

*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.*

## Protecting jobs and maintaining stable operations during the COVID-19 Pandemic

In 2020, the world faced an unprecedented external challenge – a pandemic of a previously unknown coronavirus, which upended the lives of people across the globe.

As a socially responsible employer, FPC committed itself to protecting the health and safety of its employees. In March 2020, FPC set up a response centre for preventing the import and spread of the novel coronavirus, and eliminating its impacts to ensure the continuity of operations.

The Company developed and approved a range of measures to enhance the sanitary and epidemiological safety of its employees.

Amid the rapid spread of the novel coronavirus (COVID-19), the Company started moving its employees to remote work as early as in March 2020. By May 2020, about 75% of FPC managers and specialists had shifted to remote work. In December, this figure dropped to 50%.

Also, employees were granted unpaid leaves or permitted to work part time upon request. During periods of low passenger traffic and carriage repairs, employees in general positions were furloughed, retaining two thirds of their average wages.

Also, pursuant to the recommendations of the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), the Company reviewed its operating processes and reinforced disinfection protocols. During the pandemic, FPC suspended business travel, professional training and development courses, as well as any in-person training. All meetings were moved online to minimise personal contacts and prevent gatherings.

Employee temperatures have been checked daily and train crews have been doing polymerase chain reaction (PCR) tests since the pandemic began. Customer-facing employees have all necessary personal protective equipment (PPE). A total of RUB 427.1 million were spend to purchase PPE in 2020.

The Company took special care to protect employees with chronic illnesses as a high-risk group. These employees were granted paid unscheduled leaves upon request. Quarantined employees who had contacted confirmed COVID-19 cases received additional payments complementing their sick pay to bring the total pay to their average monthly wage level.

To maintain high staff morale, approaches to pay during the pandemic were explained to employees, along with passenger operations in the context of capacity underutilisation of certain sites.

### Vaccination campaign

FPC launched a vaccination campaign against the novel coronavirus in line with the national vaccination calendar to develop herd immunity in train crews before the start of the summer travel season. Employees were provided with an opportunity to consult health professionals online, and a dedicated Coronavirus Vaccination course was made available on the Russian Railways remote learning platform. Given the specific nature of frontline employees' work, carriage attendants, train managers and ticket clerks will be the first to be vaccinated against the novel coronavirus (COVID-19) in 2021.

## Staff profile

54,384

employees  
work at the Company

33,500

employees,  
or 62%, are directly involved in  
providing services to passengers

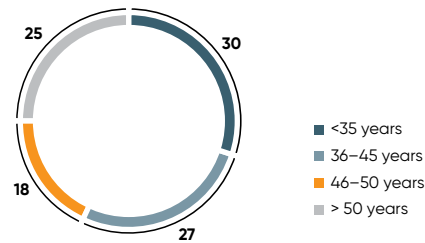
The Company maintains the right balance between young talent and more experienced employees. The average age of employees is 42 years. A 30% share of the personnel is represented by young employees aged under 35. At 65%, women constitute the majority of employees.

In 2020, employee turnover at FPC decreased by 0.7% year-on-year to 9.4% (10.1% in 2019). In 2020, the main causes of employee turnover included: non-controllable causes such as retirement due to age (27.8% of employees leaving their jobs) and controllable causes such as employee dissatisfaction (17.7%).

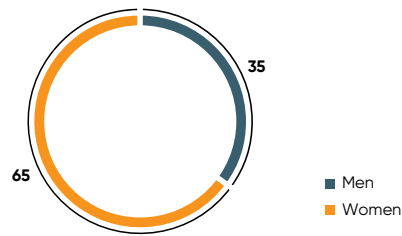
## Staff recruitment

Various evaluation tools – ability testing, personality surveys, professional cases, and structured interviews – are used to ensure the quality of managerial decisions on selecting candidates for vacancies, creating talent pools and staff training. Over 13,000 employees underwent the corporate competency assessment during the year, with customer-facing employees accounting for 90% of the total. The Company quickly adapted to operation during the pandemic, with some of the mandatory evaluation procedures shifted online.

