

A group of five railway workers is featured in the center of the page. From top left to bottom right: a male conductor in a grey uniform and cap, a female passenger service attendant in a light grey uniform and red beret, a female station agent in a grey vest and white shirt, a young male worker in an orange hard hat and safety vest holding a walkie-talkie, and an older male worker in an orange safety vest and cap. They are all smiling and looking towards the camera. The background is a blurred image of a railway bridge structure.

# Russian Railways: Empowering Action

# About the report

**GRI** 2-1, 2-2, 2-3, 2-4, 2-5

Russian Railways Sustainable Development Report 2023 highlights our contribution to the country's economic development, well-being of our employees and the general population, combating climate change and protecting the environment.

## Focus of the report

Russian Railways is firmly committed to sustainable development. Care for people, environmental responsibility, and economic development are all our major priorities.

The report's slogan (Russian Railways: Empowering Action-Minded Professionals) embodies the core principles of our Company, which currently has around 700,000 employees. At Russian Railways, we employ exceptional individuals – professionals who prioritise action over words. They drive progress and develop their skills to advance the Company, society, and nation at large. Every day, they take another step forward on the path to sustainability through practical, daily achievements.

The year 2023 was declared the Year of Health at Russian Railways. One of the report's key topics highlights the results of our major projects aimed at improving the health of our employees and people in the regions where we operate.

## Standards and recommendations

The report has been prepared with reference to the GRI Standards 2021 and in accordance with the disclosure requirements of the Sustainability Accounting Standards Board (SASB) for the railway industry. It also discloses

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the Company's contribution towards the UN Sustainable Development Goals (the "SDGs").

The report aligns with the Recommendations on Disclosure by Public Joint-Stock Companies of Non-Financial Information Pertaining to Their Activities (Annex to Information Letter of the Bank of Russia No. IN-06-28/49 dated 12 July 2021); Recommendations for the Board of Directors (Supervisory Board) of a Public Joint-Stock Company to Consider ESG Factors and Sustainable Development Issues (Information Letter of the Bank of Russia No. IN-06-28/96 dated 16 December 2021); Guidelines for Sustainability Reporting No. 764 dated 1 November 2023, as well as Moscow Exchange's Guide for Issuers.

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The Company determined the report content using the applicable standards and guidelines in collaboration with



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its stakeholders. The report's material topics are listed in the Material Topics annex. The report describes a general management approach to sustainable development (Sustainable Development Management section). Management approaches in key sustainability areas are presented in the respective subsections. The Managerial Aspect section gives an overview of general corporate governance matters.

The Russian Railways Sustainable Development Report 2023 is the eighteenth annual report

on the Company's sustainable development activities (pre-2014 – corporate social responsibility reports). The reporting period extends from 1 January 2023 through 31 December 2023. The previous report was published in August 2023.

The report was prepared under the supervision of the Russian Railways Environment and Technosphere Safety Department.

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[Independent professional audit certification](#)



[The corporate website offers a wealth of information about the Company, including access to its internal regulations](#)



[The Company's annual reports provide essential details about its operations](#)

GRI 2-22

# Message from “ Chief Executive Officer Chairman of The Management Board of Russian Railways



Dear partners and colleagues,

2023 was a remarkable and memorable year for Russian Railways.

Celebrating our 20th anniversary, we stand as a global leader among railway companies in various categories, including traffic safety, on-time performance of passenger trains, and energy efficiency in freight transportation.

In 2023, we implemented a record investment programme of RUB 1,232.8 bn. Container shipments reached an all-time high of over 7.4 m TEU, with container transportation from Far Eastern ports increasing by more than a quarter. We also set a record for passenger traffic on the Moscow Central Circle, with 640,400 passengers a day. On top of that, our project for introducing quantum communications advanced significantly, with the main quantum network extending to 3,295 km over the year.



Environmental responsibility remains a key priority for us. As a national railway company and owner of railway infrastructure, Russian Railways is committed to maintaining a high level of environmental safety and responsibility in all its operations. Environmental stewardship is an essential and inherent component of the Company’s corporate culture.

In 2023, as part of obligations under the Stockholm Convention on Persistent Organic Pollutants, Russian Railways became the first in the country to neutralise spent capacitors containing polychlorinated biphenyls (PCBs) at a specialised landfill in the Saratov Region. We continue reducing the carbon intensity of the Company’s operations, largely due to the high degree of electrification of Russian Railways’ infrastructure. The Group has established a comprehensive waste management system that adheres to circular economy principles and fosters a sustainable environmental culture.

In the reporting year, Russian Railways reaffirmed its focus on sustainable development. Going forward, the Company will continue pursuing strategic goals to benefit society and the nation at large.

## Oleg Belozеров,

Chief Executive Officer – Chairman of the Russian Railways Management Board

At the 4th Railway Forum, our accomplishments were acknowledged at the highest level as President Vladimir Putin presented the Russian Railways team with the Badge of Excellence. This recognition reflects the dedication and professionalism of each employee, our collective contribution to industry and national development, and our commitment to continuous growth, digitalisation, and process transformation.

Russian Railways is deeply committed to social responsibility. In 2023, we fulfilled all obligations under the Collective Bargaining Agreement.

The Company designated 2023 as a Year of Health. We organised 11,800 events associated with preventive medicine, mental health, fitness, and sports. These initiatives involved not only our employees but also their family members, retired railway workers, and residents of regions across Russia, engaging

a total of 7.3 million people. One of the most ambitious projects of the year was an all-Russian awareness campaign titled “Health Train: Together Against Diabetes”.

Russian Railways is the only Russian company to preserve corporate healthcare services, ranging from routine doctor appointments to cutting-edge technologies. This ensures that almost every employee, regardless of their permanent location, has access to medical examinations, diagnoses, and treatment when needed.

In all social areas, we focus on systematic and ongoing efforts rather than one-off campaigns. We scale up activities based on the requests and priorities of our employees. This approach has consistently placed us among the top employers in Russia. For the fifth year running, we are proud to rank second in the people’s rating of the most attractive Russian employers.



# Company profile

GRI 2-1, 2-6

Russian Railways is the largest railway carrier in the Russian Federation, the owner and developer of common-use railway infrastructure.

The Company ensures the transportation of vital goods to Russia's remote regions and is the most affordable transport provider for millions of travellers.

With its vast territory and ample natural resources, Russia needs a robust railway transportation system.

Railways are the main type of transport nationally, servicing the largest cities and making a difference for their growth, industrial development, and regional integration.



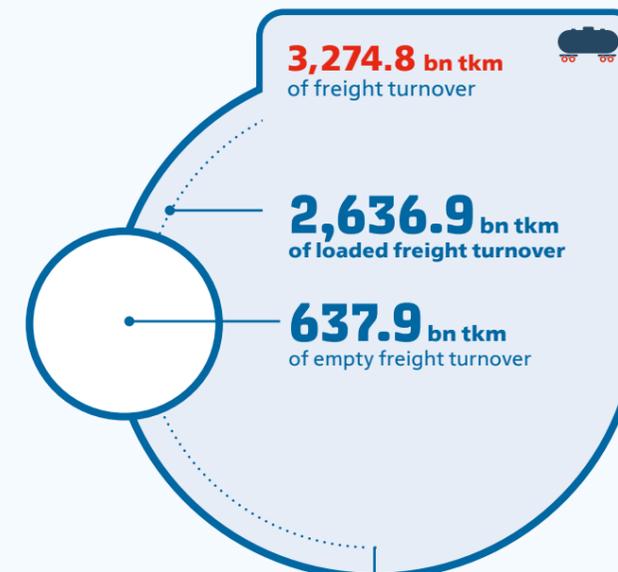
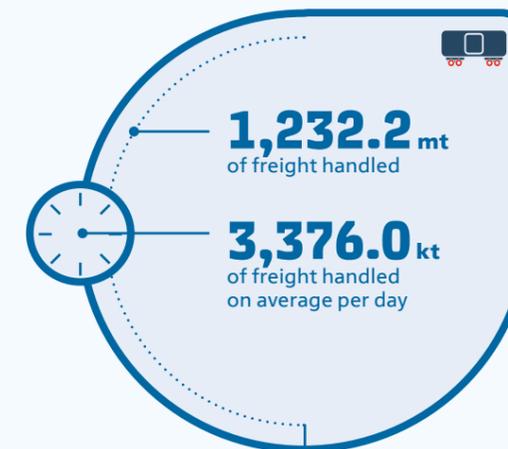
Russian Railways connects **77 Russian regions** and is a major natural resource user covering the territory of 78 Russian regions.

## Operations of Russian Railways

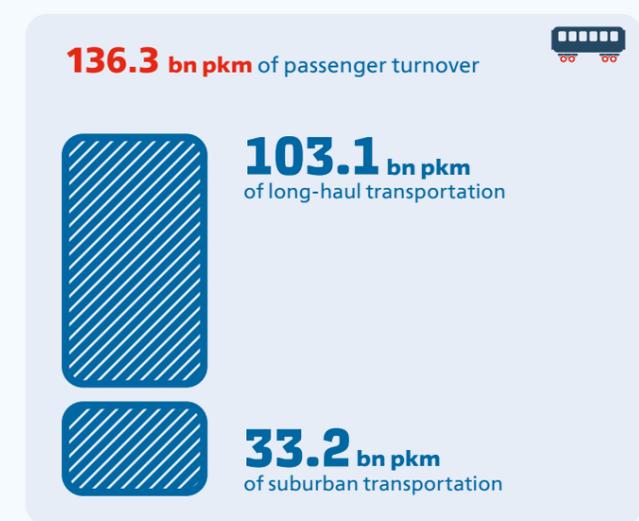
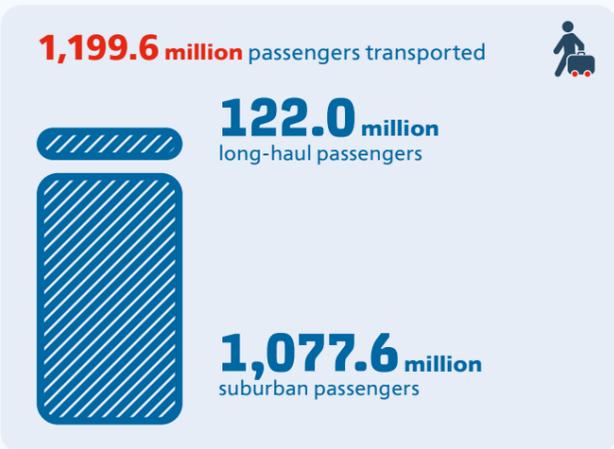
- Locomotive traction and infrastructure
- Freight transportation
- Long-haul and suburban passenger transportation
- Logistics
- Rolling stock repairs
- Railway construction and engineering
- Railway R&D

## Key operational metrics

### Freight transportation using Russian Railways' infrastructure in 2023:



### Passenger transportation in 2023:



# Business model of Russian Railways

GRI 2-6



## Business lines and assets

### FREIGHT TRANSPORTATION

Russian Railways and Group companies

**7,299** locomotives  
**85,500** km of tracks  
**156,000** freight cars

### LOGISTICS SERVICES

Multimodal transportation    Transit transportation    Container solutions

### PASSENGER TRANSPORTATION

Long-haul transportation    Suburban passenger transportation

Russian Railways Group

**1,425** locomotives    **17,900** passenger cars    **394** pairs of express, high-speed and ultra high-speed trains

Suburban passenger companies

### OTHER BUSINESSES

Railcar repairs    Telecommunications    Construction and infrastructure

## Services

**1,232.2** mt of freight handled  
**3,274.8** bn tkm total freight turnover<sup>1</sup>

**7.4** m TEU of transported containers  
**51,200** freight trains under the Scheduled Freight Traffic service, including 31,500 container trains

**1,199.6** million transported passengers  
**136.3** bn pkm in passenger turnover

**5,000** km of tracks repaired  
**123.5** km of tracks constructed  
**127.3** km of tracks electrified



## Income and pricing

**RUB 2,242.5<sup>2</sup> bn** freight transportation, infrastructure

**Regulated tariffs in freight transportation**  
**Market-based pricing**

- Use of tariff corridor in freight transportation
- Income of railcar operators

**RUB 356.1<sup>2</sup> bn** passenger transportation

**Regulated tariffs** (transportation in open sleeping and sitting cars on long-haul routes and all transportation on suburban routes)  
**Deregulated segment on long-haul routes** (transportation in second-class, first-class and luxury compartments and in high-speed and ultra high-speed trains)

**RUB 418.9<sup>2</sup> bn** other revenue and other operating income

## 2023 financials

**RUB 164.3 bn** contribution to the charter capital of Russian Railways

**2.4x** net debt / EBITDA of the Group

**RUB 3,017.5<sup>2</sup> bn** income of the Group

**RUB 2,615.0<sup>2</sup> bn** operating expenses of the Group

**RUB 814.6 bn** EBITDA of the Group

**RUB 170.1<sup>2</sup> bn** net profit of the Group

**RUB 11.0 bn** Russian Railways dividend payouts

<sup>1</sup> Including freight luggage transportation and empty runs of third-party railcars

<sup>2</sup> The revenue data are reported as per the IFRS statements for 2022.

## STAKEHOLDER VALUES



### Shippers and passengers

The Company's priorities are continuous improvement of customer experience, development of new products and services, digitalisation, and creation of a comfortable transport environment for all categories of shippers and passengers.

- The Q4 2023 customer satisfaction index stood at **90.5** and **88.5 points** in the long-haul and suburban passenger transportation segments, respectively.
- The share of freight car shipments delivered within the required period – **97.6%**.

### Government

The Company plays a major role in the development of the country's economy, ensuring transport accessibility of the regions and providing socially important transportation services. It is also one of the largest taxpayers.

- **RUB 391.4 bn** of taxes and insurance fees paid in 2023.

### Business partners

The Company is the primary consumer of railway engineering products and ensures high utilisation rates for domestic manufacturers.

- **RUB 1,881.8 bn** – total procurement in 2023.
- **RUB 320.5 bn** – total procurement from SMEs in 2023.
- **97.9%** – share of goods procured by the Company from Russian manufacturers.

### Employees

The Russian Railways Group is Russia's largest employer. The Company strives to improve working and leisure conditions for employees, while also focusing on effective training and professional development.

- The Group's headcount is **807,800 people**.
- For the fifth year running, the Company leads the charge in the people's rating of Russia's best employers compiled by VCIOM (Russian Public Opinion Research Centre).

### Society

Commitment to sustainability is one of the Company's top priorities. We adhere to the UN Global Compact, the largest international initiative in social responsibility.

- **RUB 4.5 bn** – environmental expenses
- **RUB 6 bn** – charity expenses



# 20th anniversary of Russian Railways

**23 billion**

people transported by the Company over 20 years



On October 1, 2003, Open Joint Stock Company Russian Railways was established in accordance with a decree of the Russian Government.

This event marked the beginning of a remarkable journey – from the Ministry of Railways to a modern, competitive, and high-tech company, one of the largest in Russia. Over the two decades, Russian Railways has undertaken large-scale efforts to consolidate, preserve, and develop the railway industry.

For 20 years, Russian Railways has maintained its status as the backbone transportation company in Russia, accounting for 47.2% of freight and 24.1% of passenger traffic in the country.

The modernisation of the railways stimulates the opening of new facilities, growth in output, and job creation – this is how the Company contributes to the development of the national economy.

## Results of the anniversary year

Russian Railways Group's positions globally

**No. 1**

- Precise schedule for passenger trains
- Traffic density
- Freight turnover

The railway network in Russia operates around 1.3 m freight cars. Russian Railways Group accounts for more than a fifth of global railway freight turnover

**No. 2**

- Operational length of railways  
The operational length of railways stands at around **86,000 km**, more than twice the length of the equator

### New records set:

**288.2 mt**

of freight handling in the Eastern direction

**2,464 m tkm**

per day of loaded freight turnover in the Eastern Operating Domain

**> 7.4 m TEU**

of total container shipments (including 5.4 m TEU of loaded container shipments)

**640,400**

passengers transported on 22 February 2023 on the Moscow Central Circle, a record high daily traffic

**RUB 1,232.8 bn**

in Russian Railways' record investment programme

**3,295 km**

of the main quantum communications network

On 1 October 2023, the Company Day, Russian Railways celebrated handling a total of **25 billion tonnes** of freight since its inception.



Passenger turnover was at **136.3 bn pkm**, the highest since 2014.

**122.0 million** long-haul passengers were transported, a record high since 2009.

**>53,600 cars** were unloaded every day, the best result of the decade.



The Ded Moroz (Grandfather Frost) Train set a record in the **Russian Book of Records** for the longest distance travelled in three months.



# Outcomes of the Year of Health at Russian Railways

**The Company designated 2023 as a Year of Health. More than 11,800 events were held, engaging over 7.3 million people (including an informational reach of 5.6 million people).**

The main projects of the Year of Health focused on enhancing the health and preserving the career longevity of railway employees. The Company also placed significant emphasis on events for residents of the regions where it operates.



### Medical outreach campaign

As part of the campaign, preventive medical examinations and consultations by specialty doctors were carried out in remote and sparsely populated locations where no medicine specialists are routinely available.

▶ For more details

on the campaign, see the [Local Communities and Charity section](#)

> **5,100**  
people examined

**71**  
medical outreach trips

### Nationwide Health Train: Together Against Diabetes awareness campaign

A specialised train, equipped with modern medical devices and staffed by highly qualified healthcare professionals of the RZD-Medicine network, travelled over 20,000 km along the Vladivostok–Moscow route in 66 days, making stops in 37 cities and towns.



**6,400**  
patients examined

The train also conducted  
**13,000**  
medical examinations

**52,000**  
medical tests

▶ For more details

on the campaign, see the [Local Communities and Charity section](#)

### Health Days at the Company's facilities

Health Days featured lectures by leading doctors, screening tests, and distribution of handouts on healthy lifestyles.

 **48,000**  
employees examined

▶ For more details

on projects held for employees as part of the Year of Health, see the [Social and HR Policy section](#)

### Sporting events

The Company held the LocoWinter and LocoSummer healthy lifestyle festivals for families, as well as 14 fitness tours, attended by over 150,000 people.

 Around **3,000**  
healthy lifestyle champions among the Company's employees

### Blood donor movement

The Company fosters blood donation among its employees, with the number of people willing to donate blood growing every year.

 > **30,000**  
employees of Russian Railways are donors

Russian Railways continues

# to offer training

to employees as part of its Sustainable Development Management educational initiative

**2,172**  
employees

successfully completed training in 2023

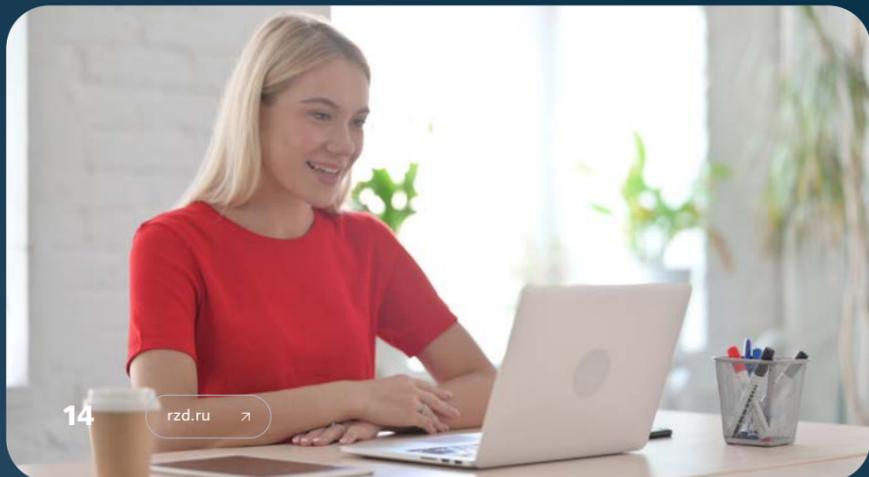
**9.2**  
out of 10

training satisfaction score among employees

► For more details

on the training see the [Sustainable Development Training at Russian Railways section](#)

Sustainable development management ↗



The Sustainable Development Management course explores the principles of sustainable development that are gaining traction among companies worldwide. These principles foster the growth of responsible, socially-oriented, and environmentally-friendly businesses.



**Natalia Kartasheva**

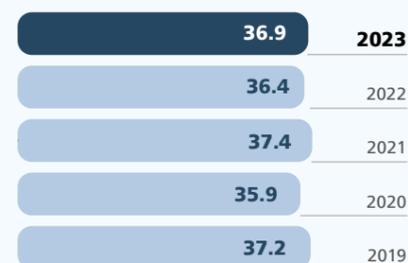
Head of the Environmental and Technosphere Safety Department

” Aware that sustainable development can be a complex and unfamiliar topic to many, we aimed to create an engaging and accessible training course, opting for a long-read format. Instead of following the traditional e-learning approach with sequential slides and numerous tests, the course is designed more like a media experience. We also plan to enhance the course by incorporating case studies that feature creative solutions to practical challenges and engage students in real-life scenarios, making the training even more practical.

# Key highlights

## Environmental performance

Aggregate direct and indirect energy-related emissions, mt of CO<sub>2</sub>



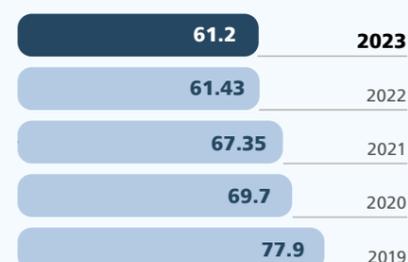
Energy intensity of Russian Railways' operations, kJ / virtual tcm net



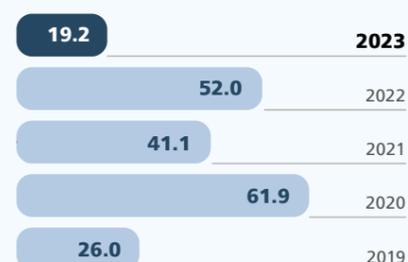
Share of production and consumption waste sent to landfills, %



Changes in water use, million cu m

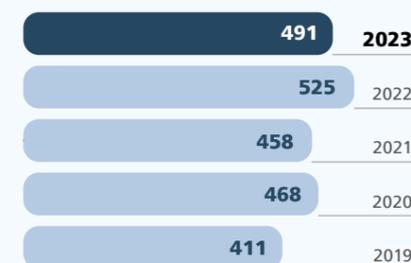


Installation of noise protection screens, km

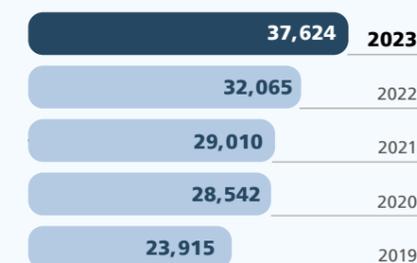


## Social performance

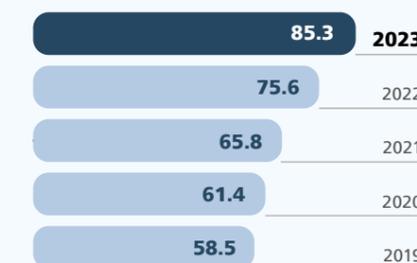
Employees who completed training, thousand people



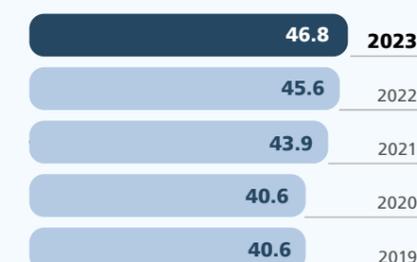
Occupational safety expenses, RUB m



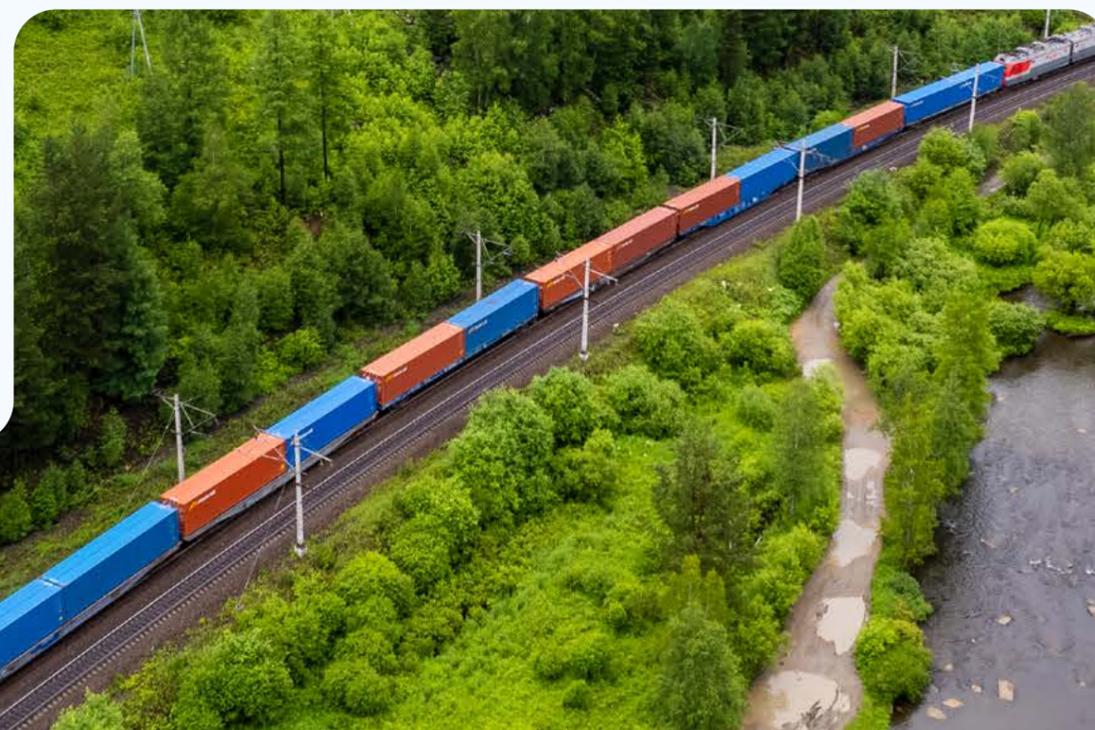
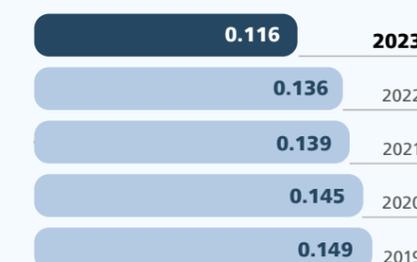
Average wages, RUB '000



Number of workplaces with improved working conditions, '000



Evolution of workplace injury frequency rate<sup>1</sup>



<sup>1</sup> Data based on Federal Statistical Observation Form No. 7 (Injuries): Occupational Injury and Occupational Disease Data (in line with the instructions on the completion of federal statistical observation forms).

# Management approach

The Company's strategic priority in terms of sustainability is to contribute to the achievement of the Sustainable Development Goals (SDGs) adopted by the UN General Assembly. Russian Railways' commitment to the UN SDGs is reflected in its efforts to ensure economic stability, environmental safety and social security. Russian Railways is committed to the UN Global Compact, the largest international initiative in social responsibility.

The Company is a member of the Global Compact National Network Association.

The Company complies with the principles of socially responsible business practices enshrined in the Social Charter of the Russian Business adopted by the Russian Union of Industrialists and

Entrepreneurs (RSPP) and is a regular contributor to the RSPP's Corporate Practices Collection.

In pursuing its sustainable development policy, the Company complies with international treaties, laws and regulations of the Russian Federation, as well as its own policies and procedures.

## Russian Railways in 2023 ESG rankings and indices



### National Credit Ratings

**ESG Index of Russian Business** is an expert comparison of Russian companies from different industries reflecting their alignment with ESG practices.

**Russian Railways' ranking:** category I, level high (2022: category II, level above average).



### Expert RA rating agency

**ESG Transparency Ranking of Russian Companies and Banks** is an expert assessment focusing on the scope of ESG disclosures (transparency) in the annual and sustainability reports of major Russian companies and banks.

**Russian Railways' ranking:** No. 51 out of 100 (No. 69 in 2022).

**ESG Transparency Ranking of Russian Transportation Companies** seeks to identify leaders among the country's major transportation and infrastructure companies in terms of their ESG transparency (quality of non-financial disclosures published in relevant annual and sustainability reports).

**Russian Railways' ranking:** No. 3 out of 12 (No. 4 in 2022).



### Russian Union of Industrialists and Entrepreneurs (RSPP)

**RSPP's Sustainable Development Vector Index** is an assessment reflecting the social, economic and environmental performance of major Russian companies.

**Russian Railways' ranking:** Leader Group A.

**RSPP's Responsibility and Transparency Index** is an assessment reflecting the scope and quality of public sustainability disclosure by major Russian companies.

**Russian Railways' ranking:** Leader Group B+.



### RAEX-Analytics

**ESG ranking of Russian companies** is a comprehensive assessment of the ESG profile of the largest Russian companies that published their 2022 non-financial reporting.

**Russian Railways' ranking:** No. 22 out of 160 (No. 47 in 2022).



## Participation of the Board of Directors in sustainable development management

**GRI 2-9, 2-12, 2-13**

Sustainable development management is an essential part of activities pursued by the Board of Directors as a governance body responsible for the general steering of the Company's operations. Within its scope of authority, the Board of Directors reviews and approves the basic internal documents and monitors their implementation.

The remit of the Board of Directors is set out in the Charter of Russian Railways<sup>1</sup>. Pursuant to Clause 68.1 of the Company's Charter, the Board of Directors shall determine the Company's business priorities, and approve its long-term plans, core programmes and function strategies, including the long-term development programme, financial plan, investment programme, and innovative development programme.

The said strategic documents of Russian Railways approved by the Board of Directors address the matters of the Company's sustainable development.

As part of their sustainability agenda in 2023, the Board and its Committees, inter alia:

- approved Russian Railways' investment programme for 2024, which envisages a number of investment projects to improve the lives of Russian residents, create a comfortable

and safe environment for life and development of tourism (infrastructure development projects at Central and St Petersburg transport hubs, and the South cluster);

- approved Russian Railways' investment programme to upgrade existing and acquire new comfortable passenger cars;
- approved the size of Russian Railways' charity and sponsorship fund and the key initiatives to be supported;
- resolved to donate social, educational, sports and cultural facilities to municipal and regional public law entities;
- the Board's Strategic Planning Committee reviewed the Company's draft Environmental Strategy through 2030 with an outlook through 2035 and draft Energy Strategy through 2030 with an outlook through 2035, and recommended that they be approved by the Board.

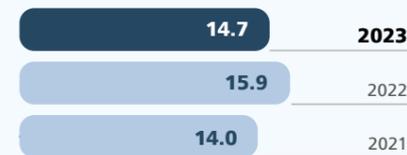
Pursuant to Clause 68.1 of the Company's Charter, the Board of Directors shall consider reports on progress against the Company's core programmes and function strategies, encompassing, among others, the matters of sustainable development.

The Board of Directors regularly reviews reports on the implementation of the Company's Charity and

Sponsorship Policy and Russian Railways Group's Comprehensive Innovative Development Programme until 2025.

In addition to that, the Board's Audit and Risk Committee shall regularly consider the risk appetite of Russian Railways, including but not limited to the assessment of risks related to the Company's sustainable development (environmental, health and safety, corruption risks, etc.).

### Share of sustainable development matters reviewed at the meetings of the Board of Directors, %



As part of its activities scheduled for 2024, the Board of Directors of Russian Railways will review the Company' Environmental Strategy through 2030 with an outlook through 2035, as well as Russian Railways Group's Sustainable Development Policy.

## Sustainable development training at Russian Railways

Russian Railways continues to offer a training course on sustainable development.

It was designed by the Company's Corporate University in collaboration with the Environment and Technosphere Safety Department (Sustainable Development Coordination Division), as well as with input from the Corporate Finance Department and Social Development Department.

Spanning 32 academic hours, the course is available on the Corporate University's learning

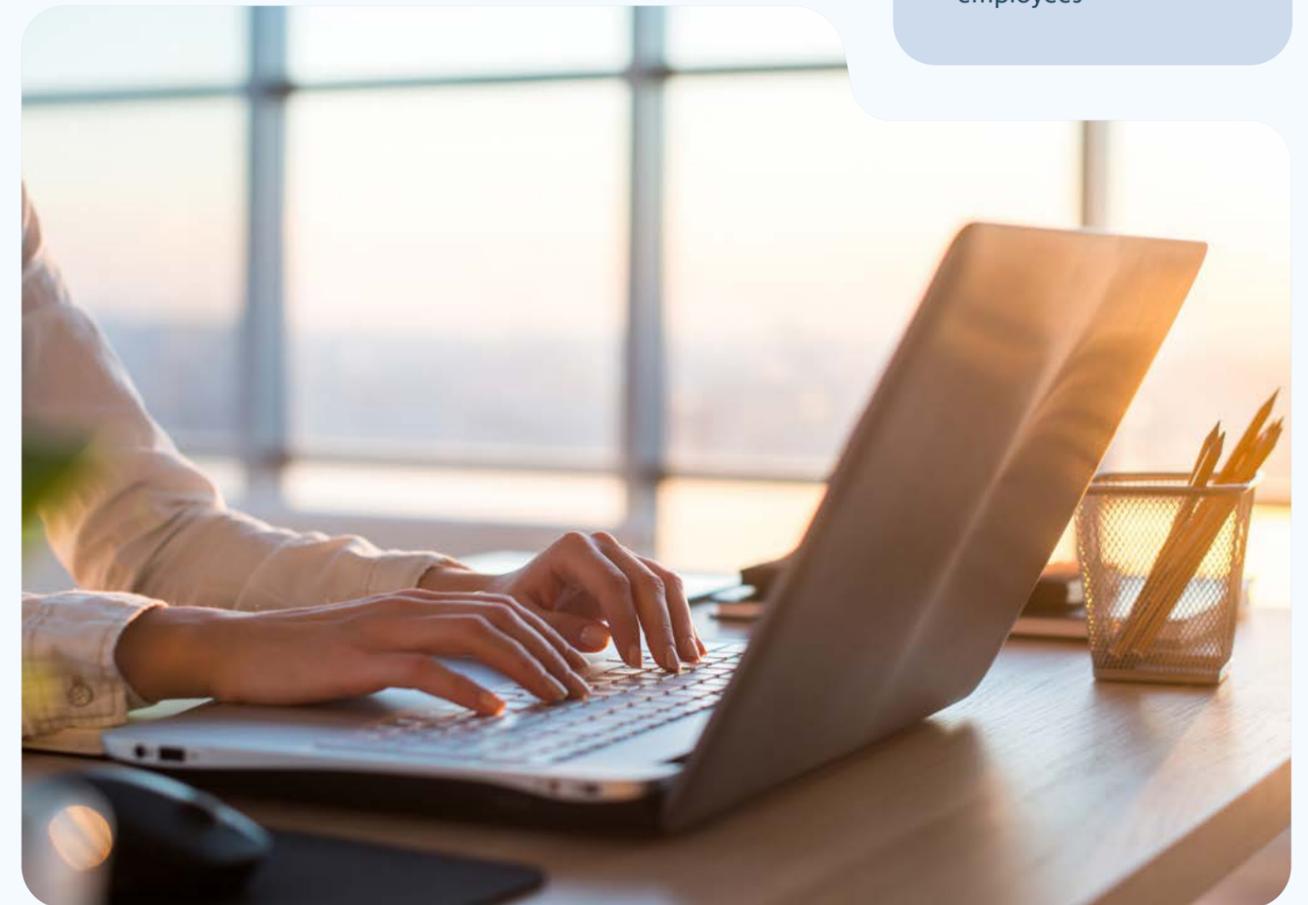
portal and features seven modules: "Corporate Responsibility – a Fad or a Must: Why Businesses Need to Become Sustainable"; "Sustainable Development: Agenda Evolution"; "Green Economy, Carbon Neutrality, Environmental Mindfulness in Business"; "Human-Centric Talent Development, Inclusiveness, Corporate Social Responsibility"; "Sustainable Business Transformation"; "Sustainability Projects: Financial, Methodological, and Technological Considerations"; "Environmental Mindset and Personal Sustainability".

**2,172**

employees successfully completed training in 2023

**9.2**

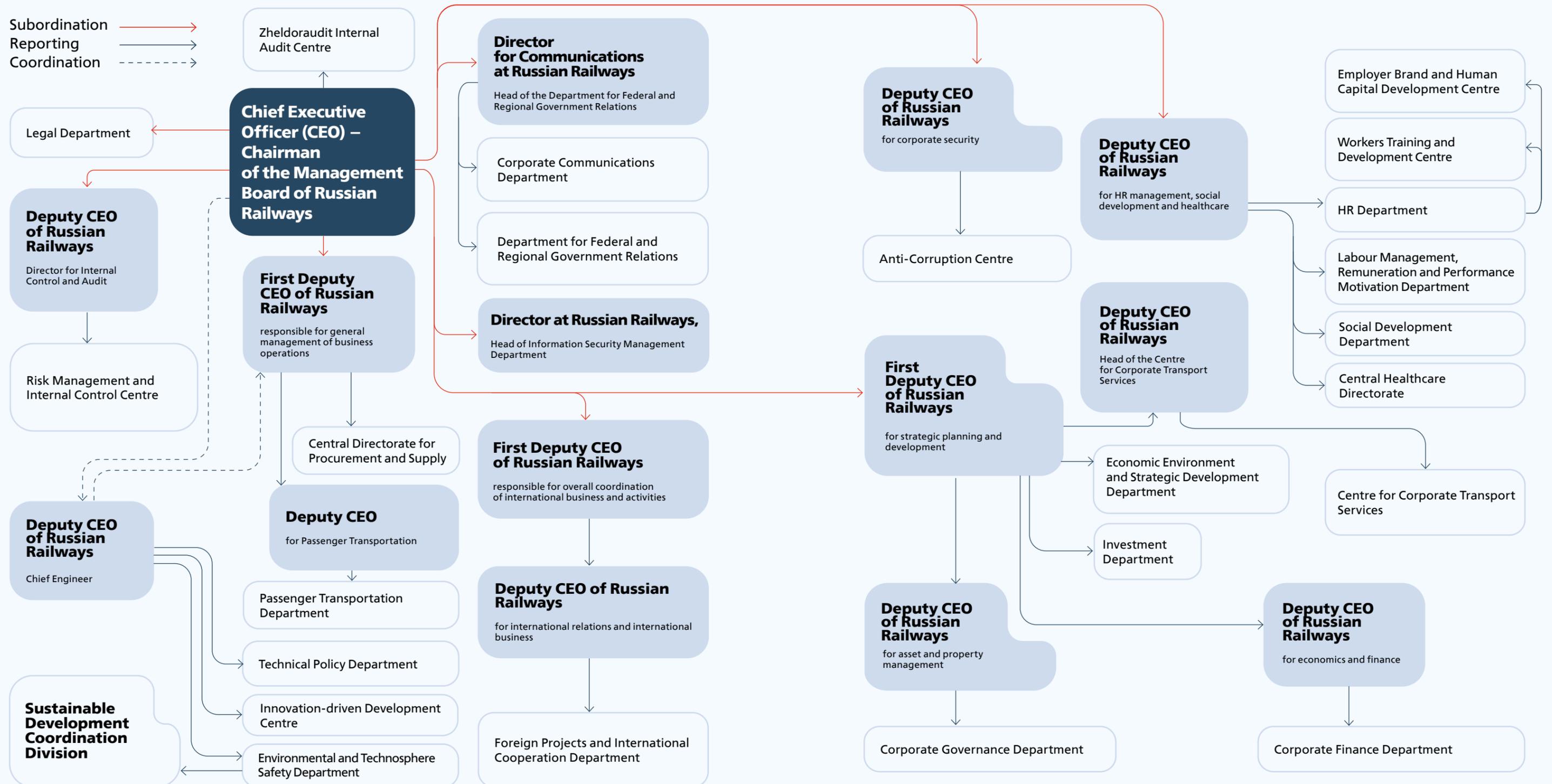
out of 10 training satisfaction score among employees



<sup>1</sup> Approved by Order No. 1838 of the Russian Government dated 27 October 2021.

# Sustainable development management at Russian Railways<sup>1</sup>

## How we manage sustainable development



<sup>1</sup> The chart does not include all stakeholders, as sustainable development management is embedded in every area and activity of Russian Railways

# The Company's contribution to the achievement of the UN Sustainable Development Goals

Russian Railways contributes significantly to the UN Sustainable Development Goals in accordance with the nature of its business, placing a particular emphasis on 13 out of the 17 SDGs.

## 3 GOOD HEALTH AND WELL-BEING



### To contribute to the SDG, in 2023 the Company:

Protecting the health of the Company's employees is one of the top priorities of the corporate social policy. Russian Railways has maintained a dedicated in-house healthcare system that ensures a comprehensive approach to preserving the health of our workforce. This includes annual medical check-ups for all employees as well as various targeted programmes to address infectious and chronic non-communicable diseases. The Company consistently promotes healthy lifestyle and creates opportunities for sports activities.

- Had 99.1% of its employees undergo annual preventive health examination, with over 60% of employees classified in health groups 1 and 2.
- Maintained the rate of accidents caused by abruptly deteriorating health conditions at zero.
- Designated 2023 as the Corporate Year of Health, organising over 11,800 related events that reached around 7.3 million participants, with the aim of strengthening employee health and increasing the share of those leading healthy lifestyles.
- Conducted a nationwide Health Train: Together Against Diabetes awareness campaign, providing comprehensive health screenings for over 6,400 people at railway stations along the Vladivostok–Moscow route.
- Held more than 320 blood donation events, collecting a total of five tonnes of blood.
- Saw the share of its employees fully adhering to healthy lifestyle behaviours (proper nutrition, increased physical activity, abstaining from smoking and alcohol consumption, and undergoing preventive check-ups) increase to 16.6%.

**99.1%**

of employees underwent annual preventive health examination in 2023

**> 11,800**

activities organised in 2023 as part of the Company's Year of Health

## 4 QUALITY EDUCATION



### To contribute to the SDG, in 2023 the Company:

Russian Railways has maintained a unique system of continuous and comprehensive learning, ensuring accessibility and quality knowledge.

The Company is the founder of 98 educational institutions, including 77 kindergartens and 21 Russian Railways lyceums. Additionally, it operates 26 children's railways, featuring six Kvantorium science parks serving as hi-tech training platforms for kids.

- The Company continued with the Programme of Russian Railways' Interaction with Railway Universities to enhance the quality of higher and vocational education, with a total of 173 Russian Railways venues established across partner universities since the programme's launch, including classrooms, branded zones, and simulator rooms.
- Established a total of 12 industry-specific on-site training centres (including two clusters winning the 2023 competition) as part of the Professionalitet federal project, with over 1,600 sponsored students admitted to training in 2023.
- Maintained its distance learning system offering 1,200 diverse courses in a modern and convenient format, and continued with its Knowledge Hour project enabling employees to use one work hour per month for continuous professional learning and skill building through remote resources.
- Leveraged its extensive network of in-house training centres to nurture talent, training over 200,000 individuals in 2023, while offering tuition-free programmes for blue-collar occupations, student scholarships through the entire learning period, and guaranteed post-graduation employment.
- Provided training at its Corporate University to over 102,000 managers and white-collar employees to nurture leaders and high-potential contributors.

**> 200,000**

individuals trained at the Company's training centres in 2023

**> 102,000**

managers and office workers completed training at Russian Railways' Corporate University in 2023

**5 GENDER EQUALITY** 

Russian Railways has zero tolerance for any types of discrimination, including gender discrimination, in recruitment, staff development and promotions.

**To contribute to the SDG, in 2023 the Company:**

- Sustained the effective functioning of the Coordination Council tasked with improving the conditions of work, leisure, and social support of women.
- Expanded the list of railway jobs available to women, having trained and employed 79 women as train drivers and assistant train drivers by the end of the year.
- Held the 4th Forum to Improve the Conditions of Work, Leisure, and Social Support of Russian Railways' Female Employees, with the resulting proposals already being implemented to enhance production processes, achieve corporate targets, and strengthen social policies and internal communications.

**6 CLEAN WATER AND SANITATION** 

Russian Railways is implementing a Clear Water investment project to upgrade water supply systems and bring the quality of water supplied to consumers in line with the standards set by Russian sanitation and environmental laws.

**To contribute to the SDG, in 2023 the Company:**

- Completed the construction and upgrade of four wastewater treatment facilities at the Khvoynaya, Kurbakinskaya, Penza-1, and Ershov railway stations.
- Implemented measures to rationalise water use, reducing water consumption by 0.4% in 2023.

**0.4%**  
water use reduction in 2023



**7 AFFORDABLE AND CLEAN ENERGY** 

Russian Railways is working on transitioning to alternative and renewable energy sources to make the railway transport even more environmentally friendly.

**To contribute to the SDG, in 2023 the Company:**

- Continued electrifying rail sections still featuring diesel traction, particularly those with high freight traffic, as a key measure to increase reliance on low-carbon resources.
- Focused on developing gas-, hydrogen-, and battery-powered locomotives as another pathway for leveraging low-carbon energy resources and reducing harmful emissions.
- Designed and manufactured a prototype four-axle hybrid shunter EMKA2 featuring domestic lithium-ion batteries and an asynchronous traction drive, as part of its efforts to increase reliance on energy storage systems.
- Partnered with the government of the Sakhalin Region, Transmashholding, and Rosatom to develop a project for establishing hydrogen-powered passenger rail service and associated supporting infrastructure on Sakhalin Island.

**8 DECENT WORK AND ECONOMIC GROWTH** 

Russian Railways is Russia's largest employer, with a total headcount of 685,200 people.

**To contribute to the SDG, in 2023 the Company:**

- Maintained railway worker salaries across all Russian regions, except the Yamal-Nenets Autonomous Area and the Sakhalin Region, above the average regional wage levels.
- Continued taking steps to reduce youth unemployment, with 34.6% of its employees under age 35 and over 7,000 graduates hired annually.
- Maintained Russian Railways' Collective Bargaining Agreement for 2023–2025, which covers all of the Company's employees, along with corporate support programmes for certain employee groups, including young workers, retirees, those nearing retirement, and members of multigenerational railway families.

**> 7,000**  
graduates hired by Russian Railways annually

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



**To contribute to the SDG, in 2023 the Company:**

Russian Railways' investment programme for 2021–2023 focuses on developing and upgrading the railway infrastructure and promoting high-speed and ultra high-speed railway transportation. The Company also has in place a Comprehensive Innovative Development Programme until 2025 and a Digital Transformation Strategy.

- Expanded the portfolio of innovative projects under the Comprehensive Innovative Development Programme until 2025 by 16% vs 2022.
- Invested a total of RUB 291.5 bn in innovation projects, including R&D, under the Comprehensive Innovative Development Programme until 2025.
- Received and reviewed over 1,200 innovative and startup project submissions, implemented 142 unique projects, and rolled out 63 projects as part of the comprehensive open innovation support programme.
- Collaborated with Russian regions to conduct six co-financed project competitions, resulting in 13 innovative projects for Russian Railways receiving RUB 34.5 m in external funding for adaptation and refinement.

11 SUSTAINABLE CITIES AND COMMUNITIES



**To contribute to the SDG, in 2023 the Company:**

The Company, its subsidiaries and affiliates are the main providers of suburban passenger transportation in Russia. They are integrating suburban transport into urban transport systems and actively developing multi-modal routes and transport interchange hubs to enhance the mobility of urban population.

- Launched two new Moscow Central Diameters (MCDs) – the Leningrad–Kazan MCD 3 on 17 August 2023, and the Kaluga–Nizhny Novgorod MCD 4 on 9 September 2023, enabling through routes across the city centre with convenient and free transfers to the Moscow Metro and the Moscow Central Circle.
- Commissioned new infrastructure at 13 transport stops.
- Launched the Urban Commuter Train project in multiple cities across Russia, including Novokuznetsk, Rostov-on-Don, Krasnoyarsk, and more.
- Launched 17 intra-city trains on Sakhalin Island in August 2023 as part of the project to integrate rail transport into the local urban route network.
- Operated 63 multimodal routes involving bus transport across the operating areas of its suburban passenger companies.
- Deployed a new, unique mobile modular design for railway stations enabling their autonomous operation.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**To contribute to the SDG, in 2023 the Company:**

Russian Railways leverages waste disposal and neutralisation technologies to mitigate its negative environmental impact, with a voluntary commitment to sort paper (cardboard), glass, plastic, and household aluminium waste, and an active expansion of its network of reverse vending machines.

- Installed 216 reverse vending machines, resulting in the collection of over 1.5 million used bottles and cans and their transfer for further recycling.
- Neutralised 2,613 spent capacitors containing polychlorinated biphenyls (PCBs) (or 135 tonnes) at a specialised landfill in Shikhany, Saratov Region, as part of obligations under the Stockholm Convention on Persistent Organic Pollutants, the first disposal of this kind in the country.
- Maintained a comprehensive waste management system that adheres to circular economy principles and fosters a sustainable environmental culture.

13 CLIMATE ACTION



**To contribute to the SDG, in 2023 the Company:**

Reducing greenhouse gas (GHG) emissions and transitioning to low-carbon development are among the priority focus areas outlined in Russian Railways' Environmental Strategy through 2030 with an outlook through 2035.

- Implemented ongoing measures to electrify railway sections, procure energy-efficient traction rolling stock, transition heat power facilities to low-carbon fuels, enhance train traffic management technologies, increase the energy efficiency of locomotives and their utilisation rates, and improve the performance of the traction power supply.
- Reduced the carbon intensity of its operations to 77.03 kg of CO<sub>2</sub>-eq / 10 thousand gross tkm, down from 77.95 kg CO<sub>2</sub>-eq. / 10 thousand gross tkm in 2022; this achievement was largely facilitated by the high degree of electrification across Russian Railways' infrastructure, with more than 51% of the total operating length of railways electrified.

15 LIFE ON LAND



Russian Railways is a major natural resource user operating in Russia. Its environmental impact is associated with the operation of railways, as well as industrial and infrastructure facilities. The Company makes every effort to reduce its environmental footprint, focusing, among other things, on the preservation and rehabilitation of ecosystems.

**65** sites with accumulated environmental damage remediated in 2023

**To contribute to the SDG, in 2023 the Company:**

- Implemented systematic measures to eliminate legacy pollution and remediate sites with accumulated environmental damage, allocating RUB 2.2 bn (excluding VAT) from 2014 through 2023 for remediating 65 such sites.
- Planted 430,000 trees on a territory that equals 110 football fields.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Recognising corruption as unlawful and punishable conduct that poses a significant threat and undermines stakeholder trust, Russian Railways is guided by the principle of zero intolerance towards any forms and manifestations of corruption across all its business activities.

The Company has in place an integrated set of principles and procedures focused on preventing corruption and combating corrupt practices, while also minimising corruption risks and cultivating a culture of ethical behaviour among the Board of Directors, management, and employees.

**To contribute to the SDG, in 2023 the Company:**

- Earned the highest classification in the Anti-Corruption Rating of Russian Business as a company upholding the strongest anti-corruption standards, and received a special award for the Leadership in Promoting Anti-Corruption Principles in Russian Business.

