

# Development prospects in 2020

**The Company's development prospects were assessed taking into account the following key objectives for 2020:**

- achieve targets under Russian Railways' Action Plan<sup>1</sup> to Deliver against the Russian President's Address to the Federal Assembly dated 1 March 2018 and the Russian President's Decree No. 204 On National Goals and Strategic Objectives of the Russian Federation through to 2024 dated 7 May 2018;
- achieve targets under the Comprehensive Plan for Upgrading and Expanding Core Infrastructure until 2024<sup>2</sup>;
- strictly follow strategic priorities outlined in the Company's Long-Term Development Programme until 2025; implement unified and balanced principles of financial, operating, technical, technological, investment, social and HR policies ensuring social stability and development of the Russian Railways Group under the Long-Term Development Programme until 2025;
- leverage competitive advantages of rail transport, including by developing freight transportation quality standards based on availability, timeliness and reliability of transportation services and cargo safety, and increase train speed for transit, interline and local freight transportation;
- strengthen the Company's market position in passenger transportation by developing route network, improving service quality, expanding the product offering, renewing the rolling stock, and upgrading and refurbishing infrastructure; implement a set of technical and technological measures, including infrastructure preparations, to ensure uninterrupted transport service during the celebration of the 75<sup>th</sup> anniversary of the victory in the Great Patriotic War, and summits of the Shanghai Cooperation Organisation (SCO) and BRICS<sup>3</sup>;

<sup>1</sup> Russian Railways' Action Plan to Deliver against the Russian President's Address to the Federal Assembly in 2018–2020 and the Russian President's Decree No. 204 On National Goals and Strategic Objectives of the Russian Federation through to 2024 dated 7 May 2018 approved by Order No. 635/r of the Company's CEO and Chairman of the Management Board Oleg Belozеров on 20 March 2020.

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

<sup>3</sup> BRICS is an association of five countries: Brazil, Russia, India, China and South Africa.



- reach a break-even point in the operations of suburban passenger companies, including through maintaining a dialogue with Russian regions on the reimbursement of the subsidiary carriers' income lost as a result of the tariffs for suburban passenger transportation being regulated by the government, in line with completed public transportation service orders;
- develop digital competencies and harness digital technology to improve efficiency of internal processes, enhance the service offering and increase adaptability of customer relations models;
- enhance environmental and traffic safety, improve the traffic safety management system, develop the traffic safety culture, and prevent occupational injuries across the Russian Railways Group;
- expand Russian Railways' international footprint and increase its portfolio of overseas projects;
- set the groundwork for the development of high-speed and ultra high-speed railway services between major cities, including the design of the Moscow–St Petersburg line and preparations for the construction of the Moscow – Nizhny Novgorod High-Speed Railway;
- harness Russian Railways' vast organisational and technology potential for the Group to become a national leader in quantum communications;
- enhance cooperation with Russian technology initiative centres, branches of the Russian Academy of Sciences, and other R&D centres, in the field of R&D and innovation development.

Changes in the macroeconomic environment driven by the COVID-19 outbreak may require the adjustment of key 2020 goals and targets.