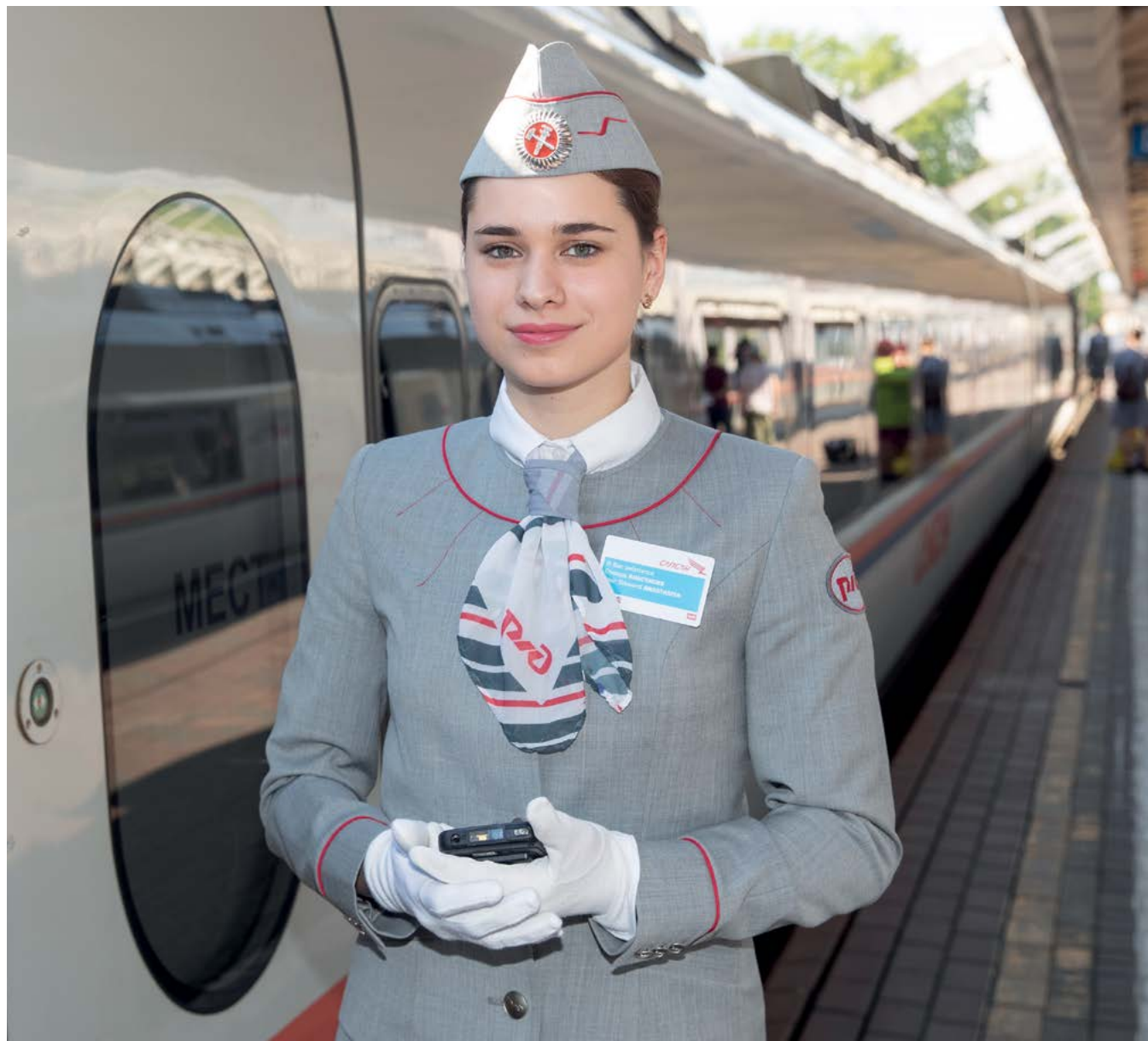


# Social policy

The development of the social sphere of the Holding is carried out on the basis of an objective assessment added value created by social support of the team and the use of assets, a set of socially significant objects for the provision of market services. The main function is to implement a policy of social responsibility to employees, society and the state.



## Russian Railways' key ethical principles

**Make people our top priority.** People are the Company's main asset. We see real people – employees, passengers, and clients – behind the statistics. Everything that we do is about people's welfare and comfort.

**Do our best.** We work hard to perform our duties to the letter, deliver on all promises, achieve the targets, while having zero tolerance to any kind of corruption, and measuring up to the privilege of being part of Russian Railways.

**Be proud to work at Russian Railways.** Every Russian Railways employee feels honoured to be part of a company that has a unique history, rich traditions and ambitious plans for the future. We respect traditions and pay tribute to industry veterans. We strive to maintain and augment Russian Railways' reputation as a rapidly growing national transportation company.

**Promote teamwork.** Being part of a team means being attentive and honest with colleagues, managers and subordinates, putting the Company's interests before our own. Mutual trust and well-coordinated teamwork are our main strengths.

**Rely on experience.** We learn from our predecessors and use their experience in a creative way to excel in what we do and develop professional skills and competencies, and pass it on to young talent.

