

OUR PEOPLE

FPC manages its human capital in a way which helps achieve its strategic goals while creating favourable conditions for employees' personal development. The key priorities of FPC's social and HR policy are recruiting and retaining people, ensuring their continuous development, and providing them with social support.

In order to determine the target of the Company's social and HR policy in 2021, JSC FPC's Human Resources Development Programme until 2025 was approved. The Programme provides for the following:

- Working in five main domains (provision of personnel, improvement of personnel efficiency, personnel motivation, corporate culture and corporate environment,

implementation of personnel management support functions);

- Completion of the priority objectives in each domain
- Achievement of key performance indicators
- Development of action plans and regulatory documents for the above domains.

STAFF PROFILE

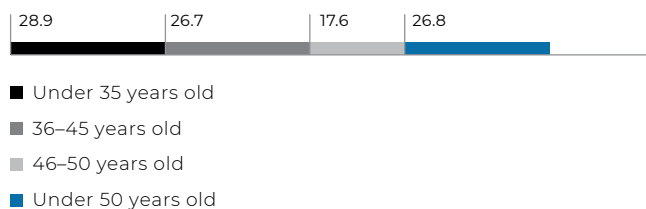
51,295 EMPLOYEES

work at the Company

31,800 EMPLOYEES

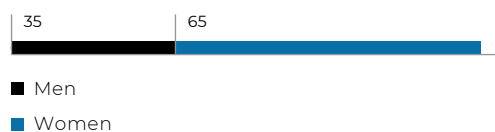
or 62%, are directly involved in providing services to passengers

Personnel by age %

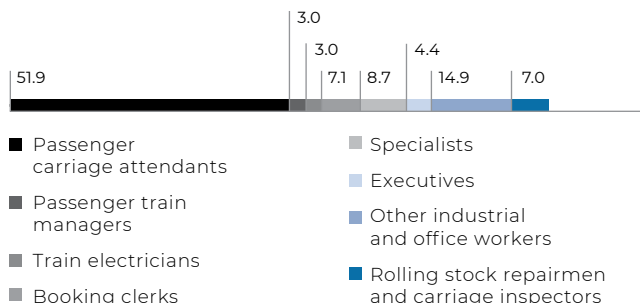


The Company maintains the right balance between young talent and more experienced employees. The average age of employees is 42 years. A 28.9% share of the personnel is represented by young employees aged under 35. At 65%, women constitute the majority of employees.

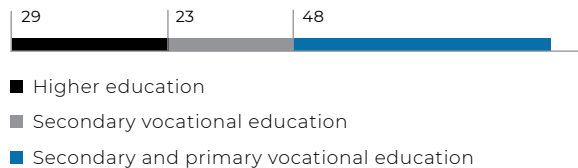
Personnel by gender %



Personnel by position/trade %



Personnel by educational background %



STAFF RECRUITMENT

Various evaluation tools – ability testing, personality surveys, and competence-related structured interviews – are used to ensure the quality of managerial decisions on selecting candidates for vacancies, creating talent pools, staff rotation and training. Over 15,000 employees underwent the corporate competency assessment during the year, with customer-facing employees accounting for 90% of the total.

In order to improve the quality of managerial decisions and the accuracy of predictions of candidates' achievements, the Company has introduced new personnel assessment and development tests and questionnaires, which are based on innovative psychometric solutions. To create an environment for employee self-development, the new assessment report includes a list of practical actions to develop corporate competencies and a list of recommended literature as well.

PERSONNEL TRAINING AND DEVELOPMENT

Training system performance

Indicators	2017	2018	2019	2020	2021
Total employees trained	19,287	19,008	17,601	14,327	16,651
Share of employees trained at the FPC Personnel Development Centre, %	48.0	62.7	62.4	58.0	61.0
Budget, RUB million	96.3	118.2	196.6	112.8	134.2

A total 3,200 workers and clerks were trained for general positions, and over 13,000 people completed upskilling courses in 2021. The Personnel Development Centre is the main platform to provide training for general positions.

