

SOCIAL POLICY



THE COLLECTIVE BARGAINING AGREEMENT

FPC pursues its social policy following 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 revised version has retained all traditional benefits available to railway employees such as free travel, non-government pension plans, voluntary health insurance and maternity and child-related benefits.

HOUSING POLICY

Under the Collective Bargaining Agreement, monthly subsidies are paid to more than 663 FPC employees to repay the interest accrued on their mortgage loans. In 2019, 15 employees were provided with subsidies for mortgage payments towards built or purchased housing.

FPC SOCIAL BENEFITS PER EMPLOYEE HAD A VALUE OF

54.5

'000 RUB

THE PACKAGE OF BENEFITS FOR FPC'S RETIRED EMPLOYEES WAS WORTH

6.2

'000 RUB

OVERALL, FPC SPENT

71.9

RUB MILLION

ON ITS HOUSING POLICY IN 2019

EMPLOYEE HEALTH

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

In 2019, our employees, non-working retirees and their family members purchased 2,853 tours, including:

- 1,692 tours to health centres and resorts of SC RZD-HEALTH
- 1,161 tours to local health centres.



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

In 2019, the FPC children's health improvement campaign involved 2,124 recreation and health improvement tours for the children of FPC's employees, including:

- 1,432 tours (67% of the total) to facilities managed by Directorates for Social Development of the Russian Railways
- 692 tours (33%) to third-party children's health resorts, including 510 tours to Black Sea resorts.
- Parents paid 10% to 20% of the tour price depending on the camp session at the children's health resort, while large and/or disadvantaged families paid 10% of the price regardless of the camp session.

OCCUPATIONAL HEALTH

As part of the Health Management project, psychological support offices were established at the Volga, Ural, Zabaikalie and Far East Branches in 2019. These offices are fitted out to diagnose and treat psychological conditions or distress among employees. Combined with stress management training sessions, these measures help maintain staff performance at an optimal level.

Caring about its employees, the Company instils in employees a conscious attitude to their health while also improving their job satisfaction and developing a conscious customer focus on them. Over 2,500 employees of the Company visit psychological support offices on an annual basis.

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PROMOTING A HEALTHY LIFESTYLE



PROMOTING FITNESS AND MASS SPORTS

Fitness and sports are promoted among the Company's employees in line with FPC's annual sports programme.

The programme included the Beach Volleyball Tournament of JSC FPC ROSPROFZHEL Primary Trade Union Organisation held in Moscow in August 2019. The Spartakiad Sports Competition among FPC Employees held in October was won by the team of the West Siberian Branch. The participants competed in five categories: field and track athletics, swimming, table tennis, badminton and kettlebell lifting.

The FPC Basketball Cup was also held in Krasnodar. Apart from qualifications and playoffs, the event included a meeting of participants with the famous Soviet basketball coach Yevgeny Gomelsky and a visit to the basketball game between Lokomotiv Kuban and UNICS.

Six fitness clubs were set up (by Moscow, Gorky, Ural and West Siberian Branches as well as by FPC's administration) to promote healthy lifestyles among FPC employees, including through fitness and sports.

MANAGEMENT ENGAGEMENT

Managers working in challenging environments undergo periodic health examination to extend their professional lives through screening for and preventing potential diseases early on.

Additionally, in Q4 2019, the Company's top managers completed their training at Adidas Academy under the Changing Lives Through Sport transformation programme, which has helped improve our employees' health and enhanced teamwork performance and quality.



EMPLOYEE ENGAGEMENT

We have also organised the I Can Do More sports challenge for FPC's administration employees, which included lectures, open running and swimming practices as well as competitions for who can do more activities and kilometres per month.

COMPETITIONS

The 2019 First Among the Best corporate competition was won by the Moscow Branch crew of Ivan Paristy high-speed passenger train No. 030/029 Yantar on the Kaliningrad–Moscow route, Kaliningrad passenger carriage depot, Northwest Branch, headed by the trainmaster, Vladimir Mikheyenko.

During 2019, 1,668 FPC employees were given various awards for dedication to their work and achievements in the workplace:

- State awards of the Russian Federation – 8 people
- Awards of the Ministry of Transport of the Russian Federation – 197 people
- Russian Railways awards – 728 people
- FPC awards – 735 people.

CORPORATE PENSION SYSTEM

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

Over 21,000 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.

In 2019, the Company invested a total RUB 533.6 million in private pension plans.

SOCIAL GUARANTEES FOR FPC RETIREES

FPC provides its retirees with all possible support.

At present, FPC supports over 57,000 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. In commemoration of Victory Day, over 2,000 veterans received additional financial assistance.

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 transport on suburban and long-distance trains, and resort healthcare services.

Over RUB 304 million was allocated to retiree support via the Pochet (Honour) charitable foundation in 2019.



DIALOGUE WITH EMPLOYEES

Employee surveys have become a common practice at FPC. We conduct annual corporate surveys to analyse the Company's internal environment, assess the potential for performance improvements and gather information for use in managerial decision-making. Over 17,000 FPC employees were surveyed in 2019.