17 PARTNERSHIPS FOR THE GOALS



The Group's business abroad helps build long-term partnerships with international organisations and associations, and

coordinates interaction with foreign partners with a view to developing infrastructure and promoting sustainable development.

**To contribute to the SDG, in 2023 the Company:**

- Engaged in ongoing efforts to improve the legally binding IMO/ILO/UNECE Code of Practice.
- Saw its proposals implemented to improve regulatory documents.
- Participated in drafting transportation infrastructure development plans for the European and Asian regions.
- Actively engaged in initiatives addressing environmental impact reduction, social equality, and green financing.



# Stakeholder engagement

GRI 2-29

At Russian Railways, we know that trust and open dialogue help to respond promptly to expectations and demands and strengthen our reputation as a responsible company.

Stakeholder engagement principles:

- transparent, reliable, and complete information about the Company's operations;
- focus on both external and internal stakeholders, such as employees;
- a balanced and all-inclusive approach to stakeholder interests, and prompt response to stakeholder concerns, most importantly, when it comes to government tariff regulation and active introduction of innovation.

## Employees

### What they expect

- Decent pay and benefits
- Equal professional and career growth opportunities
- Protection of human and civil rights in line with the Russian law
- Occupational health and technosphere safety
- Professional training and development opportunities

### Areas of engagement

- Ensuring decent pay
- Additional social benefits available under the collective bargaining agreement
- Establishing an efficient human capital training and development system
- Ensuring occupational health and technosphere safety
- Transparency and efficient feedback
- Comfortable working environment and equal opportunities
- Environmental education and awareness raising for all staff members

### How we engage

- Russian Railways' Employee Service Portal (blogs, chat, news feed, Active Worker channel, surveys, and Questions to Management line)
- Communications events
- Corporate messengers and social media
- Forums and trade union meetings
- Employee hotline<sup>1</sup> for reports on social and HR issues
- Social surveys
- Townhall and personal management meetings
- E-mail communications
- Corporate media (including the Gudok newspaper, RZD TV)
- Education at the Corporate University of Russian Railways

<sup>1</sup> A single point of access to information



## Passengers

### What they expect

- Fair and reasonable pricing
- Accessible, comfortable, and reliable services
- Railway safety
- User-friendly services
- Compliance with environmental and social responsibility standards and best practices

### Areas of engagement

- High-quality and safe services
- Competitive pricing
- Railway station services
- Passenger transportation services
- Catering on board
- Passenger satisfaction surveys
- Compliance with regulations

### How we engage

- Russian Railways Customer Support Centre
- Service Center for Railway Passengers / Service Center of Russian Railways
- Passenger surveys and interviews at railway stations
- Enquiries via the mobile app
- Russian Railways' website
- Surveys on [www.opros.fpc.ru](http://www.opros.fpc.ru) and on Sapsan trains
- Passenger satisfaction surveys
- Personal meetings with the public



### Suppliers, contractors, and business partners

What they expect	Areas of engagement	How we engage
<ul style="list-style-type: none"> <li>Compliance with contractual obligations</li> <li>Transparent selection process</li> <li>Ethical approach to doing business</li> <li>Building a cluster of suppliers (contractors) meeting the Company's key procurement needs</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of procurement with applicable laws and regulations</li> <li>Selection of qualified suppliers (contractors)</li> <li>Recognition and assessment of environmental requirements for products, raw materials and supplies purchased by Russian Railways' business units</li> </ul>	<ul style="list-style-type: none"> <li>Electronic trading and procurement platform</li> <li>Conferences, forums, industry unions and associations</li> <li>Supplier hotline</li> <li><a href="#">Russian Railways' website</a></li> </ul>



### Freight customers

What they expect	Areas of engagement	How we engage
<ul style="list-style-type: none"> <li>Fair and reasonable pricing</li> <li>High-quality products and services</li> <li>Uninterrupted supply of goods and services</li> <li>User-friendly services</li> <li>Compliance with HSE standards</li> </ul>	<ul style="list-style-type: none"> <li>High-quality and safe services</li> <li>Competitive pricing</li> <li>Basic freight transportation services</li> <li>Transportation and logistics services related to basic freight transportation services, including public railway infrastructure services</li> <li>Russian Railways' information services</li> <li>Customer satisfaction surveys</li> <li>Introduction of sustainability best practices</li> <li>Calculation of the cost and environmental impact of freight transportation</li> <li>Non-financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>Unified Freight Transportation Call Centre, part of Russian Railways Customer Support Centre</li> <li>Customer's personal account</li> <li>RZD-Gruz 2.0 mobile app</li> <li>Freight section of the Russian Railways website</li> <li>Sales offices</li> <li>RZD Market platform</li> <li>Freight Transportation electronic trading platform</li> <li>ETRAN system for transportation documents</li> <li>Shipper satisfaction surveys</li> <li>Dedicated chat rooms for businesses operating in key industries and critical transportation areas</li> </ul>



### Shareholders, investors, and rating agencies

What they expect	Areas of engagement	How we engage
<ul style="list-style-type: none"> <li>Economic and financial stability</li> <li>Funding and delivering green/ environmental and social projects</li> <li>Focus on solvency and compliance with contractual obligations</li> <li>Solid reputation</li> <li>Corporate governance excellence</li> <li>Credit quality</li> <li>Transparency of information and disclosure of key facts</li> <li>Prudent dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>Financial reporting (RAS and IFRS)</li> <li>Annual public non-financial reporting on the Company's operations (Annual Report and Sustainable Development Report)</li> <li>Timely disclosure of key information on the Russian Railways' website and on the websites of accredited news agencies</li> <li>Open dialogue and efficient feedback</li> <li>Disclosure of information on the Company's operations on the interagency portal for state property management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate reporting and disclosure</li> <li>Conferences and investor meetings</li> <li>E-mails, conference calls and video conferences</li> <li>Regular working meetings at various levels</li> <li>Disclosures on the website, including through press releases</li> <li>Rating agency questionnaires</li> </ul>



### Government authorities

What they expect	Areas of engagement	How we engage
<ul style="list-style-type: none"> <li>Statutory compliance</li> <li>Timely payment of taxes</li> <li>Social and economic development of local communities</li> <li>Reducing environmental impact</li> <li>Uninterrupted cargo and passenger transportation</li> </ul>	<ul style="list-style-type: none"> <li>Statutory compliance and contribution to improving the legislative framework related to the Company's operations</li> <li>Transparency of tax payments and tax disclosures</li> <li>Accessible and comfortable transport services</li> <li>Development of investment projects and infrastructure, including projects designed to reduce the Company's environmental footprint</li> <li>Cooperation with federal and regional authorities</li> <li>Regional economic development, including investment projects, procurement, and new jobs</li> <li>Annual public non-financial reporting on the Company's operations (Annual Report and Sustainable Development Report)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate reporting and disclosure</li> <li>Input to the law-making process</li> <li>Social and economic cooperation agreements with local authorities</li> <li>Regular working meetings, transport coordination boards, committees, etc.</li> <li>Participation in federal and regional events</li> <li>Organising train days</li> </ul>



**Community partners**

**What they expect**

- Open and meaningful dialogue
- Enabling a socially beneficial environment
- Social protection of employees and retirees

**Areas of engagement**

- Engagement with national and international NGOs as regards achieving the UN SDGs
- Joint events with national and international NGOs
- Consideration of initiatives, including those related to federal laws governing social and employment relations
- Liaising with industry trade unions in ensuring social security of employees and retirees
- Advancement and support of education across our footprint
- Support of vulnerable groups, environment-related and awareness-raising projects

**How we engage**

- Participation in conferences and industry-specific events
- Creation of specialised RZD classes for secondary schools
- Support for industry-specific universities as part of the Programme of Russian Railways' Interaction with Railway Universities until 2025
- Regular meetings with trade unions
- Input to the work of educational institutions from Russian Railways' employees
- Joint academic, educational, and sporting events
- Support for non-profit organisations



**Local communities**

**What they expect**

- Local jobs
- Minimising environmental impact
- Support in addressing social, environmental, and economic issues

**Areas of engagement**

- Providing accessible and comfortable transport services
- Local employment
- Infrastructure development across our regions of operation
- Support for vulnerable people, emergency assistance
- Volunteering and charity projects, philanthropy

**How we engage**

- Volunteering and charity projects
- Educational initiatives
- Promotion of sports and healthy lifestyle



Russian Railways became the first company in Russia

# to safely dispose of electrical equipment

containing oils with polychlorinated biphenyls (PCBs). In 2023, the first batch of such waste was neutralised using an environmentally safe method. The project was implemented by the Company together with the Federal Environmental Operator.

### Project stages

Electrical equipment assessed

Cooperation agreement signed with the Federal Environmental Operator

Best neutralisation method selected

Russian Railways was the first in the country to neutralise a batch of PCB-containing waste capacitors at the site of the State Research Institute of Organic Chemistry and Technology in Shikhany, Saratov Region.

▶ For more details

on the project see the [Key Environmental Initiatives in 2023](#) section

## Environmental aspect

According to the Stockholm Convention on Persistent Organic Pollutants, Russia is supposed to have fully decommissioned the equipment containing PCBs by 2025, and to have neutralised PCB-containing production waste associated with extra high health or environmental hazard by 2028.



“ A responsible user of natural resources, Russian Railways takes measures to dispose of PCB-containing equipment, meeting commitments assumed by Russia as part of the Stockholm Convention on Persistent Organic Pollutants. We bore witness of the waste being neutralised in an environmentally safe manner based on the principles of best available techniques. Russian Railways will keep doing that, and, in line with the roadmap, we plan to have fully disposed of such equipment by the year 2028.

**Maxim Polishchuk**

Deputy Head of Environment and Technosphere Safety Department at Russian Railways

# Environmental management

**As a national railway company and owner of railway infrastructure, Russian Railways is committed to maintaining a high level of environmental safety and responsibility in its operations. The Company prioritises compliance with environmental legislation while advancing Russia's national goals for reducing negative environmental impacts. As part of these efforts, it is transitioning to new types of traction rolling stock, keeps electrifying railways, and expands the use of green fuels at its stationary facilities.**

Russian Railways maintains leadership in energy efficiency and environmental friendliness of its operations. The Company's share in the total adverse environmental impact of companies operating in Russia in 2022<sup>1</sup> was less than 1%, including:

- air pollutant emissions – 0.75%;
- wastewater discharge into surface water bodies and on land – 0.04%;
- waste generation – 0.02%.



## Management approach

Russian Railways put in place the following policies to guide its environmental practices:

- Health, Environmental, Industrial and Fire Safety Policy of the Russian Railways Group<sup>1</sup>;
- Russian Railways' Environmental Strategy through 2030 with an outlook through 2035<sup>2</sup>;
- Russian Railways' Environmental Transparency Regulations<sup>3</sup>;
- Declaration on Comprehensive Approach to the Protection of Lake Baikal when Implementing Investment Projects for the Eastern Operating Domain Development.

Key international environmental treaties followed by the Company in its environmental management:

- Vienna Convention for the Protection of the Ozone Layer and Montreal Protocol on Substances that Deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal;
- Convention on Biological Diversity;
- Bucharest Convention on the Protection of the Black Sea against Pollution;
- United Nations Framework Convention on Climate Change;

- Kyoto Protocol to the United Nations Framework Convention on Climate Change;
- Agreement on Cooperation in the Sphere of Timber Industry and Forestry;
- Agreement on Cooperation in the Field of Environmental Protection among the Member States of the CIS;
- Agreement on Cooperation in the Field of Environmental Monitoring;
- Stockholm Convention on Persistent Organic Pollutants;
- Paris Climate Accords.

In 2023, Russian Railways updated its corporate policies governing the Company's environmental efforts as follows:

- approved the Regulation on the Central Environmental Commission of Russian Railways<sup>4</sup>;
- approved the Procedure to Develop and Implement a Programme for Eliminating Accumulated Environmental Damage across Russian Railways<sup>5</sup>;
- approved Russian Railways' Wastewater Management Standard<sup>6</sup>;
- approved requirements for container sites for temporary collection of municipal solid waste and secondary materials<sup>7</sup>.

<sup>1</sup> According to the Government Report on the Condition and Protection of Environment in the Russian Federation in 2022 issued by the Ministry of Natural Resources and Environment of the Russian Federation in 2023.

<sup>1</sup> Russian Railways' Order No. 102/r dated 21 January 2020.

<sup>2</sup> Approved by Russian Railways' Management Board meeting minutes No. 44 dated 12 July 2022.

<sup>3</sup> Russian Railways' Order No. 3326/r dated 15 December 2022.

<sup>4</sup> Russian Railways' Order No. 1870/r dated 25 July 2023.

<sup>5</sup> Russian Railways' Order No. 1979/r dated 4 August 2023.

<sup>6</sup> Russian Railways' Order No. 1158/r dated 15 May 2023.

<sup>7</sup> Russian Railways' Order No. 3325/r dated 26 December 2023.

## Environmental management framework

Russian Railways' environmental management framework includes Health, Environmental, Industrial and Fire Safety Policy of the Russian Railways Group, its Environmental Strategy through 2030 with an outlook through 2035, as well as planning, implementation of new processes, control and analysis by the management.

One of the most important focus areas of the Company's environmental protection efforts is ensuring industrial environmental control and monitoring of the Company's environmental impact. Russian Railways established an environmental monitoring system that includes stationary and mobile environmental laboratories providing reliable information on the environmental impact of pollutant sources.

The monitoring exercise involves internal environmental audits and inspections in line with corporate requirements. When developing its investment projects, the Company conducts environmental impact surveys for a better understanding of natural and human-related conditions on the site, evaluating the environment and its vulnerability to human impact, forecasts potential changes in the environment due to the construction and operation, prepares recommendations to prevent environmental disturbance, and conducts environmental monitoring.

The laboratories have up-to-date analytical equipment, as well as express analysis equipment for scheduled and unscheduled site visits to monitor environmental pollution by Russian Railways' units.

Russian Railways operates:

**56** nationally accredited stationary industrial environmental laboratories

**67** motor-vehicle laboratories

**12** train car laboratories

The laboratories collect samples and conduct quantitative chemical analysis of natural and waste water samples, soil, waste, and industrial emissions, measure natural physical factors in residential housing areas and habitable areas.

In 2023, the Company conducted over 174,000 measurements, including more than 81,000 wastewater quality and water treatment equipment efficiency tests, more than 39,000 measurements of pollutant emissions from stationary and mobile sources, over 52,000 evaluations of railway infrastructure impact on adjacent territories, and 2,000 soil tests.

### Plans for 2024:

- verifying competence of industrial environmental laboratories and expanding their accreditation scope;
- exercising industrial environmental control over air, water, and soil quality, and measurement of natural physical factors as scheduled.

### Environmental transparency

As an environmentally responsible company, Russian Railways contributes to the protection of the environment and is committed to voluntary environmental stewardship. As part of its contribution to environmental development, Russian Railways adheres to the principle of increasing transparency and openness

by disclosing its environmental strategy and performance in annual sustainable development reports.

The Company respects the constitutional right of individuals to have access to information on the environment and seeks to enhance the effectiveness of public control and transparency of data on environmental protection and safety. The Company is governed by Russian Railways' Environmental Transparency Regulations defining the principles, forms and transparency requirements for information related to the Company's environmental footprint.

### Emergencies with environmental implications

In 2023, the Company's infrastructure saw no major emergencies with environmental implications.

### Environmental fines in 2023

Administrative environmental fines: 22 fines for a total of RUB 2.4 m.



## Environmental Strategy

GRI 2-23

The Environmental Strategy through 2030 with an outlook through 2035 seeks to minimise the environmental impact from Russian Railways' operations, ensure sustainable use of natural resources and enhance environmental safety.



### The Environmental Strategy focuses on four priority areas.

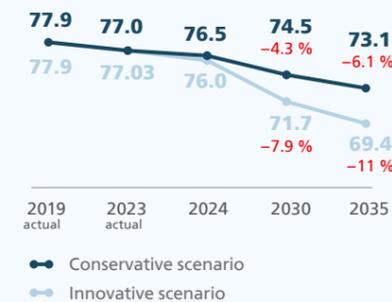


### Environmental Strategy targets<sup>1</sup>

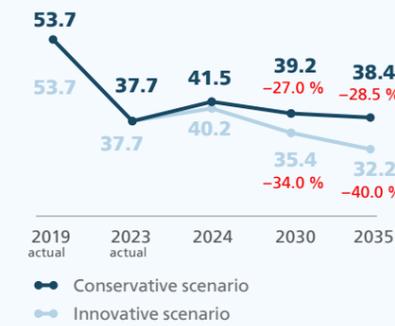
GRI 2-23

The Environmental Strategy provides for a conservative and innovative scenario, depending on which the targets will be met. Under the conservative scenario up to 2035, the Company's transportation volumes will grow at a relatively low average annual rate (+0.8%), while the innovative scenario assumes growth at a higher rate (+2%).

### Target GHG emissions per unit of transportation<sup>2</sup>, kg of CO<sub>2</sub> equivalent / 10,000 gross virtual tkm



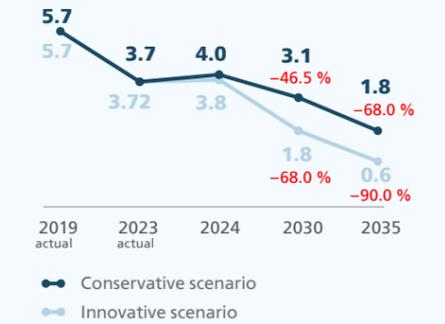
### Target air pollutant emissions from stationary sources<sup>1</sup>, thousand t



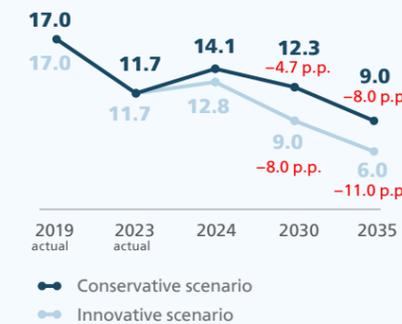
### Target water use<sup>2</sup>, mcm



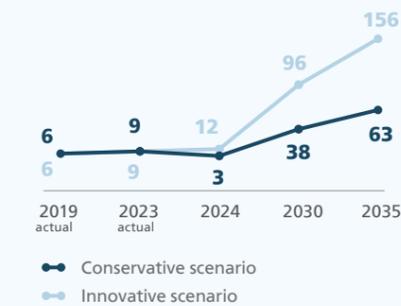
### Target wastewater discharge on land and into surface water bodies<sup>3</sup>, mcm



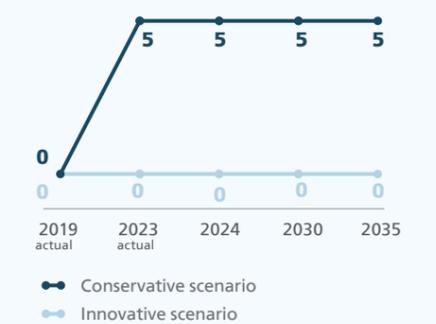
### Target share of production and consumption waste sent to landfills<sup>3</sup>, %



### Eliminated units with accumulated environmental damage (on an accrual basis)



### Share of managers and office workers who have not completed mandatory training on environmental protection programmes on time, %



<sup>1</sup> The baseline year is 2019 as it came before the COVID-19 pandemic and was representative in terms of the key economic and environmental performance metrics. Change in targets is with reference to the 2019 level.

<sup>2</sup> Target values depend on the forecast consumption of fuel and energy resources and can be revised in accordance with Russian Railways' Energy Strategy through 2030 with an outlook through 2035.

<sup>1</sup> Emissions from stationary sources do not include emissions from shunting and mainline locomotives, special self-propelled rolling stock and other mobile equipment, including idling operation. These emissions are treated as coming from mobile sources. Targets may be revised in case of changes in the procedure for assessing air pollutant emissions.

<sup>2</sup> Targets may change reflecting updates to the 2030 Development Plan for the Heat and Water Supply and Wastewater Discharge System.

<sup>3</sup> Given the same financing conditions.

**Key environmental initiatives in 2023**

- Russian Railways' Methodology for GHG Emissions Volume Measurement developed and approved<sup>1</sup>.
- Sources of Russian Railways' GHG emissions assessed.
- Report on Russian Railways' GHG emissions filed.
- Report on Direct GHG Emissions Associated with Russian Railways' Operations within the Far Eastern Railway in the Sakhalin Region in 2022 verified.
- 611 modern traction rolling stock units with improved environmental performance purchased.
- Nine units with accumulated environmental damage fully eliminated.
- 2,613 capacitors containing polychlorinated biphenyls (135 t) eliminated at a specialised landfill in Shikhany, Saratov Region, for the first time in the country.
- Two units launched to process industrial rubber waste products (at the Reshetnikovo and Smolensk stations).
- 40 boilers transitioned to alternative heat supply sources, including 33 shifting from coal to electric heating, six from fuel oil to natural gas, and one from diesel fuel to electricity.
- Development of a chain of reverse vending machines underway (216 machines at 158 railway stations), with 1.5 million used cans and plastic bottles collected and transferred for further recycling.

- Development of Russian Railways' Production and Consumption Waste Management Framework started together with the Research Institute for Digitalisation, Automation and Telecommunications the Railway Industry, relying on the principles of circular economy.
- Requirements for container sites for temporary collection of municipal solid waste and secondary materials approved.



<sup>1</sup> Russian Railways' Order No. 726/r dated 24 March 2023 On Approval of the Comprehensive Methodology for GHG Emissions Volume Measurement at Russian Railways.

**Environmental excellence awards**

- Diploma in the Environmental Responsibility category of All-Russia Environmental Leader Award 2023
- No. 1 in the Best Eco-Tourism Project<sup>1</sup>, the Best Project in Efficient Municipal Solid Waste Management<sup>2</sup> and the Best Project in Mitigating the Adverse Impact of Industrial Facilities, Housing and Utilities on Water Bodies<sup>3</sup> categories of Reliable Partner – Environment, a national contest of the best regional environmental practices, in 2023
- No. 1 in the Best Environmental and Technosphere Safety Manager category of HSE TOP 100, a national contest of HSE leaders
- Winning awards in the Environmental Culture. Peace and Harmony international competition, held under the auspices of the Vernadsky Non-Governmental Environmental Foundation, in 2023:
  - in the Sustainable Business category, with the “Reverse Vending Machines at Russia's Railway Stations” project implemented by the Railway Stations Directorate, a branch of Russian Railways;
  - in the Environmental Awareness category, with the “Unveiling Baikal: A Projects and Research School” initiative implemented by General Education and Boarding School No. 21, a private educational institution run by Russian Railways;
  - in the Ecotourism category, with the “Ecological Tourism on the Gorky Railway” project implemented by the Gorky Railway, a branch of Russian Railways;
- Recognition of the North Caucasus and Sverdlovskaya railways by the Vernadsky Non-Governmental Environmental Foundation as the most active contributors to the Green Spring 2023 clean-up initiative.



“ A project to upgrade the locomotive depot treatment facilities at the Yekaterinburg-Sortirovochny station secured our award at Reliable Partner – Environment, a national contest of the best regional environmental practices. It was acclaimed to be the best project in mitigating the anthropogenic impact of industrial facilities, housing and utilities on water bodies in 2023. The state-of-the-art modular unit assembled in December 2022 and launched in early 2023 is used for efficient automatic multistage treatment and filtration of industrial effluents fed into the municipal sewage system. The innovative equipment was an essential addition to the existing comprehensive treatment system for wastewater and storm water at the Yekaterinburg-Sortirovochny station.

**Eduard Ryabukhin,**

Head of the Environmental Protection Centre at Russian Railways' Sverdlovskaya Railway

<sup>1</sup> A project by the multiple unit train depot Otrozhka, South-Eastern Directorate of Multiple Unit Trains.  
<sup>2</sup> A project by the Zavitsinskaya Mechanised Infrastructure Maintenance Division (part of Eastern Directorate of Work Train Operation – Directorate of Work Train Operation – Central Directorate of Infrastructure, a branch of Russian Railways).  
<sup>3</sup> A project by the Sverdlovskaya Railway, a branch of Russian Railways.

First in Russia

Russian Railways became the first company in Russia to safely dispose of electrical equipment containing oils with polychlorinated biphenyls (PCBs). In 2023, the first batch of such waste was neutralised using an environmentally safe method. The project was implemented by the Company together with the Federal Environmental Operator.

Russia made a commitment to neutralise the most hazardous organic compounds (with PCBs among them) upon signing the Stockholm Convention on Persistent Organic Pollutants in 2002. The provisions of the Convention were ratified by the respective federal law in 2011.



Project stages:

1

Pursuant to the guidance of the Stockholm Convention Secretariat, Russian Railways assessed its electrical equipment and identified capacitors using PCB-containing oils as a liquid dielectric. Such devices are mainly used across the Company's substations.

2

Russian Railways and the Federal Environmental Operator, an entity designated by the Russian Government, entered into a cooperation agreement to neutralise and dispose of classes 1–2 waste, including that containing persistent organic pollutants.

3

The parties worked jointly to select the best proven neutralisation method from among those included in the best available techniques reference document.

Neutralisation method:

- PCB-containing liquids are disposed of in a plasma arc furnace at a temperature of 1,250–1,300 °C with further neutralisation of waste gases in a four-stage treatment system;
- Continuous environmental monitoring of emissions is a must for such systems, with the findings submitted to and overseen by a dedicated government authority.

4

Russian Railways was the first in the country to neutralise a batch of PCB-containing waste capacitors at the site of the State Research Institute of Organic Chemistry and Technology in Shikhany, Saratov Region. The disposal of the first capacitors was observed by representatives of Russian Railways, the Federal Supervisory Natural Resource Management Service, Rosatom State Corporation and Federal Environmental Operator.

## Environmental training

Russian Railways attaches particular importance to the professional development of its managers and employees responsible for environmental safety. Over 3,000 people are trained in environmental programmes every year.

Key topics of the training programmes:

- environmental safety;
- environmental safety of facilities;
- environmental safety in treating classes 1–4 waste.

In addition, the Company provides its employees with supplementary environmental safety training related to GHG emissions reduction and implementation of the environmental management system. Further internal communication on environmental issues is provided through posters, leaflets, and booklets.

A major contribution to the training is made by the Research and Production Centre for the Environmental Protection.

The training courses it provides contain the most up-to-date and complete information on the requirements of sanitation and environmental laws and are offered at the level of all structural units of Russian Railways' branches. The content includes relevant matters associated with environmental risk management at the Company, environmental responsibility and environmental priorities for sustainable development, and climate projects.



# Climate action

The key driver of reducing GHG emissions is the Company's balanced development as regards energy consumption and saving.

## Management approach

Russian Railways' Environmental Strategy and Energy Strategy through 2035 outline a set of measures aimed at sustainable low-carbon development and GHG emissions reduction. Through 2035, these will enable the Company to lower the intensity of its direct and indirect GHG emissions per unit of transportation volume. To achieve this, the strategies set a specific target for reducing GHG emissions.

Key ongoing measures implemented by the Company to cut GHG emissions from mobile sources:

- electrifying existing railway lines;
- developing and introducing new rolling stock;
- improving the energy efficiency of transportation operations.

Upgrading the Company's stationary thermal power infrastructure is another key focus of its decarbonisation efforts. This includes efforts in two major areas:

- enhancing energy efficiency of buildings and structures, including that of heat generation facilities, processes, and infrastructure, as well as increasing efficiency of energy resource use in stationary power generation;
- upgrading thermal power facilities by transitioning to low-carbon fuels.

### GHG emissions management, monitoring, and reporting

Russian Railways has in place and develops a system of GHG emissions monitoring, reporting and control. Since 2017, Russian Railways has been listed among state-owned companies involved in reducing

GHG emissions<sup>1</sup>, making annual progress disclosures in its sustainable development reports.

GHG emissions are tracked and measured at the level of Russian Railways' individual structural units, with the collected data further aggregated at higher levels of the Company's corporate structure (branches and the Company overall).

In 2023, Russian Railways submitted its first-ever statutory report on GHG emissions in line with national legislative requirements.

### GHG emissions calculation methodology

In 2023, the Company calculated its GHG emissions on the basis of the Comprehensive Methodology for GHG Emissions Volume Measurement at Russian Railways<sup>1</sup> developed in line with the Russian guidelines on the calculation of direct emissions<sup>2</sup> and indirect energy-related emissions<sup>3</sup>, as well as methodological guidelines of the Intergovernmental Panel on Climate Change (IPCC). Emissions are calculated in relation to CO<sub>2</sub> based on data on the consumption of energy resources. This approach is permitted by both Russian regulations and methodological guidelines of the IPCC.

The methodology involves the calculation of two GHG emissions categories:

- direct emissions from stationary and transport fuel combustion sources across Russian Railways' operations (Scope 1 under the Greenhouse Gas Protocol<sup>4</sup>);
- indirect energy-related emissions associated with the purchase of electricity and heat by Russian Railways' structural units from third parties (Scope 2 under the Greenhouse Gas Protocol).

Currently, the Company is implementing a system to track indirect GHG emissions associated with the purchase of construction materials, rolling stock and supplies, as well as any other goods (Scope 3 under the Greenhouse Gas Protocol).

## Prospects for reducing GHG emissions

National strategic plans view the advance of railway transportation as a prerequisite for the country's social and economic development and a key step towards decarbonisation of Russia's transportation system.

energy consumption, as well as higher GHG emissions. Furthermore, the shift of cargo flows from more carbon-intensive modes of transport to rail may serve as an additional factor driving up GHG emissions.

The implementation of the new national project titled "Development of Transport Infrastructure" and the Long-Term Development Programme of Russian Railways until 2035 is expected to lead to a rise in freight turnover to 3.8 tn tkm, which would entail increased fuel and

Alongside the anticipated growth in freight turnover, the Company will seek to increase reliance on low-carbon energy sources and take further steps to improve energy saving and efficiency, ultimately reducing per unit GHG emissions.



<sup>1</sup> Approved by Instruction No. AKh-P9-5761 of the Russian Government dated 31 August 2017.

<sup>1</sup> Russian Railways' Order No. 726/r dated 24 March 2023.

<sup>2</sup> Approved by Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022.

<sup>3</sup> Approved by Order No. 330 of the Russian Ministry of Natural Resources and Environment dated 29 June 2017.

<sup>4</sup> Greenhouse Gas Protocol. Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

**Russian Railways' Environmental Strategy through 2030 with an outlook through 2035 envisages the following initiatives:**

- Traction energy:
  - large-scale electrification of diesel-driven railway sections;
  - transitioning to natural gas for autonomous locomotives;
  - creating experimental passenger trains using hydrogen fuel cells;
- Non-traction energy:
  - • shutdown of fuel oil and coal boiler houses and transitioning to greener energy sources;
  - a wider use of renewable energy.

Energy efficiency and saving projects will enable the Company to reduce per unit electricity and diesel consumption in train traction, per unit energy and fuel consumption for heat supply in boiler houses, wear and tear of heating, water supply and disposal infrastructure, and losses in heat networks. An ongoing electrification of key routes in freight and passenger transportation will further increase the share of electricity and low-carbon energy in the Company's energy and fuel mix.

**Climate change risks**

**The Company pays special attention to climate change risks, analysing the climate change impact and taking it into account when planning its activities.**

The key potential threat to the Company's business is the growing number of meteorological hazards that jeopardise railway operations, including heavy rains and snowfalls, very low and high temperatures, extreme temperature swings, glaze, rime and greater impact of dangerous hydrological phenomena, such as spring floods and freshets.

The Company assesses climate risks and develops response measures to mitigate them on an ongoing basis. Russian Railways is regularly exposed to the following anthropogenic and natural external risks:

- damage and accidents at sites supporting the Company's operations;

- industrial accidents involving associated transport modes (primarily in sea port water areas and at highways);
- fires and natural disasters in the Company's areas of operation;
- more frequent hydrometeorological hazards (frost, heat, snowfall, heavy rainfall);
- growing incidence of natural phenomena affecting the railway infrastructure (washaway, landslide, washout of slopes, rockfalls, etc.).

To mitigate these risks to infrastructure, the Company implements various reinforcement solutions (anti-washout slab covers, rock dumping, rock anchorage) and structures for the protection of the track bed from natural hazards (such as mudflows, landslides, avalanches and rockfalls).

Russian Railways has in place a Methodology for Evaluating the Influence of External Factors on the Condition and Reliability of Engineering Structures to:

- monitor and forecast the occurrence of dangerous meteorological phenomena in terms of time and place;
- reconcile weather forecasts against critical levels of dangerous weather phenomena, mapping their locations and detailing the underlying reasons;
- evaluate the size of a drainage basin at specific locations;
- identify the probability of dangerous hydrological phenomena, assess associated risks, and evaluate the degree of railway infrastructure inundation.

To enable timely response to emergencies, the Company has developed and implemented the Geoportal service to monitor hydrometeorological and hydrological data across its railway network. Hydrometeorological data is automatically fed into the Geoportal from the server of the Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet) (daily precipitation, air temperature, wind speed and direction, snow depth, snow water equivalent, snow density, ice phenomena (ice thickness, snow depth on ice)). Hydrological data comes from Roshydromet and Russian Railways water gauging stations.

The service enables the Company to identify smaller man-made structures that are at risk of flooding due to forecast rainfall. The input data powering this functionality includes weather forecasts received from Roshydromet, as well as hydraulic capacity computations and drainage basin parameter analyses (drainage area, main channel slope, forest percentage, wetland extent) performed by bridge inspection teams.

**Beyond the 2035 horizon, the focus shifts to reducing absolute GHG emissions, with the ultimate aim of reaching carbon neutrality.**



## GHG emissions

**GRI 305-1, 305-2, 305-4**

Despite growth in transportation, Russian Railways reduced its total GHG emissions in 2023 to 36.9 mt of CO<sub>2</sub>.

Indirect energy-related emissions make up more than half of the aggregate emissions in terms of mass. In 2023, their share reached 71.5%.

GHG emissions, both direct and indirect, are consolidated at the operational level. The boundaries are set based on financial and operational control, taking into account the territorial principle.

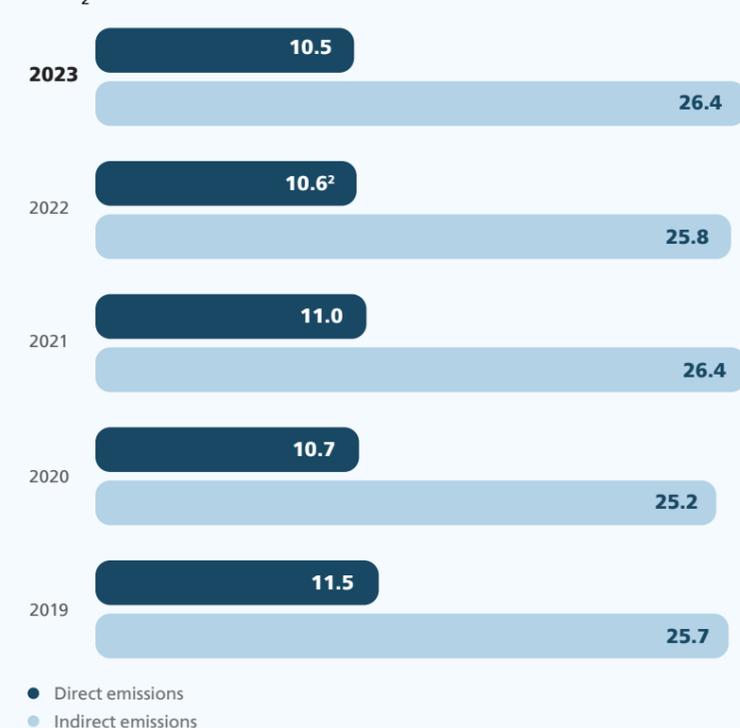
**GRI 305-5**

In 2023, the reduction in GHG emissions from the implementation of the Company's Environmental Strategy and Energy Strategy amounted to 485,085 t of CO<sub>2</sub>, comprising:

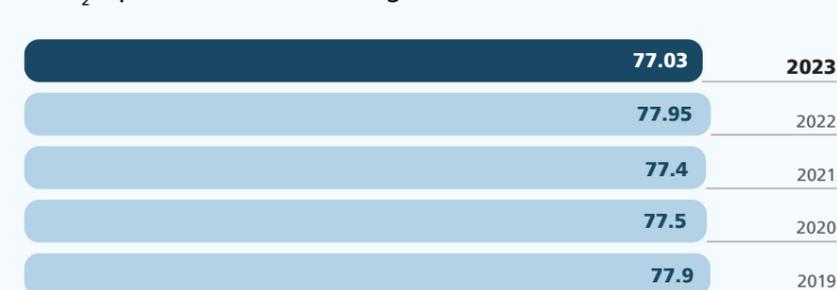
- direct emissions of 237,053 t;
- indirect emissions of 248,032 t.

The parameter of Russian Railways' carbon intensity is a specific indicator of total direct and indirect energy emissions of greenhouse gases per unit of work performed (gross tkm). This indicator most accurately reflects the Company's efforts related to low-carbon development, as it does not depend on the volume of services provided.

**Direct and indirect energy-related emissions in 2019–2023, mt of CO<sub>2</sub><sup>1</sup>**



**GHG emissions per transportation volumes in 2019–2023, kg of CO<sub>2</sub> equivalent / 10 thousand gross tkm**



<sup>1</sup> In accordance with Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022, and Decree No. 707 of the Russian Government dated 20 April 2022, GHG emissions are calculated only for CO<sub>2</sub>.

<sup>2</sup> The 2022 Russian Railways Sustainable Development Report presented the emissions figure as 11.5 mt of CO<sub>2</sub>. However, due to the requirement to prepare statutory reporting, in 2023 this indicator was recalculated in line with the national methodology (as per Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022).

In 2023, Russian Railways' carbon intensity reached 77.03 kg of CO<sub>2</sub> equivalent / 10 thousand gross tkm. This was mostly driven by a high degree of electrification of Russian Railways' infrastructure, with more than 51% of the total operating length of railways electrified.

The Company is implementing an Energy Savings and Energy Efficiency Programme. The following two areas made the most significant contribution:

- improving the energy efficiency of transportation operations;
- enhancing the efficiency of resource utilisation in stationary power generation.

These focus areas encompass approximately 130 initiatives aimed at improving traffic management, the condition of track infrastructure, increasing energy efficiency of heat generation, and more.

Other important contributors were efforts to improve energy efficiency and the performance of locomotives, processes and infrastructure facilities; and higher level of energy recovery on electric traction. Electrification of railway infrastructure reduced the volume of diesel-powered operations on a number of railways.

By 2030, Russian Railways plans to electrify the Rtishchevo 1 – Kochetovka 1 section of the South-Eastern Railway with an operational length of 262 km, and Volochnaevka 2 – Komsomolsk-Sortirovochny – Vanino of the Far Eastern Railway with an operational length of 820 km.

Shifting to new types of rolling stock is essential for reducing GHG emissions. To this end, Russian Railways purchases modern Russian-made rolling stock with improved environmental performance.

Alongside enhancing its traction fleet with new locomotive models, the Company is also pursuing projects to develop and introduce eco-friendly traction rolling stock. These include initiatives to bring into service gas- and hydrogen-powered rolling stock between 2027 and 2028.

The Company is actively preparing the groundwork for its forthcoming climate projects. As part of these efforts, in 2023 it continued cooperation with Bauman Moscow State Technical University as part of the agreement to set up the Bauman GoGreen Consortium.

## Energy efficiency

**Russian Railways maintains leadership in energy efficiency and environmental friendliness among freight and passenger railway companies.**

**GRI 3-3, 302-3**

To achieve our strategic targets in reducing carbon intensity, we take steps outlined in the Energy Strategy through 2030 with an outlook through 2035, annual Energy Savings and Energy Efficiency Programme, industry investment programmes of our branches, and programme of organisational and technical initiatives for 2020–2025<sup>1</sup>.

Key areas in energy saving and efficiency:

- improving the energy efficiency of transportation operations;
- developing the power grid to reduce energy losses and make it more energy efficient;
- using stationary and non-traction energy more efficiently.

Russian Railways is advancing its energy-saving initiatives through investment programmes to upgrade fixed assets and the investment project to introduce resource saving technologies in railway transport.

In 2023, the Company went through with all of its essential energy saving activities covering both train traction and stationary units, which made it possible to achieve the targets for energy savings and energy efficiency improvement under the corporate Long-Term Development Programme<sup>2</sup>. In 2023, the energy efficiency of Russian Railways' operations improved by 0.6% year-on-year.

<sup>1</sup> Approved by Russian Railways' Order No. 2651/r dated 27 November 2019.

<sup>2</sup> Order No. 466-r of the Russian Government dated 19 March 2019.

In the reporting year, the Energy Efficiency Programme helped achieve fuel and energy savings of 5,872.4 TJ, or RUB 6.463 bn.

The initiatives to improve energy efficiency of the transportation process served to save RUB 5.3 bn, including 548.3 m kWh of electricity and 50.8 kt of diesel fuel. The bulk of savings was achieved by improving locomotive operations (62.8%) and traffic management (28.8%).

The improved energy performance of traction power supply saved 16.9 m kWh, or RUB 70.6 m, while that of stationary power facilities saved RUB 1.2 bn, including:

- RUB 466.9 m in fuel and energy savings across thermal generation facilities and heating systems;
- RUB 208.6 m in fuel and energy savings across processes and infrastructure;
- RUB 189.3 m in savings from introducing LED systems, using energy-efficient lights, and optimising lighting operation.

Russian Railways utilised its Energy Efficiency automated information system to manage energy efficiency initiatives across its operations. This included the decomposition

of performance targets for the structural units of Russian Railways branches, the adjustment of their implementation programmes, and the quarterly monitoring of the efficiency of the technical solutions and technologies used. The system was leveraged by employees from more than 2,187 structural units of the Company's branches operating in 77 regions across the country.

Summary data on the achievement of fuel and energy savings targets by Russian Railways branches in 2023 are shown in Tables 1 and 2 of the [Annex to the Energy Efficiency section](#).



In 2023, the Company's investment project to introduce resource-saving technologies in railway transport covered the launch of 410 technical solutions worth RUB 0.8 bn, including:

- deployment of 270 resource-efficient onboard locomotive systems (81 wheel-slip protection solutions and 189 driver information systems);
- IoT-based upgrade to improve energy efficiency of lighting systems at the Gukovo station;
- supply of lighting equipment for the railyards of the Orenburg and Chelyabinsk stations, the Anisovka depot, and the Losta 113 track maintenance station;
- launch of a mobile cogeneration unit at the Kanash station using old, unusable wooden sleepers as solid fuel;
- commissioning of two new gas boiler houses at the Sukhinichi-Glavnye and Bryansk-Lgovsky stations;
- procurement of steam generators for the boiler house at the Moskovka station;

- procurement of 136 units of reference equipment for different measurements for railways' metrology centres.

In line with the national focus on transitioning to low-carbon and zero-carbon energy resources, the Company's Energy Strategy places a special emphasis on low-carbon development. The main initiatives in this area include:

- electrifying the most intensively used railway sections still operating with diesel traction;
- upgrading heat and power facilities by transitioning to natural gas and electricity instead of fuel oil and coal, as well as utilising renewable sources for heat and power generation;
- developing alternative traction technologies (using gas, electricity, energy storage systems, and hydrogen).

The implementation of the Company's sustainable low-carbon development initiatives is underway at various stages.

The 2023 savings from using the resource-efficient technologies deployed in 2022 amounted to RUB 203.2 m, or 112.7% of the target.

Renewable and low-carbon energy consumption in 2023 reached 18.6 bn kWh, accounting for 39.5% of total electricity supplied to Russian Railways over the year.

**Russian Railways is carrying out innovative research to enable the use of liquefied natural gas as an alternative energy source for train traction, in line with the Russian President's and the Russian government's instructions.**

**Performance against energy saving and energy efficiency targets**

Performance against targets	Target	Unit of measurement			
		2022		2023	
		Plan	Actual	Plan	Actual
Energy intensity of operations	kJ / virtual tkm net	85.7	85.7	85.1	85.1
Reduction in the energy intensity of operations	kJ / virtual tkm net	-0.5	-0.5	-0.6	-0.6
	%	-0.6	-0.6	-0.6	-0.6
Energy efficiency of operations	10,000 virtual tkm net / kJ	116.7	116.7	117.5	117.5
Energy efficiency improvement (ΔE)	10,000 virtual tkm net / kJ	0.7	0.7	0.8	0.8

## Improving the efficiency of heat and water supply

To advance its strategic objectives, improve energy efficiency, and mitigate environmental impact, the Company carries out annual upgrades of its heat and water supply infrastructure.



### 2023 highlights:



- two advanced gas-fired boiler houses were constructed at the Agryz and Balezino stations, replacing the previous fuel oil-fired units, and a mobile cogeneration unit using old wooden sleepers as fuel was introduced at the Kanash station;
- two boiler houses at the Bryansk-Lgovsky and Sukhinichi-Glavnye stations were converted from fuel oil to gas;
- automated state-of-the-art coal-fired boiler houses were commissioned at the Uzhur and Karasuk stations;
- small modular coal-fired boiler houses designed for remote unmanned operation were successfully introduced across the Sverdlovskaya, West-Siberian, Krasnoyarskaya, Far Eastern, and Trans-Baikal railways.

As part of its Heat and Water Supply Digitalisation Programme, the Company implemented the following initiatives in 2023:

- advancing the Automated Accounting and Billing System for Housing and Utility Services, which reduced the volume of manual data entry;
- developing the Unified Automated Infrastructure Management System by introducing a Unified Database of Heat and Water Supply Facilities;
- launching a data visualisation and real-time monitoring service for the Russian Railways heat and water supply facility operations.

## Air protection



### GRI 3-3

In its operations, Russian Railways seeks to minimise air pollutant emissions from stationary and mobile sources. The Company conducts regular internal checks of mainline and shunting diesel locomotives and track maintenance equipment for compliance with technical standards for air pollutant emissions through the use of environmental monitoring points furnished with diagnostics facilities. Emissions are also measured following diesel locomotive rheostat testing.



### Emissions by category, kt

#### GRI 305-7

Parameter	2019	2020	2021	2022	2023
<b>Stationary sources</b>					
Solids	11.8	10	9.3	8.2	7.7
Carbon monoxide (CO)	20.8	18.5	17.4	16.9	16.7
Sulphur dioxide (SO <sub>2</sub> )	11.9	10.5	9.5	8.8	8.1
Nitrogen oxides (N <sub>x</sub> O <sub>m</sub> )	6.8	5.7	4.9	4.5	4.0
Hydrocarbons (C <sub>n</sub> H <sub>m</sub> )	0.1	0.1	0.1	0.1	0.1
Volatile organic compounds	2.2	1.9	1.5	1.3	1.1
Other gases and liquids	0.1	0.1	0.1	0.1	0.1
<b>Mobile sources (diesel locomotives)</b>					
Carbon monoxide (CO)	30.7	28.7	29.4	25.6	30.1
Hydrocarbons (C <sub>n</sub> H <sub>m</sub> )	15.7	14.6	15.1	15.5	14.3
Nitrogen oxides (N <sub>x</sub> O <sub>m</sub> )	113.5	105.5	108.8	103.2	110.7
Soot	6.9	6.4	6.6	6.0	6.7

## Stationary sources

Emissions from stationary sources make up around 18.9% of all emissions by Russian Railways.

As part of the corporate Environmental Strategy, the Company cut its pollutant emissions from stationary sources in 2023 by 5.6% y-o-y, exceeding the target of 3.2%. This overachievement can be attributed

to the additional conversion of small-capacity boiler houses from coal to electrothermal power, a reduction in bulk cargo handling, and modifications to the procedure for assessing stationary emission sources and air pollutant emissions<sup>1</sup>, which led to recalculated emission figures. Also, the Company secured further savings in fuel and energy resources.

We are also increasing the share of alternative energy used in hot water and heat supply systems (solar collectors and heat pumps). We replaced small coal and diesel boilers with 43 boilers running on pellet fuel. The Company is also reconstructing and installing new dust collection and gas purification facilities.

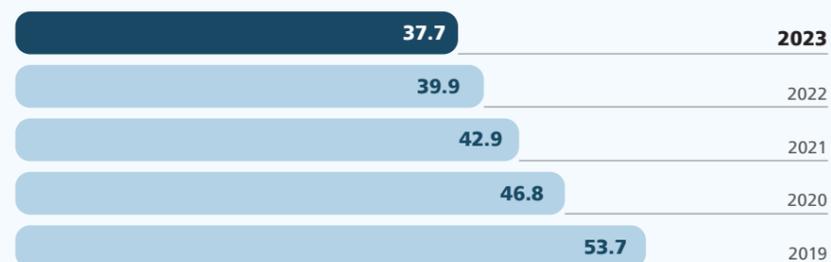
At present, gas boilers produce as much as

**45.5%**

of heat energy

**43** boilers running on pellet fuel

### Air pollutant emissions from stationary sources, kt



## Mobile sources

Emissions from mobile sources make up around 81.1% of gross emissions of which approximately 87.8% come from mainline and shunting diesel locomotives. Initiatives to make transportation more energy efficient helped us reduce diesel driven transportation, cut downtime and time to cover delay for passenger trains, and decrease per unit diesel consumption in train traction. These factors enabled a reduction in per unit emissions of pollutants into the air from mobile sources, achieving a level of 33.6 mg/tkm against the target of 36.9 mg/tkm (down by 8.9%).



<sup>1</sup> Approved by Order No. 871 of the Russian Ministry of Natural Resources and Environment dated 19 November 2021.

# Waste management



GRI 3-3, 306-2

Russian Railways views efficient waste management as a prerequisite for transitioning to the circular

economy. In the long run, the Company seeks to minimise waste sent to landfills by increasing its processing.

## Production and consumption waste

GRI 306-3, 306-4, 306-5

In 2023, Russian Railways generated 1.44 mt of production and consumption waste, of which 0.075 mt was disposed of or decontaminated by the Company's units. Given the waste generated by other business units in 2023, 1.55 mt of waste was transferred to third parties, including:

- 1.18 mt for subsequent disposal;
- 0.19 mt for decontamination;
- 0.18 mt for burial.

In 2023, the share of production and consumption waste sent to be buried amounted to 11.7%, which is 2 pp below 2022 (13.7%).

The Russian Railways Group's processes result in production and consumption waste of various hazard classes.

### Structure of waste generation by hazard class in the reporting year

In 2023, Russian Railways generated 1.437 kt of production and consumption waste:

- Hazard class 1 – 124.42 t;
- Hazard class 2 – 126.98 t;
- Hazard class 3 – 134.56 t;
- Hazard class 4 – 189.21 t;
- Hazard class 5 – 1,113.40 t.

In 2023, the Company revised existing contracts and entered into new construction agreements with a focus on incorporating environmental safety requirements and traceability throughout the waste management cycle.

Over 85% of the waste generated by Russian Railways is decontaminated, reused or recycled. Most of it (ferrous and non-ferrous scrap metals and used

petroleum products) is handled by waste processing professionals. In addition, waste is disposed of and decontaminated in accordance with the classes 1–4 waste management licence obtained by Russian Railways<sup>1</sup>.

### Waste generation and waste sent to landfills<sup>2</sup>



● Production and consumption waste, kt  
● Share of waste sent to landfills, %

<sup>1</sup> Licence No. L020-00113-77/00114264 dated 21 December 2021.