Work continues on staff training using distance technologies. In 2021, electronic content for 20 personnel training programmes and 20 open electronic courses was posted on the Remote Learning System. A total of 5,838 employees of the Company upgraded their skills using the Distance Learning System.

Since 2020, the Personnel Development Centre has been providing training under a licence for continuing professional education.

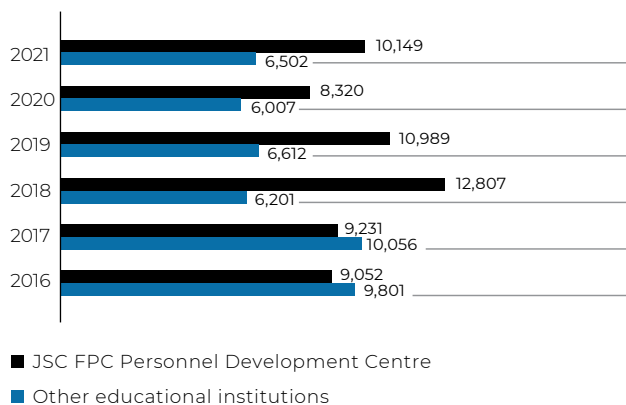
In the reporting year, the Personnel Development Centre provided support in conducting briefings in the Distance Learning System (36,000 employees were involved, with 28 quizzes created). As part of technical training, 168 verification tests were created and placed for passenger train managers, attendants and train electricians.

>16,000
EMPLOYEES,

or 31.3% of the total workforce trained in 2021

Staff training broken down by training centres

people



In 2020, the professional competency model for train electricians was developed. In line with this model, a targeted course programme was approved, with professional knowledge tests to be used for cross-cutting and professional competencies.

In 2021, the professional competence programme and tests were piloted.

The model of train electrician professional competencies approved by Order No. 44r dated 24 January 2022.

Personnel development under the corporate competency model promotes a positive image of the Company. In 2021, psychologists of structural units of JSC FPC branches delivered over 3,000 on-the-job training workshops. The use of distance learning has made it possible to achieve maximum coverage of employees: distance learning has seamlessly complemented face-to-face training sessions.

In 2021, new methodological materials and training programmes aimed at developing internal customer focus, teamwork skills and self-management were developed.

In order to create conditions for self-development and increase the involvement of employees in the process of personal growth, the Corporate Competencies Development Handbook of JSC FPC was developed. The Handbook contains recommendations on the development of corporate competencies in the workplace, a list of e-learning courses to take in the distance learning system, and a list of business literature, which makes it possible to form an individual development plan based on employee's strengths and growth areas.

Continuing professional and business education for managers and specialists

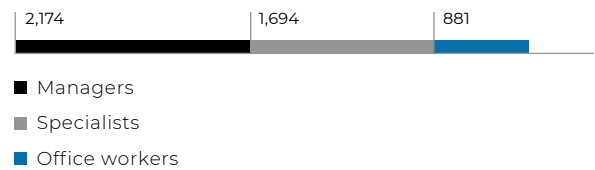
In order to develop managerial competencies and personal effectiveness of managers and enhance professional competencies of specialists, FPC engages third-party providers of continuing professional education in important aspects of managing operational, financial and economic activities, service quality improvement, and ensuring passenger safety.

Vocational training for employees of general positions people



Advanced training for managers, specialists, and employees

Personnel training in 2021 by position level people

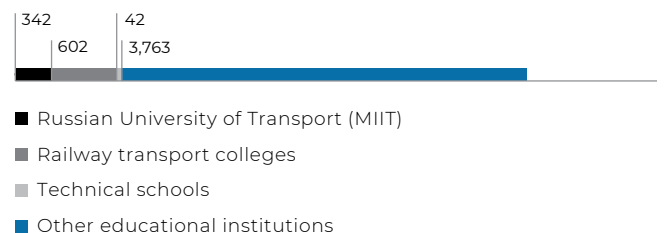


A total of 3,868 managers and specialists of the Company took mandatory, technical and leadership training in 2021.