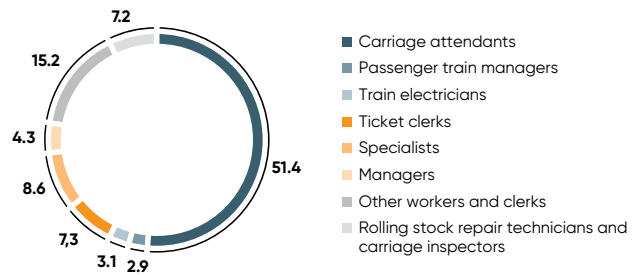
Personnel by age, %



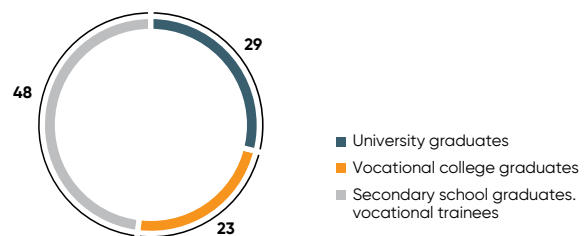
Personnel by gender, %



Personnel by position/trade, %



Personnel by educational background, %



# Personnel training and development

In 2020, the Company changed its approaches to personnel training and development as the Ministry of Education and Science ordered a ban on in-person training. The use of remote learning technologies in cooperation with third-party providers and the active utilisation of the Russian Railways remote learning system helped to maintain the continuous development process.

# 14,300

employees,  
or 26.3% of FPC's total headcount,  
completed training in 2020

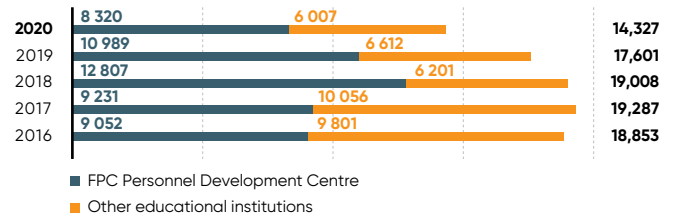
## Training system performance

| Indicators  | 2017   | 2018   | 2019    | 2020          |
|---|--------|--------|---------|---------------|
| Total employees trained   | 19,287 | 19,008 | 17,601  | <b>14,327</b> |
| Share of employees trained at the FPC Personnel Development Centre, % | 48     | 62.7   | 62.4    | <b>58</b>     |
| Budget, RUB million   | 96.3   | 118.2  | 196.636 | <b>112.8</b>  |

A total 2,100 workers and clerks were trained for general positions, and over 12,000 people completed upskilling courses in 2020. The Personnel Development Centre is the main platform to provide training for general positions.

In 2020, the Personnel Development Centre began active implementation of remote learning technologies. Electronic content for 14 personnel training programmes and 15 open electronic courses was posted on the Remote Learning System. A total of 4,008 employees of the Company upgraded their skills using the Remote Learning System.

## Staff training broken down by training centre, people



Since 2020, the Personnel Development Centre has been providing training under a licence for continuing professional education.

During the year, the Personnel Development Centre supported briefings delivered through the Remote Learning System (36,000 employees covered simultaneously, 20 examination tests developed), with a pilot project run at three branches of the Company for the rollout of technical training for train managers, carriage attendants and train electricians delivered through the Remote Learning System.

In 2020, the centre developed a professional competency model for train electricians. In line with this model, a targeted course programme was approved, with professional knowledge tests developed for cross-cutting and professional competencies. The programme and test piloting is scheduled for the first half of 2021.

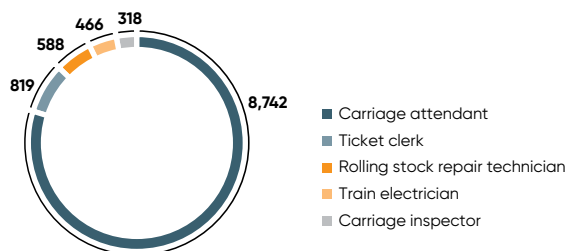
Personnel development under the corporate competency model promotes a positive image of the Company. In 2020, psychologists of structural units of FPC branches delivered over 2,500 on-the-job training workshops. Remote learning was an organic supplement to in-person training and created a vast environment for employee self-development. Training its employees in internal and external customer focus skills helps the Company to align with its mission and achieve its strategic goals. New methodological materials and programmes were developed for the Conflict Management and Basic Management Skills trainings in 2020.

### Continuing professional and business education for managers and specialists

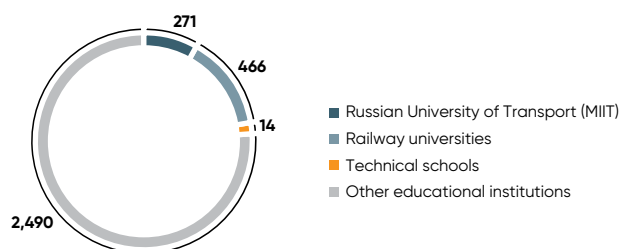
In order to develop managerial competencies and personal effectiveness of managers and enhance professional competencies of specialists, FPC engages third-party providers of continuing professional education in important aspects of managing operational, financial and economic activities, service quality improvement, and ensuring passenger safety.