<sup>2</sup> The share is calculated based on waste generated (taking into account waste accumulated as at the beginning of the period) and sent to be buried (including municipal solid waste transferred to a regional operator) in the reporting period in accordance with the 2-TP federal statistic form (waste) as regards reporting of industrial and consumer waste generated, processed, disposed of, decontaminated and sent to landfills.

## Waste management

### Waste disposal in 2023

Hazard class of waste	Disposed of at the Company's own facilities, kt	Transferred to third parties for disposal, kt
Hazard class 3	0.045	23.214
Hazard class 4	0.856	7.071
Hazard class 5	67.222	1,148.989

### Waste decontamination and burial in 2023

Hazard class of waste	Decontaminated at the Company's own facilities, kt	Transferred to third parties for decontamination, kt	Transfer of MSW to regional operators, kt	Transfer of waste for burial (except MSW), kt
Hazard class 1	0	0.132	0	0
Hazard class 2	0.008	0.045	0	0
Hazard class 3	6.123 <sup>1</sup>	125.131	0	0.067
Hazard class 4	0.154	61.292	107.602	18.768
Hazard class 5	0.055	0.388	37.129	18.583

We are progressively implementing a policy to foster sustainable waste management practices relying on circular economy principles. In 2023, we took various steps to increase the share of reused or recycled waste:

- Faustovo, Yanaul and Podvoloshnaya railway stations operate facilities to recycle reinforced concrete sleepers into crushed aggregate for construction and clean scrap reinforcement steel. In 2023, we processed 35,155 reinforced concrete sleepers.
- The Ukladochny, Perm-Sortirovochnaya and Tulun railway stations operate three disposal units for industrial rubber products. In 2023, the units recycled 711.1 t of waste,

producing 350.1 t of rubber granules and 14,000 sq m of rubber flooring.

- Thermal neutralisation facilities of the Research and Production Centre for the Environmental Protection located at the Tagul railway station decontaminated 6.043 kt of industrial and medical waste.
- The reporting year saw a cogeneration unit at the Chernyakhovsk railway station consume hard fuel made of 28,100 wooden rails, generating 4,242 Gcal of heat and saving 576,36 cu m of natural gas.

Russian Railways operates facilities to handle railway-specific waste, including wooden and reinforced concrete sleepers, rubber waste products, and oil-containing waste.

The Company is also implementing electronic document management and replacing mercury-containing lamps with environmentally friendly, energy-efficient lighting solutions, among other initiatives.

In order to meet its commitments under the Stockholm Convention on Persistent Organic Pollutants, Russian Railways decontaminated 135 t (2,613 pieces) of spent capacitors in March 2023. This process, the first of its kind in the country, was carried out at a specialised landfill in Shikhany, Saratov Region, utilising the safest method of thermal plasma treatment.

► For more details

on the project, see [p.38-39](#)

<sup>1</sup> In 2023, thermal neutralisation facilities of the Research and Production Centre for the Environmental Protection located at the Tagul railway station (a branch of Russian Railways) decontaminated 6.042 kt of industrial waste and generated 5,179 Gcal of heat energy (heating and hot water supply).

An example of how we implement circular economy principles is the processing of rubber products at three technology lines located at the Ukladochny railway station of the West-Siberian Railway, the Perm-Sortirovochnaya railway station of the Sverdlovskaya Railway, and the Tulun railway station of the East-Siberian Railway.

Russian Railways' passenger transportation business unit implements standard solutions for separate waste accumulation by engaging cleaning and outsourcing companies.

The reporting year also saw 2,463 t of paper, cardboard, glass, plastic, and household aluminium waste sent for disposal (up 272 t or 12% compared to 2,191 t in 2022).

In 2023, 158 railway stations were furnished with 216 reverse vending machines collecting plastic bottles and aluminium cans, with a bonus system in place for passengers. The reporting year saw 33,000 passengers hand over around 1.5 million containers for recycling, including 80% of plastic waste and 20% of household aluminium. Compared to 2022, the number of reverse vending machines increased eightfold (from 26 in 2022).

#### Separate waste collection on Sapsan trains

Russian Railways implemented separate collection of paper (newspapers and magazines) and plastics on its high-speed Sapsan trains. Cars feature labelled stationary containers to collect recyclables. Trains also have specially designed mobile collection trolleys. During the trip, passengers are encouraged to separate waste into two groups.

In 2023, Sapsan trains collected and sent 37.47 t of paper and plastic waste for recycling.

The High-Speed Transportation Directorate raises awareness about Russian Railways' responsible approach to the environment by means of on-board videos, publications in newspapers and magazines, social media and on-board catering activities.

Russian Railways approved container sites for temporary collection of municipal solid waste and recyclable materials<sup>1</sup>.



” **The Company is committed to continuously enhancing waste management processes and promoting the separate collection of recyclable materials. To foster a sustainable environmental culture among passengers, a project was initiated to develop a network of reverse vending machines for collecting plastic bottles and aluminium cans, complete with a bonus system. This project introduced an innovative service for railway station passengers, increased the collection of recyclable waste, and reduced the volume of waste sent to landfills. Preserving the environment is a collective responsibility that requires each of us to recognise its importance and treat natural resources with care and respect. The environment is a shared effort of all of us.**

#### Alexey Belonogov

Chief Engineer of the Railway Stations Directorate

<sup>1</sup> Russian Railways' Order No. 3325/r dated 26 December 2023.

# Water resources

**GRI 3-3, 303-2**

Key principles of Russian Railways' approach to water use management:

- lower water consumption through efficient water use;
- decrease in wastewater discharge into surface water bodies and on land;
- prevention of water bodies pollution.

The Company withdraws water from surface and underground sources solely in accordance with the applicable laws (under water use agreements and extraction licences), without causing any significant environmental impact. None of the regions of the Company's operations are classified as areas with water stress.

Targets set by Russian Railways' Environmental Strategy are being met under the Clear Water and Environmental Safety investment

## Water consumption

**GRI 303-5**

In 2023, Russian Railways used 61.2 mcm of water, a reduction of 0.23 mcm or 0.4% y-o-y, including 52% for utility and drinking needs and 48% for process needs. The Company reduced its consumption after introducing water consumption control and instrumental measurement, transferring water supply facilities to municipalities, and carrying out organisational and technical initiatives designed to save water.

programmes. To decrease the discharge of insufficiently treated wastewater, we have put in place a medium-term target

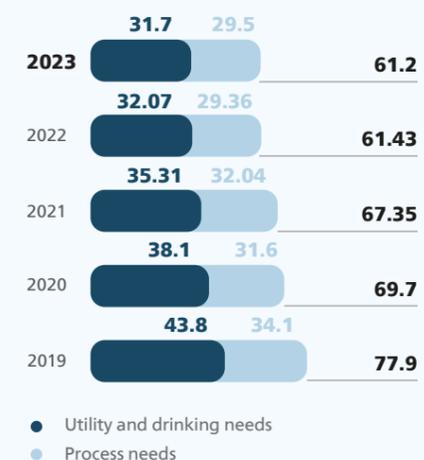
programme to bring the treatment facilities up to the regulatory standards by 2025.



In circulating water supply and recycling water supply systems, water consumption in 2023 stood at 4,991,109 cu m and 111,665 cu m respectively.

To ensure sanitary and epidemiological safety for consumers, the Railway Hygiene and Epidemiology Centre performs regular drinking water quality checks at the Company's facilities.

### Water use by Russian Railways' branches, mcm



## Wastewater discharge

**GRI 303-4**

In 2023, the Company's wastewater discharge totalled 147.3 mcm, including 114.6 mcm of wastewater released into the environment and 32.7 mcm discharged into centralised water disposal systems.

Key laws and regulations on wastewater discharge and treatment limits followed by the Company:

- Federal Law No. 7-FZ On Environmental Protection dated 10 January 2002<sup>1</sup>;

The Company is running a Clear Water project to upgrade railway water supply systems. The project seeks to align the quality of water supplied to consumers with standards set by the Russian sanitation and environmental laws. It is part of Russian Railways' Programme for Improving Drinking Water Supply at Railways. The programme features the construction of new and renovation of existing water supply networks; the implementation of de-ironing systems; the procurement and installation of both modular water treatment plants and local industrial water treatment systems.

In 2023, significant improvements were made to the water supply network of the Sennaya station of the Privolzhskaya Railway, which included laying over 5.5 km of new water pipeline, constructing 45 wells, installing shut-off valves at network connection points, and adding five new fire hydrants. Additionally, the centralised water supply at the Michurinsk-Uralsky station was fully renovated.

Furthermore, as part of Russian Railways' investment programme, the water supply network at the Biysk station of the West-Siberian Railway was upgraded, with more than 3 km of worn-out metal water pipes replaced.



**As part of the Clean Water project, the Company is implementing a set of measures to enhance the quality of water supply for our employees, their families, and external users, including improvements at social infrastructure facilities.**

- Key initiatives include:**
- upgrading railway water supply systems within the scope of the Clear Water project;
  - providing bottled water to employees;
  - implementing production control measures to ensure drinking water quality at facilities;
  - maintaining and servicing engineering structures and devices at water supply sources.

### Yuri Bolshakov

Head of Division at the Environment and Technosphere Safety Department

<sup>1</sup> Discharge standards and limits are set forth by the Federal Supervisory Natural Resource Management Service.

<sup>2</sup> Approved by Order No. 2909-r of the Russian Government dated 20 October 2023. Section II contains a list of 265 key substances for which discharges are treated.

In 2023, Russian Railways' polluted wastewater discharges into surface water bodies and on land amounted to 3.72 mcm, a reduction of 15.7%, or 0.7 mcm, compared to 2022.

These included:

- insufficiently treated wastewater: 3.723 mcm;
- untreated wastewater: 0.001 mcm.

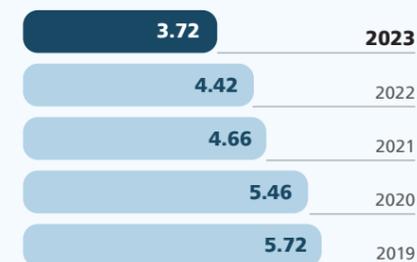
The decrease was the result of ongoing repairs and overhaul of treatment facilities and their transfer to municipalities.

As of the end of the reporting year, there were 457 treatment facilities at the Company's units, including 301 local and 156 sewage treatment facilities, of which 301 (66%) are treatment facilities releasing wastewater into disposal networks, 124 (27%) – into water bodies, and 32 (7%) – on land.

In terms of their condition, 67% (306 units) of all treatment facilities are in satisfactory condition, 16% (72 units) require overhaul or upgrade, and the remaining 17% (79 units) are mothballed or inoperable.

As part of its investment programmes, Russian Railways completed the construction and upgrade of four wastewater treatment facilities at the Khvoynaya, Kurbakinskaya, Penza-1, and Ershov railways stations.

**Polluted wastewater discharge into surface water bodies and on land, mcm**



**Decrease in polluted wastewater discharge into surface water bodies and on land, mcm**



**Plans for 2024**



The Company set the following water management targets for 2024 as compared to the 2023 performance:

- reducing water use by 0.5%;
- cutting polluted wastewater discharges into surface water and on land by 3.9%.

To that end, there are environmental protection measures slated for 2024, including renovation and construction of treatment facilities, introduction of environmental protection equipment and flushing of water pipelines. Once implemented, they will enable the Company to reduce polluted wastewater discharges into water bodies and on land by 148,000 cu m.

# Eliminating pollution and restoring ecosystems: addressing accumulated environmental damage

The elimination of accumulated environmental damage is a key priority in the Russian state environmental policy as set out by both the National Security Strategy<sup>1</sup> and the Environmental Security Strategy of the Russian Federation through 2025<sup>2</sup>.

Russian Railways has been systematically implementing measures to address and eliminate

units with accumulated environmental damage. The Company's Environmental Strategy through 2030 with an outlook through 2035 sets specific target parameters for the elimination of accumulated environmental damage on Russian Railways' territory and other areas affected by past railway transport activities.

To meet these established goals, Russian Railways annually executes a series of initiatives to eliminate units with accumulated environmental damage.

As part of its 2023 activities, the Company successfully eliminated nine such units at the Rzhava, Sosyka, Krasnogvardeets, Ust-Katav, Achinsk, Agryz, Nerudnaya, Pargolovo, and Ershov stations.



<sup>1</sup> Approved by the Russian President's Decree No. 400 dated 2 July 2021.  
<sup>2</sup> Approved by the Russian President's Decree No. 176 dated 19 April 2017.

# Noise and vibration

Urban density comes with certain physical pollutants, primarily noise. Transport is among the sources of acoustic discomfort in urban areas. In view of this, the Company places special emphasis on minimising adverse physical factors and takes steps to reduce acoustic impact and vibration.

Minimising noise and vibration is a top priority for the Company's Environmental Strategy.

In 2023, we put in place the following initiatives to reduce noise impact from railway transport infrastructure facilities:

- laid 4,300 km of continuous welded rails;
- ground 29,600 km of rails;
- ground 1,200 interlocked turnouts;
- welded 38,300 rail joints using the aluminothermic method;
- installed 18.4 m high-elasticity rail pads;
- planted 7,400 trees and 10,700 shrubs.
- installed over 19,200 km of noise protection screens.

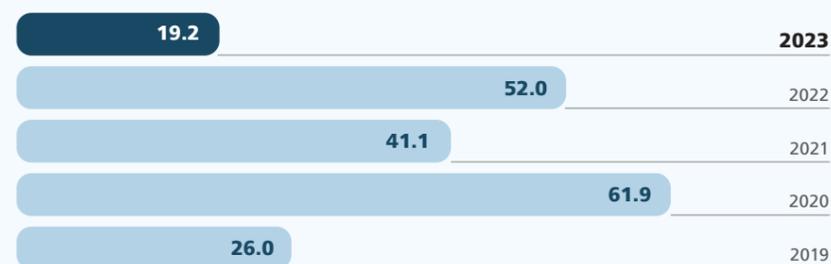
In 2023, Russian Railways continued its large-scale project of noise mapping in the most critical areas to assess the noise pollution impact and distribution in urban areas near railway infrastructure. The Company developed 26 noise maps to inform collaborative efforts with local authorities to bring down noise levels in residential areas to acceptable levels and implement effective noise protection measures.

Russian Railways maintains ongoing communication with citizens, addressing their concerns and implementing a range of measures to reduce acoustic discomfort in urban areas. These efforts include checking and adjusting loudspeaker operation modes and introducing advanced two-way radio voice communication technologies for railway environments.

As part of Russian Railways' R&D plan, 2023 saw the completion of the first stage of a roadmap for comprehensive studies on railway-related noise pollution. This stage involved implementing noise mitigation measures and compiling a classifier of noise sources categorised by rolling stock type. This classifier will serve as the foundation for developing noise measurement programmes and methodologies in 2024.

**Every year, we implement measures to reduce noise and vibration both at the noise source (wheel-rail interface) and along the route of transmission to the protected site.**

## Installation of noise protection screens, km



# Biodiversity conservation

## GRI 304-2, 304-3

As part of its environmental effort, Russian Railways places a special focus on the development and implementation of measures to preserve natural ecosystems and flora and fauna, primarily rare and protected species.

Within its biodiversity conservation steps, Russian Railways carries out restoration and compensation measures in accordance with design specifications and estimates for construction and reconstruction projects. On top of that, the Company engages in charitable initiatives aimed at preserving rare, endangered and Red Book-listed species. These initiatives include installing artificial nesting sites, feeders, and salt licks, as well as setting up camera traps. The Company also provides annual support for the conservation of the Far Eastern leopard and Amur tiger.

Educational activities play a major role in Russian Railways' biodiversity conservation efforts. They include organising photo exhibitions at railway stations across the country, disseminating information to passengers through audio and video messages, displaying educational posters, and developing ecotourism projects.

Employees, students from Russian Railways' educational institutions, young talents enrolled in children's railways, and corporate volunteers actively engage in all environmental

education initiatives, ecosystem preservation activities (such as campaigns and clean-up events), and biodiversity conservation projects. In 2023, Russian Railways employees planted over 430,000 young trees as part of these campaigns and events.

A priority focus for conservation measures is their implementation in specially protected natural areas and Lake Baikal's natural territory.

**>430,000**  
**young trees**  
planted by Russian Railways' employees as part of environmental activities in 2023

## Bobrenok tourist train

On 2 May 2023, Russian Railways officially unveiled the Bobrenok (Little Beaver) themed train, operating on the route from Voronezh to the Voronezh Natural Reserve, which is home to Russia's only beaver nursery.

The project aims to promote domestic eco-tourism and support the reserve. To enhance visitor experience, Russian Railways established a new transport stop, constructed a passenger platform and a viewing area, developed a nature trail, and installed wooden sculptures of animals native to the reserve.

The Voronezh Natural Reserve offers visitors an opportunity to observe diverse wildlife, including roe deer, wolves, foxes, and beavers, in their natural habitat. The reserve also features several museums and nature trails.

The choice of destination for this new tourist route is particularly fitting, as 2023 marks the centenary of the Voronezh Natural Reserve. Over the past century, the reserve has played a crucial role in beaver research and population restoration efforts across Russia. In 1985, UNESCO added the reserve to its World Network of Biosphere Reserves.

## Environmental conservation in Lake Baikal's natural territory

In 2023, we carried out the following initiatives under the Action Plan to protect Lake Baikal's natural territory:

- supported comprehensive environmental surveys of the Talovskoye lake and wetland ecosystem in the Sludyansky District, resulting in the site's recognition as a regional natural monument;
- provided assistance to protected areas in the Irkutsk Region and the Republic of Buryatia: purchased equipment for protection and patrols (11 GPS navigators, 31 dashboard cameras, and 15 camera traps for wildlife monitoring), supplied 750 kg of vitamin and mineral supplementary feed for ungulates, and installed an observation tower and eight awareness raising information boards;
- using mobile environmental stations, conducted over 13,000 environmental studies (on natural water, air, soil, and noise) as part of industrial environmental control at the East-Siberian Railway units and environmental monitoring at construction and reconstruction sites within the central zone of Lake Baikal's natural territory;
- published atmospheric air monitoring data on Roshydromet's publicly available portal;
- installed modular wastewater treatment facilities at the Sharyzhalgai station of the Circum-Baikal Railway;
- implemented separate waste collection in electric trains, stations, and stops along the Circum-Baikal Railway, utilising hydraulic presses for waste preparation;
- in July, hosted a working visit by State Duma deputies, members of the Baikal inter-factional working group, and the Committee on Ownership, Land and Property Relations, who positively assessed Russian Railways' environmental compliance efforts;
- in September, organised a tree-planting initiative, with volunteers from the East-Siberian Railway and Irkutsk State University of Railway Transport planting

- 15,000 rootballed seedlings of the Scots pine across 7.5 ha in forests of Lake Baikal's natural territory;
- arranged photo exhibitions of Red Book-listed plants and animals from the Republic of Buryatia and Irkutsk Region at the Zima, Irkutsk-Passazhirsky, and Ulan-Ude railway stations;
- updated the interactive ecological exposition dedicated to Lake Baikal at the Slyudyanka railway station.

### Clean Baikal Shores 3.0, one of the largest events to clean up the shore and bottom of Lake Baikal, took place in July 2023, with:

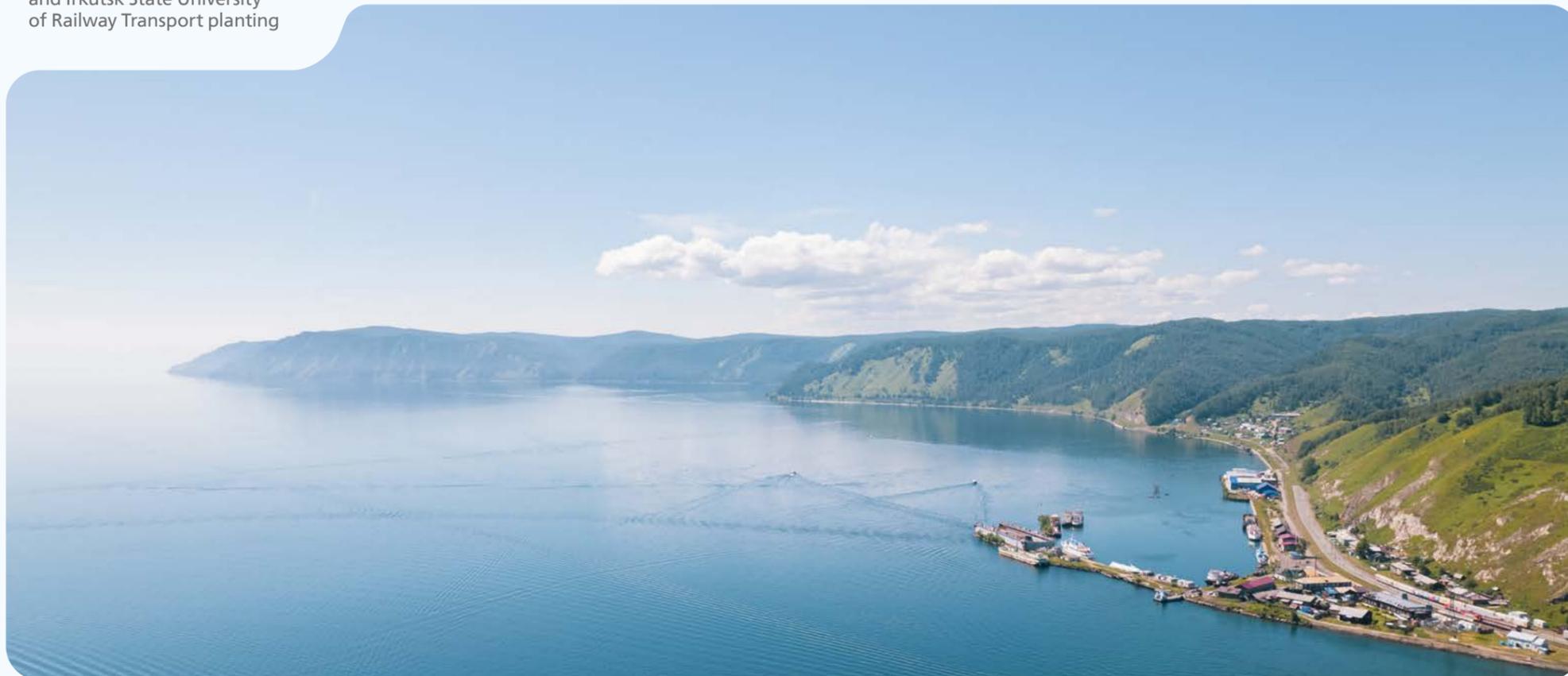
- over 200 railway workers volunteering to participate in the event;
- 70 m of garbage removed from the coastal area along the Circum-Baikal Railway;
- Lake Baikal shoreline improved in the Slyudyansky District of the Irkutsk Region;
- rubbish collected during the campaign safely transported to a container site for temporary collection of municipal solid waste in the Kultuk settlement.



“ **The comprehensive environmental surveys of the Talovskoye lake and wetland ecosystem are a great example of the positive outcomes achievable when modern businesses collaborate with governmental bodies, public organisations, and scientific institutions to preserve Lake Baikal with its unique natural features and ecological significance. The South Baikal migratory corridor has effectively been granted the status of a specially protected area. This corridor is crucial for 36 bird species listed in the Red Books of both the Irkutsk Region and Russia. The new protected status will help safeguard their natural habitat and, consequently, contribute to the growth of populations.** ”

#### Vyacheslav Zdor

Head of the Environmental Protection Centre at the East-Siberian Railway



A major milestone of the Company's Year of Health in 2023 was a

nationwide awareness campaign titled

# Health Train: Together Against Diabetes



**66 days**  
along the  
Vladivostok–  
Moscow route

**>20,000**  
km  
travelled

Stops in  
**37**  
cities and towns

Medical professionals extended their services not just to railway employees but also to the general populace residing in distant rural areas.

► For more details on the Health Train campaign see the [Protecting Public Health in the Regions of Operation](#) section

Social aspect 

A specialised train, equipped with modern medical devices and staffed by highly qualified healthcare professionals of the RZD-Medicine network, travelled along the Vladivostok–Moscow route, making stops in 37 cities and towns. En route, healthcare professionals offered screenings and diagnostic tests to detect diabetes or its potential onset.



**Elena Zhidkova**

Head of the Central Healthcare Directorate

” Upon assessment completion, all individuals received detailed health reports, tailored advice on reducing risk factors, and a wellness improvement plan. Referrals to specialty doctors were provided when necessary. Beyond mere medical outreach, the Health Train represents a tangible commitment to enhancing national health.

# Social and HR Policy

## HR management

### Approach to HR management

A key focus of Russian Railways' social and HR policy is to develop human capital. The Company runs projects promoting continuous training, employee motivation and occupational health, as well as projects aiming to shape a stable and favourable working environment.

The Company's performance received the highest accolade from the Russian government, with the Badge of Excellence awarded to its team by the Russian President Vladimir Putin at the 4th Railway Forum.

### Russian Railways' HR management system

#### Seven key principles

- **respect:** for employees, the Company's business units, and the state;
- **feedback:** constant monitoring of feedback from employees and business units;
- **efficiency:** prompt response to business unit requests and external challenges;
- **proactivity:** providing employees with proactive services;
- **engagement:** involving managers in HR management processes;
- **innovation:** using advanced technologies and practices;
- **digitalisation:** focus on maximum digitisation of routine operations and increased process efficiency.

#### International and domestic documents:

- UN Universal Declaration of Human Rights
- UN Global Compact

- International Labour Organisation (ILO) Conventions
- Labour legislation in the countries of operation
- Social Charter of the Russian Business developed by the Russian Union of Industrialists and Entrepreneurs (RSPP)

#### Corporate documents:

- Russian Railways Group's 2030 Development Strategy<sup>1</sup>
- Russian Railways' Collective Bargaining Agreement<sup>2</sup>
- Russian Railways' Code of Business Ethics<sup>3</sup>
- Russian Railways' Human Capital Development Programme until 2025<sup>4</sup>
- Russian Railways' Youth Target Programme for 2021–2025<sup>5</sup>
- Russian Railways' Framework for Promotion of Professional Guidance until 2025<sup>6</sup>
- Programme of Russian Railways' Interaction with Railway Universities until 2025<sup>7</sup>
- Russian Railways' Housing Policy Framework<sup>1</sup>
- Regulation on the Compensated Social Package Provided to Russian Railways' Employees<sup>2</sup>

- Regulation on Private Pension Schemes for Employees of Russian Railways<sup>3</sup>
- Russian Railways' Action Plan to Enhance the Quality of School Education Provided by Private Educational Institutions through 2030<sup>4</sup>
- Regulation on Organising Employee Training and Professional Development at Russian Railways<sup>5</sup>
- Russian Railways' Corporate Volunteering target programme for 2023–2030<sup>6</sup>
- Conceptual Model for Centralising HR Management at Russian Railways<sup>7</sup>

#### GRI 3-3

As the country's largest employer, Russian Railways promotes and prioritises principles of social responsibility to employees, society, and the government.

We attract the best talent while motivating and developing our people in line with current industry trends. By offering a wealth of opportunities to build career and grow professionally, Russian Railways seeks to make sure every employee is part of the team and can fully unlock their potential.

To nurture its talent pool, the Company takes steps to upskill and multiskill employees, expand their roles, and redistribute labour force to the areas in urgent need.

- In 2023, we approved the employer's value proposition – Russian Railways: Empowering Action-Minded Professionals, while also clearly articulating our advantages as an employer – scale, technological edge, care, and opportunities.
- To attract young people motivated to pursue railway professions and specialities, Russian Railways offers systematic career guidance to students. For more details see p. 134-135.

- The Company put in place 16 recruitment departments relying on uniform practices, and introduced extra tools to communicate with job seekers (robocalls, chat bot, and video interviews).
- The number of courses offered by Russian Railways' distance learning platform exceeded 1,200. We created a separate training area for the quick onboarding of new employees. Over 400,000 employees used the platform, with more than 2 million course certificates issued.
- Efforts to roll out centralised HR management were ongoing. The reporting year saw another five social and HR centres launched, with their number totalling ten by the end of the year and over 240,000 Company employees covered by their service.
- Russian Railways continued developing its Career Portal

- The Company actively promoted its Employee Service Portal. For more details see p. 81.
- The Knowledge Hour project was on track to enable employees to use one hour of working time per month for professional development via more than 900 courses available on the distance learning platform.
- In 2023, the Company held 116 regional stages of the Skills Competition and the network-wide finals with over 2,000 participants.
- Our Corporate University offers more than 250 educational solutions to managers in the most relevant areas such as talent pool growth, intensive development of corporate and professional competencies, digitalisation, operating efficiency, and occupational safety.
- To attract and retain talent, the Company offers competitive remuneration.
- On top of the salary, employees and their families enjoy a solid social package including benefits, compensations, and guarantees beyond the requirements of labour laws.

### HR management structure

Progress against strategic HR management goals is monitored by Russian Railways' Board of Directors. The Personnel and

<sup>1</sup> Approved by the Company's Board of Directors (Minutes No. 19 dated 23 December 2013).

<sup>2</sup> Russian Railways' Order No. 3446/r dated 26 December 2022.

<sup>3</sup> Russian Railways' Order No. 1792/r dated 18 July 2023.

<sup>4</sup> Russian Railways' Order No. 2757/r dated 14 December 2020.

<sup>5</sup> Russian Railways' Order No. 2767/r dated 15 December 2020.

<sup>6</sup> Approved by Russian Railways' Management Board (Minutes No. 9 dated 11 February 2019).

<sup>7</sup> Russian Railways' Order No. 58 dated 22 January 2020.

<sup>1</sup> Russian Railways' Order No. 1555/r dated 21 July 2020.

<sup>2</sup> Approved by Russian Railways' Management Board (Minutes No. 9 dated 11 February 2019).

<sup>3</sup> Russian Railways' Order No. 2580/r dated 28 December 2006

<sup>4</sup> Russian Railways' Order No. 658/r dated 30 March 2021.

<sup>5</sup> Russian Railways' Order No. 675/r dated 21 March 2022.

<sup>6</sup> Approved by Russian Railways' Management Board (Minutes No. 86 dated 5 December 2022).

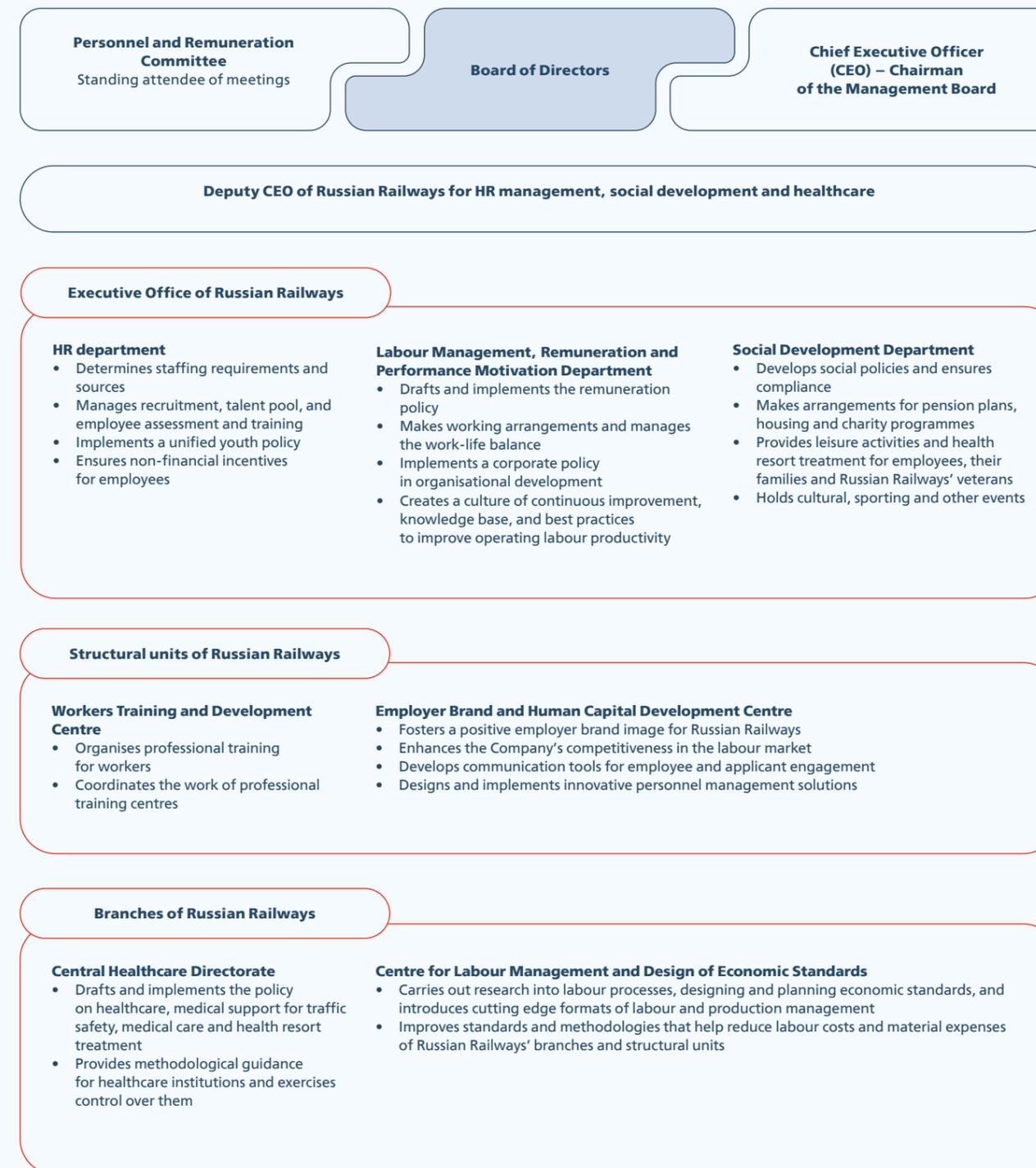
<sup>7</sup> Russian Railways' Order No. 1721/r dated 2 August 2021.

Remuneration Committee is primarily designed to assist Russian Railways' Board of Directors in setting up governance bodies and developing transparent remuneration policies for their members.

Russian Railways' Deputy CEO for HR Management, Social Development and Healthcare is in charge of managing human capital in the Group, whereas key human

capital management responsibilities are distributed between the HR Department, Labour Management, Remuneration and Performance, Motivation Department, Social Development Department, Workers Training and Development Centre, and Employer Brand and Human Capital Development Centre, Central

Healthcare Directorate, Centre for Labour Management and Design of Economic Standards.



## Social risks

The Company addresses social risks with regard to its employees and retirees as well as other social partnership entities. As regards the risk of ineffective social policy, we primarily aim at creating sustainable working environment, fulfilling obligations under the Collective Bargaining Agreement and supporting a positive image of Russian Railways to prevent weakening of labour productivity, staff motivation and overall performance, as well as avoid

collective labour disputes and strikes. The key areas of social risks include HR management, compensation and incentives, social development and healthcare.

In 2023, the following measures were taken to mitigate these risks:

- employee training;
- improvement and development of social benefits and guarantees for Russian Railways' employees and retirees;

- revision/update of Russian Railways' regulations;
- analysis of performance under the Collective Bargaining Agreement;
- adjustment of the strategy for the social policy to factor in external and internal factors;
- staff monitoring, continuous information sharing through corporate media, addressing public queries, participation in employee meetings.

## Stronger employer brand

The employer value proposition adopted by the Company is "Russian Railways: Empowering Action-Minded Professionals". Russian Railways ensures the consistency of its communications as an employer by conveying its key employer brand benefits such as scale, opportunities, technological sophistication and care.

As part of its employer brand promotion efforts in 2023, the Company implemented dedicated projects and communication campaigns generating more than 115 million touchpoints.

In the lead-up to the 50th anniversary of the start of construction on the Baikal–Amur Mainline (BAM), Russian Railways launched a special project in partnership with NewsMedia to spotlight railway

workers in the BAM regions. This series of short films chronicles the distinctive aspects of life and work along the legendary mainline.

Jointly with the Institute for Internet Development, Russian Railways launched the #BlueCollars media project to popularise in-demand professions on social media. The series of short videos promoting the train driver profession garnered over 15 million views, the most impactful result as part of the project in 2023.

In collaboration with the federal Profession Show project, Russian Railways produced videos spotlighting key railway professions – conductor and train driver. These videos targeted high school students and were distributed across Russian schools, on social media, and on the project's website, amassing over 2 million views.

The Company also partnered with HeadHunter (hh.ru) and launched an interactive game called "World of Railways" on its portal, where users are challenged to match pairs of cards depicting railway professions and their associated attributes.

In 2023, Russian Railways undertook the following initiatives to promote its employer brand among students:

- nationwide and city-level events held at federal venues – Youth Day celebrations in Moscow, Krasnoyarsk, Yekaterinburg, and Vladivostok, as well as the All-Russian Career Day;
- participation as a general partner in the Changellenge Cup Moscow 2023 case competition, with a case study on embedding artificial intelligence in HR management processes;

- career events at leading universities, including nine partner railway transport universities, the Higher School of Economics, Plekhanov Russian University of Economics, and more;
- career guidance meetings with students;
- continued development of the Russian Railways' Student Ambassadors project in its fourth year, with 129 students and 13 curators (selected from among graduates of the previous years' enrollees) representing 15 universities and 20 vocational colleges engaged in 2023. The ambassadors promote

the Group's initiatives, highlight the advantages of working at Russian Railways, and inform students about the worthwhile events and activities.

In 2023, Russian Railways continued promoting its Career Portal ([team.rzd.ru](https://team.rzd.ru)) as the key information platform for job applicants, university and school students. Each month the portal posts some 8,000 job openings, with its monthly traffic coming in at over 250,000 users. Total traffic in 2023 exceeded 2.9 million people, while the number of application submissions increased by 22% compared to 2022.

The Russian Railways' Career Portal and the VK community "Russian Railways Team I Work" (over 86,000 subscribers) were recognised as the best among competitors according to a survey of Russian companies' online recruitment efforts conducted by the Gradus and Interium agencies. Additionally, the Telegram channel "Russian Railways Team I Build Your Career" was ranked in the top 10 of the same survey.

The Company continues to strengthen its clout as a leading employer among major Russian companies. In 2023, more than 15 projects of our social and HR division won a number of prestigious awards.

### Russian Railways' Awards in 2023



- Excellence in Human Resources Development at Leaders of Russian Business: Dynamics, Responsibility, Sustainability, an all-Russian contest organised by the Russian Union of Industrialists and Entrepreneurs (RSPP).
- Talent Management System and HR Project in Federal and Municipal Administration Organisations according to the Crystal Pyramid awards held on the sidelines of the annual Summit of Russian and CIS HR Directors, an event sponsored by RSPP.
- Event of the Year according to InterComm 2023, the main intracorporate communications and corporate culture award in Russia and the CIS.
- Silver Mercury award for its employer branding project, which involved repositioning of the Company in the labour market.
- Best Project/Programme for Engaging Youth in Positive Changes and Best Practice for Developing Young Talents at the ESG Excellence Award 2023.
- Best Manager for Staff Motivation (Grand Prix), awarded to Yulia Alekseeva, Head of the Social Development Department at Russian Railways.

**Russian Railways' Awards in 2023**



Grand prix in the following categories:

- Best Manager for Staff Motivation, awarded to Head of the Social Development Department of Russian Railways
- Best Mobile Application for Pulse app at the Digital Pyramid 2023 Award
- HR Tech Platform of the Year with the Russian Railways. Recruitment project at the HR TECH AWARD (Digital Pyramid 2023)

No. 1 in the following categories:

- Development of Wellness Culture with the Russian Railways' Healthy Lifestyle Concept for 2020–2025 project at the Investments for a Healthy Country. Best Corporate Practices competition
- Promotion of Sports and a Healthy Lifestyle in Hard-to-Reach Regions with the Sports Station project at the 2nd National Corporate Sports Award



No. 2 in the following category:

- Best Human Capital Development Project with the Care for the Future project at the ESG Excellence Award 2023



No. 3 in the following categories:

- Best Well-being Programme category with the Physical Well-being of Railway Workers project
- Corporate Culture Supporting Diversity at the Crystal Pyramid 2023 Award

**Attractive employer**

In 2023, Russian Railways continued to ride high in the rankings of Russia's best employers:



for the fifth year running, the Company came in second in the people's rating of Russia's best employers compiled by VCIOM (Russian Public Opinion Research Centre);



continued to lead among logistics companies in the Changellenge rating of the best employers

**Intracorporate communications**

The key objective of developing intracorporate communications is to improve employee satisfaction and engagement levels by raising personnel awareness, enhancing feedback channels within the Company, and strengthening the image of an attractive employer among employees.

**Russian Railways' Employee Service Portal**

Russian Railways' Employee Service Portal remains one of the key personnel communication channels. A shared information space facilitates contacts between the employer and workers, provides staff with corporate updates, and serves as a one-stop shop for over 60 services.

**25% growth**  
in daily visits to the portal in 2023, hitting 250,000 unique users

Russian Railways fully transitioned to electronic labour relations document management in March 2023, using the Employee Service Portal. By the year end, over 228,000 employees (33% of the workforce) voluntarily switched to electronic interactions with the Company. For user convenience, a dedicated HR Document Management section was added to the portal.

In 2023, a new Board of Honour service was launched, showcasing profiles of recognised employees and providing an opportunity to offer them congratulations and appreciation.

The Active Worker service, which enables employees to submit their portal improvement proposals and vote online on their colleagues' submissions, continued to operate in 2023. Over 6,400 proposals were received during the year.

In 2023, the Company continued to develop Events, a new communication service through which employees can submit applications to participate in corporate competitions, events and projects. The service was used to announce over 90 events, with the number of application submissions exceeding 14,000.

**Internal Communicators Community**

Launched in late 2023, the Internal Communications Community project aims to increase the number of employees who exhibit behaviours aligned with the Company's Code of Business Ethics and corporate competencies. The project has reached over 500 participants across all railways and functions.

Railway workers of all ages and positions are welcome to join the Internal Communications Community. Enrolment for the project takes place annually in the Events section of the Employee Service Portal.

**Feedback**

To improve the quality of feedback, we continued upgrading the Manager's Online Desk service available on Russian Railways' Employee Service Portal. With this service, employees can reach their line managers directly to ask them questions, make a request or submit a proposal. In cases where an employee disagrees with the response, the service offers the option to escalate the message to a higher-level manager.

In 2023, the Manager's Online Desk registered over 3,700 submissions from employees, an increase of almost one third compared to 2022. The average manager care score came in at 4.3 out of 5.

Apart from that, Russian Railways has another important channel to collect employee feedback – 24/7 employee hotline for reports on social and HR issues (+7 800 250 1520, calls are toll-free). In 2023, we registered over 42,000 requests, 89% of which were handled by operators in real time thanks to the vast knowledge base.

**4.85 out of 5**  
average employee satisfaction score for the hotline in 2023

**Social surveys**

In 2023, the Company completed 32 corporate social surveys covering 585,000 employees, including 160,000 people who took part in the annual Job Satisfaction and Personnel Engagement Levels survey at Russian Railways.

The surveys focused on assessing employee satisfaction with the Company and loyalty levels (eNPS), analysing turnover causes and retention opportunities, and evaluating satisfaction with specific HR processes and services, including the electronic workflow for labour relations, social and HR centres, and the Employee Service Portal.

> **100**  
local surveys covering 80,000 employees

**Corporate culture**

**GRI 3-3**

The corporate culture of Russian Railways rests on our rich history and traditions, the scale and global nature of our business, knowledge and experience continuity, and expertise and skills of the Company's employees.

aspects of the Company's strategy and corporate culture. To promote the Code and ensure its adoption, Russian Railways conducted a comprehensive communication campaign for its employees.

coupled with a responsible attitude towards nature and resources. We value everyone's contribution to a common goal.

In 2023, the Board of Directors of Russian Railways approved an updated Code of Business Ethics<sup>1</sup>, which sets out unified corporate values, standards, and rules of conduct for Board members and employees, and regulates the Company's relationships with shareholders, government bodies, and legal and natural persons. The Code defines key behavioural standards based on Russian Railways' mission, values, and principles of corporate culture.

Every employee of Russian Railways is guided by the Company's brand values and associated principles of its corporate culture.

**Openness to innovation**

We are open to innovation and keep advancing our competencies to meet the challenges of an ever-evolving world. For us, innovation is key to shaping the quality of our work.

**Principles of corporate culture**

**Contributing to our country**

We are action-minded professionals. Every day, our efforts fuel the economy, moving hundreds of thousands of passengers and millions of tonnes of cargo. Our patriotism and commitment to our country help us build a better life for our people and a stronger nation.

**Respecting people**

We never forget that people are at the heart of everything we do – our colleagues, our customers, our partners. We are open

**Values and principles**

**Brand values**

**People**

We create an effective environment to develop and support our big team and nurture everyone's self-fulfilment and recognition. We put a primary focus on people, collaboration and attention to the needs of customers, colleagues and partners.

**Partnership**

We strive for creative and successful partnerships based on mutual respect and trust

to constructive conversations and care deeply about everyone's well-being. We value everyone's opinions and needs, treat each other with respect, and stand against any form of discrimination.

**Working as a team, achieving a shared goal**

We are united by a common purpose. We are honest and transparent in everything we do. We trust our colleagues' expertise, keep our promises, and are always ready to lend a hand. We value every member of our team and work together to achieve our shared goal.

**Operating reliably**

Reliability and safety are the core values that guide our work. We operate responsibly and ensure uninterrupted service. We guarantee high quality and deliver on our commitments. Our work touches the lives of people and the world around us. That is why we minimise risks and build trust with our partners.

**Being efficient, conserving resources**

We are determined to achieve results, but we use the Company's resources wisely and responsibly. We find the best way to solve every challenge.

**Continuously improving**

We are always open to new ideas, solutions, and technologies. We create an environment where innovation thrives, so we can constantly improve our work. We never settle for the status quo and are always striving to do better.

We eliminate inefficient practices, simplify processes wherever possible, while maintaining safety and sustainability. We create opportunities for professional and personal growth for every member of our team.

Values, principles, and corporate competencies are inextricably linked, forming the bedrock of our corporate culture. They foster an environment of trust and mutual respect, underpinning our commitment to fair competition, social responsibility, and objective, honest decision-making in all personnel-related matters.

**Business communication: behaviour and style**

To complement the existing Code of Business Ethics, Russian Railways released a new guide titled "Business Communication at Russian Railways: Behaviour and Style." It provides valuable guidelines on:

- professional conduct in business settings;
- effective meeting and negotiation techniques;
- digital etiquette and its best practices;
- appropriate business attire for different work situations.

The primary goal of business etiquette is to cultivate an environment that fosters collaboration, mutual understanding, and respect.

**Ethics advice and ethical issue prevention mechanisms**

**GRI 2-26**

The Business Ethics Officer is in charge of ethics advice and ethical issue prevention mechanisms at Russian Railways.

All employees who have grounds to believe that someone's actions violate the Code of Business Ethics of Russian Railways, as well as the Russian laws, the Company's Charter or regulations, or that someone commits other actions that may negatively affect the image and business reputation of Russian Railways, must inform their immediate superiors or the Business Ethics Officer.

In all of the Company's units, conflicts between colleagues, superiors, and subordinates are addressed by ethics commissions, following the guidelines set out for ethics officers and ethics commissions in the branches of Russian Railways.

Ethics commissions:

- review reports and proposals regarding employees' adherence to the standards and rules established by the Code of Business Ethics of Russian Railways;
- guide employees in resolving conflicts related to violations of the Code's standards and rules;
- participate in resolving conflicts related to violations of the Code's standards and rules;
- develop recommendations and proposals for employees on matters of business ethics;
- may inform unit heads about violations of the Code's standards and rules for consideration when making decisions regarding employee incentives or career growth;
- develop proposals and response measures in relation to received reports. For gross violations of the Code's standards and rules, the commissions have the right to initiate disciplinary action against the employee at fault. The severity of the violation, the degree of guilt, and

<sup>1</sup> Approved by a resolution of Russian Railways' Board of Directors, Minutes No. 13 dated 23 June 2023.

the circumstances are taken into account when determining appropriate action.

One can report violations of the Code of Business Ethics by calling Russian Railways' employee hotline for reports on social and HR issues (an integrated information and counselling service) or by emailing [ethics@rzd.ru](mailto:ethics@rzd.ru).

## Ensuring equal rights for employees

**GRI 3-3, 406-1**

Ensuring equal rights and opportunities for employees is one of the Company's top priorities in HR management.

In its operations, Russian Railways adheres to the principles of the UN Global Compact and the Social Charter of the Russian Business developed by the Russian Union of Industrialists and Entrepreneurs (RSPP).

- The Company strictly complies with the Russian labour and civil laws and builds relations with employees based on mutual respect and commitment.
- The Company encourages and supports the social and cultural diversity of its employees, providing them with equal

The Company guarantees confidentiality of any report made and anti-retaliation protection. The Company does not consider anonymous reports regarding violations of Russian Railways' Code of Business Ethics.

opportunities for employment, remuneration and promotion regardless of their differences and beliefs.

In accordance with Russian Railways' Code of Business Ethics, heads of the Company's branches and business units ensure equal rights and opportunities for all persons when they apply for a job or work their way up the career ladder, regardless of their gender, age, race, ethnicity, language, origin, financial and employment status, place of residence, personal and physiological differences.

Russian Railways does not tolerate harassment, insults, threats, or psychological abuse. In the event of human rights violations

To promote understanding of the Code of Business Ethics, Russian Railways offers an online training course through its distance learning platform. Over the past year, more than 300,000 employees completed this training.

or discrimination, employees are entitled to contact the Hotline and make a complaint.

The Company does not discriminate or have restrictions on the employment of disabled people. They are hired based on their health condition and statutory requirements for certain jobs.

When moving up the career ladder, all employees enjoy equal rights and opportunities. Over 20% of the Company's managers are aged under 35.

## Supporting women

As women make up nearly 30% of Russian Railways' employees, improving their working conditions and social security is among our absolute priorities.

In December 2020, Russian Railways approved the Action Plan to improve the conditions of work, leisure, and social support of women in 2021–2025<sup>1</sup>, with the relevant Coordination Council put in charge. The Council holds regular on-site meetings with female employees and organises video conferences with railway coordination councils.

These are effective ways to collect feedback from female employees, discuss issues, develop response measures, and put them into effect.

The Company considers changes in the list of jobs available to women to be an important step towards equal opportunities. Russian Railways offer women an opportunity to work as operators and assistant operators on certain types of traction rolling stock, as well as choose other professions that had traditionally been associated with men – from lorry

driver to overhead lines repair personnel. In the reporting year, 79 women were trained and employed as train drivers and assistant drivers.

In 2023, we carried out an annual survey of working conditions of Russian Railways' female employees. The survey showed that 78.2% of women were satisfied with their employment at the Company, up 1.5% y-o-y.

### 2023 results in improving the conditions of work, leisure, and social support of women

- The Company increased the amount of financial assistance for those taking an annual paid leave to 20% of wages or salary.
- Over 2,000 women were transferred to flexible working hours and remote work.
- Over 1,500 female employees were provided with a "woman's leave"<sup>2</sup>.
- 26 rooms for functional and emotional unwinding were launched.
- Working conditions were improved at 46,800 workplaces.
- Over 2,000 female employees took part in the How To Be Successful and Happy corporate social event for improving the quality of women's lives and expanding their areas of interest and competencies.
- The Company held the 4th Forum to Improve the Conditions of Work, Leisure, and Social Support of Female Employees, with the resulting proposals already being implemented to enhance production processes, achieve corporate targets, and strengthen social policies and internal communications.
- We organised more than 800 schools of women's health across its healthcare network and health support groups for women aged above 40.
- An anonymous hotline was launched to provide advice from psychologists.

