

Russian Railways' anti-corruption policy is based on a set of interrelated principles, procedures and initiatives designed to prevent and combat corruption and mitigate corruption risks. It is intended to ensure that managers and employees, as well as Board members, the shareholder, investment community and other parties align around the idea of zero tolerance to corruption in all forms and manifestations and the inevitability of punishment for corruption related offences.

In 2018, Russian Railways engaged experts to verify compliance of its anti-corruption measures with the anti-corruption laws and the Anti-Corruption Charter of the Russian Business. The assessment was based on 166 criteria in accordance with the Guidelines for Development and Adoption of Measures by Organisations to Prevent and Combat Corruption approved by the Russian Ministry of Labour and Social Protection on 8 November 2013.

The integrity and effectiveness of the Company's anti-corruption initiatives received a total score of 4.75. The high score attests to Russian Railways' commitment to fair business practices, full compliance with the laws on preventing and combating corruption and the Anti-Corruption Charter of Russian Business.

## Anti-corruption measures implemented in 2018 and the anti-corruption action plan until 2020

The Company has approved its Anti-Corruption Action Plan for 2018–2020.

Given its holding structure and the need for a single approach to implementing the Company's anti-corruption policy, corporate procedures were initiated for the governance bodies of Russian

Railways' subsidiaries to establish their own anti-corruption plans and ensure compliance with the procedure for interaction between the Anti-corruption Centre and the Company's subsidiaries.

**In line with its anti-corruption policy, in the reporting period, Russian Railways followed the Anti-corruption Action Plan for 2018-2020, including:**

submission of income, expenses, assets and liabilities statements by employees holding corruption-prone positions;  
review of conflict of interest reports with steps taken to resolve a potential (real) conflict of interest;  
ensuring that employees comply with restrictions, requirements, and prohibitions with respect to notifying the employer of the attempts to induce them to commit corruption offences as well as with the procedure for reporting gifts received in an official capacity or while discharging their duties;  
conducting polygraph tests;  
operating Russian Railways' Anti-corruption Hotline, receiving and reviewing complaints;  
approving the Regulation on Monitoring Compliance with the Russian Railways' Anti-Corruption Policies;  
introducing the Procedure for interaction between the Anti-corruption Centre and the Company's subsidiaries to arrange and implement measures to prevent and combat corruption;  
providing employees with anti-corruption training, including a distance learning course taken by all employees and a best practice workshop involving representatives of government and law enforcement agencies, public organisations and the Russian Railways' employees responsible for the activities aimed at preventing and combating corruption;  
notifying the Russian Government, the Audit and Risk Committee of Russian Railways' Board of Directors on the implementation of these anti-corruption measures.