

SOCIAL POLICY

The Collective Bargaining Agreement

FPC pursues its social policy in accordance with its Collective Bargaining Agreement.

The benefits and guarantees set out in the Collective Bargaining Agreement and corporate regulations of the Company provide additional social security measures beyond the regular social guarantees specified in the Russian Federation's labour law.

FPC's social benefits and guarantees are centred on sustaining, stimulating, and improving employee performance and maintaining social stability among staff.

In 2018, FPC social benefits per employee had a value of RUB 53,400, while the package of benefits for FPC's retired employees was worth RUB 6,200.

The expenses under JSC FPC's Collective Bargaining Agreement amounted to RUB 6.6 billion for the year.

Employee health

JSC FPC's Employee Health Programme provides full recreation and treatment, and is aimed at improving employee work efficiency. Under the programme, 2,839 employees and retirees of FPC received subsidised trips to health centres and resorts in 2018.

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 2018, the FPC children's health improvement campaign involved 2,231 recreation and health improvement tours for the children of FPC's employees, including:

- 1,509 tours involving 68% of employees' children to Russian Railways' children's health resorts
- 722 tours involving 32% of employees' children to third-party children's health resorts, including those on the Black Sea coast.

Housing policy

FPC has adopted and runs the Mortgage Subsidy Programme for its employees whose housing conditions are in need of improvement.

Under the Collective Bargaining Agreement, monthly subsidies are paid to more than 745 FPC employees to repay the interest accrued on their mortgage loans. In 2018, 33 employees were provided with subsidies following childbirth for mortgage payments towards built or purchased housing. Overall, FPC spent RUB 79 million on its housing policy in 2018.

Parents paid 10% to 20% of the tour price depending on the dates booked for the children's health resort, while large and/or low-income families paid 10% of the price regardless of the dates booked.

10-20%

of the price

(depending on the time of rest) was the amount of the parental fee for a ticket to a children's recreation center

10%

of the price

(for any shift) was the size of the parental fee for large and low-income families

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Competitions

The 2018 First Among the Best corporate competition was won by the Moscow Branch crew of Ivan Paristy High-Speed Passenger Train No. 737–742 on the Bryansk–Moscow route, headed by the train master, Viktor Ağunov.

During 2018, 1,927 FPC employees were given various awards for dedication to their work and achievements in the workplace:

- state awards of the Russian Federation – 3 people
- awards of the Ministry of Transport of the Russian Federation – 134 people
- Russian Railways awards – 823 people
- FPC awards – 967 people.

CREW OF PASSENGER TRAIN NO. 737–742 BRYANSK–MOSCOW



V.V. Ağunov, train master.

Passenger carriage attendants (right to left):

I.Yu. Bazhenova,
O.A. Bystrova,
Ye.L. Golovko,
K.N. Drobin,
L.P. Dudinskaya,
V.N. Kulağina,
Ye.N. Mironova,
T.V. Prudnikova,
I.A. Salova,

and
V.I. Kharaborkin,
the train electrician.

Occupational health

The Company's Health Management initiative maintains the ability of front-line personnel to perform at a high level of professionalism and reliability. As part of this effort, psychological support offices were established at the Gorky, Northern, Kuybyshev, and Volga branches in 2018. These offices were fitted out to treat and diagnose psychological conditions or distress among employees.

Following rehabilitation services, employees note less fatigue after a train trip, higher work ability, and restored motivation to perform their roles. At present, employees from 11 FPC branch units are eligible for the rehabilitation services.

The services are popular at all FPC branches, and drive internal customer focus while boosting FPC's profile as an employer of choice.

Youth policy

Consistent implementation of FPC's corporate youth policy is a key element to human resources development. The Company reorganised its youth councils in 2018 and created a three-tier JSC FPC youth council structure. The new structure enables forming youth councils through online voting by business unit employees aged under 35 years old.

A regulatory framework was developed for FPC youth councils, and youth councils were elected at all of the Company's business units. Additionally, the ninth FPC Youth Assembly was held in 2018, attended by chairs of youth councils at the Company's administration, branches and their structural units, who elected a chairperson for the JSC FPC Youth Council, designed the Council logo, and adopted the JSC FPC Youth Declaration.

Corporate sports

A Spartakiad sports competition was organised by FPC for its employees in 2018 together with the JSC FPC ROSPROFZHEL primary trade union organisation and the Russian Athletic Association Lokomotiv, while the FPC 3×3 Basketball Cup and the JSC FPC ROSPROFZHEL volleyball tournament were held for the first time.

FPC actively participates in the Achieving the Goal! charity run held to celebrate of the Day of the Railway Worker. For three years in a row, FPC has received awards for being the most active team. A record 500 employees participated in the event in 2018.

Apart from RZD Holding's internal events, FPC also actively participates in city and nation-wide events and opens sports clubs for its employees. FPC teams participated in large sporting events such as the Moscow Marathon, Night Run, and the Ironstar Sprint triathlon competition.

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 the reporting period, 732 employees registered in the corporate pension programme, with the average pension at RUB 8,500.

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 2018, the Company invested a total RUB 522 million in private pension plans.

Social guarantees for FPC retirees

FPC provides its retirees with all possible support.

At present, FPC supports over 58,000 non-working retirees.

Special emphasis is placed on railway workers who took part in the Great Patriotic War (WWII), home front workers, and survivors of Nazi concentration camps. In commemoration of Victory Day, over 3,000 veterans received additional financial assistance.

To celebrate the 73rd anniversary of Victory Day, FPC and Veteran Councils organised home visits to veterans who fought in the Great Patriotic War.

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 297.6 million was allocated to retiree support via the Pochet (Honour) charitable foundation in 2018.

Corporate research

FPC reviews the Company's internal environment on an annual basis in order to facilitate high quality management decision making. Over 1,300 FPC employees participated in corporate social studies in 2018, including:

- a survey on job satisfaction and the social dynamic present in employee teams
- a unified, comprehensive survey of personnel
- a study of the corporate culture at Russian Railways
- monitoring of progress on Russian Railways' Youth targeted programme (2016–2020).

The employee satisfaction index was 65.8 points in 2018, up 1.5 points year-on-year. 65% of employees are determined to maintain long-term employment with FPC, thus showing strong loyalty to the Company.

Improvements have also been observed in other metrics such as employee engagement in achieving corporate objectives (26.6), in the work process (72.9), as well as employee proactivity (63.7). These factors help increase performance and facilitate the Company's overall development.

The Company pays close attention to creating a conducive environment for boosting the performance of customer-facing employees. The Employee Net Promoter Score (eNPS) survey we run among passenger train attendants helps to identify areas for improvement and make timely management decisions.

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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 2018, 320 proactive employees participated in the competition with a total 25 projects.

Winning teams:

Kuybyshev Branch

The Kindness Express: an educational train journey for children from orphanages and social shelters.

Gorky Branch

Real Life Beyond the Screen: promoting an alternative lifestyle to children addicted to the internet and electronic devices.

Yenisey Branch

Link Between Generations: supporting retired railway workers in need.

An interactive project map was created as part of the contest, allowing participants to see the scale of their good deeds and providing networking opportunities with teams from other regions to coordinate further collaboration.