<sup>1</sup> Approved on 29 December 2020 (Minutes No. 2019).

<sup>2</sup> One extra unpaid day off per month to which all female employees of the Company are entitled under the Collective Bargaining Agreement.

## Personnel structure and turnover

GRI 2-7

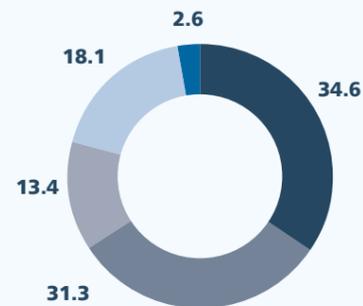
As at the end of 2023, Russian Railways had a headcount of 685,200 people.

The staff composition remains stable and well-balanced in terms of age and gender, which supports the Company's growth and transformation.



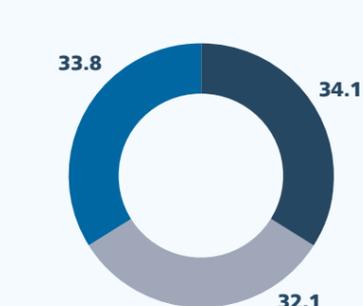
### Russian Railways' personnel composition<sup>1</sup>

#### Age structure, %



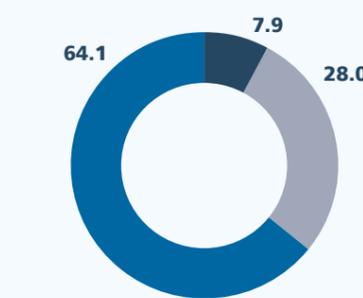
- Under 35
- 36-45
- 46-50
- Over 50
- Retirement age

#### Education, %



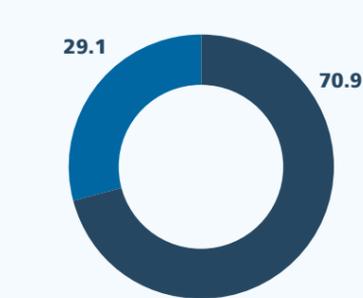
- Higher
- Vocational
- Incomplete secondary, complete and first-level vocational

#### Personnel categories, %



- Managers
- White-collar employees
- Blue-collar employees

#### Gender structure, %



- Men
- Women

## Russian Railways' personnel structure by gender, age, education and category, people

GRI 405-1

Indicator	2019	2020	2021	2022	2023
<b>Personnel structure by age as at the end of the reporting year</b>					
Women (under 30)	44,497	40,821	36,887	36,794	34,808
Men (under 30)	123,833	112,443	102,471	103,840	100,615
Women (31-50)	138,005	136,894	127,603	126,963	119,353
Men (31-50)	299,332	300,524	295,982	296,417	288,465
Women (over 50)	43,309	42,844	41,929	43,225	45,082
Men (over 50)	88,933	89,924	91,433	93,925	96,863

#### Personnel structure by category as at the end of the reporting year

Women (managers)	16,227	16,244	14,600	14,763	13,754
Men (managers)	40,588	40,761	40,319	40,656	40,364
Women (office workers and white-collar employees)	135,773	132,345	121,772	121,330	115,895
Men (office workers and white-collar employees)	80,195	79,161	76,939	77,074	75,711
Women (blue-collar employees)	73,812	71,970	70,047	70,889	69,594
Men (blue-collar employees)	391,314	382,969	372,628	376,452	369,868

#### Personnel structure by education as at the end of the reporting year

Higher	263,582	242,999	230,713	233,555	233,492
Vocational	216,081	203,285	195,719	195,999	219,826
Other	258,246	277,166	269,873	271,610	231,868

### Employees with disabilities

Indicator	2020	2021	2022	2023
Employees with disabilities, people	3,964	4,159	4,432	5,112
Share of employees with disabilities in total headcount, %	0.5	0.6	0.6	0.7

In 2023, the Company hired 103,400 people, including 7,500 graduates of industry-based educational institutions that train specialists under higher and

vocational education programmes in accordance with the needs of Russian Railways' branches.

<sup>1</sup> As at 31 December 2023.

**New hires in 2023 by category, gender and age**

GRI 401-1

New hires	2019	2020	2021	2022	2023
Men	64,911	42,012	56,335	73,546	74,118
Women	26,037	14,739	23,956	28,507	29,246
Under 30	50,385	30,386	44,095	56,297	57,461
31–50 years of age	31,788	21,370	28,911	37,098	35,571
Over 50	8,775	4,998	7,285	8,658	10,332

Staff turnover is one of the Company's key performance indicators, with its threshold set at 8% as per the internal calculation methodology. In 2023, turnover remained below the threshold, within the set target values, and amounted to 7.8%.

For more details on total hires and quitters for various reasons, employee turnover by region, gender and age, and Management Board composition in 2023 by diversity category see [Social and HR Policy section](#).

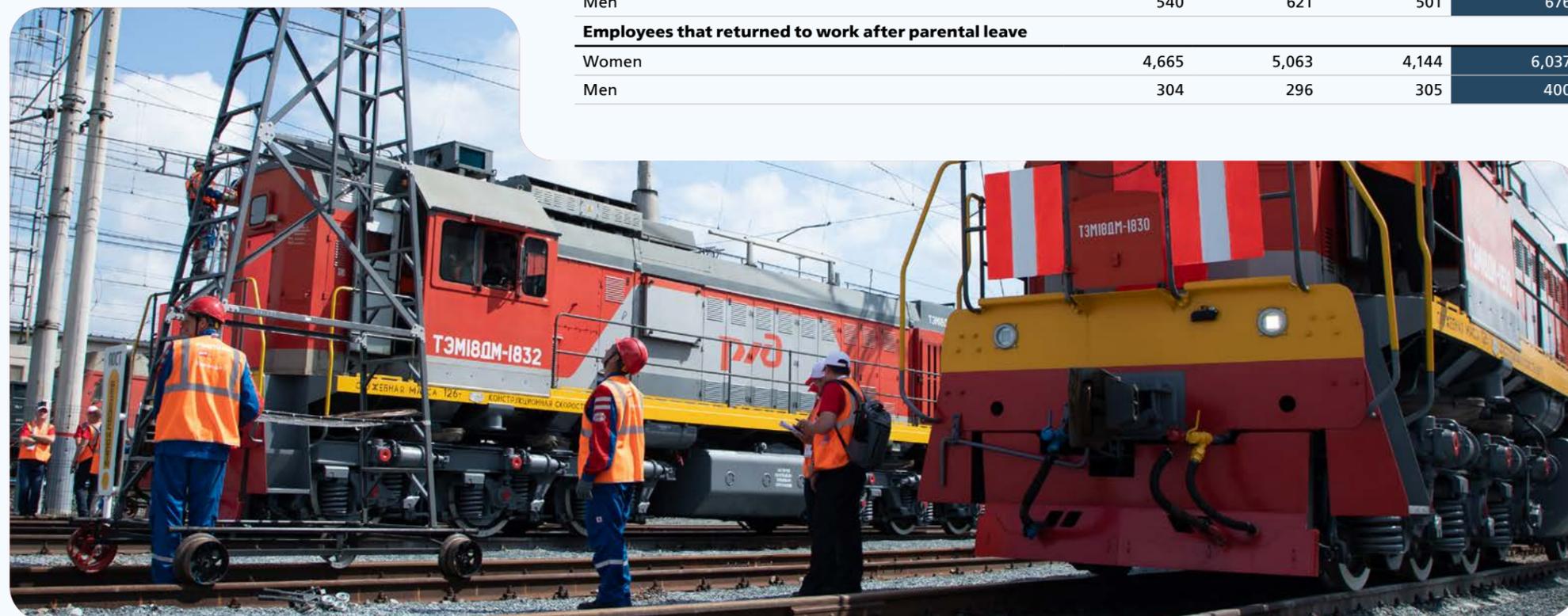
**Personnel turnover, %**

GRI 401-1



Russian Railways' management monitors staff turnover by unit, region and professional group to take timely action.

In 2023, the Company approved roadmaps to attract and retain talent, enhance its employment brand, and improve job satisfaction of its employees. Roadmaps have the following focus areas: salaries and workplaces, accommodation provision, healthcare, cooperation with educational institutions, recruitment and retention. This helps attract and retain highly skilled talent at new or complex operational sites, create jobs, improve social comfort, and strengthen the Company's employer brand.



**Quitting and dismissed employees**

GRI 401-1

Quitting and dismissed employees in the reporting year	2020	2021	2022	2023
Women	22,029	38,228	27,995	37,013
Men	54,013	70,065	71,499	82,360
Employees under 30	22,958	36,693	37,962	46,311
Employees aged 31–50	30,693	47,288	39,034	50,127
Employees over 50	22,391	24,312	22,498	22,935

**Employees that exercised their right to parental leave, people**

GRI 401-3

Indicator	2020	2021	2022	2023
<b>Total number of employees that took parental leave</b>	9,326	8,666	6,896	7,880
Women	8,786	8,045	6,395	7,207
Men	540	621	501	676
<b>Employees that returned to work after parental leave</b>				
Women	4,665	5,063	4,144	6,037
Men	304	296	305	400

## Remuneration and incentive system

As part of its social policy, the Company makes 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.

Amid significant inflationary pressure, the Company seeks to improve the competitiveness of salaries by fulfilling its obligations under Russian Railways' Collective Bargaining Agreement. In 2023, the Company indexed employee salaries three times: by 2.63% on 1 March, 3% on 1 October, and 2.12% on 1 November.

The average monthly salary across all Russian Railways' operations amounted to RUB 85,300, up 12.8% compared to 2022 (RUB 75,600). Real salaries increased by 6.5%.

### Salary, RUB '000



Russian Railways holds its position in terms of salary levels on the labour markets. In 2023, the Company offered salaries 14% above the national average and the pay level across Russian regions<sup>1</sup>.

The Company's approach to the financial incentive system is a classic combination of regular and additional bonuses. The former is aimed at financially motivating employees to achieve both individual and collective KPIs.

In the reporting year, the current incentive system was instrumental in achieving key quantitative and qualitative indicators, while additional bonuses served to laser-focus personnel on specific tasks. In 2023, the Company paid the following bonuses to:

- 87,200 people for ensuring traffic safety;
- 117,600 people for saving fuel and energy resources;
- 2,500 people for preventing occupational injuries associated with hitting by rolling stock;
- 6,700 people for preventing occupational injuries with disability of employees (including fatalities), authorised persons (proxies) of the Russian Trade Union of Railway Workers and Transport Builders, Russian Railways' primary trade union;

- 1,900 people for identifying hard-to-detect defects in freight and passenger trains;
- 1,800 people for identifying violations committed in driving trains and shunting operations;
- 2,500 people for reducing unproductive losses of working time of locomotive crews;
- 14,000 people for the successful implementation of lean production projects;
- 7,700 people for mentoring;
- 3,300 people for promoting invention and rationalisation.

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.

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

## Ratios of standard entry level wage compared to minimum wage in the reporting period

GRI 202-1

Region	Local minimum wage as at 1 January 2023, RUB	Minimum wage at Russian Railways as at 1 January 2023, RUB	Ratio, %	Comments
Russia	16,242	16,242	100	Employees of Russian Railways who have worked the required standard hours and met the required labour standards in the respective period are paid extra monies to bring their wages on par with the minimum wage established in the respective Russian region
Bryansk Region	16,242	16,242	100	
Kursk Region	16,242	16,242	100	
Sverdlovsk Region	16,242	16,242	100	
Novgorod Region	16,242	16,242	100	

### 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

devices, improvement and modification of processes, organisational measures, multi-skilling, and expanded roles.

In 2023, productivity in transportation operations increased by 2.1% y-o-y.

## 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<sup>1</sup>;

- Regulation on Training and Development of Russian Railways Managers and Office Workers<sup>2</sup>;
- Russian Railways' Programme on Employee Development and Training System Improvement until 2025<sup>3</sup>;

- Rules for Organising Employee Training and Professional Development at Russian Railways<sup>4</sup>;
- Regulation on Organising Employee Training and Professional Development at Russian Railways<sup>5</sup>.

<sup>1</sup> Russian Railways' Order No. 2757/r dated 14 December 2020.

<sup>2</sup> Russian Railways' Order No. 1241/r dated 9 June 2020.

<sup>3</sup> Russian Railways' Order No. 2827/r dated 18 December 2020.

<sup>4</sup> Approved by Russian Railways' Order No. 493/r dated 5 April 2021.

<sup>5</sup> Russian Railways' Order No. 675/r dated 21 March 2022.

2023 awards

Grand prix in the following categories:

- Cross-Functional Programmes of the Efficient Education award
- Crystal Pyramid award for the Comprehensive Support to Employee Families project

No. 1 in the following categories:

- Human Resources Development at the Leaders of Russian Business: Dynamics. Responsibility, Sustainability, an all-Russian contest organised by the Russian Union of Industrialists and Entrepreneurs (RSPP)
- Event of the Year of the SMART Pyramid award
- Event of the Year of the InterComm award



No. 2 in the following categories:

- Event of the Year of the Event Awards, an annual national event industry award
- Corporate Training of the Year category of the Crystal Pyramid award
- Best Corporate Training Project category of the SMART Pyramid award

No. 3 in the following categories:

- Knowledge Momentum category of Bravo, an award for employers creating inspiring content
- HR Project of the Year category of the Crystal Pyramid award

**16,000**  
people

took part in 87 onboarding events (offline and online) in 2023

**| 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.

Russian Railways employees undergo onboarding in line with a dedicated plan.

Employees responsible for traffic safety and the most sophisticated technological processes complete an onboarding internship (also job onboarding).

As part of the initial onboarding efforts, the Company holds Integrated Onboarding Days, an annual event helping young employees get a holistic view of Russian Railways' structure, its operations, strategy, ongoing projects, corporate culture and values. In 2023, the standard offline format was complemented by Welcome to Russian Railways, a monthly online corporate awareness event.

On top of that, the Employee Service Portal now features My Onboarding, a step-by-step sequential road map with a set of actions to be taken by a new hire at each stage of their initial onboarding process.

**| Mentoring**

The Company has in place a system of mentoring, which can be divided into three large streams – professional, management, and youth mentoring.

**Professional mentoring** is a traditional part of Russian Railways' processes: weathered professionals immerse newcomers in the process intricacies and familiarise them with the corporate culture. Currently the Company is updating its professional mentoring approaches. In 2023, seven production branches of the Company implemented a new professional mentoring approach, with another eleven branches to join the new format in 2024.

**Highlights of Russian Railways' new approach to mentoring:**

- developing a set of skills (specific actions to be taught by the mentor);
- freedom of the mentor to determine the way of teaching key skills;
- a demo day where mentees demonstrate how they use their new knowledge in practice;
- financial and non-financial incentives.

All processes have been automated to streamline the delivery of professional mentoring.

There is a dedicated training course on best practices that mentors can use working with their mentees, which is included in the Distance Learning System.

The primary objective of **management mentoring** is to transfer specific management knowledge to any employee at request. Particular attention is paid to high-potential young workers, and in order to facilitate the transfer of managerial experience they are assigned to the Company's top managers as mentees.

All employees within the Company can seek and receive professional support from colleagues through the Corporate Mentoring section of the Service Portal.

The service features two main roles:

- **Expert:** provides assistance with specific work-related matters.
- **Mentor:** supports professional development, goal achievement, and the realisation of potential.



**” Management mentoring is an efficient instrument boosting personal and professional growth. One-on-one meetings with your mentor make your path to development of the competences you need much shorter.**

**My mentor gives me practical advice and helpful hints, so that I feel inspired and full of energy for new professional achievements.**

**Anastasiya Navalikhina**

Lead Engineer of the Corporate Governance and Strategy Division at the Moscow Railway

**7,500**  
participants  
have signed up for  
Corporate Mentoring

In 2023, the Russian Railways' Mentor badge was approved and awarded to

**145** employees

**9** employees  
received a national award, the merit badge For Mentoring

In 2023, Russian Railways launched a new stream – **youth mentoring**, which aims at comfortable onboarding of young new hires and their quick absorption of the corporate values Company-wide and team-wide. The instrument is based on the “youth for youth” principle, and is used during three months after the employment (at least three meetings).

### Training and development of blue- and white-collar employees

The corporate vocational education system is based on 15 vocational education centres with 71 branches covering the whole country, from Kaliningrad to Sakhalin.

In 2023, the Company trained 44,400 employees in key jobs, including 35,000 in vocational education centres. Over 189,500 employees completed training as part of professional development programmes, including 166,100 in vocational education centres. Teaching skills and technology courses were offered to 729 vocational centre instructors.



In 2023, the Company arranged and carried out the following measures to improve its employee training and development system:

- 184 educational programmes with implementation instructions and assessment tools developed and approved;
- flexible training formats designed for ten jobs, including those of a track serviceman, an overhead lines repairman, a shunting master, and a car inspector-repairman, so that employees can do their courses offline and online, outside their work hours;
- availability of equipment on training grounds for improving practical skills increased by 15%;
- 177 technical training aids supplied, including 107 training simulators and 70 equipment items;
- ten training infrastructure sites repaired, including training grounds with full-scale specimen at the Tynnda unit of the Far Eastern vocational education centre;
- six training centre sites equipped with new furniture and appliances.

### Employee training expenses, RUB m



- Managers and office workers
- Blue- and white-collar employees

### Training expenses per employee by category, RUB '000



- Managers and office workers
- Blue- and white-collar employees

### Managers and office workers training

According to Russian Railways' Human Capital Development Programme until 2025, the main goal of managers and office workers' training development is to boost efficiency by ensuring accessibility, quality, and focus of educational opportunities aimed at building all kinds of corporate and professional competencies.

In 2023, over 257,000 managers and office workers received training, including over 102,000 trained at the Russian Railways Corporate University.

### Talent pool

The Corporate University serves as a centre of excellence in carrying out programmes to develop the Russian Railways Group talent pool, personnel assessment, methodology of new educational programmes, implementing

innovative technologies in education, and promoting best management practices and business initiatives.

The Corporate University established a comprehensive system for the development of managers included in the Company's talent pool. The system consists of:

- levels of improving managerial competencies;
- functional programmes to develop high-potential managers in the Company's key business areas;
- a corporate MBA programme.

In addition to the framework for talent pool development, we also have in place a set of programmes to support management tools upon request from relevant business units and in line with the Company's strategic goals (for example, digitalisation, process approach, traffic safety culture, risk management, and customer focus).

### Managers and office workers training in 2023

- More than 3,000 managers received training under programmes for comprehensive development of the Russian Railways talent pool.
- To increase coverage of linear managers, over 1,400 employees were trained at six regional railway universities under partner programmes of the Russian Railways Corporate University.
- The Company continued consistent efforts to develop high-potential managers to cover all functional areas

of the Russian Railways Group's operations. To develop managers' professional competencies, the Traffic Control Academy programme was launched in 2023 for managers of major stations and railway station hubs.

- The practice of exchange internship of managers at railway enterprises of different railway domains was expanded.
- The Company's training programmes for managers and office workers to support Russian Railways' Digital Transformation Strategy see consistent expansion, too.
- New programmes to boost the efficiency of digital transformation processes across the Russian Railways Group were implemented in 2023.
- In 2023, the new Business Intelligence programme was developed and launched to master up-to-date intelligence tools for supporting management decisions. The programme focused on sourcing strategic insights, quality criteria for assessing analytical reports, data visualisation, and effective reasoning techniques.
- A series of educational events was conducted for representatives of railway offices and companies from other countries. The events, including training programmes, a webinar, and a round-table discussion, took place at Russian Railways' venues and at foreign colleagues' sites.
- Over 2,100 managers attended the Corporate Sustainability Management online programme. The programme discusses sustainability principles and offers a large number of cases

from various businesses while also leveraging the Company's experience.

- The Company continued its Knowledge.Express project based on the continuing education concept. Open learning formats, such as master classes, educational mini sets, audio discussions, RZD TV programmes, and Book Club video interviews with authors, keep developing.
- Consistent efforts continue in training programmes focused on risk management, anti-corruption, occupational health and safety, industrial safety, accessibility of railway transport for passengers with reduced mobility, environmental safety, and other areas.

### Employees who completed training, '000 people



- Managers and office workers
- Blue- and white-collar employees

### Average hours of training per year per employee by category, class hour / person



- Managers and office workers
- Blue- and white-collar employees

## Social support

GRI 3-3

### Collective Bargaining Agreement

GRI 2-30

Russian Railways' Collective Bargaining Agreement covers 100% of the Company's employees and is an important motivation tool within its recruitment and retention framework.

In 2022, a new Collective Bargaining Agreement of Russian Railways for 2023–2025 was signed. It provides for the same guarantees and obligations towards the Company's employees, their families, veterans, and retirees as the previous agreement.

Russian Railways' Collective Bargaining Agreement for 2023–2025:

- increases financial assistance in excess of the allowance established by the Russian laws

### Distance learning

To improve personnel performance and ensure continuous professional development, we have a distance learning system in place, offering more than 1,200 training courses. Distance learning is still the format enjoying the most of students' attention.

To develop professional competencies, the Company is implementing its Knowledge Hour project, which focuses on keeping the Russian Railways' personnel competencies at a required level by dedicating one working hour per month to training. In 2023,

the Distance Learning System provided over 900 courses attended by more than 400,000 employees from 13 branches of the Company. Over 2 million certificates were awarded to confirm successful course completion. In 2023, the System offered 285 new and more than 200 updated courses.

#### Its key functions include:

- social protection of employees
- maintaining social stability among employees
- boosting Russian Railways' attractiveness as an employer
- developing social partnership

in the event of the birth of a child (or adoption of a child):

- RUB 5,775 in 2023,
- RUB 6,050 in 2024,
- RUB 6,300 in 2025

- increases monthly allowance for those on leave to care for a child aged 1.5 to 3 years:
  - RUB 5,775 in 2023,
  - RUB 6,050 in 2024,
  - RUB 6,300 in 2025

- increases to RUB 10,000 the financial assistance provided to formerly conscripted personnel who return to their work in the Company. This

applies to the workers who are re-employed by Russian Railways within three months of their discharge from military service.

Overall, Russian Railways delivered on its obligations for 2023 under the Collective Bargaining Agreement 2023–2025, meaning the Company maintained its status as a socially responsible employer. There were no collective labour disputes. The decisions on securing employment and personnel earnings ensured social stability among employees.

GRI 401-2

### Social support of employees

As a socially responsible employer, Russian Railways offers an extended social package in the following areas.

#### Basic social package:

- free annual travel by public railway transport for employees and their dependent children up to 18 years of age:
  - o for personal needs on long-haul trains,
  - o from the place of residence to the place of work or study and back,
  - o from the place of residence to the place of medical treatment and back,
  - o from the place of residence to the place where goods can be purchased for family needs – for employees living at stations, passing loops, or transport stops not covered by retailers;

- financial support for motherhood and childhood:

- o supplement to the maternity allowance to raise the total payment to the average monthly earnings,
- o financial assistance in excess of the allowance established by laws in the event of the birth of a child (or adoption of a child),
- o monthly allowance for those on leave to care for a child aged 1.5 to 3 years;

- voluntary health insurance;
- supporting employees in need of household fuel;
- financial assistance for those taking an annual paid leave;
- accident insurance of children during their stay in children's recreational camps;

- lump-sum remuneration for diligent work upon retirement;
- guarantees and benefits when an employee is discharged;
- employee insurance providing for payments to families of deceased employees.

#### Co-financed social package:

- private pension plans;
- health resort treatment and recreation for employees and their family members;
- providing places for employees' children in educational institutions established by the Company;
- corporate support for those acquiring their own housing;
- financial compensation for the cost of fitness sessions.

#### Compensated social package:

- An employee can be refunded, within a certain limit, for their expenses related to social services included on an approved list.

#### Bonus package:

- Financial and non-financial incentives through the mechanism of accrual and exchange of bonus points for activity, involvement in solving corporate tasks, or participation in important corporate projects. Employees can spend the bonus points they have earned on corporate offers made available on the website of Vitrina, a digital platform for railway workers ([mp.rzd.ru](http://mp.rzd.ru)).

In 2023, to ensure the effective development of the Company's social policy, Russian Railways' managers and professionals involved in social projects were offered to take part in a multi-tiered professional development programme titled A New Look at the Social Policy, with more than 100 employees having completed the training by the end of 2023.

### Platform of social and HR services

Russian Railways launched the Vitrina digital platform enabling its employees to remotely redeem points from their bonus packages, receive unique product and service offers from partners, and buy services at social infrastructure facilities.

In 2023, we unveiled the Pulse corporate sports app where users can learn about the Company's events, participate in them or create their own events, and find like-minded people for doing sports or competing in friendly tournaments.

In 2023, the Vitrina app facilitated:

purchase of over

**400**  
corporate offers

registration of more than

**40** partners



**Dynasties of railway workers**

In 2023, Russian Railways approved its first Regulations on Railway Worker Dynasties<sup>1</sup>, which sets out the key criteria for dynasties, the procedure for their inclusion in a unified register, and a set of support measures for such dynasties.

We developed a register of railway worker dynasties, which includes more than 1,000 dynasties and over 8,000 individuals.

Russian Railways also staged a competition for railway worker dynasties and determined winners in the following categories:

- Oldest Dynasty (the greatest length of service since the dynasty's foundation);
- Dynasty in History (the most numerous dynasty);
- Generational Continuity (the greatest cumulative length of service).

In the Oldest Dynasty category, the winner was the Gausner dynasty founded on 1 January 1872. The history of this family spans five continuous generations of railway workers. The founder of the dynasty, August Gausner, was awarded the 25 Years of Service badge established by the Moscow–Vindava–Rybinsk Railway Society.

In the Dynasty in History category, the winner was the Golmakov family counting 37 members. The founder of the dynasty is Fyodor Golmakov, a steam locomotive driver with the total service duration of over 40 years. The track record of 13 dynasty members working in railway transportation exceeds 30 years. Most of the dynasty members work on the Baikal–Amur Mainline (BAM) at Severobaykalsk, Taksimov, Novaya Chara, and Tynda.

In 2023, the Pulse app saw:



registration of over

**20,000** users

more than **50** events

of various levels held

details on more than **300** infrastructure facilities added

In the Generational Continuity category, the winner was the Chemerkin-Polozkov dynasty with the cumulative service duration of 1,072 years. The dynasty includes six people with over 40 years of service in railway transport and 12 people with more than 30 years of service. Four members were awarded the Honorary Railway Worker badge.

**Youth policy**

Employees under 35 years of age account for 34.6% of Russian Railways' total headcount. This makes social support of young talent even more important.

2023 saw over 1,000 activities and projects carried out as part of Russian Railways' Youth targeted programme (2021–2025) in order to ensure comprehensive development and acquisition of industry-specific competencies by young employees, engage them in improvement of Russian Railways' operations, and build a youth-oriented corporate culture. About 210,000 young employees from across the Group took part in the events.

A key youth event was the the 15th Youth Conference of Russian Railways, which was attended by more than 1,000 young employees, representatives of ten foreign railways, and young employees from 16 state-owned corporations and large companies. The central topic of the conference was From Past to Future: Yesterday, Today, Tomorrow through the Lens of People and Events.



**“ The youth conference proved that regardless of our position, preferences, occupation, or place of work we, the young employees of Russian Railways, are one big family.**

**Each of us is interesting and unique in our own way, and taken together we drive the outstanding performance of such a vast and extensive industrial group as Russian Railways.**

**Alexey Zabelin**

Lead Process Engineer in the Southern High-Speed Transportation Directorate

The conference programme included a series of communication, educational, and team-building activities, as well as interactive sessions involving representatives of the government, experts from the leading public and non-profit organisations, and the Russian Railways Group's management.

**16** youth conferences

for railway workers and 11 youth conferences with a focus on specific functional areas were held in 2023

**Corporate pension system**

All of the Company's employees can benefit from the private corporate pension system. In terms of its goals and purpose, a private (corporate) pension is an additional measure of social support for workers, independent of the state pension system. Its strategic target is to ensure a replacement rate of at least 40% of an employee's lost earnings.

The key principles of the corporate pension system:

- shared employee/employer contribution to the employee's future pension;
- full financial security of corporate pensions;
- lifelong payments under the programme.

In 2023, the number of the Company participants to the plan exceeded 566,000. Over 280,000 retired railway workers currently receive corporate pensions in addition to the state ones.

In 2023, pensions were granted to 9,500 Russian Railways employees. The average corporate pension granted in 2023 was RUB 10,179.

<sup>1</sup> Russian Railways' Order No. 1051/r dated 2 May 2023.

**Support for non-employed retirees**

GRI 404-2

The Company’s social responsibility efforts include benefits to senior retirees of railway enterprises not eligible for a private corporate pension.

In 2023, over 54,000 people received monthly financial aid for a total of RUB 546.1 m, with an average payment currently standing at RUB 611.

Non-employed retirees receive medical care at Russian Railways’ corporate health centres in line with local compulsory health insurance programmes, and high-cost treatment according to the list of services stipulated by the Company.

Retirees in need can have their household fuel expenses compensated by the Company. In 2023, we covered RUB 576.9 m in household fuel expenses for over 28,000 veterans.

We provide premises, phone connection, and office supplies for veteran councils and arrange for car transportation to visit disabled people and lonely retirees.

Chairpersons of the veteran councils receive monthly financial aid. In 2023, a total of RUB 162.6 m was allocated to support 4,546 council chairpersons and deputy chairpersons.

The Company also provides monthly financial aid to keepers of local and site railway museums. In 2023, a total of RUB 17.1 m was paid to 258 keepers.

The Company holds corporate celebrations of the Victory Day and Day of Older Persons, organises trains to visit the sites of labour and battle glory, and holds workshops to exchange field experience between veteran organisations.

In 2023, the Company provided financial support to 9,000 veterans of the Great Patriotic War, prisoners of concentration camps, and home front workers to mark the Victory Day, with more than RUB 15.4 m allocated for these purposes.

In the reporting year, the Unified Social Operator was in place across the entire railway network to combine the provision of benefits, guarantees, and compensations to Russian Railways retirees through remote services. More than 232,000 non-employed retirees used the Pensioner Service Portal to receive updates on events and apply for benefits online.

Under the Russian Railways’ Veterans programme, we also help our retirees develop new skills that are essential in the modern world (for example, improving digital, legal, and financial literacy).

Over **RUB 1.2 bn** paid to veterans in 2023

**RUB 45 m** allocated to support the Russian Railways’ Veterans targeted programme

**Housing policy**

The Company cares about the comfort and well-being of its employees, offering corporate benefits to help improve their living conditions and buy housing:

- reduced mortgage rate of 2–4.5%;
- partial compensation of a subsidised mortgage loan for families with new-born or adopted children;
- corporate housing for employees of rare and sought-after professions;
- compensation of up to 70% of rental fees for employees renting third-party housing;
- subsidies to purchase housing for vulnerable population groups: single parents, multichild families, people with disabilities caused by a workplace injury, and employees who lost their housing as a result of an emergency or a natural disaster.

In 2023, 1,304 employees improved their living conditions with the Company’s support, including:

- 1,297 employees received subsidies for a portion of mortgage loan interest. The subsidies totalled RUB 154.64 m;
- seven employees of certain categories (single parents, large families, and others) received non-repayable subsidies totalling RUB 20.97 m.
- 1,193 employees received non-repayable subsidies for the birth of children during the period of subsidised mortgage loan repayment. The subsidies totalled RUB 251.6 m.

As part of the investment project, we built and commissioned a 60-apartment residential building at the Babayevo station of the October Railway

and a 4-apartment residential building at the Iglino station of the Kuybyshevskaya Railway.

**Health protection**

Protecting the health of the Company’s employees and enhancing the accessibility and quality of healthcare services for the society are among the top priorities of the corporate social policy. We operate a broad range of RZD-Medicine healthcare facilities, health resorts, and children’s recreational camps all across Russia, which are available for the Company’s employees and non-employed retirees.

In 2023, across 71 Russian regions, medical care services were provided by 267 outpatient and 91 inpatient facilities, with the latter featuring 14,800 beds available 24/7.

In 2023, the RZD-Medicine healthcare network had an outreach of 2.25 m people, of whom 30.6% were Company employees, 13.4% were Russian Railways retirees, and 55.9% were members of local communities.

To keep its employees healthy, the Company implements a wide range of measures, including corporate programmes, annual medical check-ups for employees, collaboration with the government on pilot projects, and a voluntary health insurance programme for Russian Railways personnel.

Medical check-ups of Russian Railways employees are held annually and include a broader range of medical examinations compared to the state programme for adult check-ups.

With the implementation in 2019–2023 of a comprehensive programme aimed at reducing morbidity and preventing mortality from cardiovascular diseases and early detection of oncological diseases among Russian Railways employees, the coverage rate of dispensary monitoring for individuals with cardiovascular diseases reached 87.7% in 2023 (vs the target of at least 82.0%), while the percentage of early-stage (I–II) malignant tumour detection came in at 77.8% (vs the target of at least 68.0%). The overall coverage of the Company’s employees by medical check-ups was 99.1% (vs the target of at least 98.0%).

Jointly with Evogen, we implemented a project to identify genetic risks of chronic non-communicable diseases among Russian Railways employees, with a total of 2,000 workers examined.

Efforts are underway to optimise the routing of critical patients and to introduce advanced healthcare technologies such as artificial intelligence for analysing medical images and detecting subtle pathologies or a robotised stereotactic assistant for interventional treatment.

**Year of Health**

Russian Railways designated 2023 as the corporate Year of Health in an effort to strengthen employee health and increase the proportion of workers sticking to the healthy lifestyle principles.

**>30 m doctor visits** completed in the RZD-Medicine network in 2023

**Key events**

- **Nationwide Health Train: Together Against Diabetes awareness campaign.** For more details, see the [Local Communities and Charity section](#)
- **Health Days at the Company’s facilities** featuring lectures by leading doctors, distribution of handouts on healthy lifestyles, and screening tests. Over the year, 1,500 Company sites were visited, with 48,000 employees examined. Various early-stage diseases were identified for the first time in nearly 2% of the employees.
- **Medical outreach campaign.** For more details, see the [Local Communities and Charity section](#)
- **Sports events** featured the LocoWinter and LocoSummer healthy lifestyle festivals for families, as well as 14 fitness tours attended by over 150,000 people.
- A **psychological assistance hotline** was established, with the Company’s professionals providing anonymous support in addressing various issues such as conflicts, stress, depression, emotional burnout, difficulties integrating into the team, crises, etc.

**100,000**  
people

participated in the Mental Health Week held in the Company from 9 to 13 October 2023

For the sake of life

Donorship played a prominent role in the Year of Health programme.

Blood donation at Russian Railways gathers pace, with the number of employees wishing to donate blood growing every year.

Over 30,000 employees of the Group are donors, while the number of employees with the Honorary Donor badge exceeds 569 people.

In keeping with the tradition, the second Unified Blood Donation Week was held from 17 to 21 April 2023. This campaign proved that the Company has a lot of compassionate workers, as more than 1,800 employees expressed a desire to participate in the event.

Mobile blood donation points worked across the railway network. In a comfortable environment, every employee could take a responsible and important step for society – donate blood.

In 2023, a total of approximately 320 donor campaigns were held, yielding 5 t of blood for the patients.

The Donor Day organised by Russian Railways was recognised as the best event by the second National Contest of Best Blood Donation Practices. As part of the contest, Russian Railways received an award for its contribution to the corporate blood donation culture.

**The Corporate University and nine professional training centres of Russian Railways installed automated Health Corners.**

**The Health Corner is a modern diagnostics facility helping measure key health indicators and conduct basic examinations.**



” **Blood donation is a tool for ordinary caring people to make a difference in this world and save the lives of other people.**

**Our corporate donation campaigns help engage new donors, and spark genuine interest and a desire to learn more about blood donation.**

**Blood donation events staged by the Company not only directly support the national healthcare system and military hospitals, but also strengthen relationships and understanding among colleagues from various business units, as a large number of employees of different professions visit campaigns hosted by the neighbouring directorates and branches and feel warmly welcomed.**

**Donating blood is a way to show that you care!**

**Elena Zhidkova**

Head of the Central Healthcare Directorate

**Occupational medicine**

**GRI GRI 403-10**

223 medical assessment boards, 1,500 pre-trip medical check-up offices, and 235 psychophysiological units are in place at RZD-Medicine private healthcare facilities. In line with the relevant work plans, the medical assessment boards completed 1.79 m mandatory medical examinations and 29 m mandatory pre-trip (pre-shift) medical check-ups in 2023, with over 90% of them performed automatically.

The Company constantly strives to improve the quality of healthcare services for traffic and occupational safety. For several years running, Russian Railways has been working to open occupational pathology and occupational suitability centres at the healthcare facilities of RZD-Medicine. The centres focus on the prevention and early detection of occupational diseases, extended medical check-ups, and coordination of mandatory staff check-ups across the Company's regions of operation. There are currently 34 such centres run by the Company.

In the reporting year, Russian Railways opened an occupational and preventive medicine centre at Semashko RZD-Medicine Clinical Hospital. The new facility boasts a modern system of routing, queuing, and navigation, and a unified reference centre for functional diagnostics, which ensures rapid processing of information from across the sites.

**Preventing cardiovascular diseases**

In line with Presidential Decree No. 474 On the National Development Goals of the Russian Federation through 2030 dated 21 July 2020, the Company developed and approved the Plan for Implementing a Risk-oriented Approach to Reducing Cardiovascular Diseases among Russian Railways Employees until 2030.

The Plan sets a target to increase the share of Russian Railways employees with a low or no risk of cardiovascular diseases from 18.1% in 2021 to 20.8% in 2030.

The Plan has four focus areas:

- creating and maintaining a single register of patients with the risk of cardiovascular diseases;
- improving cardiovascular services within the RZD-Medicine system,
- preventing cardiovascular diseases;
- improving the talent pool of the RZD-Medicine system.

Through the comprehensive programme implemented by the Company between 2019 and 2023, aimed at reducing morbidity and preventing mortality from cardiovascular diseases and early detection of oncological diseases among Russian Railways employees, significant progress was made in 2023: over 19,600 new cases of cardiovascular diseases were detected, and the coverage rate of dispensary monitoring for individuals with cardiovascular diseases reached 87.7%.

In the reporting year, 64,000 patients received inpatient cardiology treatment at Russian Railways' healthcare facilities, with a total of 8,300 heart surgeries performed.

### Health resort treatment

Health resort treatment, recreation, and rest are available at 57 corporate health resorts, holiday hotels, recreational centres, and camps across Russia (from Kaliningrad to the Far East).

In 2023, 68,500 employees and their family members received recreational services. When distributing and subsidising health resort treatment stays, the Company places a special focus on employees directly responsible for railway traffic safety. For most employee categories, the share of the health resort stay price offset by the Company may range depending on the facility, position, and dates (10–40% for employees and 20–60% for their family members).

The combination of traditional health resort programmes with new offers (such as detoxing, anti-stress and yoga tours) is becoming increasingly popular. This enables us to come up with affordable, diverse, and high-quality recreation solutions for employees, their families, and non-employed retirees.

### Children’s recreational facilities

In 2023, Russian Railways organised children’s recreational activities at 60 corporate children’s camps, 11 third-party children’s camps, including two on the Black Sea coast, and 14 corporate schools and children’s railways. A total of 47,400 kids took part in the children’s summer recreational campaign.

### Healthy lifestyle

Russian Railways adopted its Healthy Lifestyle Concept for 2020–2025, outlining a single corporate policy in this area and encompassing nine focus areas:

- living tobacco-free;
- reducing alcohol consumption;
- healthy diet at workplace;
- doing more physical exercise;
- maintaining mental health and well-being;
- preventive medicine;
- healthy working conditions;
- raising awareness;
- motivation.

2025 targets:

- increase the share of Russian Railways employees doing sports and exercising regularly to 55%;
- reduce the share of smokers among employees by 10%.

In 2023, we held around 11,000 events in all focus areas of the Concept, attracting about 3.6 m attendees from among the Company’s employees, their family members, and industry veterans.

To promote corporate healthy lifestyle culture and motivate our employees to follow it, we organise dedicated events, volunteer campaigns to raise awareness about healthy living, Healthy Lifestyle Week and Summer, Mental Health Week, health marathons, and the Strong Health programme at children’s recreational camps. All the events are announced and covered by the ZOZH\_RZD Telegram channel.

The Company also stages family sports festivals like Mom, Dad and I Are a Sports Family, health marathons hosted by regional volunteer forums, regional sports and healthy lifestyle festivals (for example, Silver Autumn), and regional stages of the competition for the title of the Healthy Lifestyle Agent Coordinator. Currently, the Healthy Lifestyle Agent movement counts more than 3,000 members.

As a way to bring together workers keen on fitness and sports, we developed the Pulse corporate digital platform, which provides information about sports events, application submission and team building processes, while also offering updates on the participation of more than 17,000 Russian Railways employees in competitions and accrual of points in their bonus packages.

The Company has sports clubs in place to encourage our employees to exercise regularly. In 2023, there were 602 sports clubs across the railway infrastructure attended by 24,000 railway workers. In 2023, 166 sports clubs were furnished with sports equipment and inventories.

Russian Railways reimburses employee expenses on sports activities at third-party sports facilities. In 2023, more than 84,000 workers benefitted from this option.

According to the annual sociological survey titled “Employees’ Attitudes Towards Health and a Healthy Lifestyle”, the integral share

of employees leading a healthy lifestyle increased to 16.6% (up 7.3 points) compared to 2022.

The Company’s efforts to promote a healthy lifestyle were recognised in the Investments in the Development of a Healthy Country. Best Corporate Practices 2023 competition, as Russian Railways’ project focusing on the healthy lifestyle concept won the top prize in the competition’s Development of Wellness Culture category.

### Employees’ mental health

We place a special emphasis on maintaining employees’ mental health and well-being as part of the Healthy Lifestyle Concept.

During the Mental Health Week in 2023, we organised over 3,000 offline and online (on the ZOZH\_RZD Telegram channel) activities for more than 100,000 employees. We offered our employees personal consultations with psychologists and training sessions aimed

at maintaining their mental health, including through art therapy, use of breathing practices, and techniques for stress self-regulation.

On 1 August 2023, the Company launched an anonymous 24/7 psychological assistance hotline for its employees and their families, with over 1,500 calls registered and more than 400 inquiries received through the chat bot to date.

There are currently 112 functional and emotional relaxation rooms across the Company’s regions of operation, 26 of which opened in 2023 alone.

### Sporting events

The Company holds annual sporting events aimed at improving health and promoting sports and fitness among its employees and their families.

In 2023, 12 Company-wide competitions were held among railway teams, including Russian Railways employee championships in cross-country skiing, racket games (table tennis and badminton), 10 km cross-country running, chess, orienteering, beach volleyball, Spartakiada, Russian Railways Cup in 8-a-side football, male and female volleyball and ice hockey, as well as the Russian Railways online chess cup and May online marathon.

**>900**  
mass sports events  
were held in 2023,  
bringing together  
around 62,000 people



## Volunteer movement

In the reporting year, the Company held 3,718 corporate volunteering activities, which was nearly four times higher than the target (initially planned: 1,000 activities) and exceeded the 2022 figure (2,455) by more than 1,200.

This impressive result was due to Russian Railways designating 2023 as the Year of Corporate Volunteering and the Company's consistent implementation of the Corporate Volunteering target programme for 2023–2030. We are developing the Russian Railways corporate account on the [dobro.ru](https://dobro.ru) platform, which helps us spread more efficient notifications about the Company's initiatives for those interested in joining the volunteer movement.

The Company has a dedicated volunteer base of more than 85,000 employees who engage in corporate volunteering on a regular basis. Furthermore, in 2023, over 135,000 employees, accounting for 19% of the workforce, participated in at least one volunteering activity.

In 2023, we complemented the existing focus areas for volunteering activities (Social, Environmental, Intellectual, Healthy Lifestyle, Railway) with another two – Media Volunteering and Cultural and Patriotic Education.

To engage and empower volunteers, the Company provides them with a range of resources and rewards, both on an individual and team basis. These include:

- the Corporate Volunteering Cup competition (team basis);
- silver Russian Railways' Volunteer badges;
- corporate training programmes;
- co-working spaces (Goodness Station railway workers' social initiative centres on the Privolzhskaya, Oktyabrskaya, and Krasnoyarskaya railways);
- network-wide team-building volunteering campaigns;
- the Conductor to Good Deeds grant competition, and more.

### 2023 highlights

- In April 2023, the Company held the Unified Blood Donation Week to mark the national Blood Donor's Day. Currently, the blood donor movement at Russian Railways unites over 30,000 members.
- The Company participated in a number of initiatives to celebrate the anniversary of the victory in the Great Patriotic War, including by organising events in cooperation with Victory Volunteers, a nationwide public movement. For instance, we held

Victory Trains, a historical and educational tour across 50 Russian regions and 110 towns and cities.

- The Company held a large-scale Bring Joy campaign to celebrate the International Children's Day. At 75 railway stations across the country, volunteers congratulated several thousand passengers with children, staged mini-quizzes on railway safety, and distributed balloons, gifts, and leaflets with railway safety tips.
- In July 2023, the Company ran Clean Baikal Shores environmental campaign that brought together around 200 corporate volunteers. During the three-day initiative, they collected and sent for recycling over 60 cu m of waste, removed over 10 cu m of wood waste, and cleaned up the municipal beach in the town of Slyudyanka.
- In 2023, we launched Goodness Station social initiative centres in Murmansk, Krasnoyarsk, and Nizhny Novgorod on the Oktyabrskaya, Krasnoyarskaya, and Gorky railways respectively. These dedicated spaces provide a platform for railway workers to gather, discuss, and hold volunteering initiatives, including creative projects, as well as to foster patriotism and promote intergenerational

interaction among Company employees, their children, labour veterans, and partners.

- Regional volunteer forums were conducted across the railway network, enabling some 1,600 volunteers who implemented over 100 socially important initiatives in their regions to share experiences and participate in workshops on social design.

- The Company held a pilot regional stage of the Skills Competition in the Organising Corporate Volunteering category at the South Urals Railway.
- Russian Railways supported 58 volunteer projects shortlisted for the Microgrant award at the Conductor to Good Deeds social grant competition. Russian Railways' primary trade union helped implement 18 of them. Eleven projects won at the Microgrant section,

while nine more raised funding at the Let's Help Together platform.

- In May 2023, Russian Railways participated in the Nevsky International Ecological Congress, which featured an environmental venue serving waste-free cocktails.
- The 4th Russian Railway Volunteer Forum recapped the year's highlights, with 100 best volunteers awarded silver Russian Railways' Volunteer badges.

### Common contribution to the environment



The first intercorporate EcoLeader forum took place on 3–8 September 2023 in Chelyabinsk.

This is a new and unique type of cooperation organised on a par basis by three companies – Russian Railways, Rosatom, and United Metallurgical Company.

The forum was aimed at building corporate ties between employees of the three corporations to join their environmental efforts.

It was attended by 200 corporate volunteers and 40 top Russian environmental experts.

The forum's agenda was packed with events, including plenary sessions Future Leaders and Developing Environmental Agenda for the Chelyabinsk Region, various site and museum visits, as well as environmental campaigns dedicated to art object restoration, eco-trail maintenance, lake coastline clean-up, and children's playground construction.

<sup>1</sup> Source: <https://gudok.ru/newspaper/?ID=1632828&archive=2023.04.19>

<sup>2</sup> Source: <https://www.rzd.ru/ru/9284/page/3102?id=289832&ysclid=lxuksqw2yo227962627>

<sup>3</sup> Source: <https://gudok.ru/content/obshchestvo/vlast/1637539/?ysclid=lxuhmz3hbh387442632>

# Health and safety

## Management approach

**GRI 403-1, 403-4**

Health and safety are among the most important HR priorities for Russian Railways. The implementation of new instruments and measures to prevent workplace injuries within Russian Railways' health and safety management system helps reduce the annual injury frequency rates regardless of severity.

The core document that sets out the Company's goals and objectives in this field is the Health, Environmental, Industrial and Fire Safety Policy of the Russian Railways Group<sup>1</sup>.

**One of the key health and safety goals for Russian Railways** is improvement of working conditions:

- construction, upgrade, and repairs of sanitary amenities and facilities;
- setting up of warming facilities and lunch rooms;
- installation, upgrade, and repairs of lighting and ventilation systems, etc.;
- equipment of locomotive cabs with improved durability glasses, vibration isolated seats, etc.;

- reduction in the share of manual labour, including work to mechanise operations, track maintenance and construction.

On an annual basis, health and safety activities account for at least 0.7% of Russian Railways' total annual expenses by main type of activity net of the costs related to workwear, footwear, other PPE, and medical check-ups.

Below are some of the Company's steps to improve working conditions and occupational safety.

- State-of-the-art certified personal protective equipment helps considerably reduce occupational morbidity and workplace injury rates. Russian Railways complies with Model Industry Standards for Free Provision of Workwear, Footwear and Other Personal Protective Equipment to Employees of Federal Railway Enterprises.
- Reduction in workplace injury rates, inter alia, by removing employees from hazardous operating areas and by implementing technical solutions that prevent injuries.

- Reduction in occupational morbidity. To that end, mobile occupational pathology and occupational suitability expertise centres are set up at hospitals of the railways' sector, with modern medications and latest diagnostics and treatment equipment in place to early identify occupational diseases and take measures as needed.

The Company's environmental, industrial, and fire safety is underpinned by the following practices:

- the Safety First rule is observed, with safety placed above other performance indicators;
- employees receive training and improve their skills and competencies in health and safety;
- individual and collective responsibility for compliance with health and safety principles is nourished and promoted;
- each employee is aware of their individual responsibility for compliance with health and safety principles;
- health and safety risks are managed.

## Health and safety management system

The health and management safety system is part of the governance framework and helps ensure a comprehensive approach and a single health and safety procedure across all Company levels. Russian Railways manages health and safety at three levels: central, regional, and linear. Corporate health and safety management is the responsibility of the Corporate Governance Centre and regional centres for corporate governance. Health and safety matters are within the remit of the Environment and Technosphere Safety Department, while at railways, these are the responsibilities of occupational health and safety functions.

The health and safety management system is based on a risk-oriented approach that provides for a shift from reactive (i.e. damage compensation) to proactive measures by minimising employee exposure to production risks, and harmful and hazardous factors.

In line with the Safety Culture Policy of the Russian Railways Group<sup>1</sup>, the health and safety system aims to nurture responsibility of the Company and all its employees towards communities, individuals, and professional duties. 2023 saw approval of the Regulation on Safety Culture Leaders<sup>2</sup>, which sets out the guidelines for cross-functional interaction and knowledge sharing

among members of the Safety Culture Leaders' Community through the existing corporate platforms.

Today, safety culture is embedded in the activities of each and every department involved in ensuring safety, regardless of the role served: traffic and fire safety, occupational health and safety, environmental, transport, economic, and information security. By their actions, our managers demonstrate their commitment to safety culture and take personal responsibility for safety.

