

# Anti-corruption

**GRI** GRI 205-3, 3-3

Russian Railways values its business reputation and sets high business ethics compliance standards for all employees of the Company, directors, personnel of Russian Railways' controlled entities and business partners.

In 2023, we updated the Code of Business Ethics<sup>1</sup>, a key document setting out, among other things, anti-corruption requirements and rules of professional conduct that are mandatory for the Board of Directors and every employee of the Company and reflect the core conduct standards underpinned by Russian Railways' mission, values and principles.

Russian Railways' anti-corruption policy<sup>2</sup> is a set of interrelated principles and procedures designed to prevent and combat corruption and minimise corruption risks. It also enables the Company to achieve its sustainability goals.

Russian Railways' anti-corruption policy outlines the following priorities:

- to ensure that the Company's employees, directors and stakeholders have a uniform understanding of the zero tolerance approach to corruption in all its forms and manifestations;

- to communicate the importance of publicly declaring zero tolerance for corruption and bribery in business;
- maintain compliance with the Russian anti-corruption laws.

Russian Railways' anti-corruption policy is underpinned by the following principles:

- the Company declares zero tolerance for corruption and is committed to compliance with Russian laws, international treaties signed by Russia and generally accepted standards;
- the Company takes a systematic approach to assessing corruption risks as a way to form an adequate response to corruption;
- the Company regularly monitors the effectiveness of its anti-corruption practices;
- the Company exercises due diligence in all its activities and managerial decision-making;
- the Company's employees receive regular training in anti-corruption.

**The principle of zero tolerance for corruption set out in Russian Railways' anti-corruption policy prohibits Russian Railways' directors, employees and counterparties, acting directly or through third parties, from engaging, or inducing anyone to engage in corruption, whatever the business practices are in any particular country.**

Preventive measures are based on the following two components:

- implementing anti-corruption standards that establish responsibilities, limitations and bans integrated into employment contracts;
- ensuring compliance by employees and management at all levels.

As part of the efforts to enhance the anti-corruption function, in 2023 we approved:

- Anti-Corruption Guidelines of Russian Railways<sup>1</sup>;
- Anti-Corruption Rules for Russian Railways Employees (responsible conduct standards)<sup>2</sup>.

In accordance with the law, the Company's employees may be subject to disciplinary, administrative and criminal liability for committing corruption offences. Furthermore, the Company itself may be subject to administrative liability.

The incidents when the Company was subject to administrative liability were caused by non-compliance with applicable restrictions in employment of former government and municipal officials. Entities hiring former officials are required to report signing respective employment (civil law) contract to the official's last known employer. Notification to that effect must be sent within ten days after respective contract is signed.

To prevent violations in this area, Russian Railways implements a number of measures. Letters with clarifications are sent to heads of units. The Company distributes visual aids describing an algorithm of what must be done when hiring former government and municipal officials. A respective notification form was added to the Human Resource UCAS<sup>3</sup>, with the system also displaying a pop-up window to remind the user to send the notification to the new hire's previous employer.

The measures taken led to a fourfold decrease in the number of cases where the Company was held liable for administrative offences (from eight in 2022 to two in 2023).

### Confirmed incidents of contracts with business partners terminated or not renewed due to corruption violations

0	2023
0	2022
0	2021

### Incidents when the Company was subject to administrative liability for violating Russian anti-corruption laws

2	2023
8	2022
12	2021



<sup>1</sup> Approved by a resolution of Russian Railways' Board of Directors (Minutes No. 13 dated 23 June 2023).

<sup>2</sup> Russian Railways' Order No. 472r dated 24 February 2015.

<sup>1</sup> Approved by Russian Railways' Order No. 254/r dated 7 February 2023.

<sup>2</sup> Russian Railways' Order No. 2110/r dated 18 August 2023.

<sup>3</sup> Human Resource Uniform Corporate Automated System.