134.2 MILLION RUB

talent development expenses and related payments

Personnel training in 2021 by educational institutions people



Leveraging in-house expertise for personnel training

In 2021, the Personnel Development Centre provided training under the HR Competence Development Programme for employees of the HR Management Unit.

The programme included 11 training modules developed on the basis of internal assessment of the Unit's employees on the basic HR processes. The training modules experts were the employees of the HR and Social Development Department and HR units of branches and the heads of the Company's related subdivisions as well. Representatives of the All-Russian Youth Public Organisation — Russian Student Teams, the Corporate University of the Parent Company, higher education institutions of railway transport and other partner companies were invited as external experts.

During the implementation of the HR Competence Development Programme, 18 training webinars were held. In order to assess the final result of the programme, participants were tested via the Distance Learning System.

Upon training, the employees who successfully completed the testing were issued with certificates of professional development of the standard format. Within the framework of the Programme, 314 employees of the HR Management Unit have upgraded their qualifications.

In addition, in November 2021, training under the Programme of External Communications as a Means of Communication with the Passenger was introduced. The Programme was developed and implemented jointly with the internal experts of the Strategic Communications Centre. Within the framework of the Programme, the officers conducted three training webinars (Use of Corporate Identity in Printed and Souvenir Products, Organisation of Press Relations Service Work — Channels of information, Organisation of Events, Including for Mass Media) followed by completing homework tasks by participants and checking of the same. In order to assess the results of the Programme, a final test was conducted.

In order to develop the internal customer focus of HR units and establish uniform working standards for higher level





of satisfaction of internal clients with the quality of services, an NPS HR project was implemented in four key areas:

- Unified corporate operational standards
- Management development and implementation of alternations
- Intangible motivation system
- Monitoring and assessment of alternations

The K-COMANDA marathon was held to create a favourable social and psychological climate in teams, develop teamwork skills and improve the level of employee cohesion in JSC FPC's management.

The winners and runners-up of the marathon were awarded at the end of the year in a ceremony attended by the Deputy General Director of JSC FPC.

Targeted training

The Company cooperates with nine universities offering railway-related degrees. Over 150 students are on targeted training programmes in professional colleges and universities.

In addition, in order to improve the level of education of JSC FPC's personnel, training was organised for 14 employees in Bachelor's and Master's degree programmes, including the following training profiles:

- 11 employees — Management
- 3 employees — Ground Transport Infrastructure Systems. Rail Passenger Services

In 2021, 19 employees completed training under Bachelor's and Master's programs, including the following training profiles:

- 1 person — HR Management. Strategic HR Management
- 11 employees — Management
- 6 employees — Ground Transport Infrastructure Systems. Rail Passenger Services
- 1 person — Economics. International Financial and Management Accounting

YOUTH POLICY

Approximately 15,000 employees, or 29% of the Company's total headcount, are under the age of 35.

The share of young managers in the Company's total managerial staff is 19%.

In 2021, JSC FPC's Youth Target Programme (2021–2025) was approved, defining the main tasks and directions of development of the Company's Youth Policy.

The key objectives of the Programme are as follows:

- Adaptation and retention of young people in the Company
- Stimulation of scientific and technical creativity, innovation and scientific activity of young people
- Improvement of motivation mechanisms for young managers and employees
- Assisting in the personal and professional development of young employees with knowledge and skills adapted to the conditions of JSC FPC, as well as the career growth of young people

- Forming a set of positive values, maintaining the continuity of generations, and strengthening the prestige of the workplace among young people

The set of measures implemented as part of JSC FPC's Youth Target Programme (2021–2025) covers more than 80% of the Company's young employees.

In order to introduce a unified approach to organising the work of Youth Councils in the Company, the Regulations on the Model of JSC FPC Youth Council were approved.

The Regulations define the organisational principles and procedures for functioning of the Youth Council of JSC FPC and the rights and obligations of the participants of the Youth Council of the Company.