The concept of safety culture approved by Russian Railways' Management Board was used to define the labour safety culture, which for our employees means being aware of the importance of occupational safety, taking responsibility for it, and being able to ensure occupational safety as a core value for the Company and each employee.

In 2023, Russian Railways allocated RUB 6 bn to implement the projects on safety culture in railway transport.

The concept of occupational safety culture covers the following areas:

- for managers: leadership, risk assessment, priority of health and safety over production issues;
- for employees: competence, involvement and responsibility; for equipment, tools, and technologies: availability, serviceability, and safety.

Corporate governance and culture are primarily aimed at improving employee loyalty.

## Policies and procedures

The health and safety management system is aligned with the Company's Health, Environmental and Industrial Safety Policy approved by the Management Board of Russian Railways, and prioritises the lives and health of employees.

On an annual basis, the Company develops a list of internal regulations on health, industrial, and fire safety and non-occupational injuries.

In the reporting year, Russian Railways had more than 240 internal regulations on health and safety. In 2023, the Company developed and updated 39 internal regulations on health and safety (standards, rules, instructions, and other regulations and organisational and methodological documents). The following documents came into force:

- industry standard Russian Railways' Health and Safety Management System. General Provisions;
- industry standard Russian Railways' Health and Safety Management System. Training Arrangement;
- industry standard Russian Railways' Health and Safety Management System. The Procedure for Providing

<sup>1</sup> Russian Railways' Order No. 102/r dated 21 January 2020.

<sup>1</sup> Russian Railways' Order No. 219/r dated 3 February 2022.

<sup>2</sup> Russian Railways' Order No. 2404/r dated 22 September 2023.

<sup>3</sup> Source: <https://rzdvtv.ru/2023/02/22/v-rzhd-razvivajut-kulturu-bezopasnosti-na-transporte/>

- Employees of Russian Railways with Personal Protective Equipment and Cleansers;
- Health and Safety Rules in the Maintenance of High-Speed and Ultra High-Speed Railway Lines of Russian Railways;
- Standards for Free Provision of Workwear, Footwear and Other Personal Protective Equipment to Employees of Russian Railways;
- Standards for Free Provision of Skincare Personal Protective Equipment and Cleansers to Employees of Russian Railways;

- Rules for Determining the Protection Level of Personal Protective Equipment Depending on the Identified Hazards;
- Determining High-Visibility Protection Classes and Selecting Background Fluorescent Material Colours to Make Personal Protective Equipment for Russian Railways' Employees;
- Recommendations on Ensuring Compliance with the Requirements for Working Conditions of Russian Railways' Employees Working in Extreme Temperatures During Cold Seasons;

- Methodological Recommendations on Mentorship in Health, Environmental, Industrial and Fire Safety at Russian Railways;
- Methodological Recommendations on Working at Height Safely.

## Analysis and assessment of occupational risks

GRI 403-2

In 2023, the structural units of the Company's branches assessed professional risks for the main types of hazardous occupations by conducting an integral assessment, defining the acceptable risk levels and making lists of unacceptable and undesirable risks via the Occupational Risk Analysis and Assessment for Russian Railways Employees automated system. The applied approach enables predictive evaluation of professional risks.

The results of the assessment across structural units were then rated at the regional level and summarised

in risk matrices for the main types of hazardous occupations. Forecast risks were evaluated for the main groups of hazardous occupations.

Based on the evaluation across the Company's branches, ten types of incidents with unacceptable and undesirable risk levels were identified. Also, the most injury-prone occupations were pinpointed.

Based on the assessment, the structural units developed activities to manage occupational risks as part of the Health and Safety Improvement Programme for 2023.

As required by labour laws, the Company's branches carried out workplace risk assessment to identify hazards and evaluate risks in the workplace. In 2023, the working group on the development of the occupational risk management system at Russian Railways compiled a Standard Register of Hazards.

## Occupational injuries

GRI 403-9

The consistent policy of Russian Railways in health and safety seeks to ensure zero fatal occupational injuries caused by employees. The Company engages in comprehensive efforts to prevent accidents and occupational diseases.

Workplace injury rates continue to go down at Russian Railways. Workplace injuries sustained through the fault of employees/employer

(according to Form No. 7 (Injuries)<sup>1</sup>) decreased by 27% from 106 in 2019 to 77 in 2023, including:

- fatalities down by 9% (from 22 to 20 injuries);
- severe injuries down by 24% (from 38 to 29 injuries);
- minor injuries down by 39% (from 46 to 28 injuries).

The workplace injury frequency rate with respect to injuries sustained through the fault of employees/ employer (Form No. 7 (Injuries)

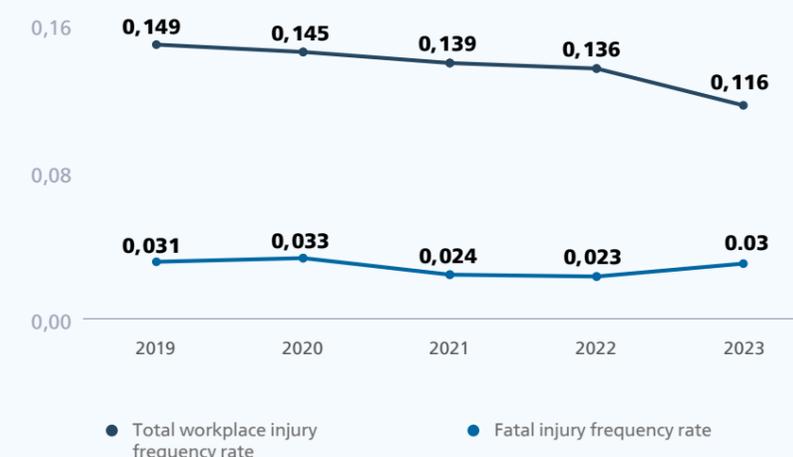
– number of injuries per 1,000 workers) shrank by 22% between 2019 and 2023 (from 0.149 to 0.116).

Out of 1,419 units of Russian Railways' branches most prone to injuries 1,315 units (92%) recorded zero fatalities and 977 units (69%) recorded zero injuries in over five years, and 1,199 units (84%) recorded zero fatalities and 619 units (44%) recorded zero injuries in over ten years.

The workplace injury frequency rate at Russian Railways is six times lower than the average in Russia

Workplace fatal injury frequency rate at Russian Railways in 2019–2023 (injuries sustained through the fault of employees/ employer, Form No. 7 (Injuries))

Workplace injury rates at Russian Railways in 2019–2023 (injuries sustained through the fault of employees/employer (Form No. 7 (Injuries))



<sup>1</sup> Data based on Federal Statistical Observation Form No. 7 (Injuries): Occupational Injury and Occupational Disease Data (in line with the instructions on the completion of federal statistical observation forms).

**Group injury rates at Russian Railways in 2019–2023 (Form No. 7 (Injuries))**



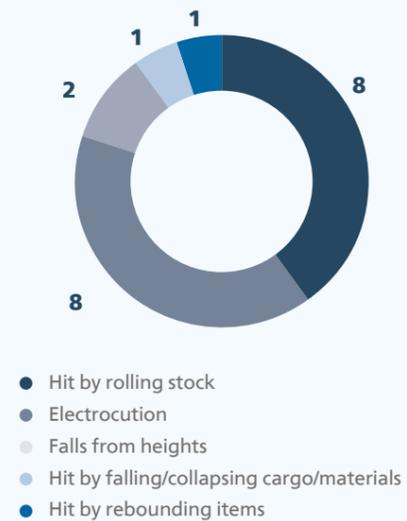
The number of group accidents over the past five years (from 2019 to 2023) decreased by 61% (from 13 to 8 cases), and the total number of injuries went down by 62% (from 29 to 18 injuries), with 90% of group injuries over the five-year period sustained not through the fault of employees/employer.

**Lost time injury rates in 2019–2023**



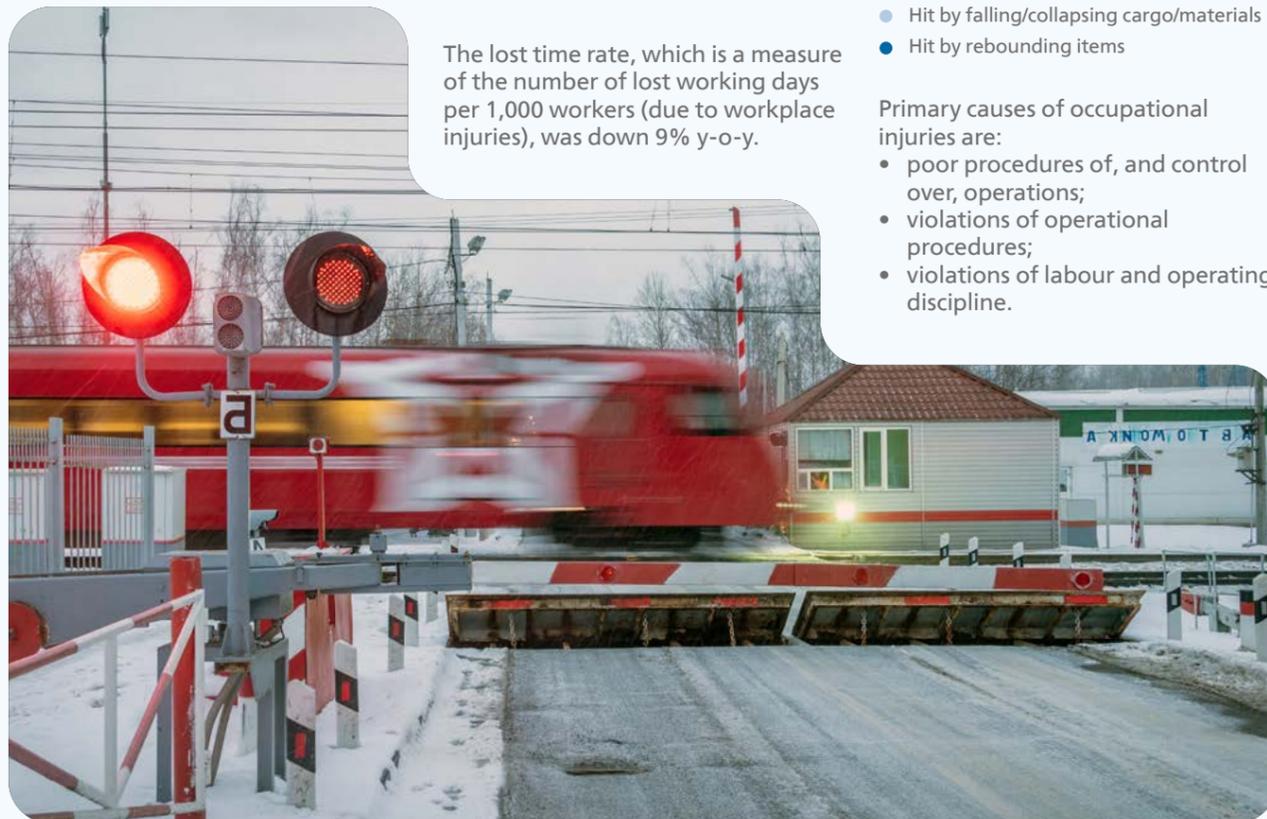
The lost time rate, which is a measure of the number of lost working days per 1,000 workers (due to workplace injuries), was down 9% y-o-y.

**Fatal injuries (20 people) by accident type in 2023 (excluding injuries sustained not through the fault of employees/employer (Form No. 7 (Injuries)))**



Primary causes of occupational injuries are:

- poor procedures of, and control over, operations;
- violations of operational procedures;
- violations of labour and operating discipline.



Following each severe or fatal injury involving a Russian Railways employee, all Company branches receive updates about the injury and its causes. Each fatality is reviewed by branch managers, with development of preventive steps and identification of employees who caused the accident.

**Injuries of contractors**

Accidents involving contractors at Russian Railways sites are at all times reviewed by the Company. However, due to its size and structure, Russian Railways keeps no records of contractors' injuries. The procedure of contractor authorisation is always aligned with the Company's in-house regulations.

**Prevention of occupational injuries**

**Health and safety management mode depending on occupational injury rates**

In 2023, units of Russian Railways branches continued introducing contingency health and safety management modes depending on occupational injury rates as a tool to prevent occupational injuries.

In order to prevent future occurrences of the circumstances and root causes of workplace accidents, an additional set of measures was carried out whenever a contingency health and safety management mode was put in place.



**Control over health and safety management system**

As part of its control over health and safety management in 2023, the Company held:

- five targeted inspections (at the Central Directorate for Telecommunications, Central Directorate for Track Overhauls, Central Directorate for Terminal and Warehouse Management, Central Directorate for Multiple Unit Trains, and South Urals Railway);
- three due diligence checks at the Gorky, East-Siberian, and Far Eastern railways;
- two internal audits (at Transenergo and the Central Directorate for Passenger Service).

The results of these control measures were reported to and reviewed by senior executives of the units under review, with summary reports submitted to heads of relevant

branches, corrective measures put in place, and disciplinary action taken against employees who caused violations of health and safety requirements.

**Public control over health and safety compliance**

The Company has positions of a health and safety officer of the primary trade union organisation of Russian Railways. In 2023, there were a total of 12,700 health and safety officers at the Company.

Those of them who are strongly engaged in measures to ensure the safety of Russian Railways employees are recognised as the Best Health and Safety Officers in Railway Industry. In 2023, this title was awarded to 48 employees of Russian Railways branches based on their performance in 2022.

## Labour conditions and occupational safety improvement

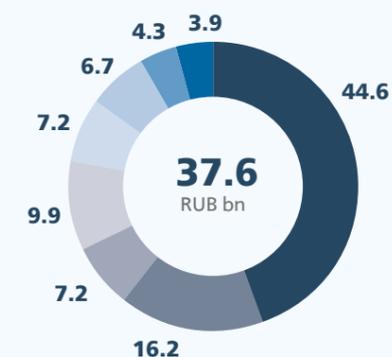
GRI 3-3, 403-3

### Working conditions and occupational safety improvement expenses



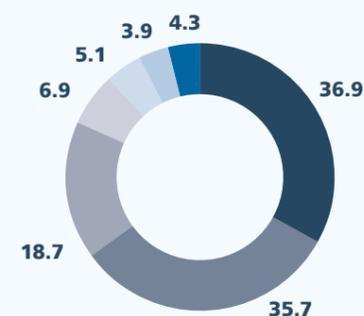
Occupational safety expenses per employee, RUB  
 PPE procurement expenses, RUB m  
 Total expenses, RUB m

### Breakdown of expenses on working conditions and occupational safety improvement in 2023, by category<sup>1</sup>, %



- Provision of workwear and personal protective equipment
- Improved working conditions and prevention of occupational diseases
- Better sanitary conditions for employees
- Medical check-ups
- Protection of employees from being hit by rolling stock
- Prevention of electrical injuries
- Prevention of other workplace injuries
- Other

### Workplace breakdown by working conditions, '000



- Hard labour
- Noise
- Labour intensity
- General vibration
- Chemical factors
- Local vibration
- Other

In the reporting year, expenditures related to working conditions and occupational safety improvements at Russian Railways exceeded RUB 37.6 bn, coming in at an average of RUB 55,000 per employee (compared to RUB 49,000 in 2022).

### Working conditions improvement

GRI 403-7

As at the end of 2023, Russian Railways had 74,200 workplaces with hazardous working conditions (down 2% compared to 2022).

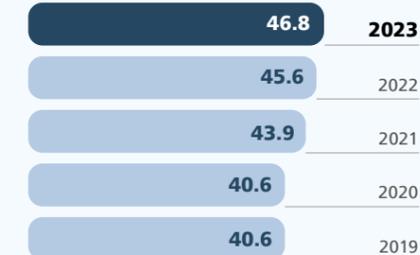
The number and share of positions with hazardous working conditions were as follows: 53,300 workplaces, or 17% of total, in subcategory 3.1, 20,800 workplaces, or 7% of total, in subcategory 3.2. The largest share of the total number of workplaces with hazardous working conditions is made up by those characterised by the following factors: hard labour – 36.9%, noise – 35.7%, labour intensity – 18.7%, general vibration – 6.9%, chemical factors – 5.1%, local vibration – 3.9%, other – 4.3%.

### Workplace breakdown by working conditions, '000



- Category 2
- Subcategory 3.1
- Subcategory 3.2

### Number of workplaces with improved working conditions, '000

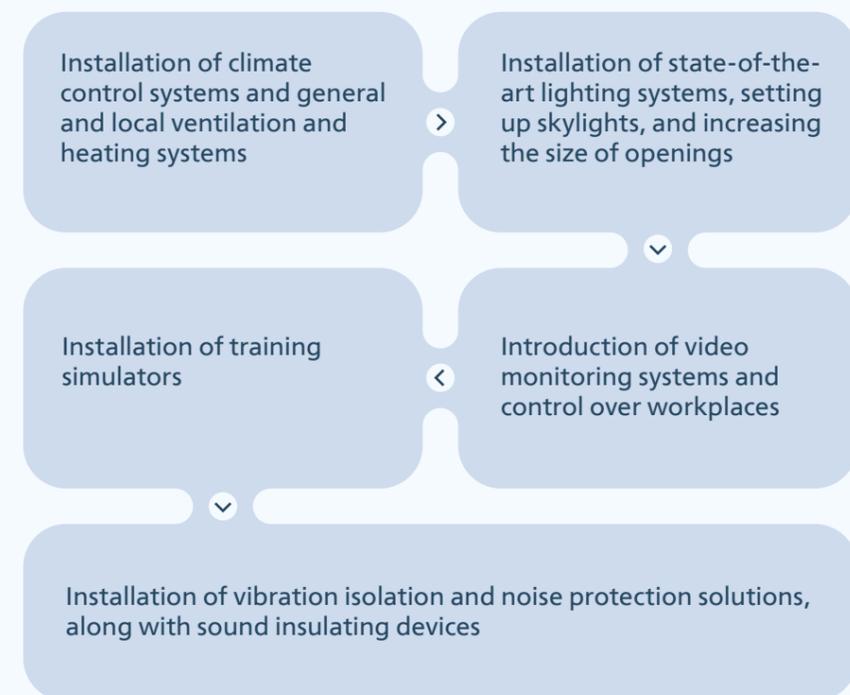


In the reporting period, the Company improved working conditions at 46,800 workplaces, covering a total of 217,100 employees.

In 2023, the Company's improvement initiatives focused on:

- creating a microclimate that complies with all applicable requirements, activities to reduce workload and work intensity, and activities to align lighting levels with applicable requirements;
- aligning noise and vibration levels with applicable requirements;
- reducing the impact of hazardous chemical factors and aerosols;
- reducing the impact of non-ionising radiation.

### List of key activities to improve working conditions:



In the reporting period, a special assessment of working conditions was carried out at 34,600 workplaces, which comprised 101% of the plan for the year.

### Control over working conditions

In line with a respective plan, in 2023, branches of Russian Railways held laboratory tests at 79,500 workplaces, with financing allocated to that end totalling RUB 71 m. Laboratory tests held as part of control over working conditions and special assessments of working conditions covered all workplaces with hazardous working conditions.

<sup>1</sup> Including mitigation of impact from hazardous chemical factors and non-ionising radiation, maintenance of microclimate, lighting, noise, and vibration levels as required by applicable standards, reduction in workload and work intensity.

**Work-related ill health**

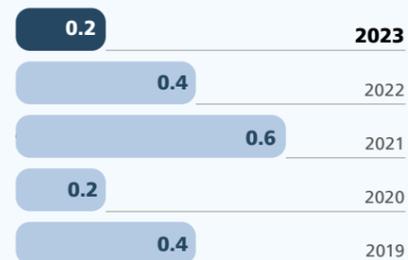
**GRI GRI 403-6, 403-10**

Workplaces classified as category 3.1 or higher<sup>1</sup> following a special assessment of working conditions are deemed hazardous for the health of employees.

In 2023, 10 employees and 16 retirees of Russian Railways developed 26 occupational diseases as a result of exposure to work-related hazards (compared to 30 employees and 37 retirees in 2022). In 2023, the level of occupational morbidity declined by 2 pp y-o-y to 0.2 per 10,000 employees.

Five occupational diseases were detected in Russian Railways' locomotive crews and another five in other professions.

**Level of occupational morbidity per 10,000 workers**



The main types of occupational diseases were:

- sensorineural hearing loss caused by extreme noise pollution;
- hand-arm vibration syndrome;
- myotonic syndrome.

2023 saw the results of a pilot project launched back in 2021 and run jointly with the Social Fund of Russia to prevent occupational diseases. More than 500 participants took courses at the Fund's 12 rehabilitation centres to prevent sensorineural hearing loss, lumbosacral radiculopathy, and hand-arm vibration syndrome. 66.4% of employees reported improvement in health status following preventive courses.

**Provision of personal protective equipment**

In 2023, Russian Railways spent RUB 17.6 bn on procuring workwear, footwear, and other PPE, which makes up 47% of all expenses on health and safety activities. Russian Railways' branches received 20.7 m units of PPE, including 3.32 m units of workwear and footwear. A similar figure in 2022 stood at RUB 14.5 bn, or 45% of all the Group's expenses on health and safety activities.

Employees of Russian Railways are fully provided with workwear, footwear, and other PPE.

The Company developed and approved key internal regulations on personal protective equipment for its employees:

- The Procedure for Providing Employees of Russian Railways with Personal Protective Equipment;
- Standards for Free Provision of Workwear, Footwear and Other Personal Protective Equipment to Employees of Russian Railways;
- Standards for Free Provision of Skincare Personal Protective Equipment and Cleansers to Employees of Russian Railways;

Technical documents on personal protective equipment were developed and approved.

Russian Railways reviewed the results of a pilot project to introduce high-visibility signal clothing at the Central Directorate for Track Overhauls. The project's feasibility is confirmed not only by the improved safety of employees, but also by the generated economic savings: in 2023, they came in at RUB 64 m, or 9% of the Directorate's PPE procurement budget.

With a view to switching to high-visibility signal clothing, the Company's Order No. 170/r dated 30 January 2023 approved the Standard List of Occupations and Positions of Russian Railways' Employees and Respective Protection Classes of High-Visibility Signal Clothing,

as well as Recommendations on the Selection of High-Visibility Signal Clothing.

In line with an action plan for the development and introduction of a collection of high-visibility signal clothing for Russian Railways employees<sup>1</sup>, Technical Specifications for High-Visibility

Signal Waistcoats were drafted and performance tests of summer and insulated workwear were conducted.

In addition, the Company embarked on a project to create a collection of special clothing for Russian Railways' executives<sup>2</sup>. Samples

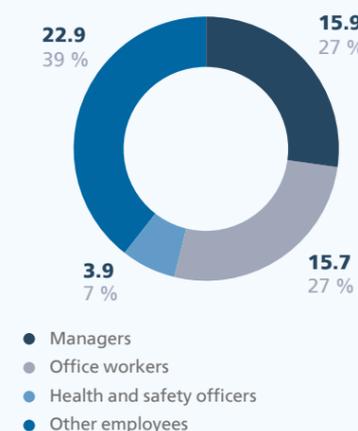
of fall/spring and insulated workwear for Russian Railways' executives were developed, a technical description of the set was approved, and a sample album was prepared. The Company ran performance tests on samples of executives' workwear suits, with interim results obtained.

**Health and safety training for employees**

**GRI GRI 403-5**

In 2023, more than 58,400 of the Company's employees took mandatory health and safety training with a subsequent knowledge check at education centres.

**Structure of personnel trained in health and safety, thousand people**



In the reporting year, the Company arranged for 214 of its line employees and managers to take advanced professional training in New Approaches to Managing Health and Safety at the Russian Academy of Railway Transport of the Russian University of Transport (MIT) focusing on practical recommendations for providing a safe operational environment.

Russian Railways devised and implemented a system of assessment sessions for middle managers. In 2023, there were 477 assessment sessions covering more than 14,000 middle managers; 444 moderators of assessment sessions from among health and safety specialists received training.

Efforts continued to test managers of the Company upon their appointment. In 2023, at the Environment and Technosphere Safety Department, a total of nine managers were tested, while at the branch level, 714 managers were covered by the testing.

The Central Committee of the Russian Railways on Health and Safety Examinations among Managers held six meetings. In addition, the Central Committee invited for ad hoc examination 12 managers of the Russian Railways units where fatal occupation injuries took place or health and safety violations were identified. Regional committees take similar efforts.

In 2023, 192 branch employees of the Company's operational department underwent retraining in health and safety taking a 256 hour programme at the Corporate University.

In 2023, training sessions continued with a view to fostering the safety culture. In 2020–2023, these covered 400 employees of the Company's central and regional management levels.

<sup>1</sup> According to the classification of working conditions as per Federal Law No. 426-FZ On Special Assessment of Working Conditions dated 28 December 2013.

<sup>1</sup> Approved by Russian Railways' Order No. 444 dated 22 March 2023.

<sup>2</sup> In accordance with Russian Railways' Order No. 536/r dated 10 March 2023.

### Health and safety railcars

Russian Railways has 14 health and safety railcars, which are part of a single system to train railway employees. Health and safety

railcars are mobile training facilities designed, among other things, to provide on-site methodology and organisational support in training and examinations in health and safety using audio,

video, and computing equipment, as well as help with prevention measures in health and safety directly at line enterprises.

## Safety culture promotion

In 2023, the Company approved the Regulation on Safety Culture Leaders<sup>1</sup>.

This title is assigned to employees actively promoting and supporting the safety culture as the Company's value, acting as a role model for colleagues, and demonstrating commitment to the safety culture by their actions, decisions, and

behaviour. Such employees form a community of safety culture leaders where they share experience of fostering the safety culture, adopt respective solutions, and serve as an example for others.

The HR Department together with the Employer Brand and Human Capital Development Centre developed information materials

aimed at promoting the safety culture and nurturing responsible behaviour among Russian Railways' employees. The materials are used during safety culture days and other communication events, which include information and awareness-raising meetings with employees of all business units involved in ensuring safety.

## Industrial and fire safety

In order to ensure the Company's industrial and fire safety:

- the Safety First rule is observed, with safety placed above other performance indicators;
- employees receive training and improve their skills and competencies in health and safety;
- each employee is aware of their individual responsibility for compliance with health and safety principles;
- health and safety risks are managed.

### Industrial safety of hazardous facilities

The industrial safety management system of Russian Railways determines the key functions and responsibilities for ensuring industrial safety at all management levels. The industrial control structure covers all management levels and ensures control over compliance with industrial safety requirements at the Company's hazardous production facilities.

In 2023, the Company updated its standard on the Occupational Health and Safety Management System of Russian Railways.

Russian Railways operates 5,618 hazardous facilities, including 571 facilities of hazard class 3 and 5,047 facilities of hazard class 4. None of these facilities reported any accidents in 2023.

### Fire safety

Russian Railways has a fire safety management system aligned with the Company's "to-be" state. Various units within the Company follow a unified approach to fire safety thanks to the efforts of central and regional fire safety commissions. Fire prevention activities at the Company's facilities and rolling stock, along with fire extinguishing in the traffic area, are the responsibility of the Departmental Security Service of the Railroad Transport.

In 2023, the EMERCOM of Russia and Russian Railways took steps to draft an agreement on the key areas of cooperation in fire safety and coordination of respective efforts.

### Fire trains

Fire trains are classified as part of a single public system for emergency prevention and response and are engaged by the EMERCOM of Russia in order to extinguish fires across the country. Fire trains are designed for fire extinguishing and ensuring

fire safety as part of response to emergencies with hazardous cargos at facilities of structural units of Russian Railways branches, at all types of rolling stock, and in railway infrastructure areas where possible. A total of 310 fire trains are on standby 24/7. The rolling stock of fire trains is updated as part of the Fire Safety project.

In 2023, Russian Railways purchased 20 MTSO 2-based pump wagons, which fully meet modern requirements for fire trains.

During 2023, fire trains attended 84 fires at on-site facilities and rolling stock, 143 fires in railway infrastructure areas, 95 incidents to participate in emergency response at on-site facilities and rolling stock, and 279 incidents attended at the request of territorial fire and rescue units of the EMERCOM of Russia to assist in extinguishing fires at facilities that are not part of the railway transportation infrastructure and natural fires.

To automate industrial safety processes at hazardous production facilities and fire safety processes, the protected objects feature

Industrial Safety and Fire Safety modules running on the basis of the Unified Suite for Managing the Company's Activities in the Field of Environmental Protection, Industrial and Fire Safety.

### Introduction of state-of-the-art emergency response measures

#### GRI GRI 3-3

Russian Railways is a member of a single public system for emergency prevention and response and actively employs modern and advanced technologies to respond to all types of natural and man-made threats, including:

- management system functioning at all levels (federal, regional, and site-based) and easily adaptable to different kinds of threats, which covers government bodies, control points, communication and liaison systems and ensures successful functioning of a vertically integrated and territorially dispersed network of governance bodies;
- emergency and recovery teams with modern equipment (cranes with a lifting capacity of 150 t or more, 50 t winch heavy bulldozers, hydraulic machinery made of light metals);
- unmanned aerial vehicles with mobile video conference tools as the most fast moving means of information collection and transfer in emergency situations;
- integration of Russian Railways' information systems with the automated information and management system of the single public system for emergency prevention and response.



<sup>1</sup> Russian Railways' Order No. 2404/r dated 22 September 2023.

## Traffic safety

GRI 3-3

The Company's traffic safety priorities include:

- improving the reliability and safety across Russian Railways' infrastructure;
- managing the risks of traffic accidents;
- preventing or reducing fatalities and injuries;
- taking steps to reduce damage from traffic accidents and incidents;
- preventing any adverse environmental impact.

### 2023 performance

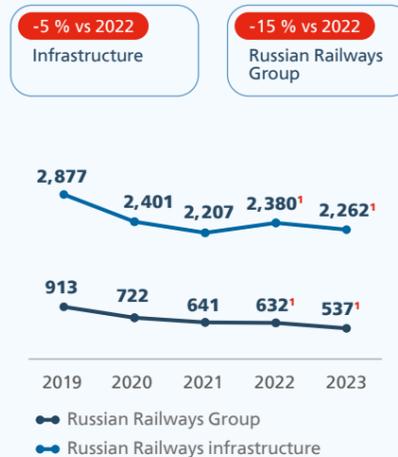
- In 2023, the traffic safety level across the Russian Railways Group as set by the Management Board came in at 0.445 accidents per million train kilometres, representing a 1.1% improvement over the target of 0.450 accidents.
- The total number of traffic safety violations across the Russian Railways' infrastructure in 2023

### Traffic safety target, accidents per million train kilometres



- decreased by 5%, including a 15% reduction by units of the Russian Railways Group.
- Based on the results of efforts in 2023, the functional safety index across the Russian Railways infrastructure did not exceed

### Number of traffic accidents and incidents



- planned values, standing at 19.054 points per million train kilometres, marking a 2.9% decrease.
- Residual risk in the field of traffic safety on railway transport infrastructure remained within an acceptable range.

## Non-occupational injuries

GRI 416-1, 416-2

Every year, the Company implements measures to prevent non-occupational injuries in the train traffic area for both its employees and the public. Accident prevention efforts are structured along the following lines:

- **organisational action:** raids (together with local police and railway security teams) on places of unauthorised congregation; in collaboration

- with municipal authorities – themed events, including those designed to prevent child injuries, and lectures and talks, as well as sending letters to educational institutions, businesses, executive bodies, and the State Traffic Safety Inspectorate (GIBDD);
- **awareness solutions:** informing the public about the dangers inherent in train traffic through things like posters, signs,

- videos, booklets, messages at railway stations, in trains, and in the media;
- **technical solutions:** construction, fit-out and maintenance of pedestrian crossings, footbridges and underpasses, putting up guardrails around train traffic and so on;
- **legal solutions:** legislative proposals, participation in the development of new regulations.

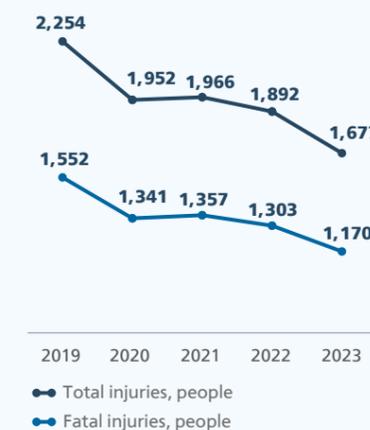
The organisational and technical measures taken, and the awareness campaign aiming to promote safe behaviours in the train traffic area, on and around the rail network, coupled with the initiatives implemented as part of the Prevention of Injuries among the Public at Railway Infrastructure Facilities investment project allowed the Company to reduce non-occupational injuries.

From 2019 to 2023, injuries decreased by 25.6% (from 2,254 people in 2019 to 1,677 people in 2023), and fatal injuries dropped by 24.6% (from 1,552 people in 2019 to 1,170 people in 2023).

Technical measures in 2023:

- 17 railway track-level pedestrian crossings equipped with light and sound alarms, and 12.9 km of fences along railway lines commissioned;
- 675 pedestrian crossings, 113 footbridges and underpasses, 127 passenger platforms, and 97 km of railway fences repaired;

### Non-occupational injuries, people



**25.6%**  
reduction in injuries on the rail network achieved in 2019–2023

- 104 train approach announcers and 42,000 signs and posters installed;
- lighting on 1,642 pedestrian crossings and 6,857 platforms improved.

The Company is actively engaged in injury prevention public awareness and outreach activities. Measures include regular information campaigns tailored to different age groups utilising print and electronic media, social networks, radio, and television.

**RUB 458.5 m**  
allocated for the Prevention of Injuries among the Public at Railway Infrastructure Facilities investment project in 2023

2023 highlights:

- with the help of psychologists, the Company developed and approved new safety materials: 10 videos and 15 posters. They are used in lectures and talks, and are displayed in trains, on screens at railway stations and transport stops, on the Poputchik multimedia portal, etc.
- animated clips promoting safe behaviour on railway transport are broadcast on the Mult, Karusel, and STS Kids channels. Additionally, the programme titled "The Adventures of Semaforych the Detective" is available on podcast platforms and broadcast on Detskoe Radio (Children's Radio);
- information videos and press releases are posted on social networks such as Odnoklassniki and VKontakte, as well as on platforms like RUTUBE, Mail.ru, and Yula platforms, and in mobile applications.

<sup>1</sup> 1 Data are presented on a comparable basis in accordance with changes in the classification as per Order No. 344 of the Russian Ministry of Transport dated 18 December 2014 (as amended by Order No. 269 of the Russian Ministry of Transport dated 19 July 2022).

# Customer relations

## Passengers

GRI 3-3

The primary objective of Russian Railways is to provide all Russian regions with affordable passenger transportation. Along with suburban transportation comprising multimodal routes, the Company is developing long-haul passenger services, including high-speed and ultra high-speed transportation between metropolitan areas. The Company's priorities include continuous improvement of customer experience, development of new products and services, digitalisation, and creation of a comfortable transport environment affordable to all categories of passengers.

- The Company continued to foster domestic railway tourism. Passengers can now benefit from 53 interregional routes to tourist destinations, including six special projects, and 28 suburban routes.
- We opened 12 new suburban routes and five long-haul routes.
- The Company launched the first stage of the unified customer relationship management system.
- QR codes with information for passengers are now available at 2,000 railway stations.
- Passengers can pay for their suburban train tickets in the RZD Passengers mobile app using the Faster Payments System.
- 18 suburban passenger companies switched to domestic software for purchasing tickets for various modes of transport in a single interface.
- The Company proceeded with the development of multimodal transportation, including water transport.
- The Ded Moroz (Grandfather Frost) Train set a record in the Russian Book of Records for the longest distance travelled in three months.



### Russian Railways' awards in passenger transportation



The Ded Moroz project achieved an entry in the Russian Book of Records for covering the longest distance in three months. It also won the Best Railway Tourism Project category at the Russian Travel Awards on 17 February 2023, and secured Russia's Best Social Projects 2023 award in the Development of Domestic Tourism category on 1 June 2023.

The Bobrenok tourist train won the first place in the Best Tourist Train category at the Route of the Year 2023, an all-Russian tourist award. In the same category, the Heading to Karelia on the Ded Moroz Train claimed the second place.

The Ural Express retro train won the Project of the Year category at the Best for Russia – Development of the Regions award.

The Pearl of the Caucasus train, operating on the Moscow – Maykop – Vladikavkaz – Grozny – Derbent – Nalchik – Moscow route, emerged as the winner of the Russian Traveler Awards 2023.

Russian Railways' commitment to safety was acknowledged with the 2023 Transport Safety of Russia award in the Best Transport Infrastructure Facility / Railway Transport Carrier category.

The Company's video information kiosks secured the first place in the Socially Important Project category of the Digital Leaders award.

The Veliky Ustyug railway station won the Best Tourism Development Project category at the Best for Russia – Development of the Regions award.

### Development of railway station infrastructure

In 2023, the Company completed repairs and overhaul of

# 491

passenger infrastructure facilities, including 33 railway stations and 392 passenger platforms

Repairs were carried out at the Ussuriysk, Balashov-Passazhirsky, Yekaterinburg, Navashino, Kaliningrad-Yuzhny, Lgov-Kievsky, Arsk, Gavrillov Posad, and Grafskaya railway stations.

50 platforms saw overhaul in preparation for the launch of the MCD-3 and MCD-4 diameters<sup>1</sup>. Overhaul was undertaken at passenger

platforms of the Prokhladnaya, Belorechenskaya, and Velsk railway stations, Zima, Mezhdurechensk, and Severodvinsk railroad stations, along with railway station areas in Nizhny Tagil, Lipetsk, and Samara. The Company also renovated facades of the Perm-2 and Kirov railway stations, and more.

In preparation for the 11th PRO// Motion.Expo fair of railroad machinery and technologies designed for the 1,520 track

gauge, Russian Railways completed an extensive renovation of the platform entrance area, seven platforms, and the main station building of the Baltiysky station in St Petersburg.

2023 also saw the completion of an upgrade of the Kostroma station, along with the opening of the new railway station building in Berdsk and construction of a combined passenger hall at the Irkursk-Passazhirsky station.

<sup>1</sup> MCDs – Moscow Central Diameters.

**New Service Centre for Passengers**



In March 2023, a new Russian Railways Service Centre for Railway Passengers was opened in Moscow. It was established to provide face-to-face consultations for individuals and legal entities, as well as handle complaints and queries related to passenger transport and associated services.

Servicing over 1,800 passengers in 2023, the new facility is located

at the heart of Moscow's transportation hub, near the Leningradsky, Yaroslavsky, and Kazansky railway stations. It offers a comfortable and convenient environment for all passengers.

- The Company is rolling out more automatic luggage lockers while phasing out obsolete stationary ones. The new option is currently available at 345 railway stations, with 2,690 lockers and 12 payment terminals already in place, including those accepting QR code payments.
- Russian Railways installed 116 power bank sharing stations of the Beri Zaryad (Take Charge) brand at 88 railway stations.
- In 2023, we developed a new format of retiring rooms and renovated a total of 13 existing rooms at various railway stations. Five more retiring rooms are expected to be repaired in 2024.
- Russian Railways also introduced capsule hotel accommodation at seven railway stations.
- The Fast Track contactless system for parking lots was rolled out to ten railway stations.

- Eight new coffee shops under the Railway Stations of Russia brand were put into commercial operation, bringing the total number of the chain's coffee shops to 20.
- December 2023 saw the introduction of self-service laundries at the Paveletsky railway station featuring payment terminals on washing machines.
- Universal ticket offices were put in place at 13 stations. They are set to expand their services to include issuing tickets for subsidised transport options and tourist routes.

**100%**  
of high-speed and ultra high-speed passenger trains are fully accessible

**Care for people with reduced mobility**

Stations and trains are becoming more accessible for passengers with reduced mobility every year.

In 2023, the share of passenger-intensive railway stations that meet accessibility requirements for reduced mobility groups was 29.5%, accounting for about 70% of all passenger traffic. Other facilities are partially accessible, with functional areas made available for certain categories of passengers with reduced mobility. The share of suburban electric trains adapted for people with reduced mobility increased to 25%

Long-distance trains include administrative cars specifically designed for passengers with disabilities. These cars make up 94% of the total number.

The Company purchases administrative cars with four-berth compartments to accommodate

two passengers with disabilities and two accompanying persons simultaneously. As at the end of 2023, Russian Railways had 119 cars of this kind. In 2024, plans include developing a car designed to transport people with disabilities, featuring four specialised compartments. These measures improve the accessibility of railway transport services and meet the growing demand from disabled people and other reduced mobility passengers.

The Company is developing services of the Mobility Assistance Centre. Passengers with reduced mobility can obtain necessary information 24 hours a day, get information about their trip in advance, and update the Company on the assistance and support services that they need at railway stations, stops, and en route. They can also reserve special seats on the train and, if unavailable, request the inclusion of a special car in the train. Railway transport employees meet and see off passengers with reduced mobility, assist with issuing travel documents and transporting luggage, and accompany passengers from the station square to the train, making sure that boarding and leaving the train is a comfortable experience.

Services are provided at more than 10,000 passenger infrastructure facilities and on long-distance and suburban trains.

Russian Railways is fostering a modern corporate culture of servicing passengers with reduced mobility. These efforts are part of the existing personnel training framework. In 2023, all employees involved in servicing passengers with disabilities (around 46,000 people) were instructed or trained on respective matters.

**Specialised waiting areas of the Company's Mobility Assistance Centre are available at 22 railway stations in Russia (18 more railway stations added in 2023), equipped with the necessary amenities for the comfortable stay of passengers with reduced mobility. By the end of 2024, Russian Railways plans to open 33 more such lounges at railway stations across Russia. The project received positive assessments from experts in public organisations of disabled people and won several awards in social project competitions.**

**389,400**  
assistance and support services provided to passengers with reduced mobility in 2023 (24.6% more than in 2022)

A lot of attention is paid to information accessibility and the development of digital services for passengers with reduced mobility. Russian Railways' website has a dedicated section for passengers with disabilities or reduced mobility where they can get all the necessary information on services and discounts and how to obtain them. There is also an accessibility map of railway stations with information on functional areas, photos, and explanations, helping passengers with reduced mobility to learn more details and plan their travel in advance.

The Mobility Assistance Centre accepts online requests for services. Passengers with hearing impairment can get vide consultations in the Russian sign language. An operator who speaks the same language as the deaf passenger will help find a convenient train, buy a ticket, make an application for assistance, and answer all questions.

For suburban train passengers, there is the Notifications section in the RZD Passengers mobile app to send timely alerts to users' mobile phones, notifying them in advance of their arrival to their station of destination.

Thanks to integration with federal information platforms, Russian Railways can issue electronic tickets for specialised seats designed for disabled passengers. Additionally, the integration facilitates cashless travel documents for holders of federal travel benefits in suburban transportation, and allows for the use of coupons from the Social Fund of Russia and the Ministry of Social Development of the Moscow Region for travel to and from medical treatments.

**Customer service**

The challenges of recent years have highlighted the importance of rapid adaptation to change and the maximisation of digital processes. In times of turbulence, maintaining a high level of service becomes crucial for ensuring customer peace of mind and loyalty.

Russian Railways Customer Support Centre provides information on the Company’s passenger services.

In 2023, the Company placed a great emphasis on the development of new services for passengers, including digital services. The share of electronic services offered by Russian Railways and available to passengers reached 70%.

**> 76.2 %**  
of tickets were bought online in 2023, with more than 30% coming from mobile app purchases

To improve the call centre’s performance, we use AI technologies in our mobile app, the website, messenger platforms, and the hotline. Our virtual assistant provides quick and accurate FAQ answers.

We introduced a new design for the electronic travel document form for long-haul trains, eliminating the need to carry a paper ticket for boarding.

The sales of e-tickets for long-haul trains reached 77.9% of total ticket sales. Today, passengers have the opportunity to purchase both long-haul and suburban tickets using Russian Railways’ online tools.

**Monitoring of service quality**

The results of passenger satisfaction surveys represent a target indicator for assessing the performance of passenger services. Passenger surveys are conducted in the form of personal interviews on trains using a special questionnaire<sup>1</sup>. The questions are grouped to match the eight types of services provided by Russian Railways to its passengers. The surveys are conducted on a quarterly basis.

Satisfaction is assessed at each of the five stages of passenger interaction:

- preparing for the trip: obtaining necessary information and buying a ticket;
- at the beginning of the journey: servicing at passenger infrastructure facilities, such as the railway station or platform;
- en route on the train: directly during the journey;
- at the end of the journey: servicing at passenger infrastructure facilities at the destination;
- post-transport service: handling enquiries and the loyalty programme.

In 2023, the respondents ranked the following criteria as the most important:

- long-haul routes – optimal schedule, train speed, safety, cost of travel and services, technical condition of the train, comfort during travel, convenient ticket purchase;
- suburban routes – optimal schedule, train speed, cost of travel and services, safety, technical condition of the train, comfortable passenger experience at railway stations and transport stops.

**Consolidated customer satisfaction index in 2023, points**

Indicator	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Long-haul	87.6	88.0	89.9	90.5
Suburban	84.9	88.6	88.4	88.5

<sup>1</sup> Surveys are aligned with the methodology set out in Russian Railways’ Order No. 3041/r dated 29 December 2021.

Of all the respondents surveyed, approximately 45% indicated that the quality of service had remained the same. However, 40% reported that the quality had improved.

This positive trend was noted by both train passengers and users of passenger infrastructure services.

**RZD Bonus loyalty programme**

RZD Bonus is Russian Railways’ loyalty programme that enables long-haul passengers to earn points by making trips and exchange them for tickets.

The number of programme participants reached 9.9 million. The audience of the Discount Railcar Telegram channel grew to 426,000 people (up 1.5 times y-o-y).

The Travellers’ Club programme is gaining popularity, enabling passengers on tourist trains to accumulate tourist points and medals, which can be exchanged

**Freight customers**

**GRI 3-3**

Operating in a highly competitive and volatile market, Russian Railways seeks to provide comprehensive services across all transportation types and expand the range of services available to customers. Advanced logistics technologies lie at the centre of our business, ensuring our ability to serve the maximum number of consumers.

for travel experiences and souvenirs. More than 30,000 participants of the programme have made some 30,000 trips, accumulating 32 million tourist points and receiving 94,000 tourist medals.

[RZD Bonus website](#)

**Russian Railways’ mobile app for passengers**

The RZD Passengers mobile app, available from RuStore, a Russian app store, has all a traveller would need and more:

- long-haul and suburban train schedules and real time travel monitoring;
- tickets sold for long-haul and suburban trains, including season tickets, single ride tickets, and tickets for holders of travel benefits that meet eligibility requirements;
- refund for tickets purchased via the website or mobile app;
- Russian Railways’ information and news.

**Improving the quality of transportation services**

Russian Railways’ key priority in freight transportation is to attract additional cargo volumes and expand the range of logistics products offered to customers. To this end, we launched the following services: Scheduled Freight Traffic, Freight Express, Modular Express, and SME Export Express, a service for containerised monthly shipments of mixed export cargoes for small and medium businesses.

The number of tickets issued via the mobile app increased by 70% compared to 2022.

In 2023, the mobile app, which has issued over 100 million tickets over its lifetime, was removed from the AppStore marketplace. Russian Railways aims to maximise the availability of its digital services and is working to introduce a user-friendly, full-featured mobile version of the web portal in 2024 to be used as an app on mobile devices with any operating system.

The Company continues to enhance the app’s functionality with regular updates for passengers. Notable additions in 2023 include:

- ability to pay for suburban fares with via the Faster Payments System;
- contactless ticket validation for suburban transportation at twrailways using the NFC technology;
- pilot project for contactless fare payment using an open-loop payment system within the app.

**Automated Management System for the Terminal and Warehouse Complex**

In 2023, users switched to the Automated Management System for the Terminal and Warehouse Complex, which is completely domestic and included in the Unified Register of Russian Software and Databases. The system integrates with Russian Railways’ 19 automated systems, and all freight terminals have put it into operation. It makes terminal

and warehouse services more accessible for customers, including the conclusion of contracts, execution of orders and applications for admission, and all reporting documents online using digital signatures. These services are available in the Personal Account of the Russian Railways freight transportation.

**In 2023, RZD Market won the Formula for Movement national award for accomplishments in transport infrastructure in the Best Transport Digitalisation Solution category.**

**RZD Market**

In 2023, the Russian Railways Group’s portfolio of digital services saw robust growth. The RZD Market, an innovative IT platform facilitating companies to broaden their geography of supplies, discover novel market opportunities for their products, and minimise costs for end consumers, is gaining significant traction. The service’s mission is to foster the growth of turnover and export potential of Russian companies by leveraging digital technologies and maximising utilisation of railway infrastructure capacity.

The platform provides shippers with non-discriminatory access to handling, transit, and other transportation services. It offers end-to-end logistics solutions, including multimodal transportation, warehousing, and cloud services.

In 2023, the deployment of pioneering digital services, primarily the Spot Transactions<sup>1</sup> service, facilitated the integration of new rolling stock providers into FT ETP. The service currently connects 144 providers (up 12% y-o-y), including 131 rolling stock operators. Since the platform’s inception, there has been a sevenfold increase in supplier base.

New functionalities were also rolled out for cargo redirection en route and for raising additional funding. For international companies – non-residents of the Russian Federation – we enhanced the payment system for export/import and transit freight shipments, launched a multi-currency settlement module. FT ETP’s capabilities are now available to users of the Electronic Marketplace for Secondary Resource Trading, established under the auspices of the Russian Environmental Operator.

**89.5%**  
of customers sourcing rolling stock through FT ETP are SMEs

**Development of cargo transportation in specialised containers**

As part of creating a service for transporting smaller cargo consignments, prototypes of five- and ten-tonne medium-tonnage modules (MTMs) and container adapters for their transportation were manufactured. They successfully underwent preliminary and acceptance tests, including lifting by relevant equipment and a trial run on a container train.

In 2023, we developed a new freight train service called Container Express. Containers are transported on high-speed 80-foot flat wagons, capable of speeds up to 140 km/h, or 1,367 km per day – twice as fast as conventional container trains.

**Freight Transportation electronic trading platform**

The Freight Transportation electronic trading platform (FT ETP) integrates transportation, rolling stock supply, terminal, warehousing, and logistics services of Russian Railways’ subsidiaries into a single marketplace. Sales of container transportation services and “transportation with subsequent transshipment” (a new bundled offering), alongside the orchestration of transit and import cargoes, and empty railcar management, were introduced.

<sup>1</sup> A dynamic pricing mechanism enabling operators and shippers to attain price equilibrium in real time and arrange transportation online.  
<sup>2</sup> Russian Railways’ Order No. 3107/r dated 6 December 2023.

**Improving the quality of transportation services**

In 2023, the Group’s railway network comprised 86 sales offices employing over 250 people. In 2023, Russian Railways acquired more than 3,000 new customers who signed contracts for opening unified personal accounts.

In December 2023, the Standard Workflow for Sales Offices<sup>2</sup> was approved. Based on this process, employees actively engage with existing customers to broaden the scope of services offered and expand transportation geography.

An intensive effort is underway to improve sales offices’ competences in active sales and customer service. The Company keeps expanding the range of its one-stop-shop services.

All sales transactions at sales offices were digitalised in 2023, and customer interactions are now documented in the automated customer relationship management system (ACRMS).

During 2023, sales offices’ staff for international sales focused on liaising with overseas partners and prospects.

