Russian Railways

About the report

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 longhaul 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 questionnaire¹. 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 |

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

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.

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 userfriendly, 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.

Freight customers

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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.

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.

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

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¹ Surveys are aligned with the methodology set out in Russian Railways' Order No. 3041/r dated 29 December 2021.

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.

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.

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 Transactions¹ 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 – nonresidents 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 fiveand 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.

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 Offices² 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).

Annexes

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.

Calculator

for estimating CO, emissions reduction achieved by choosing rail transportation

Meter

helping to assess carbon footprint reduction achieved thanks to choosing rail transportation

Meter

helping to assess the number of trees saved due to the implementation of electronic workflow

- 1 A dynamic pricing mechanism enabling operators and shippers to attain price equilibrium in real time and arrange transportation online.
- 2 Russian Railways' Order No. 3107/r dated 6 December 2023.

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