

## Local communities and charity

GRI 413-1

Russian Railways operates in 77 Russian regions across all federal districts. In many regions the Company is a major employer and taxpayer.

Management responsibilities related to the contacts with local communities are allocated among several business units of Russian Railways' Executive Office, including:

- Department for Federal and Regional Government Relations (in matters related to the operation and development of rail transport);
- Corporate Communications Department for Charitable and Social Activities;
- HR Department (focusing on the comprehensive youth policy, specifically contacts with educational institutions, including universities, schools and pre-school facilities);
- Social Development Department (in matters related to the implementation of corporate social projects, contacts with culture and sports institutions, and organisation of awareness-raising, sporting and other events).

Corporate documents:

- Charity and Sponsorship Policy.
- Russian Railways' Code of Business Ethics.
- Russian Railways' Youth Target Programme for 2021–2025;
- Framework agreements with regions of operation.
- Mid-term agreements on social and economic cooperation.

## Cooperation with local communities

The details of cooperation with local communities are set out in partnership and collaboration agreements signed with Russian regions to support rail transport, social and economic development. There are two types of such agreements: framework (perpetual contracts formalising the key aspects of cooperation) and mid-term agreements (focusing on the key areas of cooperation with amendments made when and if needed).

So far, Russian Railways and Russian regions have entered into 78 framework agreements. In 2021, the Company signed 21 mid-term agreements (with the Leningrad, Pskov, Murmansk, Tula, Orel, Kursk, Nizhny Novgorod, Vladimir, Rostov, Kirov, Ivanovo, Belgorod, Astrakhan, Volgograd, Saratov, Orenburg, Kurgan, and Amur regions, the Jewish Autonomous Region, the Republics of Karelia, Mari El, Khakassia, Sakha (Yakutia), the Udmurtian and Kabardino-Balkarian republics, and the Altai Territory).

In the regions of its operations, Russian Railways is actively involved in socially focused charity in line with the objectives and principles set out in its Charity and Sponsorship Policy. The Company builds relations with local communities based on the respect for their rights and freedoms and does not tolerate any forms of discrimination or infringement.

## Contribution to local communities

### GRI 203-1

Russian Railways is the largest taxpayer to local budgets and Russia's biggest employer. The Company is a major consumer of goods produced by Russian businesses, with its orders providing employment to an average of 0.1–1.5% of labour force in the Russian regions hosting transport engineering hubs.


Russian Railways is responsible for long-haul and suburban passenger traffic in 72 Russian regions and freight traffic in 77 of the country's regions (including such critical transportation operations as the Northern Supply Haul and shipment of commodities from the regions producing raw materials). The Company also maintains local social infrastructure, effectively acting in the capacity of a government agency. In some regions, for example, Archangelsk, Amur and Tomsk, there are destinations where railway remains the only available type of transportation.

The Company and its subsidiaries are the main providers of suburban passenger transportation in Russia. They are integrating suburban transport into urban transport systems and actively developing multi-modal routes and transport interchange hubs to enhance the mobility of urban population.

Russian Railways' investment programme for 2021–2023 is focused on developing and upgrading the railway infrastructure and promoting high-speed and ultra high-speed railway transportation.

### Major investment projects include<sup>1</sup>:

- development of railway infrastructure in the Eastern Operating Domain (investments of RUB 78 bn in 2021);
- development of railway infrastructure in the Central Transport Hub (investments of RUB 97 bn in 2021).

 For more details on the Company's investment projects, see the Investment Activities section of [Russian Railways' 2021 Annual Report](#)

### Improving the quality of life in local communities

Jointly with regional governments, Russian Railways is pressing ahead with a development plan for settlements, under which it pays close attention to places with the greatest concentration of the Company's employees. The plan is designed to improve the quality of life in local communities. It is of particularly relevance for inhabited areas situated far away from administrative capitals.

The plan sets out 411 initiatives to be implemented in 2021–2035 in 68 localities from 33 Russian regions. These initiatives focus on improvements in culture, sports, healthcare, education, and social environment.

261 initiatives are expected to be financed by the governments of Russian regions, while the remaining 147 will receive funding from the Company.

