

Freight customers

Russian Railways operates railway infrastructure, owns rolling stock (through subsidiaries and affiliates) and provides both basic transportation and 3PL/4PL services. The Company is applying advanced logistics technologies, implementing an automated customer relationship management system and a uniform freight transportation service catalogue, and expanding its geography, while also continuing to develop and introduce new services for shippers.

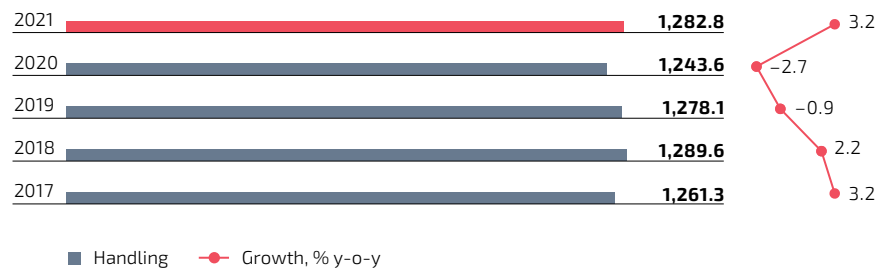
- Transit transportation (including empty railcars) demonstrated a significant increase (up 40.6%).
- The total container-based transit (including shipments under the new logistics schemes) added 34.3%.
- Russian Railways hit an all-time high with some 6.5 m TEU containers transported in 2021, up 12.1% y-o-y.
- Container services were launched along the Baku–Tbilisi–Kars transport corridor to deliver cargo from Turkey to Russia.
- The first container train with 41 ft containers was dispatched from Finland to Japan along the Trans-Siberian Railway.
- The Company also launched the first container train travelling along the International North-South Transport Corridor.

COVID-19 response

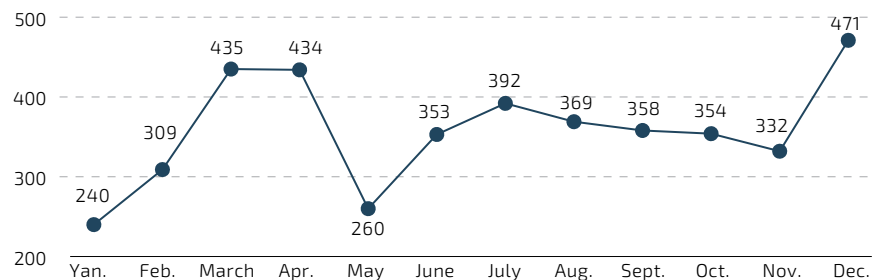
We supported shippers by introducing the following:

- electronic workflow;
- free container storage services for up to 30 days at 6 container terminals for the accumulation of container trains;
- 5% discount for cargo handling and storage services ordered via the Freight Transportation electronic trading platform;

Handling volumes evolution | mt



Customer acquisition in 2021



- Hot Summer loyalty programme covering a broad range of cargoes handled as part of domestic, export, and transit shipments;
- preferential 90% discount to customers for the storage of crushed aggregate at 71 freight yards.

The cargo delivery solution is based on the integration of RZD Market with the Freight Transportation electronic trading platform.

RZD Market unlocks new opportunities for Russian Railways, as the Company can now tap into new sales markets, increase its rail freight volumes, and diversify income-generating sources.

Improvements in the quality of shipping services

RZD Market

In 2021, Russian Railways launched one of its promising digital projects – a marketplace called “RZD Market”.

RZD Market brings together customers and sellers from a wide variety of markets enabling them to find, sell, and buy products with an option of last-mile delivery. The key objective of the marketplace is to provide a shopping platform offering railway delivery

Freight Transportation electronic trading platform

The Freight Transportation electronic trading platform integrates transportation, rolling stock supply, terminal, warehousing and logistics services of Russian Railways’ subsidiaries into a single marketplace. The platform enables non-discriminatory access for shippers to handling facilities and transit and other transportation services, and offers end-to-end logistics solutions, including multimodal transportation

and warehousing and cloud services. It currently connects over 125 service providers (up 20% y-o-y).

In 2021, we introduced a new feature for suppliers that permitted bidding to supply rolling stock for export routes. Having joined forces with FFC, we introduced a service to provide its rolling stock to SMEs. The first digital rail cargo delivery from Russia to Belarus took place.

