passengers servicing by third-class sleeping carriages and fourth-class seating carriages generated RUB 97.2 billion in 2022, which is 27.4% higher than in 2021.

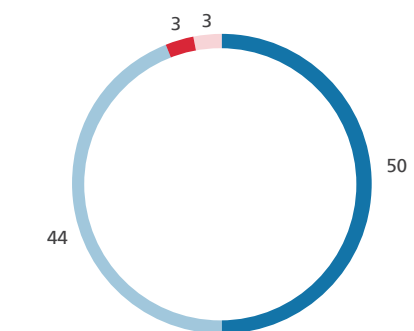
Revenues from baggage, unaccompanied baggage, and mail transportation increased by 7.8% compared to 2021 and amounted to RUB 7.7 billion

# 221.0 RUB billion

revenue from passenger service in 2022

+32.5% year-on-year

### Revenue from passenger services, %



- Servicing by first- and second-class sleeping carriages
- Servicing by third-class sleeping and fourth-class seating carriages
- International services
- Baggage, unaccompanied baggage, and mail transportation

## 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

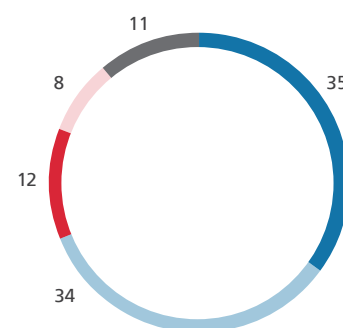
RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
<b>Revenue from other activities</b>	<b>16.3</b>	<b>21.5</b>	<b>29.5</b>	<b>137.2</b>
Repair of clients' rolling stock	1.9	2.0	2.3	113.0
Value-added services on trains:	7.9	10.9	13.9	127.5
• Provision of bedding	5.7	8.2	10.3	126.1
• Premium services	2.2	2.8	3.6	131.7
Property lease	3.9	5.1	9.9	196.3
Other services	2.6	3.5	3.3	96.0

Over 2022, revenues from other activities amounted to RUB 29.5 billion, up 37.2% year-on-year.

The considerable increase was primarily brought about by a rise in lease income (+96.3%) as a result of an increase in carriage leasing applications. The revenue from additional services provided in trains (up 27.5% year-on-year) was driven up by an increase in the number of passengers carried in FPC-marshalled trains; the revenue from the repair and maintenance of customer rolling stock (up 13.0% year-on-year) increased as the customers placed more requests for depot repairs and maintenance of carriages. These two factors contributed the most to the positive behaviour of revenue from other activities.

### Breakdown of revenue from other activities, %



- Use of bedding on trains
- Property lease
- Premium services
- Repair and maintenance of clients' rolling stock
- Other services

# 29.5

RUB billion

revenue from other activities in 2022

+37.2% year-on-year

## Expenses

### Rail service expenses

Based on the 2022 results, the costs of transportation activities amounted to RUB 215.9 billion, or 115.5% compared to the 2021 level (127.7% compared to the 2020 level).

The net cost of passenger services in 2022 was RUB 26.6/10 passenger-km, or 98.7% vs. 2021 (75.8% against 2020).

### Rail service expenses

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
<b>Total</b>	<b>169.0</b>	<b>187.0</b>	<b>215.9</b>	<b>28.9</b>
Payroll costs	27.3	30.7	38.3	7.6
Social contributions	7.6	8.7	10.7	2.0
Material costs:	21.5	21.1	25.5	4.5
• Materials	5.3	5.4	6.5	1.1
• Fuel	0.5	0.7	0.6	0.0
• Electricity	0.4	0.5	0.5	0.0
• Other	15.3	14.5	17.9	3.4
Other expenses:	97.6	110.2	123.3	13.1
• Infrastructure payments	54.1	60.5	65.4	4.8
• Locomotive lease	35.1	38.9	45.3	6.4
Depreciation	15.0	16.3	18.1	1.8

### Expenses on other activities

### Expenses on other activities

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Expenses on other activities	12.5	16.6	20.3	122.2
Repair of clients' rolling stock	1.6	1.7	1.6	95.0
Value-added services on trains:	6.1	8.2	10.2	123.7
• Provision of bedding	4.2	6.1	7.6	123.6
• Premium services	1.9	2.1	2.6	124.2
Property lease	2.6	4.0	5.6	139.9
Other services	2.2	2.7	2.9	108.4

In 2022, revenue from other activities totalled RUB 20.3 billion, up 22.2% year-on-year.

Key drivers behind the year-on-year growth were as follows: a 39% increase in expenses associated with the lease of property (due to an increase in the number of requests to lease passenger cars) and an increase in expenses associated with the provision of additional services in trains (up 23.7% year-on-year), which resulted from an increase in the volume of passengers carried on FPC-marshalled trains, an increase in expenses associated with the provision of other services (up 8.4% year-on-year), which stemmed from growing demand for goods sold on trains, and an increase in overheads allocated to other activities.

#### Changes in expenses on overhauls of fixed assets

RUB billion

Overhauls	2020	2021	2022	Change 2022/2021, %
<b>Fixed assets, total</b>	<b>5.5</b>	<b>2.0</b>	<b>2.9</b>	<b>146.8</b>
Carriages	5.4	1.7	2.5	147.0
Buildings, structures and equipment	0.1	0.2	0.4	145.0

#### Overhauls programme

In 2022, actual expenses on overhauls of fixed assets were RUB 2.9 billion, or 146.8% of the 2021 level, including:

- RUB 2.5 billion on overhauls of passenger carriages (147.0% of the 2021 level)
- RUB 0.4 billion for third-party capital repairs of buildings, structures and equipment (up 145.0% year-on-year)

## Headcount and Labour Productivity

Labour productivity in 2022 increased by 22.7% compared to 2021, due to a 19.9% increase in transportation volumes and a downsizing of FPC's workforce as a result of optimisation of production capacity in Q4 2021.

#### Change in headcount and labour productivity

Indicators	2020	2021	2022	Change 2022/2021, %
FPC's headcount, FTEs	53,053	51,299	50,499	98.4
• Including in rail services	48,516	45,876	44,827	97.7
Labour productivity, '000 passenger-km/FTE	980	1,453	1,783	122.7

## Other Revenue and Expenses

The loss for 2022 was RUB 0.6 billion, while 2021 saw a profit of RUB 8.4 billion. This negative trend was caused by the introduction of federal accounting standards FAS 6/2020 Property, Plant and Equipment and FAS 26/2020

Capital Investments on 1 January 2022. As required by these standards, the Company worked on the impairment of individual fixed assets, as well as the depreciation of laid-up fixed assets.

#### Changes in other revenue and expenses

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
<b>Other income</b>	<b>24.4</b>	<b>20.4</b>	<b>21.3</b>	<b>104</b>
Interest receivable	0.3	0.3	1.2	384
Proceeds from the disposal of fixed and other assets	9.0	2.8	1.4	51
Federal subsidies	6.6	11.1	12.1	109
Other	8.5	6.3	6.6	105
<b>Other expenses</b>	<b>17.2</b>	<b>12.0</b>	<b>21.8</b>	<b>182</b>
Interest payable	4.2	5.0	6.1	122
Expenses on the disposal of fixed and other assets	8.1	1.8	0.7	38
Cash management services	1.3	1.8	2.1	117
Other	3.6	3.4	13.0	381



Key revenues received as part of other 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 sleeping and fourth-class seating carriages. In 2022, federal subsidies amounted to RUB 12.1 billion (RUB 11.1 billion in 2021).

Interest expenses on loans accounted for the bulk of other expenses, amounting to RUB 6.1 billion in 2022 (RUB 5.0 billion in 2021).

**12.1** RUB billion  
federal budget subsidies in 2022

## Liabilities

As at 31 December 2022, principal repayments were RUB 66.5 billion, including RUB 28.0 billion – for loans and RUB 38.5 billion – for bonds.

There are no liabilities denominated in foreign currencies.

FPC principal repayment schedule as of 31 December 2022

RUB billion

	2023	2024	2025	2026	2027	2028
Principal repayment	25	10	10.5	5	6	10

The nearest maturity date for the bonds is May 2023, with a total of RUB 25.5 billion of bonds expected to be repaid between 2024 and 2028.

The values of the financial covenants for 2022 did not exceed the maximum permissible limits.

## Balance Sheet Total

The balance sheet total for 2022 increased by RUB 24 billion, or 7%. The increase in the asset side of the balance sheet resulted from both current assets and non-current assets. The increase in the liabilities side of the balance sheet

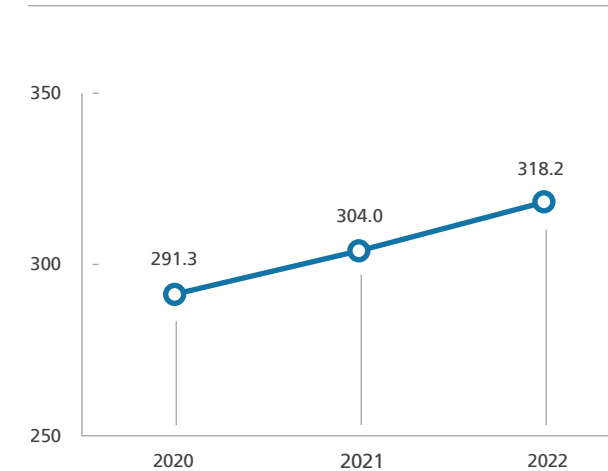
resulted exclusively from an increase in equity and reserves, while long-term and short-term liabilities of the Company, on the other hand, decreased.

Key balance sheet items

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Non-current assets	291.3	304.0	318.2	104.7
Current assets	31.3	30.2	40.1	132.8
Assets	322.6	334.3	358.4	107.2
Equity and reserves	206.6	213.1	250.8	117.7
Non-current liabilities	49.7	49.3	41.6	84.5
Current liabilities	66.4	71.8	65.9	91.8
Liabilities	322.6	334.3	358.4	107.2

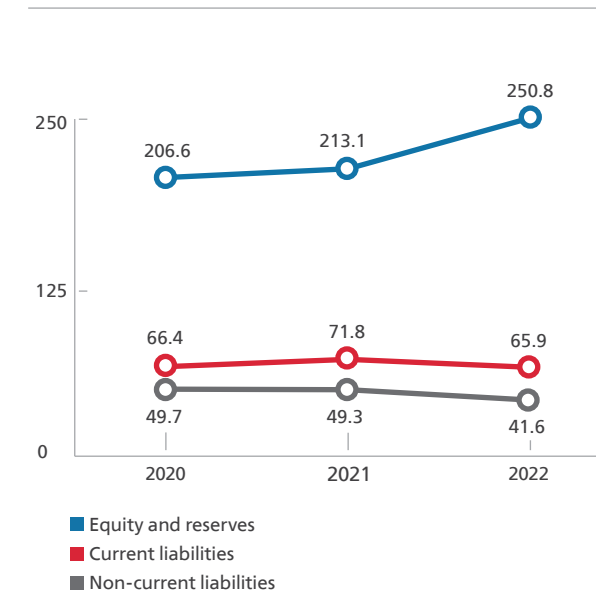
### Non-current assets, RUB billion



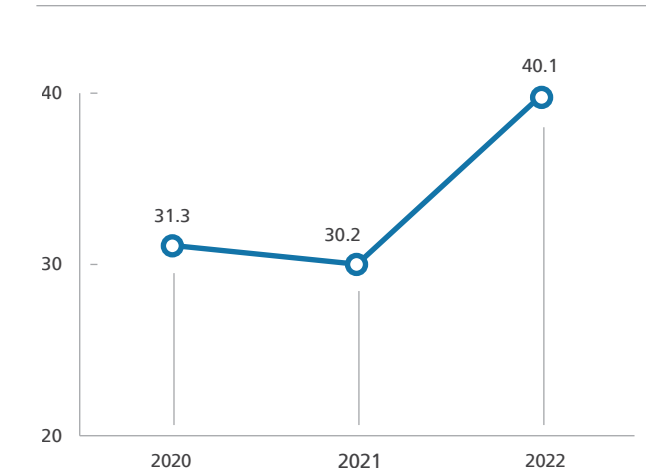
As at 31 December 2022, FPC's non-current liabilities totalled RUB 41.6 billion, including loans and borrowings in the amount of RUB 41.5 billion.

As of 31 December 2022, short-term liabilities of FPC amounted to RUB 65.9 billion, including RUB 33.6 billion of payables, RUB 25.6 billion of loans and borrowings.

### Changes in liabilities, RUB billion

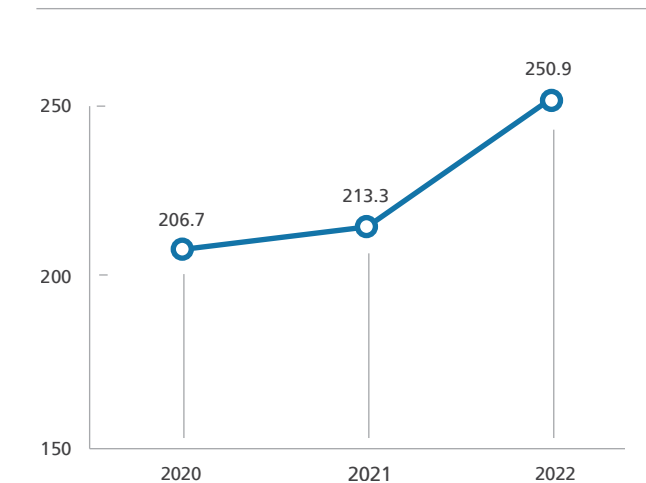


### Current assets, RUB billion



The size of FPC's authorised capital was RUB 248,588,839 thousand as at 31 December 2022.

### Net assets, RUB billion



In the reporting year, the Company's net assets increased by 18% to RUB 250.8 billion

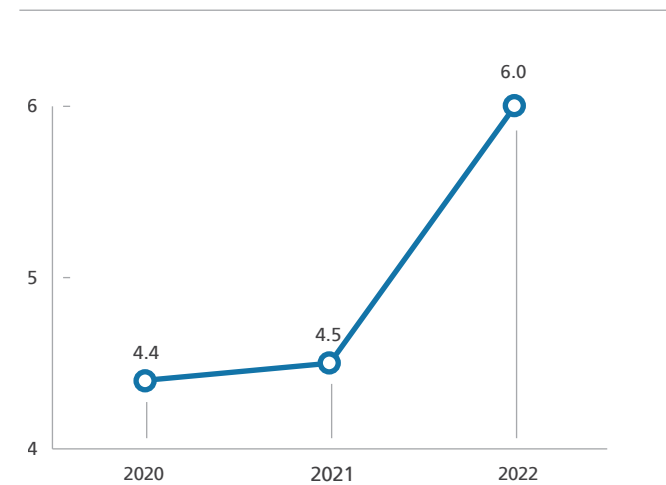
## Inventories

As at 31 December 2022, FPC's actual inventories amounted to RUB 6.021 billion, including RUB 0.172 billion worth of fuel, against the set standard of RUB 6.725 billion, including RUB 0.260 billion worth of fuel. There was no excess of actual inventory over the standard.

The year-on-year increase in the level of inventories in 2022 is associated with a growth in the volume, nomenclature and share of the insurance stock of basic materials and spare parts for carriages. This increase is necessary to organize uninterrupted material and technical support for the transportation process under conditions of global economic and financial instability and unfriendly actions by European states toward the Russian Federation.

The largest share of inventories is represented by passenger carriage spare parts at RUB 3.836 billion (64% of inventories in total), consisting of new spare parts (RUB 2.078 billion) and reusable materials (RUB 1.758 billion), including passenger carriage wheelsets (RUB 1.174 billion).

Inventory items, RUB billion



**6.021** RUB billion

actual value of the inventory items

## Receivables and Payables

As at 31 December 2022, FPC's receivables totalled RUB 24.16 billion.

Trade receivables (except for rail services) accounted for 43.1% of total receivables, or RUB 10.42 billion. The bulk of this debt, RUB 7.89 billion, was due to the application of the terms of settlements stipulated by the long-term contract.

Taxes, fees and charges receivables accounted for 40.1%, or RUB 9.70 billion.

The largest specific weight in the structure of trade receivables (except for transportation) is represented by receivables under agreements to purchase and sell property – 82.6%, or RUB 8.62 billion, as well as receivables under agreements to lease rolling stock – 12.5%, or RUB 1.30 billion.

Trade receivables due for passenger services amounted to RUB 1.88 billion, or 7.8%, which is in line with the terms of relevant contracts.

Advances issued as of the end of December 2022 accounted for 5.0% of total accounts receivable, or RUB 1.21 billion

### Receivables as at 31 December

RUB billion

Receivables	2020	2021	2022	Change 2022/2021, %
Trade receivables (except for rail services)	11.32	10.39	10.42	100.3
Trade receivables (for rail services)	1.47	2.56	1.88	73.4
Prepayments	0.43	0.55	1.21	220.0
Taxes and charges	7.80	7.94	9.71	122.3
Other receivables	0.71	0.71	0.94	132.4
<b>Total</b>	<b>21.73</b>	<b>22.15</b>	<b>24.16</b>	<b>109.1</b>

Accounts payable at the end of 2022 decreased by 32.3% year-on-year and reached RUB 33.61 billion. Such a significant decrease was driven by the repayment of the restructured debt of the Parent Company restructured debt for 2021.

The largest share in accounts payable is represented by trade payables – 38.9%, or RUB 13.09 billion, and advances received for transportation – 31.83%, or RUB 10.70 billion

### Payables as at 31 December

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Trade payables	37.24	38.06	13.09	34.4
Payroll liabilities	1.14	1.43	2.37	165.7
Taxes and charges, social insurance	1.26	1.3	4.69	360.8
Prepayments received for other activities	0.25	0.35	0.86	245.7
Prepayments received for rail services	4.21	7.03	10.70	152.2
Other payables	1.64	1.45	1.90	131.0
<b>Total</b>	<b>45.74</b>	<b>49.63</b>	<b>33.61</b>	<b>67.7</b>

As payables are above receivables, the Company can use payables as an additional source of financing. Receivables to payables ratio is 0.72.

**32.3%**

decrease in accounts payable at the end of 2022

**0.72**

receivables to payables ratio

## Cash Flows<sup>1</sup>

Cash balance on accounts of FPC (including short-term deposits) as at 1 January 2022 stood at RUB 3.0 billion.

### Cash flows from operations

In 2022, the cash flow from operating activities totalled RUB 322.2 billion, including RUB 12.1 billion of subsidies from the federal budget. Most cash (71%) was received from passenger services, totalling RUB 227.3 billion excluding transit charges.

Operating expenses amounted to RUB 276.3 billion, including expenses for infrastructure services and locomotive lease totalling RUB 148.7 billion, or 54%.

Net cash flow from operations was RUB 45.9 billion.

**3.0** RUB billion

cash balance of JSC FPC including short-term deposits as at 1 January 2022

### Cash flows from operations

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Net cash flow	-37.1	-6.7	45.9	149.7
Cash received	149.7	222.9	322.2	104.4
Cash used	186.8	229.5	276.3	99.4

### Cash flows from investing activities

Expenses for investment activities totalled RUB 65.6 billion. In the reporting period, RUB 39.2 billion were allocated for passenger rolling stock replacement and upgrades:

- RUB 30.5 billion for the acquisition of new passenger carriages;

- RUB 8.7 billion for passenger rolling stock upgrades.

Negative cash flow from investing activities amounted to RUB 62.6 billion

### Cash flows from investing activities

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Cash flow	-25.2	-32.6	-62.6	91.0
Cash received	242.8	228.4	3.0	172.0
Cash used	268.0	261.0	65.6	93.0

### Cash flows from financing activities

In 2022, cash received from financing activities totalled RUB 50.6 billion (of which 47% was attributed to borrowings).

- Repayment of loans and borrowings – RUB 22.0 billion.

Cash outflow in the amount of RUB 28.1 billion resulted from:

- Interest payments on loans and borrowings – RUB 6.1 billion

Net cash flows from financing activities totalled RUB 22.5 billion.

### Cash flows from financing activities

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Net cash flow	63.8	38.4	22.5	61.5
Cash received	79.7	69.2	50.6	77.1
Cash used	15.9	30.8	28.1	96.9

The total net cash flow of FPC from operating, investing and financing activities for the reporting period was RUB 5.9 billion.

Cash balance on accounts of FPC (including short-term deposits) as at 1 January 2022 stood at RUB 8.8 billion

## Financial Review

Indicators <sup>1</sup>	2020	2021	2022
<b>Liquidity</b>			
Absolute liquidity ratio	0.07	0.04	0.13
Quick liquidity ratio	0.26	0.23	0.38
Current liquidity ratio	0.33	0.30	0.49
Leverage ratio	0.64	0.64	0.70
<b>Margins, %</b>			
Sales margin (including subsidies)	-20.4	3.7	14.9
Return on equity (ROE)	-15.8	-2.5	4.8
Return on assets, including subsidies (ROA)	-11.8	-0.5	8.5
<b>Liabilities</b>			
Liabilities in the balance sheet total	0.36	0.36	0.30
Financial leverage (interest-bearing borrowings/equity)	0.31	0.31	0.27
<b>Total debt/EBITDA</b>	<b>-2.81</b>	<b>4.15</b>	<b>1.62</b>
<b>Total debt/revenue</b>	<b>0.49</b>	<b>0.35</b>	<b>0.27</b>

<sup>1</sup> In accordance with the management accounting data.

<sup>1</sup> According to the accounting records for 2022.

**Absolute liquidity ratio****0.13****Quick liquidity ratio****0.38****Return on assets, including subsidiaries (ROA)****8.5****Liabilities in the balance sheet total****0.30**

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 2022, the ratio increased by 0.09 p.p. compared to the same period of the previous year (0.04 in 2021).

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 2022, the ratio increased by 0.15 p.p. compared to the previous period (0.23 in 2021).

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 2022, the ratio increased by 9.0 p.p. compared to the previous period (–0.5% in 2021).

The lower share of borrowings in the balance sheet total (0.36 in 2021) 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.

**Total debt/ EBITDA****1.62****Current liquidity ratio****0.49****Leverage ratio****0.70****Financial leverage (interest-bearing borrowings/equity)****0.27**

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

In 2022, the ratio increased by 0.19 p.p. compared to the previous period (0.30 in 2021).

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.

The ratio increased by 0.06 p.p. in 2022 (0.64 in 2021).

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 (0.31 in 2021).

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

In 2022, the ratio increased by 2.53 p.p. compared to the previous period (4.15 in 2021).

**Total debt/ revenue****0.27**

This indicator shows the Company's debt burden vs its total revenue (0.35 in 2021).

**Sales margin (including subsidies)****14.9****Return on equity (ROE)****4.8**

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 2022, the ratio increased by 11.2 p.p. compared to the previous period (3.7% in 2021).

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 2022, the ratio increased by 7.3 p.p. compared to the previous period (–2.5% in 2021).

Changes in FPC's net assets

RUB million

Indicators	2020	2021	2022
<b>1 Authorised capital</b>	<b>206,961.0</b>	<b>221,961.0</b>	<b>248,588.8</b>
<b>2 Net assets</b>	<b>206,714.9</b>	<b>213,255.2</b>	<b>250,900.7</b>
2.1 1. Equity and reserves	206,559.5	213,144.8	250,811.2
Authorised capital	206,961.0	221,961.0	248,588.8
Add-on capital	10,231.6	10,112.8	10,076.7
Retained earnings (accumulated deficit)	–11,949.8	–20,577.2	–9,502.5
Other	1,316.7	1,648.2	1,648.2
2.2 2. Future income	155.4	110.4	89.5
<b>3 Deviations</b>	<b>–246.1</b>	<b>–8,705.8</b>	<b>2,311.9</b>

The net value of FPC assets as at 31 December 2022 is RUB 250.9 billion and exceeds the Company's authorised capital (RUB 248.6 billion as at 31 December 2022). This indicates 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 joint stock companies.

# INVESTMENT MANAGEMENT

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

The Investment Programme of FPC for 2022–2024 was approved by the decision of the Board of Directors (Minutes No. 16 dated 7 April 2022). Based on the Company's performance in H1 2022, the Investment Programme was adjusted and approved by the decision of the Board of Directors of FPC (Minutes No. 7 dated 27 October 2022).

Given that the rolling stock for FPC is the main means of production, its renewal is carried out 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

# 40.6 RUB billion

volume of the 2022 Investment Programme

The bulk of FPC's investments (RUB 39.2 billion, or 96.6%) in 2022 was aimed at renovating passenger rolling stock: the purchase of new passenger carriages (RUB 30.5 billion) and the upgrade of passenger rolling stock (RUB 8.7 billion).

RUB 1.4 billion worth of investments, or 3.4%, was used to upgrade depot facilities, and promote IT projects and other initiatives.

### Investment programme structure

RUB billion

Indicators	2020	2021	2022	Change 2022/2021
Rolling stock acquisition	34.2	26.2	30.5	4.3
Rolling stock upgrades	11.1	7.7	8.7	1.0
Depot upgrades	0.6	0.6	0.7	0.1
IT promotion	0.3	0.2	0.6	0.4
Other projects	0.1	0.1	0.1	–
<b>Total</b>	<b>46.3</b>	<b>34.8</b>	<b>40.6</b>	<b>5.8</b>

### Passenger rolling stock replacement

# 39.2 RUB billion

investment expenditures in 2022:

RUB 30.5 billion – for acquisition of new passenger carriages, including:

- 260 single-decker carriages of the new 2019 model
- 65 single-decker carriages of the new 2018 model
- 49 double-decker carriages of the new 2020 model
- 59 double-deck carriages of the 2018 model
- RUB 8.7 billion – for passenger rolling stock upgrades.

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 2022, 325 single-decker carriages were purchased for this purpose, costing RUB 17.8 billion.

In addition, 108 double-deck carriages worth RUB 12.7 billion were purchased for promising destinations characterised by high passenger traffic demand, to organise train services on the Moscow – Adler, Moscow – Cheboksary, Moscow – Yoshkar-Ola, Moscow – Ulyanovsk routes.



### Passenger rolling stock upgrades

**8.7** RUB billion

investment expenditures in 2022

The main share of these investments (RUB 8.2 billion, or 94.3%) is allocated for overhaul/reconditioning with service life extension of 140 carriages and KR-2 overhaul of 475 carriages.

### Depot upgrades

**0.7** RUB billion

investment expenditures in 2022

Investments in depot facilities were primarily used to:

- To upgrade existing production facilities – RUB 0.3 billion
- To purchase equipment to ensure uninterrupted depot operations – RUB 0.4 billion

### IT promotion

**0.6** RUB billion

investment expenditures in 2022

- Creating a security system for critical information infrastructure facilities of FPC
- Creating a digital contingency management system at FPC
- Creating a geographically distributed software and hardware complex for FPC's Passenger Identification and Service System
- Introducing an electronic queue management system
- Delivering equipment for broadcasting audio recordings and recording of official conversations over the radio train communication and radio broadcasting network
- Supply of networking, server and peripheral equipment

### Other projects

**0.1** RUB billion

investment expenditures in 2022

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

## Priority Investment Areas

### Customer-focused investment

The Company spent RUB 34.9 billion in 2022 to improve the quality of its services, including:

- To reduce transit time and enhance both transport safety and passenger experience, 433 new highly efficient passenger carriages featuring improved performance and passenger comfort were purchased — RUB 30.5 billion
- RUB 4.4 billion were spent on overhaul/reconditioning of 140 passenger carriages

Besides, RUB 0.6 billion were spent on the implementation of information technology innovations.

### Investment in safety and security

RUB 0.6 billion were used in 2022 to enhance passenger safety and improve the passenger experience:

- RUB 0.4 billion – to replace retired rolling stock
- RUB 0.2 billion – to install new frames, bolsters and 1.520-mm gauge bogies during scheduled carriage repairs

### Upgraded of fixed assets

To maintain its existing carriage repair and maintenance facilities, FPC invested RUB 0.3 billion in rehabilitation and upgrades of its fixed assets in 2022.

## Sources of Financing

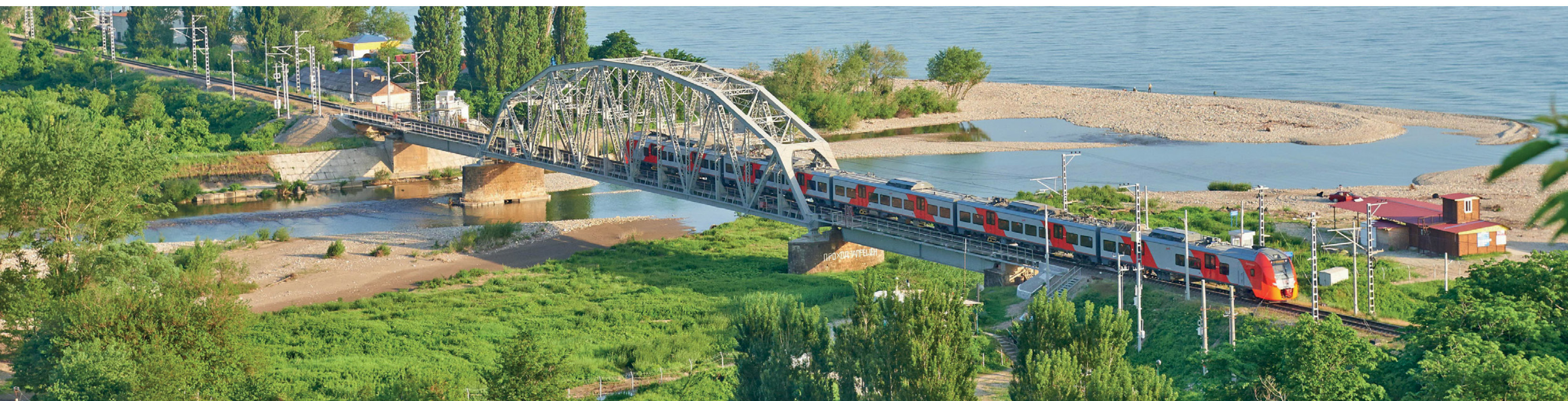
Sources of financing for the Investment Programme in 2022:

**15.3** RUB billion

internal funds (depreciation)

**25.3** RUB billion

contribution to authorised capital

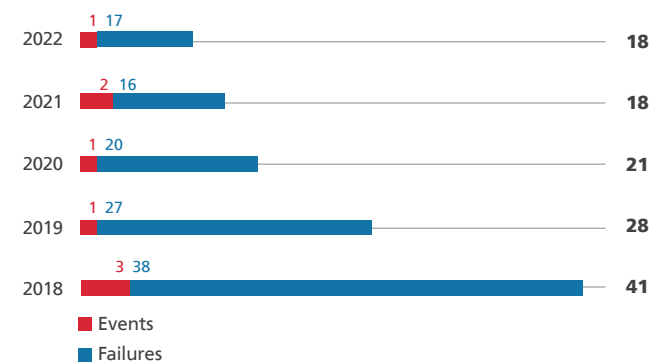


# PASSENGER SAFETY

## Rail Traffic Safety

Taking into account the service providers involved in the maintenance of railway rolling stock, the 2022 target indicator of traffic safety for FPC was achieved with a 33% improvement and amounted to 0.002 adverse events per 1 million train-km with a target of no more than 0.003.

