

CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES

FPC is a national rail passenger carrier enabling transport and geographical connectivity of territories both within Russia and with foreign nations.

The Company strives not only to progressively develop its business lines and achieve operational and financial targets but also to consistently follow best practices in sustainability. In line with these commitments, FPC consistently ensures train operation safety, high environmental performance and productive engagement with all stakeholders based on mutual trust, respect and fulfilment of obligations in good faith.

As regards its people, the Company focuses on the continuous development of, and social support for, its employees as a priority of FPC's HR policy.

Another priority is environmental safety, namely mitigating negative environmental impacts, care for the environment and human health. FPC uses investment, CAPEX, and operational resources and initiatives to achieve the above goals. Performance targets are achieved through high-quality upgrades of rolling stock and revamping of carriage washing and wastewater treatment facilities.

As a major systemically important company, FPC places considerable emphasis on charitable and volunteer activities. One of the most important volunteer initiatives in 2020 was its participation in the #AllInThisTogether federal project. This project gave added impetus to volunteer activities in FPC, and since September 2020, young employees of the Company actively helped people under lockdown by delivering food, working in healthcare facilities and providing remote assistance.

FPC also continued nurturing young talent. Corporate youth policy implementation in 2020 focused on young talent onboarding and retention as well as involving them in achieving the Company's strategic goals.

The Company is fully aware that improved sustainability disclosures will not only enhance business and information transparency but also help achieving corporate goals across all businesses. Therefore, FPC will continue its consistent efforts to include a broad range of non-financial indicators in its reporting.

Message from the Deputy General Director for Human Resources and Social Development



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2020 called for adjustments to all Company operations, including the work of its HR function. Taking care of staff health has become one of our top priorities. Unprecedented measures have been taken to curb the spread of the novel coronavirus. Daily temperature checks, COVID-19 testing and the provision of personal protective equipment were just a small part of a wider package of measures implemented across FPC. We have set up flexible work arrangements by offering employees the opportunity to work from home. By May 2020, about 3,500 company managers and specialists had shifted to remote work, with all the benefits and guarantees set out under the Collective Bargaining Agreement preserved in full.

The Company has learned how to operate in the new normal, moving offline processes online. Remote learning was an organic supplement to existing in-person training programmes and created a vast environment for employee self-development. A total of 40,000 people were covered by the remote learning system. Training and upskilling targets were exceeded, hitting 118%.

Amid the overall uncertainty, communication with employees played a special role. Direct dialogue between top management and employees was used for the first time via conference calls, involving between 1,000 and 2,500 participants. Our key tasks are to raise awareness of the situation at the Company, the measures being taken and our priorities, as well as, of course, to respond to any concerns that may arise. A special focus was made to recognise our frontline employees – train crew and ticket office staff – who kept working even during the height of the COVID-19 pandemic. Management support ensured the stability of our workforce, but also helped maintain employee confidence in the Company.

The Company implemented projects to foster corporate volunteering, women's leadership and youth policy. In 2020, a project ran by the Women's Club of FPC won the Best Practices in Youth Engagement competition, organised by Russian Railways. For the first time, FPC's Youth Assembly and FPC.LAB, the new project competition, were held online. Employees successfully represented the Company in federal competitions such as Leaders of Russia and Masters of Hospitality, and for the first time in the history of FPC, two projects ranked among the winners of Russian Railways' New Link competition.

Kind regards,

Ekaterina SKOROKHODOVA