A total of 2,436 managers and specialists of the Company took mandatory, technical and leadership training in 2020.

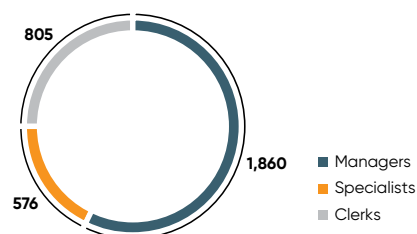
### Employees trained for general positions, people



### Personnel training in 2020 by educational institution, people



### Personnel training in 2020 by position level, people



112,8

million RUB

talent development expenses and related payments



## Leveraging in-house expertise for personnel training

The first comprehensive training programme to develop professional competencies of the HR Section managers and specialists was launched in 2020. The programme aims to develop personnel at the right time and in line with the Company's business objectives by engaging internal and external experts.

This training involves 441 employees of the HR Management and Social Development Section, including 18 in the expert instructor capacity. Employees of partner companies and relevant units are also involved in the training delivery. The programme comprises 11 modules.

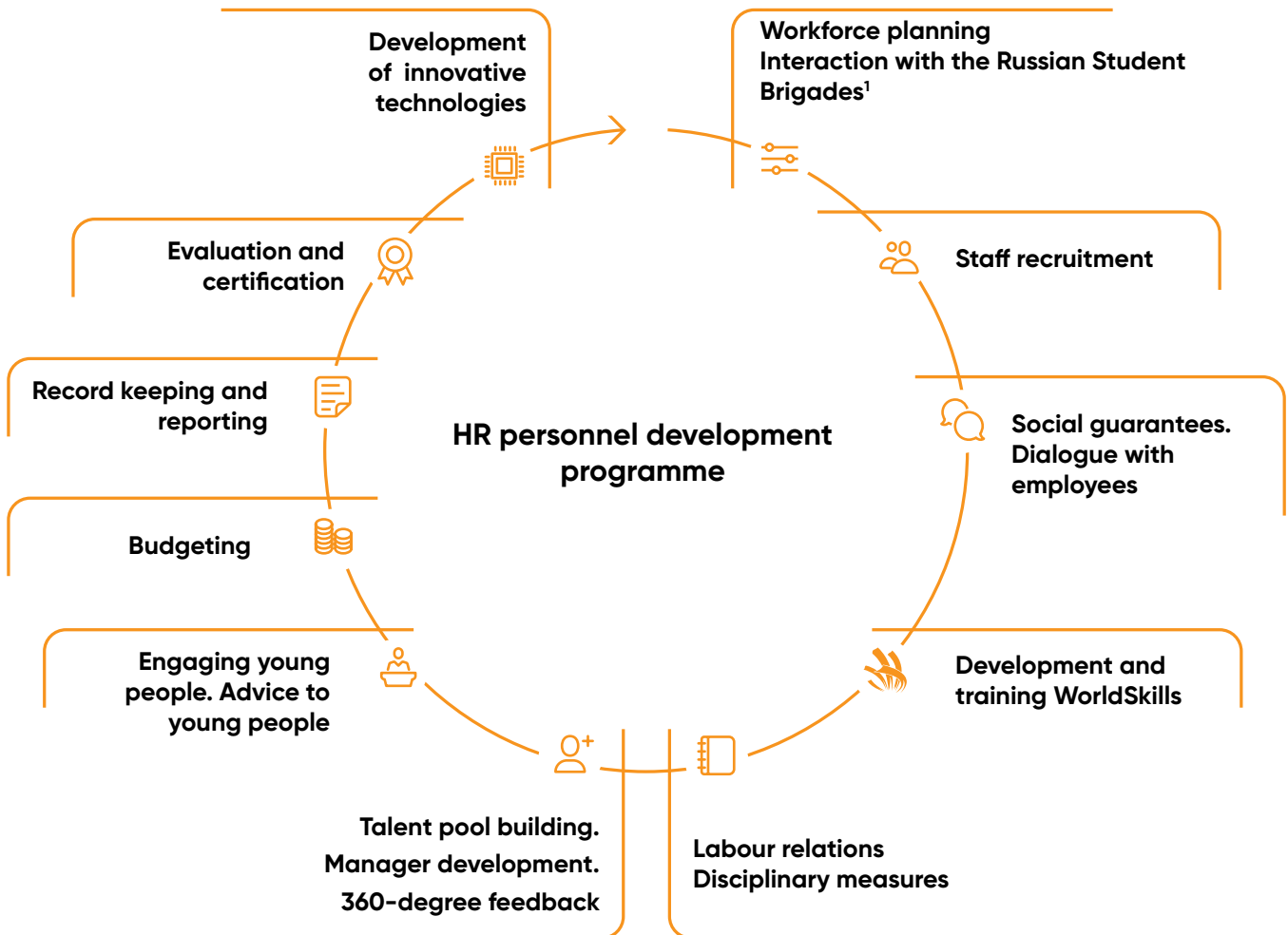
## Targeted training

FPC cooperates with nine universities offering railway-related degrees. Over 100 students are on targeted training programmes in professional colleges and universities.

Furthermore, 22 employees are on bachelor's and master's degree programmes:

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

### Leveraging in-house expertise for personnel training



<sup>1</sup> Youth All-Russian Public Organisation "Russian Student Brigades"

## Youth policy

In 2020, young employees under 35 made up 29% of FPC's total headcount, and those under 30 accounted for 18%.

In 2020, the Company's talent management function, established to develop human capital and drive social mobility, was reorganised into the Youth Policy Implementation Sector.

In 2020, youth policy implementation focused on young talent informing, onboarding and retention in FPC as well as innovative activities and involving young employee in achieving the Company's strategic goals.

### Key projects by focus area



#### Communication

- Communication through social media (VKontakte, Telegram) and digital channels (mailing) with a total reach of over 9,100 employees.
- Encouraging young talent to engage in leadership competitions. 2020 highlights: New Link – three finalists and two superfinalists (Your Own Inspector and ECONomics); Young Talents – five finalists; Leaders of Russia – six semifinalists, three finalists in the Science speciality and one superfinalist; Masters of Hospitality – six semifinalists and two winners in competency categories.



