

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) 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