

Development prospects

THE COMPANY'S DEVELOPMENT PROSPECTS WERE ASSESSED TAKING INTO ACCOUNT THE FOLLOWING KEY OBJECTIVES:

1

Implement the Action Plan¹ to deliver against the Russian President's Address to the Federal Assembly dated 1 March 2018 and the Decree of the President of the Russian Federation No. 204 On National Goals and Strategic Objectives of the Russian Federation through to 2024 dated 7 May 2018.

2

Implement the Comprehensive Plan for Upgrading and Expanding Core Infrastructure until 2024².

3

Strictly follow the Russian Railways' Long-Term Development Programme until 2025.

7

Create and roll out digital services to improve operating and financial efficiency by putting into full-time service the projects included in the Digital Railway initiative.

8

Develop the safety culture, enhance the environmental and traffic safety, and prevent occupational injuries.

9

Maintain social stability by implementing a consistent social and HR policy in line with the Long-Term Development Programme and preventing collective labour disputes.

¹ Russian Railways' Action Plan to Deliver against the Russian President's Address to the Federal Assembly dated 1 March 2018 and the Decree of the President of the Russian Federation No. 204 On National Goals and Strategic Objectives of the Russian Federation through to 2024 dated 7 May 2018 was approved by Order No. 1465 of the Company's CEO and Chairman of the Management Board Oleg Belozеров on 29 December 2018.

² Approved by the Russian Government's Order No. 2101-r dated 30 September 2018.

4

Strengthen market leadership and market share in the transportation services segment, including by:

- › improving customer satisfaction and loyalty;
- › rolling out digital technologies to engage with the Group's customers and partners;
- › increasing the share of scheduled freight shipments, and improving the reliability and speed of loaded freight railcar deliveries.

5

Develop passenger transportation through the integration of suburban lines into the urban transit systems of large metropolitan areas, and offer better and broader range of services. Develop and implement comprehensive marketing projects to promote new passenger transportation and railway station services. Ensure uninterrupted transport service, including during the 2019 Winter Universiade in Krasnoyarsk.

6

Maintain a dialogue with the federal executive authorities on critical infrastructure projects, suburban passenger services, and 100% reimbursement of the subsidiary carriers' lost income (as a result of the tariffs for suburban passenger transportation via the public railway transport infrastructure being regulated by the Government).



10

Expand Russian Railways' international cooperation and develop foreign operations.

11

Promote the development of high-speed and ultra high-speed railway services between major cities, including the first stage of the Moscow–Kazan High-Speed Railway (the Zheleznodorozhnaya–Gorokhovets High-Speed Railway and commissioning of route to Nizhny Novgorod).

12

Ensure robust risk management and develop effective measures to mitigate operating risks.

13

Play an active role in implementing the Strategy for Scientific and Technological Development of the Russian Federation (approved by the Decree of the President of the Russian Federation No. 642 dated 1 December 2016), embrace new innovation mechanisms and improve the innovation management framework throughout the Company's hierarchy.