In 2023, we processed more than 117,000 customer complaints using the FOCus technology, while the number of customer enquiries returned for revision went down nearly twofold to 4.3% of all enquiries.

We have customer hotlines in place and provided information to over 184 shippers and consignees in 2023.

**Environmental Calculator**

Russian Railways attaches great importance to environmental issues, this is why we gave shippers an opportunity to calculate their environmental impact. The Company offered its customers the Environmental Calculator in their personal accounts. This tool helps to determine the extent to which GHG emissions are reduced if rail transportation is preferred for any given shipment. We also launched a meter telling customers how many trees they saved by switching to electronic workflow. As a result, more than 90% of shippers chose to use electronic workflow.

The Russian Railways website (<https://cargolk.rzd.ru/>) features an Environmental Memorandum and provides live updates on the reduction in carbon dioxide emissions year to date.

**1**  
**Calculator**  
for estimating CO<sub>2</sub> emissions reduction achieved by choosing rail transportation

**2**  
**Meter**  
helping to assess carbon footprint reduction achieved thanks to choosing rail transportation

**3**  
**Meter**  
helping to assess the number of trees saved due to the implementation of electronic workflow

# Local communities and charity

## GRI GRI 413-1

In many regions, the Company is a major employer and taxpayer.

Management responsibilities related to contacts with local communities are distributed among several business units of Russian Railways' Executive Office, including:

- Corporate Communications Department for Charitable and Social Activities;
- Department for Federal and Regional Government Relations (in matters related to the operation and development of rail transport);

- HR Department (focusing on the comprehensive youth policy, specifically contacts with educational institutions, including universities, schools, and pre-school facilities);
- Social Development Department (in matters related to the implementation of corporate social projects, contacts with culture and sports institutions, and organisation of awareness-raising, sporting, and other events).

Corporate documents:

- Russian Railways' Charity and Sponsorship Policy;
- Russian Railways' Code of Business Ethics;
- Russian Railways' Youth Target Programme for 2021–2025;
- framework agreements with regions of operation;
- medium term agreements on social and economic cooperation.

## Cooperation with local communities

The details of cooperation with local communities are set out in partnership and collaboration agreements signed with Russian regions to support rail transport, social, and economic development. There are two types of such agreements – framework (perpetual contracts formalising the key aspects of cooperation) and medium term agreements (focusing on the key areas of cooperation with amendments made when and if needed: cooperation in transportation services for the public and industrial enterprises in the regions, joint

projects, development of railway infrastructure, ensuring transport safety and socio-economic growth). So far, Russian Railways and Russian regions have entered into 78 framework agreements. In 2023, 14 medium-term agreements were entered into with Tatarstan and the Komi Republic, the Yamalo-Nenets Autonomous Area, Primorye and Krasnodar territories, as well as the Vologda, Kostroma, Arkhangelsk, Novgorod, Yaroslavl, Sakhalin, Bryansk, Volgograd, and Saratov regions.

In its regions of operations, Russian Railways is actively involved in socially focused charity in line with the objectives and principles set out in its Charity and Sponsorship Policy. The Company builds relations with local communities based on respect for their rights and freedoms and does not tolerate any forms of discrimination or infringement.

## Contribution to local communities

### GRI GRI 203-1, 203-2

Russian Railways is the largest taxpayer to local treasuries and Russia's biggest employer. The Company is also the largest consumer of goods produced by Russian businesses, with its orders providing employment to an average of 0.1–1.5% of labour force in the Russian regions hosting transport engineering hubs.

Russian Railways is responsible for long-haul and suburban passenger traffic and freight traffic (including such critical transportation operations as the Northern Supply Haul and shipment of commodities from the regions producing raw materials). The Company also maintains local social infrastructure, effectively acting in the capacity of a government agency. In some regions, for example, Archangelsk, Amur, and Tomsk, there are destinations where railway remains the only available type of transportation. The Company and its subsidiaries are the main providers of suburban passenger transportation in Russia. They are integrating suburban transport into urban transport systems and actively developing multi-modal routes and transport interchange hubs to enhance the mobility of urban population.

Russian Railways' investment programme for 2021–2023 focuses on developing and upgrading the railway infrastructure and promoting high-speed and ultra high-speed railway transportation.

### Improving the quality of life in local communities

Russian Railways contributes to the creation of new jobs across its footprint and the implementation of social projects to improve the quality of life in local communities.

To align with the country's national development goals and advance our strategic objectives regarding social welfare of employees and their families, as well as non-employed retirees, Russian Railways collaborates with regional governments to execute a joint programme aimed at community development, particularly in areas where our employees reside. The plan is designed to improve the quality of life in local communities. It is of particular relevance for inhabited areas located far away from administrative capitals.

The plan sets out 418 initiatives to be implemented in 2021–2035 in 70 localities from 34 Russian regions. These initiatives focus on improvements in culture, sports, healthcare, education, and social environment. Some 246 initiatives are expected to be financed by the governments of Russian regions, with 134 funded by the Company, including 31 on co-financing terms and seven financed by third parties.

In 2023, 29 initiatives were completed, of which fifteen were funded by Russian Railways. These included:

- improving the area adjacent to the sports and fitness centre, incorporating a multi-purpose sports ground at Lyangasovo railway station (Kirov);
- constructing a dual-purpose volleyball and basketball court equipped with outdoor exercise machines at Irtyshskoye railway station;
- renovating the outpatient clinic of the Nizhneangarskaya Central District Hospital in the town of Kichera.

The plan's implementation on the railways is coordinated by working groups chaired by the first deputy heads of the railways and also involving relevant heads of the railway governance body, structural units of branches, and representatives of the Russian regions.

In addition to the community development plan with a focus on local communities where Russian Railways' employees live, the Company is implementing three other target programmes to develop social infrastructure and improve the quality of life of its employees:

- national programme for the socio-economic development of the Far East until 2024 and further until 2035;
- Far Eastern Railway as an Accelerated Development Domain (programme until 2025);
- Plan to Attract and Retain Personnel at Russian Railways' Facilities along the Baikal–Amur Mainline.



For details on the volume and breakdown of investments in upgrading and expanding core infrastructure, see [p. 208 of this report](#).

## Protecting public health in the regions of operation

GRI 3-3

The RZD-Medicine network takes active steps to enhance the accessibility and quality of healthcare for local communities.

A total of 47% of RZD-Medicine healthcare facilities serve communities of up to 100,000 residents. Among these, ten healthcare institutions are the sole providers of compulsory health insurance services in their respective locations.

To boost access to first medical aid and patient satisfaction, fourteen mobile medical units are operational. They offer services including medical screenings, check-ups, vaccinations, and health checks for foreign nationals, capable of conducting up to 336,000 examinations annually.

### 2023 highlights

- Hospital trains were put in place. The Saint Luke (Voyno-Yasenetsky) mobile medical centre is a significant public-private partnership initiative between Russian Railways and the Krasnoyarsk Region Government established to tackle regional healthcare challenges. The project delivered consultative medical assistance to communities of 37 railway stations across the Krasnoyarsk Territory in 2023.
- By 2030, to address demographic concerns and encourage higher birth rates, plans are underway to establish 15 family counselling centres as part of the RZD-Medicine network. These centres will focus on joint health consultations for couples. Currently, five centres of this type are open in Moscow, Smolensk, Rostov-on-Don, Severobaikalsk, and Ulan-Ude.
- Medical outreach campaign. The project covers four railways – East-Siberian, Northern, Trans-Baikal, and Far Eastern. As part of the campaign, preventive medical examinations and consultations by specialty doctors were carried out in remote and sparsely populated locations where no medicine specialists are routinely available.
- In 71 medical outreach trips, over 5,100 individuals received health examinations. More than 6,700 specialist consultations were provided, alongside over 4,800 diagnostic tests (including ultrasonography, ECG, blood tests, radiography, mammography, endoscopies, etc.). Twenty patients benefited from surgical interventions.



## Nationwide Health Train: Together Against Diabetes awareness campaign

Russian Railways, in collaboration with the Federation Council, Council of the Eurasian Women’s Forum, and the Russian Ministry of Health, created this initiative.

A specialised train, equipped with modern medical devices and staffed by highly qualified healthcare professionals of the RZD-Medicine network, travelled over 20,000 km along the Vladivostok–Moscow route in 66 days, making stops in 37 cities and towns. En route, healthcare professionals offered check-ups to detect diabetes or its potential onset.

Small towns along the train’s path participated in the campaign, raising awareness about chronic non-communicable diseases. The Health Train programme was designed to bring healthcare closer to inhabitants of remote areas, offering them quick and high-quality comprehensive medical examinations.

Medical professionals extended their services not just to railway employees but also to the general populace residing in distant rural areas lacking permanent healthcare facilities.

- Over 6,400 participants from 30 federal subjects of Russia engaged in the campaign.
- More than 13,000 examinations and 52,000 tests were administered.

### Territory of good health



” **Diabetes mellitus, increasingly posing a grave global threat, demands urgent attention. Type 2 diabetes is largely preventable, and complications can be significantly mitigated with a comprehensive understanding of causes and effective preventative strategies.**

**Our campaign prioritised the early detection of Type 2 diabetes, accounting for 95% of diabetes cases, and aimed to educate the general public on preventative measures, risk factors, and bolster health literacy.**

**Participants benefited from thorough screening, encompassing laboratory and imaging tests, and supplementary consultations with specialists in endocrinology, cardiology, and oncology. Upon assessment completion, all individuals received detailed health reports, tailored advice on reducing risk factors, and a wellness improvement plan. Referrals to specialty doctors were provided when necessary. Beyond mere medical outreach, the Health Train represents a tangible commitment to enhancing national health.**

### Elena Zhidkova

Head of the Central Healthcare Directorate at Russian Railways

## Charity

In 2023, our charity initiatives focused on:

- providing financial support to Baikal–Amur towns and population centres in connection with upcoming events to mark its anniversary;
- implementation of social projects and activities to support the infrastructure of Tynda;
- financing expensive surgical treatment, medication, and rehabilitation of Russian Railways employees, including those retired, providing social support for victims of natural disasters or other calamities, promoting family values;
- promoting education, facilitating vocational education and improving education quality through financial help to sectoral universities and vocational schools, providing equipment and samples for laboratory classes;

- providing assistance to children’s organisations, supporting people with physical disabilities and people with incurable and life-limiting illnesses;
- supporting charitable projects for restoration and conservation of Russian historical and architectural landmarks, including churches and monasteries of cultural and historical significance;
- supporting environment-related causes;
- implementation of projects to advance mass sports, physical training and healthy lifestyle: assistance to the Become a Champion fund for supporting physical training and sports and allocation of funds for improving the Lokomotiv Stadium in Nizhneudinsk;

- supporting the organisation of the national children’s competition Lokoball (football), Lokobasket – School League (basketball), and Lokovolley (volleyball);
- promoting healthy lifestyle, children’s and mass sports, including by providing support for the Locomotive ice hockey team based in Yaroslavl, Locomotive-Kuban professional basketball team, Locomotive-Novosibirsk volleyball team, Lokomotiv Russian Fitness and Sports Society, Kuban-Region Sports Club, Krasnodar Territory’s Basketball Federation, and Locomotive-Kaliningrad Region volleyball team.

## Children and youth policy

### Russian Railways for schoolchildren

Russian Railways’ educational system encompasses an entire range of educational institutions – from pre-school to higher education facilities. The Company supports 98 educational establishments (77 kindergartens and 21 RZD schools) attended by more than 22,000 children.

To attract young people motivated to pursue railway professions and specialties, Russian Railways offers systematic career guidance to schoolchildren and students.

**Russian Railways’ kindergartens are listed among the Top 500 pre-school educational institutions in the Russian Federation.**

In 2023, over 80,000 children took part in the Company’s educational and vocational navigation projects.

Russian Railways has 26 children’s railways, which can be called unique career guidance centres in Russia. The number of young talents enrolled in children’s railways in 2022 was almost 17,000 children aged 11–17. Children’s railways feature six RZD Kvantorium modern science parks for children that encourage

innovative thinking and strengthen IT competencies. Children science parks are designed as hi-tech platforms for training young highly skilled engineers, and developing, testing and implementing cutting-edge technologies and ideas.

To help children get a better understanding of Russian Railways, the Company launched RZD class, an educational project offering a wide range of opportunities,

including more than 20 learning and professional guidance activities. The hub schools participating in the project have railway engineering classes with in-depth study of physics, mathematics and computer science and a focus on career guidance and patriotic education. By the end of 2023, RZD classes were available in 106 educational institutions from 42 Russian regions.

Nine cadet classes were inaugurated at Russian Railways schools, enrolling 174 students, of whom 95% are children of the Company’s employees. The initiative is geared towards offering children excelling academically and residing in remote railway locations a chance to pursue enhanced educational opportunities.

In the modern educational system, aspiring engineers need to be professionals with highly developed research, design, and entrepreneurial skills. That is why all of the Company’s projects and programmes for young talents nurture innovative and creative approaches in children, while also teaching them how to conduct research and complete design assignments.

### Partnership with universities

Russian Railways actively cooperates with nine sectoral universities across Russia. Under the Programme of Russian Railways’ Interaction with Railway Universities until 2025 the Company works to upgrade the universities’ infrastructure and R&D capabilities, streamline learning processes and improve the skills of university management and professors, with a total of 173 Russian Railways venues established across partner universities since the programme’s launch, including classrooms, branded zones, and simulator rooms.

As a result of the 2023 admissions campaign, 5,700 students were enrolled in educational institutions under contracts with Russian Railways, with the total number of Russian Railways’ students reaching 26,700.

Backed by Russian Railways, universities actively engage in various federal initiatives. Key programmes include:

- Professionalitet. Focused on transforming the secondary vocational education landscape, twelve railway clusters were established, welcoming over 1,600 targeted students.

- Priority 2030, a strategic academic leadership programme. Three universities are participating: Emperor Alexander I St Petersburg State Transport University, Far Eastern State Transport University, Russian University of Transport (MIIT). The project contributes to the attainment of Russia’s national development goals by 2030.
- Innovative Engineering Schools. Since 2023, two transport universities (Russian University of Transport (MIIT) and Emperor Alexander I St Petersburg State Transport University) have been involved in this initiative.

We continued collaborating with Russian Student Squads Nationwide Youth Public Organisation, resulting in the establishment of the Action-Minded People movement among railway transport student teams. Approximately 13,000 students participated in the Nationwide Labour Semester, with 10,200 engaged in service, teaching, medical, and conductor teams, and 2,600 in construction roles.



In 2023, Russian Railways continued to implement a roadmap

for developing the hi-tech

# Quantum Communications

sector through 2030

**3,295 km**

total network length as at the end of 2023

**25**

R&D projects run by the Company

► For more details on quantum communications, see the [Innovation-driven Development and Digital Transformation section](#)

Managerial aspect 

The roadmap sets out three key objectives to help Russia achieve a leading position in quantum communications:

- Creating an infrastructure for quantum communications networks
- Developing quantum communications technology
- Building a relevant ecosystem



Continuous efforts are being made to develop the ecosystem, which includes refining regulatory frameworks, standardisation, building human capital, and promoting awareness.

> **140** organisations in the ecosystem registry

# Corporate governance

## Corporate governance framework

Russian Railways' corporate governance framework is based on applicable standards and derives from the nature of its operations and governance as a 100% state-owned single economic entity<sup>1</sup>.

The key principles of corporate governance are set out in Russian Railways' Corporate Governance Code<sup>2</sup> available on the Company's website. Instructions of the Russian Government, which places a special focus on improving the quality of corporate governance in state-owned companies, are of critical importance for shaping the corporate governance practice in the Company.

Based on the recommendations issued as part of the corporate governance rating process, the Company developed and approved an Action Plan for Improving Corporate Governance at Russian Railways for 2023–2024. Once implemented, this plan will contribute to enhancing the quality of corporate governance at Russian Railways and maintaining a high corporate governance rating.



For more details on the corporate governance framework and improvements made in the reporting year, see the Corporate Governance Framework section of [Russian Railways' 2023 Annual Report](#).

In 2023, the Company initiated an independent external assessment of its corporate governance practices, which culminated in the assignment of the 7+ (Advanced Corporate Governance Practice) National Corporate Governance Rating (NCGR) to Russian Railways.

<sup>1</sup> As defined by Federal Law No. 29-FZ On the Specifics of Administration and Disposal of Railway Transport Property dated 27 February 2003.  
<sup>2</sup> Approved by the Company's Board of Directors (Minutes No. 1 dated 14 September 2022).

## Governance structure of Russian Railways

GRI 2-9

### General Meeting of Shareholders

The supreme governance body of Russian Railways. The Russian Federation, represented by the Russian Government, is the sole shareholder of Russian Railways

Audit Commission

### Board of Directors

Elected by Russian Railways' shareholder. Pursues a policy that supports the Company's dynamic growth, improves sustainability and increases profitability

Committees of the Board of Directors  
Corporate Secretary

### CEO, Chairman of the Management Board

Appointed by the Government of the Russian Federation

Working bodies led/chaired by the CEO, Chairman of the Management Board

### Management Board

Russian Railways' collective executive body. Members of the Russian Railways Management Board are appointed by the Company's Board of Directors, with the exception of the CEO, Chairman of the Management Board

Working bodies led/chaired by Management Board members

### Executive Office of Russian Railways

Departments, divisions and other units of the Executive Office responsible for the management of all operations

Working bodies led/chaired by heads of Executive Office units

### Structural units

Working bodies led/chaired by heads of structural units

## Board of Directors of Russian Railways

**GRI GRI 2-9**

The Board's key objective is to ensure the Company's general management and determine its business priorities and development strategy. The Board of Directors defines general principles of and approaches to risk management in the Company and approves:

- the Company's long-term development plans;
- core operating programmes and functional development strategies;
- a financial plan and an investment programme.

In 2023, the Board of Directors of Russian Railways held 16 meetings, including five meetings held in person and 11 conducted in the form of absentee voting. The average attendance rate was above 90%.

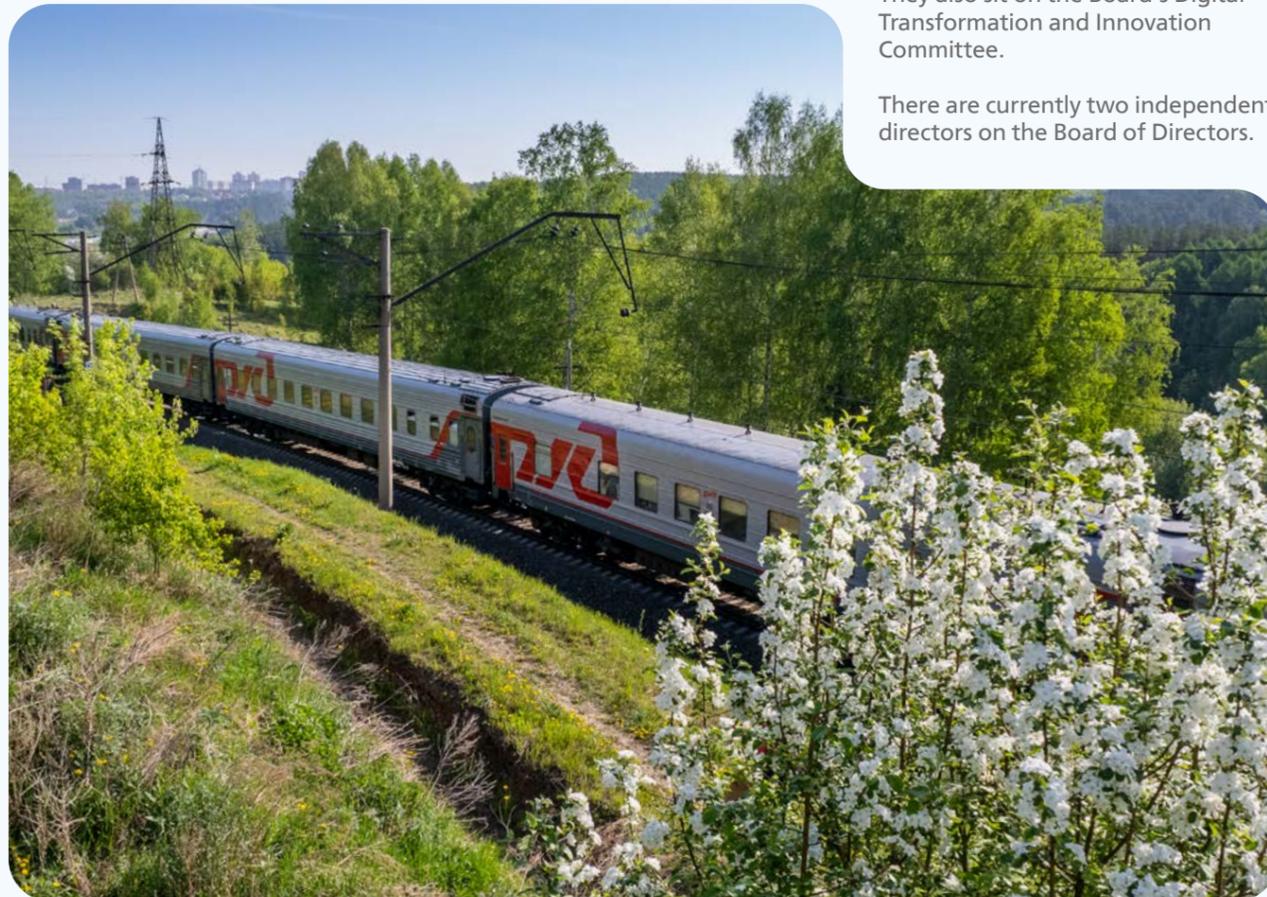
**16 meetings** of the Board of Directors held in 2023

### Independent directors

In line with the best corporate governance practices, independent directors have been elected to the Board of Directors of Russian Railways since 2008. Independent directors shall have the professional skills, competencies, and experience to form their own opinions and make objective judgements not influenced by the Company's executive bodies and shareholder.

Independent directors chair the Audit and Risk Committee and the Personnel and Remuneration Committee of the Board of Directors. They also sit on the Board's Digital Transformation and Innovation Committee.

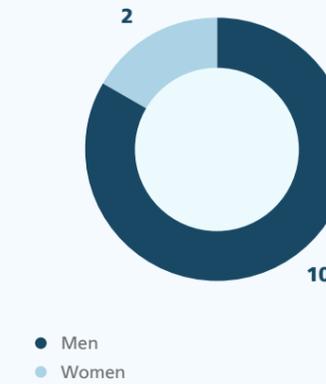
There are currently two independent directors on the Board of Directors.



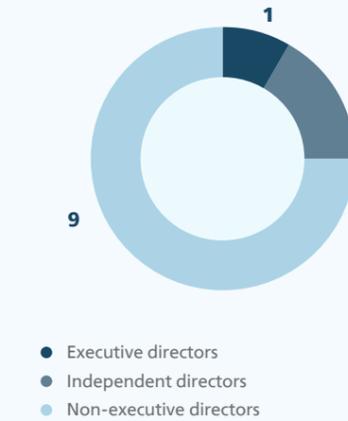
### Composition of the Board of Directors<sup>1</sup>

The Board of Directors consists of 12 members<sup>2</sup>.

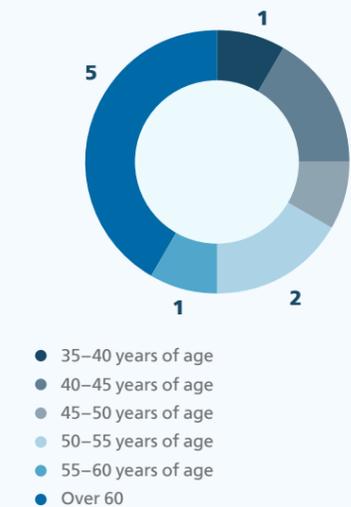
#### By gender



#### By category



#### By age



#### By length of service on the Board of Directors



### Remuneration of the Board of Directors

In 2023, the Annual General Meeting of Shareholders of Russian Railways adopted a resolution<sup>2</sup> to pay remuneration to the Company's directors who are not government officials for the 2022-2023 corporate year in the amount recommended by the Board of Directors<sup>3</sup> and in the manner prescribed by the Regulation on Remuneration and Compensation Paid to Members of Russian Railways' Board of Directors<sup>4</sup>.

In 2023, the Annual General Meeting of Shareholders of Russian Railways resolved<sup>2</sup> to allocate a total of RUB 40 m in remuneration to members of the Russian Railways Board of Directors.



For more details on the Board of Directors' performance in the reporting year and the Board remuneration, see [Russian Railways' 2023 Annual Report, Board of Directors section](#).

For more details on the Board of Directors' involvement in sustainable development, see [p. 20](#).

<sup>1</sup> As at 31 December 2023.

<sup>2</sup> Order No. 1756-r of the Russian Government dated 30 June 2023.

<sup>3</sup> Resolution of Russian Railways' Board of Directors dated 22 June 2023, Minutes No. 13.

<sup>4</sup> Approved by resolution of Russian Railways' Board of Directors dated 26 June 2018 (Annex No. 3 to Minutes No. 25).

## Committees of the Board of Directors

GRI GRI 2-9

For the purposes of preliminary consideration of the most important matters and preparation of relevant recommendations, the Russian Railways Board of Directors has the following committees in place:

- Strategic Planning Committee;
- Audit and Risk Committee;
- Personnel and Remuneration Committee;
- Digital Transformation and Innovation Committee.

The committees are elected by Russian Railways' Board of Directors and act in accordance with the regulations on the committees as approved by the Company's Board of Directors<sup>1</sup>.



For more details on the Board of Directors' committees, see [Russian Railways' 2023 Annual Report](#), Board of Directors section.

## Management Board

The Company's Management Board is a collective executive body responsible for the general management of business operations.

The Management Board acts in the Company's interests and reports to the Company's General Meeting of Shareholders and the Board of Directors. Members of the Russian Railways Management Board are appointed by the Company's Board of Directors, while the Chairman of the Management Board is appointed by the Government of the Russian Federation.

In 2023, the Management Board of Russian Railways held 123 meetings that reviewed and resolved on a number of matters related to the development of the Russian Railways Group.

### Remuneration of the Management Board

Designed to improve the effectiveness of individual and collective performance of the Management Board members, the remuneration system relies on the achievement of the Company's KPIs. The KPI development principles, KPI structure and list, as well as the procedure for approving and monitoring the implementation of KPIs are established in the Regulation on Key Performance Indicators of Russian Railways<sup>2</sup>.

The total remuneration of the Management Board members accrued and paid in 2023 was RUB 1,182.030 m,

including RUB 377.563 m in salaries, RUB 475.406 m in incentive payments, and RUB 329.061 m in other payments. No compensations were paid.



For more details on the Management Board's performance and remuneration, see [Russian Railways' 2023 Annual Report](#), Management Board section.

For details on the Audit Commission, internal control and audit see [Russian Railways' 2023 Annual Report](#), Audit and Control section.

<sup>1</sup> The Regulation on the Strategic Planning Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8) and amended by resolution of the Board of Directors dated 19 November 2020 (Minutes No. 1); the Regulation on the Audit and Risk Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8); the Regulation on the Personnel and Remuneration Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8); the Regulation on the Digital Transformation and Innovation Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 30 May 2019 (Minutes No. 17) and amended by resolution of the Board of Directors dated 19 November 2020 (Minutes No. 1).

<sup>2</sup> Approved by resolution of Russian Railways' Board of Directors dated 22 June 2023, Minutes No. 13.

# Risk management

## Risk management system

As part of its corporate governance framework, the Company has in place a risk management and internal control system ("RMICS") to provide reasonable assurance that the Company will achieve its goals (while balancing costs and benefits), including those in the sustainable development realm.

RMICS is integrated into operational and project activities as well as strategic planning, helping to improve the quality of identification and assessment

of risks and their root causes and contributing to their timely processing through the analysis and refinement of business processes taking into account external and internal factors.

The existing RMICS ensures the Company's robust operations and improves operational efficiency by creating and supporting a risk-oriented culture, values, and behaviours at all organisational levels.

**By integrating RMICS into its business processes and aligning it with corporate goals, the Company maintains its focus on sustainable development.**

## Risk management process

Risk management is integrated into the Company's business processes and is an ongoing exercise that meets the requirements of internal regulatory documents.

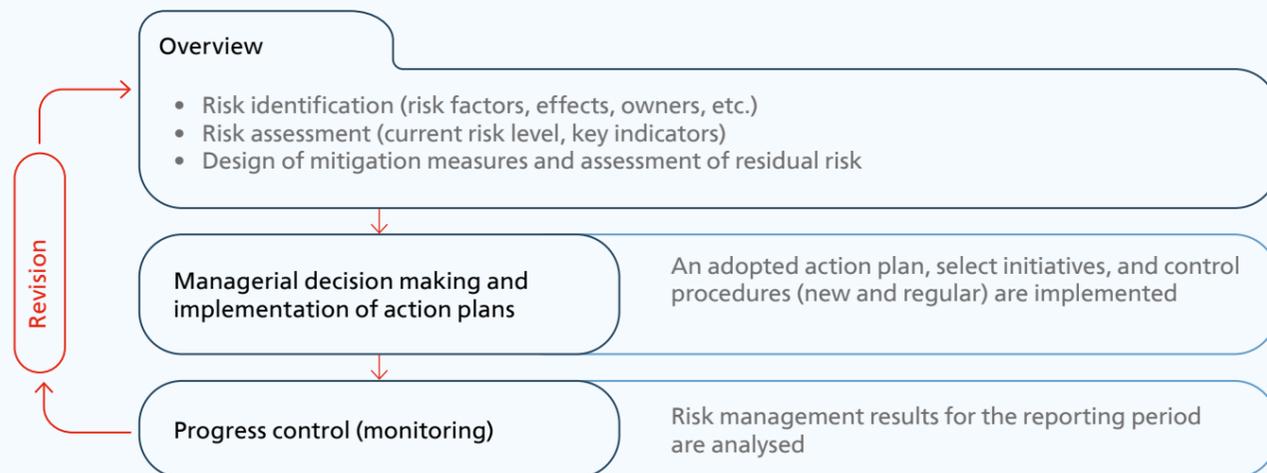
As part of the risk management process, risks are identified, assessed, responded to, and monitored, with reports developed to be subsequently reviewed by executive bodies, the Audit and Risk Committee of the Board of Directors, and the Board of Directors. The reports are also provided to external stakeholders and include exhaustive information about the risks, risk response measures, and RMICS performance.

Ongoing information exchange, consultations, vertical and horizontal interaction of RMICS participants are not limited by reporting periods due to continuous risk management and internal control.

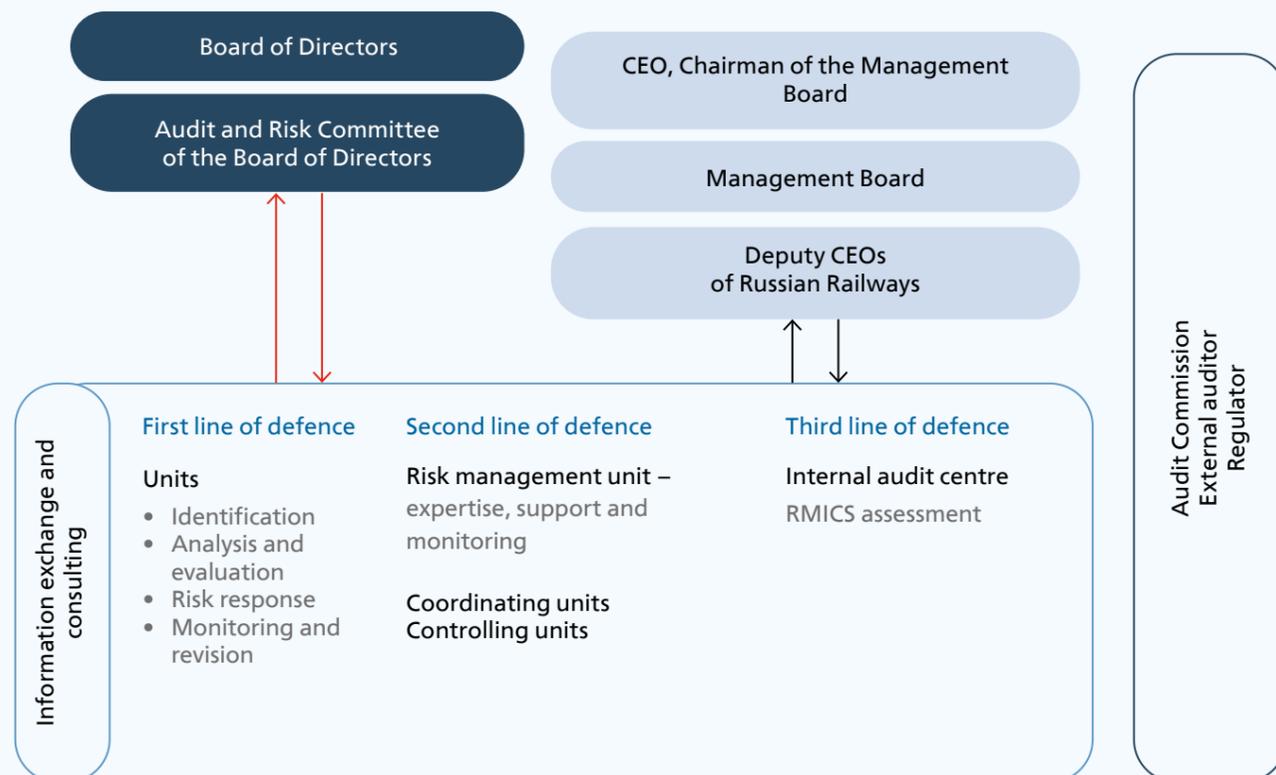
**The risk management process focuses heavily on the achievement of sustainability goals, including with due account of the approved risk level.**



### Stages of the risk management process



### Risk management and internal control: organisational structure



### RMICS assessment

To enhance the effectiveness of RMICS and to develop and prioritise improvement measures, an annual internal assessment (self-assessment and internal audit) is conducted. External assessment is subject to resolution by the Board of Directors.

The results of internal assessment are annually discussed by the Board of Directors following a preliminary review by the Board’s Audit and Risk Committee.

In 2023, the internal assessment of the risk management and internal control system was carried out by Zheldoraudit in accordance with the Internal Audit Manual on Assessment of the Risk Management and Internal Control System. The internal audit team assessed RMICS for compliance

with established requirements and the effectiveness of risk management with respect to Russian Railways’ individual business processes.

The internal assessment resulted in the internal audit report on RMICS current status, compliance with the main RMICS requirements, and the opinion on efficient development of Russian Railways’ RMICS.

In addition, the Audit Commission of Russian Railways inspects and analyses the functioning of the internal control system and the financial and operational risk management system. The commission keeps the shareholder, the Board of Directors, and the Chief Executive

Officer of Russian Railways updated on proposals aimed at enhancing the internal control system.

In line with the Three Lines of Defence model, external oversight (including regular audits of certain projects) contributes to continuous improvement of RMICS.



For more details on risk management and RMICS improvements in the reporting year, see the Risk Management section of [Russian Railways’ 2023 Annual Report](#).

### Sustainability risks

As a leader of the global railway transportation market and one of Russia’s backbone local players, Russian Railways helps achieve important social and economic goals and ensure transport accessibility of cities and regions. Being a major taxpayer, we place special emphasis on the professional development and safety of our employees.

We take into account all stakeholder interests, analyse risks, and take stronger effort towards sustainability. This helps us identify growth points and take advantage of new opportunities while striking a balance between such opportunities and related risks.

#### Information on sustainability risk management is available in the respective sections of the report:

- [Social risks \(Personnel Development section\)](#)
- [Health and safety risks \(Health and Safety section\)](#)
- [Corruption risks \(Anti-Corruption section\)](#)
- [Procurement risks \(Procurement Management section\)](#)
- [Climate change risks \(Climate Action section\)](#)
- [Information security risks \(Innovation-driven Development and Digital Transformation section\)](#)

# Anti-corruption

**GRI** GRI 205-3, 3-3

Russian Railways values its business reputation and sets high business ethics compliance standards for all employees of the Company, directors, personnel of Russian Railways' controlled entities and business partners.

In 2023, we updated the Code of Business Ethics<sup>1</sup>, a key document setting out, among other things, anti-corruption requirements and rules of professional conduct that are mandatory for the Board of Directors and every employee of the Company and reflect the core conduct standards underpinned by Russian Railways' mission, values and principles.

Russian Railways' anti-corruption policy<sup>2</sup> is a set of interrelated principles and procedures designed to prevent and combat corruption and minimise corruption risks. It also enables the Company to achieve its sustainability goals.

Russian Railways' anti-corruption policy outlines the following priorities:

- to ensure that the Company's employees, directors and stakeholders have a uniform understanding of the zero tolerance approach to corruption in all its forms and manifestations;

- to communicate the importance of publicly declaring zero tolerance for corruption and bribery in business;
- maintain compliance with the Russian anti-corruption laws.

Russian Railways' anti-corruption policy is underpinned by the following principles:

- the Company declares zero tolerance for corruption and is committed to compliance with Russian laws, international treaties signed by Russia and generally accepted standards;
- the Company takes a systematic approach to assessing corruption risks as a way to form an adequate response to corruption;
- the Company regularly monitors the effectiveness of its anti-corruption practices;
- the Company exercises due diligence in all its activities and managerial decision-making;
- the Company's employees receive regular training in anti-corruption.

**The principle of zero tolerance for corruption set out in Russian Railways' anti-corruption policy prohibits Russian Railways' directors, employees and counterparties, acting directly or through third parties, from engaging, or inducing anyone to engage in corruption, whatever the business practices are in any particular country.**

Preventive measures are based on the following two components:

- implementing anti-corruption standards that establish responsibilities, limitations and bans integrated into employment contracts;
- ensuring compliance by employees and management at all levels.

As part of the efforts to enhance the anti-corruption function, in 2023 we approved:

- Anti-Corruption Guidelines of Russian Railways<sup>1</sup>;
- Anti-Corruption Rules for Russian Railways Employees (responsible conduct standards)<sup>2</sup>.

In accordance with the law, the Company's employees may be subject to disciplinary, administrative and criminal liability for committing corruption offences. Furthermore, the Company itself may be subject to administrative liability.

The incidents when the Company was subject to administrative liability were caused by non-compliance with applicable restrictions in employment of former government and municipal officials. Entities hiring former officials are required to report signing respective employment (civil law) contract to the official's last known employer. Notification to that effect must be sent within ten days after respective contract is signed.

To prevent violations in this area, Russian Railways implements a number of measures. Letters with clarifications are sent to heads of units. The Company distributes visual aids describing an algorithm of what must be done when hiring former government and municipal officials. A respective notification form was added to the Human Resource UCAS<sup>3</sup>, with the system also displaying a pop-up window to remind the user to send the notification to the new hire's previous employer.

The measures taken led to a fourfold decrease in the number of cases where the Company was held liable for administrative offences (from eight in 2022 to two in 2023).

### Confirmed incidents of contracts with business partners terminated or not renewed due to corruption violations

0	2023
0	2022
0	2021

### Incidents when the Company was subject to administrative liability for violating Russian anti-corruption laws

2	2023
8	2022
12	2021



<sup>1</sup> Approved by a resolution of Russian Railways' Board of Directors (Minutes No. 13 dated 23 June 2023).  
<sup>2</sup> Russian Railways' Order No. 472r dated 24 February 2015.

<sup>1</sup> Approved by Russian Railways' Order No. 254/r dated 7 February 2023.  
<sup>2</sup> Russian Railways' Order No. 2110/r dated 18 August 2023.  
<sup>3</sup> Human Resource Uniform Corporate Automated System.

## Governance structure

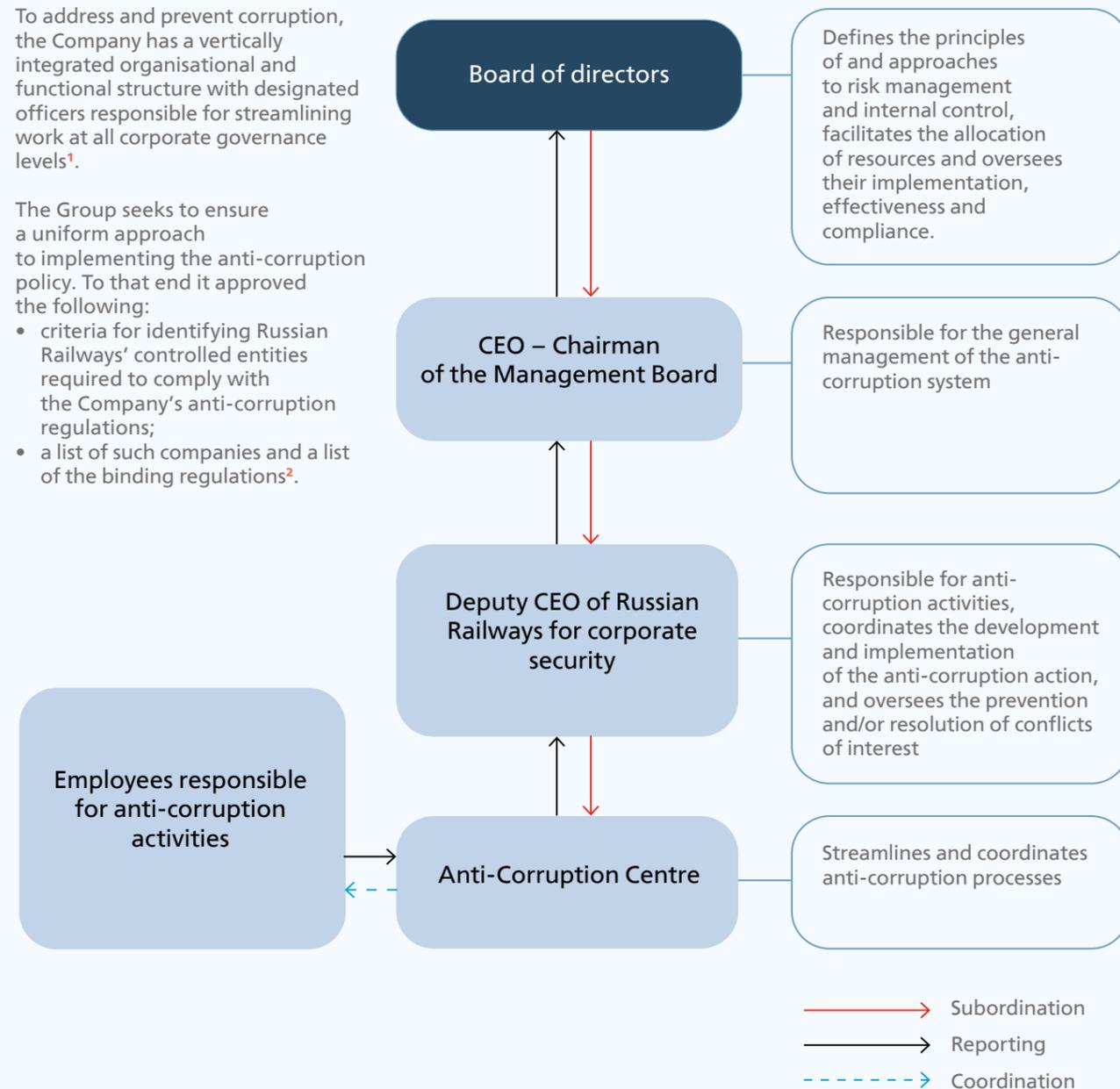
GRI 3-3

To address and prevent corruption, the Company has a vertically integrated organisational and functional structure with designated officers responsible for streamlining work at all corporate governance levels<sup>1</sup>.

The Group seeks to ensure a uniform approach to implementing the anti-corruption policy. To that end it approved the following:

- criteria for identifying Russian Railways' controlled entities required to comply with the Company's anti-corruption regulations;
- a list of such companies and a list of the binding regulations<sup>2</sup>.

### Governance structure



<sup>1</sup> Russian Railways' Order No. 2051/r dated 16 September 2019.

<sup>2</sup> Russian Railways' Order No. 2063/r dated 22 September 2021.

## Russian Railways' Anti-Corruption Action Plan

Russian Railways' Anti-Corruption Action Plan approved for the relevant period in accordance with the National Anti-Corruption Plan<sup>1</sup> and the respective Instructions of the Russian Government provides a legal and organisational framework for the Company's anti-corruption action.



### Key focus areas of Russian Railways' Anti-Corruption Action Plan for 2021–2024<sup>2</sup>:

- corruption risk management;
- prevention and resolution of conflicts of interest;
- reporting any inducement to corruption to the employer;
- reporting receipt of gifts by an employee;
- anti-corruption compliance in real estate management;
- engagement with law enforcement agencies;
- analysis of anti-corruption measures in procurement;
- expert review of draft contracts to identify and eliminate corruption risks;
- assessment of RMICS from an anti-corruption perspective;
- Anti-Corruption Hotline;
- anti-corruption awareness raising;
- staff training and development;
- improvement of digital technologies in anti-corruption activities;
- social surveys on anti-corruption.

In 2023, Russian Railways fully implemented the anti-corruption action plan for the reporting period, focusing on managing corruption risks and conflicts of interest and making its educational, awareness raising and other anti-corruption initiatives more efficient.

<sup>1</sup> Approved by the Russian President's Decree No. 478 dated 16 August 2021.

<sup>2</sup> Russian Railways' Order No. 2106/r dated 28 September 2021.

## Corruption risk management

Russian Railways' corruption risk management is an integral part of the Company's risk management and internal control system. We streamline and harmonise risk management approaches in line with the Guidelines for Corruption Risk Management<sup>1</sup>, Risk Management and Internal Control Policy<sup>2</sup> and other documents.

Across the Company's business units, employees responsible for anti-corruption practices at all governance levels perform regular and consistent assessment of corruption risks, exercise multi-tier control and take corrective actions.

In 2023, the units performed an annual assessment of corruption risks, with the registers for the year compiled after such assessment, response plans implemented and the Russian Railways' consolidated register of corruption risks updated.

We also perform an annual internal audit to check the RMICS performance in preventing and combatting corruption.

The Code of Ethics for Internal Auditors<sup>3</sup> establishes:

- main ethical norms and rules, including the objectivity principle and the 'no conflict of interest' principle;
- unified mandatory rules of conduct for internal auditors.

The Board of Directors' Audit and Risk Committee is regularly informed on monitoring outcomes for RMICS as regards anti-corruption performance and the effectiveness of relevant measures.

We conduct due diligence on companies intending to enter into contracts with Russian Railways, including bidders competing in a tender or auction for a contract to supply goods, work or services for Russian Railways' needs.

To sign a contract with Russian Railways, counterparties must submit, among other documents, a beneficial owner certification form as provided for in the contract. All draft contracts require approval of the Security Department that can be granted after the successful completion of a security audit.

Contracts with counterparties also include anti-corruption clauses stipulating the following:

- guaranteed compliance with the relevant regulations;
- termination of the contract if the counterparty is found to engage in corruption.

Compliance monitoring and control are key elements of anti-corruption practices. Russian Railways' business units and subsidiaries conducted over 170 audits of its regional and structural units (1.5 times more compared to 2022), with follow-up corrective measures developed and put into action.



<sup>1</sup> Approved by Russian Railways' Order No. 192/r dated 1 February 2021.

<sup>2</sup> Approved by the Company's Board of Directors (Minutes No. 17 dated 27 May 2019) and enforced by Russian Railways' Order No. 1223/r dated 18 June 2019.

<sup>3</sup> Russian Railways' Order No. 3034/r dated 25 December 2019.

## Conflict of interest prevention and management

### GRI 2-15

Prevention and resolution of conflicts of interest remain Russian Railways' overarching priority in combatting corruption.

The Corporate Governance Code<sup>1</sup> features a dedicated anti-corruption section, which includes provisions on preventing and resolving conflicts of interest, among other things. They are mandatory for all governance bodies.

To eliminate causes and conditions conducive to corruption, the Company approved the Regulation on Prevention and Resolution of Conflicts of Interest<sup>2</sup>. This document serves the following purposes:

- setting out the timeline for reviewing conflict of interest reports;

- explaining the meaning of a potential and actual conflict of interest;
- listing those whose personal interest may lead to a conflict of interest;
- describing the response procedure for employees in charge of reviewing such reports at business units and Russian Railways management;
- stipulating criteria for determining a disciplinary action.

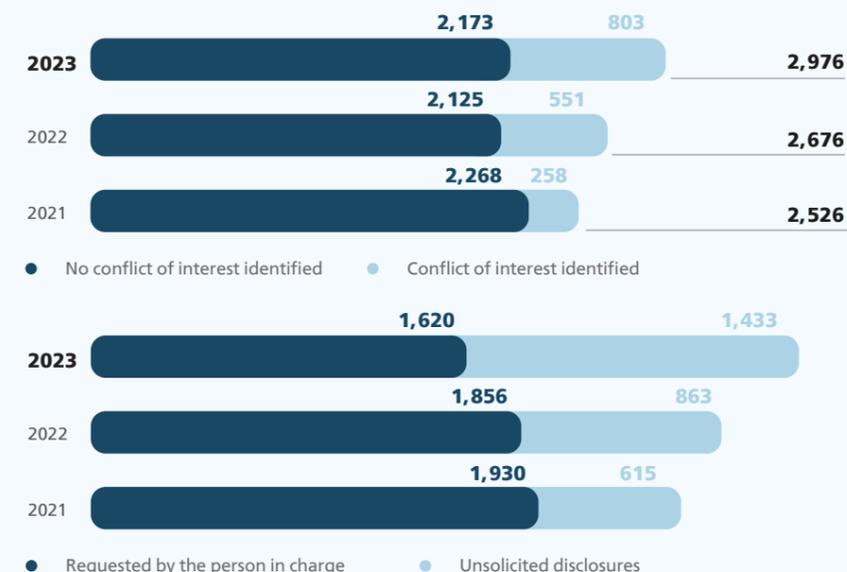
All the Company's employees must do their best to prevent and resolve conflicts of interest.

In 2023, the number of conflict of interest disclosures at all corporate governance levels increased by 11% y-o-y to 2,976.

A total of 803 conflicts of interest were identified compared to 551 in 2022. The Company applied disciplinary actions for failure to comply with anti-corruption rules to 35 employees (24 employees were admonished, and 11 employees were reprimanded).

**Regional conflict of interest commissions set up by the 16 railways of the Company held 16 meetings on 32 employees, with conflict of interest identified in 22 cases.**

### Total conflict of interest disclosures reviewed



<sup>1</sup> Approved by a resolution of Russian Railways' Board of Directors, Minutes No. 1 dated 14 September 2022.

<sup>2</sup> Russian Railways' Order No. 1929/r dated 26 July 2022.

Employees subjected to disciplinary action

**35** people in 2023

**52** people in 2022

**34** people in 2021

## Anti-Corruption Hotline

**GRI 205-3**

The Company has a whistleblowing hotline in place to report corruption in the Russian Railways Group, including anonymously. The contact channels are available in the Anti-Corruption section of Russian Railways' website.

The Anti-Corruption Hotline is open 24/7 and has a voicemail service. The Anti-Corruption Centre, Russian Railways' structural unit, receives and processes the incoming reports. At the end of each quarter, information on investigation results and actions taken is submitted to Russian Railways' Deputy CEO for corporate security.

In 2023, we received 378 reports, down 5% against the previous year, 212 of which (56%) were on suspected offences. Investigations proved 25 reports (12%) to be true.