Work with young people is systematic and covers six areas of activity.



Key projects of JSC FPC's Youth Target Programme

>11,000
EMPLOYEES

receive updates through social media and digital channels



Involvement of young people in resolving corporate (strategic) tasks (including innovative and scientific activities)

- In 2021, the XII Youth Gathering of JSC FPC was held with the support of the Railway Trade Union as part of the Young Leader School. This is a unique youth event that allowed young employees not only to develop their competencies, but also to prove themselves and propose new approaches to solving urgent production tasks.
- The remote format of the event enabled more than 400 proactive, assertive and talented young employees from across the country to take part in the event.
- The ideas for solving production tasks, which were proposed by the winning teams, will be considered in detail by the functional customers, and the best of them will be adopted for implementation.



Developing a system for adapting and retaining young people in the Company. Increasing the level of involvement

- Working meetings with youth councils, active young people and young specialists of the Company are held on a regular quarterly basis to discuss career development, implementation of the Youth Policy in JSC FPC and other topics relevant to the Company's youth.
- In order to speed up the adaptation process and reduce the turnover rate of newly hired personnel, an adaptation chatbot was put into commercial operation in 2021. The IT solution is aimed at providing new employees with information about the Company, helping them to quickly adapt at the workplace and providing constructive feedback during the adaptation period.
- An additional effect in accelerating the adaptation process is provided by 13 adaptation courses for employees of JSC FPC's branches, with content tailored to the specific features of a particular branch.



Maintaining conditions for the continuous and all-round development of young people

- Every year, employees of JSC FPC take part in the competitions at the level of Holding and at the federal level, and represent the Company in the business community with due dignity. At the end of 2021, among the employees of JSC FPC, there were six semi-finalists and two finalists in the New Link project competition, 36 semi-finalists and five finalists in the Young Talents project, and five semi-finalists, two finalists and one winner in the Masters of Hospitality competition.
- Provision of information via social networks (VKontakte, Telegram) and digital channels (e-mailing) covers more than 11,000 employees and aims to increase staff awareness of key events in the life of the Company and motivate young people to participate in the Holding-level and federal competitions for professional and personal development.



Development of corporate volunteering, promotion of healthy lifestyle and sports

Corporate volunteering continued to develop at JSC FPC in 2021.

- The Regulation on Corporate Volunteering at JSC FPC, which defines the features and key principles of corporate volunteering in the Company, was approved and the official logo of the Company's volunteer movement was approved.
- 21 projects were submitted by employees of JSC FPC to the Good Deed Attendants contest of volunteer (social) projects. The competition is aimed at supporting initiatives of students, employees and non-working pensioners of railway transport aimed at implementing socially important programmes and supporting people of advanced age. One of the projects submitted by the Company received a grant for implementation.
- JSC FPC was awarded the first place among 34 organisations participating in the Save a Tree 2021 environmental campaign: 1.5 tonnes of waste paper were collected.
- 35 projects were submitted to the #YouMeVolunteerFPC volunteering project competition. In 2021, the contest was held for the first time and demonstrated a significant engagement of JSC FPC employees: over 200 people were involved, including students from the Youth All-Russian Public Organisation — Russian Student Brigades. The competition was held in the following domains: social volunteering, environmental volunteering, pet volunteering, art (cultural) volunteering, education and mentoring.
- The Clean Baikal Belt project presented by The Heart of Baikal team from the East Siberian Branch for the Environmental Volunteering domain was recognised as the winner of the contest. As part of the project, to raise awareness of Baikal's ecology, the team members organised educational activities and a number of public events, including collection and sorting of rubbish on the shore of Baikal port together with participants of the Big Recess project.



Development of intra-holding, inter-industry and international youth cooperation

Creating strong horizontal ties among young employees is the key to effective communication within the Company.