### Number of train operation safety breaches



The positive dynamics in traffic safety was achieved through systematic management of the relevant 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 failures and their impact on the transportation process at FPC
- Continued expansion of the annual coverage of structural units by 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 2022, FPC is held accountable for one case of fire under the Fire Safety Management System (three cases in 2021).

The fire occurred on 24 June 2022 on the Sarmik – Yanik line of the Sverdlovsk Railway in train No. 379, Novy Urengoy – Orenburg, as a result of careless handling of the fire by a passenger (who was detained). The damage amounted to RUB 2.56 million.

In 2022, the Company implemented an operational fire safety programme for a total of **RUB 141.6 million**.

In particular, the following measures were taken as part of the operational programme:

- Materials and fire protection equipment were purchased and delivered for a total amount of RUB 40.51 million, including fire extinguishers, personal respiratory and visual protection equipment, tools, etc.;
- Measures to ensure compliance with statutory and mandatory fire safety requirements (total costs: over RUB 14.45 million), including:
  - fireproofing,
  - Tests of escape ladders and roof railings;
- Assignment of explosive and fire hazard classes to premises following the Electric Installation Guidelines;
- Over RUB 53.21 million were spent on daily fire prevention measures for FPC's rolling stock and stationary facilities under the contract with FSE NDS of Railway Transport<sup>1</sup>.

In 2022, no accidents or incidents were reported at hazardous industrial facilities of FPC.

The following activities were carried out as part of the Industrial Safety operational programme:

- Industrial safety expertise, examination and certification of technical devices, development of emergency localisation plans at hazardous production facilities for RUB 25.6 million (415 measures at 180 hazardous production facilities);
- Acquisition of removable load-carrying equipment, for an amount of RUB 0.72 million;
- Maintenance of gas equipment and safety devices in the amount of RUB 7.4 million.

A total of RUB 23.956 million was spent in 2022 to replace technical devices at hazardous production facilities that had reached the end of their service lives, as part of the Renewal of Industrial Safety Facilities of JSC FPC investment programme. A total of nine projects were implemented under this programme.

**33,721** RUB million

was spent on the Industrial Safety operational 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 FPC's hazardous facilities are insured.

<sup>1</sup> Federal State Enterprise Non-Departmental Security of Railway Transport of the Russian Federation.

# RUSSIAN FEDERATION GOVERNMENT RELATIONS

## Relations with the Federal Executive Authorities of the Russian Federation for the 12 months of 2022

In 2022, FPC interacted with state authorities in four main areas:

- Receiving compensation for the Company's shortfall in income from the regulation of long-distance passenger fares for 2020 and allocating additional subsidies for 2022;
- Indexing fares for long-distance passenger service on public railways in third-class open sleeping carriages and fourth-class seating carriages;
- Reimbursing the costs of transporting refugees from the Donetsk People's Republic and the Luhansk People's Republic by JSC FPC;
- Financing the FPC Investment Programme.

On 29 December 2022, FPC was granted RUB 5.9 billion from the Reserve Fund of the Russian Government to fully compensate the Company for losses in revenue from passenger transportation in third-class open sleeping carriages and fourth-class seating carriages for 2022 (Decree of the Russian Government No. 4183-r dated 24 December 2022).

The relevant ministries and agencies supported the proposals of FPC on the additional indexation of passenger fares from 1 October 2022 (by 6.52%) and from 1 January 2023 (by 8.1%) in order to partially compensate for the lack of carriages,

as well as the funds allocated to ensure transport security. The respective decisions were given effect by FAS of Russia's Orders No. 676/22 dated 23 September 2022 and No. 798/22 dated 11 November 2022.

FPC's own financial sources for the investment programme were reduced as a result of a decline in passenger-distance brought on by the emergence of a new coronavirus epidemic in 2020.

At the beginning of 2022, FPC had RUB 3.1 billion of its own funds to finance the purchase of carriages.

After Decree No. 602 of the Government of the Russian Federation dated 6 April 2022 came into force, the authorised capital of the Parent Company increased by RUB 250 billion. From this amount, RUB 25.33 billion were allocated to increase the authorised capital of JSC FPC. These funds, along with the Company's own resources, allowed the investment programme to be fully implemented in 2022, resulting into the purchase of 433 carriages. In addition, first steps were taken to secure financing for FPC's 2023 Investment Programme: 550 carriages are to be purchased for a total of RUB 40.3 billion

# INTERNATIONAL ENGAGEMENT

## International Services

# 3.09

million passengers

carried internationally in 2022 (+76.5% year-on-year)

Since 2021, international passenger rail services have begun recovering as the epidemiological condition in the Russian Federation gradually returns to normal. At the beginning of 2022, connections with the Republic of Abkhazia and the Republic of Belarus were restored in a phased manner.

In 2022, passenger rail services to Asian countries, such as Kazakhstan, Mongolia, Kyrgyzstan and Uzbekistan, were resumed as well.

A total of 3,089,682 people were carried between countries, up 176.5% against the 2021 traffic.

In 2022, FPC concentrated on expanding international railway tourism in addition to reestablishing international passenger traffic. For instance, starting in August 2022, a tourist train has been running to/from the Republic of Belarus in addition to the regular summertime trips to/from the Republic of Abkhazia. A joint international project of FPC and Belorussian Railways, the Belorussian Voyage train, is the first tourist train from Russia to Belarus and travels the Moscow – Grodno/Brest – Minsk – Moscow route.

The journey is structured in a "hotel on wheels" way: passengers have the chance to see remarkable architectural masterpieces and landmarks of Belarusian culture during the day, and at night they can chill out in the compartment of the train while it moves between locations.

In 2022, almost 2,000 people enjoyed this tourist route.

## Cooperation within International Organisations

The cooperation between FPC and overseas partners in 2022 was concentrated on routine activities to coordinate the scheduled service of international trains on the territory of the Russian Federation and other nations.

It should be noted that FPC's participation in international organisations like the International Union of Railways, the International Rail Transport Committee, and the European Route Management Forum has been suspended since March 2022 because of the hostile policy of European states towards

the Russian Federation. The management of the above-mentioned organisations made the decisions in this area unilaterally.

On the platforms of the Railway Cooperation Organisation and the Railway Transport Council of the Commonwealth of Independent States, FPC's experts continue to discuss the most crucial issues of international passenger service that have an impact on the Company's production and business operations, as well as issues related to the legal regulation of such service.

# 04

## CORPORATE GOVERNANCE

**24 meetings**

of the Board of Directors

**97%**

attendance of meetings  
by Board members

**143 issues**

addressed  
by the Board of Directors



**4**

General Meetings of  
Shareholders

The corporate governance system of JSC FPC was aligned with the principles set forth in the Corporate Governance Code of the Bank of Russia. In the opinion of the Internal Audit Department, corporate governance practices for 2021/2022 predominantly comply with the recommendations of the Code.



# IMPROVING

THE MANAGEMENT PROCESS

# CORPORATE GOVERNANCE SYSTEM

## Corporate Governance Principles



### Protection of shareholder interests and rights

The Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC (available on JSC FPC and SKRIN information Agency websites) stipulate the corporate governance rights of shareholders.

The interests and rights of FPC’s shareholders are protected through a reliable method for recording their rights to shares – the share register is maintained by an independent entity, JSC STATUS Registry Society.

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

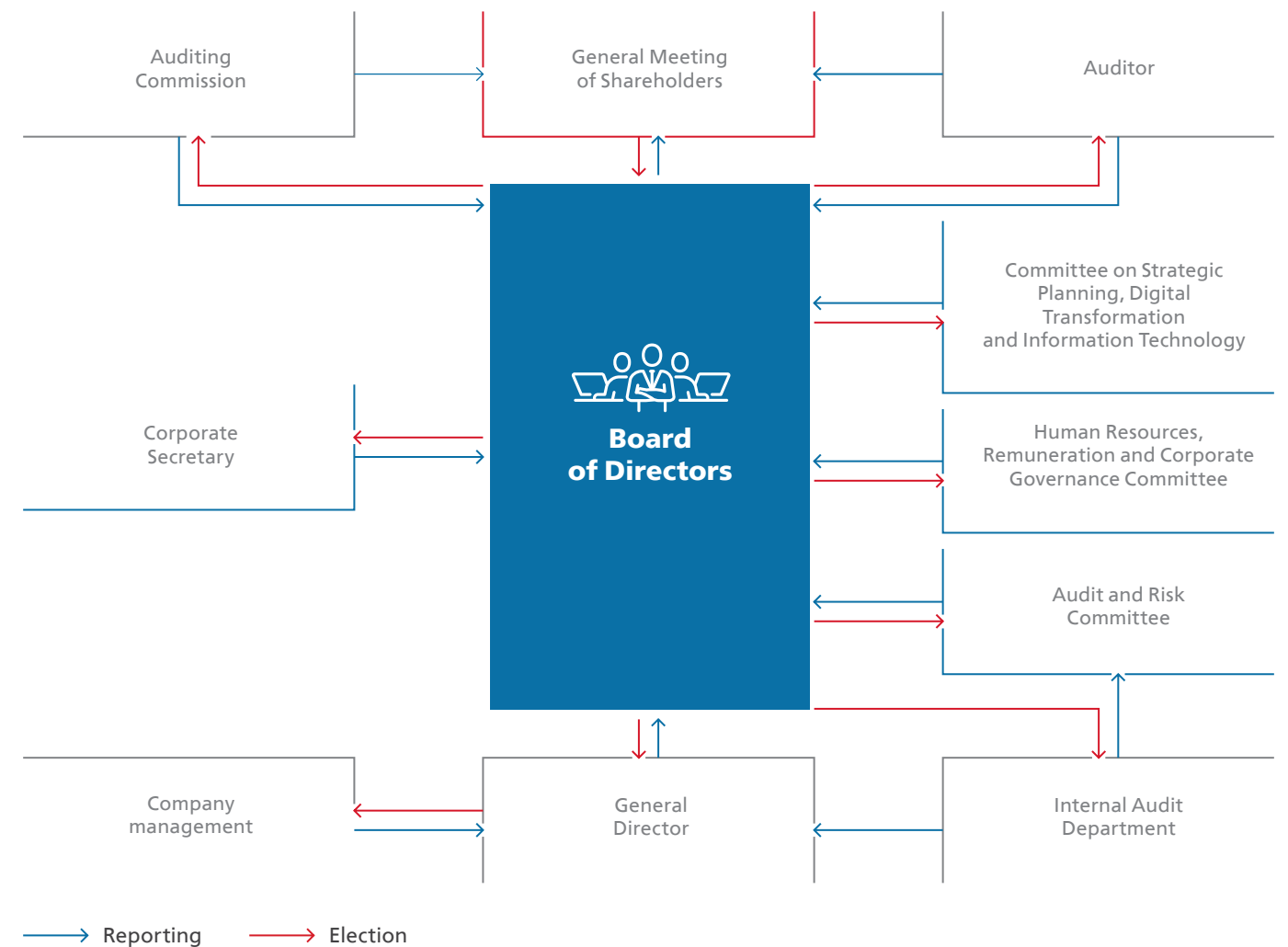
FPC ensures timely disclosure of information on its website and in the news feed of LLC SKRIN information agency (Integrated Information and News Disclosure System) authorised to disclose information about securities and other financial instruments.



### 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



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 General Meeting of Shareholders is the highest governing body of the Company. The Board of Directors occupies a key position in the corporate governance system. The General Director is responsible for overseeing the Company’s day-to-day operations.

The General Director is accountable 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 competence of all governance bodies is clearly defined and formalised in the Articles of Association.

The Company adopted [the Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC](#).

Matters reserved to the General Meeting of Shareholders include:

- Amendments and addenda to JSC FPC's 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
- Election of the Board of Directors and early termination of directors' powers
- Approval of annual accounting (financial) statements
- 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
- Payout (declaration) of dividends for the first quarter, the first six months, and the first nine months of the reporting year
- Approval of interested party transactions or passing resolutions on their subsequent approval if the number of disinterested members of the Company's Board of Directors is less than half of the elected members of the Board
- Approval of major transactions or passing resolutions on their subsequent approval in cases stipulated by Article 79 of Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995
- Approval of internal documents governing the activities of the Company's 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

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 duties of the Board of Directors:

- To determine FPC's priorities: elaborate and approve the Company's Development Strategy and Long-term Development Programme, as well as amendments and addenda thereto; review reports on their implementation
- To approve the Company's budget and Investment Programme and amendments thereto; review the General Director's report on the Company's performance in the reporting period, including information on budget and Investment Programme performance; implement resolutions passed by the General Meeting of Shareholders and the Board of Directors
- To elect members of the Auditing Commission and approve early termination of their powers
- To approve the Company's Auditor and determine the relevant fee
- To approve an annual report
- To convene annual and extraordinary general meetings of shareholders; approve the agenda of the General Meeting of Shareholders; determine the record date; and address other matters relating to the preparation and holding of general meetings of shareholders
- To approve the activity plan of the internal audit function and relevant annual performance reports; appoint and remove the head of Internal Audit Department
- To determine the Company's policy on remuneration due to, and/or reimbursement (compensation) of costs incurred by, members of the Board of Directors
- To review the results of performance assessment of the Board of Directors and its members and committees, as well as that of the Company's sole executive body
- To determine the key performance indicators (KPIs) for the Company and its sole executive body and review KPI performance reports; approve a list of the Company's key managers and compile a list of their corporate KPIs
- To determine the principles of, and approaches to, organising the internal Control and Risk Management System at the Company
- To establish acceptable risk levels (risk appetite, preferred risks) for the Company

For the full list of powers of the Board of Directors, please see [JSC FPC's Articles of Association](#).

The appointment of the General Director, the corporate secretary, and the creation of Board committees are all within the exclusive purview of the Board of Directors.

Three committees of the Board of Directors were set up to preview the most important matters referred to the Board of Directors of JSC FPC:

- 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 composition of the committees, as well as the chairpersons of the committees, 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.

The Corporate Secretary ensures effective ongoing interaction with shareholders, coordinates the Company's efforts to protect shareholder rights and interests, and supports the activities of the Board of Directors. The Corporate Secretary is accountable to the Board of Directors. The Corporate Secretary's activities are governed by the Regulations on the Corporate Secretary approved by FPC's Board of Directors.

In order to provide shareholders with reliable and complete information on financial and economic activities, the Board of Directors of the Company approves the Auditor and the Auditing Committee.

JSC FPC has an internal audit function — the Internal Audit Department in place. The Head of the Internal Audit Department is appointed by a decision of the Board of Directors. The Regulations on Internal Audit and the Internal Audit Department's Activity Plan are to be approved by the Board of Directors. The Internal Audit Department is accountable to the Board of Directors.

## Features of JSC FPC's Corporate Governance Model

JSC FPC is a company of strategic importance for national defence and security, as it 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).

The Russian Federation, which holds 100% of the Parent Company's shares, is a controlling entity of the Company. Due to the Parent Company's significant (controlling) ownership of JSC FPC, the following characteristics are applicable to JSC FPC's corporate governance:

- In accordance with Federal Law No. 29-FZ dated 27 February 2003 on Special Features of Management and Disposal of Railway Transport Property, a single economic entity may not pledge, sell or otherwise dispose of its owned shares in subsidiaries without the consent of the Government of the Russian Federation

- In accordance with Resolution No. 738 dated 3 December 2004 of the Government of the Russian Federation (last updated on 31 March 2021 and amended on 31 August 2022) on management of joint stock companies' shares in federal ownership and exercise of the Russian Federation's special right to participate in managing joint stock companies ("golden share"), the Federal Agency for State Property Management is obliged to issue directives to agents of the Russian Federation in the board of directors of joint stock companies on the purchase of shares (stakes in authorised capital) in other business companies, including at a time of their incorporation by a subsidiary or affiliate business entity, if the company's charter stipulates that the position of the company or its representatives (when governing bodies of subsidiaries or affiliates consider agenda items of general meetings of shareholders and meetings of boards of directors) on the said issue falls within the competence of the board of directors (supervisory board) of the joint stock company

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:

- 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)

## Assessment of Corporate Governance Quality

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

The Internal Audit Department of JSC FPC assessed corporate governance practices for the corporate year 2021/2022, confirming its compliance with the established regulatory requirements to major extent, including the recommendations of the Corporate Governance Code of the Bank of Russia. In certain areas, corporate governance improved in a good way. For the subsidiaries of JSC FPC, specific corporate governance development areas were identified as part of recommendations for further strengthening corporate governance practises.

### Report on the progress in compliance with the Bank of Russia's Corporate Governance Code

The following measures were carried out in the reporting period in accordance with the Corporate Governance Improvement Plan for 2022, which was adopted by the Board of Directors of JSC FPC:

- Strategic Planning, Digital Transformation and Information Technology Committee of the Board of Directors of JSC FPC was established on the basis of the Strategic Planning Committee of the Board of Directors of JSC FPC with relevant competencies in the field of information technology
- Information on the FPC website was structured and updated
- Regulatory framework of JSC FPC governing corporate governance was improved

Company's area of activity	Document
Shareholder rights	Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC as amended
Board of Directors and relevant committees	<ul style="list-style-type: none"> <li>• Regulations on the Board of Directors of Joint Stock Company Federal Passenger Company as amended</li> <li>• Induction programme for newly elected members of the JSC FPC Board of Directors as amended</li> <li>• Amendments to the Regulations on the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC and on the Audit and Risk Committee of the Board of Directors of JSC FPC</li> <li>• Regulations on the performance assessment of the Board of Directors, Board Committees, members of the Board of Directors and the Corporate Secretary of JSC FPC as amended</li> <li>• Regulations on the Strategic Planning, Digital Transformation and Information Technology Committee of the JSC FPC Board of Directors</li> <li>• 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</li> </ul>
Remuneration system	<ul style="list-style-type: none"> <li>• Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC as amended</li> <li>• Amendments to the Regulations on JSC FPC Executive Remuneration System</li> </ul>
Internal audit	<ul style="list-style-type: none"> <li>• Regulations on Internal Audit at JSC FPC as amended</li> <li>• Regulations on the Internal Audit Department at JSC FPC as amended</li> </ul>
Conflict of interest and anti-corruption policy	<ul style="list-style-type: none"> <li>• Operational procedure for JSC FPC's anti-corruption hotline as amended</li> <li>• Regulations on the Prevention and Management of Conflicts of Interest at JSC FPC as amended</li> <li>• Regulations on insider information of JSC FPC as amended</li> </ul>
Interactions with subsidiaries and affiliates	<ul style="list-style-type: none"> <li>• Principles of corporate governance recommended being observed in companies with direct or indirect participation of JSC FPC</li> <li>• New proformas for articles of association, regulations on the general meeting of shareholders (participants) and regulations on the board of directors for JSC FPC subsidiaries</li> </ul>

JSC FPC's internal documents regulating corporate governance were updated, and new relevant documents were developed during the reporting year.

The synchronisation of the Company's procedures and internal regulatory documentation in connection with the anticipated adoption of the revised version of JSC FPC's Articles of Association is the primary area of development for the corporate governance system for 2023.

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 of JSC FPC assessed candidates to the Board of Directors for the necessary experience and competencies as well as for the absence of a conflict of interest. The results of the assessment are presented to the Company's shareholders.
- JSC FPC's Human Resources, Remuneration and Corporate Governance Committee assessed nominees to the Board of Directors and independent directors (ID) against

the independence criteria set by the Code. The results of the assessment are presented to the Company's shareholders and to the Board of Directors.

- The Board of Directors conducted a self-evaluation of its performance as well as the performance of its committees and individual Board members, including the analysis of the needs of the Board of Directors in terms of professional qualifications, experience and business skills of Board members, the number of Board members, and the performance of the Chairman of the Board of Directors and the Corporate Secretary. The results are reviewed by the Board of Directors.
- The main results of the Board of Directors' performance assessment were included in the Company's Annual Report.

As evidenced by the Company's adherence to the Bank of Russia's Corporate Governance Code<sup>1</sup>, JSC FPC continuously enhances its corporate governance procedures. The proportion of principles and recommendations fully complied with by the Company increased from 68% in 2021 to 71% in 2022.

<sup>1</sup> The Company evaluated compliance with the Code by examining and contrasting internal standards and practises with the Code's recommendations.

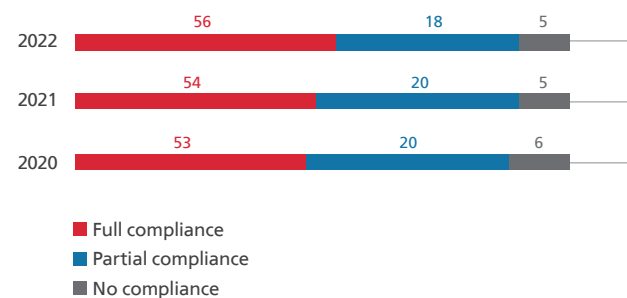
In 2022, the Company was subject to a special disclosure regime that was specified by the government and was brought on by the unique foreign policy environment that Russian businesses (JSC FPC in particular) operate in. This

resulted in an insignificant rise in the number of instances where the Company did not comply with the principles and recommendations of the Code under the Board of Directors and Corporate Secretary sections.

#### Compliance with the principles and recommendations of the Corporate Governance Code<sup>1</sup>

Sections	Corporate governance principles recommended by the Code	Compliance with the corporate governance principle								
		Full compliance			Partial compliance			None		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Shareholder Rights	13	9	10	10	3	3	3	1	–	–
Board of Directors	36	24	26	25	10	8	9	2	2	2
Corporate Secretary	2	2	2	1	–	–	–	–	–	1
Remuneration System	10	6	6	7	2	2	1	2	2	2
Risk Management System	6	6	6	6	–	–	–	–	–	–
Information Disclosure	7	4	1	3	3	6	4	–	–	–
Material Corporate Actions	5	2	3	4	2	1	1	1	1	–
<b>Total</b>	<b>79</b>	<b>53</b>	<b>54</b>	<b>56</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>6</b>	<b>5</b>	<b>5</b>

#### Compliance with the Corporate Governance Code



Detailed information on compliance with the provisions of the Code is given in the Appendix to this Report – Report on Compliance with the Bank of Russia Corporate Governance Code<sup>2</sup>.

<sup>1</sup> 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.

<sup>2</sup> The Company evaluated compliance with the Code by examining and contrasting internal standards and practises with the Code's recommendations.

## GENERAL MEETING OF SHAREHOLDERS

JSC FPC's highest governance body is the General Meeting of Shareholders.

There were four general meetings of FPC's shareholders in 2022: one annual and three extraordinary meetings.

#### General Meetings of Shareholders held in the reporting year

Extraordinary General Meeting of Shareholders	14 January 2022
Extraordinary General Meeting of Shareholders	27 April 2022
Annual General Shareholders Meeting	30 June 2022
Extraordinary General Meeting of Shareholders	12 July 2022
Number of items reviewed	5
	8

#### Resolutions taken by the extraordinary general meetings of shareholders

Date	Resolutions taken
14 January 2022	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
27 April 2022	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
12 July 2022	On approval of a major transaction

#### Resolutions taken at the Annual General Meeting of Shareholders

Date	Resolutions taken
30 June 2022	To approve FPC's annual accounting (financial) statements for 2021
	Not to distribute net profit for 2021 due to the Company's incurring a loss
	Not to pay a dividend for 2021
	To pay remuneration to members of FPC's Board of Directors
	To elect the new Board of Directors
	To make amendments and additions to the Articles of Association of JSC FPC
	To approve the Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC as amended
	To approve the Regulations on the Board of Directors of JSC FPC as amended

JSC STATUS Registry Society performed the functions of a counting commission at FPC's General Shareholders

Meetings. The results of the voting were announced at the face-to-face meetings.



# BOARD OF DIRECTORS

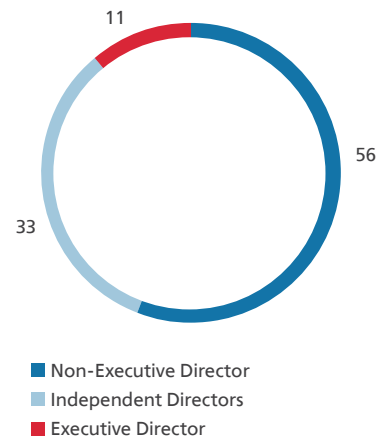
In accordance with the Company’s Articles of Association, the Board of Directors is elected by the General Meeting of Shareholders of JSC FPC; the Board of Directors is to comprise nine members.

In June 2022, the annual General Meeting of Shareholders decided to elect three independent directors to the Board of Directors of JSC FPC, as well as five non-executive directors (who were representatives of the parent company) and an executive director (who is the General Director of JSC FPC).

The FPC shareholders have confidence in the Board of Directors, which is made up of highly qualified experts.

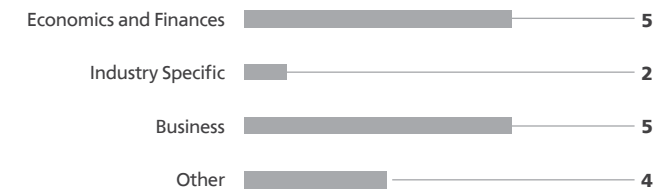
The Board of Directors of JSC FPC is effective because of a well-balanced makeup in terms of its members’ backgrounds, including their education, experience, and business acumen, as well as their age and gender.

Board structure, %

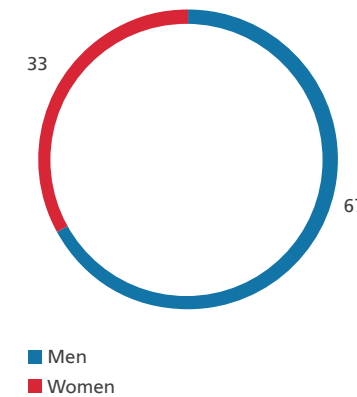


The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC evaluated the composition of the Board of Directors during the reporting year for compliance with the Company’s strategic goals and objectives, as well as the proficiencies and qualifications of all nominees to the Board of Directors of the Company.

Education of members of the Board of Directors<sup>1</sup>

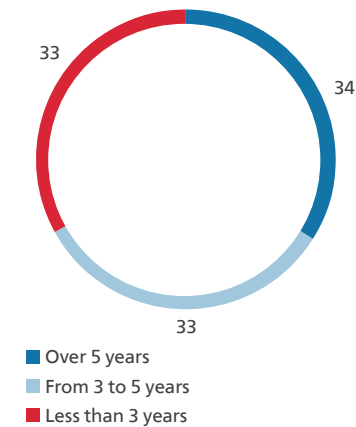


Gender balance, %



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

Tenure, %



The average tenure of members of the JSC FPC Board of Directors is 3.5 years. Such a period allows for both the need to rotate the membership (to assess and work through issues in the most objective and innovative way) and the 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).

In 2022, two new members were elected to the Board of Directors of JSC FPC.

Expertise of the members of the Board of Directors of JSC FPC

Expertise area	Board members (BM)								
	BM1	BM2	BM3	BM4	BM5	BM6	ID1	ID2	ID3
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	✓			✓	✓		✓	✓	
Control and audit			✓			✓		✓	✓
Internal audit and internal control									✓
Risk management									✓
Human resources management and social responsibility								✓	

<sup>1</sup> Six of the nine members of the Board of Directors have two or more higher education degrees and one member of the Board of Directors has an academic degree.

## Role of independent directors in the Company's activities

Independent directors (ID) play an important role on the Board of Directors: they ensure an objective and comprehensive perception of issues 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.

The Company complies with the recommendation of the Corporate Governance Code to have at least one third of the Board of Directors as independent directors.

All independent directors sit on 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. One independent director sits on the Audit and Risk Committee.

The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assesses Board members, particularly at the stage of nomination to the Board, for compliance with the independence criteria set out in the Corporate Governance Code.

In 2022, the Board of Directors of JSC FPC recognised ID1<sup>1</sup>, ID2, ID3<sup>2</sup> as meeting the independence criteria based on the assessment conducted by the Human Resources, Remuneration and Corporate Governance Committee. The presence of formal indications of affiliation with JSC FPC and the state was recognised as immaterial and having no impact on the ability of the Board members to make objective and impartial judgements during the decision-making process.

## 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 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 programs, investment programs and other benefits and privileges.

## 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 induction course is held. This procedure is prescribed by the Induction Programme for newly elected members of the Board of Directors of JSC FPC.

As part of the induction course, meetings with the General Director and key employees of the Company are held at the Company's office, key documents and presentation materials on the Company's activities are presented, and visits to the Company's production facilities are organised.

In 2022, following the recommendation of the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC, the Company approved a new version of the induction programme for newly elected members of the Board of Directors of JSC FPC, which includes an updated list of JSC FPC corporate policies that are provided to newly elected members of the Board of Directors of JSC FPC for familiarisation upon their election.

In 2022, a newly elected independent director had an induction course, met with the Company's management and the Chairman of the Board of Directors, and received the Company's key documents for review from the Corporate Secretary.

In order to develop the professional competencies of members of the Board of Directors, the Company organises

invitations to Board members to participate in forums, strategic sessions, conferences and other events dedicated to the specific activities of JSC FPC.

In February 2022, independent directors took part in a strategic session organised by FPC's management in the form of an online conference, key FPC executives, Board members and the Strategic Planning Committee of the Board of Directors of JSC FPC. The strategic session examined paths, risks and trends in FPC's strategic development.

In November 2022, independent directors of JSC FPC took part in the XVIth annual Transport of Russia forum, which hosted the most significant business and cultural events of the industry: the coordination transport meeting of CIS member states, the Transport of Russia international exhibition, the Digital Transport and Logistics forum, etc.

# Report of the Board of Directors

## Meetings of the Board of Directors

Meetings of the Board of Directors are held in accordance with the annually approved Work Plan of the Board of Directors, as well as when necessary, but at least once a quarter.

In 2022, there were 24 meetings of JSC FPC's Board of Directors, of which 20 were held in absentia and four were held in person. In 2022, the duration of in-person meetings averaged 1.1 hours.



During the reporting year, the in-person meetings were mainly held in a video-conference format using the domestic online conferencing software – True-Conf. Information security during corporate procedures was improved by replacing the imported software, which was used to coordinate remote participation of board members in in-person meetings, with domestic one. The use of this platform is also integrated into the work of the relevant committees of the Board of Directors.

FPC employs a cutting-edge method for supplying Board members with meeting materials by following the path of digitalisation and resource-wise usage. Each member of the JSC FPC Board of Directors is provided with a personal tablet with corporate cloud storage. This is a resource that provides secure access to all meeting materials and minutes of the Board of Directors.

In the reporting year, Board members actively participated in the work of the Board of Directors, with an attendance rate of 97%.

<sup>1</sup> The Board of Directors of JSC FPC recognised ID1 as an independent director due to his immaterial affiliation with the state (ID1 had been a member of the State Duma of the Seventh Federal Assembly of the Russian Federation and a member of the State Duma Committee on Transport and Construction (2016–2021) for one year prior to his election to the Company's Board of Directors) and the director's ability to act in good faith and reasonably in the interests of the Company and its shareholders.

<sup>2</sup> The Board of Directors of JSC FPC recognised ID3 as an independent director due to her immaterial affiliation with the Company (ID3 is a member of the board of directors of an entity controlled by the parent company) and the director's ability to act in good faith and reasonably in the interests of the Company and its shareholders.

