

# OUR PEOPLE

FPC manages its human capital in a way which helps achieve its strategic goals while creating favourable conditions for employees' personal development. The key priorities of FPC's social and HR policy are recruiting and retaining people, ensuring their continuous development, and providing them with social support.

## STAFF PROFILE

FPC currently employs 60,353 people.

The majority of our employees are front line, directly serving passengers daily (38,000, or 63%).

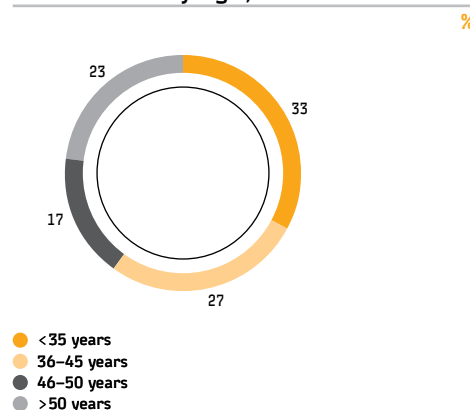
In 2019, our headcount was down by 1% year-on-year due to right-sizing.

The Company maintains the right balance between its young and more experienced employees. The average age of employees is 41 years. A 33% share of the personnel is represented by young employees aged under 35. At 65%, women constitute the majority of employees.

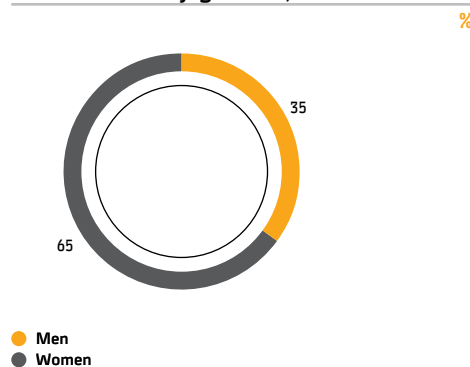
Employee turnover at FPC increased by 0.9% year-on-year to 10.1% (9.2% in 2018). In 2019, the key causes of employee turnover included: non-controllable causes such as retirement due to age (25%) and controllable causes such as employee dissatisfaction (17.4%).

The employee stability index was 66% in 2019 (67% in 2018).

Personnel by age,



Personnel by gender,



## STAFF RECRUITMENT

FPC seeks to recruit talented people who will contribute to its ongoing development. General positions such as carriage attendant and ticket clerk are most often recruited externally. When seeking managers and specialists, FPC focuses on internal candidates, with only rare or unique professionals recruited externally to fill the vacancies within this position segment.

Various procedures and tools are used to assess candidates during the recruitment process: skills tests, personal surveys, professional cases and structured interviews. Over 20,300 employees underwent the corporate competence assessment during the year, with front-line employees accounting for 69% of the total.

Employee assessment, training and development aligned with our Corporate Competence Model help FPC deliver on its mission and strategic goals.

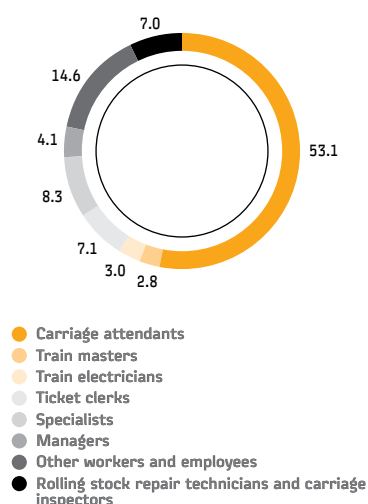
### Personnel by occupation,

people

PERSONNEL BY OCCUPATION	AS AT 31.12.2018	AS AT 31.12.2019
Personnel in the On-train services sphere	34,214	34,776
Personnel in the field of Ticket sales sphere	6,593	6,367
Personnel in the Maintenance and repair of rolling stock sphere	12,296	10,633
Other Personnel	7,879	8,577
<b>Total</b>	<b>60,982</b>	<b>60,353</b>

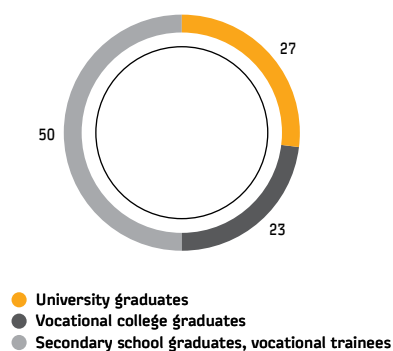
### Personnel by position/trade,

%



### Personnel by educational background,

%



## PERSONNEL TRAINING AND DEVELOPMENT

The Company has maintained strong training performance with extensive coverage across employee categories. A total of 17,600 employees, or 29.1% of FPC's total headcount, completed training in 2019.