Digital service for monitoring smart contracts

The digital service for monitoring smart contracts in the freight transportation sector is designed as an electronic support platform for shipment contracts.

The "to-be" state envisages a shared digital space offering a wide range of capabilities for all transportation stakeholders, including service orders, monitoring of performance under contractual obligations, and fully automated financial calculations (without any human involvement).

In 2021, the service for monitoring smart contracts was implemented at eight railways, with 12 customers (including EVRAZ, FESCO, LUKOIL and Gazprom Neft Logistics) choosing to join it.

Cargo safety and integrity

In order to ensure the safety and integrity of cargoes transported by Russian Railways across Russia, the Company uses two types of electronic devices for sealing railcars and containers:

- electronic locking and sealing device (ELSD);
- electronic navigation seals (ENS).

For transportation within Russia, we apply Big Lock ELSD (in use since 2016).

For the purposes of transporting "sanctioned" goods that are in transit through Russia to third countries, we use ENS.

Russian Railways has established close working contacts with the ELSD manufacturer / ENS operator and the Departmental Security Service of the Railroad Transport / Russian customs and regulatory authorities to facilitate the application of ELSD/ENS (during sealing/unsealing and as part of their operation controls along the entire route in the Russian territory).

Developing the Eurasian Agroexpress project

The Eurasian Agroexpress project seeks to boost the shipments and exports of agricultural products between the EAEU member states, on the one hand, and China, Uzbekistan, and other Asian countries and regions, on the other hand, including through the integrated

use of transport infrastructure in the EAEU countries and the neighbouring nations and investments in the EAEU transportation and logistics projects.

The project leverages cutting-edge logistics, digital and tracking technologies.

The advantages for shippers include shorter delivery times, assistance for manufacturers in accessing the export markets, and a wide range of digital services offered by the project's unified platform.

Improvements in the quality of service for shippers

To improve the quality of transportation services, Russian Railways opened a total of 68 sales offices across its network in Russia. As a way to maximise efficiency, sales offices open in locations with the greatest concentration of cargo traffic in each particular region. In 2021, Russian Railways acquired 3,684 new customers who signed contracts for opening unified personal accounts (up 14% y-o-y), and continued to gradually digitalise its comprehensive railway transportation service. To facilitate customer feedback, Russian Railways built a multi-step system for assessing the quality of services provided by rail freight transport, which includes in-house surveys and independent research by VCIOM and RZD-Partner.

In 2021, VCIOM released the following findings based on the Comprehensive Assessment of Services Provided by Rail Freight Transport:

Comprehensive assessment of services provided by rail freight transport (VCIOM)

Respondent categories	Overall satisfaction index among customers using Russian Railways' rail freight services	
	February–April 2021	October–November 2021
Freight owners	61.8	60.9
Transportation and logistics companies	60.1	61.7

In 2021, the RZD-Partner magazine released the following findings based on its independent Quality Index survey:

Customer satisfaction survey focusing on consumer assessments of service quality in the rail freight market (RZD-Partner)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Quality index	66	64	59	58

In 2021, Russian Railways released the following findings based on its Assessment of Service Quality in the Rail Freight Market:

Assessment of service quality in the rail freight market (Russian Railways' research)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Overall satisfaction score among Russian Railways' customers	3.3	3.3	3.3	3.4

In 2021, the Company started working to introduce RZD Bonus – Freight Transportation, its own loyalty programme for the segment. Integrated services will enjoy the greatest demand among SME customers. The launch of the programme is scheduled for 2022.

Contribution to the Consumer Council

The Consumer Council on Operations of Russian Railways and its Subsidiaries and Affiliates² is a working body of the Governmental Commission on Transport in charge of public scrutiny. Russian Railways and the Consumer Council mainly interact through the Company's representatives that

attend meetings of the Council and its committees to consider Russian Railways' key activities.

In 2021, the Consumer Council focused on:

- regulatory framework improvements affecting railway operations and development;
- consideration of the draft Transport Strategy of the Russian Federation until 2030 with an outlook for 2035;
- tariff regulation for railway services;
- assessment of customer satisfaction with the quality of provided services;
- Russian Railways' major investment projects;
- transport safety enhancement.

