

# CORPORATE QUALITY MANAGEMENT SYSTEM

**JSC FPC's corporate quality management system (JSC FPC's QMS) is built in line with the Parent Company's Quality Management Strategy, the Development Strategy of JSC FPC, and ISO 9001:2015 Quality management systems — Requirements.**

## QUALITY POLICY AND TARGETS

Quality management activities at the Company are governed by JSC FPC's Quality Policy.

In managing the quality of its services, JSC FPC strives to:

- Meet customer requirements and expectations by continuously improving service quality and ensuring high levels of service, comfort and safety
- Continuously improve the Company's operational efficiency and performance by enhancing its QMS and business processes and introducing new technologies for lean production, rolling stock maintenance, and customer service

To achieve these goals and ensure sustainable development, JSC FPC's management undertakes to:

- Follow the Management's Leadership principle, foster collaboration between employees in achieving goals, enhance employees' competencies, motivation and corporate relations culture

- Support and develop mutually beneficial long-term relations with suppliers, improve the satisfaction levels among the Company's customers and all of its stakeholders
- Manage potential corporate risks, prevent recurring and potential inconsistencies, and make decisions based on objective evidence and stakeholder requirements
- Keep its QMS compliant with ISO 9001:2015 international standard and stakeholder requirements
- Continuously improve its corporate quality management system, enhance operational efficiency and performance through process improvement, innovation and cost optimisation

JSC FPC management assumes responsibility for organising the work on implementing this Quality Policy and providing the necessary resources.

## CERTIFICATION OF JSC FPC'S QMS AND COMPLIANCE WITH ISO 9001:2015 QUALITY MANAGEMENT SYSTEMS — REQUIREMENTS

In 2021, JSC FPC successfully passed a QMS inspection for compliance with ISO 9001:2015 Quality management systems — Requirements to confirm its existing certificate No. 19.2511.026 dated 24 December 2019 for the Company's core business processes:

- Passenger, baggage and unaccompanied baggage transport

- Passenger assistance, customer service, and carriage servicing and maintenance on long-distance trains
- Issuance and sales of travel and carriage tickets and documents
- Carriage servicing before a journey
- Repair of carriages to the extent of overall reconditioning
- Repair of carriages to the extent of depot repairs

- Repair of carriages to the extent of stage 1 and 2 overhaul
- Current repairs of coupled/uncoupled carriages
- Wheelset repairs
- Repairs of carriage components and assemblies
- Carriage maintenance and inspection (TO-1, TO-2, and TO-3)

Key advantages of having a certificate of compliance with ISO 9001:2015 Quality management systems

— Requirements:

- Image of a customer-focused company confirmed by state-level documents

- Confirmation of JSC FPC's compliance with global best practices in quality management by an independent certification body
- Increased passenger satisfaction driven by services provided in line with global quality standards
- Improved operational efficiency and performance of the corporate governance system
- Increased share value
- JSC FPC's higher score in bids (tenders) for the provision of auxiliary services held by Parent Company and other customers

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## LEAN PRODUCTION

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Lean production utilises the PDCA cycle (Plan – Do – Check – Act).

JSC FPC is guided by the following principles in developing and improving its lean production technologies:

- Customer focus
- Focus on the process
- Production process flexibility
- Standardisation
- Prevention of wasted expenses
- Transparency
- Error proofing
- Excellence

Projects implemented following the introduction of lean production technologies across JSC FPC's operating processes:

- The approach to the 5S system at workplaces has been improved. Daily self-assessment of workplaces and workspaces involving the use of assessment sheets and photo reports has been introduced. All data are posted on the Company's public portal accessible to its operating units
- In the distance learning system, a training course on the 5S system at workplaces, workspaces and offices was delivered. Over 3,000 employees of JSC FPC successfully completed this training;

- The Road Map for Lean Production System in JSC FPC for 2021–2023 was developed and approved. Participants, processes, monitoring procedure and resources required to achieve the target state of the lean production system were defined.

The main stages of the roadmap:

- Implementing the 5S system at operational workplaces and offices
- Training on the requirements of the 5S system, lean production technologies and tools
- Introducing lean technologies in managing process equipment, metrology and fuel and energy resources
- Building of a lean production system across JSC FPC's operating processes
- Update and development of the regulatory framework for using lean production technologies and managing a lean production system
- Certification for compliance with ISO/TS 22163 Railways — Quality Management System — Requirements for Business Management Systems at Enterprises in the Railway Industry: ISO 9001:2015 and Specific Requirements for the Railway Industry