FPC continues its consistent efforts to develop its workforce. Training sessions are conducted both in-house and at educational institutions in regions in which our branch structural units operate.

More than 4,100 people were trained as railway and office workers in 2019, while over 13,400 employees completed professional development courses.

The Company has been continuously developing the training facilities of its Corporate Staff Training Centre, actively leveraging its in-house capabilities, which comprise 107 licensed training rooms across FPC's branches. Projects implemented in 2019:

- Designed the training devices for the Poputchnik (Fellow Passenger) Information Trunkline in Moscow and Novosibirsk
- Installed the Slackless Coupling BSU-TM136 test bench
- Equipped 33 licensed training rooms with interactive whiteboards, short-throw projectors and laptops.

Over 20% of all our training programmes are annually developed and updated by the Centre in line with applicable professional standards. As new products and services are introduced by the Company to improve the passenger experience, the Centre employs advanced staff training formats to build customer service excellence and professional etiquette skills while also holding corporate image workshops.

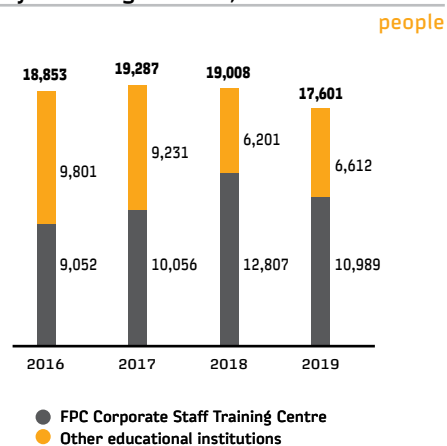
In 2019, the Centre was licensed to provide training under continuing professional education programmes (professional development for specialists and managers).

Our front-line employees undergo training by psychologists to build customer service skills to promote a positive image of the Company. For example, in 2019, FPC conducted over 8,000 on-the-job training courses.

New training materials for training in customer service skills are added regularly. In 2019, a range of training programmes and materials were developed:

- A collection of cases and solutions on customer engagement in an emergency
- Perfect Ticket Office. How to Manage Customer Experience
- Phrase Builder for Ticket Clerks to Communicate with Non-Russian Speakers.

### Staff training broken down by training centre,



## Training system performance

INDICATORS	2016	2017	2018	2019
FPC headcount, people	65,928	62,771	60,982	60,325
Total employees trained	18,853	19,287	19,008	17,601
Share of employees trained at FPC's Corporate Staff Training Centre, %	48	48	62.7	62.4
Budget, RUB million	86.9	96.3	118.2	196.636

## Employees trained for general positions,

people



## FPC's licensed training rooms



- |  |  |  |
|--|--|--|
| 1. Northwest Branch<br>11 training rooms | 5. North Caucasus Branch<br>8 training rooms | 9. West Siberian Branch<br>13 training rooms |
| 2. Moscow Branch<br>17 training rooms    | 6. Volga Branch<br>9 training rooms          | 10. Yenisey Branch<br>5 training rooms       |
| 3. Gorky Branch<br>6 training rooms      | 7. Kuybyshev Branch<br>4 training rooms      | 11. East Siberian Branch<br>4 training rooms |
| 4. Northern Branch<br>9 training rooms   | 8. Ural Branch<br>11 training rooms          | 12. Zabaikalie Branch<br>2 training rooms    |
|  |  | 13. Far East Branch<br>8 training rooms      |

## CONTINUING PROFESSIONAL AND BUSINESS EDUCATION FOR MANAGERS AND SPECIALISTS

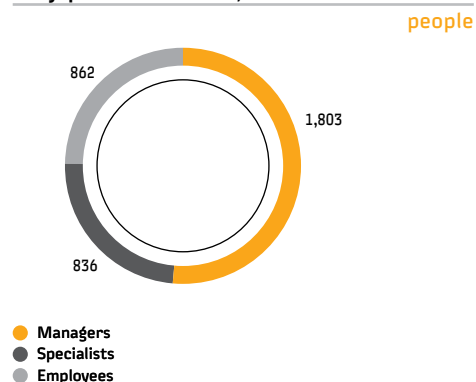
Training programmes for managers and specialists are focused on building knowledge and skills that drive desired behaviours, improve personal performance and develop leadership skills. The Company is outsourcing educational services from nine railway universities, Russian Railways Corporate University, Moscow School of Management SKOLKOVO, Sberbank Corporate University as well as the Russian Presidential Academy of National Economy and Public Administration. In 2019, FPC started building its digital transformation capabilities as part of developing its IT strategy.

