

## 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.

