

Procurement

FPC's procurement activities are aligned with the Regulation on the Procurement of Goods, Work and Services for the Needs of FPC¹. In accordance with Art. 3 of Law No. 223-FZ, JSC FPC is guided by the following principles of procurement:

1. Procurement transparency
2. Equality, fairness, non-discrimination, and no unreasonable anticompetitive practices towards bidders
3. Targeted and cost-effective use of funds to procure goods, works and services (using life cycle costing for procurement as necessary), as well as focus on reducing expenses born by customers
4. Unrestricted access to bidding through the elimination of non-measurable requirements

Single sourcing is only used when expressly allowed by the Regulations on Procurement of Goods, Works and Services for the Needs of JSC FPC.

In 2023, JSC FPC signed 4,813 agreements for a total of RUB 95.5 billion, including VAT, based on the results of procurement procedures for goods, works and services carried out:

- 2,632 agreements concluded as a result of competitive and contestable procurement procedures, for a total of RUB 55.5 billion, including VAT
- 1,677 agreements concluded with a sole supplier (contractor), for a total of RUB 24.1 billion, including VAT
- 504 agreements with related parties of JSC FPC, for a total of RUB 15.9 billion, including VAT.

According to 2023 procurement results, JSC FPC saved RUB 1.3 billion.

In 2023, 2,645 agreements were signed with small and medium-sized businesses for a total amount of RUB 12.2 billion².



Charitable Activities

In 2023, FPC's regulatory framework for charitable activities was updated. The Company's Board of Directors approved the Regulation on Sponsorship and Charitable Activities of JSC FPC, and the General Director approved the Regulations on Organising Charitable Assistance to Legal Entities and Individuals at JSC FPC and the standard regulations on charitable assistance to employees and non-working retirees of a branch of JSC FPC, as well as their family members, and on the Commission of a branch of JSC FPC to provide charitable assistance to employees and non-working retirees of a branch of JSC FPC, as well as their family members.

In 2023, the Commission held 26 meetings and reviewed 239 applications from organisations and citizens, 148 of which were resolved positively. The total amount of funds approved by the Commission for charitable assistance totalled RUB 92.2 million, including:

- RUB 66.5 million – to provide financial assistance to FPC's employees and non-working retirees in difficult life situations, as well as mobilised employees and their family members
- RUB 20.8 million – to organise gratuitous transportation, including RUB 19.5 million for transportation of participants and disabled veterans of the Great Patriotic War and persons accompanying them
- RUB 3 million – to organise the transportation of humanitarian aid
- RUB 1 million – to support corporate volunteering
- RUB 0.6 million – to support disabled children
- RUB 0.3 million – other assistance

Major Transactions

In 2023, JSC FPC made one major transaction: approval of amendments to the terms and conditions of the Contract for the Manufacture of Passenger Carriages dated 14 February 2019 (Minutes of the Extraordinary General Meeting of Shareholders of JSC FPC No. 55 dated 11 September 2023).

Interested-Party Transactions

There were no interested-party transactions in 2023.

¹ Developed on the basis of the legislation of the Russian Federation, namely: Federal Law No. 223-FZ dated 18 July 2011 "On procurement of goods, works, services by certain types of legal entities", Federal Law No. 135-F dated 26 July 2006 "On protection of competition", resolutions and orders of the Government of the Russian Federation; other documents adopted to implement the requirements of Federal Law No. 223-FZ.

² Pursuant to the requirements of the Russian Federation Government Resolution No. 1352 dated 11 December 2014 "On the specifics of participation of small and medium-sized businesses in the procurement of goods, works and services by certain types of legal entities", as well as in order to support and develop small and medium-sized businesses in the Russian Federation.