

Social policy



« The year 2020 became a tough challenge for the Russian economy and healthcare system, for the Group as a team and for each employee personally. However, we managed to achieve the key targets and implement the scheduled projects. Our Company is first and foremost a team of professionals committed to the common cause of railway transportation development. It is this unity of our employees that enabled us to make decisions ensuring seamless operations and attainment of our goals amid the COVID-19 outbreak. »

Dmitry Shakhanov
Deputy CEO of Russian Railways

Development in the Group’s social sphere is underpinned by unbiased assessment of added value created through employee support initiatives, and management of assets and social facilities to provide market services. The priority focus is the policy of social responsibility towards employees, community, and the state.

The key strategic goals of the social policy are:

- to make the Group an employer of choice;
- to recruit and retain the Group personnel with the required skills;
- to manage the headcount in an efficient manner, with due account for new equipment and cutting-edge technologies;
- to implement the competency-based approach to HR management;
- to build a talent pool;
- to ensure continuous personnel development;
- to foster corporate culture;
- to manage the personnel in an efficient manner and provide social support;
- to offer healthcare services.

¹ Approved by Russian Railways’ Order No. 1143r dated 6 May 2015.

² Approved by Russian Railways’ Order No. 2580r dated 28 December 2006, in the version set out by Russian Railways’ Order No. 556r dated 22 March 2019.

³ In the version set out by Russian Railways’ Orders No. 57r dated 18 January 2016, No. 2345r dated 21 November 2016, No. 1993r dated 7 September 2018.

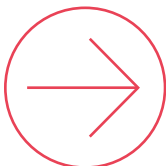
⁴ Approved by Russian Railways’ Order No. 907r dated 17 April 2013.

Social development is regulated by the following documents at Russian Railways:

- Russian Railways’ Collective Bargaining Agreement for 2020–2022 (stipulating the social and labour relations between the employees and Russian Railways);
- the Company’s Code of Business Ethics¹ (establishing the corporate standards and rules of business conduct mandatory for the Board of Directors and all employees, and setting out the relations with shareholders, government authorities, legal entities and individuals);
- Regulation on Private Pension Schemes for Employees of Russian Railways² (covering the relations between the employees and Russian Railways within the framework of non-governmental pension plans);
- Russian Railways Housing Policy Concept until 2020³;
- Regulation on Professional Training at Russian Railways.⁴

Russian Railways’ Collective Bargaining Agreement for 2020–2022

Russian Railways’ Code of Business Ethics



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 considerate 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 response, 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 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 in 2020

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.

Despite the economic disturbances at the national and global level, in 2020 the Company delivered on all of its obligations under the Collective Bargaining Agreement. There were no collective labour disputes. The decisions on securing employment and personnel earnings ensured social stability among employees, enabling the Company to maintain its status as a socially responsible employer. Russian Railways delivered on its obligations for 2020 under the Collective Bargaining Agreement 2020–2022.

Supporting specific personnel groups

Supporting women

The Company has a Coordination Council tasked with improving the conditions of work, leisure, and social support of women.¹ 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.

In 2020, the Company completed its three-year Action Plan to improve the conditions of work, leisure, and social support of women at Russian Railways. In 2020, we performed the following activities under the Plan:

- improved sanitary conditions and amenities for women;
- **ensured that women could work as assistants to some traction stock operators;**
- carried out the annual survey of the working conditions of Russian Railways female employees. The findings were that 76.7% women were satisfied with their employment at the Company (against 72% in 2019);
- increased the number of women receiving corporate benefits packages to 17,433 (against 4,675 in 2018, and 10,940 in 2019);
- transferred over 58,000 women to flexible working hours and remote work to protect them during the COVID-19 pandemic;
- provided a “woman’s leave” to over 17,000 female employees in 2020 (under the Russian Railways’ Collective Bargaining Agreement, a woman is entitled to an unpaid day off once a month for personal reasons);
- carried out an online corporate social event for female employees in November 2020: How To Be Successful and Happy.

Russian Railways’ youth policy in 2020

The share of employees under 35 years of age accounts for 38.3% of the total headcount at Russian Railways. This makes social support of young talent even more important.

2020 saw over 800 activities and projects carried out as part of Russian Railways’ Youth target programme (2016–2020) in order to ensure comprehensive development and acquisition of industry-specific competencies by young employees, engage them in improvement of Russian Railways’s operations, and build a corporate culture for the young. Ca. 250,000 young employees across the Company’s footprint took part in the events.

Russian Railways’ Youth target programme (2021–2025) was adopted to ensure efficient implementation of the corporate youth policy, and to build a talent pool of committed young employees in line with the priorities of Russian Railways.

Stage 4 of the Young Leaders exchange programme was held in partnership with VR Group (Finnish Railways) within the framework of the effective memorandum on talent development cooperation.

Another key event of 2020 was the PROyouth online education forum aimed to involve the Company’s young employees in discussing and implementing the Russian Railways’ Youth (2021–2025) programme. The forum was attended by ca. 1,500 young employees and over 100 experts and resulted in over 450 projects in six areas of the target programme. Twelve best projects proposed by the participants were included in the target programme action plan 2021.

Supporting retired and soon-to-be-retired employees

Corporate pension system

All the Company’s employees can benefit from the corporate non-government pension system. 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 target is to ensure a replacement rate of at least 40% of an employee’s lost earnings. Russian Railways’ corporate pension is operated by the Blagosostoyanie Private Pension Fund.

The total number of the Company participants to the plan reached almost 588,000 persons in 2020. Over 310,000 retired employees receive corporate pension. In 2020, pensions were granted to 11,065 Russian Railways employees, the average corporate pension 2020 being RUB 8,938. The average accrued corporate pension was RUB 4,936, or RUB 122 higher y-o-y.

Social support for non-working retirees of Russian Railways

The Company’s social responsibility efforts include benefits to senior retirees of railway enterprises.

Non-working retirees receive medical care at Russian Railways’ corporate health centres in line with the local compulsory health insurance programmes, and high-cost treatment according to the list of services stipulated by the Company. We grant free railway transportation to non-working retirees annually, as stipulated by the Company. In 2020, corporate benefits of the Company included health resort recreation of 9,200 non-working retirees.

The Company developed and adopted the target programme Russian Railways’ Veterans (2021–2025) aimed to enhance the living standards and expectancy of the veterans’ lives by establishing a comprehensive support system.

¹ Approved by Russian Railways’ Order No. 266r dated 9 February 2018 On the Establishment of the Coordination Council to Improve the Conditions of Work, Leisure, and Social Support of Women.