In 2021, Russian Railways provided financing for 49 projects, including:

- acquisition of new audio and lighting equipment for the community centre at the Abakan railway station's MPS settlement;
- creation and fit-out of sports clubs at Petrov Val, Kinel, Berezniki, Salym, Yuktali, Litovko, Etyrken and other railway stations.
- refurbishment of healthcare facilities in Murmansk, Barnaul and the Krymskaya railway station, procurement of medical equipment for them;
- acquisition of remote control modules for pre-travel medical screening offices at the Yuktali, Verkhnezeysk, Khani, Tyрма and Dipkun railway stations;
- refurbishment of kindergartens and schools at the Novy Uoyan, Amazar, Yuktali, Verkhnezeysk and Dipkun railway stations; procurement of equipment for refurbished kindergartens and schools.

<sup>1</sup> Actual spending based on accounting statements.

## Development of the Eastern Operating Domain

Russian Railways is implementing four target programmes designed to upgrade social infrastructure and improve the living standards of the Company's employees:

- Far Eastern Railway as an Accelerated Development Domain (programme until 2025);
- Plan to Attract and Retain Personnel at Russian Railways' Facilities along the Baikal–Amur Mainline (section between Lena and Komsomolsk-on-Amur railway stations) until 2025;

- Long-Term Plan to Increase the Efficiency of Production Verticals along the Trans-Baikal Railway;
- Programme to Develop Localities with a Heavy Concentration of Russian Railways' Employees.

In 2021, Russian Railways allocated

**RUB 900.2 M**

for these purposes under its investment programme

### Far Eastern Railway as an Accelerated Development Domain

In 2021, the Company continued implementing the Far Eastern Railway as an Accelerated Development Domain programme, which is expected to run until 2025 as part of a more ambitious project to develop the Far East's railway network. Over 260 initiatives are scheduled under the programme, with funding exceeding RUB 410 bn. The programme envisages a wide range of necessary changes – from infrastructure and production-related modifications to social, cultural and management transformation.

Progress on the programme is assessed against ESG metrics under a dedicated performance monitoring system.










## Charity

In order to foster and maintain a favourable social environment in the regions of its operation, Russian Railways actively engages in charitable and socially focused activities in line with the principles set out in the Charity and Sponsorship Policy and recommendations received from the Company's Board of Directors. The Company seeks to integrate its charitable and social initiatives into a comprehensive social responsibility policy instead of focusing on one-off donations.

### Charity expenses | RUB bn

|      |   |            |
|------|---|------------|
| 2021 |    | <b>6.3</b> |
| 2020 |    | <b>6.0</b> |
| 2019 |    | <b>4.6</b> |
| 2018 |  | <b>3.1</b> |
| 2017 |  | <b>2.9</b> |

In 2021, our charity initiatives focused on:

- implementing social projects and initiatives in communities across the Siberian and Far Eastern Federal Districts with consideration for these region's complex climate conditions and the situation in the social sector;
- financing expensive surgical treatment, medication, and rehabilitation of Russian Railways' employees, including those retired, providing social support for victims of natural disasters or other calamities, promoting family values;
- promoting education, facilitating vocational education and improving education quality through financial help to industry-specific universities and vocational schools, providing equipment and samples for laboratory classes;
- donating to disabled persons, including support of the Children's Hospice autonomous non-profit organisation, So-Edinenie Support Fund for the Deaf-Blind, and Obereg autonomous non-profit organisation;
- supporting charitable projects for restoration and conservation of Russian historical and architectural landmarks, including churches and monasteries of cultural and historical significance

(St Seraphim of Sarov Charitable Foundation, Voskresensky Novodevichy Convent in St Petersburg, Orthodox Parish of the Elevation of the Holy Cross Church in Tiraspol, the Peresvet Foundation for the Support of Orthodox Church Construction in Bogotol, and the foundation that helps the construction of and supports the Church of the Intercession of the Theotokos in Chusovoy;

- supporting environment-related causes;
- promoting healthy lifestyle, children's and mass sports, including by providing support for the Locomotive ice hockey team based in Yaroslavl, Locomotive-Kuban professional basketball team, Locomotive-Novosibirsk volleyball team, Lokomotiv Russian Fitness and Sports Society, Kuban-Region Sports Club, Krasnodar Territory's Basketball Federation, Krasnodar Territory's Centre for Young Basketball Players, Locomotive-Kaliningrad Region volleyball team.

Russian Railways continued to follow a good tradition of providing support for the work of Valery Gergiev, Yuri Bashmet, and for Tovstonogov Bolshoi Drama Theatre.