As a result, the employee satisfaction index remained flat year-on-year at 65.9 points, with 60% of employees determined to maintain long-term employment with FPC, thus showing strong loyalty to the Company.

The Company pays close attention to creating a comfortable environment for train crews. Measures taken in 2019 such as pay increases, improvements to sanitary facilities and amenities used by train crews as well as preferential purchase rights on tours to health centres and resorts have increased the passenger train attendant loyalty index (eNPS) by 11 points.

Focus groups are planned to test hypotheses and explore development areas to improve our comprehensive action programme and maintain an internal dialogue with our employees. We will communicate the results and decisions taken through a communication campaign to maintain high confidence in the survey and enhance employee engagement.

FPC'S VOLUNTEER MOVEMENT

To promote volunteering among FPC employees, encourage them to increase their social roles, and develop a corporate volunteering culture, FPC organised the Make Good Happen! volunteering competition. In 2019, 300 proactive employees participated in the competition with a total of 25 projects.

Winning teams:

The Ural Branch with the With All Our Hearts project designed to teach train attendants the Russian sign language to communicate with passengers with reduced mobility.

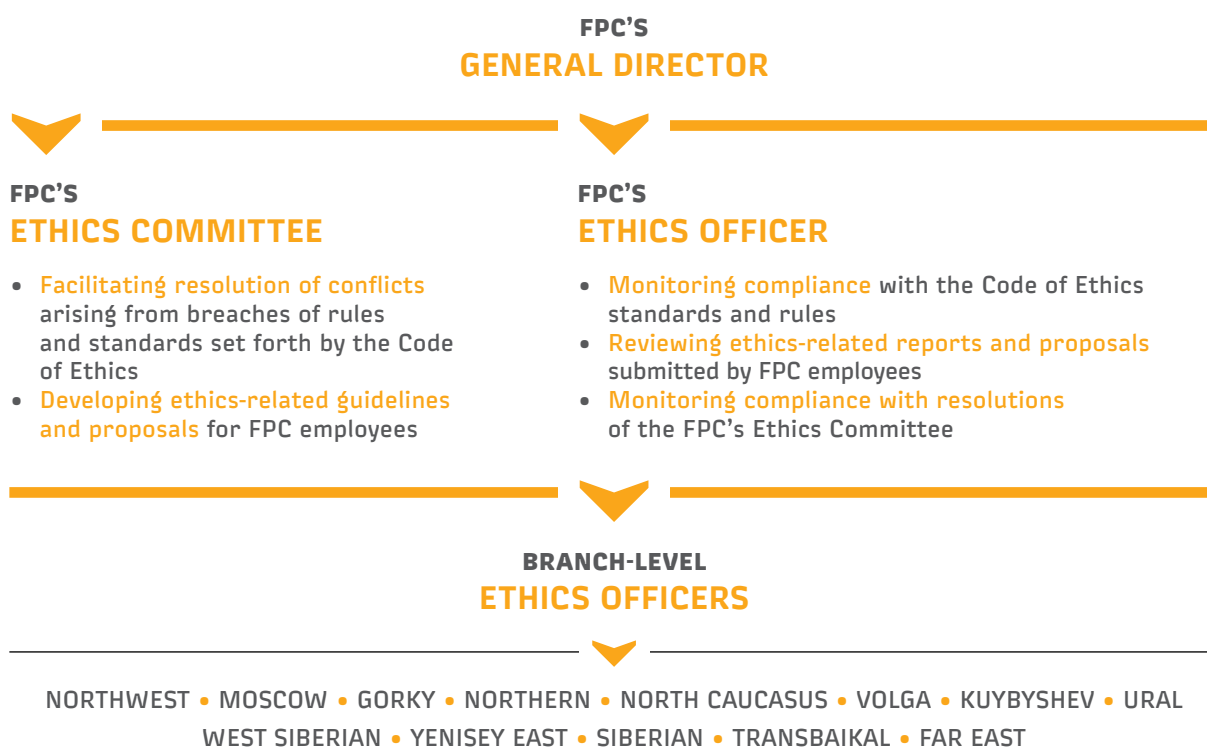
The West Siberian Branch with the Make Good project promoted corporate volunteering. The project comprised the GreenTime environmental clean-up day, a dance flash mob and a donor initiative.

Yenisey Branch with the Colours of Life project designed to engage children in physical activities, including special needs children, reduce the risk of disease and injury rates due to low mobility among children as well as enhance their wellness through physical exercises.

JSC FPC's Code of Ethics

Corporate standards and business conduct rules have been outlined in JSC 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.

Code of Ethics employee compliance monitoring framework



Channels to report non-compliance with the Code of Ethics

- to the immediate supervisor
- to the branch-level ethics officer
- to FPC's Ethics Officer
- via e-mail: ethics@fpc.ru

Additional channels to report suspected corruption

FPC'S ANTI-CORRUPTION HOTLINE

- FPC's anti-corruption hotline number: +7 495 988 1000, ext. 31 111 (a 24-hour line with voice recording)
- e-mail: hotline_bz@fpc.ru
- Anti-corruption complaint box installed on the ninth floor at Domnikov Business Centre, 34 Mashi Poryvaevoy St., Moscow, Block 3