

CORPORATE QUALITY MANAGEMENT SYSTEM

Quality Policy and Targets

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

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

In managing the quality of its services, 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 CQMS and business processes and introducing new technologies for lean production, rolling stock maintenance, and customer service

To achieve these goals and ensure sustainable development, 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 CQMS 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
- Orchestrate the implementation of the Quality Policy and ensure that it is adequately resourced



Certification of the CQMS and Compliance with ISO 9001:2015 Quality Management Systems. Requirements

In 2021, 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 journey
- Carriage overhaul reconditioning
- Depot repairs (DR) of carriages
- Stage one and two (KR-1 and KR-2) carriage overhauls
- 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 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
- FPC's higher score in bids (tenders) for the provision of auxiliary services held by the Parent Company and other customers



Lean Production

Lean production utilises the P-D-C-A cycle (Plan – Do – Check – Act).

FPC is guided by the above principles in developing and improving its lean production technologies, such as:

- Customer focus
- Focus on the process
- Production process flexibility
- Standardisation
- Elimination of waste
- Transparency
- Error proofing
- Excellence

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

- Improvement in the approach to the 5C system at workplaces Daily self-assessment of workplaces and workspaces, involving the use of assessment sheets and photo reports Posting of all data on the Company's public portal accessible to its operating units
- Delivery of a training course in the remote learning system on the 5C system at workplaces, workspaces and in offices, with over 3.000 FPC employees finishing it successfully

Development and approval of the Road Map for Lean Production System in FPC for 2021–2023 Identification of participants, processes, monitoring procedure and resources required to achieve the target state of the lean production system.

The main milestones of the roadmap:

- Implementing the 5C system at operational workplaces and offices
- Training on the requirements of the 5C system, lean production technologies and tools
- Introducing lean technologies in managing process equipment, metrology and fuel and energy resources
- Building a lean production system across FPC's operating processes
- Updating and developing the regulatory framework for using lean production technologies and managing a lean production system
- Conducting a 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



FPC quality-related targets for 2023

Item	Target	Target assessment criteria	Responsible for implementation
1	Decrease in the number of carriages uncoupled for current repair compared to 2022/2023	Greater than or equal to 0.0% – Target met 0.0% inclusive up to and 3.0% inclusive – Target partially met More than 3.0% – Target not met	Rolling Stock Management Office
2	Reduction of train delays due to inadequate repairs and maintenance of passenger carriages against 2022/2023	Greater than or equal to 5.0% – Target met 4.9% inclusive up to and 3.0% inclusive – Target partially met Less than 3.0% – Target not met	Rolling Stock Management Office
3	Decrease in negative passenger feedback on passenger service on trains to the total number of passengers carried	Greater than or equal to 2.0% – Target met 0.0 to 2.0% – Target partially met Less than 0.0% – Target not met	Passenger Services Office
4	Reduction in the number of complaints about passenger service during the purchase of travel documents at FPC ticket offices compared to 2022/2023	Greater than or equal to 5.0% – Target met 4.9% inclusive up to and 3.0% inclusive – Target partially met Less than 3.0% – Target not met	Sales Organisation Department
5	Accomplishment of the logistical resource plan in financial terms for the repair and maintenance of passenger carriages	Greater than or equal to 97.0% – Target met 96.9% inclusive up to and 95.0% inclusive – Target partially met Less than 95.0% – Target not met	Procurement and Contract Management Centre
6	Implementation of the action plan for training, retraining and professional development of FPC personnel	More than 98.0% – Target met 98.0% inclusive up to and 80.0% inclusive – Target partially met Less than 80.0% – Target not met	Personnel Development Centre, Personnel and Social Development Department
7	Confirmation of compliance of the Quality Management System with the requirements of the national standard GOST R ISO 9001–2015 Quality Management Systems. Requirements	Confirmation of compliance of activities with GOST R ISO 9001–2015 by 30 November 2023 – Target met Failure to confirm compliance of activities with GOST R ISO 9001–2015 by 30 December 2023 – Target not met	Technical Policy Office