

SAFETY AND SECURITY

MEASURES TO IMPROVE TRAFFIC SAFETY

Train operation safety

Operation safety of FPC’s passenger trains is a top priority for the Company.

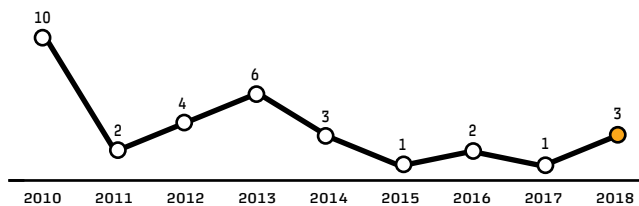
Over the years since the Company was established, no traffic incidents (derailments or accidents) have happened through FPC’s fault. The Company achieved a 7x decrease in the number of incidents resulting from violation of traffic or railway safety rules from 2010 to 2018.

Consistent efforts to reduce the number of incidents resulting from violation of traffic or railway safety rules are an integral part of the Transport Strategy for Guaranteed Security and Reliability of Train Services in the Russian Federation to 2030.

The Company maintains traffic safety through:

- implementation of the Action Plan to Improve Traffic Safety Measures and to Achieve Accident Reduction Targets at JSC FPC
- on-schedule delivery under the Action Plan to Ensure Functional Traffic Safety on the Infrastructure of Russian Railways
- technical audits and inspections conducted in FPC’s branches and their structural units to ensure traffic safety, monitor elimination of identified gaps, and develop corrective actions
- technical audits of repair and maintenance processes in structural units of FPC’s branches.

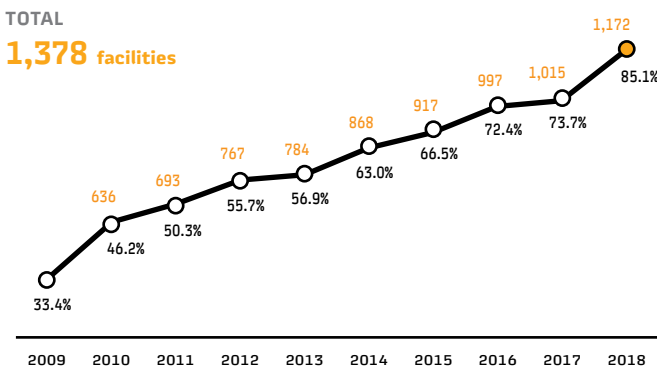
FIRES AT FPC’S PROTECTED FACILITIES



Fire safety

Three fire incidents were reported in 2018 (vs one incident in 2017), two of them on passenger trains due to failure of electrical equipment and one inside a facility.

EQUIPMENT OF DEPOT SHOPS AND OTHER FIXED FACILITIES OF JSC FPC WITH FIRE SAFETY SYSTEMS



Over RUB 156.9 million were allocated to implement a fire safety programme in 2018, including:

- servicing fire safety systems at 821 facilities (over RUB 45 million)
- fire prevention measures for FPC’s rolling stock and facilities by FGP VO ZDT of Russia (over RUB 48.2 million)
- measures to meet fire safety regulatory requirements, including fireproofing facilities, testing escape ladders, roof railings, and fire valves and hydrants on external and internal fire mains, and servicing fire extinguishers (RUB 20.32 million)
- new fire safety equipment, including first-response fire-fighting equipment, personal protective equipment, and training materials (over RUB 43.4 million).

○ The number of objects equipped with fire automation systems, and the ratio to the required number of objects of protection

Company Profile

Development Strategy

Performance Overview

Corporate Governance

Sustainable Development

Appendices

Passenger trains now have extra fire-fighting equipment to improve their fire safety: Strazhnik-3 fire extinguishing aerosol generators.

FPC's Investment Programme for 2018 also provided for construction and installation at 157 FPC's facilities, which brought the total number of facilities equipped with automatic fire-fighting systems to 1,172 (85.1% of the total number of facilities requiring protection).

Industrial safety

In 2018, FPC implemented a Centralised Industrial Safety Programme, investing RUB 23.736 million in 469 activities at hazardous facilities, including expert assessments of industrial safety, and inspections and certifications of machinery.

By improving operations and ensuring compliance with federal laws, the Company reduced the number of hazardous facilities in 2018 from 212 to 198, cutting the number of machinery items at hazardous facilities from 490 to 467.

As part of the Programme, FPC replaced equipment at hazardous facilities that reached the end of its standard service life in 2018 for RUB 214.620 million.

In line with Federal Law No. 225-FZ On Compulsory Insurance of Civil Liability of the Owner of a Hazardous Facility for Inflicting Damage as a Result of an Accident at the Hazardous Facility dated 27 July 2010, all FPC's hazardous operating facilities are insured.

Transport safety and security

FPC's arrangements for transport safety and security are governed by Federal Law No. 16-FZ On Transport Safety dated 9 February 2007.

Seeking to protect passengers from unlawful interference¹ on long-distance trains, on 1 May 2018, FPC started to engage certified providers of transport security services.

During the 2018 FIFA World Cup in Russia, transport security officers were accompanying all additional passenger train runs made to serve football fans. International passenger trains put together in other countries and travelling in Russia were escorted by transport security officers, which helped significantly decrease the number of technical failures in carriages, on-board equipment, electrical equipment, and fire-fighting systems, as well as reduce violations of rules of passenger services, baggage and unaccompanied baggage transport.

Additional safety and security measures during the 2018 FIFA World Cup Russia

In 2018, police officers, transport security officers, and private security guards ensured security on 80% of FPC's long-distance trains (vs 62% in 2017). The Company strongly focused on providing security for children travelling in organised groups.

FPC signed contracts with security providers in the World Cup host cities to increase the number of security lodges to manage external and internal access at the guarded facilities.

Also, the Company maintained full functionality of security and transport safety systems.

No instances of unlawful interference or offences at the facilities or rolling stock involved in servicing football fans and visitors to the international sporting event held in Russia were registered during the period of the event.

¹ Unlawful interference is an unlawful action (omission), including a terror attack, such as to jeopardise the safety of the transport system, resulting in damage to life and health of individuals, financial damage or posing a threat of such consequences; unlawful and illegal actions, etc.