Information on the attendance of Board meetings by members of the Board of Directors of JSC FPC in 2022<sup>1</sup>

Full name	In-person meeting of the Board of Directors	Absentee meeting of the Board of Directors	Total % of attendance at meetings
BM1	1(3)/4	19/20	96%
BM2	2(2)/4	18/20	91%
BM3	3(1)/4	20/20	100%
BM4	3(1)/4	20/20	100%
BM5	4(0)/4	20/20	100%
BM6	2(0)/2	10/10	100%
BM7	0(2)/2	8/10	83%
ID1	2(0)/2	10/10	100%
ID2	3(1)/4	20/20	100%
ID3	3(1)/4	20/20	100%
ID4	1(0)/1	3/3	100%

## Matters reviewed by the Board of Directors in 2022



## Key resolutions taken the Board of Directors in 2022

Group of matters	Resolutions taken
Strategic	To approve JSC FPC's Informatisation Programme for 2022
	To approve the Investment Programme for 2022
	To approve the time-schedule for the development of JSC FPC's Digital Transformation Strategy until 2024
	To review the report on the implementation of the IT strategy of JSC FPC for 2020–2025 in 2021
	To approve the Company's budget for 2022
	To approve the revised Regulations on the KPI system of JSC FPC and define the targets of corporate and functional KPIs for 2023
Securities	To increase JSC FPC's authorised capital by placing additional shares and approval of the document containing the terms and conditions of placing JSC FPC securities
Corporate governance	To decide on the matters related to the convening and organisation of general meetings of shareholders of JSC FPC
	To take organisational decisions related to the establishment of the Strategic Planning, Digital Transformation and IT Committee of JSC FPC
	To resolve on the organisation of activities of the Board of Directors' committees, in particular, to review the committees' report for the 2020/2021 corporate year
	To review the results of performance evaluation of FPC's Board of Directors and its committees
Internal audit, internal control and risk management	To review the Internal Audit Department's 2021 performance report and approved the Internal Audit Department's 2022 performance plan and budget
	To approve JSC FPC's risk monitoring report (including a report on the results of the self-assessment of the Risk Management and Internal Control System at the end of 2021)
	To review the draft statement of risk appetite for JSC FPC for 2022
HR-related matters	To approve candidates to the positions of JSC FPC's Deputy General Director and heads of JSC FPC's branches
	To endorse (approve) an insurance company to enter into a voluntary health insurance policy
	To make amendments to the Regulations on JSC FPC Executive Remuneration System

<sup>1</sup> The data in the table is given in the 6(2)/8 format, which means that a Board member attended six of the eight meetings and participated in two in-person meetings by sending a written opinion.

## Assessment of JSC FPC’s Board of Directors Performance

JSC FPC formalised a procedure for assessing the performance of the Board of Directors, Board committees, Board members and the Corporate Secretary. In 2022, the Board of Directors of JSC FPC approved a new version of the regulation, which establishes the authority of the Human Resources, Remuneration and Corporate Governance Committee as it pertains to the self-assessment procedure, the mandatory performance assessment of the Corporate Secretary, as well as questionnaires tailored to the Company’s operations.

In the reporting period, there was a self-assessment of the performance of the Board of Directors of JSC FPC conducted by way of a questionnaire survey among Board members and committee members. Assessment covered the work of the Board of Directors, members of the Board of Directors, Chairman of the Board of Directors, Corporate

Secretary and Committees of the Board of Directors of JSC FPC for the 2021/2022 corporate year.

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, the number of Board members, and the performance of the Chairman of the Board of Directors and the Corporate Secretary.

The Board of Directors reviewed the assessment results at its meeting in August 2022.

The weighted average performance score was 4.3 out of five for the Board of Directors and 4.6 out of five for the Board Chairman. The assessment showed that most of the assessed parameters comply with best-practice standards.

### Key results of performance assessment

The size of the Board of Directors is commensurate with the scale of the Company’s operations and is optimal for the efficient operation of the Board of Directors
The functions of the existing committees of the Board of Directors ensure a comprehensive preliminary review of the most important issues of the Company’s activities
The existing practice of induction of newly elected board members facilitates their quick and effective integration into the work of the Board of Directors
Planning the work of the Board of Directors facilitates the performance of its functions
The procedure for members of the Board of Directors to obtain documents and information about the Company and controlled legal entities (if any) necessary for making decisions is convenient and straightforward
The current work practices of the Board of Directors ensure that the most important issues of the Company’s activities are comprehensively addressed
Board members have the knowledge and experience to effectively carry out the tasks of the Board of Directors of the Company
A constructive relationship has been built between management and Board members
The Chairman of the Board of Directors has an impeccable business reputation and is available for communication with shareholders, facilitating effective communication with them

As the self-assessment for previous periods was based on different criteria, the results of the self-assessment

for the current corporate year are not compared with the results of self-assessments for previous reporting periods.

## Remuneration of Members of the Board of Directors

The principles for motivating members of FPC’s Board of Directors, as well as paying compensation and reimbursement of expenses to members of the Board of Directors 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 directors’ 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. The Company does not apply any form of short-term motivation or additional financial incentive for the members of the Board of Directors.

Remuneration of members of the Board of Directors is differentiated depending on the scope of directors’ responsibilities and considering additional time spent

on discharging the functions of the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors, a committee member, and a committee chairman or deputy chairman.

To calculate fixed remuneration for serving on the Board of Directors, there is a formula that uses the base part of remuneration adjusted for the factor of a director’s attendance at meetings and a factor of his/her contribution to the performance of the Board of Directors as its 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 factor of a director’s attendance at committee meetings and an additional factor for discharging the functions of the Chairman, the Deputy Chairman, or a member of a committee of the Board of Directors.

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

Function	Payment
Chairman of the Board of Directors	50% of the base part of remuneration
Deputy Chairman of the Board of Directors	25% of the base part of remuneration
Chairman of a Committee under the Board of Directors	25% of the base part of remuneration
Deputy Chairman of a Committee under the Board of Directors	25% of the base part of remuneration for the meetings where the director acted as Chairman of a Committee of the Board of Directors
Member of a Committee under the Board of Directors	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.

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).

The remuneration for serving on the Board of Directors is only paid if a director attends at least 50% of meetings (from his/her election till the termination of powers).

Members of JSC FPC's 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
- Other expenses incurred when attending the Board (Board's committee) meeting

## Total remuneration paid to members of the Board of Directors

In 2022, members of JSC FPC's Board of Directors were paid a total of RUB 21,936,524.00. This amount does not include personal income tax or payments related to the performance of duties by the General Director under the employment contract with JSC FPC. Four executive directors declined remuneration in 2022.

## Committees of 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 and management accounting	<ul style="list-style-type: none"> <li>• 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</li> <li>• Reviewing external audit results</li> <li>• 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</li> <li>• Previewing the Company's draft Annual Report, budget, Investment Programme, Operational Efficiency and Cost Optimisation Programme, and relevant performance reports</li> </ul>
Risk management and internal control	<ul style="list-style-type: none"> <li>• Monitoring the risk management and internal control system reliability and effectiveness</li> <li>• Reviewing the effectiveness of risk management and internal control procedures; preparing proposals for their improvement</li> <li>• Reviewing and assessing the implementation of the Risk Management and Internal Control Policy</li> <li>• Reviewing and assessing the implementation of the Conflict of Interest Management Policy</li> <li>• Preparing recommendations on acceptable risk levels (risk appetite, preferred risks)</li> </ul>

Area	Competencies
Internal and external audits	<ul style="list-style-type: none"> <li>• Ensuring independent and unbiased approach of the internal audit function and reviewing its effectiveness; reviewing the Company's 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</li> <li>• 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 external auditors' reports</li> <li>• Ensuring effective interaction between the internal audit function and the Company's external auditor</li> </ul>
Combating malpractice by the Company's employees or third parties	<ul style="list-style-type: none"> <li>• Monitoring the performance of the system of alerting on potential fraud being committed by the Company's employees or third parties</li> <li>• Overseeing special investigations of potential fraud and misuse of insider or confidential information</li> <li>• Monitoring the implementation of measures adopted by the Company in response to reports of suspected fraud or other violations</li> </ul>

### Statistics on the Committee meetings

A total of 21 meetings of the Committee were held during 2022, of which 17 were in presentia and four in absentia. During 2022, the Audit and Risk Committee addressed 107 issues.



### Key items reviewed by the Committee

JSC FPC's budget for 2023–2025

Operational Efficiency and Cost Optimisation Programme of JSC FPC for 2023–2025

Quarter reports on the Company's financial and business activities prepared by FPC's General Director

Report on FPC's anti-corruption and corruption prevention efforts in 2021 and FPC's anti-corruption and corruption prevention action plan for 2022

Matters related to the Internal Audit Department: report on the performance of JSC FPC's Internal Audit Department in 2021, self-assessment results of the Internal Audit Department in 2021 and internal audit results

Issues of the external audit, including the RAS accounting (financial) statements of JSC FPC for 2021, the auditor's report on the accounting (financial) statements and the Auditor's recommendations. The procedure for determining the Auditor of JSC FPC in 2022 was considered, and the initial (maximum) price of the agreement for auditing the RAS accounting (financial) statements and IFRS consolidated financial statements for 2022 was determined

Report on the results of audits of subsidiaries and associates by the auditing commissions and the Auditor for 2021, including the removal of previous years' remarks, the results of the selection of the Auditor for 2021 and the approaches to the selection of the Auditor in 2022

Major investment projects and the Investment Programme for 2023–2025

The Committee’s plans for 2023

To review the 2022 progress report on the Operational Efficiency and Cost Optimisation Programme of the Company
To establish the Company's acceptable risk profile (risk appetite, preferred risks) for 2023 and consideration of the Company's key risk register and map for 2023
To approve the potential candidate for the external auditor role and material terms of the relevant agreement, including the service fee
To review annual accounting (financial) statements of JSC FPC for 2022
To review the 2022 FPC risk monitoring report
To review reports on the results of the self-assessment of the Risk Management and Internal Control System for 2022 and the updated register of key risks of JSC FPC for 2022
To review the results of the audit of the financial and business activities of JSC FPC for 2022 and the draft action plan to remove the remarks and violations identified by the Auditing Commission of JSC FPC following the audit of the Company's financial and business activities for 2022
To review the IFRS consolidated financial statements for 2022, the auditor's report on the consolidated financial statements and the Auditor's recommendations

**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

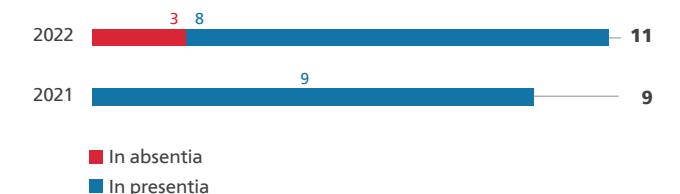
is to assist the Board of Directors in efficiently performing its functions with regard to the development of corporate governance, effective workforce planning and establishing transparent compensation practices in the Company.

The Committee’s goals and objectives

Area	Competencies
Incentive and remuneration systems	<ul style="list-style-type: none"> <li>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</li> <li>Oversight of 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 KPIs</li> <li>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</li> <li>Preliminary assessment of the work of the Company's Corporate Secretary by year-end results</li> </ul>
Human resources policy and succession planning	<ul style="list-style-type: none"> <li>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</li> <li>Development of recommendations on the performance assessment system and improving procedures for the same in respect of the Board of Directors and its committees</li> <li>Development of recommendations for the induction programme for newly elected members of the Board of Directors</li> <li>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</li> <li>Succession planning, developing recommendations for candidates for the Company’s executive bodies and other key executives</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>Oversight of corporate governance practices</li> <li>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</li> <li>Development of proposals on improvement of corporate governance practices</li> </ul>

Statistics on the Committee meetings

During 2022, there were 11 meetings, of which eight were held in person and three in absentia.



During the reporting period, the Committee dealt with 37 issues.

Key items reviewed by the Committee

Review of the Regulations on JSC FPC Executive Remuneration System
Review of the corporate KPIs achievement report for 2021
Decisions on the motivation of the General Director and Deputy General Directors of JSC FPC
Review of quarter reports by the Director General of JSC FPC on the Company's Social and Personnel Policy, implementation of decisions of the Board of Directors, and the work plan of the Board of Directors of JSC FPC
Approval of candidates to the positions of FPC's Deputy General Director and heads of FPC's branch
Review of the Regulations on Preparing and Holding the General Meeting of Shareholders of JSC FPC, the Regulations on the Board of Directors of JSC FPC
Interim assessment of independent directors on the compliance of Board members of JSC FPC with the independence criteria
Review of the results of the internal audit of the corporate governance practices of JSC FPC in 2021
Review of JSC FPC 2021 Annual Report in terms of corporate governance and sustainable development (principles of corporate social responsibility, personnel and social policy, occupational health and safety)

The Committee’s plans for 2023

To prepare recommendations to the Board of Directors on nominees to the boards of directors and auditing commissions of subsidiaries and affiliates of JSC FPC
To consider the report of the General Director of JSC FPC on the results of JSC FPC Social and Personnel Policy in 2022 and the first quarter of 2023
To review the report on the performance of the Human Resources, Remuneration and Corporate Governance Committee of JSC FPC’s Board of Directors in the 2020/2021 corporate year and its efficiency assessment
To consider the results of the performance assessment of the Board of Directors of JSC FPC, Committees of the Board of Directors of JSC FPC, members of the Board of Directors of JSC FPC, Chairman of the Board of Directors, Corporate Secretary for the 2022/2023 corporate year
To consider the issue of measures to prepare for the Annual General Meeting of Shareholders of JSC FPC, including the assessment of candidates nominated by shareholders for election to the Board of Directors of JSC FPC

### 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 formed

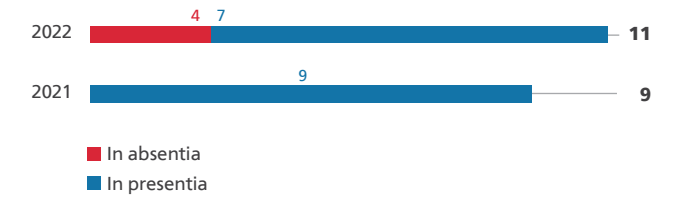
to improve the Company’s performance in the long term. The Committee’s decisions are of an advisory nature.

#### The Committee’s goals and objectives

Area	Competencies
Strategic development	<ul style="list-style-type: none"> <li>• Elaboration of the Company’s priority areas of activities</li> <li>• Identification of the Company’s key performance indicators, assessment of the Company’s performance in the longer term</li> <li>• 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</li> <li>• Preliminary review and development of recommendations to the Board of Directors on the following issues: <ul style="list-style-type: none"> <li>– Company’s dividend and investment policies</li> <li>– Approval of major transactions</li> <li>– Identification of a development strategy</li> <li>– Approval of the budget and the Investment Programme</li> </ul> </li> </ul>
Information Technology	<ul style="list-style-type: none"> <li>• Determination of strategic goals of the Company’s activities, participation in the development of the Company’s Development Strategy, Long-Term Development Programme and IT Strategy of the Company, control of their implementation and development of recommendations to the Board of Directors on adjustments to the Company’s Development Strategy, Long-Term Development Programme and IT Strategy of the Company</li> <li>• Oversight of the implementation of the Company’s IT strategy, review of its progress reports</li> <li>• Preliminary review and recommendations to the Board of Directors on IT projects and the IT budget</li> </ul>
Digital transformation	<ul style="list-style-type: none"> <li>• Preliminary review and development of recommendations to the Board of Directors on the following issues: <ul style="list-style-type: none"> <li>– Approval of the main focus areas of the digitalisation programmes and products</li> <li>– Assessment of the impact of the introduction of new technologies on the Company’s activities</li> <li>– Approval and adjustment of the Company’s Informatisation Programme and Innovative Development Programme and approval of the report on their implementation</li> </ul> </li> </ul>

### Statistics on the Committee meetings

During 2022, there were 11 meetings, of which seven were held in person and four – in absentia. Forty (40) issues were addressed.



#### Key items reviewed by the Committee

- Decision to develop JSC FPC’s Digital Transformation Strategy until 2024 and to approve a schedule for developing JSC FPC’s Digital Transformation Strategy
- Report on compliance with the Company’s 2021 Information Policy
- Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC as amended
- JSC FPC’s Informatisation Programme for 2023
- Quarter reports of FPC’s General Director (in terms of the Company’s production activities)
- JSC FPC budget and Investment Programme for 2023

#### The Committee’s plans for 2023

- 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 2022
- To consider the report on the implementation of the FPC Informatisation Programme for 2022
- To consider the JSC FPC General Director’s report on the results of JSC FPC’s operations in 2022 (in terms of the Company’s production activities)
- To consider updating the Development Strategy of JSC FPC for the period until 2030 and its subsidiaries

## CORPORATE SECRETARY

FPC's Corporate Secretary is elected by a majority of all members of the Board of Directors 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 of the Board of Directors.

The Corporate Secretary's activities are governed by the Regulations on the Corporate Secretary approved by JSC FPC's Board of Directors in December 2021 (Minutes No. 10).

The tasks of the Corporate Secretary:

- Providing 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
- Coordinating collaboration between members of the Board of Directors, shareholders and Company's executive bodies to ensure efficient performance of the Board of Directors
- Ensuring compliance by the management bodies and employees of the Company with the requirements of the legislation of the Russian Federation, the Company Articles of Association and internal documents of the Company aimed at exercise of rights and legitimate interests of shareholders
- Developing the Company's corporate governance practices

## GENERAL DIRECTOR

The management of JSC FPC's day-to-day operations is delegated to the General Director as the sole executive body. The General Director acts as the Chairman of the Company's Science and Technology Board.

The General Director is accountable to 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).

The Board of Directors resolves on the election of the Company's General Director, termination of his/her powers, and approves the terms of his/her employment contract, including remuneration and termination.

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.

In October 2020, V. Pyastolov was elected as Director General of JSC FPC by the decision of the Board of Directors

The General Director does not hold a stake in JSC FPC's authorised capital and does not own the Company's ordinary shares.

During the reporting year, the General Director was not engaged in any transactions to acquire, or dispose of, FPC shares.

## Deputy General Directors

In line with the main lines of business, FPC's governance structure comprises ten Deputy General Directors, the Corporate Secretary and several business units reporting 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 FPC's governance structure:

- First Deputy Director General in charge of Production, with four Deputies reassigned to him/her: Rolling Stock Management, Production Development, Transport Operations, Service and Quality of Service;
- the Deputy Director General in charge of Economics and Finance, with one Deputy Director General for Marketing reassigned to him/her

## Remuneration and Reimbursement for Governance Bodies (the executive body and other key managers)

The remuneration of the sole executive body and JSC FPC's other key managers directly depends on the achievement of relevant key performance indicators.

The Regulations on JSC FPC Executives Remuneration System approved by the Board of Directors of JSC FPC (Minutes No. 4 dated 15 September 2021) and the Regulations on the System of KPI for the Purpose of Awarding Bonuses to the Executives of JSC FPC approved by the Board of Directors of JSC FPC (Minutes No. 12 dated 30 December 2022) were developed in compliance with the following regulations:

- Order of the Russian Government No. 1388-r dated 27 June 2019 — Guidelines on the Application of Key Performance Indicators by Business Entities in Which the Share of the Russian Federation or Its Constituent Entity Exceeds 50%, and Performance Indicators of State Unitary Enterprises to Determine the Remuneration to their Managerial Team
- Order of the Government of the Russian Federation No. 3579-r dated 28 December 2020 – Guidelines on Development and Application of Key Performance Indicators in Joint Stock Companies Whose Shares

are Owned by the Russian Federation and Certain Non-Profit Organisations for Determining Remuneration of their Management Teams (subject to amendments introduced by Order No. 3522-r dated 10 December 2021 and Resolution No. 2072 dated 16 November 2022 of the Government of the Russian Federation)

- Standard Regulations on the System of Key Performance Indicators for Bonus Payments to Managers of Controlled Entity of the Parent Company, approved by Russian Railways Order No. 3272/r dated 12 December 2022 on Updating the Motivation System for Managers of Controlled Entities of the Parent Company
- Standard Regulations on Remuneration System for Managers of a Controlled Entity of the Parent Company approved by Order No. 1542/r dated 16 July 2021 on Approval of Standard Documents Relating to Motivation of Managers of Controlled Companies on the Basis of Key Performance Indicators

The Company's KPIs are applied as KPIs for the General Director of JSC FPC and corporate KPIs for the Company's key management personnel.



Based on the aforementioned KPIs, functional KPIs for key executives of JSC FPC were established and form the basis of their incentive system.

The following was done during the development of the incentive system:

- Regulations on the System of Key Performance Indicators for the Purposes of Bonus Payment to Managers of JSC FPC were approved by the Board of Directors of JSC

FPC, and the Regulations on the Remuneration System for Managers of JSC FPC were amended

- KPIs were ranked through vertical cascading method
- Weight (share) of corporate and functional key performance indicators was determined
- All functional performance indicators for managers were reviewed, focusing on results instead of describing the process

## CONTROL AND AUDIT

### External Auditor

The external auditor of JSC FPC is engaged through an open tendering procedure. The criteria for assessing the open tendering participants are approved by the Parent Company. No additional procedures are used to ensure the auditor's independence and objectivity during the open tendering procedure.

The Board of Directors of JSC FPC has approved the winner of the open tender as the Company's auditor to review

and confirm the Company's RAS and IFRS financial statements for 2022. The Auditor's remuneration amounts to RUB 20.4 million (including VAT). Contract No. FPK-22-190 dated 12 July 2022. No non-audit services were provided.

The Audit and Risk Committee of JSC FPC did not assess the efficiency of the external audit process in 2022.

### Auditing Commission

The Auditing Commission is JSC FPC's permanent internal control body responsible for regular control over financial and business activities of the Company, its branches and representative offices, officers of JSC FPC's governance bodies and administrative units to ensure compliance with the laws of the Russian Federation, JSC FPC's Articles of Association and internal documents.

The Auditing Commission acts in the best interests of JSC FPC's shareholders and is accountable to the General Meeting of Shareholders.

The Auditing Commission is independent of officers of JSC FPC's governance bodies and administrative units.

The Auditing Commission is guided by applicable laws of the Russian Federation, JSC FPC's Articles of Association, the Regulations on the Auditing Commission, and the Regulations on Remuneration and Compensation for the Members of JSC FPC's Auditing Commission.

The Auditing Commission is composed of five members elected by the Board of Directors for a three-year term under JSC FPC's Articles of Association.

The Auditing Commission, which was functioning at the end of the reporting period, was elected by the resolution of JSC FPC's Board of Directors in December 2021 (Minutes No. 10 dated 27 December 2021).

### Report on work with the Auditing Commission in 2022

Pursuant to clause 3 of Article 85 of Federal Law No. 208-FZ dated 26 December 1995 On Joint Stock Companies, the Auditing Commission of JSC FPC carried out two audits in JSC FPC during 2022:

- Financial and economic activities of JSC FPC and its branches in 2021
- Monitoring that individual measures to address the concerns arising from the audit of the financial and economic activities of JSC FPC are implemented

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.

The members of JSC FPC's Auditing Commission were paid RUB 585,463.50 for participation in the 2022 audits.

The resolution to pay additional remuneration to members of the Auditing Commission is passed by JSC FPC's Board of Directors in line with paragraph 15.1, subparagraph 24 of JSC FPC's Articles of Association.

By decision of the Board of Directors of JSC FPC (Minutes No. 23 dated 30 June 2022), it was decided not to pay additional remuneration to the members of the Auditing Commission for the audit of the financial and business operations of JSC FPC in 2021.



## 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 risk management and internal control system and corporate governance practices as tools for providing reasonable assurance of achieving the Company's goals.

JSC FPC's Internal Audit Department is responsible for the internal audit. The Internal Audit Department operates in accordance with the requirements of the laws and regulations of the Russian Federation, 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.

Internal audit activities in JSC FPC are regulated by the following key documents:

- Regulations on the Internal Audit in JSC FPC approved by the decision of the Board of Directors of JSC FPC
- Regulations on the Internal Audit Department of JSC FPC approved by the decision of the Board of Directors of JSC FPC
- Internal Corporate Audit Standards approved by the Parent Company's Order No. 2327r dated 16 November 2016 and adopted by the Board of Directors of JSC FPC

- Code of Ethics for Internal Auditors of JSC FPC approved by the decision of the Board of Directors of JSC FPC
- Internal Audit Quality Assurance and Improvement Programme approved by the Board of Directors of JSC FPC

During the reporting year, 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. The Internal Audit Department also monitors the implementation of measures to eliminate irregularities and shortcomings in JSC FPC's activities identified during internal audits.

The Department engages in regular, continuous communication with stakeholders.

Each year, the Department's staff members attend conferences, seminars, and other events to advance their knowledge in order to maintain the level of quality for internal audits.

For 2022, the internal audit function was found to be compliant with established requirements and stakeholder expectations based on an internal quality assessment of internal audit activities conducted by employees and the head of department, Company management and members of the Audit and Risk Committee of JSC FPC's Board of Directors.

## Evaluation of the Effectiveness of the Internal Control and Audit System

The Company has an annual procedure for evaluating the effectiveness of the Internal Control and Audit System.

Approaches to assessing the effectiveness, efficiency and compliance of the internal audit function with the established requirements (hereinafter referred to as quality assessment) are defined in the Internal Audit Assurance and Quality Improvement Programme approved by the Board of Directors of JSC FPC. The internal quality assessment of internal audit covers all aspects of internal audit activities and is carried out through a questionnaire survey of employees and the Head of Internal Audit, Company management and members of the Audit and Risk Committee of the Board of Directors of JSC FPC. The assessment identifies internal audit's strengths and development areas, and generates recommendations from stakeholders. 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.

Based on the results of the internal assessment of the internal audit performance in 2022, the internal audit function was found to be compliant with the established requirements and stakeholder expectations.

In order to further improve the performance level, areas of improvement of the internal audit function were elaborated (The Internal Audit Quality Assurance and Improvement Plan for 2023 was approved).

The self-assessment of the Risk Management and Internal Control System (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.

The level of RM&ICS development in the Company may be classified as above average according to the results of the self-assessment of the RM&ICS in 2022. The Company implements all regulatory procedures as part of the risk management process, although some elements 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.

# CONFLICT OF INTEREST MANAGEMENT AND CORRUPTION PREVENTION

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 of JSC FPC in the performance of their employment duties.

The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts of interest for the Board members of JSC FPC.

The Regulations on the Board of Directors of JSC FPC approved by decision of the Annual General Meeting of Shareholders of JSC FPC on 5 July 2022 stipulate that the members of the Company's Board of Directors are obliged to report:

- Facts that may cause or have already caused a conflict of interest, including up-to-date information on related and affiliated organisations, 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. The Board of Directors has the right to propose to a Board member who has a relevant conflict of interest not to attend a meeting to discuss such a matter.

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 Conflict of Interest Management Commission of JSC FPC reviewed 11 conflict of interest declarations submitted by the Company's employees in 2022.

In accordance with the Regulations on Preventing and Resolving Conflicts of Interest in JSC FPC, approved by Order of JSC FPC No. 1021p dated 25 October 2022, the right to decide on the presence or absence of conflicts of interest, apart from the Commission on Conflict of Interest Resolution in JSC FPC, is granted to the Deputy General Director in charge of the Security Unit and the Head of the Corporate Security Centre. In 2022, 12 conflict of interest declarations submitted by Company employees were reviewed by authorised persons.

A total of 18 (potential/actual) conflicts of interest were identified, in five cases no conflicts of interest were found.

## Prevention of and Fight against Corruption

JSC FPC adopted the Anti-Corruption Policy, which reflects the Company's commitment to conducting open and fair business activities, following best practices in corporate governance and maintaining a good business reputation.

The Deputy General Director in charge of the Security Unit of JSC FPC was appointed as the 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 Department.

JSC FPC also has an anti-corruption hotline in place.

The anti-corruption section of JSC FPC's official website, [fpc.ru](http://fpc.ru), is publicly available.

JSC FPC implements measures to prevent and combat corruption in line with its Anti-Corruption Plan for 2021–2024. JSC FPC also consistently interacts with law enforcement bodies to identify breaches of anti-corruption

laws. Seven people faced criminal charges in 2022 for corruption-related crimes they committed while performing their official duties at JSC FPC, according to court judgements that went into effect that year. There is no material damage to the Company.

Special focus is given to anti-corruption propaganda and raising the employees' intolerance of any signs of corruption in order to reduce corruption risks and prevent corrupt practises. In 2022, 2,148 employees received anti-corruption training. Anti-corruption information boards were placed in all divisions of JSC FPC. In the reporting period, the employer received 48 messages from employees of JSC FPC about corrupt behaviour, including the inducement of Company employees to commit corruption offences.

In 2022, the Rating Committee of the Russian Union of Industrialists and Entrepreneurs assigned the Company an A1 Anti-Corruption Rating Class (a company with the highest level of anti-corruption and minimal corruption risks and a minimal level of associated threat to investors, creditors, business partners and other stakeholders).

# RISK MANAGEMENT

The year 2022 saw a tremendous shift in the geopolitical landscape as well as the imposition of unprecedented sanctions against the Russian Federation, which had a detrimental effect on all participants in the economy and social system. Amid restrictions on the supply of imported materials, spare parts, technology, and software, FPC recorded a large rise in passenger traffic as a result of air travel bans and border closures in a number of foreign countries.

Despite external challenges, JSC FPC proved in practise that it is prepared to maintain the transport accessibility of Russian Federation's citizens, in part by adopting a risk-oriented management strategy for the Company's management.

The Risk Management and Internal Control Policy stipulates that RM&ICS organisation and functioning in JSC FPC is to be carried out in accordance with the principles set out in GOST R ISO 31000:2010 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

Central decision-making bodies for risk management at JSC FPC are its Board of Directors and the General Director.

The Company has the Audit and Risk Committee of the Board of Directors and the Risk Management Committee to prepare recommendations for management decision-making.

## Improvement of the RM&ICS in 2022

In a period of uncertainty in 2022, the existing risk management system helped improve the adaptability of the Company, its core processes and systems, which enabled prompt adjustment of business goals and preparation of scenario options for JSC FPC's development until 2025. Thus, the risk management system was designed to support the achievement of the Company's objectives.

In order to increase the effectiveness of the IC&RMS, a number of steps were put in place during 2022. The Company's important risks were defined, and methods for identifying, analysing, and assessing risks were applied at a higher quality level.

The Internal Audit Department assessed the reliability and efficiency of the risk management and internal control process for 2022. 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 of JSC FPC, COSO documents and GOST R ISO 31000-2019. A number of relevant recommendations were made in order to further enhance how the risk management and internal control process functions.

In 2023, it is planned to continue further improvement of JSC FPC's RM&ICS, taking into account the implementation of a project to improve and develop an integrated risk management model elaborated by the Parent Company.

## 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 JSC FPC's objectives and goals will be achieved.

All Company units 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 JSC FPC management, and the risk management training for the Company's workers.

