

In 2021, 80.3 thousand people were hired, including 6.7 thousand graduates of industry higher and secondary vocational education institutions, as required by Russian Railways' branches.

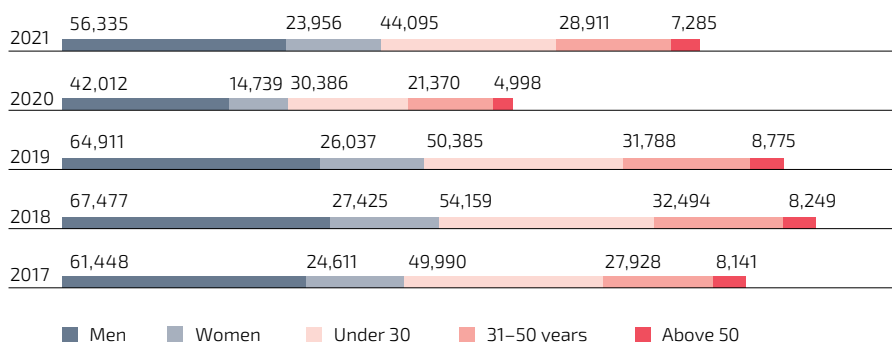
The staff turnover rate is one of the key performance indicators for the Company's officers.

The staff turnover threshold is set at 8% as per the internal calculation methodology. The indicator is consistently below the threshold: in 2021, it was within the set target values and amounted to 7.7%.

Russian Railways monitors employee turnover by separate unit on an ongoing basis. In addition, the Company carries out a detailed analysis of the reasons behind staff turnover in the first year of employment, by personnel category, and by age group (under 35 years of age). Questionnaires filled out by quitting and dismissed employees are used to collect data on staff turnover causes and develop roadmaps and retention programmes.

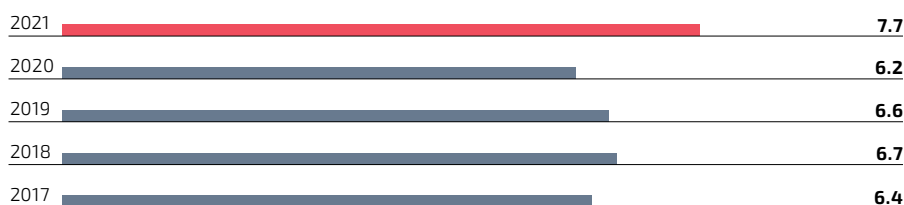
### New hires by gender and age | persons

GRI 401-1



### Personnel turnover

GRI 401-1



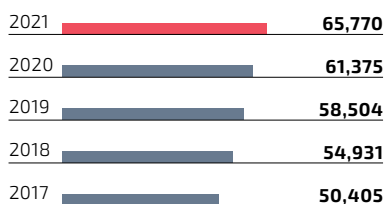
## Remuneration and incentive system

As part of its social policy, the Company takes an ongoing, focused effort to improve its remuneration and incentive system. This results in increased labour productivity and higher operating performance, while also helping us retain highly qualified personnel.

In 2021, in accordance with the collective agreement and given the high rate of inflation, the Company indexed employee salaries three times: by 1.3% starting 1 March, 2.4% starting 1 August, and 1.4% starting 1 October.

### Salary

Average monthly salary across all operations | RUB.



In 2021, the average monthly salary across all Russian Railways operations amounted to RUB 65,800, up 7.2% compared to 2020. Real salaries increased by 0.5%.

The Company offers wages 15% above the national average and the highest pay level across Russian regions<sup>1</sup>.

The Company's approach to the financial incentive system is a classic combination of regular remuneration and bonuses. The former is aimed at financially motivating employees to achieve both individual and collective KPIs, while bonuses serve to laser-focus personnel on specific tasks.

<sup>1</sup> Except for the Yamal-Nenets Autonomous Area and the Sakhalin Region, Moscow, and St Petersburg.

The Company keeps incentivising its personnel for implementing cost-efficient projects. In 2021, it allocated RUB 413 m to the remuneration of 14,400 employees.

The corporate remuneration system, including its hourly rates (for blue-collar jobs) and monthly salaries (for management and white-collar jobs), compensation and incentive payments, applies to all Russian Railways employees regardless of their gender.

## Labour productivity

Increasing labour productivity is a major priority for Russian Railways, which it advances through its Labour Productivity Improvement Programme that includes deploying cutting-edge equipment and technologies and upgrading those currently in use.

In 2021, productivity in transportation operations increased by 7.9% y-o-y, exceeding the Long-Term Development Programme AAGR of 5%.

The productivity growth rate at Russian Railways is almost 3.3x higher than that across the country and fully aligns with targets set by Russian leadership. After the 2020 pandemic-induced dip in labour productivity, the 2021 gains put the Company back on track in this area.

## Employee training and development

The Company has a comprehensive ongoing training and development system for its employees, from entry level to top management.

### Key documents:

- Russian Railways' Human Capital Development Programme until 2025;
- Regulation on Training and Development of Russian Railways Managers and Office Workers;
- Russian Railways' Programme on Employee Development and Training System Improvement until 2025;
- Rules for Organising Employee Training and Professional Development at Russian Railways;
- Regulation on Professional Training at Russian Railways.

### Key achievements in 2021:

- The Company approved the Rules for Organising Employee Training and Professional Development at Russian Railways. The Rules introduce a new approach to planning professional development with a focus on training skills and competencies that urgently need improvement.

- We organised job training for over 43,000 employees and professional competencies development for over 185,700 white- and blue-collar staff members.
- We arranged dedicated training at railway transport universities for 29,200 students.
- We provided retraining and professional development for around 229,000 Russian Railways managers and office workers.
- We continued to hold professional skills competitions. As part of the Corporate Championship that included 21 contests, the Company conducted 134 regional events across the railways involving over 4,000 employees.
- In 2021, we launched the Far Eastern Branch of Russian Railways' Corporate University to ensure accelerated training and professional development of managers in the Eastern Operating Domain.
- The Company's corporate education system was highly acclaimed by the international community in 2021:
  - Russian Railways' Corporate University received a gold award and was named the Best Overall

Corporate University by the Global Council of Corporate Universities (GlobalCCU).

- Russian Railways' Corporate University took the silver award at the Facilitation Impact Awards for the Welfare Routes project aimed at improving social welfare for employees and retirees and implemented together with the Company's Social Development Department as part of the Russian Railways Human Capital Development Programme until 2025.

## Personnel onboarding

GRI 404-2, 404-3

Onboarding is a comprehensive procedure to help new hires adapt to workplace practices and rules, develop professional knowledge and skills and learn about the corporate culture, as well as encourage them to be diligent, responsible, hard-working, loyal and proud to be part of the Russian Railways team.