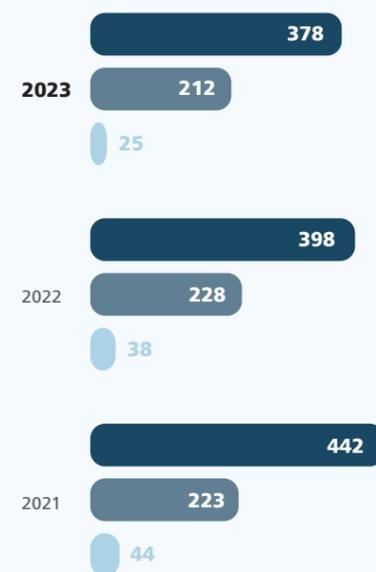
The findings of investigations into the received reports are considered in the management of corruption risks and are escalated to the heads of business units to perform relevant preventive initiatives.

Following the investigation of complaints received through the Anti-Corruption Hotline, the Company took disciplinary action (reprimands) against six employees and dismissed five employees, with materials on seven reports forwarded to law enforcement agencies.

In accordance with Russian Railways' Code of Business Ethics and the Company's anti-corruption policy, we ensure confidentiality and protect whistleblowers from negative consequences arising from their reports of potential corruption in the Company.

**212**  
corruption violations reported in 2023

### Number of complaints



- Total complaints received
- Reported corruption violations
- Confirmed violations



[Anti-Corruption Hotline](#)

## Zero tolerance for corruption

**GRI 205-2**

### Staff training

Russian Railways' centralised system of mandatory anti-corruption training is one of the key instruments for fostering responsible conduct culture. Pursuant to Russian Railways' regulations anti-corruption training has become mandatory for all of the Company's employees since 2019, as they have to complete relevant courses within one month of their employment date. Refresher training is required every three years.

In 2023, over 106,000 employees (up 32% compared to 2022) completed relevant training on Russian Railways' distance learning platform, including more than 94,000 people who took the general course and more than 11,000 people who took a special course geared towards executives and employees whose responsibilities included anti-corruption activities.

Furthermore, 429 employees responsible for overseeing anti-corruption efforts received advanced training at the Institute of Legal

Studies at MIIT (Russian University of Transport) in line with the 2023 centralised plan for the training and development of Russian Railways managers and office employees.

All new hires are required to read and sign Russian Railways' Code of Business Ethics, anti-corruption policy and other internal anti-corruption regulations when accepting employment and to get acquainted with any amendments thereto by reading and signing them in a hardcopy, digital<sup>1</sup> or electronic format.

## Anti-corruption promotion programme

**GRI 205-2**

As a result of running the Comprehensive Anti-Corruption Promotion Programme in 2021–2023<sup>2</sup>, the Company developed a platform for raising employee awareness about anti-corruption issues. We paid special attention to educating employees, promoting ethical values, supporting young activist movements and cooperating with controlled entities on combating and preventing corruption.

To raise employee awareness the Company distributed anti-corruption infographics. Our corporate media featured news, interviews and other materials on anti-corruption compliance, and RZD TV broadcast themed videos and satirical articles.

The Group's quarterly almanac Anticorr, a dedicated blog on the Employee Service Portal,

and associated Anticorr channels on Telegram and Rutube have all focused on anti-corruption efforts.



<sup>1</sup> Via the single automated document management system.

<sup>2</sup> Approved on 24 December 2020 (Minutes No. 1955).

**>1,000**  
anti-corruption materials  
and 42 relevant videos  
released in the corporate  
media

**200** articles  
posted on social  
media

**4** issues  
of the Anticorr digital  
almanac distributed to the  
Company's business units

We are witnessing the expansion of membership in Anticorr, a voluntary union of the Russian Railways Group employees fostering a culture of zero tolerance to corruption among the Group's teams. The community regularly discusses draft anti-corruption promotion materials and tests some of them on site. On top of that, intellectual anti-corruption volunteering is gaining traction among young employees.

More than 200 authors, including the Company's employees and representatives of educational organisations affiliated with Russian Railways, took part in the Railway Worker's Honour anti-corruption social advertising contest.

In 2023, the Company conducted a survey to explore how Russian Railways' employees perceive its anti-corruption activities. The survey revealed that the majority of respondents (83%) knew how

to deal with attempts at engaging them in corrupt activities. This indicator remained flat compared to 2022.

To make its anti-corruption activities open and transparent, the Company publishes all anti-corruption regulations, rules, guidelines, and information in the Anti-corruption section of its website. The Company's employees can also access these materials from their personal accounts on the Employee Service Portal.



[Anti-corruption at Russian Railways website](#)

**Anti-Corruption Rating of Russian Business**



Seeking independent due diligence, the Company took part in the Anti-Corruption Rating of Russian Business awarded by the Russian Union of Industrialists and Entrepreneurs based on compliance with the ISO 37001:2016 international anti-corruption standard (Anti-bribery management systems – Requirements with guidance for use) and the provisions of the Russian Anti-Corruption Charter for Business.

In 2023, Russian Railways and three of its controlled entities earned the highest (AAA+) classification in this rating as a company upholding the strongest anti-corruption standards. The Company also received a special award for the Leadership in Promoting Anti-Corruption Principles in Russian Business.

# Responsible tax policy

**GRI 207-1**

**As a systemically important company, a large employer and a major taxpayer, Russian Railways is a key contributor to Russia's social and economic progress. We are aware of our responsibility towards the government and society, and are committed to fulfilling our tax liabilities in good faith.**

Russian Railways pays all applicable taxes, insurance contributions, levies and charges required by the Russian laws, including VAT, corporate income, property, land, and transportation taxes, insurance fees, MET and others.

The Company adopted the Declaration on Tax Strategy Objectives and Principles (tax strategy)<sup>1</sup>, which is in line with the Russian Railways Group's values, mission, strategic priorities, and growth targets.

**Higher tax transparency.**

The Company takes measures to enhance tax transparency, including through tax monitoring to ensure accurate calculation and timely payment of taxes, levies and insurance fees.

**Tax risk management.**

The Company uses a comprehensive system to identify and manage tax risks.

**Consistency of tax accounting methodology.**

Russian Railways develops and sticks to uniform approaches to taxation to ensure the consistency of tax accounting and fair presentation of taxes in its reporting. The Company mitigates tax risks among other things by requesting clarifications from relevant government agencies and reasoned opinions of tax authorities as part of tax monitoring.

**In its tax strategy, the Company relies on the following principles:**

**Taxpayer's good faith.**

The Company complies with all tax laws and pays all applicable taxes and levies on time and in full, as well as files tax returns and other documents in a timely manner.

**Tax disclosure.**

We disclose tax information in accordance with the laws of our countries of operation and international treaties.



<sup>1</sup> Approved by Russian Railways' Order No. 1309/r dated 15 June 2021

### Tax burden planning.

The Company has a tax planning system in place to have tax authorities informed of planned tax accruals and to ensure the complete and timely payment of taxes and levies. The Company collaborates with the Russian government agencies to determine a fair tax burden on the rail transportation industry.

### Due diligence and mitigating risks of unjustified tax benefits.

Russian Railways exerts every effort to stay within the limits as regards the right to determine tax base and calculate taxes when entering into transactions with its counterparties. The Company's internal controls and procedures serve to mitigate tax risks.

### Tax function automation and digitalisation.

Russian Railways seeks to improve its tax management processes by means of continuous automation and digitalisation.

### Taxes and insurance fees paid in 2023

The total amount of taxes and insurance fees accrued in accounting statements for 2023 stood at RUB 391.4 bn, including:

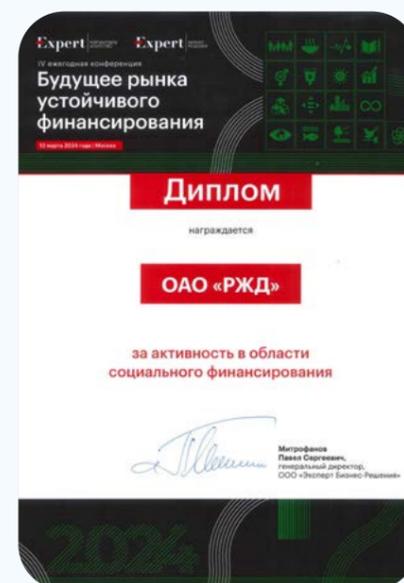
- RUB 1.2 bn owed to the federal budget;
- RUB 179.4 bn owed to the regional and local budgets;
- RUB 210.8 bn owed to extra-budgetary funds.

In 2023, a total of RUB 465.7 bn was allocated towards the payment of current taxes and insurance fees (including offsets and refunds), including:

- RUB 38.5 bn to the federal budget;
- RUB 194.1 bn to the regional and municipal budgets;
- RUB 233.1 bn to the Pension and Social Insurance Fund.



For more details on Russian Railways' tax strategy, see the Company's website



According to the Framework, proceeds from social financing instruments will be used to finance social projects in the following areas:

- developing railway infrastructure and ensuring transport accessibility;
- ensuring affordable healthcare;
- ensuring affordable education;
- other social projects.

### Social financing concept

## Sustainable financing

GRI 3-3

In December 2023, the Company approved and published an updated version of its Social Financing Framework in the Russian language, which received an independent opinion from the Expert RA rating agency confirming its compliance with the sustainability principles. During the Future of the Sustainable Finance Market conference sponsored by Expert RA, Russian Railways was awarded a diploma as the first Russian company to provide a notable example of verifying the Social Financing Framework.

# Procurement management

## Management approach

In procuring goods, works and services, Russian Railways adheres to the principles of equality, fairness, non-discrimination and the absence of unreasonable restrictions on competition among bidders. On top of that, the Company pursues an open approach to promote publicity and transparency in these processes and foster fair competition.

Russian Railways' procurement activities are governed by:

- Federal Law No. 223-FZ On Procurement of Goods, Work and Services by Certain Types of Legal Entities dated 18 July 2011;
- other procurement laws and regulations;
- Regulation on the Procurement of Goods, Work and Services for the Needs of Russian Railways<sup>1</sup>.

Russian Railways complies with anti-corruption and tax clauses, and no conflict of interest requirements. Suppliers may be included in the register of bad faith suppliers only on the grounds and in the manner set forth by applicable Russian laws.

## Procurement risks

The Company's key procurement risks include:

- procurement of materials and resources at inadequate prices;
- procurement of materials and resources in volumes insufficient for Russian Railways' units;
- failure to procure from small and medium-sized businesses as required;
- violation of laws when arranging and holding procurement procedures;
- violation of laws when making procurement disclosures;
- improper preparation of documents for competitive procurement.

To manage these risks, the Company:

- analyses market prices and monitors initial (maximum) prices;
- considers/plans procurement taking into account the requirements for purchases exclusively from small and medium-sized businesses;
- monitors if its units fulfil the requirements for procurement from small and medium-sized businesses;
- monitors legislative changes and amends its procurement regulations;
- monitors changes in the functions of information systems;

- standardises documents to arrange and hold procurement procedures;
- trains its employees;
- makes sure that planning, procurement and contracting are timely;
- automates processes and improves the functions of information systems;
- provides timely responses to queries on procurement.

<sup>1</sup> Approved by resolution of Russian Railways' Board of Directors dated 28 June 2018, Minutes No. 26.

## Procurement in 2023

### GRI GRI 3-3

In 2023, we introduced certain amendments to our regulations aiming to enhance, streamline and improve the transparency of our procurement activities, as well as to increase the number of players representing various economic sectors.

The Regulation on the Procurement of Goods, Work and Services for the Needs of Russian Railways was amended as follows:

- regulations concerning conflicts of interest in procurement have been adjusted: a list of individuals who cannot be members of a procurement commission and the procedure for preventing and settling conflicts of interest were established<sup>1</sup>;
- the right to conclude a single-source contract for a state defence order is granted if the Government of the Russian Federation decides to introduce special economic measures as per Article 26.1, clause 1 of Federal Law No. 61-FZ On Defence dated 31 May 1996, ensuring counter-terrorist and other operations outside Russia<sup>2</sup>;
- a ban on participation in procurement by persons recognised as foreign agents in accordance with applicable laws was introduced<sup>3</sup>;

- cases where the procurement law does not apply when making purchases from persons recognised as interdependent with the customer according to provisions in the Tax Code of Russia were clarified<sup>4</sup>;
- to ensure proper implementation of investment projects, including the investment project Upgrade of Rail Infrastructure of the Baikal–Amur and Trans-Siberian Main Lines Designed to Enhance the Throughput and Carrying Capacity of the Railways (second stage), it is now possible to set out in procurement documentation and/or contracts conditions that establish the customer’s right to unilaterally change or terminate a contract due to adjustments in relevant investment projects, including changes in or absence of financing limits<sup>5</sup>.

To secure a uniform procurement approach in view of antitrust practices and to expand the scope of potential bidders, amendments were made to procurement documents.



For more details on Russian Railways’ procurement activities, see the [Procurement and Bidding section on the Company’s website](#)



<sup>1</sup> In line with Federal Law No. 160-FZ On Amendments to Article 3 of the Federal Law “On Procurement of Goods, Work and Services by Certain Types of Legal Entities” and the Federal Law “On the Contract System in the Procurement of Goods, Works and Services for State and Municipal Needs” dated 11 June 2022.  
<sup>2</sup> In line with Federal Law No. 272-FZ On Amendments to Certain Legislative Acts of the Russian Federation dated 14 July 2022.  
<sup>3</sup> In line with Federal Law No. 498-FZ On Amendments to Certain Legislative Acts of the Russian Federation dated 5 December 2022.  
<sup>4</sup> In line with Federal Law No. 159-FZ On Amendments to Article 1 of the Federal Law “On Procurement of Goods, Work and Services by Certain Types of Legal Entities” dated 11 June 2022.  
<sup>5</sup> In line with Minutes No. 4 of the meeting of Russian Railways’ Board of Directors dated 24 November 2022.

## 2023 performance

In 2023, a total of **14,440** procurements were conducted, with an average number of bidders of 3.2 (3.4 among SMEs)

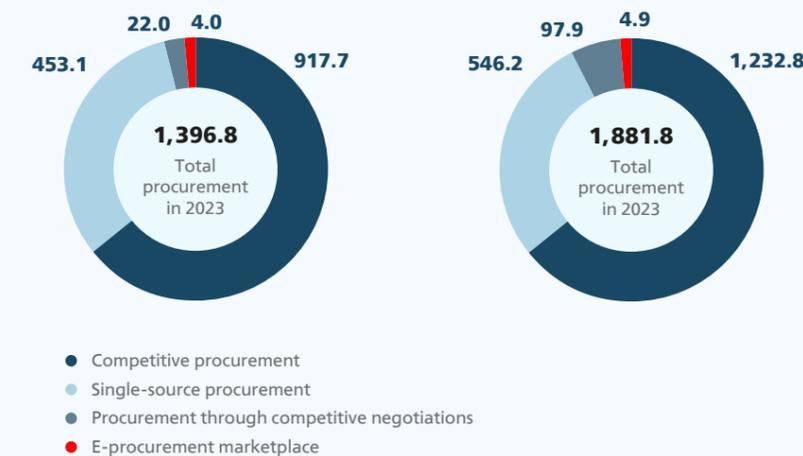
Competitive procurement continued to account for the largest share in the total procurement volume.

In the reporting year, Russian Railways procured goods, works, and services for RUB 1,881.8 bn, including:

- RUB 1,232.8 bn, or 65.5% – competitive procurement;
- RUB 546.2 bn, or 29.0% – single-source procurement;
- RUB 102.8 bn, or 5.5% – non-competitive procurement.

Single-source procurement is special-purpose procurement for the railway industry (contracts for the supply, servicing and maintenance, upgrade and repairs of the rolling stock worth RUB 326.1 bn).

### Procurement in 2023, RUB bn



### Procurement savings totalled

**RUB 7.5 bn** or 2.4% of the sum of initial (maximum) bidding prices

According to the procurement breakdown, goods have the largest share in total procurement (45.7%), with materials and supplies, rolling stock, and equipment representing sizeable 24.4%, 10.1% and 8.7%, respectively.

Work accounts for 38.2%, of which the largest share is attributable to construction and installation (18.8%), upgrades, repairs, and maintenance of the rolling stock (12.6%).

Services make up 16.1% in total procurement, including transportation, security, financial services, water supply and disposal, heating, gas and heat supply, medical services, lease services, and cleaning and laundry services (12.1%).

## Import substitution

### GRI 204-1

The Russian Railways Group continues to consistently enhance technological independence to ensure the stability and technological security of transportation business processes in line with its Comprehensive Import Substitution Programme through 2025<sup>1</sup>.

We developed and introduced a risk-based approach for timely risk forecasting and subsequent management decision-making and preventive measures to eliminate and/or minimise the impact of using products reliant on imports in the production processes of the Russian Railways Group in the light of new sanctions restrictions.

To stimulate the adoption of domestic innovations, the Company focuses on leveraging state support to fund research and development at manufacturing facilities. In its turn, the Russian Railways Group acts as an anchor customer, securing a guaranteed

#### Priority import substitution areas:



order volume for Russian-made railway products and bolstering machinery manufacturers via existing long-term contracts.

**97.9%**

of total goods, works, and services procured (provided) by Russian companies in 2023

#### Construction

In the construction domain, domestic products, works, and services accounted for 99.6% of Russian Railways' total procurement volume in 2023.

Under the Comprehensive Plan for Upgrading and Expanding Core Infrastructure<sup>2</sup>, the proportion of domestic procurement as part of the federal projects in 2023 was as follows:

- enhancement of the throughput and carrying capacities to achieve an increase in transit container

- reducing dependency on imported complex technical systems such as railway automatics and telematics equipment;
- reducing railway industry dependency on imported transportation machinery;
- preferred use of domestic software;
- equipping railway infrastructure with import-independent hardware and software;
- scheduled replacement of foreign products with domestic ones.

traffic, including the Trans-Siberian in Seven Days project – 99.5% (target: 94%);

- development and renovation of the rail infrastructure serving ports of the Azov and Black Seas – 99.9% (target: 92%);
- development and renovation of the rail infrastructure serving ports of the North-Western basin – 99.9% (target: 93%).

Architectural planning, construction design, engineering surveys, as well as construction and installation works are exclusively sourced from Russian entities.

#### Rolling stock

In 2023, the following series of national rolling stock, featuring a domestic component share in excess of 90%, entered the production phase:

- locomotives: 2(3) TE28, 2(3) E58;
- electric trains: EP2DM, EP3D (incl. No. 087), ES104 Finist, EGE2Tv Ivolga 4.0 (ver. 09-16);
- locomotive traction passenger cars: 61-4472 (ver. 08), 61-4473 (ver. 08), 61-4465 (ver. 08, 09).

The development and production launch processes for these vehicles have been finalised, and compliance certificates have been issued in line with the Technical Regulations of the Customs Union.

Sanctions and exit of numerous international brands (previously engaged in repairing special rolling stock) from the Russian market

force the country to substitute foreign powertrains with domestic alternatives:

- in 2023, imported diesel engines – Caterpillar C6.6 (for KGT road-rail loaders), Cummins N14 (for Duomatic 09-32 tamping machines), and Deutz (for Dynamic machines) – were replaced with Russian-made engines;
- a three-year programme was initiated, with plans for 2024 to replace Cummins N14 engines in 19 Duomatic (74 units) and Unimat (63 units) tamping machines with YAMZ-65802 engines, and to equip 91 loaders with Russian engines;

- jointly with the School of Space and Information Technology at the Siberian Federal University, we delivered a project to re-engineer technical gas control board EI-T5311.00 for Duomatic 09-32 and Unimat 08-275-3s tamping machines. This initiative seeks to enhance the board's technical specifications by employing more contemporary circuit designs in the output stage.

For more details on import substitution in IT, see the Innovations and Efficiency Improvement section on [p. 167](#).



<sup>1</sup> Russian Railways' Order No. 3125/r dated 31 December 2019.

<sup>2</sup> Approved by Order No. 2101-r of the Russian Government dated 30 September 2018.

## Procurement from small and medium-sized enterprises

**For the fifth consecutive year, Russian Railways secured a Top 20 position among major customers dedicated to supporting small and medium-sized enterprises (SMEs).**

The Company's robust procurement strategy and comprehensive measures have enabled it to maintain its leading spot in the Top 20 of the customer loyalty rating for SMEs for five years running, earning recognition for the highest volume of SME procurement in 2023.

This ranking, developed collaboratively by the Agency for Strategic Initiatives and SME Corporation, considers various criteria: total annual procurement from SMEs, diversity of items purchased and contracts signed, engagement in SME supplier development programmes, and other factors.

Despite its achievements, Russian Railways remains committed to spearheading state policies for SME development, enhancing procurement efficiency, and intensifying efforts to boost SME procurement performance.

To foster supplier development and facilitate SME expansion, Russian Railways became the first major purchaser to introduce long-term offset contracts with an investment element featuring stiff competition (seven to 18 bids per auction).

Following the selection process, offset contracts were made with SMEs for labour-saving devices for a total of RUB 99.5 m (VAT included), bottled

water, totalling RUB 145.5 m (VAT included), lumber and timber, totalling RUB 401.1 m (VAT included).

Drawing from this experience, the Company adopted a universal 2030 SME development programme<sup>1</sup>. This initiative empowers all Russian Railways units to select and engage with SMEs for goods, works, or services through offset contracts with an investment element.

On the official Russian Railways website, in the Procurement and Bidding section (Regulations and Information for SMEs subsections), detailed guidelines are available. These feature insights into common errors made by bidders and guidance on how to avoid them, provide document templates, and offer

presentations titled Becoming a Russian Railways Supplier and SME Participation in Russian Railways Procurement, etc.

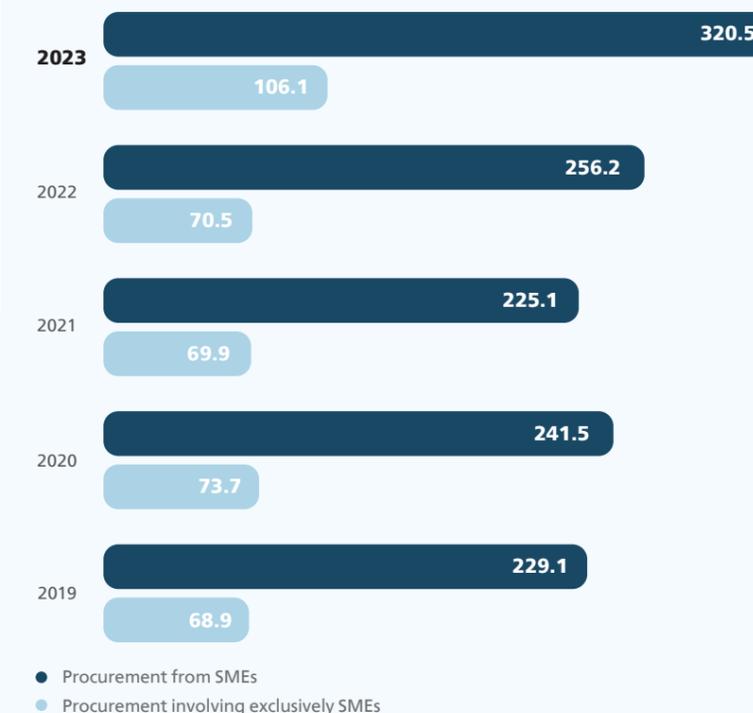
In 2023, procurement involving SMEs only made up 23.4% against the statutory threshold of 20.0% per year, while the total share of procurement from SMEs stood at 70.7% against the annual statutory requirement of 25.0%.

**70.7%**  
total share of procurement from SMEs

**In its commitment to SME support and development, Russian Railways, in collaboration with SME Corporation, conducted 36 training workshops attended by 2,455 SMEs in 2023.**

Russian Railways keeps pursuing its partnership programme with SMEs, targeting the identification and compilation of a roster of partners specialising in high-tech manufacturing, sales, and engaged in R&D and technological endeavours. In 2023, 176 SMEs confirmed their eligibility for the partnership programme<sup>1</sup>.

## Procurement from small and medium-sized businesses, RUB bn



<sup>1</sup> Russian Railways' Order No. 2221/r dated 30 August 2023.

<sup>1</sup> Approved by Russian Railways' Order No. 276/r dated 5 February 2014.

## Sustainable development and supplier engagement

### Occupational health and safety

The Company relies on the Regulation on OHS Relations of Russian Railways with Contractors to ensure safe work of contractors on its sites.

It stipulates OHS requirements for contractors in service contracts, putting relevant branches where contractors perform work in charge of overseeing compliance. In case of violations, the contractor is penalised as provided for in the contract.

Contracts for work on Russian Railways sites and premises include the following:

- OHS provisions regulating responsibilities of the customer and contractors, including contractor liability for breaching safety rules;
- provisions on contractor staff compliance with Russian Railways' OHS requirements;
- provisions on the timely notice to the Company of all accidents, injuries, health impairment and illnesses of employees, and other work-related emergencies.

### Supplier hotline

**GRI** GRI 2-26

To ensure that legal entities and individuals exercise their right to access information about Russian Railways' procurement of goods, works, services and can participate in relevant procurement activities, the Company operates a hotline to address any enquiries related to procurement.

This hotline offers guidance on the organisation and execution of competitive procurement processes.

### Supplier environmental responsibility

The Company adopted an in-house methodology to assess supplier environmental responsibility.

To monitor contractor compliance with environmental requirements, we use the Methodology for the Recognition and Assessment of Environmental Requirements for Products, Raw Materials and Supplies Purchased by Russian Railways' Business Units. This methodology regulates compliance with additional requirements and helps:

- reduce the environmental footprint;
- improve working conditions;
- increase the Company's economic performance through better energy and resource efficiency.

Enquiries can be submitted 24/7, with each being addressed within one business day. Questions and answers are made available on the Company's official website.



[Supplier hotline](#)



# Innovation-driven development and digital transformation

The Russian Railways Group's R&D activities and innovation-driven development follow the priorities set forth in its Research and Development Strategy until 2025 and further until 2030 (the "White Book")<sup>1</sup>, in line with the country's strategic development goals and global R&D trends.

## Innovations

The Group's Comprehensive Innovative Development Programme until 2025 (the "CIDP")<sup>2</sup> lays the groundwork for fulfilling its strategic priorities. It outlines 11 groups of key projects, proposes organisational improvements to innovation management, and establishes partnership mechanisms based open innovation.

In 2023, the Russian Railways Innovation Leader competition was launched to encourage innovation within the Company. Three branches, whose employees were declared winners, received funding of RUB 3 m each as part of the Russian Railways Innovation Support Programme to bring their winning project to life in 2024.

- improvement of the passenger train service on the Moscow Central Diameters contributing to the development of the Central Transport Hub;
- introduction of a single ticket service for direct and multimodal transportation and integration of Russian Railways' information systems with state-run ticket sales systems;
- implementation of intelligent and automated customer service systems for freight transportation, including Autoagent, Electronic Claim Settlement, RZD Market, and CD Freight Forwarder;
- introduction of virtual coupling – a wireless inter carriage link technology, single-person freight train driving technology, remote locomotive driving, high-performance specialised rolling stock for infrastructure repair and maintenance, innovative loading and unloading equipment, innovative freight terminal technologies, new container train departure routes from Russian Railways' freight terminals, and acoustic monitoring points;

### Key innovation-driven development projects in 2023

The following innovation projects were implemented as part of the CIDP in 2023:

- deployment of innovative rolling stock for passenger transport (state-of-the-art coupled two-car sets);
- development of the EMKA2 catenary and battery-powered electric shunter as well as alternative fuel locomotives;

**RUB 291.5 bn**  
total investment in innovation projects in 2023, including R&D under the CIDP

**16**  
unique projects launched in 2023 with funding as part of the Innovation Support Programme

<sup>1</sup> Approved by Russian Railways' Order No. 769/r dated 17 April 2018.

<sup>2</sup> Approved by the Board of Directors of Russian Railways on 26 February 2020.

- research and development of prototype next-generation derailment control devices;
- introduction of innovative solutions to reduce environmental impact and save fuel and energy resources, including digital energy-saving heating systems, ceramic heating panels, guaranteed engine start systems, and compact dual-mode LED lights.

**R&D breakthroughs in 2023**

- Efforts continued to develop and test computer vision systems to enable the deployment of highly automated UA4 electric trains on the Moscow Central Circle.
- As part of Russian Railways' R&D plan, calculations and simulations were completed for a modified

2TE116U mainline diesel locomotive converted to natural gas and diesel traction, with an operational model and design documentation developed.

- The development of a new generation of eight-axle freight cars, consisting of two rigidly coupled body sections, was launched.
- Efforts were made to increase the speed of multimodal transit and domestic freight transportation by organising freight transportation at speeds up to 140 km/h.
- Railway track design and maintenance technologies were being developed to achieve a gross throughput of 2.5 billion tonnes.



**Protection of intellectual property**

Protecting intellectual property and managing intellectual property rights is a key focus for Russian Railways. The Company's extensive intellectual property portfolio makes it a leader among state-owned enterprises.

**4,465** inventions, useful models, trademarks, and software suites comprise Russian Railways' patent portfolio

**368** new intellectual property items added to the portfolio in 2023, with 10 receiving international legal protection



For more details on the Company's innovations see [Russian Railways' 2023 Annual Report, Innovation-driven Development and Digital Transformation](#) section.

**Digital Transformation**

Russian Railways is actively embracing digital transformation, which leads to more efficient use of employee time, reduced material costs, and faster, higher-quality management decisions.

**55%** of inquiries handled by AI (chatbots) and software robots in 2023 **13% increase from 2022**

**Digitalising process flows**

- Artificial intelligence (AI), distributed ledger, Internet of Things, and digital twin technologies enhance data accuracy and reliability, enabling high-quality predictive analytics, repairs based on actual condition, and a trusted

environment for customer and partner interactions. The focus on developing big data processing technologies and quantum communications further strengthens data security during transmission.

- Effective data management, transmission, and protection are essential for driving the growth of the country's data economy. Russian Railways developed and implemented a Corporate Data Management System (CDMS) that goes beyond simple data collection. It supports statistical, accounting, and managerial reporting, while also enabling advanced and predictive analytics, ultimately leading to more effective management decisions.
- New technologies are making work safer and less routine. VR/AR training reduces workplace injury risks in hazardous areas, while software robots and AI technologies streamline tasks.



**Software import substitution**

The Company's 2023 target for transitioning to the preferred use of domestic software has been achieved:

- as at the year end, 173 automated systems owned by Russian Railways were registered in the Unified Register of Russian Software and Databases;
- the share of expenditures on purchasing Russian software and related services reached 81.76% of total software procurement costs, exceeding the target of 78.0%;
- 741 employees of Russian Railways' Main Computing Centre were trained on the use of import-substituted software.

Domestic software transition progress as at 1 January 2024:

- over 144,000 users of electronic document management systems (23,900 users transitioned in 2023);
- 133,700 users of ERP systems (of them, 54,600 users were transitioned in 2023);
- over 31,000 users of business analytics and master data management systems (of them, over 8,700 users were transitioned in 2023);
- over 29,200 users of EAM systems and over 6,700 units of track maintenance equipment (of them, 8,100 users and 1,800 units of track maintenance equipment were transitioned in 2023 respectively).

**Key software import substitution projects:**



- transitioning automated passenger service systems to import-independent platforms, including the Express 3 automated control system, the passenger portal for direct sales of rail and air tickets, and the passenger service performance database;
- implementing Russian Railways' Corporate Data Warehouse on a domestic platform, which involves developing a standard functionality for a Unified Corporate Data Analysis and Visualisation System as a tool for analysing the Company's data and ensuring a unified development environment for analytical information systems using a centralised architecture;
- developing a primary dispatching tool, built on an import-independent platform, to effectively manage traffic and track the actual execution of the train schedule, with the Central Directorate for Traffic Management's Transportation Management Centre information and control system already implemented;
- re-engineering the automated freight car database and locomotive depot-level systems;
- developing an automated system for monitoring the performance of Russian Railways' operational branches and structural units based on a new generation of key performance indicators.



For more details on the Company's digital transformation projects see [Russian Railways' 2023 Annual Report, Innovation-driven Development and Digital Transformation section](#)

**Quantum communications**

In 2023, new segments were added to the quantum network, bringing its total length to 3,295 km.

A total of 25 research and development projects are underway, focused on creating domestic equipment and components, as well as developing advanced technologies.

Continuous efforts are being made to develop the ecosystem, which includes refining regulatory frameworks, standardisation, building human capital, and promoting awareness. The ecosystem registry currently includes over 140 organisations.

In 2023, the Framework for Regulating the Quantum Communications Industry

in Russia until 2030 was approved. Additionally, six preliminary national standards, standardisation guidelines, and amendments to the quantum communications-related codes in the All-Russia Classifier of Economic Activities (OKVED) and All-Russia Classifier of Products by Types of Economic Activities (OKPD) were approved by the Russian Federal Agency for Technical Regulation and Metrology.

**Information security risks**

Managing information security risks is an essential priority. Breach of data confidentiality, integrity, availability, reliability, etc., may, among other things, lead to:

- disruptions of corporate systems thereby impacting operations and critical IT infrastructure facilities;
- disclosure of information constituting a trade secret or other types of secret;
- damages to the integrity of financial documents;
- unauthorised access to the personal data of employees and customers;
- direct and indirect financial losses.

The main risk factors related to the security of Russian Railways' information infrastructure include tampering by third parties to gain unauthorised access to the information of the Company and its counterparties, including purposeful hacker and virus attacks, as well as internal threats of employee misconduct and analysis and SIEM tools failure.

The key information security measures implemented by Russian Railways include:

- classification and categorisation of Russian Railways' systems, information security threat modelling, development of information protection requirements;
- sound arrangement of the information infrastructure components with due account for information security;
- design and implementation of centralised protection tools and private information protection subsystems in the Company's information infrastructure, certification of Russian Railways' systems for compliance with information security requirements;

- arrangements to analyse and control the security of IT infrastructure;
- organisation of employee training in information protection;
- ensuring the security of Russian Railways' information systems in use, monitoring information security incidents and responding to them;
- conducting internal investigations into information security and confidentiality incidents related to the use of computers;
- enhancement of the Company's information security policies and guidelines.



# Material topics

GRI GRI 3-1, 3-2

## Process to determine material topics

The content of the report was defined in accordance with GRI 2021 using a methodology to assess the Company's impact on economic, environmental, and social aspects.

To that end, a list of economic, environmental, and social aspects was put together.

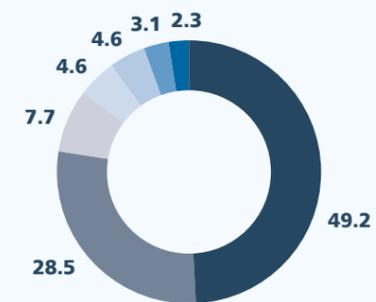
The final list of the most significant topics for the report was compiled based on a survey of a wide range of stakeholders (a sample of 130 respondents).

The list to be assessed by stakeholders included aspects with the strongest impact.

The respondents were asked to rate the importance of each topic on a scale of 1 to 5, with 1 the least important and 5 the most important.

The final list of material topics was based on a ranking of how important the topics were for stakeholders.

Respondents by stakeholder group, %



- Customers
- Employees
- Government authorities
- Shareholders, investors, and rating agencies
- Suppliers, contractors, and business partners
- Local communities
- Banks

### Summary of survey results

Introduction of state-of-the-art emergency response measures and railway safety	4.38
Higher quality and responsible provision of services	4.36
Sustainable waste management	4.35
Data security	4.35
Projects to improve labour conditions	4.28
Anti-corruption	4.25
Business ethics and protection of human rights	4.18

Development of infrastructure and social services across the footprint	4.17
Improved quality of employee social support programmes	4.14
Air quality. Projects to reduce pollutant emissions	4.10
Labour market presence and impact on employment	4.08
Projects to improve energy efficiency	4.08
Water management	4.08
Engagement with local communities across the footprint	4.04
Creating conditions to ensure supply chain reliability	4.04
Use of new materials and systems	4.04
Sustainable financing	4.03
Impact on biodiversity	3.98
Programme to improve productivity	3.97
Enhancement of employee training and development programmes	3.96
Introduction of in-house technologies and Russian-made equipment amid sanctions (import substitution)	3.92
Climate change. Projects to reduce GHG emissions	3.92
Long-term projects to develop logistics/transport infrastructure	3.84
Development of tourism programmes within Russia	3.75
Development of programmes to promote a healthy lifestyle	3.71
Introduction of the process approach in the Russian Railways Group management	3.40
Development of corporate volunteering programmes	3.37

## List of material topics

The list of material topics included those that ranked highest in terms of importance for stakeholders. As a materiality criterion, the median average stakeholder score over 4.0 was chosen.

In line with stakeholders' priorities, the following material topics were included in the report:

Introduction of state-of-the-art emergency response measures and railway safety	Improved quality of employee social support programmes
Higher quality and responsible provision of services	Air quality. Projects to reduce pollutant emissions
Sustainable waste management	Labour market presence and impact on employment
Data security	Projects to improve energy efficiency
Projects to improve labour conditions	Water management
Anti-corruption	Engagement with local communities across the footprint
Business ethics and protection of human rights	Creating conditions to ensure supply chain reliability
Development of infrastructure and social services across the footprint	Use of new materials and systems
	Sustainable financing

# Independently verified sustainability indicators

## Material sustainability indicators

Indicator	2023 value	Calculation methodology and disclosure approaches
<b>Waste management</b>		
Production and consumption waste generation, kt	1,437	Data are collected using the 2-TP federal statistic form (waste) as regards reporting of industrial and consumer waste generated, processed, disposed of, decontaminated and sent to be stored or buried.
Share of waste sent to be buried, %	11.7	Data are based on waste generated (taking into account waste accumulated as at the beginning of the period) and sent to be buried (including MSW transferred to a regional operator) in the reporting year.
<b>Energy efficiency</b>		
Electricity consumption, m kWh, total	51,503.9	Data are based on Russian Railways' internal statistical reporting forms and governed by re-spective guidelines.
Diesel fuel consumption, kt, total	2,635.2	
Coal consumption, kt, total	564.1	
Fuel oil consumption, kt, total	188.7	
Natural gas consumption, mcm, total	372.8	
Energy intensity of operations, kJ / virtual tkm net	85.1	Energy intensity is calculated as fuel and energy resources consumed by the Company (excluding volumes sold to third-party entities and individuals as fuel for industrial and household needs, and excluding transit of power and heat, including the standardised level of technological losses) divided by the amount of the Company's works and services related to its ordinary activities adjusted to the Company's operational turnover, the key line of activity measured in tonne-kilometres of cargo.  The calculation is carried out by the Engineering Design Centre in line with the methodology approved by order No. 2578/r dated 19 December 2016.

## Occupational injuries

Total number of injuries, persons	77	Data show workplace injuries where a dedicated commission has confirmed that either the employee or the employer have caused the injury. Data are based on a Russian Railways internal reporting form that reflects N-1 form statements.
Total workplace injury frequency rate (number of injuries per 1,000 workers)	0.116	
Workplace fatal injury frequency rate (number of fatal injuries per 1,000 workers)	0.03	

## Working conditions

Working conditions and occupational safety improvement expenses, RUB bn	37,624	Data are based on Russian Railways' internal statistical reporting forms on health, industrial safety and non-occupational injuries.
Number of workplaces with improved working conditions, '000	46.8	

## Passenger satisfaction

Consolidated satisfaction index for long-haul passengers, points (Q4)	90.5	Actual satisfaction index is calculated using Russian Railways' internal regulation: Integrated Methodology for Evaluating Passenger Satisfaction in Rail Transportation as approved by Russian Railways' Order No. 3041/r dated 20 December 2021.
Consolidated satisfaction index for suburban passengers, points (Q4)	88.5	

## Staff training

Employees who completed training, thousand people	491	The average hours of training per employee per year is shown per employee trained under professional development and training programmes. Calculations take into account average planned training hours (70 and 350 academic hours for professional development and training programmes respectively).
Average hours of training per year per employee (managers and office workers)	45.5	
Average hours of training per year per employee (blue- and white-collar employees)	123.2	

**Collective bargaining agreements**

Percentage of employees covered by the collective bargaining agreement, %	100	The Collective Bargaining Agreement is a unified document for Russian Railways, including branches, structural units and representative offices, and covers all employees of Russian Railways.
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**Water use**

Water use, mcm	61.2	Data are collected using the 2-TP federal statistic form as regards water use. Data cover only Russian Railways' structural units included into the Environmental Strategy; third-party consumers (households, locomotive maintenance depot, etc.) are excluded.
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**Air pollutant emissions by substance (from stationary sources)**

Pollutant emissions from stationary sources, kt	37.7	Data are collected using the 2-TP federal statistic form as regards atmospheric air protection.
Solids, kt	7.7	
Carbon monoxide (CO), kt	16.7	
Sulphur dioxide (SO <sub>2</sub> ), kt	8.1	
Nitrogen oxides (NnOm), kt	4	
Hydrocarbons (CnHm), kt	0.1	
Volatile organic compounds (VOCs), kt	1.1	
Other gases and liquids, kt	0.1	

**Direct and indirect energy-related GHG emissions**

Direct emissions, mt of CO <sub>2</sub>	10.5	GHG emissions were calculated as per Order No. 371 of the Ministry of Natural Resources and Decree of the Government No. 707 (under said documents, GHG emissions from railway transport are calculated as CO <sub>2</sub> only).
Indirect emissions, mt of CO <sub>2</sub>	26.4	

**Investments and procurement**

Investments in projects to upgrade and expand core infrastructure, RUB m	536,652.6	Expenses include investments in comprehensive projects to develop Russian Railways' core infrastructure.
Share of procurement from small and medium-sized businesses, %	70.7	The share of procurement from SMEs is calculated as the ratio of the volume of contracts concluded with SMEs to the total value of contracts considered in the calculation as per Decree No. 1352 (total volume of contracts excluding purchases set out in clause 7 of Decree No. 1352).

**Additional sustainability indicators**

**Consumption of fuel and energy resources for heat generation**

Coal, GJ	9,131,848	Conversion of fuel and energy resource volumes into energy equivalents is based on the con-version factors specified in the Fuel and Energy Reference Book of the Energy Efficiency automated information system.
Natural gas, GJ	12,586,621	
Fuel oil, GJ	7,566,084	
Diesel fuel, GJ	212,831	
Electrical energy, GJ	2,941,444	



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## Independent practitioner's assurance report

### Translation of the original Russian version

To the Board of Directors of JSC "Russian Railways"

#### Subject matter information

We have been engaged by JSC "Russian Railways" (hereinafter, "the Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements (hereinafter, "the Engagement"), to report on the sustainability performance indicators (hereinafter, "the Indicators") included in the Sustainability Report of JSC "Russian Railways" (hereinafter, "the Report") as of 31 December 2023 or for 2023 (hereinafter, "the reporting period"):

- ▶ Volume of production and consumption waste generation, thousand tons;
- ▶ Share of waste disposed at waste disposal sites, %;
- ▶ Electrical energy of everything, million kWh;
- ▶ Diesel fuel total, thousand tons;
- ▶ Coal, thousand tons;
- ▶ Fuel oil, thousand tons;
- ▶ Natural gas, million m3;
- ▶ Energy intensity of production activities, kJ / prev. tkm net;
- ▶ Number of people injured at work due to the fault of workers and the employer, people;
- ▶ Frequency rate of general industrial injuries with the fault of employees and the employer (the number of injured per 1 thousand workers);
- ▶ Frequency rate of fatal industrial injuries (the number of fatal injuries per 1 thousand workers);
- ▶ Expenses on measures to improve working conditions and labor protection, million rubles;
- ▶ Number of jobs where working conditions have been improved, thousand jobs;
- ▶ Composite passenger satisfaction index in the long distance (IV quarter), points;
- ▶ Composite passenger satisfaction index in the suburban traffic (IV quarter), points;
- ▶ Number of employees who completed training, thousand people;
- ▶ Average number of training hours per employee per year, broken down by category, ac. h/person;
- ▶ Share of employees, covered by Collective Agreement, %;
- ▶ Water use, million m3;
- ▶ Emissions of pollutants into the atmospheric air from stationary sources, broken down by type of substance, thousand tons;
- ▶ Total direct and indirect energy emissions, million tons of CO<sub>2</sub>;
- ▶ Comprehensive projects for the development of the main infrastructure, million rubles;
- ▶ Total share of purchases from SMEs, %;

- ▶ Volumes of energy consumption by heat generating installations (Coal, Natural gas, Fuel oil, Diesel fuel, Electrical energy), GJ.

Other than as described in the preceding paragraph, which sets out the scope of our Engagement, we did not perform procedures on the remaining information included in the Report, and, accordingly, we do not express a conclusion on this information.

#### Applicable criteria

In preparing the Indicators, the Company applied the Global Reporting Initiative's sustainability reporting standards system (hereinafter "GRI Standards") and criteria defined in the Section "Independently Audited Sustainability Indicators" of the Report (hereinafter, "the Criteria").

#### Responsibilities of the Company's management

The Company's management is responsible for selecting the Criteria and preparing the Indicators in accordance with them in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Indicators, such that these are free from material misstatement, whether due to fraud or error. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

#### Practitioner's responsibilities

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter, "ISAE 3000") and International Standard on Assurance Engagements 3410, *Assurance Engagements about Greenhouse Gas Emissions Reporting* (hereinafter "ISAE 3410").

ISAE 3000 and ISAE 3410 requires that we plan and perform our Engagement to obtain limited assurance about whether, in all material respects, the Indicators are prepared in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our professional judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Independence and quality management

We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires that we design, implement and maintain a quality control system, including policies or procedures relating to compliance with ethical requirements, professional standards and applicable regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

#### Procedures

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement are less than in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Indicators and related information, and applying analytical and other appropriate procedures.

Our procedures included the following:

- ▶ Inquiries of the representatives of the Company's management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- ▶ Analysis of key documents related to the Company's sustainability policies, activities, performance and relevant reporting;
- ▶ Obtaining understanding of the process used to prepare the information on the Indicators;
- ▶ Review of data samples regarding the Indicators for the reporting period to assess whether this data has been collected, prepared, collated and reported appropriately.

We also performed other procedures that we considered necessary in the circumstances.

#### Practitioner's conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators are not prepared fairly, in all material respects, in accordance with the Criteria.

I. Moskalenko  
Partner  
TSATR – Audit Services Limited Liability Company

30 August 2024

#### Details of the independent practitioner

Name: TSATR – Audit Services Limited Liability Company  
Record made in the State Register of Legal Entities on 5 December 2002; State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.  
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory Organization of Auditors Association "Sodruzhestvo." TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

#### Details of the entity

Name: JSC Russian Railways  
Record made in the State Register of Legal Entities on 23 September 2003, State Registration Number 103773987295.  
Address: Russia 107174 Moscow, Building 1, Novaya Basmannaya Street 2/1, Inner-city territory, Basmanny Municipal District.

