

SOCIAL POLICY

Collective Bargaining Agreement

FPC pursues its social policy in line with its Collective Bargaining Agreement. FPC's social benefits and guarantees are centred on sustaining, stimulating, and improving employee performance and maintaining social stability among staff.

FPC's Collective Bargaining Agreement for 2020–2022 was signed on 17 December 2019. The new version has retained all traditional benefits available to railway employees such as free travel, private pension plans, voluntary health insurance and maternity and child-related benefits.

48,600

RUB

social benefits per FPC employee

5,700

RUB

social benefits per retired employee

Housing policy

Under the Collective Bargaining Agreement, monthly subsidies are paid to 554 FPC employees to repay the interest accrued on their mortgage loans. In 2020, 18 employees were provided with subsidies for mortgage payments towards built or purchased housing.

50.6

million RUB

spent in total on FPC's housing policy in 2020

Employee health

Employee health

FPC's Employee Health Programme provides full recreation and treatment and is aimed at improving employee work efficiency.

In 2020, our employees, retirees and their family members purchased 2,107 tours, including:

- 820 tours to health centres and resorts of SC RZD-HEALTH
- 1,287 tours to local health centres.

The Company is committed to protecting and improving the health of its employees' children, preventing child illnesses, and providing activities and proper rest during the summer holidays.

Children health campaign in 2020 was cancelled due to the outbreak of the novel coronavirus (COVID-19).

Occupational health

Employee health has always been a priority for the Company and was a particular focus during the pandemic.

Psychologists of the structural units of FPC branches ensured full compliance of psychological support offices with measures imposed to prevent the spread of the novel coronavirus. The psychological support offices delivered over 2,500 sessions in 2020. Stress management training is also delivered to improve self-control skills, with 75% of cases reporting improvement in emotional condition and return to optimum performance.

Promoting fitness and mass sports

Amid the outbreak of the novel coronavirus, authorities in Russia banned all mass gatherings and sporting events in 2020. Nonetheless, FPC is committed to protecting its employees' health and promoting healthy lifestyle.

The Company adopted a Healthy Lifestyle Concept (Order No. 292r dated 1 April 2020) to encourage more employees to live a healthy lifestyle and do sports and exercise on a regular basis.

In order to promote physical activity and sports excellence, FPC approved the Regulations on the Implementation and Utilisation of the Ready for Labour and Defence All-Russian Health and Fitness System (Order No. 808r dated 17 September 2020).



Awards

In 2020, 591 FPC employees were recognised with various awards for dedication and performance at work:

- State awards of the Russian Federation – 5 people
- Awards of the Ministry of Transport of the Russian Federation – 68 people
- Russian Railways awards – 325 people
- FPC awards – 193 people

Social guarantees

Corporate pension system

Corporate pensions are included in FPC employees' social security packages.

Over 17,000 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.

400,5

million RUB

invested by the Company in private pension plans for its employees in 2020

Social guarantees for FPC retirees

FPC provides its retirees with all possible support.

At present, FPC supports over 56,000 non-working retirees.

Special emphasis is placed on 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 Russian Railways' healthcare facilities, free travel on suburban and long-distance trains, and resort healthcare services.

319

million RUB

total social support for retirees in 2020

Dialogue with employees

FPC traditionally ensures that it has a continuing dialogue with its employees. Annual corporate surveys help to assess the morale across our workforce, identify potential for performance improvement and gather the information needed to support management decision making. In 2020, FPC conducted a company-wide employee engagement survey, gathering feedback from over 26,000 employees with about 60,000 comments and suggestions. Follow-up actions based on survey results proved to be effective as indicated by improved satisfaction scores given by employees for certain aspects of their work. For instance, FPC job satisfaction scores given by passenger carriage attendants grew 15% year-on-year to 61%.

A major communication campaign was designed and launched in 2020. Five events featuring direct dialogues between the Company's top managers and employees, including from HR teams, were held. Over 15,500 questions were received

in the run-up to the events. Company managers answered the most important questions during the online meetings and also gave an update on FPC priorities and measures taken to protect jobs and maintain the Company's stable operations. About 6,000 people joined the online meetings. According to the feedback, 97% of participants found the events to be useful, were able to get first-hand information on important matters and were willing to participate in future online meetings. Also, a Carriage Attendant Navigator and notice board materials were prepared to provide information to, and accelerate the onboarding of, train crew members. Main topics: employee compensation policy, time collection, engagement with outsourced employees, etc.

Code of Ethics

In 2015, the Board of Directors approved a Code of Ethics (the "Code") 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 are binding on all employees of the Company.

In order to ensure a systematic approach, including monitoring of compliance with the Code, an FPC Ethics Officer and Ethics Officers at branches were appointed, with 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.

FPC's key ethical principles¹

1. People first

People are our key asset. Everything we do is for the comfort and benefit of a particular individual – a passenger, customer, employee

2. Conscientious work

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 FPC

3. Taking pride in being part of the FPC team

Every FPC employee is proud and privileged to be part of a company with a unique history, rich traditions and ambitious plans. It is our duty to honour traditions, respect the industry veterans, maintain and improve FPC's reputation as a dynamic national passenger carrier

4. Being part of a whole

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 FPC above one's own. Our strength lies in mutual trust and coordinated team work

5. Building on excellence

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

6. Focus on outcomes

In line with this principle, we keep in mind that our efforts should always yield specific results: higher revenue for FPC, delivery of new projects, passenger and customer satisfaction, and people's trust

7. Informed decision making

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 for, and commercial interests, of FPC

8. Upholding FPC's commercial interests

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

9. Being a leader

In their efforts to maintain FPC's high reputation, our people should act as leaders: lead the way, embrace change, set an example for others within and outside 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 FPC

¹ The principles are set forth in FPC's Code of Ethics (approved by FPC's Board of Directors on 14 December 2015, Minutes No. 8) and are binding on the Board members and all FPC employees.