**Be result-oriented.** In following this principle, we always keep in mind that we work to deliver specific results such as higher profits for Russian Railways, completion of new projects, client satisfaction and people's trust.

**Make well-informed decisions.** As our decisions can affect many people and organisations, we always think them through focusing on safety and risk mitigation, as well as economic

feasibility and commercial interests of Russian Railways.

**Promote commercial interests of Russian Railways.** We develop the culture of continuous improvement, multiply and save our earnings to the extent that does not contradict law and ethics, or affect quality and safety.

**Be a leader.** As Russian Railways is a leading Russian company, we expect our employees to have leadership qualities to set the pace, embrace changes, and serve as role models for colleagues and people outside of Russian Railways.

**Aspire to change and evolve.** We constantly strive for excellence seeking ways to improve efficiency, introduce innovations, acquire new knowledge, and develop personal and professional skills. Innovations are key to Russian Railways' growth and prosperity and personal development of our employees.

## Performance under the Collective Bargaining Agreement and social support of employees in 2019

Russian Railways' Collective Bargaining Agreement is an important motivation tool within its recruitment and retention framework. Its key functions include:

- social protection of employees;
- maintaining social stability among employees;
- boosting Russian Railways' attractiveness as an employer;
- developing social partnership.

In 2019, a new Collective Bargaining Agreement of Russian Railways for 2020–2022 was signed. It provides for the same guarantees and obligations towards the Company's employees, their families, veterans and retirees as the previous agreement.

Costs associated with the benefits package under Russian Railways' Collective Bargaining Agreement:

- RUB 44 bn for employees and their families;
- RUB 3.8 bn for retirees.

On top of that, the corporate support programme helped 4,388 employees to improve their housing conditions with the Company's financial aid totalling RUB 1.97 bn in 2019.

## SUPPORTING SPECIFIC PERSONNEL GROUPS

Russian Railways is deploying a flexible social benefits systems covering needs of each and every personnel group. Each generation and each group has its own objectives, lifestyle, needs, and expectations from their jobs and employer.

### Supporting women

The Company has a Coordination Council tasked with improving the conditions of work, leisure, and social support of women. The council regularly holds onsite meetings with female employees and organises video conferences with railway coordination councils to collect feedback from female employees and discuss any concerns they might have. To monitor women's working conditions, Russian Railways completed three rounds of surveys in two years assessing job satisfaction among its female workers.

In 2019, Russian Railways made the following efforts in line with the Action Plan to improve the conditions of work, leisure, and social support of women in 2018–2020:

- developed the Regulations on the Procedure and Principles of Self-Nomination at Russian Railways in order to promote employment of women, including to managerial positions, through a transparent competition-based procedure;
- conducted a comprehensive assessment of working conditions to expand the list of railway jobs available to women. Starting from 2021, women will be able to work as assistants to traction stock operators. The relevant documentation is being drafted and once it is approved, the Company will start recruiting women to train them for the job;
- developed a Reference Book for Female Employees of Russian Railways containing information on their employment rights and obligations,

and the Company's guarantees in terms of health and safety improvement;

- launched an educational project aimed at developing corporate competencies of Russian Railways managers and office workers through self-education via an online distance learning system, which works well for women on childcare leave;
- conducted a new wave of study on the working conditions of Russian Railways female employees through an online survey of women working across the railway network and at the Company's executive office. Furthermore, an additional stress survey was held;
- improved sanitary conditions and amenities for women;
- developed comprehensive preventative healthcare programmes for women;
- launched special programmes for women at the Company's healthcare facilities and RZD-ZDOROVIE.

### Supporting retired and soon-to-be-retired employees

Russian Railways' corporate pension system is based on shared employee/ employer contributions to the employee's future pension. In terms of its goals and purpose, a private (corporate) pension is an additional measure of social support to workers regardless of the state pension system. Its strategic goal is to ensure a replacement rate of at least 40% of an employee's lost earnings.

Russian Railways' corporate pension programme is operated by the Blaġosostoyanie Private Pension Fund. More than 607,000 Russian Railways current and former employees have pensions with the Blaġosostoyanie Private Pension Fund. 314,000 retired employees receive corporate pension<sup>1</sup>.

In 2019, corporate pensions were granted to 11,771 Russian Railways employees. The average corporate pension granted in 2019 was RUB 9,329.

### Russian Railways' youth policy

As at the end of 2019, the proportion of employees under 35 years of age accounted for 40% of the total headcount, while employees under 30 made up 22.7%. This makes social support of young talent even more important.

2019 saw over 1,000 activities and projects carried out as part of Russian Railways' Youth target programme (2016–2020) in order to develop young employees' professional skills and corporate competencies, engage them in improvement of the Russian Railways's operations, increase customer focus and enhance service level. Ca. 200,000 young employees across the Company's footprint took part in the events. Particular attention was given to young engineers, managers and office workers.

The 12<sup>th</sup> Annual Youth Conference of Russian Railways became the most exciting event of 2019 in the youth calendar.

In 2019

**11,771**  
employees

of Russian Railways were granted corporate pensions

**1.97**  
RUB bn

spent under the corporate support programme for the employees to improve their housing conditions

<sup>1</sup> Excluding pensioners transferred from the Fund of "Honor" in Blaġosostoyanie.