# GRI content index

## Statement of use

In this GRI content index, Russian Railways discloses information

for the period from 1 January to 31 December 2023 with reference to the GRI standards

GRI 1 standard used  
GRI 1: Foundation 2021

GRI standard	Disclosure	Section name / comments	Report page
<b>GRI 2: General Disclosures 2021</b>	2-1. Organisational details	About the report Company profile Contact details The Company's legal form is an open joint stock company. Under the All-Russian Classifier of Forms of Ownership, the Company is classified under code 12 (in federal ownership).	2, 6, 209
	2-2. Entities included in the organisation's sustainability reporting	About the report The report includes information about operations of Russian Railways unless stated otherwise.	2
	2-3. Reporting period, frequency and contact point	About the report Contact details	2, 209
	2-4. Restatements of information.	The 2022 Russian Railways Sustainable Development Report presented the direct GHG emissions figure as 11.5 mt of CO <sub>2</sub> , based on the methodology then in use. However, due to the requirement to prepare statutory reporting, in 2023 this indicator was recalculated in line with the national methodology (as per Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022). Consequently, the 2023 Sustainable Development Report revised the 2022 direct GHG emissions figure to 10.6 mt of CO <sub>2</sub> .	
	2-5. External assurance	About the report Independently verified sustainability indicators Independent Assurance Report	2, 172, 176
	2-6. Activities, value chain and other business relationships	Company profile Business model	6, 8
	2-7. Employees	Personnel structure and turnover All employees of the Company are guaranteed a specific number of working hours and corresponding pay, as outlined in their employment contracts.	86
	2-9. Governance structure and composition	Governance structure of Russian Railways Participation of the Board of Directors in sustainable development management	20, 139
	2-12. Role of the highest governance body in overseeing the management of impacts	Participation of the Board of Directors in sustainable development management	20

GRI standard	Disclosure	Section name / comments	Report page
	2-13. Delegation of responsibility for managing impacts	Participation of the Board of Directors in sustainable development management	20
	2-14. Role of the highest governance body in sustainability reporting	To prepare a sustainable development report, a corporate order containing a list of matters for disclosure is put together and approved inter alia by the Board of Directors before being signed by the First Deputy CEO and Chairman of the Management Board (a member of the Board of Directors). The final version of the report is among others sent to members of the Board of Directors and the CEO – Chairman of the Management Board.	--
	2-15. Conflicts of interest	Conflicts of interest	151
	2-22. Statement on sustainable development strategy	Message from the Chief Executive Officer – Chairman of the Management Board of Russian Railways	4
	2-23. Policy commitments	Environmental Strategy	44
	2-26. Mechanisms for seeking advice and raising concerns	Ethics advice and ethical issue prevention mechanisms Supplier hotline	83, 164
	2-29. Approach to stakeholder engagement	Stakeholder engagement	32
	2-30. Collective bargaining agreements	Collective Bargaining Agreement	96
<b>GRI 3: Material Topics 2021</b>	3-1. Process to determine material topics	Material topics	170
	3-2. List of material topics		
	3-3. Management of material topics	Introduction of state-of-the-art emergency response measures Traffic safety Passengers Freight customers Waste management Labour conditions and occupational safety improvement Anti-corruption Corporate culture Ensuring equal rights for employees Contribution to local communities Protecting public health in the regions of operation Social support Air protection Approach to HR management Energy efficiency Water resources Cooperation with local communities Sustainable financing	55, 59, 61, 64, 75, 82, 84, 96, 114, 119, 120, 122, 127, 130, 132, 146, 148, 156, 158

GRI standard	Disclosure	Section name / comments	Report page
<b>Market presence</b>			
<b>GRI 202: Market Presence 2016</b>	202-1. Ratios of standard entry level wage by gender compared to local minimum wage	Annex to the Social and HR Policy section	91
	202-2. Proportion of senior management hired from the local community	Annex to the Social and HR Policy section	206
<b>Indirect economic impacts</b>			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1. Infrastructure investments and services supported	Contribution to local communities	131
	203-2. Significant indirect economic impacts	Contribution to local communities	131
<b>Procurement practices</b>			
<b>GRI 204: Procurement practices 2016</b>	204-1. Proportion of spending on local suppliers	Import substitution	160
<b>Anti-corruption</b>			
<b>GRI 205: Anti-corruption 2016</b>	205-2. Communication and training about anti-corruption policies and procedures	Zero tolerance for corruption Anti-corruption promotion programme	153
	205-3. Confirmed incidents of corruption and actions taken	Anti-Corruption Hotline	152
<b>Taxes</b>			
<b>GRI 207: Tax 2019</b>	207-3. Stakeholder engagement and management of concerns related to tax	Responsible company	155
<b>Energy</b>			
<b>GRI 302: Energy 2016</b>	302-1. Energy consumption within the organisation	Annex to the Energy Efficiency section	190
	302-3. Energy intensity	Energy efficiency  Energy intensity of Russian Railways' operations shows the energy efficiency of the Company's works and services related to its ordinary activities. This indicator is calculated as fuel and energy resources consumed by the Company (excluding volumes sold to third-party entities and individuals as fuel for industrial and household needs, and excluding transit of power and heat, including the standardised level of technological losses) divided by the amount of the Company's works and services related to its ordinary activities adjusted to the Company's operational turnover, the key line of activity measured in tonne-kilometres of cargo.	55
<b>Water and effluents</b>			
<b>GRI 303: Water and Effluents 2018</b>	303-2. Management of water discharge-related impacts	Water resources	64
	303-4. Wastewater discharge	Wastewater discharge	65
	303-5. Water consumption	Water consumption	64

GRI standard	Disclosure	Section name / comments	Report page
<b>Biodiversity</b>			
<b>GRI 304: Biodiversity 2016</b>	304-1. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Russian Railways does not own, lease or manage any operational sites in areas of natural value or specially protected areas.	--
	304-2. Significant impacts of activities, products, and services on biodiversity	Biodiversity conservation  No significant direct or indirect impact of Russian Railways on sensitive ecosystems and biodiversity was recorded in the reporting period.	69
	304-3. Habitats protected or restored	Biodiversity conservation	69
	304-4. IUCN Red List species and national conservation list species with habitats in areas affected by operations	Russian Railways does not keep record of the IUCN Red List species and national conservation list species with habitats in areas affected by its operations due to its vast geographical presence.	--
<b>Emissions</b>			
<b>GRI 305: Emissions 2016</b>	305-1. Direct (Scope 1) GHG emissions	GHG emissions	54
	305-2. Energy indirect (Scope 2) GHG emissions	GHG emissions	54
	305-3. Other indirect (Scope 3) GHG emissions	Currently, the Company is implementing a system to track indirect GHG emissions associated with the purchase of construction materials, rolling stock and supplies, as well as any other goods (Scope 3 under the Greenhouse Gas Protocol).	--
	305-4. GHG emissions intensity	GHG emissions	54
	305-5. Reduction of GHG emissions	GHG emissions	54
	305-6. Emissions of ozone-depleting substances (ODS)	The Company does not engage in activities related to emissions of ODS.	--
	305-7. Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Air protection  Russian Railways emits no persistent organic pollutants (POPs).	59
<b>Waste</b>			
<b>GRI 306: Waste 2020</b>	306-2. Management of significant waste-related impacts	Waste management	61
	306-3. Waste generated	Waste management	61
	306-4. Waste diverted from disposal	Waste management	61
	306-5. Waste directed to disposal	Waste management	61
	<b>Employment</b>		
<b>GRI 401: Employment 2016</b>	401-1. New employee hires and employee turnover	Personnel structure and turnover Annex to the Social and HR Policy section	88, 89, 196, 201
	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social support of employees  Benefits provided to employees do not depend on their status or employment terms.	97
	401-3. Parental leave	Annex to the Social and HR Policy section	89

GRI standard	Disclosure	Section name / comments	Report page	
<b>Labour/management relations</b>				
<b>GRI 402: Labour/Management Relations 2016</b>	402-1. Minimum notice periods regarding operational changes	In line with the Russian Labour Code, the Company notifies employees of significant operational changes. The minimum notice period is at least two months in advance. If a decision to reduce headcount or number of employees may cause large-scale redundancies, the Company notifies the state employment office and the elected body of respective primary trade union organisation at least three months in advance. These provisions are included into the Collective Bargaining Agreement.	--	
<b>Health and safety</b>				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1. Occupational health and safety management system	Health and safety	108	
	403-2. Hazard identification, risk assessment, and incident investigation	Health and safety	110	
	403-3. Occupational health services	Health and safety	114	
	403-4. Worker participation, consultation, and communication on occupational health and safety	Health and safety	108	
	403-5. Worker training on occupational health and safety	Health and safety Training does not cover employees of contractors.	117	
	403-6. Promotion of worker health	Health and safety The social package does not cover employees of contractors.	116	
	403-9. Work-related injuries	Occupational injuries	111	
	403-10. Work-related ill health	Work-related ill health Russian Railways maintains no records of fatalities from occupational diseases among employees who are not the Company's employees but whose performance and/or workplace is monitored by the Company.	116	
	<b>Training and education</b>			
	<b>GRI 404: Training and Education 2016</b>	404-1. Average hours of training per year per employee	Management and office workers training	96
404-2. Programmes for upgrading employee skills and transition assistance programmes		Personnel onboarding	92, 100	
404-3. Percentage of employees receiving regular performance and career development reviews		Personnel onboarding	92	
<b>Diversity and equal opportunity</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1. Diversity of governance bodies and employees	Personnel structure and turnover Annex to the Social and HR Policy section	87, 207	

GRI standard	Disclosure	Section name / comments	Report page
<b>Non-discrimination</b>			
<b>GRI 406: Non-discrimination 2016</b>	406-1. Incidents of discrimination and corrective actions taken	Ensuring equal rights for employees Russian Railways has rules in place to ensure non-discriminatory access of customers to transportation services. No incidents of discrimination were recorded in 2023.	84
<b>Child labour</b>			
<b>GRI 408: Child Labour 2016</b>	408-1. Operations and suppliers at significant risk for incidents of child labour	Russian Railways and its suppliers do not use child labour in their operations. No incidents involving the use of child labour were recorded by the Company in 2023.	--
<b>Forced or compulsory labour</b>			
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labour	No incidents involving the use of forced or compulsory labour were recorded by the Company in 2023.	--
<b>Rights of Indigenous Peoples</b>			
<b>GRI 411: Rights of Indigenous Peoples</b>	411-1. Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples were recorded by the Company in 2023.	--
<b>Local communities</b>			
<b>GRI 413: Local Communities 2016</b>	413-1. Operations with local community engagement, impact assessments, and development programmes	Partially disclosed. Russian Railways does not evaluate performance related to local community engagement.	--
<b>Public policy</b>			
<b>GRI 415: Public Policy 2016</b>	415-1. Political contributions	Pursuant to its Code of Business Ethics, Russian Railways does not finance or otherwise support any political parties and non-profit organisations engaged in political activities. The Company neither finances nor otherwise supports any individuals, including its employees, engaged in political activities.	--

# SASB content index

Topic	SASB code	SASB metric	Metric or section and page of the report	Comments
<b>GHG emissions</b>	TR-RA-110a.1.	Gross global Scope 1 emissions, CO <sub>2</sub>	Climate action – GHG emissions. P. 54	
	TR-RA-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Environmental management – Environmental strategy. P. 44  Climate action – Management approach, Prospects for reducing GHG emissions. P. 50, 51	
	TR-RA-110a.3.	1. Total fuel consumed, J	Annex to the Energy Efficiency section. P. 190	
		2. Percentage renewable, %	0.003	
<b>Air quality</b>	TR-RA-120a.1.	Air emissions of the following pollutants:  1. NO <sub>x</sub> (excluding N <sub>2</sub> O), t; 2. Particulate matter (PM10), t	1. from stationary sources: 3,987.3; from all types of sources: 110,653.5;  2. from stationary sources: 1.9; from all types of sources: 1.9;	NO <sub>x</sub> expressed as N <sub>2</sub> O
<b>Employee health and safety</b>	TR-RA-320a.1.	1. Total recordable incident rate (TRIR)	N/A	
		2. Fatality rate	Health and safety – Occupational injuries. P. 111	
		3. Near miss frequency rate (NMFR)	N/A	The Analysis and Assessment of Occupational Risks section (p. 110) describes the process to assess professional risks and activities to prevent emergencies and mitigate risks
<b>Competitive behaviour</b>	TR-RA-520a.1.	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Not disclosed	

Topic	SASB code	SASB metric	Metric or section and page of the report	Comments
<b>Accident and safety management</b>	TR-RA-540a.1	Number of accidents and incidents	Health and safety – Traffic safety, Non-occupational injuries.  Traffic safety, Non-occupational injuries. P. 120	
	TR-RA-540a.2	Number of accident releases and nonaccidental releases (NARs)	There were no confirmed accident releases and nonaccidental releases (NARs)	
	TR-RA-540a.3	Number of violations identified by state inspections or audits		
	TR-RA-540a.4	Frequency of internal railway integrity inspections	Railway integrity inspections in 2023 covered the following distances:  <ul style="list-style-type: none"> <li>3,005.7 thousand km using track monitoring equipment,</li> <li>2,228.6 thousand km using defect detection tools</li> </ul> The frequency of inspections is set by Russian Railways' regulations based on the type and functional category of the railway tracks:  <ul style="list-style-type: none"> <li>for mobile track monitoring equipment, the inspection frequency is set in the Regulation on the Monitoring of Main and Station Tracks approved by Russian Railways' Order No. 678/r dated 7 April 2017, ranging from once a year to twice a month;</li> <li>for mobile defect detection tools, the inspection frequency is set in the Methodology for Establishing the Frequency of Non-Destructive Testing of Rails Based on the Type and Functional Category of Railway Tracks approved by Russian Railways' Order No. 1067/r dated 21 May 2020, ranging from twice a year to four times a month.</li> </ul>	

# TCFD compliance

## Recommended disclosures

### Corporate governance

Disclose the organisation's governance around climate-related risks and opportunities.

- a. Describe the board's oversight of climate-related risks and opportunities.
- b. Describe management's role in assessing and managing climate-related risks and opportunities.

## Report section and page / comments

Participation of the Board of Directors in sustainable development management, p. 20

Sustainable development management at Russian Railways, p. 22

### Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

- a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
- b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
- c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.

Climate action, p. 50–58

Climate action, p. 50–58  
Annexes, Additional Information on TCFD Compliance, p. 188

The Company is not currently assessing such scenarios

### Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

- a. Describe the organisation's processes for identifying and assessing climate-related risks.
- b. Describe the organisation's processes for managing climate-related risks.
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Risk management process, p. 143–144

Annexes, Additional Information on TCFD Compliance, p. 188

The Company discloses information about risks in line with Decree No. 1102 of the Russian Government dated 4 July 2023

Climate change risks, p. 52–53

Annexes, Additional Information on TCFD Compliance, p. 189

The Company discloses information about risks in line with Decree No. 1102 of the Russian Government dated 4 July 2023

The Company discloses information about risks in line with Decree No. 1102 of the Russian Government dated 4 July 2023

## Recommended disclosures

### Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

## Report section and page / comments

The Company discloses information about risks in line with Decree No. 1102 of the Russian Government dated 4 July 2023

GHG emissions, p. 54

Environmental Strategy targets, p. 44

Annexes, Additional Information on TCFD Compliance, p. 189

## Additional Information on TCFD Compliance

### Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Natural climate factors can significantly affect the interaction between railway tracks and rolling stock. The main factors influencing the resilience of rail transport operations are temperature and precipitation, which can lead to several negative consequences for railway infrastructure:

- snowfall disrupts transportation, damages communication and power lines, affects the normal operation of turnouts, and increases the risk of avalanches; rapid melting can also lead to flooding;
- low temperatures increase the likelihood of rail fractures, the formation of cracks in metal bridge span structures, and breaks in power and communication lines;

- high temperatures are particularly dangerous in areas with continuous welded rails, where spontaneous thermal stress relief can cause rail buckling;
- rain and heavy downpours create risks of mass washouts, landslides on embankments and cuts, track erosion, and damage to engineering structures.

In addition, the territory of Russia is exposed to various hazardous natural phenomena, including earthquakes, hurricanes, storms, tornadoes, blizzards, snowstorms, mudslides, landslides, and wildfires.

It is important to note that the total number of hazardous meteorological events has roughly doubled over the past two decades. These meteorological anomalies pose significant risks to rail transport, especially as they become increasingly prolonged. The most critical changes involve fluctuations in average annual temperatures, particularly during

the hot season, as well as the intensity of precipitation that occurs within short time frames.

The risks are associated with the climate change and the resulting increase in the frequency and intensity of adverse natural processes and phenomena, which can damage infrastructure and disrupt or limit the operations of Russian Railways.

These adverse events may result in damage or destruction of buildings, structures, and communications, potentially leading to emergencies, including those with environmental repercussions. Such impacts can lead to decreased transportation volumes and reduced revenue from core operations, as well as higher costs for mitigating the negative effects of climate risks. Additionally, they may indirectly affect the funding allocated for ongoing environmental protection projects.

In the upcoming planning period through 2035, the impact of natural climate risks is assessed as moderate, with a low likelihood of occurrence. Given the extensive infrastructure of Russian Railways across various climatic zones in Russia, efforts will be intensified to study the vulnerability of infrastructure assets to projected impact factors with a view to minimising their long-term consequences. This will involve developing protective and preventive measures, as well as creating adaptation plans to ensure the Company's infrastructure is resilient to climate change.

### Climate-related risk management

Russian Railways regularly conducts analysis of failures in technical equipment and structures, including those caused by natural disasters. These ongoing efforts, along with the implementation of various monitoring and analytics systems, have improved response quality. To assess the impact of changing climate factors and develop solutions for railway infrastructure operations, the Company has established a Competence Centre for Assessing the Exposure of Russian Railways' Railway Infrastructure to External Factors. This centre collaborates with dedicated scientific institutes, bringing together significant expertise from the scientific community in climate change and engineering solutions.

To analyse external climate factors, a forecasting system has been developed to evaluate their impact on rail transport and facilitate prompt responses. This system consists of the following components:

1. A 30-year observation database containing information on incidents (such as accidents, delays, and transport incidents) caused by external factors, along with details about infrastructure assets, including their technical and hydrological characteristics.
2. A set of analytical methods designed to forecast potential failure states of infrastructure assets.
3. Decision-making models for creating and implementing adaptation plans, which encompass protective measures for assets and strategies for minimising risks of their failure, informed by data from automated monitoring and alert systems.

A predictive monitoring system for the condition of artificial structures, using water throughput calculations, has been established as part of the Company's digitalisation programme (based on Russian Railways' Geoinformation Platform). It enables the monitoring of the water throughput of small artificial structures based on forecast precipitation levels.

The existing hydrological monitoring system tracks water flow levels twice a day. In addition, a stationary monitoring system is being implemented to enable continuous

measurements, fully automate the process, and automatically collect and visualise data.

Furthermore, modelling is used to assess the impact of external factors on the condition and reliability of engineering structures. This involves using models based on physical and mathematical similarity while considering potential changes in the characteristics of real-world structures.

**The Company also monitors the state of the coastal areas, focusing on sediment movement (erosion) and channel processes in open waterways. By managing climate-related risks, the Company can capitalise on opportunities to strengthen the resilience of its operations.**

Targets used to manage climate-related risks and opportunities

The Company's Environmental Strategy through 2030 with an outlook through 2035 aims to achieve specific targets for GHG emissions per unit of transportation. It includes a comprehensive set of initiatives focused on electrifying railway lines, upgrading traction rolling stock, and implementing energy-saving measures.

# Annex to the Energy Efficiency section

Resource type	Physical unit of measurement	2022	2023	Change (±%)
<b>Electrical energy, total</b>	m kWh	51,567.5	51,503.9	-0.1
for train traction	m kWh	44,998.4	44,971.3	-0.1
• incl. other owners of multiple units <sup>1</sup>	m kWh	1,160.0	1,353.2	16.7
for non-traction use	m kWh	6,569.1	6,532.6	-0.6
<b>Diesel fuel, total</b>	kt	2,621.3	2,635.2	0.5
for train traction	kt	2,428.5	2,443.2	0.6
for non-traction use	kt	192.9	192.0	-0.5
• excluding consumption by service companies	kt	164.6	156.6	-4.9
<b>Coal<sup>2</sup></b>	kt	578.6	564.1	-2.5
• excluding consumption by utilities	kt	512.0	500.3	-2.3
<b>Fuel oil</b>	kt	207.0	188.7	-8.8
<b>Natural gas</b>	mcm	391.3	372.8	-4.7
<b>Petrol</b>	kt	35.9	36.1	0.5
<b>Third-party heat energy</b>	m Gcal	2.1	2.1	-0.8

<sup>1</sup> Multiple Unit Trains.

<sup>2</sup> Including consumption by utilities.

## Consumption of fuel and energy resources in 2022–2023, GJ

GRI GRI 302-1

Resource type	2022	2023
Electrical energy, total	185,643,079	185,414,068
Diesel fuel, total	111,367,554	111,958,186
Coal <sup>1</sup>	11,664,618	11,371,176
Fuel oil	8,309,087	7,575,185
Natural gas	13,229,607	12,605,250
Petrol	1,213,404	1,606,672
Third-party heat energy	8,711,250	8,643,454
<b>Total</b>	<b>340,138,598</b>	<b>339,173,992</b>

## Consumption of fuel and energy resources for heat generation by Russian Railways' structural units in 2022–2023

GRI GRI 302-1

Resource type	Unit of measurement	2022	2023
Coal	kt	451.0	453.0
Natural gas	mcm	390.5	372.3
Fuel oil	kt	203.4	188.5
Diesel fuel	kt	5.0	5.0
Electrical energy	m kWh	161.0	817.1
Other sources	kt	2.0	2.2

## Consumption of fuel and energy resources for heat generation in 2022–2023, GJ

GRI GRI 302-1

Resource type	2022	2023
Coal	9,091,680	9,131,848
Natural gas	13,203,451	12,586,621
Fuel oil	8,164,559	7,566,084
Diesel fuel	211,958	212,831
Electrical energy <sup>1</sup>	579,503	2,941,444
Other sources	28,482	31,387

<sup>1</sup> The increase in electrical energy consumption for heat generation in 2023 is due to changes in the calculation methodology for this indicator.

## Targets in energy savings and energy efficiency to be achieved through the Energy Savings and Energy Efficiency Programme of Russian Railways

**GRI** GRI 302-4

No.	Branch/unit	Expenses, RUB '000		Savings by fuel and energy type																				
				Electrical energy, '000 kWh		Diesel fuel, t		Petrol, t		Fuel oil, t		Natural gas, '000 cu m		Heat energy, Gcal		Coal, t		Other types of fuel and energy, t of reference fuel		Water for cold water supply, '000 cu m		Total, GJ		
				Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan
1	E-Sib. Rail	1,316.540	1,316.540	308.6	319.6	9.1	9.4	9.2	9.4						3,955.5	4,017.4	3.1	3.2					18,541.9	18,868.7
2	Gork. Rail			418.6	420.9	4.2	4.3	4.0	4.0						1,046.3	1,067.0	8.0	8.6					6,410.8	6,522.6
3	F-East. Rail	206.283	206.283	443.2	453.6	25.8	26.8	3.8	3.9	6.2	6.4				1,355.7	1,398.5	170.2	177.4					12,221.3	12,640.3
4	T-Baik. Rail	1,125.331	1,125.331	415.1	429.1	7.1	7.3	4.0	4.1						1,219.4	1,267.9	38.0	38.9					7,849.4	8,133.6
5	W-Sib. Rail	28.311	28.459	1,536.1	1,566.0	6.2	6.3	5.0	5.1				3.3	3.3	1,870.3	1,897.2	20.5	20.6					14,380.7	14,611.4
6	Kuyb. Rail			461.4	474.3	7.0	7.0	5.0	5.1	4.0	4.1		0.4	0.4	1,050.5	1,071.6	1.5	1.5					6,784.2	6,933.9
7	Klng. Rail	27.8	27.8	91.0	91.0	16.5	16.5	1.1	1.1	10.8	11.1		120.2	122.5	327.8	330.4	0.3	0.3					6,956.4	7,059.2
8	Kras. Rail	501.066	501.066	265.2	273.7	5.0	5.2	3.0	3.2						910.6	928.2	20.0	21.1					5,519.3	5,660.7
9	Moscow Rail	12,799.604	13,067.9	888.2	899.0	10.0	10.1	2.3	2.3				6.0	6.1	1,185.8	1,206.6	0.9	0.9					8,914.3	9,047.2
10	Okt. Rail	6.120	3.134	1,847.0	1,870.1	11.0	11.5	4.1	4.1						3,405.8	3,473.7	76.3	77.2					23,108.7	23,519.0
11	Priv. Rail			116.4	117.5	4.0	4.1	3.0	3.1				1.8	1.9	207.0	208.0	8.0	8.0					1,813.4	1,828.4
12	Sverd. Rail	14.4	14.4	769.6	782.9	6.2	6.4	9.2	9.4				1.7	1.8	3,075.1	3,155.8	12.9	12.9					16,644.6	17,050.0
13	North. Rail	901.0	901.0	217.5	224.9	6.0	6.2	3.0	3.1				2.7	2.8	1,456.1	1,496.4	54.0	55.4					8,452.5	8,689.2
14	N-Caucas. Rail			363.0	368.4	8.7	8.8	10.9	11.1				53.8	54.5	402.7	406.2	39.0	39.5	62.3	64.3			8,276.2	8,419.9
15	S-East. Rail			170.1	174.2	4.0	4.1	4.0	4.1				15.3	15.7	376.7	384.7	8.0	8.2					3,217.1	3,290.0
16	S-Urals. Rail			677.6	689.6	3.0	3.1	2.1	2.2						900.0	926.1	4.0	4.1					6,512.5	6,673.8
17	Cent. Dir. of Infrastr.	68,622.898	67,626.424	36,642.6	37,653.8	2,771.8	2,839.0	379.5	391.7	26.5	27.1		9.1	9.3	8,226.9	8,471.4	748.7	806.4	17.5	17.6			318,743.8	327,285.0
18	Adm. Dep.	2,856.2	2,874.2	189.1	189.7	1.0	1.1	9.1	9.3				9.8	10.2	352.7	369.8							2,934.1	3,037.6
19	Centr. Dir.			15,412.5	15,703.3	0.3	0.3	0.2	0.2						365.7	368.9	1.6	1.6					57,068.5	58,130.1
20	Term. & Warehouse Dir.	1,328.461	1,328.893	578.6	586.5	198.2	200.7	4.9	5.0				5.3	5.4	1,092.1	1,107.4	105.6	107.0					17,601.0	17,840.8
21	Track Overhauls Dir.	586.470	648.628	1,079.1	1,110.6	870.8	892.6	92.4	95.3				18.8	19.3	848.6	866.2	475.4	489.9					58,772.0	60,322.0
22	Multip. Un. Trains Dir.	61.977	64.926	9,286.3	9,552.8	142.1	144.3	2.0	2.1				49.8	51.1	567.0	673.1	133.2	136.7					46,305.1	47,917.0
23	Pass. Serv. Dir.	889.561	889.561	2,835.5	2,882.6	2.0	2.1	3.0	3.2				2.2	2.3	1,163.2	1,191.0	1.2	0.7					15,400.2	15,690.5
24	Rail. Stat. Dir.	472.594	489.426	3,226.9	3,308.3	0.2	0.2	1.6	1.6				0.8	0.8	5,188.0	5,299.6	0.4	0.4					33,469.4	34,234.2
25	Rail. Upgr. Dir.					0.9	0.9	3.3	4.4														186.2	233.8
26	Comm. Netw. Dir.							1.9	1.9														83.8	84.8
27	Rail. Electr. Overhaul Dir.			50.3	52.0	10.9	11.1	5.7	6.0						75.1	76.5	0.0	0.0					1,213.3	1,244.6

No.	Branch/unit	Expenses, RUB '000		Savings by fuel and energy type																			
				Electrical energy, '000 kWh		Diesel fuel, t		Petrol, t		Fuel oil, t		Natural gas, '000 cu m		Heat energy, Gcal		Coal, t		Other types of fuel and energy, t of reference fuel		Water for cold water supply, '000 cu m		Total, GJ	
		Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
28	Hi-Speed Trans. Dir.			1,164.8	1,200.2	0.3	0.4							20.1	20.7							4,292.1	4,422.1
29	Traction Dir.	23,580.805	23,580.805	523,329.1	538,305.8	48,379.4	50,608.5	2.1	2.2			1.3	1.3	7,551.6	7,840.9	10.8	11.2					3,971,380.8	4,121,224.5
30	Traction Repair. Dir.			45.4	45.5	11.3	11.3	2.1	2.2					220.5	222.9							1,659.4	1,674.5
31	Procur. Dir.	110.2	110.2	281.8	289.2	21.9	22.6	1.8	1.9			3.7	3.8	930.5	957.6	6.9	7.0					6,187.0	6,365.3
32	Transenergo	614,743.441	628,531.029	3,910.5	4,015.4	290.2	298.6	90.2	93.2					1,189.8	1,506.6							35,412.9	37,607.2
33	Main Computing Centre	173.6	335.183	1,330.6	1,346.6			0.7	0.7					364.6	374.1							6,348.8	6,447.6
34	Telecom. Dir.	12.336	12.336	2,612.1	2,701.5	4.0	4.2	64.4	66.4					123.4	128.3	0.1	0.1					12,959.5	13,401.7
35	Corp. Transp. Serv. Centre			23.9	24.2																	86.0	87.2
36	Eng. Design Centre for Infrastr.					0.1	0.2	0.1	0.1					34.8	36.4							156.3	164.2
37	Eng. Design Centre for Locom.			14.7	15.3	0.1	0.1	0.1	0.1					50.2	52.5							273.7	286.0
38	Eng. Design Centre for Railcars																						
39	Eng. Design Centre for Pass.																						
40	Digit. Serv. Centre													20.9	15.3							87.6	64.2
41	Env. Protect. Centre			15.2	15.4	9.6	9.9					5.1	5.2	8.8	8.9							669.2	688.1
42	NOD-4			1,815.1	1,862.4	28.9	29.7	6.0	6.2	5.0	5.4			552.0	574.8	6.1	6.2					10,664.2	10,990.9
43	Heat&Water Supp. Dir.	10,392.904	10,392.904	11,214.8	11,408.7	168.7	169.9	5.6	5.7	5,315.0	5,380.5	12,546.8	12,671.8	2,408.4	2,429.2	6,377.5	6,527.4	3,529.5	3,729.6	12.4	12.4	927,434.2	944,017.3
<b>Total</b>		<b>740,757.901</b>	<b>754,076.427</b>	<b>624,047.6</b>	<b>641,424.4</b>	<b>53,046.4</b>	<b>55,384.6</b>	<b>750.2</b>	<b>775.0</b>	<b>5,367.5</b>	<b>5,434.6</b>	<b>12,857.9</b>	<b>12,989.5</b>	<b>54,099.9</b>	<b>55,827.6</b>	<b>8,368.2</b>	<b>8,572.6</b>	<b>3,609.3</b>	<b>3,811.6</b>	<b>12.4</b>	<b>12.4</b>	<b>5,684,992.1</b>	<b>5,872,408.9</b>

# Annex to the Social and HR Policy section

## New employee hires by region, gender and age in 2023

GRI 401-1

Region	Number of people	Share, %	Men						Women					
			Under 30		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %
<b>Russian Railways</b>	<b>103,364</b>	<b>100.0</b>	<b>43,880</b>	<b>42.5</b>	<b>24,008</b>	<b>23.2</b>	<b>6,230</b>	<b>6.0</b>	<b>13,581</b>	<b>13.1</b>	<b>11,563</b>	<b>11.2</b>	<b>4,102</b>	<b>4.0</b>
Republic of Adygeya	40	0.04	17	0.02	10	0.01	3	0.00	3	0.00	7	0.01	0	0.00
Republic of Bashkortostan	1,658	1.6	575	0.56	423	0.41	141	0.14	242	0.23	185	0.18	92	0.09
Republic of Buryatia	2,128	2.1	779	0.75	496	0.48	118	0.11	272	0.26	327	0.32	136	0.13
Altai Republic	115	0.1	22	0.02	19	0.02	2	0.00	35	0.03	28	0.03	9	0.01
Republic of Dagestan	291	0.3	119	0.12	97	0.09	35	0.03	12	0.01	21	0.02	7	0.01
Republic of Ingushetia	8	0.0	3	0.00	1	0.00	1	0.00	1	0.00	2	0.00	0	0.00
Kabardino-Balkarian Republic	160	0.2	72	0.07	52	0.05	10	0.01	7	0.01	12	0.01	7	0.01
Republic of Kalmykia	49	0.05	24	0.02	18	0.02	3	0.00	1	0.00	3	0.00	0	0.00
Karachay-Cherkess Republic	4	0.004	1	0.00	1	0.00	0	0.00	1	0.00	1	0.00	0	0.00
Republic of Karelia	1,191	1.2	503	0.49	356	0.34	91	0.09	100	0.10	118	0.11	23	0.02
Komi Republic	807	0.8	339	0.33	234	0.23	29	0.03	89	0.09	98	0.09	18	0.02
Mari El Republic	106	0.1	16	0.02	10	0.01	5	0.00	46	0.04	14	0.01	15	0.01
Republic of Mordovia	423	0.4	176	0.17	113	0.11	29	0.03	52	0.05	38	0.04	15	0.01
Republic of Sakha (Yakutia)	130	0.1	49	0.05	47	0.05	4	0.00	16	0.02	14	0.01	0	0.00
Republic of North Ossetia – Alania	65	0.1	24	0.02	17	0.02	5	0.00	3	0.00	10	0.01	6	0.01
Republic of Tatarstan	1,213	1.2	475	0.46	286	0.28	94	0.09	158	0.15	150	0.15	50	0.05
Udmurt Republic	554	0.5	209	0.20	180	0.17	41	0.04	54	0.05	59	0.06	11	0.01
Republic of Khakassia	454	0.4	194	0.19	114	0.11	27	0.03	55	0.05	53	0.05	11	0.01
Chechen Republic	213	0.2	128	0.12	56	0.05	17	0.02	6	0.01	5	0.00	1	0.00
Chuvash Republic	307	0.3	126	0.12	74	0.07	41	0.04	25	0.02	27	0.03	14	0.01
Altai Territory	1,439	1.4	672	0.65	371	0.36	85	0.08	156	0.15	122	0.12	33	0.03
Krasnodar Territory	3,825	3.7	1,506	1.46	657	0.64	268	0.26	584	0.56	521	0.50	289	0.28
Krasnoyarsk Territory	3,180	3.1	1,497	1.45	809	0.78	141	0.14	366	0.35	298	0.29	69	0.07
Primorye Territory	2,511	2.4	993	0.96	558	0.54	144	0.14	350	0.34	343	0.33	123	0.12
Stavropol Territory	649	0.6	254	0.25	106	0.10	56	0.05	91	0.09	82	0.08	60	0.06
Khabarovsk Territory	4,692	4.5	1,852	1.79	1,430	1.38	265	0.26	519	0.50	495	0.48	131	0.13

Region	Number of people	Share, %	Men						Women					
			Under 30		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %										
Amur Region	3,861	3.7	1,510	1.46	1,237	1.20	251	0.24	382	0.37	389	0.38	92	0.09
Arkhangelsk Region	1,077	1.0	445	0.43	333	0.32	44	0.04	98	0.09	140	0.14	17	0.02
Astrakhan Region	604	0.6	251	0.24	162	0.16	26	0.03	77	0.07	70	0.07	18	0.02
Belgorod Region	481	0.5	160	0.15	155	0.15	39	0.04	47	0.05	60	0.06	20	0.02
Bryansk Region	700	0.7	285	0.28	174	0.17	48	0.05	88	0.09	60	0.06	45	0.04
Vladimir Region	626	0.6	251	0.24	126	0.12	50	0.05	82	0.08	67	0.06	50	0.05
Volgograd Region	1,216	1.2	633	0.61	229	0.22	43	0.04	149	0.14	136	0.13	26	0.03
Vologda Region	1,228	1.2	660	0.64	279	0.27	35	0.03	113	0.11	114	0.11	27	0.03
Voronezh Region	1,547	1.5	609	0.59	308	0.30	105	0.10	230	0.22	210	0.20	85	0.08
Ivanovo Region	216	0.2	102	0.10	47	0.05	17	0.02	23	0.02	19	0.02	8	0.01
Irkutsk Region	4,323	4.2	1,948	1.88	1,054	1.02	144	0.14	618	0.60	445	0.43	114	0.11
Kaliningrad Region	469	0.5	116	0.11	86	0.08	36	0.03	92	0.09	88	0.09	51	0.05
Kaluga Region	411	0.4	177	0.17	93	0.09	26	0.03	60	0.06	36	0.03	19	0.02
Kemerovo Region – Kuzbass	3,085	3.0	1,489	1.44	705	0.68	146	0.14	343	0.33	335	0.32	67	0.06
Kirov Region	748	0.7	357	0.35	170	0.16	42	0.04	93	0.09	73	0.07	13	0.01
Kostroma Region	424	0.4	211	0.20	87	0.08	24	0.02	34	0.03	53	0.05	15	0.01
Kurgan Region	657	0.6	309	0.30	139	0.13	48	0.05	74	0.07	68	0.07	19	0.02
Kursk Region	554	0.5	236	0.23	163	0.16	32	0.03	58	0.06	55	0.05	10	0.01
Leningrad Region	2,078	2.0	738	0.71	566	0.55	165	0.16	256	0.25	256	0.25	97	0.09
Lipetsk Region	583	0.6	263	0.25	107	0.10	36	0.03	89	0.09	67	0.06	21	0.02
Moscow Region	3,248	3.1	1,576	1.52	704	0.68	162	0.16	460	0.45	221	0.21	125	0.12
Murmansk Region	747	0.7	256	0.25	241	0.23	58	0.06	73	0.07	106	0.10	13	0.01
Nizhny Novgorod Region	1,767	1.7	728	0.70	303	0.29	146	0.14	263	0.25	241	0.23	86	0.08
Novgorod Region	285	0.3	127	0.12	64	0.06	19	0.02	35	0.03	27	0.03	13	0.01
Novosibirsk Region	2,931	2.8	1,497	1.45	532	0.51	154	0.15	401	0.39	253	0.24	94	0.09
Omsk Region	1,386	1.3	709	0.69	228	0.22	82	0.08	226	0.22	113	0.11	28	0.03
Orenburg Region	1,499	1.5	646	0.62	283	0.27	89	0.09	211	0.20	183	0.18	87	0.08
Orel Region	291	0.3	148	0.14	68	0.07	20	0.02	24	0.02	23	0.02	8	0.01
Penza Region	278	0.3	108	0.10	68	0.07	22	0.02	37	0.04	32	0.03	11	0.01
Perm Territory	1,717	1.7	768	0.74	356	0.34	89	0.09	222	0.21	208	0.20	74	0.07
Pskov Region	587	0.6	199	0.19	160	0.15	38	0.04	64	0.06	84	0.08	42	0.04
Rostov Region	2,584	2.5	1,157	1.12	430	0.42	177	0.17	369	0.36	326	0.32	125	0.12
Ryazan Region	587	0.6	300	0.29	108	0.10	28	0.03	72	0.07	59	0.06	20	0.02
Samara Region	2,302	2.2	986	0.95	407	0.39	156	0.15	351	0.34	266	0.26	136	0.13
Saratov Region	2,235	2.2	953	0.92	466	0.45	152	0.15	359	0.35	238	0.23	67	0.06
Sakhalin Region	345	0.3	155	0.15	97	0.09	13	0.01	24	0.02	43	0.04	13	0.01
Sverdlovsk Region	4,385	4.2	1,925	1.86	894	0.86	307	0.30	601	0.58	457	0.44	201	0.19

Region	Number of people	Share, %	Men						Women					
			Under 30		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %										
Smolensk Region	616	0.6	250	0.24	134	0.13	54	0.05	79	0.08	75	0.07	24	0.02
Tambov Region	544	0.5	234	0.23	119	0.12	40	0.04	66	0.06	54	0.05	31	0.03
Tver Region	945	0.9	305	0.30	290	0.28	102	0.10	76	0.07	135	0.13	37	0.04
Tomsk Region	147	0.1	76	0.07	23	0.02	4	0.00	31	0.03	12	0.01	1	0.00
Tula Region	735	0.7	398	0.39	110	0.11	46	0.04	95	0.09	55	0.05	31	0.03
Tyumen Region	1,009	1.0	441	0.43	256	0.25	61	0.06	108	0.10	112	0.11	31	0.03
Ulyanovsk Region	402	0.4	136	0.13	122	0.12	35	0.03	29	0.03	58	0.06	22	0.02
Chelyabinsk Region	3,423	3.3	1,296	1.25	615	0.59	233	0.23	579	0.56	444	0.43	256	0.25
Trans-Baikal Territory	5,670	5.5	2,373	2.30	1,674	1.62	282	0.27	732	0.71	502	0.49	107	0.10
Yaroslavl Region	1,370	1.3	453	0.44	224	0.22	44	0.04	353	0.34	225	0.22	71	0.07
Moscow	5,571	5.4	2,220	2.15	1,195	1.16	339	0.33	835	0.81	741	0.72	241	0.23
St Petersburg	2,547	2.5	1,158	1.12	415	0.40	163	0.16	386	0.37	284	0.27	141	0.14
Jewish Autonomous Region	967	0.9	474	0.46	312	0.30	49	0.05	55	0.05	71	0.07	6	0.01
Khanty-Mansi Autonomous Area – Yugra	433	0.4	173	0.17	130	0.13	14	0.01	52	0.05	60	0.06	4	0.00
Yamal-Nenets Autonomous Area	248	0.2	93	0.09	85	0.08	5	0.00	24	0.02	38	0.04	3	0.00
N/A	463	0.4	187	0.18	140	0.14	35	0.03	39	0.04	43	0.04	19	0.02

### Total number and rate of employee turnover by region, gender and age<sup>1</sup> in 2023

**GRI 401-1**

Region	Number of people	Share, %	Men						Women					
			of people		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %	Number of people	Share, %
<b>Russian Railways</b>	<b>119,373</b>	<b>100.0</b>	<b>35,090</b>	<b>29.4</b>	<b>32,283</b>	<b>27.0</b>	<b>14,987</b>	<b>12.6</b>	<b>11,221</b>	<b>9.4</b>	<b>17,844</b>	<b>14.9</b>	<b>7,948</b>	<b>6.7</b>
Republic of Adygeya	35	0.03	11	0.01	16	0.01	5	0.00	2	0.00	1	0.00	0	0.00
Republic of Bashkortostan	1,985	1.7	551	0.46	568	0.48	298	0.25	211	0.18	220	0.18	137	0.11
Republic of Buryatia	2,007	1.7	573	0.48	552	0.46	215	0.18	221	0.19	289	0.24	157	0.13
Altai Republic	125	0.1	22	0.02	23	0.02	5	0.00	38	0.03	29	0.02	8	0.01
Republic of Dagestan	253	0.2	79	0.07	81	0.07	67	0.06	3	0.00	11	0.01	12	0.01
Republic of Ingushetia	7	0.0	4	0.00	0	0.00	1	0.00	1	0.00	0	0.00	1	0.00
Kabardino-Balkarian Republic	177	0.1	52	0.04	54	0.05	28	0.02	9	0.01	20	0.02	14	0.01
Republic of Kalmykia	28	0.02	10	0.01	8	0.01	6	0.01	1	0.00	2	0.00	1	0.00
Karachay-Cherkess Republic	9	0.01	0	0.00	3	0.00	0	0.00	0	0.00	3	0.00	3	0.00

<sup>1</sup> Turnover due to all reasons, including death, conscription, etc.

Region	Number of people	Share, %	Men						Women					
			of people		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %										
Republic of Karelia	1,176	1.0	343	0.29	409	0.34	189	0.16	61	0.05	117	0.10	57	0.05
Komi Republic	829	0.7	214	0.18	268	0.22	104	0.09	85	0.07	98	0.08	60	0.05
Mari El Republic	103	0.1	14	0.01	16	0.01	11	0.01	37	0.03	11	0.01	14	0.01
Republic of Mordovia	476	0.4	119	0.10	163	0.14	94	0.08	23	0.02	52	0.04	25	0.02
Republic of Sakha (Yakutia)	153	0.1	42	0.04	63	0.05	10	0.01	8	0.01	27	0.02	3	0.00
Republic of North Ossetia – Alania	58	0.0	13	0.01	18	0.02	12	0.01	4	0.00	5	0.00	6	0.01
Republic of Tatarstan	1,547	1.3	431	0.36	473	0.40	218	0.18	131	0.11	203	0.17	91	0.08
Udmurt Republic	740	0.6	222	0.19	279	0.23	107	0.09	52	0.04	59	0.05	21	0.02
Republic of Khakassia	489	0.4	143	0.12	146	0.12	74	0.06	41	0.03	61	0.05	24	0.02
Chechen Republic	229	0.2	102	0.09	81	0.07	30	0.03	1	0.00	7	0.01	8	0.01
Chuvash Republic	388	0.3	112	0.09	133	0.11	73	0.06	19	0.02	29	0.02	22	0.02
Altai Territory	1,828	1.5	593	0.50	530	0.44	193	0.16	176	0.15	277	0.23	59	0.05
Krasnodar Territory	3,984	3.3	1,200	1.01	882	0.74	464	0.39	529	0.44	573	0.48	336	0.28
Krasnoyarsk Territory	3,353	2.8	988	0.83	966	0.81	393	0.33	274	0.23	541	0.45	191	0.16
Primorye Territory	2,409	2.0	637	0.53	649	0.54	335	0.28	242	0.20	381	0.32	165	0.14
Stavropol Territory	753	0.6	196	0.16	177	0.15	126	0.11	78	0.07	97	0.08	79	0.07
Khabarovsk Territory	4,568	3.8	1,220	1.02	1,453	1.22	465	0.39	441	0.37	716	0.60	273	0.23
Amur Region	3,978	3.3	1,164	0.98	1,456	1.22	495	0.41	305	0.26	388	0.33	170	0.14
Arkhangelsk Region	1,202	1.0	341	0.29	412	0.35	153	0.13	92	0.08	138	0.12	66	0.06
Astrakhan Region	605	0.5	184	0.15	157	0.13	96	0.08	59	0.05	75	0.06	34	0.03
Belgorod Region	573	0.5	110	0.09	174	0.15	117	0.10	44	0.04	68	0.06	60	0.05
Bryansk Region	649	0.5	164	0.14	160	0.13	138	0.12	75	0.06	61	0.05	51	0.04
Vladimir Region	1,056	0.9	262	0.22	214	0.18	128	0.11	134	0.11	236	0.20	82	0.07
Volgograd Region	1,554	1.3	529	0.44	379	0.32	197	0.17	128	0.11	230	0.19	91	0.08
Vologda Region	1,459	1.2	590	0.49	433	0.36	163	0.14	98	0.08	122	0.10	53	0.04
Voronezh Region	2,158	1.8	514	0.43	429	0.36	327	0.27	219	0.18	441	0.37	228	0.19
Ivanovo Region	315	0.3	95	0.08	88	0.07	58	0.05	13	0.01	38	0.03	23	0.02
Irkutsk Region	4,355	3.6	1,308	1.10	1,222	1.02	422	0.35	414	0.35	724	0.61	265	0.22
Kaliningrad Region	697	0.6	115	0.10	154	0.13	88	0.07	88	0.07	164	0.14	88	0.07
Kaluga Region	469	0.4	133	0.11	131	0.11	73	0.06	45	0.04	51	0.04	36	0.03
Kemerovo Region – Kuzbass	3,387	2.8	1,264	1.06	1,024	0.86	368	0.31	226	0.19	378	0.32	127	0.11
Kirov Region	933	0.8	283	0.24	303	0.25	134	0.11	69	0.06	101	0.08	43	0.04
Kostroma Region	488	0.4	168	0.14	140	0.12	83	0.07	18	0.02	48	0.04	31	0.03
Kurgan Region	888	0.7	278	0.23	309	0.26	121	0.10	66	0.06	67	0.06	47	0.04
Kursk Region	470	0.4	162	0.14	129	0.11	93	0.08	26	0.02	40	0.03	20	0.02
Leningrad Region	2,367	2.0	694	0.58	668	0.56	294	0.25	228	0.19	315	0.26	168	0.14
Lipetsk Region	735	0.6	241	0.20	179	0.15	101	0.08	68	0.06	89	0.07	57	0.05

Region	Number of people	Share, %	Men						Women					
			of people		31–50 years		Over 50		Under 30		31–50 years		Over 50	
			Number of people	Share, %										
Moscow Region	3,395	2.8	1,375	1.15	871	0.73	405	0.34	336	0.28	232	0.19	176	0.15
Murmansk Region	756	0.6	182	0.15	272	0.23	133	0.11	44	0.04	85	0.07	40	0.03
Nizhny Novgorod Region	2,539	2.1	633	0.53	616	0.52	350	0.29	228	0.19	488	0.41	224	0.19
Novgorod Region	347	0.3	94	0.08	100	0.08	61	0.05	28	0.02	38	0.03	26	0.02
Novosibirsk Region	3,732	3.1	1,277	1.07	948	0.79	387	0.32	383	0.32	558	0.47	179	0.15
Omsk Region	1,551	1.3	582	0.49	409	0.34	201	0.17	176	0.15	134	0.11	49	0.04
Orenburg Region	1,705	1.4	529	0.44	439	0.37	243	0.20	163	0.14	204	0.17	127	0.11
Orel Region	261	0.2	88	0.07	69	0.06	66	0.06	11	0.01	19	0.02	8	0.01
Penza Region	392	0.3	89	0.07	115	0.10	89	0.07	28	0.02	38	0.03	33	0.03
Perm Territory	2,185	1.8	726	0.61	628	0.53	273	0.23	186	0.16	245	0.21	127	0.11
Pskov Region	907	0.8	145	0.12	199	0.17	116	0.10	102	0.09	274	0.23	71	0.06
Rostov Region	3,423	2.9	900	0.75	685	0.57	427	0.36	366	0.31	736	0.62	309	0.26
Ryazan Region	681	0.6	242	0.20	192	0.16	98	0.08	45	0.04	64	0.05	40	0.03
Samara Region	2,984	2.5	763	0.64	632	0.53	337	0.28	334	0.28	639	0.54	279	0.23
Saratov Region	2,752	2.3	858	0.72	654	0.55	362	0.30	290	0.24	424	0.36	164	0.14
Sakhalin Region	389	0.3	122	0.10	120	0.10	46	0.04	23	0.02	45	0.04	33	0.03
Sverdlovsk Region	5,592	4.7	1,648	1.38	1,423	1.19	659	0.55	505	0.42	954	0.80	403	0.34
Smolensk Region	1,001	0.8	229	0.19	246	0.21	121	0.10	100	0.08	256	0.21	49	0.04
Tambov Region	634	0.5	157	0.13	161	0.13	127	0.11	55	0.05	85	0.07	49	0.04
Tver Region	995	0.8	236	0.20	354	0.30	168	0.14	58	0.05	118	0.10	61	0.05
Tomsk Region	176	0.1	65	0.05	41	0.03	19	0.02	24	0.02	20	0.02	7	0.01
Tula Region	1,002	0.8	257	0.22	243	0.20	159	0.13	88	0.07	175	0.15	80	0.07
Tyumen Region	1,195	1.0	313	0.26	341	0.29	161	0.13	61	0.05	244	0.20	75	0.06
Ulyanovsk Region	499	0.4	130	0.11	165	0.14	75	0.06	19	0.02	77	0.06	33	0.03
Chelyabinsk Region	4,743	4.0	1,318	1.10	1,154	0.97	571	0.48	473	0.40	810	0.68	417	0.35
Trans-Baikal Territory	5,757	4.8	1,764	1.48	1,904	1.60	549	0.46	559	0.47	753	0.63	228	0.19
Yaroslavl Region	2,140	1.8	447	0.37	440	0.37	166	0.14	338	0.28	579	0.49	170	0.14
Moscow	6,161	5.2	1,756	1.47	1,430	1.20	771	0.65	634	0.53	1,051	0.88	519	0.43
St Petersburg	3,335	2.8	999	0.84	573	0.48	365	0.31	354	0.30	703	0.59	341	0.29
Jewish Autonomous Region	842	0.7	364	0.30	278	0.23	101	0.08	38	0.03	43	0.04	18	0.02
Khanty-Mansi Autonomous Area – Yugra	457	0.4	108	0.09	156	0.13	53	0.04	34	0.03	69	0.06	37	0.03
Yamal-Nenets Autonomous Area	216	0.2	55	0.05	86	0.07	21	0.02	7	0.01	28	0.02	19	0.02
N/A	582	0.5	149	0.12	167	0.14	135	0.11	28	0.02	53	0.04	50	0.04

**Percentage of employees within the management in each of the following diversity categories: gender; age group: under 30 years old; 30–50 years old; over 50 years old, in 2023**

**GRI** GRI 405–1

Year	2020					2021				2022				2023	
	Age	Gender	31–50 years		Over 50	31–50 years		Over 50	31–50 years		Over 50	31–50 years		Over 50	
		Number of people	Share, %												
Headcount	Women	0	0.0	2	8.7	0	0.0	2	8.3	0	0.0	2	8.3	1	4.2
	Men	6	26.1	15	65.2	7	29.2	15	62.5	8	33.3	14	58.3	9	37.5
<b>Total</b>		<b>6</b>	<b>26.1</b>	<b>17</b>	<b>73.9</b>	<b>7</b>	<b>29.2</b>	<b>17</b>	<b>70.8</b>	<b>8</b>	<b>33.3</b>	<b>16</b>	<b>66.7</b>	<b>10</b>	<b>41.7</b>

**Proportion of senior management hired from the local community (as at 31 December 2023), %**

**GRI** GRI 202–2

Russian region	Proportion of senior management <sup>1</sup> hired from the local community <sup>2</sup>
<b>Russian Railways</b>	<b>83.8</b>
Irkutsk Region	89.8
Chelyabinsk Region	89.5
Novosibirsk Region	89.0
Trans-Baikal Territory	89.1
Krasnoyarsk Territory	87.5
Nizhny Novgorod Region	86.0
Yaroslavl Region	85.5
Sverdlovsk Region	84.7
Saratov Region	82.5
Kaliningrad Region	82.3
Moscow and Moscow Region	82.0
Rostov Region	81.9
Khabarovsk Territory	81.0
Samara Region	79.9
St Petersburg and Leningrad Region	79.6
Voronezh Region	78.7

<sup>1</sup> Senior management includes heads and deputy heads of the Executive Office and structural units of Russian Railways, branches, regional directorates, governance bodies of railways and centres.

<sup>2</sup> Based on the common definition of local community as a group of people residing in a specific territory, regardless of their ethnic and cultural background, local community in this context means employees whose region or area of registration aligns with the region or area where their employing enterprise is located.

# Annex to the Local Communities and Charity section

## Investments in projects to upgrade and expand core infrastructure in 2023

Project	Investment expenditure, RUB m Actual
<b>Comprehensive development of Russian Railways' core infrastructure</b>	<b>536,652.6</b>
Development of railway infrastructure serving ports of the Azov and Black Seas,	22,823.7
Development of railway infrastructure in the Eastern Operating Domain	270,340.9
Development of railway infrastructure serving ports of the North-Western basin	23,246.2
Development of railway infrastructure of the Central Transport Hub	215,383.8
Construction of a high-speed railway line between St Petersburg and Moscow (Kryukovo (Alabushevo) – Obukhovo section)	4,858.0

# Contact Details

**GRI** GRI 2-1, 2-3

We will be happy to answer any additional questions about this report and welcome feedback from all our stakeholders on how to develop and improve the content of our future public reporting.

### Contact person

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