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

- JSC FPC Risk Management Policy approved by the decision of the Company's Board of Directors<sup>1</sup>

- Methodological recommendations on determining the acceptable value of risks (risk appetite), approved by the decision of the Board of Directors of JSC FPC<sup>2</sup>
- Methodological Recommendations on Risk Management and Internal Control approved by the decision of the Director General of JSC FPC<sup>3</sup>
- Regulations on Interaction in the Risk Management and Reporting Process, approved by the order of the Director General of JSC FPC<sup>3</sup>

In 2022, 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 reliability and effectiveness.

## Management Principles

The Board of Directors of JSC FPC 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

<sup>1</sup> Minutes No. 11 dated 27 December 2019.

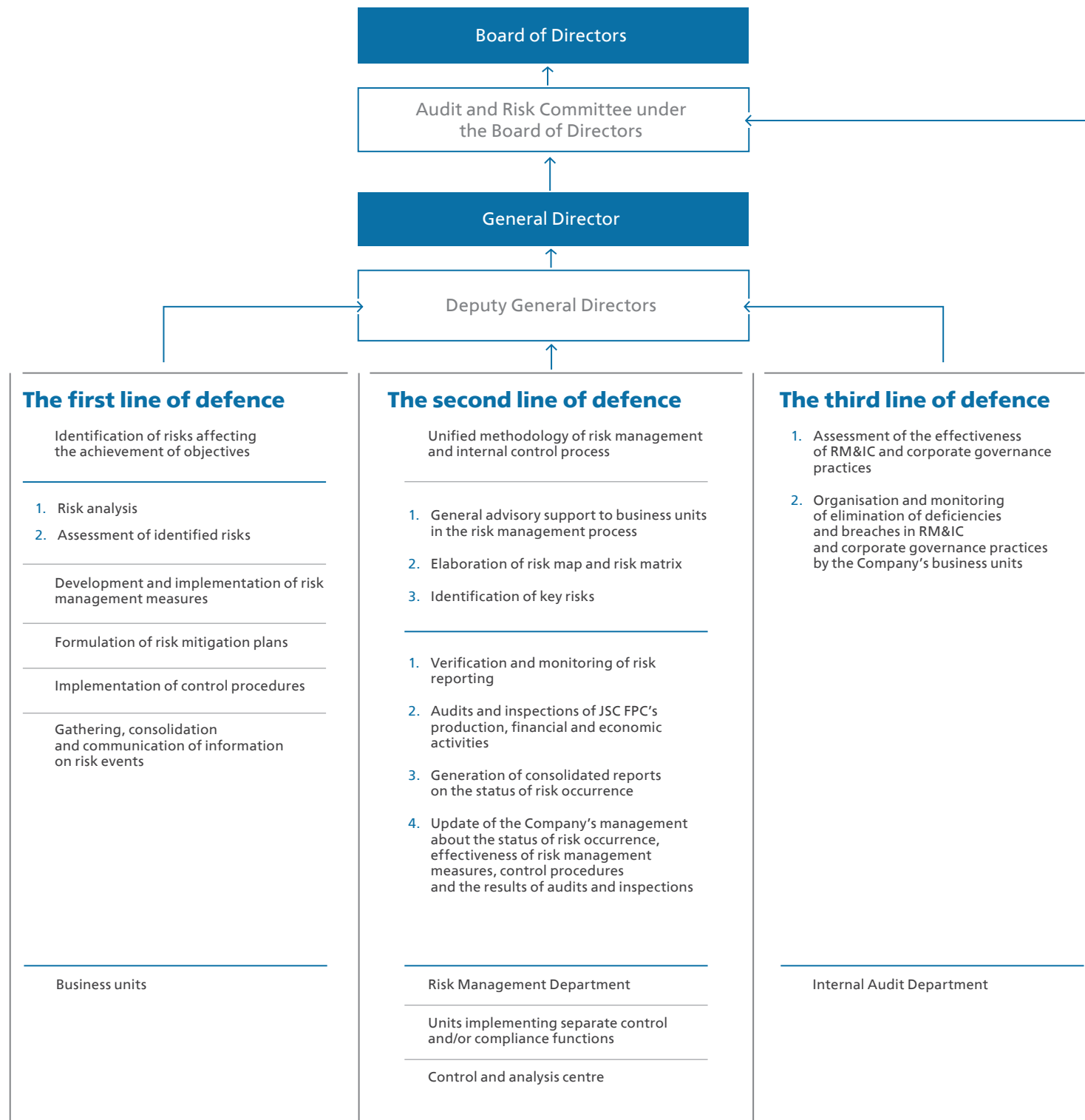
<sup>2</sup> Minutes No. 24 dated 2 July 2020.

<sup>3</sup> Decree No. 258r dated 20 March 2020 of JSC FPC.

### Three lines of defence model

In its operations, JSC FPC uses an approach driven by the three lines of defence model based on roles and responsibilities

sharing. Each of the three lines increases the likelihood of FPC successfully achieving its objectives.



## Risk Treatment Methods Applied

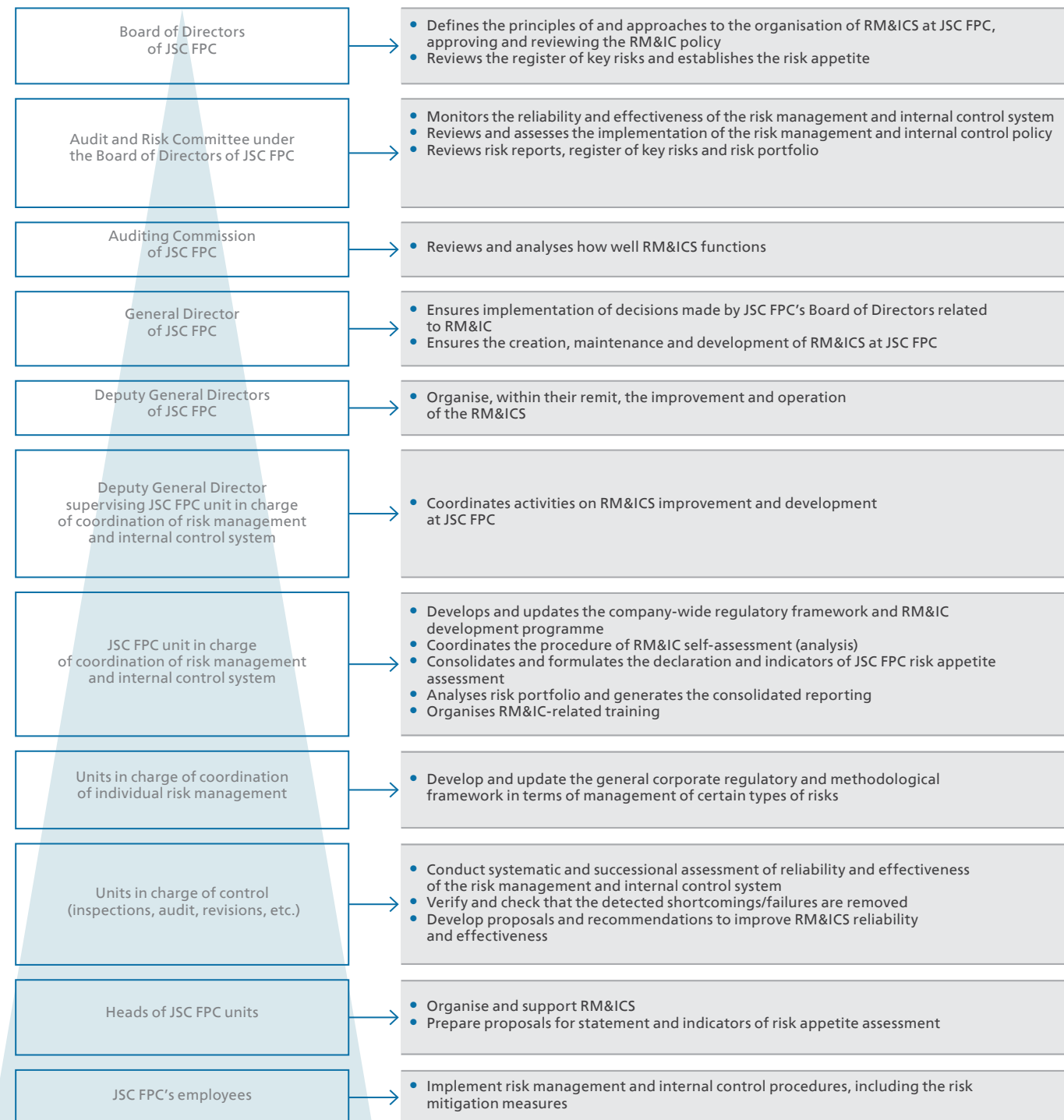
The following risk treatment methods are currently used at JSC FPC:

- **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** – a risk treatment method where no active risk treatment is used. Used in cases when:
  - a) the level of risk is at an acceptable level;
  - b) 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 of JSC FPC

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

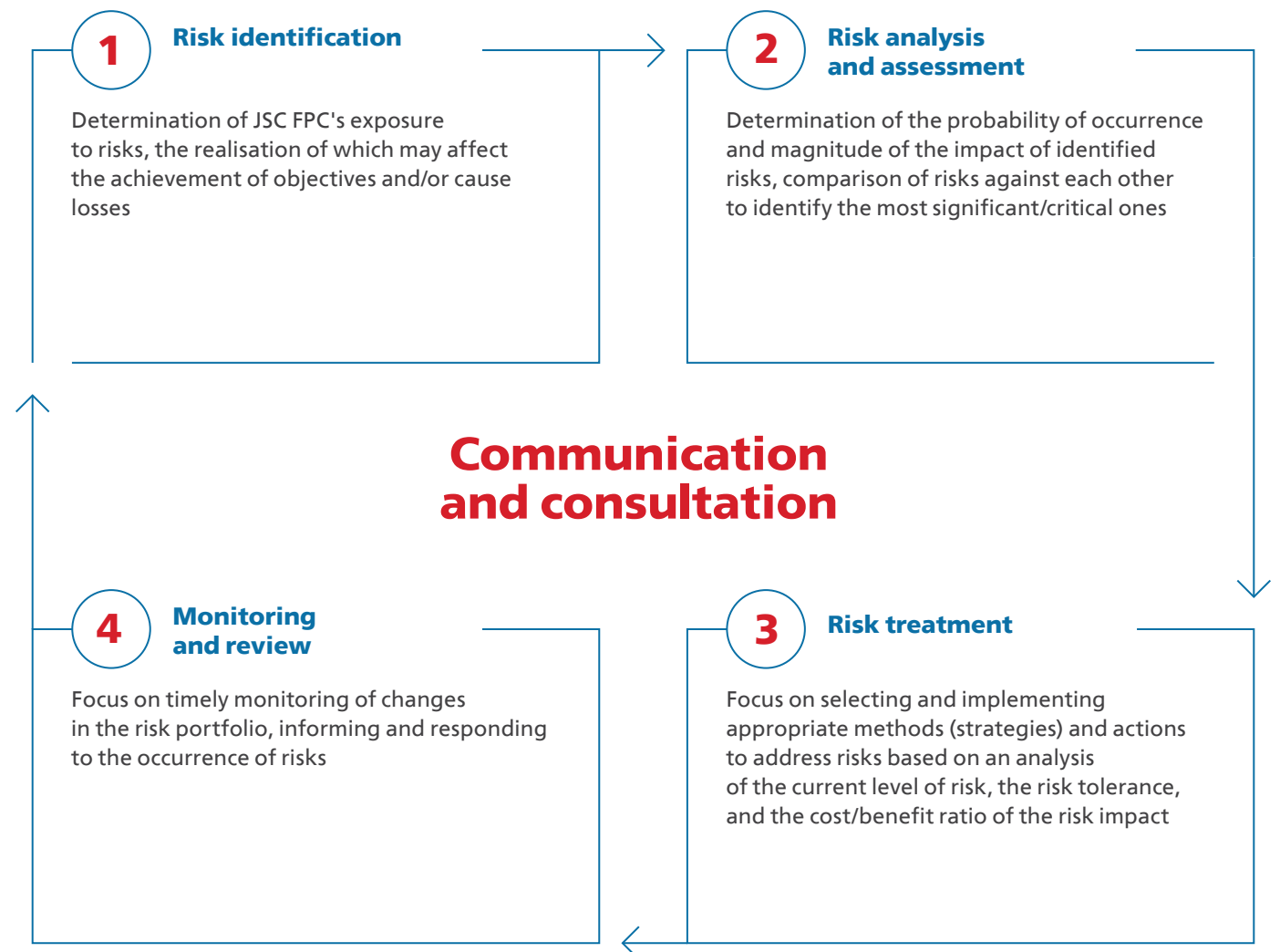


## Risk Management Process Stages

In line with the Policy, the risk management process at FPC has five stages:

1. Risk identification
2. Risk analysis
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 of JSC FPC

In 2022, 104 risks were identified at JSC FPC, of which 92 risks were quantitatively assessed and 12 – qualitatively assessed; in 2021, 103 risks were identified.

**104 risks**

identified at JSC FPC in 2022

A total of 32 risks were materialised in 2022 (21 risks in 2021).

## Key Risks

The key risk register of JSC FPC for 2022 contains eight risks which have been identified based on their impact

on the achievement of the Company's goals and grouped into categories by business process. They are further broken down into risks related to a line of business.

Business process	Risk factors	Measures to impact on risks
<b>Financial and economic management</b>	<p>External factors:</p> <ol style="list-style-type: none"> <li>1. Change in interest rates on loans.</li> <li>2. Decrease in revenue streams relative to planned parameters.</li> <li>3. Reduction in the amount of subsidies received from state tariff regulation.</li> <li>4. Changes in legislation (Tax Code, Labour Code, Transport Safety Act, etc.).</li> <li>5. Macroeconomic factors.</li> <li>6. The geopolitical situation, which led to a decrease in passenger traffic while the number of scheduled trains cannot be changed promptly.</li> </ol> <p>Internal factors:</p> <ol style="list-style-type: none"> <li>1. Maintenance of single-option routes (most unprofitable destinations).</li> <li>2. Over-budgeting by train allocations (not proportional to passenger turnover).</li> <li>3. Inefficient use of assets (security costs for buildings and facilities not in use, security costs, utility and other bills, including property tax);</li> <li>4. Increase in haulage costs to the budget is not proportional to the increase in passenger turnover.</li> <li>5. Scheduling of passenger trains, trailing and through carriages in domestic and international traffic based on incorrect estimates of projected passenger turnover.</li> <li>6. Failure to coordinate the activities of FPC's units regarding the development of passenger train schedules to align train layouts and make-up.</li> </ol>	<p>Organisation of traffic sizes and running costs</p> <p>Work with the rolling stock fleet.</p> <p>Refinancing of the Company's debt obligations</p> <p>Increase in revenue streams</p> <p>Improvement of operational efficiency and optimisation of budgeted costs</p>

Business process	Risk factors	Measures to impact on risks
	<ol style="list-style-type: none"> <li>7. Lack of (insufficient preparation of) proposals to meet the needs of the consumers for long-distance passenger trains of JSC FPC.</li> <li>8. Poor analysis of information on declining seasons of passenger traffic, unprofitable destinations, trains and carriage groups with a negative financial result.</li> <li>9. Incorrect make-up of passenger trains.</li> <li>10. Inadequate qualifications of staff.</li> <li>11. Failure to account for changes in transport demand to offer supply.</li> <li>12. Excess of actual inventories over their required amount.</li> <li>13. Inexpediency of major repairs.</li> <li>14. Lack of timely production and operating cost budgets.</li> <li>15. Incorrect production and operating cost budgets.</li> <li>16. Staffing of train crews to a level of 94% of the technological need, to comply with labour legislation regarding working and rest regimes.</li> <li>17. Decisions made by the Financial Risk Management Commission of JSC FPC. (Internal).</li> <li>18. Inefficiency of marketing initiatives.</li> <li>19. Cost overruns.</li> <li>20. Excess of funds attracted over the planned parameters defined in the JSC FPC's budget.</li> </ol>	
<b>Shaping and implementing a marketing policy</b>	<p>External factors:</p> <ol style="list-style-type: none"> <li>1. Changes in the macroeconomic environment taking place faster than anticipated.</li> <li>2. Competition of alternative modes of transport.</li> <li>3. Change in demand for passenger services.</li> <li>4. Decline in real household earnings.</li> <li>5. Non-indexation/insufficient indexation of passenger transport fares by the Federal Anti-monopoly Service of the Russian Federation.</li> <li>6. Seasonal decline in demand for passenger transport.</li> </ol> <p>Internal factors:</p> <ol style="list-style-type: none"> <li>1. Change in passenger transport supply (change in JSC FPC traffic amount).</li> <li>2. Change in carriage-kilometre and seat-kilometre performance compared to the previous year (plan).</li> <li>3. Assignment of passenger trains with inconvenient arrival or departure times, long transit time.</li> <li>4. Risk of ineffective marketing initiatives.</li> </ol>	<p>Implementation of special marketing promotions, special fare offers.</p> <p>Development and formulation of methodologies for setting passenger transport fares based on market analysis, except for fares for the deregulated passenger transport segment in trains included in the yield management technology.</p> <p>Preparation of proposals for fare indexation and maintenance of a schedule of flexible fare regulation for passengers in long-distance trains.</p> <p>Study of the factors determining the structure and dynamics of consumer demand for long-distance passenger transport services, market conditions in the regions served by JSC FPC branches, and competitive analysis.</p> <p>Keeping a close watch on fares of alternative modes of transport.</p>

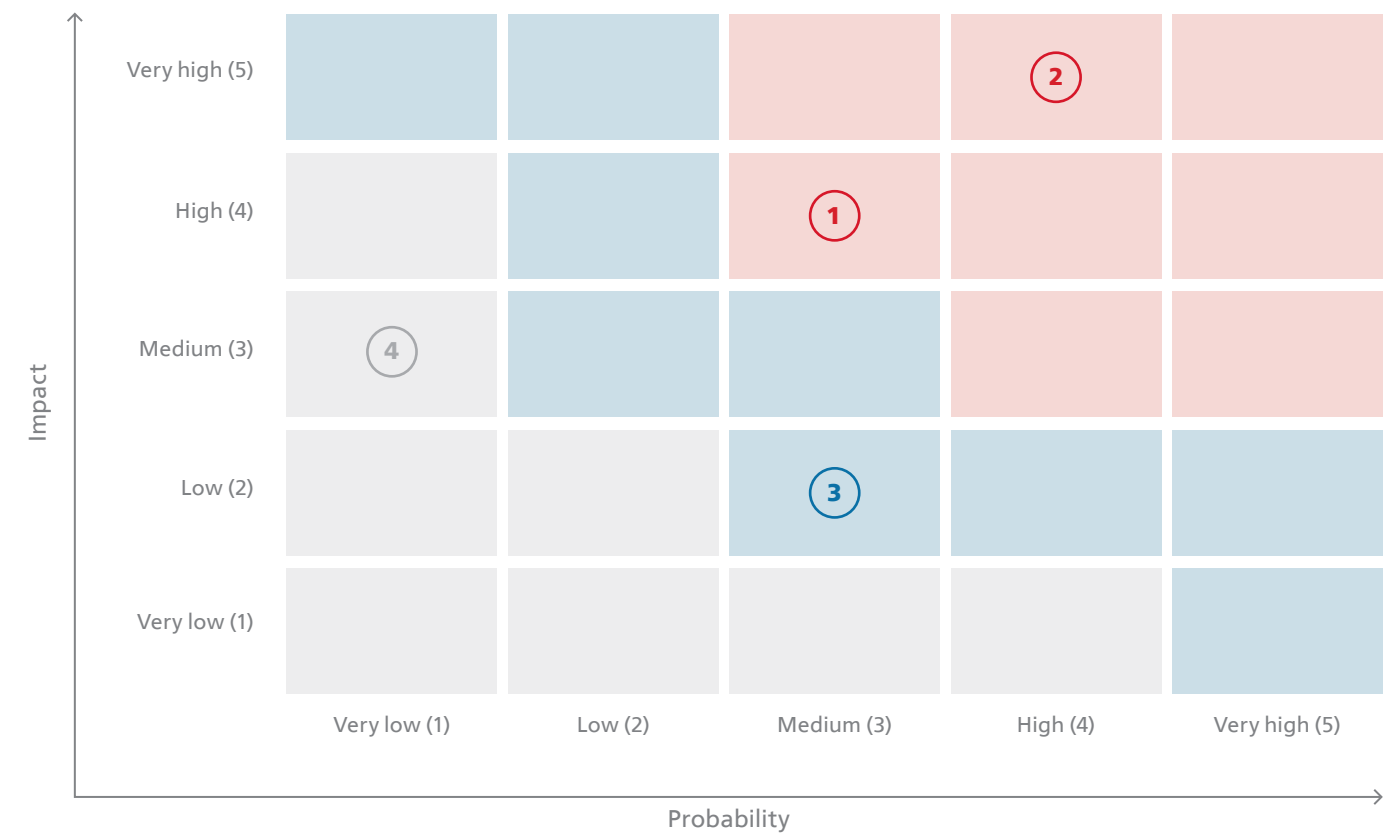
Business process	Risk factors	Measures to impact on risks
<b>Security assurance</b>	<p>External factors:</p> <ol style="list-style-type: none"> <li>Negative foreign policy environment in the world.</li> <li>Presence of armed conflicts near Russia's borders.</li> <li>Sharp drop in the standard of living of households.</li> <li>Exacerbation of political, social, national and religious tensions.</li> <li>Increase in terrorist acts.</li> <li>Socio-political and economic instability in neighbouring nations.</li> <li>People's loss of ideological and spiritual orientation in life.</li> <li>Increased dissemination of terrorist methods and means through information networks, publication of necessary manuals.</li> <li>Negative influence of the media giving a build-up to terrorists.</li> <li>Excess of the cost of protection over the value of protected information assets.</li> <li>Non-compliance by contractors with regulations.</li> <li>Unauthorized access to FPC's information systems</li> </ol> <p>Internal factors:</p> <ol style="list-style-type: none"> <li>Failure of employees to comply with regulations on the use of personal computers in the workplace, industrial espionage.</li> <li>Non-compliance by employees with the provisions of regulations.</li> <li>Failure of the access control system, loss of magnetic pass by staff.</li> <li>Loss (disclosure) of documents containing information that constitutes a trade secret of the Company.</li> <li>Leaks of protected information, including personal data.</li> <li>Inadequate performance of official duties by managers at all levels.</li> </ol>	<p>Communication of the provisions of regulatory documents of the Russian Federation and internal documents of JSC FPC to its employees.</p> <p>Appointment of safety officers</p> <p>Transport safety and certification of train managers, chief engineers and other employees of JSC FPC who handle transport safety.</p> <p>Installation of video surveillance and registration systems in the carriages.</p> <p>Establishment of FPC's in-house transport security unit.</p> <p>Organisation of competitive procedures for the procurement of technical transport security means.</p> <p>Transport safety drills and exercises.</p> <p>Transmission of information to automated centralised personal databases on passengers and personnel (crew) of vehicles during passenger movements.</p> <p>Implementation of a unified technical policy in the field of information security with the Parent Company.</p> <p>Planning and implementation of measures to protect trade secret information and ensure information security at JSC FPC.</p> <p>Planning and control over the implementation of information security measures at FPC's facilities, and participation in the acceptance of these measures.</p> <p>Organisation of the operation of the technical subsystems and information protection means of JSC FPC.</p>
<b>Compliance</b>	<p>Internal factors:</p> <ol style="list-style-type: none"> <li>Non-compliance by employees with the provisions of regulations.</li> <li>Inadequate performance of official duties by managers at all levels.</li> </ol>	<p>Communication of the provisions of regulatory documents of the Russian Federation and internal documents of JSC FPC to its employees.</p> <p>Checks on the performance of contractual obligations by contractors and their possible affiliation with JSC FPC employees.</p>

## Risk Map

In order to provide a visual representation of risk materiality, a risk map has been developed.

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 Key Risks of JSC FPC for 2022



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



## Key Risks and the Company's Strategy

In addition, the Strategy identifies the following list of strategic benchmarks:

- Passengers carried
- Revenues
- EBITDA
- Net debt/EBITDA
- Carriage acquisition volume

In 2022, the following factors had the main impact on JSC FPC's key performance indicators:

- Changes in the macroeconomic environment taking place faster than anticipated
- Deterioration of the geopolitical situation (imposition of sanctions on Russia)
- Decrease in the households' nominal income and inflation rising above forecast

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 measures to treat such risks by JSC FPC's business units.

Moreover, JSC FPC identified the risk related to the deviation from achieving the planned effects of the implementation of JSC FPC strategic initiatives, whereby the Company keeps track of the deviation from the planned effects for all strategic initiatives.

## 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	Treatment measures
1	Violations of traffic safety rules for passenger trains	Increase in the number of events related to the violation of railway traffic and operational safety rules	<ul style="list-style-type: none"> <li>• Conducting scheduled modernisation of passenger carriages.</li> <li>• Organising the claim activities in the event of poor performance of contractual obligations on the part of service providers and contractors.</li> <li>• Implementing 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.</li> <li>• Checking the availability of the design documentation for the design enhancement activities when accepting the carriages for repair</li> </ul>

Sr.No.	Risk	Possible consequences	Treatment measures
2	Dissatisfaction with JSC FPC's activities in the public setting	Transition of the population to road and air transport	<ul style="list-style-type: none"> <li>• Responding to abnormal situations on a information-driven basis.</li> <li>• Reacting promptly to typical information threats</li> </ul>
3	Violation of environmental laws	Violation of laws in terms of environmental protection provisions (administrative proceedings, administrative penalties in the form of fines)	<ul style="list-style-type: none"> <li>• Preparing the operational programme for the environmental protection activities of JSC FPC and control over its implementation.</li> <li>• Conducting industrial environmental oversight.</li> <li>• Planning and implementing investment projects of environmental significance (wastewater treatment facilities, carriage washing facilities, storm sewers).</li> <li>• Training the managers and specialists responsible for environmental protection</li> </ul>
4	Risk of violation of industrial safety requirements	Violation of industrial safety requirements resulting in injuries, loss of life, losses and damage from accidents and incidents (administrative penalties and fines imposed on the organisation and officials, administrative suspension of activities)	<ul style="list-style-type: none"> <li>• Preparing the operational programme for the environmental protection activities of JSC FPC and control over its implementation.</li> <li>• Replacing technical devices that reached the end of their standard service life under the Investment Programme of JSC FPC.</li> <li>• Training and certifying responsible managers and specialists.</li> <li>• Implementing the production control</li> </ul>
5	Shortage of rolling stock	<ul style="list-style-type: none"> <li>• Failure to meet passenger traffic targets</li> <li>• Failure to meet capacity utilisation targets</li> <li>• Increase in rolling stock rental costs.</li> <li>• Increase in expenses for repairs of the passenger carriage fleet</li> </ul>	<ul style="list-style-type: none"> <li>• Planning, organising and monitoring the implementation of programmes for depot repairs, overhauls and modernisation of passenger carriages, including repairs of third-party carriages.</li> <li>• Developing and organising the measures to minimise the use of freight series locomotives in passenger traffic.</li> <li>• Overseeing the lease contracts for manned locomotives, including the introduction of necessary alternations/additions and reconciliation of services provided.</li> <li>• The use of conserved carriages</li> </ul>

Sr.No.	Risk	Possible consequences	Treatment measures
6	Shortage of service staff	<ul style="list-style-type: none"> <li>Reduced transport safety.</li> <li>Reduced quality of passenger service, more complaints.</li> <li>Failure to comply with work/rest regime</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the staffing levels of the business units that support the transportation process.</li> <li>Analysing the competitiveness of occupations and positions on the labour market and taking appropriate corrective measures to improve their competitiveness.</li> <li>Organising staff surveys to investigate dissatisfaction factors and take timely corrective action.</li> <li>Providing professional training</li> </ul>
7	Work-related injuries	Occurrence of work-related injuries	<ul style="list-style-type: none"> <li>Developing local regulations in the field of occupational safety.</li> <li>Investigating into work-related injuries followed by development of corrective measures</li> </ul>
8	Passenger dissatisfaction with the quality of services	Loss of loyalty from the passenger side	<ul style="list-style-type: none"> <li>Issuing penalties to lessee-companies.</li> <li>Conducting joint reviews with the lessee-companies to develop solutions to eliminate non-conformities.</li> <li>Conducting random inspections of dining carriages by employees of the Catering Department</li> </ul>
9	Leakage of personal data of Bonus Loyalty Programme members	Unauthorised deletion/transfer/copying of personal data on registered members of the Bonus Loyalty Programme, resulting in violation of applicable law of the Russian Federation and reputational and financial risks for JSC FPC	<ul style="list-style-type: none"> <li>Monitoring the requests from the loyalty programme members in terms of compliance with Federal Law No. 152-FZ On Personal Data.</li> <li>Transmitting members' personal data on banking products (co-branded cards) through an encrypted channel.</li> <li>Monitoring ARM vulnerabilities.</li> <li>Preventing the breach of rules relating to personal data of the Bonus Loyalty Programme members</li> </ul>

## TO SHAREHOLDERS AND INVESTORS

As at 31 December 2022, the authorised capital of JSC FPC amounted to RUB 248,588,838,994, comprising 248,588,838,994 ordinary registered shares with a par value of RUB 1 each.

In 2022, the Company completed the procedure of the follow-up offering of new ordinary shares

of 1-01-55465-E-008D issue for RUB 1.3 billion and new ordinary shares of 1-01-55465-E-009D issue for RUB 25.3 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.

**RUB 248,588,838,994** authorised capital of JSC FPC as of as of 31 December 2022

### Ordinary share issues in 2022

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-008D	17 March 2022	1.3 billion	18 April 2021
1-01-55465-E-009D	23 May 2022	25.3 billion	30 June 2022

### Outstanding bonds at 31 December 2022

ISIN	Number of shares issued	Duration, year	Yield, %
RU000A0ZYX69	10.000	1.33	9.31
RU000A0ZZRK1	5.000	0.52	11.00
RU000A0ZZTL5	10.000	5.84	10.60
RU000A100E88	8.000	0.13	3.48
RU000A1012B3	5.500	2.34	10.64

## Voting shares by type (class) as at 31 December 2022

Indicators	Ordinary shares
Number of shares issued	245,588,838,994
State registration details	1-01-55465-E
Par value per share, RUB	1

## Changes in the Company's authorised capital, RUB billion

2022	248	No shares are owned by the Company and its controlled entities.
2021	221	
2020	206	The Company has no information on shareholdings exceeding 5% except for those it has already disclosed.
2019	171	JSC FPC's shareholders do not have any preferred shares or shares with different par value.
2018	171	No shareholder agreements were signed by JSC FPC's shareholders.



## Dividend Policy

The Company has the Regulations on Dividend Policy of JSC FPC approved by the Board of Directors.

The Board of Directors makes recommendations to the General Meeting of Shareholders of JSC FPC on determining the amount of dividend payments. In accordance with the Regulation on Dividend Policy of JSC FPC, the minimum annual dividend on the Company's shares should not be less than 50% of JSC FPC's net profit as reported by the RAS financial statements for the financial year for which the dividend is distributed.