In 2021, JSC FPC employees took part in the following:

- The Young Talents project
- The Annual Youth Gathering hosted by the Parent Company — from 22 to 26 November 2021 it took place in an online format

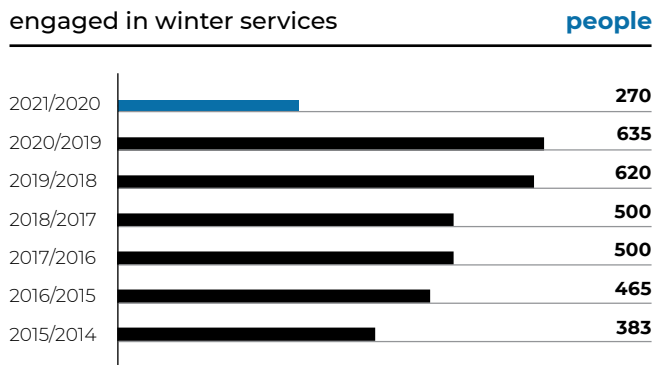
Student train attendant teams

Since 2010, student train attendant teams have been the main source of reinforcement for train crew staff for peak traffic periods.

Thanks to long-standing close collaboration between JSC FPC and universities offering railway-related degrees as well as the Youth All-Russian Public Organisation — Russian Student Brigades, thousands of students get employment as attendants every year.

Student train attendant teams working for the Company totalled 270 people during the 2020/2021 winter travel season.

Number of student attendant teams engaged in winter services



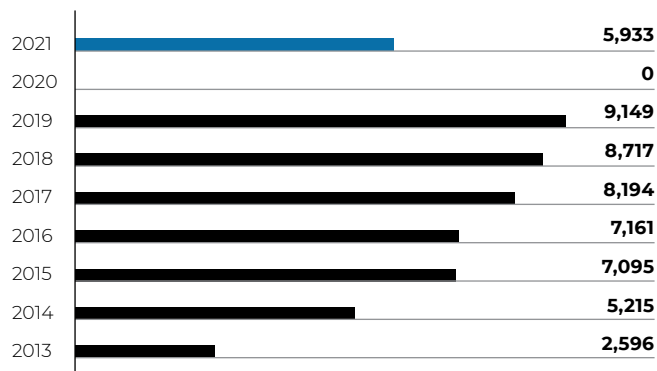
In May-September 2021, 5,933 participants of student attendant teams were employed in the units of JSC FPC's branches.

At the same time, more than 1,600 students from higher and secondary vocational education institutions were engaged to work as attendants of passenger carriages as part of practical training.

In August 2021, a sociological survey of student satisfaction with employment at JSC FPC was conducted. More than 3,400 students (61% of the actual number) shared their opinions. According to the survey, 70% of students are satisfied with their jobs at JSC FPC, which is 7% higher than in 2019. There has been an increase in student satisfaction with the main factors of working life.

Number of student attendant teams engaged in summer services

people



EMPLOYEE REMUNERATION AND MOTIVATION SYSTEM

Based on the results of work in 2021, the salary of employees of all types of JSC FPC's activities amounted to RUB 52,503. Salaries rose by 14.4% against the 2020 level, with a 5.2% indexation right.

According to the Collective Bargaining Agreement of JSC FPC for 2020–2022, salaries of employees were indexed by 1.3% from 1 March 2021, by 2.4% from 1 August and by 1.4% from 1 October.

The Company also pays length-of-service bonuses (employee loyalty bonus) and incentive bonuses.

The continuing employment benefits in the form of bonuses for loyalty to the Company amounted to RUB 1,013.5 million.

Bonuses for professional excellence:

- personal fixed salary of RUB 38,051 (497 passenger carriage attendants and train electricians)
- professional skills bonus of RUB 2,489 (5,543 employees)
- professional grade bonus of RUB 3,447 (6,796 employees).

52,503 RUB

wage of JSC FPC employees across all job functions in 2021

+14.4% as compared to 2020

1,013.5 RUB MILLION

continuing employment benefits in the form of bonuses for loyalty to the Company