#### Young talent onboarding and retention in the Company

- The Personnel Development Centre holds regular (quarterly) meetings with youth councils, young activists and the Company's young professionals to discuss career development, youth policy implementation in all parts of FPC and other matters of current importance to young employees.
- An Onboarding Course for new employees of the Company's administration was developed in September 2020. The course has been successfully piloted, and plans for 2021 include tailoring onboarding courses for all branches of FPC.

# 9,100

employees

receive updates through social media and digital channels



#### Innovative activities and engaging young talent on strategic goals

- The 11th Youth Assembly of FPC was held online in 2020 due to the COVID-19 situation. A total of 36 young employees of the Company took part in the event. One of the projects presented at the assembly was declared a winner and accepted for implementation (Top Four Real Ideas for FPC). Following the assembly, the FPC Youth targeted programme for 2021–2025 was finalised (Order No. FPK-47/r dated 22 January 2021), and FPC future talent pool was approved (Order No. FPK-118/r dated 9 February 2021).
- In 2020, the Company held its first project contest, FPC.LAB – a corporate Idea Factory. Participants submitted 54 projects across 44 cases. Three projects across three sections (product, economic and technical verticals) won the contest and were accepted for implementation. One project (Solving the Luggage Placement Problem in New Open Sleeping Carriages and Double-Deckers) was implemented during the contest and was approved by a Ministry of Transport of the Russian Federation order<sup>1</sup>.

<sup>1</sup> Order No. 118, dated 13 April 2020, On Amending the Passenger, Baggage, and Unaccompanied Baggage Rail Transport Rules as Approved by Order of the Ministry of Transport of the Russian Federation No. 473 dated 19 December 2013.

## FPC's volunteer movement

Active development of volunteer movement at FPC continued in 2020.

The #AllInThisTogether federal project was launched in Russia amid the first wave of the pandemic, with caring citizens helping home-bound people for several months. Russian Railways employees actively contributed to the campaign. Young employees of FPC also did their bit by working at healthcare facilities, delivering food or helping remotely (97 FPC employees, or 9% of total participants in the project from Russian Railways).

An official awards ceremony of the #AllInThisTogether campaign was held on 13 July in Yaroslavl. Ekaterina Stolnikova, Category I engineer of the Customer Service Department of FPC's Northern Branch was awarded a commemorative medal for her contribution to the #AllInThisTogether All-Russian mutual aid campaign.