The Board of Directors is bound in its decision-making by Russian Federation law, JSC FPC's Articles of Association, and the Regulation on Dividend Policy of JSC FPC, and may also consider other factors:

- Data from the Company's accounting statements, budgets (business plans), investment programmes and development programmes;
- Company's RAS free cash flow, the target (ceiling) level of the debt burden and the levels of credit covenants in accordance with the Regulations on JSC FPC's Debt Policy, as well as the terms of the loan agreements concluded by the Company and the terms of the shareholder agreement signed between JSC FPC's shareholders.

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, 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 of JSC FPC, with due consideration of recommendations from the Board of Directors, may decide to direct all of JSC FPC's 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 2022.

According to the accounting records for business activities in 2022, JSC FPC earned net profit of RUB 11,038,611 thousand.

It is advisable not to pay dividends.

### For reference

The 2019 results show a net profit of RUB 8.5 billion. No dividends were paid for 2019.

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.

# 05

## SUSTAINABLE DEVELOPMENT

**>17,000** employees  
trained in 2022

At all levels of decision-making within the Company, the principles of sustainable development are taken into consideration. Developing the workforce, guaranteeing decent working conditions and preserving a favourable environment are all given special attention.

**+28.5%**  
increase in average pay  
of employees

**≈2**-fold  
year-on-year increase in waste  
transferred for recycling, disposal  
and treatment in 2022



**3<sup>rd</sup>**  
in the competition titled Investing  
in a Healthy Country. Best  
Corporate Practices – 2022 in  
the Health-Promoting Culture  
Development category



**PROTECTING**

WHAT MATTERS MOST

# 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.

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

FPC's management structure for sustainable development is divided into three tiers.

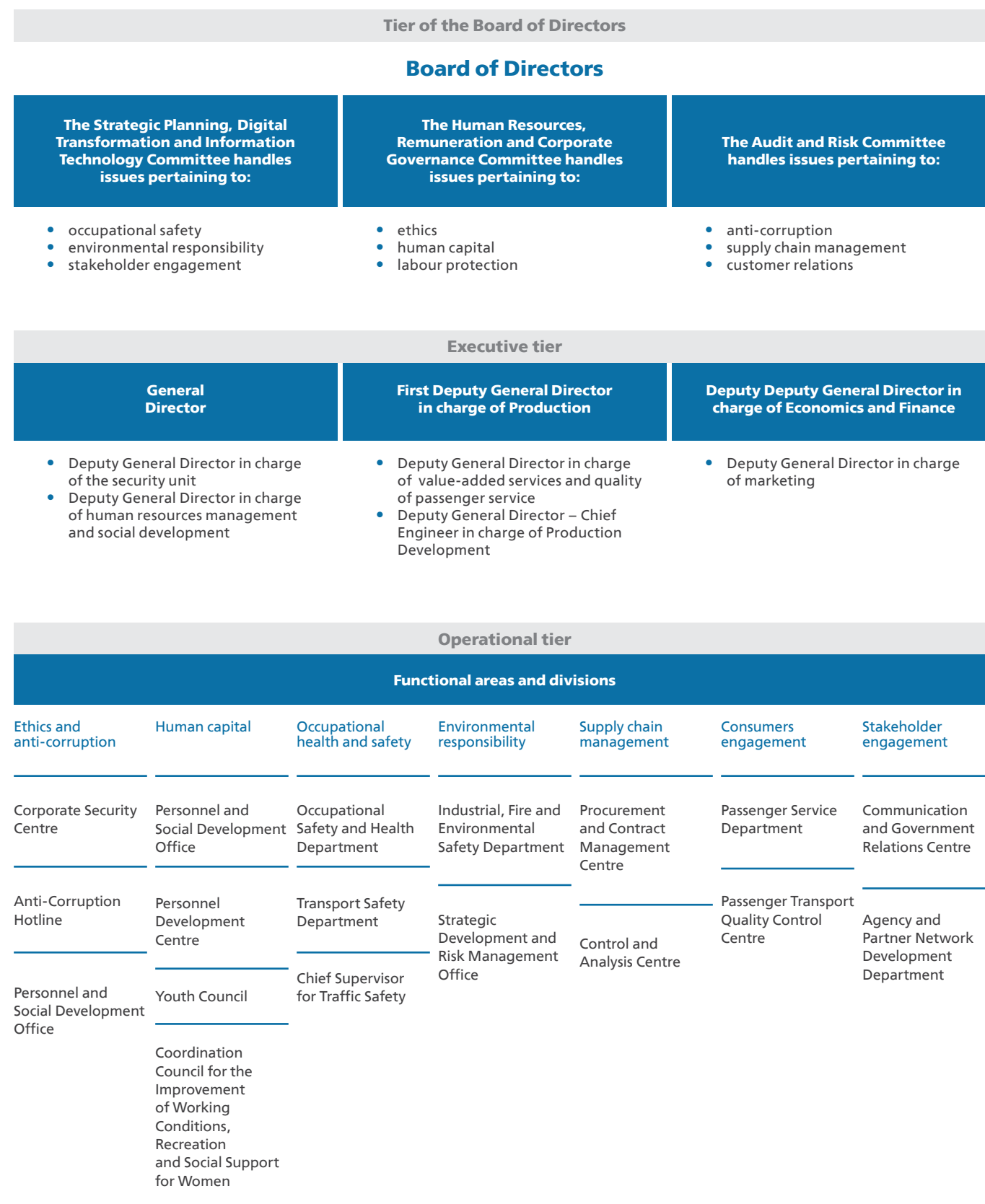


The tier of the Board of Directors	Approval of the strategy, methodology and regulations regarding environmental, social and corporate governance aspects
Executive tier	Creating guidelines, regulations, and instructions to implement the principles of sustainable development in the operational activities of the Company Assigning the responsible subdivisions
Operational tier	Implementing the sustainable development decisions

## Key sustainable development decisions taken by the Board of Directors in 2022

Decision taken	Implications for the promotion of the sustainable development principles
<b>Approval of JSC FPC's Informatisation Programme for 2022</b>	<ul style="list-style-type: none"> <li>Import substitution (Sabre): a new tariff setting system that was designed to automate the existing production business processes using domestic software and eliminate manual event accounting</li> <li>Digitalisation of train crew operations: we plan to automate the existing business processes of the structural divisions of JSC FPC's branches and reduce the amount of paper work</li> <li>CRM: targeted offers to customers Business objectives of the project: a better quality of passenger service through the creation of a unified customer base and, as a result, streamlining the complaint handling and unification of passenger service standards as part of the product analysis</li> <li>Introduction of an electronic queue management system: letting passengers manage their own time</li> </ul>
<b>Approval of JSC FPC Investment Programme for 2022–2024</b>	<ul style="list-style-type: none"> <li>Projects to renew the fleet and upgrade the existing rolling stock, including furnishing the carriages with water and air disinfection facilities</li> <li>Digital HR, which aims to increase employee satisfaction with the Company's HR services and improve HR management efficiency by implementing modern IT solutions</li> <li>Depot infrastructure development projects aimed at improving the work environment for employees</li> </ul>
<b>Approval of the operational efficiency and cost optimisation programme for 2022–2024</b>	<ul style="list-style-type: none"> <li>The programme includes measures to equip carriages with diesel fuel consumption meters, which will reduce the consumption of diesel fuel</li> </ul>
<b>Approval of a number of corporate governance documents</b>	<ul style="list-style-type: none"> <li>In 2022, the Company continued to improve its regulatory framework in order to achieve progress in adherence to the principles of the Corporate Governance Code and compliance with best practices</li> </ul>
<b>Approval of the key risk register, risk map and risk appetite for 2022</b>	<ul style="list-style-type: none"> <li>The perimeter of the Company's key risks includes corruption risks and the risk of unlawful interference in long-distance trains operated by JSC FPC. Both risks have zero tolerance, which indicates the Company's high standards in combating corruption and ensuring carriage safety</li> <li>A compliance risk appetite statement has been formulated. It includes 10 domains, including risks in environmental protection, industrial and fire safety, ecology (environmental protection), and occupational safety</li> </ul>
<b>Corporate KPIs for Company operations were approved</b>	<ul style="list-style-type: none"> <li>Sustainability KPIs included: Passenger Satisfaction Index, Safe Travel, Dispatched Passengers, Ensuring Good Corporate Governance Practices</li> </ul>

## Sustainable development governance structure



# STAKEHOLDER ENGAGEMENT

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 the JSC FPC's economic, social, and environmental development in a sustainable manner.

### Stakeholder engagement mechanisms

Stakeholders	Engagement mechanisms	Key communication channels
Internal stakeholders		
Our people	<ul style="list-style-type: none"> <li>Labour relations under the Collective Bargaining Agreement</li> <li>Management functions</li> <li>Social partnership</li> <li>Personnel development</li> <li>Corporate surveys</li> <li>Reporting to stakeholders</li> <li>Dispute resolution procedures</li> <li>Employee recognition</li> </ul>	<ul style="list-style-type: none"> <li>Addresses from top management</li> <li>E-mail</li> <li>Corporate publications</li> <li>Corporate website</li> <li>Social networks, Telegram channels</li> <li>Internal regulations</li> </ul>
Governance and control bodies	<ul style="list-style-type: none"> <li>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.</li> </ul> <p>For more details, please see page 89 of the Report in the Corporate Governance Model and Practice section</p>	<ul style="list-style-type: none"> <li>Management reporting and financial statements</li> <li>Ongoing interaction in business processes</li> </ul>
External stakeholders		
Shareholders	<ul style="list-style-type: none"> <li>Direct dialogue through general meetings of shareholders</li> <li>Reporting to stakeholders</li> <li>Disclosure of information on material facts of the Company's operations</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory disclosure of information, including issuer reports, RAS and IFRS financial statements, statements of material facts, registers of affiliates through an authorised disclosure agency (<a href="https://disclosure.skrin.ru/disclosure/7708709686">disclosure.skrin.ru/disclosure/7708709686</a>)</li> <li>Voluntary disclosure of additional information on the Company's website (<a href="https://eng.fpc.ru">eng.fpc.ru</a>)</li> <li>Meetings of the management of the Parent Company with the Company's management</li> </ul>

Stakeholders	Engagement mechanisms	Key communication channels
Government authorities and non-governmental organisations	<ul style="list-style-type: none"> <li>• Agreements on cooperation in the transportation of passengers, baggage and unaccompanied baggage by long-distance trains</li> <li>• Joint participation in image-building ceremonies and business events at the federal and regional levels</li> <li>• Responding to requests from government authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Submission of financial, statistical and environmental reports to regulatory authorities</li> <li>• Publication of reports on Company operations</li> </ul>
Business partnerships	<ul style="list-style-type: none"> <li>• Contractual relations</li> <li>• Preparing and concluding cooperative agreements</li> <li>• Regular working meetings</li> <li>• Joint working groups with Russian and foreign project partners</li> <li>• Participation in conferences and forums</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of information on Company operations on the corporate website and dedicated procurement sites</li> <li>• Mass media</li> </ul>
Consumers and customers	<ul style="list-style-type: none"> <li>• Passenger services</li> <li>• Catering on board</li> <li>• Passenger satisfaction surveys</li> <li>• Marketing campaigns</li> <li>• Informing on the Company's activities</li> <li>• Charity actions</li> <li>• Conducting volunteer events</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback channels:                             <ul style="list-style-type: none"> <li>– Customer questionnaires</li> <li>– Single help desk</li> <li>– Addressing the Company via a mobile application</li> <li>– Company's website;</li> </ul> </li> <li>• Public reporting by the Company</li> </ul>
Media and NGOs	<ul style="list-style-type: none"> <li>• Press releases and other materials with information on FPC's activities</li> <li>• Responding to requests from the media</li> <li>• Accompanying reporters shooting photos/videos of infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• Mass media</li> <li>• Industry-specific media</li> <li>• Social networks, Telegram channels</li> <li>• Events for external audiences</li> </ul>
Educational institutions	<ul style="list-style-type: none"> <li>• Targeted employment of students</li> <li>• Vocational guidance events</li> <li>• Benefits for FPC employees' children</li> <li>• Joint research and cultural initiatives</li> <li>• FPC employees contributing to educational institution activities</li> </ul>	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• Mass media</li> <li>• Social networks of the Company and educational institutions</li> </ul>
Social partnership actors	<ul style="list-style-type: none"> <li>• Engaging with trade unions in the social protection of employees and non-working retirees</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Corporate events</li> <li>• E-mail</li> </ul>

# HR MANAGEMENT

## Corporate Social Responsibility Principles

The Company strives not only to progressively develop its business lines and achieve operational and financial targets, but also to follow best practices in sustainability. In line with these commitments, FPC consistently ensures train operation safety, high environmental performance and productive engagement with all stakeholders based on mutual trust, respect and fulfilment of obligations in good faith.

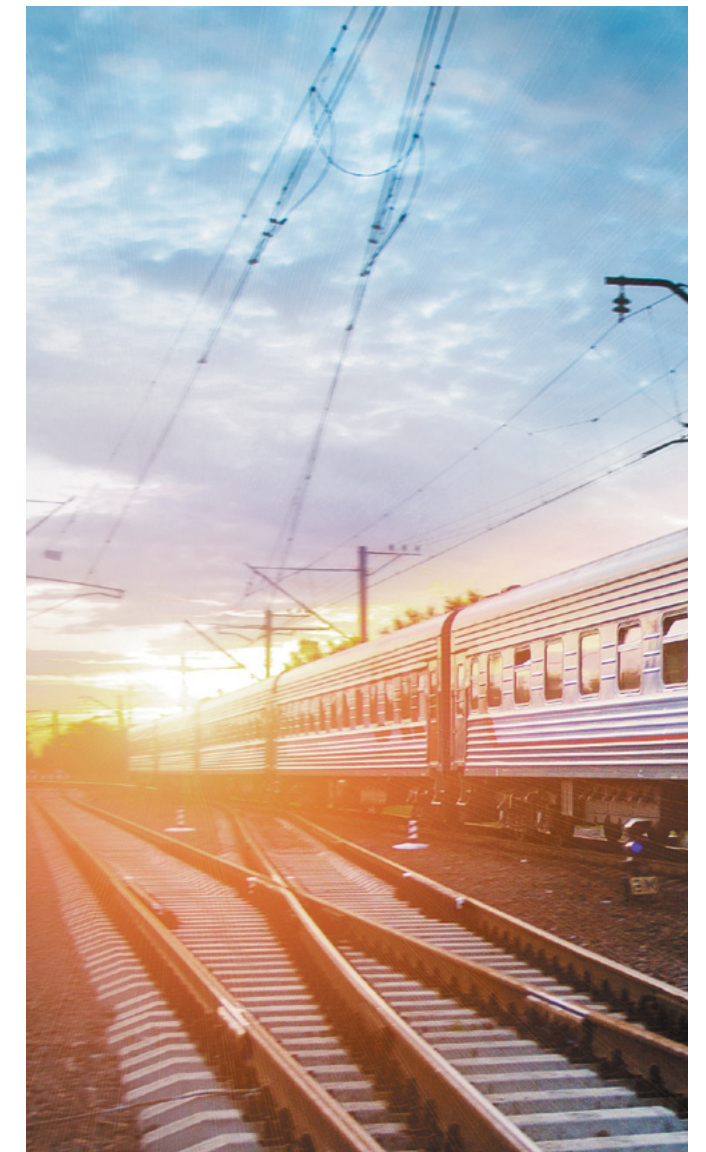
The main goal of the Personnel Policy of JSC FPC is to develop the Company's people capital. This is achieved through the following:

- Attracting human resources
- Continuous training and development of personnel
- Improving the incentives policy
- Employee health
- Ensuring social stability
- Creating a favourable working environment in labour collectives

The competitiveness and quality of services provided depend directly on the job satisfaction and social security of JSC FPC's employees. With this in mind, the Company annually conducts staff surveys and studies covering thousands of employees.

JSC FPC provides decent conditions for its personnel – competitive salaries, an extended social package, and equal opportunities for employment and career development.

Another priority is environmental safety, i.e., minimising the negative impact on the environment and taking care of the well-being of the natural environment and human health. The Company involves investment, CAPEX, and operational initiatives: efficiency indicators are achieved through qualitative upgrades of trains, as well as reconstruction of treatment facilities and carriage washing facilities.



## Personnel of JSC FPC

JSC FPC has an incentive HR Policy, which provides for competitive salaries, as well as social guarantees (voluntary medical insurance, corporate credit programs, pension programs, health resort rehabilitation, etc.).

The objective of the HR Policy is to provide the Company with the right number of committed people, with the right qualifications and at the right cost, in a timely manner.

The principles of the HR Policy:

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

JSC FPC welcomes equal opportunities for all.

The Company advocates 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, safe working conditions and the 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 JSC FPC's HR Policy.

In accordance with the current legislation, JSC FPC 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 professions 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..

## Staff Profile

**54,576** employees

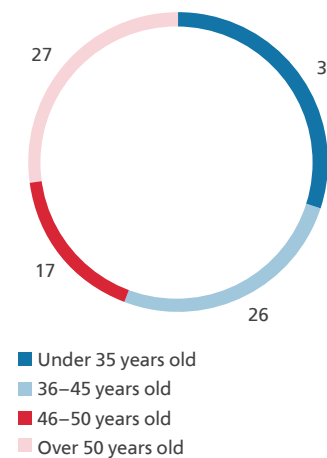
work at the Company

+6.4% vs. 2021  
51,295 employees as of 31 December 2021  
54,384 employees as of 31 December 2020

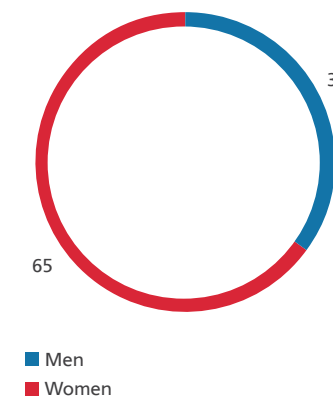
**34,500** employees

or 63% are directly involved in providing services to passengers

Personnel by age, %

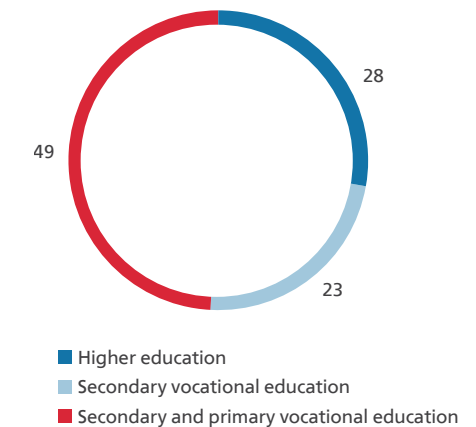


Personnel by gender, %



The Company maintains the right balance between young talent and more experienced employees. The average age of employees is 42 years. A 30% share of the personnel is represented by young employees aged under 35. At 65%, women constitute the majority of employees.

Personnel by educational background, %



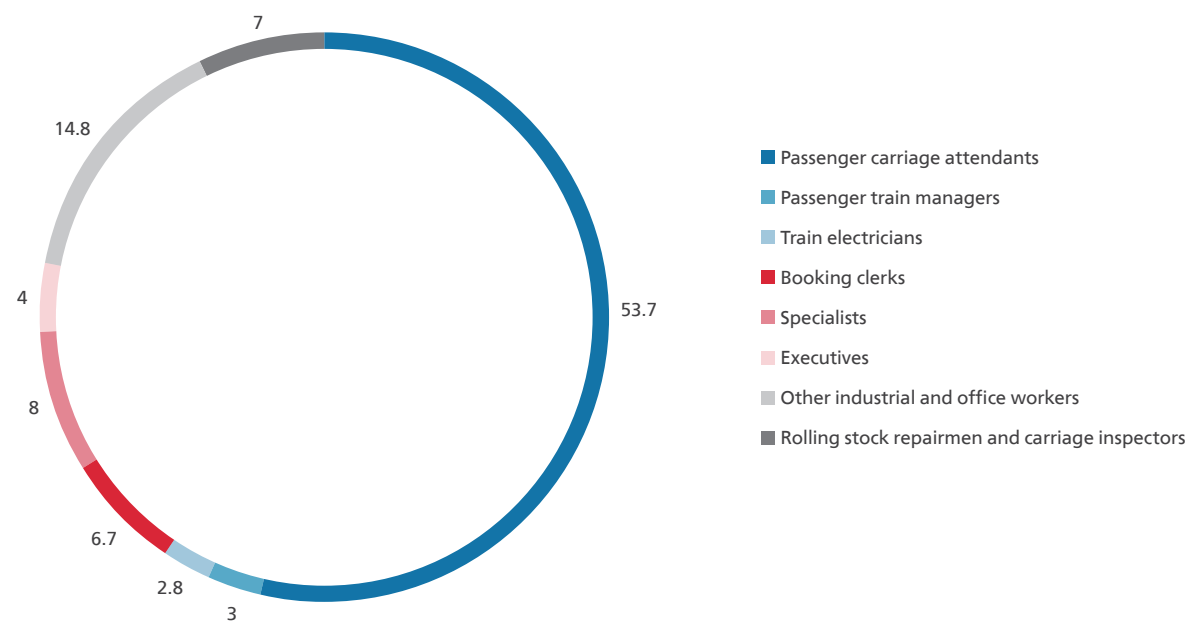
The share of female employees in the Company

1. Today, approximately 35.400 women are employed at JSC FPC, representing 65% of the total workforce. 75% are in blue-collar jobs, 10% in clerical jobs, 8% are specialists and only 7% occupy managerial positions.
2. Percentage of female executives:
  - In 12 months of 2020, 24 women were appointed to senior positions, including four women out of 24 (4%) within General Director office and 20 women out of 60 (33%) at various FPC branches
  - In 12 months of 2021, 17 women were appointed to senior positions, including four women out of 46 (9%) within General Director office and 13 women out of 61 (21%) at various FPC branches
  - In 12 months of 2022, 24 women were appointed to senior positions, including three women within General Director office (7%) and 21 women at various FPC branches (21%)

Since 2018, JSC FPC has had a successfully functioning Coordination Council for the Improvement of Working Conditions, Recreation and Social Support for Women. For 2024, the target proportion of women in the talent pool has been set at no less than 40%. The Perspective project was launched in 2022: the Company's talented women with a technical background are involved in solving strategic tasks.



Personnel by position/trade, %



Staff turnover for the 12 months of 2022 was 15.5% (0.8% lower than for the same period in 2021).

The main causes of turnover:

- Dissatisfaction with the nature of work (25.4%)
- Dissatisfaction with the level of wages (12.8%)
- Remoteness of residence (12.4%)
- Dissatisfaction with working conditions (7.3%)

Improvements to employee motivation strategies, both material and non-material, are being implemented in an effort to keep the workforce. A procedure for comprehensive

personnel recuperation programs was developed, and monthly regional compensation allowances were established for the Company's key personnel. The implementation of the 2022 Train Crew Retention Programme has ensured that the loss of the permanent staff of passenger carriage attendants in 2022 has been reduced by 13% compared to 2021.

Starting from 2022, FPC applies the Methodology for Staffing of Train Crews within a Calendar Year; this Methodology accounts for growths and declines in passenger traffic throughout a year. That helped to increase the permanent staff of passenger carriage attendants to 3,000 last year.

## Staff Recruitment

Various evaluation tools – ability testing, personality surveys, and competence-related structured interviews – are used to ensure the quality of managerial decisions on selecting candidates for vacancies, creating talent pools, staff rotation and training.

In 2022, over 23,000 employees underwent the corporate competency assessment, with customer-facing employees accounting for 89% of the total.

Also, over 300 tactical-level managers underwent the competency assessment. Based on the results of the assessment, the managers received feedback and recommendations for development. Particular attention was paid to the development of managerial competencies and effective communication skills.

To develop managerial potential, provide personnel protection and retain efficient managers, the Company established the Personnel Committee. Based on its results, the most effective and promising candidates are identified (assessed in terms of their professional experience, implementation

of their individual development plan, activity in corporate competencies) to determine a retention/re-assignment strategy, decisions are made on assignments for training, key competence development programmes are selected, including feedback to candidates on their domains of professional growth.

## Personnel Training and Development

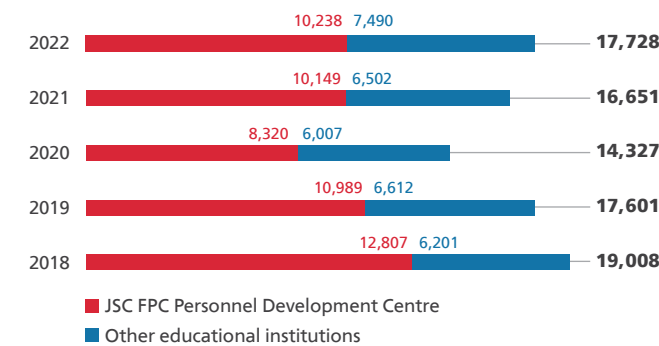
**>17,000** employees

or 32.5% of FPC's total headcount, completed training in 2022

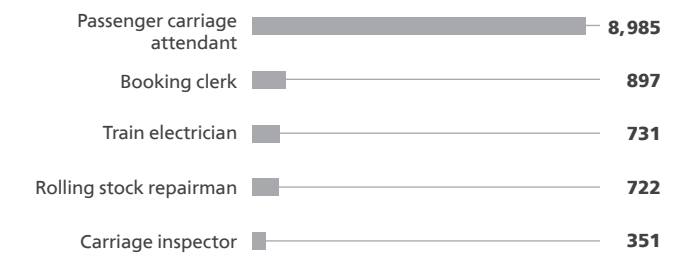
Training system performance

Indicators	2018	2019	2020	2021	2022
Total employees trained	19,008	17,601	14,327	16,651	17,728
Share of employees trained at the FPC Personnel Development Centre, %	62.7	62.4	58.0	61.0	60.0
Budget, RUB million	118.2	196.6	112.8	134.2	164.2

Staff training broken down by training centre, people



Professional training of employees of general positions (initial training and advanced training), persons



2022 was marked by the beginning of the reorganisation of JSC FPC's holistic approach to staff training. The need of branches in training increases every year.

A total of 6,500 workers and clerks were trained for general positions, and over 11,000 people completed upskilling courses in the reporting period. The Personnel Development Centre of JSC FPC is the main platform to provide training for general positions.

As part of the development of corporate competencies of front-line staff, the focus is on improving the quality of interaction with customers, with special attention paid to services for organised groups of children and physically challenged passengers. For example, in 2022, psychologists from the structural subdivisions of JSC FPC's branches held over 3,000 training seminars with the participation of over 39,000 employees without interruption to their core activities. The methodological base is replenished annually: new training programmes have been developed, including those adapted to the online format.

As part of developing the corporate culture and business communication skills, more than 500 train crew chief officers and train instructors were trained under a customised programme. The training included practical tasks and case studies, as well as training in communication skills using a dialogue simulator.

On 19 August 2022, a meeting of JSC FPC's Science and Engineering Council was held on the subject of Developing the Human Resource Potential of JSC FPC, during which the concept of The Evolution of Training for JSC FPC Train Crews was presented. The concept for the evolution of training is based on practice-oriented training, a unified approach to assessing the level of professional knowledge and the gradual transfer of training for all train crews to the framework of JSC FPC's Personnel Development Centre. The Concept implies two stages:

- The first stage: starting from 2023, training for passenger train managers will be provided only at licensed offices of JSC FPC's Personnel Development Centre
- The second stage: from 2024, training for passenger carriage attendants on the basis of licensed offices of JSC FPC's Personnel Development Centre

In accordance with the professional standard, a model of professional competencies of a train electrician was developed and approved, as well as the procedure for application of the same in staff assessment. Tests on cross-curricular and professional competences have been compiled to assess the knowledge of employees. All test tasks were subjected to expert review, tried out in the groups of advance training of train electricians, and posted in the Distance Learning System of the Parent Company.

Starting from 1 September 2022, train electricians undergo assessment in the branches of JSC FPC.

To develop professional competencies in the field of train safety and reliability of technical facilities, the Requirements for the Educational Level of Train Electricians of JSC FPC have been elaborated and approved.

At the same time, efforts have been made this year to create a model of professional competencies for the trade of passenger carriage attendant. As part of the development of this model, the structure of professional competences and requirements for the level of competence development were defined, behavioural indicators were developed, and a database of test assignments for assessment was formed.

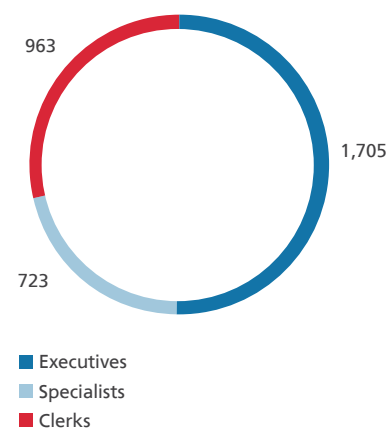
We continued to develop the Distance Learning System. In 2022, electronic content was posted for 19 personnel training programmes, 13 e-courses, including six open e-courses, 27 assessment tests for briefings and 177 assessment tests for passenger train managers, passenger carriage attendants and train electricians, as part of technical training. 4,152 employees of the Company received advanced training through the Distance Learning System.

### Advanced training for managers, specialists, and employees

A total of 2,427 managers and specialists of the Company took mandatory, technical and leadership training in 2022.

The 2022 training plan for managers and specialists was realised at **187.7%**.

Personnel training in 2022 by position level, people



**164.2** RUB million

talent development expenses and related payments

As part of the implementation of JSC FPC Digital Transformation Strategy until 2024, in order to adapt personnel to the new digital culture, a long-range training plan for the development of digital skills of managers, specialists and employees of JSC FPC for 2022–2024 was developed. In 2022, the coverage of training in this area was 20% of the total headcount.

### Targeted training

To populate JSC FPC with highly qualified personnel, targeted training is arranged for specialists with higher and secondary vocational education.

In 2022, the number of students enrolled in higher and secondary vocational education was 136, including 58 full-time students and 78 part-time students.

Targeted training is provided at nine university complexes of railway transport.

## Youth Policy

Over 16,000 employees, or 30% of the total headcount, are young people aged under 35. Of them, the share of workers is 80%, employees – 8%, specialists – 8%, and managers – 4%. The share of young managers in the Company's total managerial staff is 16%.