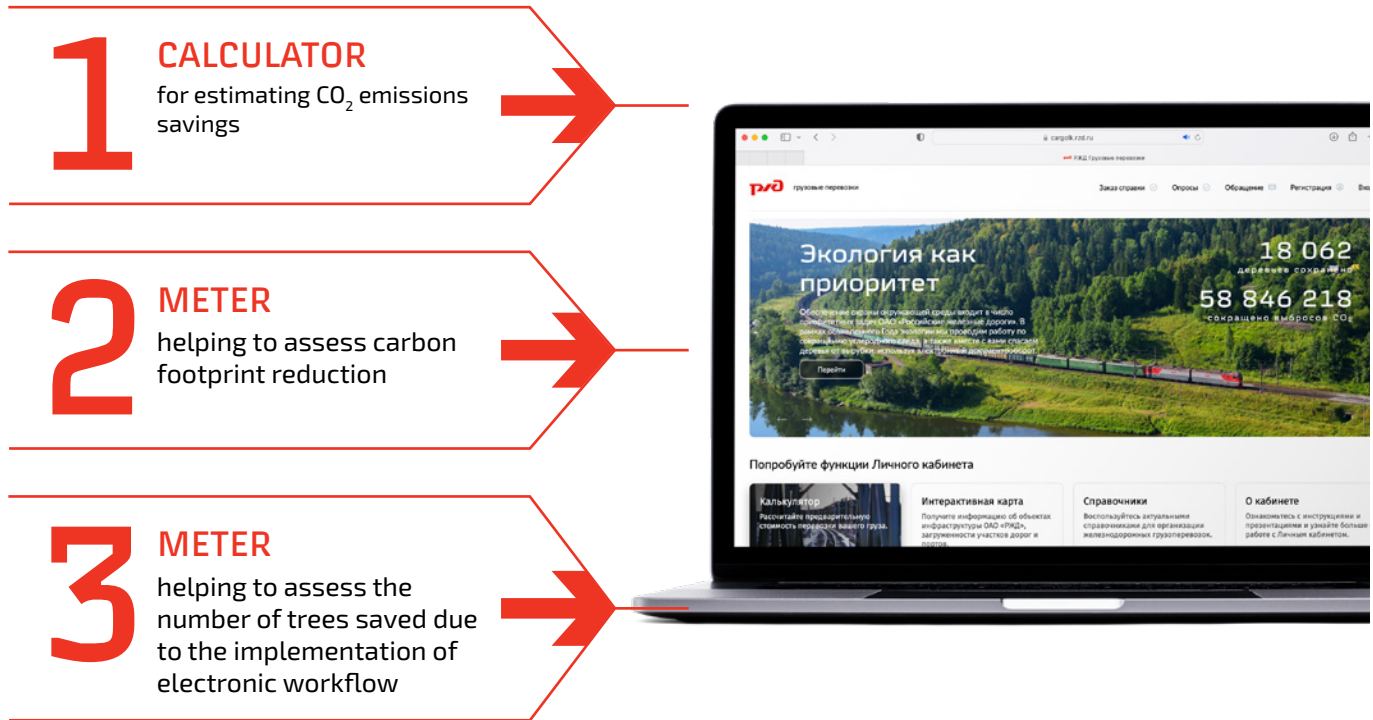
Environmental Calculator

As Russian Railways attaches great importance to environmental issues, the Company gave shippers an opportunity to calculate their environmental impact.

¹ Pursuant to Resolution No. 1877 of the Russian Government dated 27 December 2019. The application of ENS is regulated by Russian Railways' Order No. 2800/r dated 18 December 2020.

² Established in accordance with the Russian Government's Order No. 1689-r dated 19 September 2013 with a view to exercising public scrutiny over Russian Railways' operations and striking the right balance between the interests of consumers and Russian Railways.

Environmental Calculator



In 2021, Russian Railways offered its customers the Environmental Calculator in their personal accounts. This tool helps to determine the extent to which GHG emissions are

reduced as a result of choosing rail transport for any given shipment. The Company also launched a meter telling customers how many trees they saved by switching to electronic

workflow. In 2021, more than 90% of shippers chose to use electronic workflow, which reduced paper consumption and saved over 2,000 trees per month.