Young employees of the FPC administration delivered two major initiatives:

- Fundraising to help employees of the Russian Railways hospital. Donations totalling RUB 66,000 bought 100 kg of vital materials that were delivered to the health workers.
- COVID-19 patrol was launched in the FPC administration office, resulting in most employees using personal protective equipment.

During the pandemic, FPC employees over 65 years of age (368 people) were moved to remote work, with each branch compiling a list of such employees for monitoring to provide aid through young employees of FPC as necessary.

In September 2020, FPC resumed volunteer help to employees over 65 as well as veterans of the Great Patriotic War (World War II), retired workers, etc. As at the end of December 2020, a total 211 people received volunteer aid, with 10 FPC branches actively contributing by providing food, medicines, household help, and information support.

Online meetings with FPC employee volunteers arranged by the Company's Personnel Development Centre have been held on a regular basis since 2020.

## Female leadership

Since the launch of FPC Women's Club in 2019, the Company has been actively advancing its female leadership programme:

- A regional session on Improving Human Capital Efficiency was held from 2 to 4 March 2020
- The 2020 FPC Business Woman competition was held with a total of 54 entrants
- In order to provide safe working conditions and balanced mental and a more supportive and empowering environment for women, an Action Plan to Improve Work, Rest and Social Support Conditions for Women was approved (No. FPK-222, dated 10 June 2019). Out of the plan's 32 items 26 targets were delivered, with three targets not met due to the pandemic restrictions, two items no longer relevant and one target moved to the Passenger Carriage Attendant professional image improvement programme for 2019–2020

- In order to further improve work, rest and social support conditions for women, FPC approved a new plan for 2021 (No. FPK-551 dated 3 December 2020), which included actions in the following areas: women's health and family, women and operations, and female leadership
- In 2020, the FPC Women's Club project won the Best Practices in Youth Engagement competition organised by Russian Railways
- The second FPC Business Woman competition was launched in October 2020, with qualifying rounds completed in branches and units and preparation for the finals underway
- The Personnel Development Centre is also actively developing themed channels for internal communication through social media (Instagram and Telegram), with a total audience reach doubling in 2020 to more than 1,000

## Student train attendant teams

Student train attendant teams have been the main source of reinforcement for train crew staff for peak traffic periods since 2010.

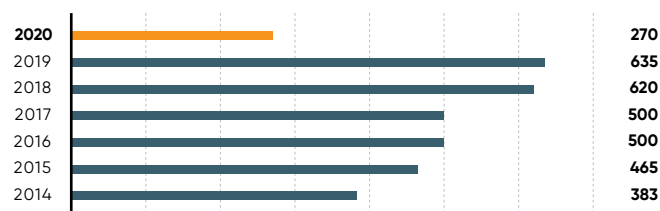
Over 10,000 students work in train crews every year thanks to long-standing close collaboration between FPC and universities offering railway-related degrees as well as the Youth All-Russian Public Organisation "Russian Student Brigades".

Student train attendant teams working for the Company totalled 635 people during the 2019/2020 winter travel season.

Student teams were not formed between May and September 2020 due to a steep drop in traffic and the need to protect students' health.

In December 2020, the Company resumed engaging student teams, taking on 270 members of the Russian Student Brigades.

### Students hired during the winter period, people



## Employee remuneration and motivation system

In 2020, FPC employees across all job functions earned RUB 45,881 per month, down 8.5% year-on-year due to an adverse impact on the Company's economic and financial position from the coronavirus pandemic and measures imposed in the Russian Federation to curb the spread of the infection: suspension of international travel, partial suspension of interregional services, halt of repairs programme, etc.

In line with FPC's Collective Bargaining Agreement for 2020–2022, wages were indexed by 2% from 1 March 2020 and by 1% from 1 October.

The Company also pays length-of-service bonuses (employee loyalty bonus) and incentive bonuses.

Length-of-service bonuses paid as loyalty bonuses totalled RUB 1,098.9 million over the year.

Bonuses for professional excellence:

- Personal salary: RUB 23,995 (439 passenger carriage attendants and train electricians)
- Wage surcharge for professional excellence: RUB 2,660 (4,165 people)
- Wage surcharge for professional titles: RUB 3,553 (5,425 people)

# 45,881

RUB

wage of FPC employees across all job functions based on the 2020 performance

# 1,098.9

million RUB

length-of-service bonuses paid as loyalty bonuses