**“In order to achieve the objectives set out in JSC FPC's Development Strategy, the Company needs young, enterprising and innovative employees”.**

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

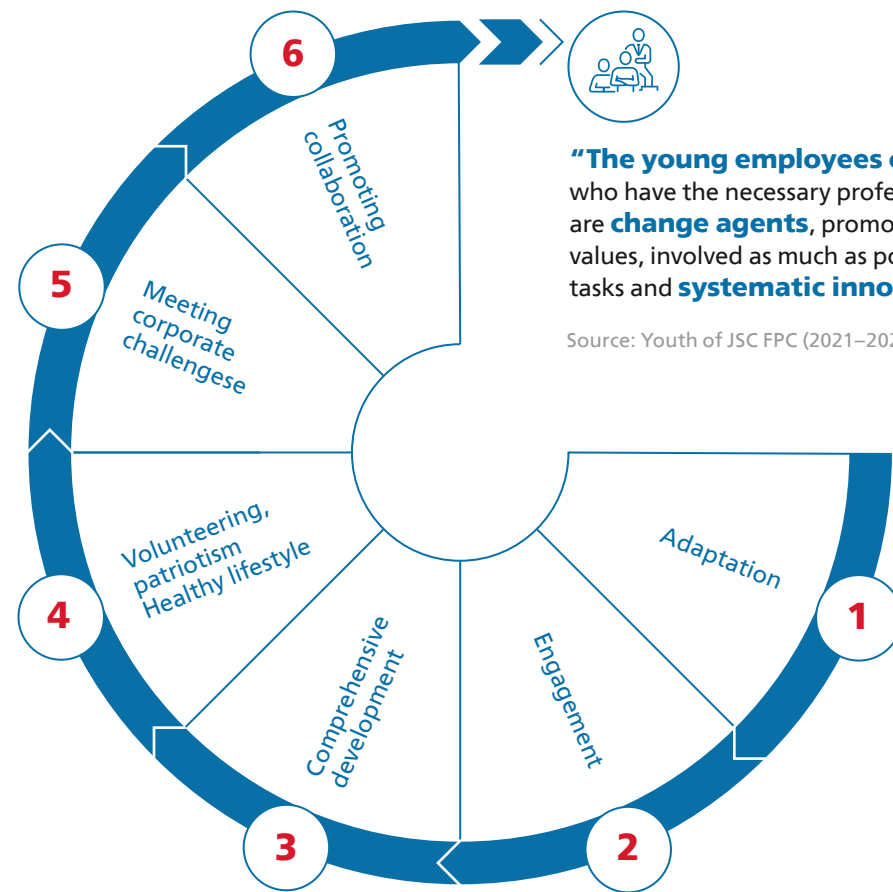
The main tasks and domains for the development of the Company's Youth Policy are defined by the Youth of JSC FPC (2021–2025) Targeted Programme. 77 youth councils have been convened in the Company to implement the Programme. The programme activities, which have the following in focus, reach at least 75% of young employees each year:

- Adapting and retaining of young people in the Company
- Stimulating of scientific and technical creativity, innovation and scientific activity of young people
- Improving the motivation mechanisms for young managers and employees
- Assisting in the personal and professional development of young employees with knowledge and skills adapted to the conditions of JSC FPC, as well as the career growth of young people
- Forming a set of positive values, maintaining the continuity of generations, and strengthening the prestige of the workplace among young people

The Youth Manifesto of the Parent Company was developed in 2022 with the participation of young employees of JSC FPC and approved by Oleg Belozеров, CEO and Chairman of the Parent Company Management Board. The Manifesto defines the common goals, principles, values and traditions of the youth of the Russian transport industry.

Thus, work with young people is systematic, follows the principles of the Youth Policy of the Parent Company and covers six domains.

## Key Projects of JSC FPC's Youth Targeted Programme



**“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

### 1. Developing a system for adapting and retaining young people in the Company

- A fundamentally new adaptation scenario with an updated graphic design, media fragments and gamification elements was developed as part of the advancing the adaptation chatbot, Attendant.
- A new format of electronic adaptation courses was developed and published, taking into account the specifics and organisational structure of the executive office and branches of JSC FPC.
- A concept for the Welcome to JSC FPC project was developed, which will include holding annual Unified Adaptation Days in JSC FPC branches, refreshing the branch adaptation courses and updating the branch adaptation chatbot scripts in accordance with the updated format.

### 2. Increasing the level of youth involvement

- Provision of information via VKontakte social network, Telegram messenger and digital channels (e-mailing) covers more than 12,000 employees and aims to increase staff awareness of key events in the life of the Company and motivate young people to participate in the Holding-level and federal competitions for professional and personal development.
- Working meetings with youth councils, active young people and young specialists of the Company are held on a regular basis to discuss career development, implementation of the Youth Policy in JSC FPC and other topics relevant to the Company’s youth.

### 3. Maintaining conditions for the continuous and all-round development of young people

- Every year, employees of JSC FPC take part in the Holding-level and federal projects, and represent the Company in the business community with due dignity.
- 2022 victories: the social grant competition Attendants of Good Deeds, the intellectual game Brainiac on the Urals Railway, the corporate league What.Where.When. of the Gorki Railway, the Russian National Volunteer Competition of the West Siberian Railway, and the 19th All-Russian Competition for youth projects and educational initiatives aimed at the social and economic development of Russian territories as part of SPIEF–2022.
- The events in which the Company’s employees participated in 2022 and became finalists: the XI Network-wide Quiz on Knowledge of the Rules of Technical Operation of Railways of the Russian Federation, the Grant Competition of the X Working Youth Forum, and the All-Russian Competition for the Selection of the Best Regional Environmental Practices: Reliable Partner – Ecology.
- In 2022, in addition to competitive projects, young employees of JSC FPC took part in the following events related to professional growth:
  - Managing Culture and master classes of the Knowledge. live project
  - ‘Manage Your Career’, ‘Principles of Effective Interaction’, ‘Basics of SMM’ and other events initiated by the Personnel and Social Development Department of JSC FPC. In particular, recordings of master classes aimed at developing the volunteer community gathered 2,460 views in the FPC.HERE community in the VKontakte social network
  - Advance training programmes run by JSC FPC’s Personnel Development Centre

### 4. Developing corporate volunteering, promotion of healthy lifestyle and sports

**In JSC FPC, 2022 has been declared the Year of Corporate Volunteering.**

- In 2022, more than 1,500 employees took part in volunteer activities or implemented their own volunteering initiatives in the following areas: social volunteering, environmental volunteering, healthy lifestyles and railway transport safety.
- The largest and most consolidated action was Support Ours!, to collect and transport humanitarian aid in JSC FPC’s baggage carriages. The Parent Company, the Russian Red Cross, the All-Russian People’s Front, and the Public Chamber of the Krasnoyarsk Territory and the city of Krasnoyarsk took part in the campaign, with the people and trains of the Federal Passenger Company acting

- as the connecting link. Humanitarian aid in the amount of 52 tonnes arrived in Rostov and was sent to residents of newly-annexed territories of the Russian Federation.
- In 2022, over 200 employees took part in the annual competition for volunteer projects that improve the lives of people in the cities where the Company operates, #YouMeVolunteerFPC. According to the competition committee’s decision, the top three winners were an environmental project of the Volga branch, a pet volunteering project, and a social / educational project of the FPC’s Gorky Branch.
- One of the important, accessible and popular volunteer activities of the Company’s employees was eco-volunteering. Volunteers of JSC FPC took part in the environmental events: Earth Hour and Car Free Day.
- Traditionally, during the year the Company’s employees pursued their own volunteer initiatives, helped sponsored orphanages and boarding schools, and took part in projects of the Honour Foundation, volunteering, donorship, social and state institutions in their regions.
- In addition to volunteering, young people developed healthy lifestyles and sports: they took part in the Healthy Lifestyle Week marathon at the Parent Company, online flash mobs #BeInResourceSTRBC and #EVERYONEforHEALTH, the Reaching the Goals race, and a bike race. The Company’s employees won network-wide competitions in swimming, tug-of-war, basketball, and billiards.
- In 2022, there were many opportunities to demonstrate our civic engagement. FPC’s young employees provided assistance to the families of railway workers, war and labour veterans and organised congratulations on Victory Day, Railway Worker Day, Senior Citizens’ Day and Attendant’s Day.

### 5. Involving 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 innovation project competition. Systematic work has been done to promote the competition and train participants.
- In 2022, a project Device for Starting Undercarriage Generators When an Accumulator Battery Is Discharged accomplished by an employee of the Ural Branch of JSC FPC made it to the finals of the New Link youth project competition. Moreover, the Company accepted it for implementation in 2023.
- During the reporting year, 21 young employees of the Company made rationalisation proposals on the 4I platform.
- A young employee of the Ural Branch of JSC FPC won the Idea of JSC FPC 2022 contest for inventions and rationalisation proposals.

**6. Developing 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, the Parent Company and the country. In 2022, young employees of JSC FPC took part in the following events:

- The XIV Parent Company Youth Convent, held from September 26 to November 2 in Noginsk with the participation of the country's industrial leaders and foreign partners of the Parent Company
- III Parent Company Volunteer Forum, held from 30 November to 6 December in Moscow
- Holding and network-wide events held by the Parent Company

**Student train attendant teams**

Staffing train crews is one of the main tasks in providing mass passenger transportation.

For 12 years, JSC FPC has been cooperating with the All-Russian Youth Public Organisation Russian Student Squads. During this period, the Company has recruited over 60,000 members of student squads from 585 educational organisations and 70 Russian regions. One of the main focuses of JSC FPC's systemic work with young people is the growth of the student squad movement.

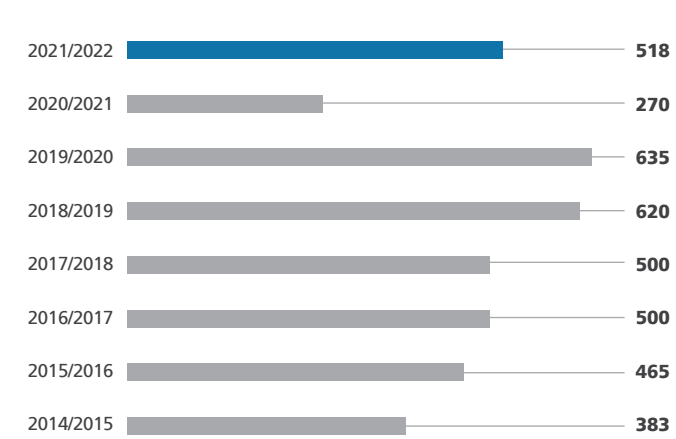
Every year since 2010, JSC FPC has recruited students to work as attendants of passenger cars in the structural subdivisions of its branches during winter and summer passenger service, thereby reducing the workload of the core staff of train crews.

In 2022, more than 7,000 members of student attendants squads worked during the peak passenger transportation period, including 518 during the winter period of 2021/2022 and 6,838 during the summer period.

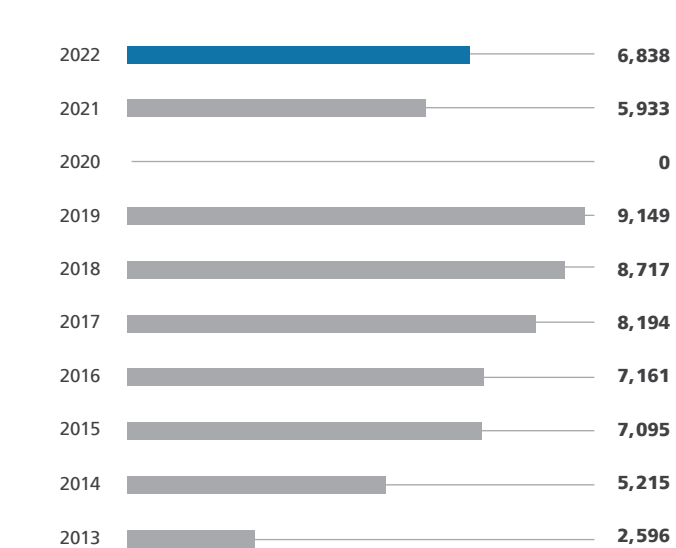
In 2022, in co-operation with the Russian Student Squads, a number of events were held: the inauguration of the All-Russian Student Attendant Squad Labour Projects, a flash mob, the All-Russian Student Attendant Squads' Rally, and a professional skills' competition.

For the first time in 2022, the All-Russian competition for the best youth employment practices organised by the Ministry of Labour and Social Protection of the Russian Federation was held. JSC FPC took the first place in the category Best Practices of Cooperation with Employers, Educational Organisations and Employment Centres.

Number of members of student attendant squads employed during in winter, people



Number of members of student attendant squads employed during summer, people



**Employee Remuneration and Motivation System**

**67,451** RUB

average salary of employees in all types of JSC FPC's activities in 2022

+28.5% vs. 2021

**1,128.7** RUB million

length-of-service bonuses paid as loyalty remuneration

The Company has an effective employee incentive system in place. The provisions of the Collective Bargaining Agreement stipulate a wide range of social benefits to 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. Currently, JSC FPC is actively working towards the digitalisation of the Intangible Incentive System by introducing gamified processes for rewarding labour merits. In 2023, JSC FPC launched a pilot project – a corporate shop at one of its companies: in the shop, employees can exchange their bonuses for various goods and services.



Based on the 2022 results, the salary of employees of all types covered by JSC FPC's activities averaged to RUB 67,451. Salaries and wages grew by 28.5% against 2021. Real wages and salaries in the Company increased by 12.9% taking into account the consumer price index.

In accordance with the Collective Agreement of JSC FPC for 2020–2022, salaries of employees in 2022 were indexed by 4.2% starting from 1 March 2022, by 5% from 1 May 2022, and by 5% from 1 August 2022. All incentive payments stipulated by the Regulation on the Remuneration System for Employees of JSC FPC's Branches and their Structural Divisions, approved by JSC FPC's Order No. 961r of 12 October 2017 and the Concept of Targeted Incentives for Employees of JSC FPC's Branches, Central Direction Carriage Section – Structural Division of JSC FPC, approved by JSC FPC's Order No. 1305r of 29 December 2017, were also implemented.

Salaries by leading professions as compared to 2021

Name of position/trade	Salary, RUB	Growth/decline, %
Passenger train manager	115,139	28.7 ↑
Passenger carriage attendant	59,127	34.5 ↑
Train electrician	71,155	32.4 ↑
Rolling stock repairman	53,772	20.7 ↑
Carriage inspector / repairman	65,993	18.2 ↑
Booking clerk	49,152	18.0 ↑
Foreman of a carriage roundhouse section	94,929	22.3 ↑

## Social Policy

### Social security of employees

The Company's social policy is aimed at:

- Increasing the attractiveness of JSC FPC as an employer
- Attracting and adapting young and highly qualified specialists
- Increasing the loyalty of employees
- Improving the efficiency of social expenditures
- Maintaining social stability in the labour collectives

The Company also pays length-of-service bonuses (employee loyalty bonus) and incentive bonuses.

The continuing employment benefits in the form of bonuses for loyalty to the Company amounted to RUB 1,128.7 million.

Bonuses for professional excellence:

- Personal salary (average per employee) – RUB 32,036 (589 attendants of passenger carriages and train electricians)
- Bonus for professional skills (average per employee) – RUB 3,134 (5,187 persons)
- Bonuses for a grade (average per employee) – RUB 4,359 (6,932 persons)

In 2022, JSC FPC signed a new Collective Agreement for 2023–2025.

The new Collective Bargaining Agreement not only retains all the traditional benefits for railway employees, but also revises the amount of payments taking into account the economic situation

The following benefits are also increased:

- Amount of financial assistance to parents at birth of each child: RUB 5,775 in 2023, RUB 6,050 in 2024, and RUB 6,300 in 2025
- Amount of monthly allowance to the employees who are on childcare leave until the child reaches three years of age: RUB 2,888 in 2023, RUB 3,025 in 2024, and RUB 3,150 in 2025

- The amount of support received through Honour Foundation by non-working pensioners who are recognised with state awards has been set at RUB 10,000 per month

In 2022, the individual social package per employee of JSC FPC amounted to RUB 58,500, the social package for a non-working pensioner of JSC FPC amounted to RUB 5,500.

## Awards

In 2022, 2,358 employees of JSC FPC were recognised with various awards for dedication and performance at work:

- State awards of the Russian Federation – three employees
- Awards of the Ministry of Transport of the Russian Federation – 98 employees

- Awards of the parent company – 1,006 employees
- FPC awards – 1,251 employees

Awards for the professionalism in the performance of a particularly important production task – 6,215 employees.



## Housing Policy

Under the Collective Bargaining Agreement, monthly subsidies are paid to 379 employees of JSC FPC to repay the interest accrued on their mortgage loans.

During the year of 2022, five subsidised mortgage loans were given to the employees of JSC FPC who are registered for corporate support in acquiring (building) residential premises; 19 employees of the Company received non-repayable subsidies, including 14 employees who gave birth to children while paying off their loan for the accommodation they had bought.

In 2022, compensation of expenses for rent of housing not owned by JSC FPC, as stipulated by the Regulations on the establishment and Use of Specialised Housing Fund of JSC FPC, was provided for 149, including four employees of the North-Western branch and 12 employees of the East Siberian branch (to observe labour rights and social guarantees in connection with reorganisation), six employees of Adler Carriage Site (to recruit highly qualified specialists and organise the relevant processes taking into account the special role the Site plays in support of strategically important line of passenger transportation). A total of RUB 40.7 million was spent on the implementation of the Housing Policy during the reporting period, including RUB 17.2 million for non-repayable subsidies.

## Health Resort Rehabilitation

In 2022 **3,388** recreational vouchers were purchased for a total of RUB 110.8 million

**1,448** vouchers allocated to employees' children  
+13.5% vs. 2021

FPC's Employee Health Programme is aimed at full-scale recreation and treatment.

Since 2022, JSC FPC has launched comprehensive preventive treatment for train crews' employees. It is a new field that now functions on a permanent basis. A total of 3,388 vouchers for health resort rehabilitation of employees, their family members and non-working pensioners were allocated in 2022 in the amount of RUB 110.8 million, of which 1,549 vouchers in the amount of RUB 35.1 million (46% of the total number of vouchers allocated), are for health resort rehabilitation of employees under comprehensive programmes.

In 2022, JSC FPC took the third place in the Investments in the Healthy Country Development competition. Best Corporate Practices 2022 (organised by the Healthy Tourism and Corporate Health Association) in the Health Culture Development category with the project Health Improvement of Train Crew Employees through

Short-Term Prevention Programmes. The nominees and winners of the competition include the projects of Gazpromneft, ALROSA, Severstal, Rosatom, etc. Rehabilitation of employees under short-term programmes have been implemented at JSC FPC since 2021. Today, wellness programmes are implemented in such areas as musculoskeletal system treatment, AntiCOVID, Easy Breathing, Healthy Back, and Women's Health.

The Company pays great attention to preserving and strengthening the health of employees' children, preventing childhood illnesses, and creating conditions for meaningful recreation and employment for children during the summer period. In 2022, 1,448 vouchers for children of employees were allocated (+13.5% compared to the same period in 2021), including 1,106 vouchers to children's recreational facilities of the Social Directorates – branches of the Parent Company, and 342 vouchers to other recreational facilities.

## Occupational Health

Personnel health has always been a priority for the Company. Since 2014, the Health Management project has been implemented, with psychological support offices organised in 15 structural subdivisions of the branches. 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. In 2022, more than 3,000 employees visited psychological support offices.

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 in a psychological support office.

## Corporate Pension System

Corporate pensions are included in the Company's employees' social security packages.

Over 16,000 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.

**429.1** RUB million

expenditures on non-state pension benefits for JSC FPC employees in 2022

In 2022, non-state pension costs for JSC FPC's employees totalled RUB 429.1 million.

## JSC FPC's Support for Non-Working Pensioners

FPC provides its retirees with wide-range support.

At present, FPC supports over 51,000 non-working retirees.

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.

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.

**281.6** RUB million

the Company's expenditure for social support of non-working pensioners in 2022

During the reporting period, the Company's expenses for social support of non-working pensioners amounted to RUB 281.6 million

## Social Support for Mobilised Employees of JSC FPC and their Family Members

To provide social support to the employees of JSC FPC whose labour contracts 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.

Together with Honour Foundation, the Company management organised fund-raising through the specialised

platform, Let's Help Together, as a part of charitable action Military Duty for the mobilised employees of JSC FPC; more than 3,000 employees took part in such initiative.

The total amount of funds collected for financial support of the mobilised employees and their families amounted to RUB 5.8 million.

In 2022, financial support was rendered to 85 mobilised employees of JSC FPC (RUB 4.3 million) and 70 minor children of them (RUB 1.4 million).

## Promoting Women's Leadership

The Coordination Council for the Improvement of Working Conditions, Recreation and Social Support for Women (hereinafter referred to as the Council) has been successfully functioning at JSC FPC since 2018.

The Council's main priority is to unlock the leadership potential, competencies and skills of the Company's female employees.

Objectives and functions of the Council:

- Unlocking and developing the leadership potential, competencies and skills that a modern successful person needs
- Considering the issues and proposals related to enhancing opportunities in the area of stimulating and motivating women, social and human resources policy
- Implementing the practices that would help maintain physical and psychological health and a balance between personal and professional life

- Studying the issues related to the image and etiquette of a modern woman
- Unleashing the professional and personal potential of women and strengthening the role of women in resolving significant social and economic tasks of the Company
- Considering the women's leadership promotion and mentoring programmes, targeted development programmes for women
- Exploring programmes on the role of emotions in human interaction
- Developing communication skills and client-oriented competence
- Monitoring the professional growth and further career development of women included in the talent pool for senior positions of the JSC FPC Director General Office and heads of JSC FPC branches

## 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.

The results of JSC FPC's Uniform Personnel Engagement Survey in 2022 show a positive trend in many indicators, which demonstrates the effectiveness of the measures taken as a result of the previous surveys. Employees are most

satisfied with the information system (92%), interaction with their line manager (90%) and compliance with ethical standards (89%). More than 19,500 employees of all job categories shared their opinions.

The survey covers not only full-time employees, but also students hired for extensive summer traffic. Thus, the level of students' job satisfaction in the Company in 2022 increased by 6% compared to 2021 and reached 76% (the survey was conducted among 4,600 students).

## Development of Digital Services for Employees

In October 2022, the Company launched the development of the corporate portal for employees: FPC INFO. Every employee regardless of his/her location will be able to learn about the newest information, get the necessary details about

own income, vacation, benefits, pension, order certificates and document copies, carry out self-education, and steer own career as well.



## Code of Ethics

In 2015, the Board of Directors approved FPC’s Code of Ethics to codify uniform corporate values, personnel behaviour norms and rules serving to make employees aware of their role in achieving the Company’s mission, and improve the bottom

line and business performance. The key ethical principles set forth in the Code of Ethics are binding on all employees of the Company.

### The key ethical principles of JSC FPC<sup>1</sup>

<p><b>1</b></p> <p><b>People first</b> People are our key asset. Everything we do is for the comfort and benefit of a particular individual – a passenger, customer, employee</p>	<p><b>5</b></p> <p><b>Building on excellence</b> It means fostering professionalism and professional excellence, sharing best practices with young employees, learning best practices from previous generations, and using the learnings creatively on one’s job to improve passenger and customer satisfaction and achieve positive results</p>
<p><b>2</b></p> <p><b>Conscientious work</b> It means diligent and accurate performance of one’s job duties, being helpful and attentive to passengers and customers at all times, honouring one’s business commitments, carrying plans through, have zero tolerance for any form of corruption, live up to the honour of being part of JSC FPC</p>	<p><b>6</b></p> <p><b>Focus on outcomes</b> In line with this principle, we keep in mind that our efforts should always yield specific results: higher revenue for JSC FPC, delivery of new projects, passenger and customer satisfaction, and people’s trust</p>
<p><b>3</b></p> <p><b>Taking pride in being part of the FPC team</b> Every JSC FPC employee is proud and privileged to be part of a company featuring a unique history, rich traditions and ambitious plans. It is our duty to honour traditions, respect the industry veterans, maintain and improve JSC FPC’s reputation as a dynamic national passenger carrier</p>	<p><b>7</b></p> <p><b>Informed decision-making</b> We are aware that our decisions may affect the interests of many citizens and organisations, so we carefully weigh every decision we make. All decisions that we make are guided by the principles of prioritising safety and risk mitigation, as well as economic benefits and commercial interests of JSC FPC</p>
<p><b>4</b></p> <p><b>Being part of a whole</b> Being part of the team means being attentive to, and honest with, one’s colleagues, seniors and juniors and placing the interests of the team and JSC FPC above one’s own. Our strength lies in mutual trust and coordinated team work</p>	<p><b>8</b></p> <p><b>Upholding FPC’s commercial interests</b> We are fostering a culture of continuous improvement, making and saving money while meeting high legal and ethical standards and without compromising on quality and safety</p>

<sup>1</sup> Defined by the Code of Business Ethics of JSC FPC (approved by a decision of the Board of Directors of JSC FPC dated 14 December 2015, Minutes No. 8) and are binding on members of the Board of Directors and all employees of JSC FPC.

**9**

**Being a leader**  
In their efforts to maintain JSC FPC’s high reputation, our people should act in a proactive manner: lead the way, embrace change, set an example for others within and outside JSC FPC

**10**

**Aspiring to innovate**  
We always seek perfection, find opportunities to do better, innovate, acquire new knowledge, and drive professional and personal self-development. Innovation is the foundation of future growth and prosperity of JSC FPC

In order to ensure a systematic approach, including monitoring of compliance with the Code of Ethics, an FPC Ethics Officer and Ethics Officers at branches were appointed, with a business ethics commission set up at the corporate and branch administration levels.

The Company is focused on ongoing monitoring of employee compliance with the FPC Code of Ethics standards and rules. To improve the implementation of business ethics standards in the daily activities of employees of JSC FPC branches and their structural subdivisions, the Provisions for an Ethics Officer Functioning in a JSC FPC branch was developed and approved.

## Occupational Health and Safety

The Company acts in the spirit of the principle of continuous improvement in occupational safety and strives to prevent work-related injuries.

The units of JSC FPC branches provide 21,382 work places, including 1,672 work places with harmful conditions, or 7.8% of total, with 3,979 employees appointed to such work places.

The corporate standard Occupational Health Management System. General Provisions (STO FPC 1.15.001–2014) and Regulations on the Occupational Health Management System in JSC FPC approved by Order No. 202r of JSC FPC dated 16 March 2022 are the key document defining workplace safety at JSC FPC.

Within M12 2022, 33 accidents were recorded, and investigation results demonstrated the combined employer/employee responsibility, of which five accidents occurred in the years preceding the reporting year (2019 to 2021). Also, 15 cases of injuries to employees were recorded where the employer’s fault was not established, based on the results of the investigation.

In 2022, as in 2021, no cases of fatal work-related injuries to employees were registered in JSC FPC. All work-related injuries at FPC trigger preventive action to help avoid them in the future.

**771.26** RUB million  
spent on labour protection measures in 2022

RUB 771.26 million were spent on occupational safety measures at JSC FPC in 2022, representing 1.3% of total operating costs.

The terms of FPC’s Collective Bargaining Agreement have been met, with RUB 496.41 million, or 0.8% of total operating expenses, spent on occupational health and safety measures (excluding expenses on protective clothing and footwear and other personal protective equipment), including:

- RUB 324.18 million for work-related injury prevention, de-manning of hazardous areas and new equipment deployment
- RUB 172.23 million for the improvement of working conditions

In 2022, work was carried out to improve labour conditions at 890 work places employing 1,898 people.



# MANAGING ENVIRONMENTAL IMPACT

Protecting the environment and minimising negative environmental impacts from the Company's operations are among FPC's highest priorities. JSC FPC complies with the environmental legislation of the Russian Federation, follows the Parent Company Environmental Strategy, the JSC FPC

Development Strategy until 2030, and the Company's standard 1.16.001–2016 FPC Environmental Management System.

FPC involves investment, CAPEX, and operational initiatives in pursuit of its environmental safety goals.

## Regulatory and Environmental Aspects in relation to the Company's Operations

As of the end of 2022, JSC FPC systematically achieves the environmental indicators of the JSC FPC Development Strategy until 2030:

- Increase in the share of waste transfer for neutralisation, utilisation, treatment and recycling to **48%** of the level of waste generation
- Air pollutant emissions were reduced from 8,000 to **3,250 tonnes**
- Decrease in water resource use (water consumption) from 9.4 million to **5.2 million m<sup>3</sup>**
- Water discharge was reduced from 5.5 million to **≈3.2 million m<sup>3</sup>**

Such reduction was achieved by optimising operations and processes across the Company's branches, adopting new technology, and maintaining consistent supervision.

To reduce the anthropogenic impact of passenger services, FPC upgraded its rolling stock and facilities across its branches.

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. Also, environmentally friendly toilet facilities are installed on carriages, which undergo overhaul.

### Environmental aspects

Indicators	2017	2018	2019	2020	2021	2022	Change 2022/2021, %
Waste generation, thousand tonnes	102.0	101.0	101.0	81.0	83.3 <sup>1</sup>	101.7	22.2
Pollutant discharges, thousand tonnes	3.8	3.4	3.3	3.0	3.2	3.3	0.75
Water consumption, million m <sup>3</sup>	6.7	6.5	6.4	6.0	5.7	5.2	-9.6
Water discharge, million m <sup>3</sup>	3.8	3.4	3.3	3.0	3.3	3.2	-1.2

<sup>1</sup> 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).

Goals	Treatment
Minimising negative environmental impacts from the Company's operations	Equipping carriages with environmentally friendly 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

## Hazardous Waste Handling

During 2022, the Company generated a total of 102,000 tonnes of waste of hazard classes I-V, of which more than 33% (about 34,000 tonnes) was waste from passenger carriage cleaning.

### Gross volume of waste generation by hazard class

thousand tonnes

Indicators	2021	2022	Change, %
Waste generation, total	83,266	101,749	22.2
Hazard Class 1	0.013	0.009	-29.1
Hazard Class 2	0.205	0.240	17.0
Hazard Class 3	0.147	0.200	36.2
Hazard Class 4	65,705	84,223	28.2
Hazard Class 5	17,197	17,078	-0.7

The increase in waste generation in 2022 is due to an increase in passenger turnover, as well as the implementation of measures for separate collection of waste.

**102,000**  
tonnes of waste

of I to V hazard classes are generated in total for 2022 in the Company

More than 48% (49,000 tonnes) of generated waste was transferred for treatment, recycling and disposal, which is 22,900 tonnes more than in 2021.

More than 48% (49,000 tonnes) of generated waste is transferred for recycling

## Volume of waste generation by type of handling

thousand tonnes

Indicators	2021	2022	Change, %
Used in own production	0.297	0.111	-62.6
Transferred for treatment, recycling, decontamination	25,971	49,071	88.9
Diverted for disposal	56,101	51,473	-8.2

The specific value of waste transferred for treatment, recycling and disposal (for passenger traffic) was 0.61 kg / thousand passenger-kilometres in 2022, which was 55% higher than in 2021 (0.39 kg / thousand passenger-kilometres).

The specific value of waste diverted for disposal (per passenger turnover) in 2022 was 0.63 kg / thousand passenger-km, 24% less than in 2021 (0.83 kg / thousand passenger-km).

## Air Protection and Climate Impact

## Company emissions by main pollutants

Indicators	2021	2022	Change, %
Pollutant discharges, tonnes	3,222	3,246	0.75
of these:			
• Solid	1,023	1,032	0.86
• Sulfur dioxide	466	480	3.00
• Carbon oxide	1,290	1,327	2.87
• Nitrogen oxides (converted to NOx)	212	216	1.93
Specific pollutant discharge, kg / thousand passenger-km	0,048	0,040	-16.29

In the reporting year, the Company's gross pollutant emissions amounted to 3,246 tonnes, which is 0.75% higher than in 2021.

A slight increase in pollutant emissions is due to increased coal consumption in 2022 as compared to 2021.