### KEY LEADERSHIP DEVELOPMENT PROGRAMMES

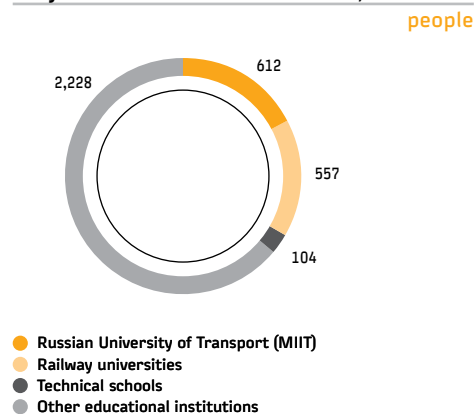
- Business Digitalisation and Effective Product Offering Management Models
- Operational Efficiency
- Practice. Team Emotional Intelligence
- Digital Transformation Leader

### PROFESSIONAL DEVELOPMENT OF MANAGERS, SPECIALISTS AND EMPLOYEES

By position level,



By educational institution,



## KEY AREAS COVERED BY PERSONNEL TRAINING COURSES

- Maintenance and repair processes for passenger carriages
- Design specifics, operation, maintenance and fault diagnostics of systems and assemblies in double-decker carriages
- Transport safety and security
- Safety culture and traffic safety management in passenger services
- Setting up a corporate risk management system
- Customer focus and rail passenger services for people with reduced mobility
- Internal control (over accounting and record-keeping, and tax accounting)
- Organising passenger services
- Marketing research in the transport market
- Organising procurement under Federal Law No. 223-FZ

A total of 3,501 managers and specialists of the Company underwent mandatory, technical and leadership training in 2019.

FPC runs corporate programmes to build a talent pool of passenger services leaders, which include two training modules and a certification exam. 45 talents completed their training at the Russian University of Transport in 2019.

250 employees of the Company were trained under the Employee Development Technology: Mentorship and Coaching programme to help deploy a mentoring system at FPC.

IN 2019, TALENT DEVELOPMENT  
EXPENSES AND RELATED PAYMENTS  
TOTALLED

196.6

RUB MILLION

## IMPROVING EMPLOYEE EDUCATIONAL LEVELS

The second group of FPC employees completed a management course at the Institute of Economics and Finance of Russian Transport University (MIIT). The group members – 16 employees from the talent pool for train master positions across FPC's branches – received higher education degrees.

A total of 22 train crew members are currently being trained through distance learning to receive a Bachelor's degree in Management.

In 2019, 11 employees of the Company started their training at the Russian University of Transport under master degree programmes, including:

- HR Management. Strategic HR Management
- Ground Transport Systems. Rail Passenger Services
- Economics. International Financial and Management Accounting.

## YOUTH POLICY AND TALENT MANAGEMENT

In 2019, young employees under 35 made up 33% of FPC's total headcount, and those under 30 accounted for 21%.

In 2019, the Company set up a talent management function to develop human capital and drive social mobility.

During 2019, the talent management function implemented over 20 projects, with a particular focus on innovation, mentorship and onboarding, networking within the Company and career advice.

### KEY PROJECTS BY FOCUS AREA



#### Communication

- Communication through social media and digital channels with a total reach of 8,000 employees
- A chatbot for weekly communication within the Company (120 participants, including 30 managers).
- Encouraging young talents to engage in leadership competitions (New Link – three finalists, Young Talents – five finalists, Leaders of Russia – eight semifinalists and one superfinalist, Masters of Hospitality – six semifinalists and one finalist).



#### Training

- A course consisting of 16 lectures and involving guest speakers invited from leading Russian companies as well as nine master classes on Excel and PowerPoint (550 visitors, 12,500 online views).



