

Mission and main priorities of Russian Railways Group

We seek to effectively develop a transportation business that is able to compete on the Russian and international markets, whilst respecting our responsibility as a national carrier and rail infrastructure owner.

The new strategy of Russian Railways Group up to 2030 was approved by the Board of Directors of Russian Railways in December 2013

The Group's Mission until 2030 is represented by the following strategic objectives:

- ▶ to maintain its leading position in the field of rail freight in Europe, to increase the attractiveness of rail for customers, increasing transportation of goods by 2030 to 500-800 million tons;
- ▶ to increase customer satisfaction by improving quality of service while maintaining a competitive cost of transportation;
- ▶ to become one of the leading 5 companies in Europe in terms of logistics business and increase the share of transport and logistics services in the portfolio of business of the Group;
- ▶ to provide an efficient service of global supply chains of major Russian and international customers and to expand the transportation and logistics business in the Eurasian space;
- ▶ to ensure the preservation of the existing shares in the passenger traffic of the Russian transport system, to increase until 2030 suburban passenger traffic by 1.8-2.2 times, and long and interregional traffic by 1.3-1.7 times;
- ▶ to implement development projects and high-speed traffic, to achieve an increase of up to 20% in share of traffic with faster speeds in total passenger traffic in 2030;
- ▶ to become one of the leading 10 companies in the world in infrastructure construction, to ensure the formation of a long-term order book;
- ▶ and the highest standard of project implementation;
- ▶ to maintain its leading position in the world in terms of efficiency, safety and quality of infrastructure services;
- ▶ to provide systematic update of assets using innovative technologies and solutions based on the effective management of life cycle cost and availability and reliability of fixed assets;
- ▶ to enter the top 5 most attractive large employers in Russia, to attract the best professionals to the Group ensuring competitive wages, productivity growth and improved working conditions, with a modern social package;
- ▶ to give priority to "green" technologies to ensure reducing the burden on the environment by half;
- ▶ to consistently optimize the business portfolio of the Group;
- ▶ according to the chosen strategy, focusing on the main activity and the most effective types of business, to ensure a stable synergy between the elements of the Group.

Tasks of Russian Railways until 2030:

- ▶ To increase by 40-60% the volume of goods traffic and by 20-40% passenger transportation;
- ▶ To eliminate "bottlenecks" on all major trade routes;
- ▶ To ensure the formation of an extensive network of higher

Implementation of strategic objectives should be achieved by:

- ▶ reforming the structure of the Company and highlighting key elements;
- ▶ setting target strategic development parameters for each business unit;
- ▶ development of strategic initiatives aimed at achieving the target parameters;

- ▶ speed (6.9 thousand km) and high-speed transport (4,3 thousand km);
- To significantly improve the quality of freight and passenger transport and safety;
- ▶ To triple the amount of transit in infrastructure of the Russian Railways;
- ▶ To halve CO₂ emissions per 1 ton-km of reduced traffic;
- To ensure the active renewal of the rolling stock, the introduction of modern technologies and innovative information and control of intelligent transport systems and on this basis to dramatically increase productivity.

- development and implementation of corporate policies, programs, standards, aimed at the implementation of the Strategy;
- ▶ close integration of strategic and operational management;
- evolutionary development of the system of Group control
- ▶ following implementation of Strategy and improvement of the business model;
- effective interaction with the State to improve the regulatory model and
- ▶ compensate lost revenues in the performance of public requirements;
- carrying out effective financial, investment and credit policy in accordance with the strategic goals and objectives;
- continuous personnel training,
- ▶ employee motivation to achieve targets;
- open interaction with the public, experts and customers.