At the same time, the specific pollutant emissions (per passenger turnover) in 2022 was 0.040 kg / thousand passenger-km, which is 16% lower than in 2021 (0.048 kg / thousand passenger-km).

The main Company's measures to reduce pollutant emissions into the air include the gasification of boiler houses,

construction of high-voltage posts for heating passenger carriages in the turnover and makeup points, and reduction in the consumption of coal and fuel oil.

The following was accomplished in 2022:

- 433 carriages with centralised power supply were purchased
- High-voltage heating posts were installed at the turnaround and makeup points: at the Dacha Dolgoruky maintenance points of the Northwest Branch and the Anapa and Novorossiysk Passenger Carriage Depot of the North Caucasus Branch

Greenhouse gas emissions (scope 1)<sup>1</sup>

Direct greenhouse gas emissions converted to CO <sub>2</sub>	2020	2021	2022	Change 2022/2021, %
Gross, thousand tonnes CO <sub>2</sub> -eq	238.9	256.0	260.0	2
Specific, kg CO <sub>2</sub> -eq / thousand passenger-km	4.96	3.81	3.20	-16

Indirect greenhouse gas emissions (scope 2)<sup>2</sup>

Indirect greenhouse gas emissions converted to CO <sub>2</sub>	2020	2021	2022	Change 2022/2021, %
Gross, thousand tonnes CO <sub>2</sub> -eq	100.1	102.0	98.0	-4
Specific, kg CO <sub>2</sub> -eq / thousand passenger-km	2.08	1.52	1.21	-20

A slight increase in direct greenhouse gas emissions is associated with an increase in coal consumption in 2022, relative to 2021.

At the same time, specific direct greenhouse gas emissions in 2022 (per passenger turnover) amounted to 3.20 kg CO<sub>2</sub>-eq / thousand passenger-km, which is 16% lower than in 2021 (3.81 kg CO<sub>2</sub>-eq / thousand passenger-km).

The reduction in greenhouse gas emissions is achieved through the following.

1. Energy efficiency – the Company is taking measures to reduce energy consumption and greenhouse gas emissions:
  - Purchasing new, advanced, and energy-efficient rolling stock
  - Using energy-saving technologies in the Company's depot and site lighting systems (LEDs and smart control systems)
  - Introducing modern water boilers and steam boilers at power facilities
  - Decommissioning and conservation of low-efficient facilities

- Development of the charging infrastructure (construction of charging columns and high-voltage carriage heating columns)
  - Equipping buildings and facilities with heat and power metering devices
2. Decarbonisation of the fuel balance – measures are taken to reduce the share of coal and fuel oil in the Company's fuel balance:
    - Implementing projects to upgrade boiler houses and convert them from solid/liquid fuel to gas
  3. Reduction of emissions in the production process – the Company uses technologies and methods that reduce greenhouse gas emissions in the production process:
    - Switching to separate waste accumulation in order to reduce the share of waste going to landfill
    - Using biofuels
  4. Management of emissions from vehicles – the Company takes measures to reduce greenhouse gas emissions from transport operations:
    - Renewing the fleet (operating more efficient vehicles and reducing fuel consumption)

<sup>1</sup> The calculation was carried out in accordance with the Order of the Russian Ministry of Natural Resources and Environment No. 300 dated 30 June 2015 On Approval of Methodological Guidelines and Guidelines for Quantification of Greenhouse Gas Emissions by Organisations Carrying out Economic and Other Activities in the Russian Federation. Direct CO<sub>2</sub> emissions from biomass combustion (biomass products, including pellets and briquettes) are not included in the total in because it is assumed that the growth of biomass due to photosynthesis absorbs as much carbon dioxide from the atmosphere as is later emitted back during combustion.

<sup>2</sup> Evaluation of indirect greenhouse gas emissions (Scope 2) was performed on the basis of the Methodology for Determination of Greenhouse Gas Emissions of the Parent Company. No evaluation of indirect non-energy greenhouse gas emissions (Scope 3).

## Sustainable Water Use

### Total water use (water consumption)

million m<sup>3</sup>

Indicators	2021	2022	Change, %
Water consumption, total	5.70	5.15	-9.6

### Total water discharge

million m<sup>3</sup>

Indicators	2021	2022	Change, %
Total water discharge	3.27	3.23	-1.2

#### Including:

• Wastewater discharge into the environment	0.06	0.04	-33.3
• Discharge of wastewater into centralised wastewater disposal systems	3.21	3.19	-0.6

In order to reduce the amount of waste water that may have a negative impact on the environment and operation of centralised wastewater disposal 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

To improve energy efficiency and reduce the energy intensity of its operations, JSC FPC works to restrict its fuel and energy consumption every year.

The following measures have been implemented in 2022:

- Purchasing new, advanced, and energy-efficient rolling stock
- Using energy-saving technologies in the Company's depot and site lighting systems (LEDs and smart control systems)

- Upgrading and converting boilers from liquid fuels to gas
- Retrofitting the Company's buildings and structures with water consumption and discharge, electricity and heat meters
- 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	2020	2021	2022	Change 2022/2021, %
Electric energy, million kWh	107.738	111.942	113.134	1.1
Diesel fuel, thousand tonnes	1.947	3.139	1.646	-47.6
Coal, thousand tonnes	76.982	79.198	84.627	6.9
Fuel oil, thousand tonnes	10.126	10.797	9.998	-7.4
Natural gas, million m <sup>3</sup>	19.312	22.917	22.744	-0.8
Petrol, thousand tonnes	0.610	0.603	0.591	-2.0
Briquettes, thousand tonnes	2.409	2.725	2.575	-5.5
Pellets, thousand tonnes	0.534	0.452	0.280	-38.1
Firewood, thousand m <sup>3</sup>	0.092	0.074	0.080	6.9
<b>Total, thousand conventional tonnes</b>	<b>139.294</b>	<b>150.231</b>	<b>153.099</b>	<b>1.9</b>

### Use of fuel and energy resources in monetary terms

RUB million

Resources	2020	2021	2022	Change 2022/2021, %
Electric power	605.4	662.7	699.4	5.5
Diesel fuel	85.7	150.2	89.6	-40.3
Coal	277.0	279.0	362.4	29.9
Fuel oil	107.8	213.2	205.9	-3.4
Natural gas	114.2	139.9	148.3	6.0
Petroleum	33.3	32.8	34.0	3.6
Briquettes	20.1	22.4	25.5	13.9
Pellets	4.0	3.3	2.3	-31.5
Firewood	0.3	0.2	0.4	82.5

## PROCUREMENT

JSC FPC's procurement activities are governed by the corporate Regulations on Procurement of Goods, Works and Services for the Needs of Joint-Stock Company Federal Passenger Company, based on the following laws and regulations of the Russian Federation:

- Federal Law No. 223-FZ On Procurement of Goods, Works and Services by Certain Types of Legal Entities dated 18 July 2011
- Federal Law No. 135-FZ On the Protection of Competition, dated 26 July 2006
- Resolutions and Decrees of the Russian Government
- Other documents adopted pursuant to Federal Law No. 223-FZ

In accordance with Article 3 of Law No. 223-FZ, JSC FPC is guided by the following principles of procurement:

- Procurement transparency
- Equality, fairness, non-discrimination, and no unreasonable anticompetitive practices towards bidders
- 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
- Unrestricted access to bidding through the elimination of non-measurable bidder requirements

Single sourcing is only used when expressly allowed by the Regulations on Procurement of Goods, Works and Services for the Needs of FPC.

According to 2022 procurement results, FPC saved RUB 739.9 million.

In 2022, JSC FPC signed 3,929 contracts for a total of RUB 184,306.7 million, including VAT, based on the results of procurement procedures for goods, works and services carried out:

- 1,975 contracts concluded as a result of competitive and contestable procurement procedures, for a total of RUB 134,925.8 million (including VAT)

- 1,443 contracts concluded with a sole supplier (contractor), for a total of RUB 13,503.3 million (including VAT)
- 511 contracts with related parties of JSC FPC, for a total of RUB 35,877.6 million (including VAT)

In 2022, in accordance with the requirements of Russian Government Decree No. 1352 dated 11 December 2014 On the Specifics of Participation of Small and Medium Businesses in the Procurement of Goods, Works and Services by Certain Types of Legal Entities and in order to support and develop small and medium businesses in the Russian Federation, 1,165 contracts were concluded with small and medium businesses for a total amount of RUB 7.13 billion.

In 2012, to optimise logistics of centralised supply of material and technical resources in three branches of JSC FPC (Moscow, Chelyabinsk, and Ulan-Ude) by the Company's baggage carriages and by automobile transport, the warehouse facilities for processing and distribution of the products to the branches of JSC FPC were established. This solution optimises the Company's transportation costs and improves the efficiency of decisions on the priority of shipments of material and technical resources, thus helping to redistribute unclaimed material and technical resources to a branch or enterprise in need.

In 2022, FPC's Headquarters in charge of the Transport Mobility of the Russian Federation population decided to expand the range of material and technical resources and the number of the Company's insurance stock (most of which is located at warehouse complexes) making it possible to promptly provide the production process with basic materials and spare parts for the rolling stock during delays in deliveries of material and technical resources, as well as in case of a significant increase in the volume of production programmes during the year.

## CHARITABLE ACTIVITIES

In 2020 the Charity Policy of JSC FPC was approved by the decision of the Board of Directors of JSC FPC (Minutes No. 17 dated 21 April 2020); in line with the Policy, the Company established the Commission for Reviewing the Proposals and Appeals on Providing Material Assistance to Public, Religious and Other Institutions and Citizens (hereinafter referred to as the Commission).

In 2022, in the face of sanctions pressure, the recovery of transportation volumes in the post-pandemic period and the ongoing policy of cost optimisation, the Company supported employees of JSC FPC, their families and non-working pensioners – former Company employees, participants and disabled veterans of World War II, disabled

children from low-income families and educational institutions in the railway transport sector.

Assistance was provided not only in the form of cash transfers, but also through free travel on the Company's trains, compensation for medical treatment and rehabilitation expenses, and free provision of property with zero residual value, as well.

JSC FPC received 185 requests from organisations and citizens in 2022, of which 152 were considered by the Commission and 77 requests were approved for a total of RUB 19,238,848.66. A total of 18 meetings of the Commission were held last year.



# 06

## Appendices



# ASSETS OF THE COMPANY

## Structure and Dynamics of Assets

Passenger rolling stock is FPC's key asset, making up 90% of total assets. As at the end of 2022, the Company's carriage inventory totalled 16,000 carriages.

### Structure of the Company's assets as at 31 December 2022

RUB billion

Assets	Book value
Passenger carriages	266.24
Fixed property	22.58
Other movable property	7.74
Intangible assets	0.41
Land parcels	0.14
Total	297.11



### Changes in the carriage fleet structure

carriages

Carriage type	Description	Fleet as at 31 December 2021	Acquired	Retired	Fleet as at 31 December 2022
Deluxe	Compartment carriages, each compartment featuring a shower room, a washbasin and a toilet	114	–	–	114
First-class sleeping carriages	Compartment carriages with double berth compartments	470	–	6	464
РИЦ (RIC)	Second-class sleeping carriage, Euro standard size	266	–	1	265
МИКСТ (MIXED)	Compartment carriages with deluxe and first-class sleeping compartments	13	–	–	13
K	Second-class sleeping carriages (with four-berth compartments)	7,013	409	154	7,268
O	3-class open sleeping carriage	6,549	117	48	6,618
МО	Interregional carriages	599	–	28	571
Б	Baggage carriages	112	–	21	91
P	Dining carriages	662	14	33	643
Other carriages	Power stations and ancillary carriages	37	7	–	44
Total		15,835	547 <sup>1</sup>	291	16,091

## Current condition of the passenger carriage fleet

# 16,091

 carriages

FPC's passenger carriage fleet as of 31 December 2022

FPC operates highly diverse rolling stock:

- by type and age (average age is about 17 years)
- by wear – approximately 54%
- by air-conditioning equipment – 89.5% of the fleet
- by eco-friendly toilets – about 82% of the fleet

The average carriage age, a key metric showing the technical condition of a carriage fleet, was 17.3 years as at 31 December 2022.

<sup>1</sup> Taking into account the commissioning of carriages built in 2021.

## Changes in the carriage fleet structure

carriages

Carriage type	Description	Fleet as at 31 December 2021	Acquired	Retired	Fleet as at 31 December 2022	Average age of carriages as at 31 December 2021, years	Average age of carriages as at 31 December 2022, years	Average wear, %
Deluxe	Second-class sleeping carriage (each featuring a shower room, a washbasin and a toilet)	114	–	–	114	14.2	15.2	50.4
First-class sleeping carriages	Compartment carriages with double berth compartments	470	–	6	464	14.8	15.6	51.7
РИЦ (RIC)	Second-class sleeping carriage, Euro standard size	266	–	1	265	12.8	13.7	39.4
МИКСТ (MIXED)	Compartment carriages with deluxe and first-class sleeping compartments	13	–	–	13	9.0	10.0	25.7
K	Second-class sleeping carriages (with four-berth compartments)	7,013	409	154	7,268	18.4	18.1	57.9
O	3-class open sleeping carriage	6,549	117	48	6,618	15.3	15.9	47.1
МО	Interregional carriages	599	–	28	571	15.4	15.8	44.7
Б	Baggage carriages	112	–	21	91	22.6	23.0	80.4
Р	Dining carriages	662	14	33	643	27.0	27.0	68.2
Other carriages	Power stations and ancillary carriages	37	7	–	44	22.1	24.2	63.3
Total		15,835	547	291	16,091	17.1	17.3	53

## 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

# 801

 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 equipped as modern conventional carriages, and even surpass them in many other respects.

Depending on the class, double-decker carriages have double-berth or 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. The demands of disabled passengers have also been considered: one of the carriages in each train (administrative carriage) is equipped with special lifts for boarding wheelchair users from low platforms and has a special compartment and toilet.

In addition to two-berth and four-berth compartments, the train running between Moscow and Voronezh 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 new modern rigid slackless couplings and pressure-proof gangways. For visually impaired passengers, all signage in carriages is duplicated in Braille.

## РИЦ (RIC) type carriages

# 200

 RIC carriages

in the Company's rail fleet

The RIC sleeping carriage, model 61-4476 (WLABmz), is intended for international passenger services in the UIC countries (from French – Union Internationale des Chemins de fer, UIC) (1,435-mm gauge), the European part of the Russian Federation, the CIS, and Baltic countries (1,520-mm gauge).

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

**997** 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-plan sleeping carriages), model 61-4517 (second-class sleeping carriages) and model 61-4529 (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

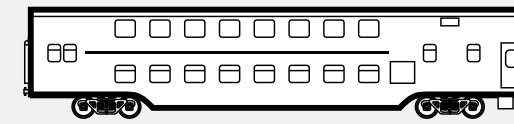
The administrative carriage features a compartment to accommodate two wheelchair users along with their travelling companions, a specially designed toilet with shower and boarding lifts in the redundant vestibule. The disabled passenger compartment is equipped with a passenger information display featuring a text-to-voice service activated by a button.

## New carriage types

**40** years

average carriage life

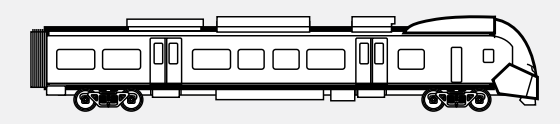
### Double-decker compartment carriage with berths. Model 61-4465



64 passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system

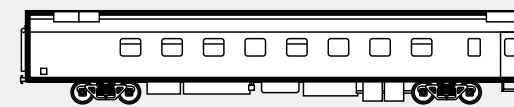
### Lastochka higher-speed electric train (Desiro RUS)



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

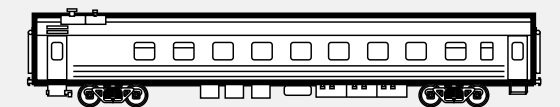
### RIC type sleeping carriage for use on international routes. Model 61-4476



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

### Passenger seating carriage. Model 61-4458

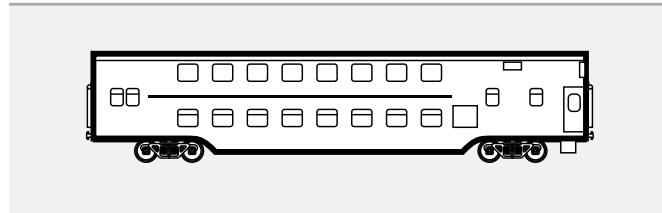


60 passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system
- Attendant call buttons



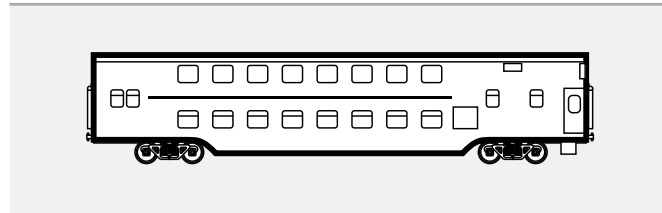
**Compartment carriage for train sets.  
Model 61-4465**



64 passengers 160 km/h

- Environmentally friendly toilet facility
- Air conditioner
- Water cooler
- Audio and video system

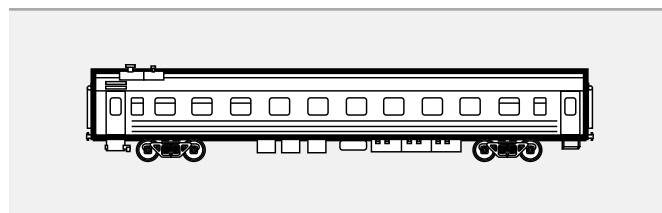
**Double-decker carriage with seats.  
Model 61-4492**



60 berths in first-class carriage  
104 berths in second-class carriage 160 km/h

- 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

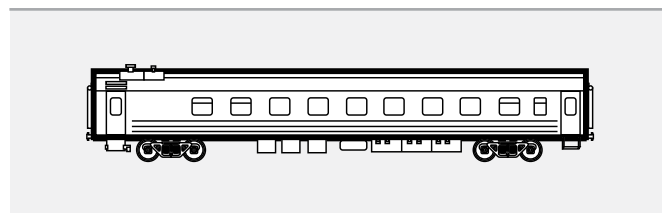
**Double-decker compartment carriage  
with seats. Model 61-4462**



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

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

- 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 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 eco-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 of the new 2020 model range: these are 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 car has baggage racks and a shelf for bulky baggage. The process chain of the installed equipment is selected so to implement the Catering Concept.

Carriage–2020, model 61–4523

**115 of 801**  
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)
- 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

### 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, together with JSC Transmashholding and JSC Tver Carriage Works, is working on the development of new types of T-gauge open-plan carriages in Tver. The following types of carriage layouts were designed and evaluated by experts and potential passengers: modular, capsule and herringbone.

These carriages are of interest because they are innovative and modern.

In terms of all metrics and evaluation criteria, including functionality, emotion, and aesthetics, a capsule carriage with a capacity of up to 56 passengers and a longitudinal staggered arrangement of passenger seats tops the ranking of conceptual carriage layouts under consideration.

However, none of the examined layouts properly satisfies the needs of the contemporary passenger, and they all scored poorly in terms of serviceability.

The factors that are completely unconnected to the new concept, such as individual lighting, tables, curtains, and gadget charging, received the highest ratings for the layouts that were assessed.

All of the layouts under study had much worse ergonomics than a conventional third-class open sleeping carriage, as shown by a comparison. 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, space for baggage accommodation), the conventional third-class open sleeping carriage is still in demand and looks promising for production.

Capsule carriages may be 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. They may also be of interest to those travelling with small kids who do not occupy a separate seat.

Launching a new type of car on a network-wide scale is associated with high financial risks, that's why we consider an option of fine-tuning the carriage layout to accommodate the results of the evaluation with subsequent re-testing of resultant prototype carriages. The final decision on their possible purchase and trial operation will be based on the findings obtained.

### 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-plan carriage was introduced. The new carriages were converted from traditional series-produced carriages during overhaul and reconditioning.

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-plan 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.

Throughout 2020 and 2021, the Company kept expanding its fleet with upgrade third-class open sleeping carriages. A total of 67 carriages of this type underwent overhaul and reconditioning.

Based on the successful projects for overhaul and reconditioning of third-class open-plan sleeping carriages with interior renewal, a refreshed interior design was developed for second-class sleeping carriages 47K subjected for overhaul and reconditioning. All innovations successfully used in the overhauled third-class open-plan sleeping carriages were also leveraged for second-class carriages.

In 2021–2022, the overhaul and reconditioning programme refreshed the interiors of 274 second-class sleeping carriages.

In 2020–2022, the Company launched branded carriages for the Ruskeala Express, Urals Express and Sochi trains as part of efforts to develop 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.

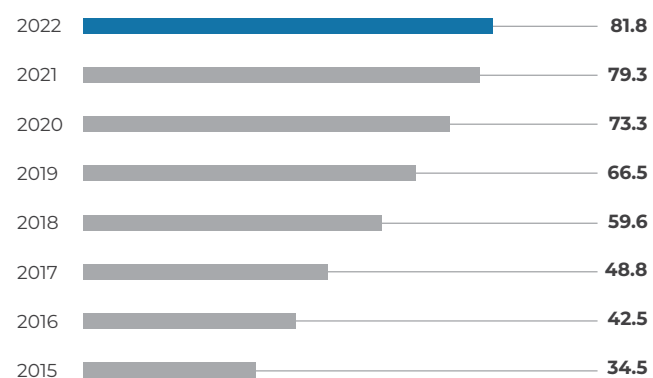
According to the new 2022 catering concept, five single-deck dining carriages with kitchen space were subject to outfitting: microwave ovens, professional baking ovens, dishwashers, additional information lines, coffee machines, heat shelves and the kitchen space for serving and serving dishes was upgraded. Under the same concept, four administrative cars were overhauled: now they have refrigerators and juicers, a new set of electrical equipment, liquid heating, compartments for special needs people with a set of special furniture, a buffet with a set of furniture, microwave ovens and other equipment.

The installation of environmentally friendly toilets is underway. In 2022, the share of cars equipped with air conditioning units increased by 1.3% and environmentally friendly toilet facilities – by 2.5% of the bonded fleet.

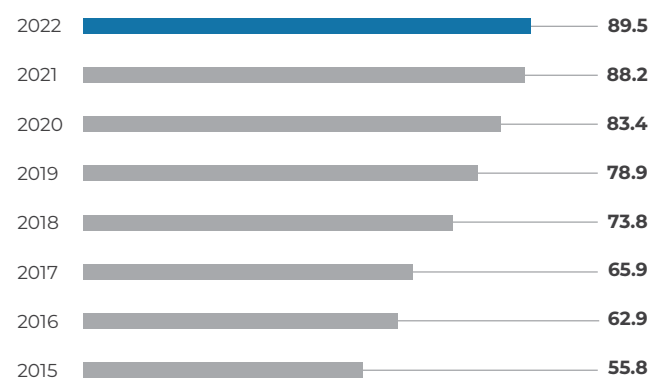


## Comparative data on the availability of air-conditioned carriages and eco-friendly toilet facilities

### Share of carriages with eco-friendly toilet facilities, % of the bonded fleet



### Share of carriages with air conditioning units, % of the bonded fleet



There are 13,611 carriages (89% of the fleet) equipped with charging sockets.

JSC FPC completed a project to equip its branded trains with high-speed data lines, covering a total of 7,462 carriages. 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 for providing a voice communication service for the train crew and for

deploying 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 already standing at 40.2% and 50.6%, respectively.

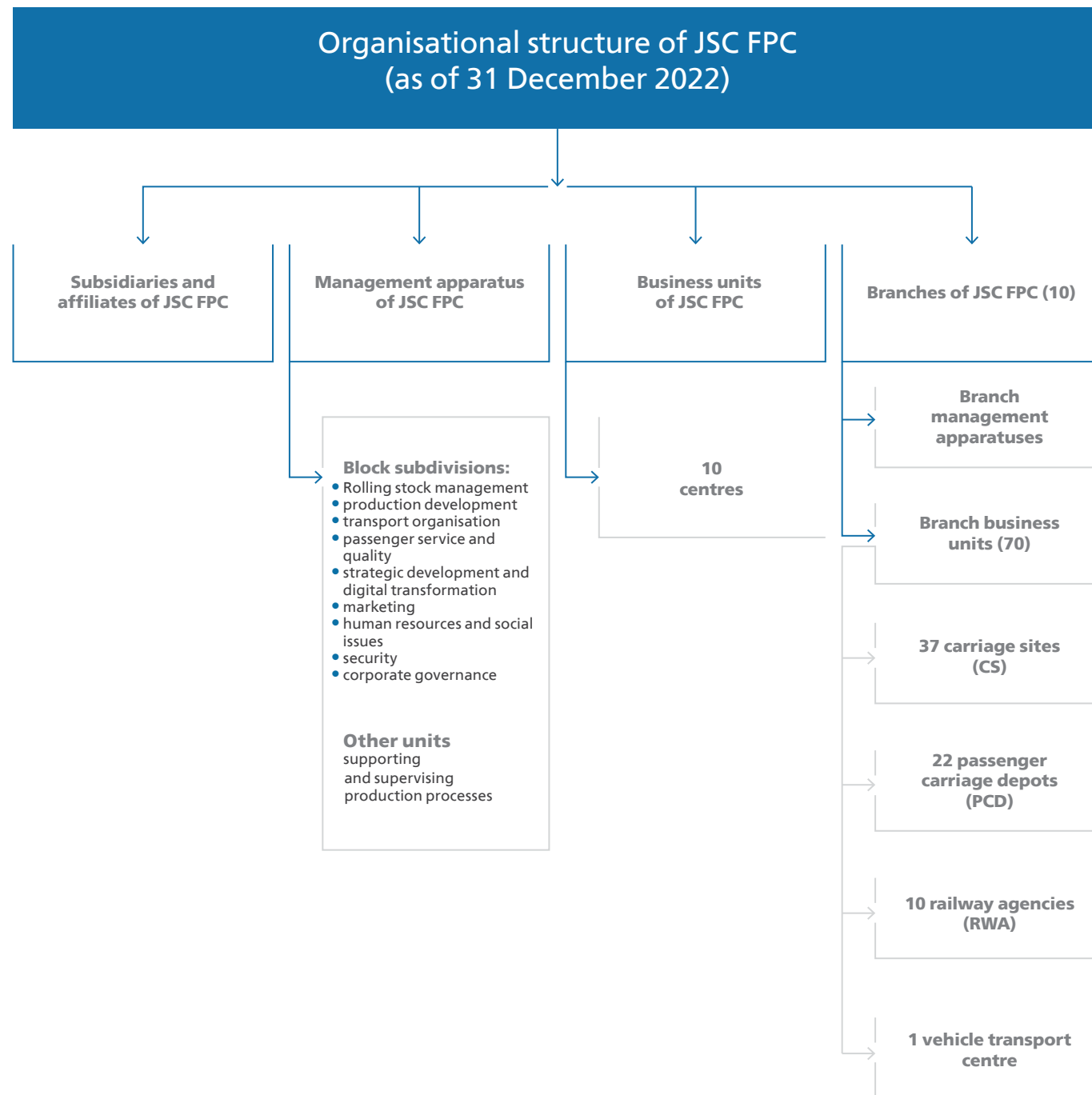
The wooden window frames in the passenger carriages have been almost completely replaced by aluminium-plastic ones.

### List of trains with single-option route sections in the 2022/2023 train schedule

Item	Train	Service
<b>FAR EASTERN BRANCH</b>		
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
<b>EAST SIBERIAN BRANCH</b>		
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
<b>WEST SIBERIAN BRANCH</b>		
12	No. 109/110	Omsk – Rubtsovsk
13	No. 347/348	Barnaul – Severobaikalsk

Item	Train	Service
14	No. 602/601	Biysk – Tomsk
15	No. 609/610	Tomsk – Novokuznetsk
16	No. 635/636	Tomsk – Bely Yar
<b>URALS BRANCH</b>		
17	No. 127/128	Ekaterinburg – Priobye
18	No. 603/604	Yekaterinburg – Solikamsk
19	No. 609/610	Ust'-Akha – Yekaterinburg
<b>GORKY BRANCH</b>		
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
<b>VOLGA BRANCH</b>		
24	No. 379/380	Kamyshin – Moscow
<b>KUIBYSHEV BRANCH</b>		
25	No. 675/676	Ufa – Sibai
<b>NORTH CAUCASUS BRANCH</b>		
26	No. 677/678	Novorossiysk – Vladikavkaz
<b>MOSCOW BRANCH</b>		
27	No. 85/86	Moscow – Klimov
28	No. 141/142	Moscow – Kursk
29	No. 602/601	Moscow – Rybinsk
30	No. 687/688	Stavropol – Kavkazskaya (rolling of carriages for the Stavropol – Moscow service)
<b>NORTHWEST BRANCH</b>		
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 (rolling of carriages for the Adler – Usinsk through carriages)

# Organisational Structure



The organisational structure of JSC FPC comprises the management apparatus, 10 centres, 10 regional branches, and six subsidiaries and other companies with JSC FPC's participation. The regional branches comprise 22 passenger carriage depots, 37 carriage sites, 10 railway agencies and the Vehicle Transport Centre.

The Company has an average headcount of 50,500 employees. JSC FPC's rolling stock fleet consists of 16,100 carriages running in 479 train pairs. The average age of the fleet is 17 years.



## JSC FPC branches

- 1 Northwest 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 East Branch Khabarovsk

# LIST OF FPC'S BRANCHES AND THEIR STRUCTURAL UNITS

## CERTIFIED TO ISO 9001:2015

Item	Branches	Business units	QMS processes
1	Moscow Branch	Orekhovo-Zuyevo PCD Nikolayevka PCD Moscow-3 PCD Orel PCD Moscow–Kievskaya PCD Smolensk PCD Moscow–Yaroslavskaya CS Bryansk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 overhauls with service life extension (overhaul reconditioning) Depot repairs (DR) 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)
2	Northwest Branch	Saint Petersburg–Moskovsky PCD Saint Petersburg–Moskovsky CS Moscow PCD Kaliningrad PCD Pskov CS Petrozavodsk CS Vehicle Transport Centre Kotlas PCD Kotlas CS Yaroslavl CS Vologda CS Syktyvkar CS Arkhangelsk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)
3	North Caucasus Branch	Mineralnye Vody PCD Novorossiysk CS Adler CS Rostov CS Makhachkala CS Grozny CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)

Item	Branches	Business units	QMS processes
4	West Siberian Branch	Novosibirsk PCD Novosibirsk–Glavny CS Omsk PCD Barnaul CS Tomsk CS Novokuznetsk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) 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)
5	Ural Branch	Sverdlovsk PCD Yekaterinburg CS Perm CS Tyumen CS Chelyabinsk PCD Orenburg PCD Orsk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)
6	Volga Branch	Saratov PCD Saratov–Passazhirsky CS Volgograd CS Voronezh CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)

Item	Branches	Business units	QMS processes
7	Gorky Branch	Gorky–Moskovsky PCD Kirov PCD Izhevsk CS Kazan CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)
8	Kuybyshev Branch	Samara PCD Ufa CS Penza CS Ulyanovsk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)
9	Far East Branch	Vladivostok PCD Khabarovsk CS Tynda CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)
10	East Siberian Branch	Irkutsk PCD Krasnoyarsk PCD Chita CS Severobaikalsk CS RWA	Passenger, baggage and unaccompanied baggage transport 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 Depot repairs (DR) Stage one (KR-1) carriage overhaul 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)

## MAJOR TRANSACTIONS

In 2022, JSC FPC made one transaction recognised as major transaction in accordance with Article 78, Federal law No. 208-FZ On Joint Stock Companies dated 26 December 1995,

namely it signed an additional agreement on purchasing rolling stock (Minutes of extraordinary General Meeting of FPC JSC Shareholders No. 51 dated 12 July 2022).

