

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 Railways¹. 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.

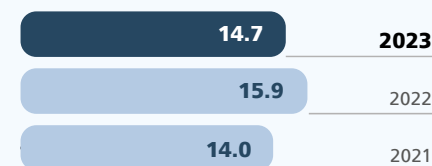
Pursuant to Clause 68.1 of the Company's Charter, the Board of Directors shall consider reports on progress against the Company's core programmes and function strategies, encompassing, among others, the matters of sustainable development.

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

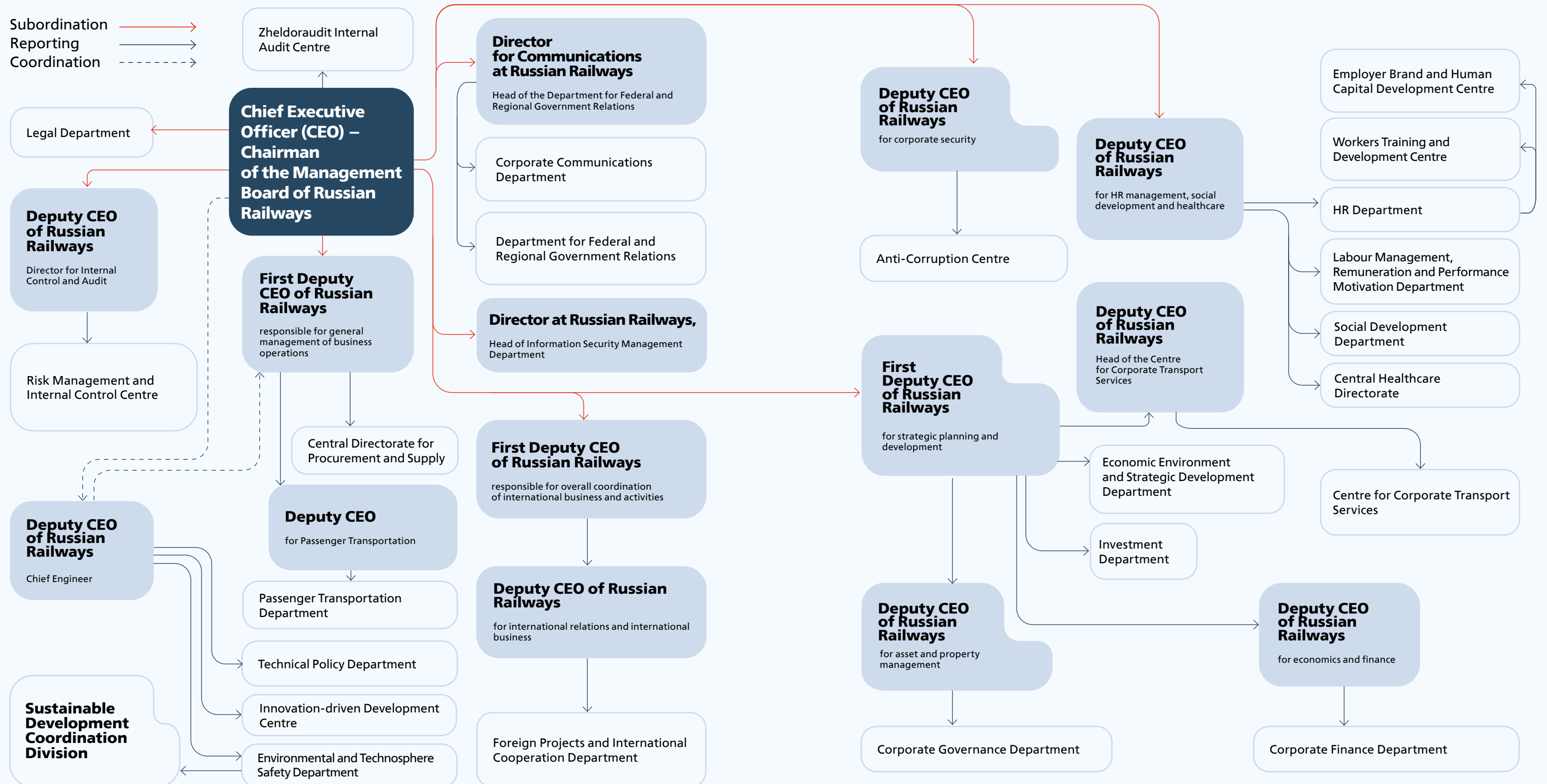
out of 10 training satisfaction score among employees



¹ Approved by Order No. 1838 of the Russian Government dated 27 October 2021.

Sustainable development management at Russian Railways¹

How we manage sustainable development



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