Designing a website to promote mentoring within the Company



#### Innovation

- Refocusing young talents on the Company's strategic objectives and business performance
- The first phase included the 10th Youth Assembly, with 20 out of 72 participants selected to the Company's young talent pool and seven out of eight cases approved for implementation.
- The second phase involved an innovation competition, FPC. LAB, which has already collected over 50 ideas.

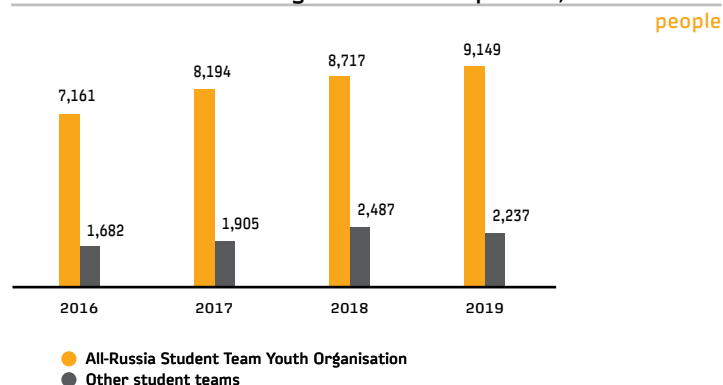
## STUDENT TRAIN ATTENDANT TEAMS

Since 2010, the Company has been engaging university students as train attendants on an annual basis to ensure it has no staffing shortages during the summer holiday period. A total of 11,386 students from over 350 non-industry specific educational institutions were employed for the 2019 summer season by various structural units within FPC's branches. For five years in a row, FPC has been employing students during the winter holidays.

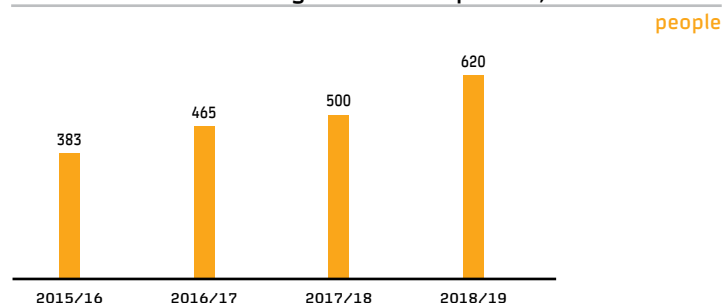
We use the feedback collected from students via pulse surveys to quickly address workflow bottlenecks and take timely corrective action. Several corrective actions were implemented based on feedback from more than 5,000 students to increase their satisfaction with their jobs at FPC.

The Company's management took part in the celebrations of the 60th anniversary of student teams and the 15th anniversary of Youth All-Russian Public Organisation "Russian Student Brigades".

### Students hired during the summer period,



### Students hired during the winter period,



As a result of the 2019 summer student employment term, JSC Federal Passenger Company has been recognised as the best transport industry employer and the best employer for career start and follow-on employment among student team participants.

### STUDENT SATISFACTION WITH THEIR JOBS AT FPC WAS

63%

+3% YEAR-ON-YEAR

### WILLING TO RECOMMEND THE COMPANY AS AN EMPLOYER

66%

+10% YEAR-ON-YEAR

68%

OF STUDENTS ARE PLANNING TO WORK AT FPC IN 2020





## EMPLOYEE REMUNERATION AND MOTIVATION SYSTEM

The Company's remuneration policy is focused on ensuring an increase in real wages. In 2019, in line with FPC's Collective Bargaining Agreement, salaries were increased by 2.9% from 1 March, by 2.0% from 1 July and by 1% from 1 October.

Employee motivation system and incentive schemes at FPC branches aim to encourage strong employment performance.

For example, the corporate remuneration policy provides for increased wage rates for employees working on trains composed of next-generation carriages; surcharges for high

performance; surcharges for extra work by multi-skilled employees and employees with extended responsibility areas.

Other measures to improve performance include surcharges for professional excellence; employee grades; and personal salaries awarded to passenger train attendants and train electricians.

IN 2019, EMPLOYEES ENGAGED IN FPC'S CORE OPERATIONS WERE PAID A SALARY OF

50.128

'000 RUB

**+5.5% YEAR-ON-YEAR**

REAL WAGES OF THE COMPANY STAFF GREW BY

1%

Company  
Profile

Development  
Strategy

Performance  
Overview

Corporate  
Governance

Sustainable  
Development

Appendices