## INTERESTED-PARTY TRANSACTIONS

There were no interested-party transactions in 2022.

## DISPOSAL OF NON-CORE ASSETS

### Disposal of FPC's non-core assets (passenger carriages)

As of 1 January 2022, the Company had 115 passenger cars recognised as non-core assets. Criteria of non-profile: not used in the transportation process for more than 3 years and no prospects for use in the activities of FPC.

In 2022, 22 carriages were disposed of, of which six were written off, four were sold, and 12 were repaired and used for transport service.

The general list included:

- 41 baggage carriages, after FPC terminated its baggage transportation activities
- 66 RIC carriages manufactured in 1980–1994 intended for passenger transportation on international routes not suitable for operation on domestic routes and not required on international routes due to lower demand, and failing to meet modern requirements
- 8 carriages of other types not required in transportation in view of design features

**Information on disposal of non-core assets (immovable property) for 12 months of 2022**

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		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	One-storey high voltage-heating point building, located at 1 Zelyonaya Roscha Str., Barnaul, Altai Territory	010089/9911	394.58	199.27	6,157.00	5,732.42	4,540.87	8.76	5,762.42	The final sale price is defined during an open tender procedure
2	The entire building located at Komsomolskaya Pl., track 13, Moscow	10016/9820	0.00	0.00	8,133.33	8,133.33	6,506.67	502.50	8,133.33	Agreement to seize property at market value
3	Non-residential premises (ticket offices Rtischevo), located at: 19 Zheleznodorozhnaya St., Rtischevo, Saratov Region	0100050_ЮБЖА	2,081.18	154.86	2,216.38	105.20	-307.10	235.76	135.20	The final sale price is defined during an open tender procedure
4	Flat located at: 32 Zheleznodorozhnaya Street, flat 1, Tambov, Tambov Region	5103060_ЛВЧД-14	1,137.35	0.00	2,058.00	890.57	478.97	33.88	920.65	The final sale price is defined during an open tender procedure
5.1	Cable lines up to 1 kV from the transformer station, located at Industrialny per., house and grounds 9, Moscow	30001	0.00	0.00	3,043.80	3,013.80	2,405.04	1,282.76	3,043.80	The sale was made at market value by the Parent Company
5.2	Outdoor lighting line, located at Industrialny per., house and grounds 9, Moscow	30003	0.00	0.00	382.71	352.71	276.17	1,282.76	382.71	
5.3	Heating networks, located at: Industrialny per., house and grounds 9, Moscow	30006	0.00	0.00	727.06	697.06	551.65	1,282.76	727.06	
5.4	Storm water sewage and drainage network, located at Industrialny per., house and grounds 9, Moscow	30010	443.42	0.00	1,264.36	790.94	538.06	1,298.25	820.94	
5.5	Water supply line to the repair and running depot, located at Industrialny per., house and grounds 9, Moscow	30016	0.00	0.00	198.01	168.01	128.40	1,282.76	198.01	
5.6	Concrete pole overhead contact line, located at Industrialny per., house and grounds 9, Moscow	30015	107.31	0.00	187.79	50.48	12.92	1,285.66	80.48	
6	One-storey building of the wood-working shop, located at 1 Zelyonaya Roscha Str., Barnaul, Altai Territory	010003/9911	4,836.36	852.88	22,500.27	17,634.01	13,304.54	374.53	17,663.91	The final sale price is defined during an open tender procedure
7	Baggage office building, Valuiki Station, located at: Privokzalna Pl, Valuiki, Belgorod Region	0100005_ЮБЖА	0.00	0.00	988.33	958.43	760.77	0.04	988.33	The final sale price is defined during an open tender procedure
8	Baggage office building located at 15a, 60 Let USSR Avenue, Severobaikalsk, Republic of Buryatia	110000000017/0000/9923	7,185.97	1,786.13	7,624.00	408.13	-759.44	1,070.98	438.03	The sale was made at market value by the Parent Company
9	One-storey building of the Mechet warehouse, located at 1 Zelyonaya Roscha Str., Barnaul, Altai Territory	010059/9911	1,599.61	0.00	6,161.00	4,531.49	3,299.29	128.73	4,561.39	The final sale price is defined during an open tender procedure
10	Non-residential one-storey building (three-box garage), located at: 21b Zheleznodorozhnaya St., Rtischevo, Saratov Region	0100030_ПТИ_ЛВЧД-14	456.60	0.00	458.00	-28.60	-120.20	11.50	1.40	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		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			
11	Garages located at 7 Vokzalnaya Pl., Ivanovo, Ivanovo Region	010014, 010054, 010056	14.41	0.00	550.83	506.52	396.36	0.97	536.42	The final sale price is defined during an open tender procedure
12.1	Brick building (dry-cleaning area) located at 130 Lenina Street, Shar'ya, Kostroma Region	10053	8,061.87	269.63	3,343.29	-4,748.58	-5,333.31	1,349.40	-4,718.58	The final sale price is defined during an open tender procedure
12.2	Boiler-house building (dry-cleaning area) located at 130 Lenina Street, Shar'ya, Kostroma Region	10054/1	1,717.06	97.33	262.00	-1,485.06	-1,487.99	225.30	-1,455.06	
12.3	Water pipeline (dry-cleaning area) located at 130 Lenina Street, Shar'ya, Kostroma Region	20047	0.00	0.00	21.60	-8.40	17.28	0.00	21.60	
12.4	Sewer pipes with a well located at 130 Lenina Street, Shar'ya, Kostroma Region	30010	0.00	0.00	127.56	97.56	102.05	0.00	127.56	
12.5	Land parcel located at 130 Lenina Street, Shar'ya, Kostroma Region	90014	3,376.30	0.00	1,774.60	-1,631.71	-1,956.63	553.30	-1,601.71	
13	Building of an auto-brake checking station located at: 18 Donbasskaya St., Voronezh, Leninsky district, Voronezh Region	0100180_ЛВЧД-8	0.00	0.00	6,173.33	6,143.33	4,938.67	0.76	6,173.33	The final sale price is defined during an open tender procedure
14	Battery charging building located at: Privokzalnaya Pl., Vorkuta, Komi Republic	100051	2,747.67	115.64	157.45	-2,620.22	-2,598.59	60.80	-2,590.22	The final sale price is defined during an open tender procedure
15	Beer bar building located at: 13a Milizioneer Bukhantsev Street, Volgograd, Volgograd Region	9879_0016	4,275.34	244.71	1,834.17	-2,471.17	-2,759.06	124.54	-2,441.17	The final sale price is defined during an open tender procedure
16	Stary Oskol technical station building, located at: Pobedy St., Stary Oskol, Belgorod Region	0100017_БЧ-6	1,260.55	266.98	1,334.21	43.65	-139.79	28.04	73.65	The final sale price is defined during an open tender procedure
17	Laundry building located at: 1 Yanalova St., Yoshkar-Ola, Republic of Mari El.	0100095/9843	20,945.41	4,511.47	5,934.57	-15,040.84	-15,295.46	1,182.69	-15,010.84	The final sale price is defined during an open tender procedure
18	Wood-working shop building, located at: 50 Stantsionnaya St., Abakan, Republic of Khakassia	110000000007/0000/9918	0.00	83.82	1,549.00	1,519.00	1,255.96	37.15	1,549.00	The final sale price is defined during an open tender procedure
19.1	Air line located at: (Passenger car depot) Zapadny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0300010/9843	0.00	0.00	23.69	-6.31	-11.05	0.00	23.69	The final sale price is defined during an open tender procedure
19.2	Building of a car assembly shop located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100074/9843	7,306.54	501.99	1,684.47	-5,652.06	-5,888.56	1,079.77	-5,622.06	
19.3	Extension of the wheel and bogie workshop with a washing facility, located at: (Passenger Carriage Depot), Kirovsky district, Kazan, Republic of Tatarstan	0100073.1/9843	27,713.53	0.00	1,000.73	-26,742.81	-26,942.95	1,812.38	-26,712.81	



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		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			
19.4	Extension of wood-working warehouse building and garage extension located at: (Passenger carriage depot), Kirovsky district, Kazan, Republic of Tatarstan	0100063/9843	848.05	93.30	27.34	-850.71	-850.71	19.31	-820.71	
19.5	Building of a condensate transfer station located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100070/9843	104.91	14.95	3.70	-131.21	-131.21	2.18	-101.21	
19.6	Building of an office building located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100065/9843	0.00	0.00	146.24	116.24	86.99	35.28	146.24	
19.7	Building of gas welding and tinning shop extension located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100077/9843	0.00	0.00	24.19	-5.81	-10.65	26.70	24.19	
19.8	Accommodation building located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100061/9843	11,502.75	0.00	410.95	-11,121.80	-11,203.99	278.77	-11,091.80	
19.9	Building (dinning extension) located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100112/9843	461.68	853.32	14.84	-476.84	-476.84	8.93	-446.84	
19.10	Building of a mechanical shop extension located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100075/9843	14,370.19	0.00	470.51	-13,929.68	-14,023.78	308.02	-13,899.68	
19.11	Building of a spring-forge shop extension located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100076/9843	5,879.97	0.00	228.81	-5,681.16	-5,726.92	134.11	-5,651.15	
19.12	Building of depot compressor room located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100067/9843	2,498.99	0.00	100.61	-2,428.38	-2,448.50	52.09	-2,398.37	
19.13	Building of depot workshops extension located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100062/9843	2,654.93	970.33	83.70	-2,601.23	-2,601.23	63.20	-2,571.23	
19.14	Warehouse building located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100078/9843	13,068.21	37.15	420.57	-12,677.64	-12,754.33	265.49	-12,647.64	
19.15	Building of a work-working shop located at: (Passenger car depot), Kirovsky district, Kazan, Republic of Tatarstan	0100064/9843	6,995.06	0.00	244.75	-6,780.31	-6,829.26	171.31	-6,750.31	
19.16	Heating pipe main located at: (Passenger car depot) Zapadny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0300012/9843	0.00	0.00	76.73	46.73	31.39	0.00	76.73	
20.1	Building (administrative) located at 113 Kutuyakov St., Saratov	9880_210	18,345.94	2,437.77	3,653.00	-14,722.95	-14,965.99	392.16	-14,692.95	The final sale price is defined during an open tender procedure
20.2	Dining place located at 113 Kutuyakov St., Saratov	9880_211	6,593.19	165.43	490.77	-6,132.42	-6,197.49	154.62	-6,102.42	
20.3	Carpenter workshop located at 113 Kutuyakov St., Saratov	9880_2104	440.72	76.15	134.27	-336.45	-348.08	10.15	-306.45	
20.4	Building (warehouse No. 2) located at 113 Kutuyakov St., Saratov	9880_2103	55.68	15.24	13.89	-71.79	-71.79	1.28	-41.79	
20.5	Building (warehouse No. 1) located at 113 Kutuyakov St., Saratov	9880_2102	0.00	0.00	175.94	145.94	110.75	0.00	175.94	
20.6	Fence located at 113 Kutuyakov St., Saratov	9880_2105	0.00	0.00	162.05	132.05	99.64	0.70	162.05	

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		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			
21.1	Entire building located at 63 Dubininskaya St., bld. 6, Moscow	100051/9836-9822	0.00	0.00	21,800.00	21,800.00	17,440.00	189.67	21,800.00	The sale price is set by the Board of Directors of JSC FPC
21.2	Entire building located at 12a Khodynская St., bld. 4, Moscow	10013/9821/9822	0.00	0.00	22,586.00	22,586.00	18,068.80	115.36	22,586.00	
21.3	Entire building located at 12a Khodynская St., bld. 3, Moscow	10031/9821/9822	0.00	0.00	3,114.00	3,114.00	2,491.20	20.10	3,114.00	
22.1	Garage (dry-cleaning area) located at 130 Lenina Street, Shar'ya, Kostroma Region	10055/1	3,223.03	121.48	1,042.20	-1,823.89	-2,010.48	12.46	-2,180.83	The final sale price is defined during an open tender procedure
22.2	Land parcel located at 130c Lenina Street, Shar'ya, Kostroma Region	90014/1	3,071.90	3,071.90	749.35	-2,352.55	-2,502.42	88.33	-2,322.55	
23.1	Base (Construction Department), warehouse building, located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0100102/9843	15,574.02	1,423.07	601.04	-15,002.99	-15,002.99	612.37	-14,972.99	The final sale price is defined during an open tender procedure
23.2	Building (garage) located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0100004/9843	14,682.41	112.97	647.58	-14,064.83	-4,171.75	501.02	-14,034.83	
23.3	Building (administration building) located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0100101/9843	13,275.54	4,447.10	514.77	-12,790.77	-12,790.77	451.73	-12,760.76	
23.4	Building (wood-working shop) located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0100100/9843	22,714.27	5,069.69	1,106.34	-21,637.92	-21,637.92	767.29	-21,607.92	
23.5	Structure (approach line) located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0240047/9843	1,012.15	3.36	305.13	-737.03	-797.38	238.58	-707.03	
23.6	Warehouse building (sewing shop) located at: Vostochny Park, Yudino station, Kirovsky district, Kazan, Republic of Tatarstan	0100003/9843	2,782.25	365.45	158.47	-2,653.78	-2,653.78	127.93	-2,623.78	
24	Non-residential building (warehouse) located at: 1 Privokzalnaya St., Chelyabinsk, Sovetsky district, Chelyabinsk Region	0100081/9899	0.00	0.00	424.31	394.31	309.44	0.00	424.31	The final sale price is defined during an open tender procedure
25	Flat located at: 32 Zheleznodorozhnaya Street, flat 19, Tambov, Tambov Region	5103260_ЛВЧД-14	2,326.47	1,469.48	3,860.00	1,503.45	1,025.34	62.50	1,533.53	The final sale price is defined during an open tender procedure
26	Attendant pool building at 16/2 Privokzalnaya Street, Liski, Liskinsky district, Voronezh Region	0100680_ЛВЧД-8	6,195.13	842.46	57.04	-6,168.09	-6,168.09	646.97	-6,138.09	The final sale price is defined during an open tender procedure
27	Laundry plant building located at: 21 Milizioneer Bukhantsev Street, Volgograd, Volgograd Region	9879_10010	0.00	0.00	3,048.75	3,038.75	2,429.00	14,136.90	3,048.75	The final sale price is defined during an open tender procedure
28	Research-and-development shop building located at: 21 Milizioneer Bukhantsev Street, Volgograd, Volgograd Region	9879_10042	0.00	0.00	3,000.00	2,990.00	2,390.00	3,268.78	3,000.00	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		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			
29	Accommodation building located at: 21 Milizioneer Bukhantsev Street, Volgograd, Volgograd Region	9879_10069	7,576.38	599.17	2,638.00	-4,968.46	-5,376.22	1,131.03	-4,938.38	The final sale price is defined during an open tender procedure
30	Garage for car and tractor machinery located at 7 Vokzalnaya Pl., Ivanovo, Ivanovo Region	10026	0.00	0.00	2,832.03	2,802.03	2,235.62	270.66	2,832.03	The final sale price is defined during an open tender procedure
31	Coal storage warehouse located at 3 Vokzalnaya Pl., Ivanovo, Ivanovo Region	10043	121.84	0.00	721.67	691.67	547.33	224.81	599.83	The final sale price is defined during an open tender procedure
32	ETP premise located at 3 Vokzalnaya Pl., Ivanovo, Ivanovo Region	10020	614.72	0.00	800.75	181.56	60.21	161.01	186.03	The final sale price is defined during an open tender procedure
33	Heating station building, located at 1 Zelyonaya Roscha Str., Barnaul, Altai Territory	010090/9911	73.56	22.53	87.00	-16.46	-29.36	89.85	13.44	The final sale price is defined during an open tender procedure
34	Non-residential premise, lit. A, located at: 22a Plekhanovskaya St., Voronezh, Voronezh Region	2326.47397	47,061.84	3,767.10	77,365.00	30,273.16	15,553.58	3,756.10	30,303.16	The final sale price is defined during an open tender procedure
Total			319,786.83	35,064.12	242,213.81	-79,008.39	-122,989.11	45,334.47	-77,573.02	

# REPORT ON COMPLIANCE WITH THE BANK OF RUSSIA'S CORPORATE GOVERNANCE CODE

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
1	2	3	4	5
<b>1.1</b>	<b>The company shall ensure equal and fair treatment of all shareholders in exercising their corporate governance right</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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.</li> <li>The notice of the meeting lists the documents required for admission to the venue.</li> <li>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)</li> </ol>	Partial compliance	<p>1 – partial compliance.</p> <p>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.</p> <p>2 – full compliance.</p> <p>3 – full compliance</p>
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Full compliance	
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	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	Full compliance	
1.1.5	Each shareholder was enabled to freely exercise his/her voting right in the simplest and most convenient way	<ol style="list-style-type: none"> <li>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)</li> </ol>	Full compliance	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>2 – partial compliance: the major shareholder entitled to nominate candidates to the Company's governing bodies conducts all necessary interviews with candidates when preparing respective proposals.</p> <p>3 – partial compliance.</p> <p>4 – full compliance</p>
<b>1.2</b>	<b>Shareholders have equal and fair rights to share profits of the company by receiving dividends</b>			
1.2.1	The company has developed and introduced a transparent and clear mechanism for determining the dividend amount and paying dividends	<ol style="list-style-type: none"> <li>1. The company's regulation on the dividend policy was approved by the board of directors and disclosed on the company's website.</li> <li>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.</li> <li>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)</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>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.</p> <p>3 – full compliance</p>
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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
1.2.3	The company does not allow the dividend rights of its existing shareholders to be impaired	<ol style="list-style-type: none"> <li>1. In the reporting period, the company did not take any actions causing a deterioration in terms of dividend rights of existing shareholders</li> </ol>	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	<ol style="list-style-type: none"> <li>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)</li> </ol>	Full compliance	
<b>1.3</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
1.3.2	The Company does not take any actions that lead or may lead to an artificial redistribution of corporate control	<ol style="list-style-type: none"> <li>1. Quasi-treasury shares are absent or did not participate in voting during the reporting period</li> </ol>	Full compliance	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
<b>1.4</b>	<b>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</b>			
1.4.1	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	
<b>2.1</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>	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	
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	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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.</li> <li>In the reporting period, the board of directors reviewed the matters related to the said policy (policies)</li> </ol>	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	<ol style="list-style-type: none"> <li>The board of directors plays a key role in preventing, identifying and settling internal conflicts.</li> <li>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</li> </ol>	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	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
<b>2.2</b>	<b>The board of directors is accountable to the company's shareholders</b>			
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders	<ol style="list-style-type: none"> <li>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.</li> <li>The annual report contains key results of assessment (self-assessment) of the board of directors' performance in the reporting period</li> </ol>	Partial compliance	<p>1 – no compliance.</p> <p>Information on the attendance of the Board of Directors and committees by each of the members of the Company's Board of Directors was not disclosed based on the right granted to the Company by Russian Government Decree No. 351 dated 22 March 2022.</p> <p>Information will be included in the Company's annual reports, provided that there is no risk of restrictive measures being imposed on the Company.</p> <p>2 – full compliance</p>
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders	<ol style="list-style-type: none"> <li>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)</li> </ol>	Full compliance	
<b>2.3</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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.</li> </ol>	Full compliance	
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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
<b>2.4</b>	<b>The board of directors includes a sufficient number of independent directors</b>			
2.4.1	<p>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.</p> <p>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</p>	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>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</li> </ol>	Full compliance	
2.4.3	Independent directors make up at least one third of the elected board of directors	<ol style="list-style-type: none"> <li>1. Independent directors make up at least one third of the board of directors</li> </ol>	Full compliance	
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	<ol style="list-style-type: none"> <li>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</li> </ol>	Partial compliance	In the reporting period, the Board of Directors reviewed the matters of an additional issue of JSC FPC shares. These material corporate actions were not interested-party transactions
<b>2.5</b>	<b>The chairman of the board of directors facilitates the best performance of assigned duties by the board of directors</b>			
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	<ol style="list-style-type: none"> <li>1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
<b>2.6</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Full compliance	
2.6.2	The rights and obligations of directors are clearly defined and set out in the company's internal documents	<ol style="list-style-type: none"> <li>1. The company has adopted and published an internal document clearly defining the rights and duties of directors</li> </ol>	Full compliance	
2.6.3	Directors have sufficient time to perform their duties	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	Full compliance	



Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>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.</li> <li>The company implements a formalised induction programme for newly elected directors</li> </ol>	Full compliance	
<b>2.7</b>	<b>Meetings of the board of directors, preparation for such meetings and participation of directors ensure efficient performance by the board of directors</b>			
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	<ol style="list-style-type: none"> <li>The board of directors held at least six meetings in the reporting year</li> </ol>	Full compliance	
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	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	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 matters is specified in paragraph 4.4 of the Regulations on the Board of Directors of JSC FPC
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	<ol style="list-style-type: none"> <li>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</li> </ol>	Partial compliance	<p>In accordance with paragraph 18.10 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, or on approving the auditor 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 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.</p> <p>In accordance with paragraph 18.11 of the Articles of Association, resolutions of the Company's Board of Directors on matters listed in subparagraphs 1, 12, 21, 25, 27, 38, 43–45 and 47 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</p>
<b>2.8</b>	<b>The board of directors sets up committees to preview the most important matters related to the company's operations</b>			
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	<ol style="list-style-type: none"> <li>The board of directors has set up an audit committee comprised solely of independent directors.</li> <li>The company's internal documents set out the tasks of the audit committee, including those listed in recommendation 172 of the Code.</li> <li>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.</li> <li>Meetings of the audit committee were held at least once a quarter during the reporting period</li> </ol>	Partial compliance	<p>1 – partial compliance.</p> <p>Members of the Board of Directors who are representatives of the shareholder are involved in the work of the Audit Committee.</p> <p>The Audit Committee has an independent director.</p> <p>2 – full compliance.</p> <p>3 – full compliance.</p> <p>4 – full compliance</p>
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	<ol style="list-style-type: none"> <li>The board of directors has set up a remuneration committee comprised solely of independent directors.</li> <li>The remuneration committee is headed by an independent director who is not the chairman of the board of directors</li> <li>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</li> </ol>	Partial compliance	<p>1 – partial compliance.</p> <p>The Company established the Human Resources, Remuneration and Corporate Governance Committee consisting of two independent directors, representatives of the shareholder.</p> <p>2 – full compliance.</p> <p>3 – partial compliance.</p> <p>The Regulation on the Human Resources, Remuneration and Corporate Governance Committee does not contain the tasks contained in recommendation 180(4) of the Code.</p>

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – partial compliance.</p> <p>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.</p> <p>Two independent directors were elected to the Committee, one of whom chairs it.</p> <p>2 – full compliance.</p> <p>3 – no compliance.</p> <p>Due to the specific nature of the Company's corporate governance model, the major shareholder, who has the right to nominate candidates to the Company's governing bodies, forms proposals on the membership of the Board of Directors that best meets the Company's goals and objectives</p>
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.)	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – partial compliance.</p> <p>During the reporting period, the Human Resources, Remuneration and Corporate Governance Committee was chaired by an independent director. The Audit and Risk Committee of the Board of Directors was chaired by an independent director until 30 June 2022.</p> <p>2 – full compliance</p>
2.8.6	Committee chairmen inform the board of directors and its chairman on the work of their committees on a regular basis	<ol style="list-style-type: none"> <li>1. During the reporting period, committee chairmen reported to the board of directors on the work of committees on a regular basis</li> </ol>	Full compliance	
<b>2.9</b>	<b>The board of directors ensures performance assessment of the board of directors, its committees and members of the board of directors</b>			
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 as intensifying the work of the board of directors and identifying opportunities for the improvement of its performance	<ol style="list-style-type: none"> <li>1. The company's internal documents stipulate the procedures for assessing (self-assessing) the board of directors' performance.</li> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>2 – full compliance.</p> <p>3 – no compliance.</p> <p>The results of the Board of Directors' self-assessment were reviewed at a meeting in absentia on 30 August 2022.</p>
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	<ol style="list-style-type: none"> <li>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</li> </ol>	No compliance	The performance of the Board of Directors was not assessed in the reporting period
<b>3.1</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	No compliance	Biographic information on the Corporate Secretary was not disclosed based on the right granted to the Company by the Russian Government regulations No. 351 dated 22 March 2022

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>1. The company has adopted and published an internal document – regulations on the corporate secretary.</li> <li>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.</li> <li>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</li> </ol>	Full compliance	
<b>4.1</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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)</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>1. The remuneration policy (policies) defines (define) the rules for reimbursement of costs incurred by directors, executive bodies and other key managers of the company</li> </ol>	Partial compliance	<p>The procedure for reimbursement of expenses of the Company's executives on renting residential premises from third-party owners, other than members of the Board of Directors and executive bodies, is stipulated by the Order of JSC FPC No. 859r dated 11 September 2017 On Formation and Use of the Specialised Housing Fund of JSC FPC.</p> <p>In accordance with paragraph 4.4.29 of the Collective Bargaining Agreement of JSC FPC for 2020–2022, the employees of JSC FPC, including the key executives of the Company, are compensated for the costs of maintaining their children in private pre-school educational institutions of the Parent Company. Compensation is paid in accordance with the procedure and in the amounts set out in Section V of the Regulation on Social Support Measures for Employees of the Management Staff of JSC FPC and Centres (Business Units) of JSC FPC, their Family Members and Non-working Pensioners No. 63r dated 25 January 2018.</p> <p>In accordance with Article 169 of the Russian Labour Code, the employees of JSC FPC, including the key executives of the Company, are reimbursed, upon prior agreement with the employer, for the costs of moving an employee, his/her family members and property (unless the employer provides such employee with appropriate means of transport) and the costs of settling in at the new place of residence when moving to another place of residence to continue his/her work. Specific amounts of reimbursement of the costs are determined by the parties to the employment contract</p>

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
<b>4.2</b>	<b>Remuneration system for directors ensures alignment of financial interests of directors with long term financial interests of shareholders</b>			
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
<b>4.3</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>In the reporting period, annual performance results 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.</li> <li>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.</li> <li>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</li> </ol>	Full compliance	
4.3.2	The company has in place a long-term incentive programme 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)	<ol style="list-style-type: none"> <li>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</li> </ol>	No compliance	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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	
<b>5.1</b>	<b>The company has in place an effective risk management and internal control system, providing reasonable assurance in the achievement of the company's goals</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>The company has the anti-corruption policy approved.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	Full compliance	
<b>5.2</b>	<b>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</b>			
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.	<ol style="list-style-type: none"> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>During the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system.</li> <li>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</li> </ol>	Full compliance	
<b>6.1</b>	<b>The company and its business are transparent for shareholders, investors and other stakeholders</b>			
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	<ol style="list-style-type: none"> <li>The company's board of directors approved an information policy developed in accordance with the Code's recommendations.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>The company discloses information on its corporate governance system and general principles of corporate governance applied in the company, including disclosure on a website.</li> <li>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).</li> <li>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</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>2 – no compliance.</p> <p>The information was not disclosed based on the Russian Federation Government Resolution No. 351 dated 22 March 2022.</p> <p>3 – no compliance.</p> <p>A memorandum is not available.</p>
<b>6.2</b>	<b>The company makes timely disclosures of complete, updated and reliable information to allow shareholders and investors to make informed decisions</b>			
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>2 – not applicable.</p> <p>The Company's securities are not traded on foreign organised markets.</p> <p>3 – not applicable.</p> <p>JSC FPC has no foreign shareholders</p>

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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</li> </ol>	Partial compliance	<p>1 – full compliance.</p> <p>2 – partial compliance.</p> <p>The following paragraphs of recommendation 290 of the Code are not applicable to the activities of JSC FPC:</p> <ul style="list-style-type: none"> <li>• Paragraph 3. Information on persons who directly or indirectly own shares, and (or) dispose of votes over shares, and (or) are designated beneficiaries of company's shares, making up five or more percent of the authorised capital or ordinary shares of the company</li> <li>• Paragraph 4. A statement from the company's executive bodies that the company does not disclose the existence of shareholdings in excess of five per cent in addition to those already disclosed by the company</li> <li>• Paragraph 5. Information on the possibility of certain shareholders acquiring or acquiring a degree of control disproportionate to their participation in the company's authorised capital, including on the basis of shareholder agreements or by virtue of ordinary and preferred shares with different par values</li> </ul> <p>3 – full compliance.</p> <p>4 – partial compliance.</p> <p>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</p>
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	<ol style="list-style-type: none"> <li>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.</li> <li>2. The company's annual report contains information on the company's environmental and social policy</li> </ol>	Partial compliance	<p>1 – no compliance.</p> <p>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.</p> <p>2 – full compliance</p>
<b>6.3</b>	<b>The company provides information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access</b>			
6.3.1	Shareholders can exercise their right of access to company documents and information without unnecessary difficulties	<ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	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	<ol style="list-style-type: none"> <li>1. In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified.</li> <li>2. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality</li> </ol>	Full compliance	
<b>7.1</b>	<b>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</b>			
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	<ol style="list-style-type: none"> <li>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</li> </ol>	Full compliance	

Item	Corporate governance principles	Criteria for assessing compliance with corporate governance principle	Compliance	Explanations of deviations from the criteria for assessing compliance with corporate governance principle
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	
<b>7.2</b>	<b>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</b>			
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	
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 – no compliance.  The company's internal documents provide for the procedure for engaging an independent appraiser to determine the value of the property disposed of or acquired pursuant to a major transaction or an interested party transaction.  2 – full compliance.  3 – no compliance.  FPC's Articles of Association stipulate that the provisions of Chapter XI of the Federal Law On Joint Stock Companies do not apply to transactions in which the Company's controlling entity is an interested party

## 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 2022 (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 2022 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.

## CONTACTS

**Full name of the Company:**

Joint Stock Company Federal Passenger Company

**Abbreviated name of the Company:**

JSC FPC

**Location:**

34 Mashi Poryvaevoy St., Moscow, 107078, Russia

**Tel:**

+7 (495) 988-10-00 (IVR)

**Fax:**

+7 (499) 262-33-49

**Website:**

[www.fpc.ru](http://www.fpc.ru)

**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

**Location:**

23 Novokhokhlovskaya St., bld. 1, 109052, Moscow

**Invoice details:**

INN 7707179242 / KPP 772201001

**Tel:**

+7 (495) 974-83-50 (general enquiries)

**Email:**

[office@rostatus.ru](mailto:office@rostatus.ru), [info@rostatus.ru](mailto:info@rostatus.ru)

**Website:**

[www.rostatus.ru](http://www.rostatus.ru)