## Children and youth policy

Russian Railways' educational system encompasses the entire range of educational institutions – from pre-school to higher education facilities. The Company is a founder of 97 private educational establishments (21 general education and boarding schools and 76 kindergartens) attended by more than 23,000 children.

### Russian Railways for schoolchildren

Russian Railways operates 25 children's railways that are used as unique professional guidance hubs for recruiting young talents into the Company. Schoolchildren can also visit six RZD Kvantorium children's science parks designed as hi-tech platforms for training young highly skilled engineers, and developing, testing and implementing cutting-edge technologies and ideas.

In 2021, 844 attendees of children's railway classes (75% of total graduates) were admitted to dedicated educational institutions.

To help children get a better understanding of Russian Railways, the Company launched RZDclass, an educational project offering a wide range of opportunities, including more than 20 learning and professional guidance activities. By the end of 2021, RZDclasses were available in 88 educational institutions from 39 Russian regions.

In the modern educational system, aspiring engineers need to be professionals with highly developed research, design, and entrepreneurial skills. That is why all of the Company's projects and programmes for young talents nurture innovative and creative approaches in children, while also teaching them how to conduct research and complete design assignments.

### Partnership with universities

Russian Railways actively cooperates with nine dedicated universities scattered across Russia. Under the Programme of Russian Railways' Interaction with Railway Universities until 2025 the Company works to upgrade the universities' infrastructure and R&D capabilities, streamline learning processes and improve the skills of university management and professors.

2021 highlights:

- Eight dedicated universities (including their branches) opened 27 simulation training facilities to prepare locomotive professionals.
- 138 colleges and technical schools completed assessment focusing on the opportunities for future improvements.
- Dedicated universities upgraded 259 training programmes for secondary vocational, higher and continuing professional education providers.

- Russian Railways awarded four grants to support industry-specific education, and five grants to develop academic research schools specialising in rail transportation.
- Russian Railways awarded 200 grants to the students of dedicated universities for their graduation theses.
- All dedicated universities held the Around Russian Railways in 9 Universities round tables, bringing together over 1,300 students.
- More than 5,000 students from dedicated universities participated the nationwide Your Turn competition.
- An integrated programme was drafted to promote Russian dedicated universities abroad.

In 2021, Russian Railways continued cooperation with dedicated educational institutions to train specialists with higher and secondary vocational education. At the end of 2021, more than 29,000 students were taking courses at railway universities sponsored by Russian Railways, whereas the number of sponsored students studying in non-industry specific universities reached 966, including 809 medical students.

## Environmental initiatives in the regions of operation

Russian Railways pays close attention to the environmental awareness of its employees, young talents enrolled in children's railways, and students studying at the Company's educational institutions. We place an equally heavy emphasis on raising general public awareness through the infrastructure facilities of our subsidiaries and affiliates.

### Green Trains

Each of the Company's 16 railways has Green Trains. Those are comfortable electric trains offering passengers visual environmental information, including posters on waste sorting and resource efficiency, images of fairy tale characters from the Eco-Pupils, Friends and Defenders of Nature series, as well as audio and video announcements. The Company's rail network currently operates 42 eco-friendly electric trains.

### Environmental Action Teams

General education facilities and children's railways have set up 130 environmental action teams designed to promote healthy lifestyles, protect

the environment, provide assistance to veterans and orphanages, and stage charitable, clean-up and festive events. Children do not only learn the theoretical fundamentals of the environmental science, but also gain hands-on experience by participating in environmental protection initiatives and publishing the Eco newspaper.

Some of the 2021 highlights included:

- nationwide contest The Health of Our Planet Is in My Hands; Eco-Pupils, Young Defenders of Nature, a nationwide environmental competition for schoolchildren; nationwide festival BrighterTogether;
- Annual International Environmental School at Lake Baikal and MOST, an International School for Intercultural Dialogue;
- Nationwide Conference on Environmental Education (organised by Vladimir Vernadsky Foundation).

The Company runs the following social and educational projects focusing on environmental protection: Eco-Pupils – Pre-Schoolers, Eco-Pupils, and Eco-Pupils, Young Defenders of Nature. As part of these projects, Russian Railways holds the annual Day of Eco-Pupils and Eco-Pupil contests.

### Green Friday

Green Friday is a monthly event designed to reduce the environmental impact. The Company's business units have been organising Green Fridays since July 2013 as a way to increase environmental responsibility, foster environmental culture in employees, save fuel and energy resources, reduce pollutant emissions, cut water consumption, and minimise waste sent to landfills.