



# Social Unit

The development of the Social Unit is based on an objective assessment of the added value created from social support to employees and the effective use of the unit's assets to provide market services. The Group's social and public policy pursued outside of the workforce is an integral component of this unit.

## Key achievements of business unit in 2015

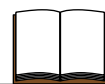
**1**

Labour productivity in transportation businesses increased 4.8% in 2015 compared with 2014



**3**

Russian Railways fully met its obligations under the collective bargaining agreement in 2015



**2**

Staff turnover decreased 1.0% versus the 2014 level and stood at 7.4% thanks to the Company's social policy



**4**

The Company indexed employee salaries at 3.7% in March 2015

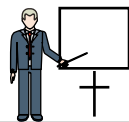




## Business Unit

5

The Company drafted and approved 15 professional standards on 31 professions and positions in 2015



7

Russian Railways adopted an updated version of its Business Ethics Code, which aims to strengthen common corporate values, standards and rules for employee conduct



6

Due to the introduction of distance learning programmes, a record number of Russian Railways managers and specialists underwent training at the Corporate University in 2015 – 8,800 people (an 80% increase from 2014)



8

The incidence of Russian Railways employees with temporary disabilities decreased 2.9% compared with 2014, including 2.8% for locomotive crew employees





## On the path to change



**Dmitry Shakhnov**  
Vice President  
of Russian Railways

*The Company met all its obligations under the Russian Railways collective bargaining agreement and ensured social stability in its workforces despite the difficult economic conditions. All obligations under the collective bargaining agreement were fulfilled.*

*Growth was also seen in the competitiveness of the salaries of Russian Railways employees engaged in all types of activities. The ratio of the salary of Company employees to the average salary for the country was 1.29. The Company achieved a high staffing level while simultaneously reducing personnel turnover. The share of employees with a higher education continues to increase. Labour productivity grew 4.8% compared with 2014. The social and personnel unit is actively working to improve its labour productivity.*

*In 2015, a new version of the Business Ethics Code was adopted, the targeted programme Russian Railways Youth was updated and a number of projects were implemented to develop corporate culture. In 2016, the social and personnel unit will continue work to implement projects that aim to improve the personnel management system.*



Based on materials from the final meeting of the Russian Railways Management Board

## Activities of the business unit

The primary function of the Social Unit is to pursue a socially responsible policy with respect to the Company's employees and the government.

The core strategic objectives of the Russian Railways Group's social policy are:

- to establish an effective talent pool;
  - the continuous development of personnel;
  - to pursue an effective youth policy and strengthen the corporate culture;
  - to carry out an effective social policy;
  - effective personnel management and social support;
  - to provide healthcare services.
- to improve the Group's competitiveness as an employer;
  - to hire and retain personnel with the required qualifications at the Group;
  - to effectively manage staffing levels taking into account the introduction of new machinery and modern technologies;
  - to introduce the competence approach in personnel management;

In 2015, the Company maintained its status as a socially responsible employer and ensured social stability in the workforce.

## Personnel management

**Russian Railways views its personnel as its primary asset. Recruiting and retaining personnel with the required skills along with their continuous development and social support are the top priorities of the Company's personnel policy.**

### Labour productivity

Russian Railways has carried out systematic work since its establishment to ensure growth in labour productivity and to optimise staffing levels. Over this entire period, the growth dynamics in labour productivity has outpaced the growth dynamics in transportation volumes due to the optimisation of staffing levels.

Labour productivity for transportation businesses increased 4.8% in 2015 compared with 2014.