

# Sustainable financing

Russian Railways places green and social bonds in accordance with best sustainable financing practices. Proceeds from such placements are used to fund projects that align with the Company's Green Financing Framework, Framework for Financing Sustainable Development Projects, Social Financing Framework and the UN Sustainable Development Goals.

In 2021, Russian Railways used a new finance instrument for the transport industry – an international ESG loan linked to environmental KPIs. The loan amount is CHF 585 m over seven years. The interest rate was linked to the achievement of Russian Railways' sustainability targets.

## Leader of Russia's sustainable finance market

In March 2021, Russian Railways reaffirmed its leadership in the domestic ESG finance market as it became the first Russian issuer of green perpetual eurobonds. The deal value totalled CHF 250 m.

In September 2021, Russian Railways placed another issue of green perpetual eurobonds worth CHF 200 m.

Thus, the total volume of eurobonds issued in that series rose to CHF 450 m. This remains the only

precedent of green perpetual bonds placed in the international market by a company from Russia and the CIS.

The issue was arranged in accordance with the International Capital Markets Association's Green Bond Principles. Both issues were certified as meeting the Climate Bond Standard of the Climate Bonds Initiative (CBI). They secured refinancing of the costs incurred by green projects running under Russian Railways' Green Financing Framework.



## Russian Railways' green and social bonds outstanding as at the end of 2021

| Type                   | Issue parameters                                  | ISIN                         | External assurance                  | Target projects  |
|------------------------|---|------------------------------|-------------------------------------|--|
| 2019 green eurobonds   | EUR 500 m, 2.2% interest rate, maturity in 2027   | <a href="#">XS1843437036</a> | <a href="#">Sustainalytics 2019</a> | Purchase of Lastochka electric trains in line with <a href="#">Russian Railways' Green Financing Framework</a>                           |
| 2020 green eurobonds   | CHF 250 m, 0.84% interest rate, maturity in 2026  | <a href="#">CH0522690715</a> |                                     |  |
| 2020 green local bonds | RUB 100 bn, perpetual                             | <a href="#">RU000A102564</a> | <a href="#">Expert RA 2020</a>      | Purchase of electric locomotives in line with <a href="#">Russian Railways' Framework for Financing Sustainable Development Projects</a> |
| 2020 social eurobonds  | RUB 25 bn, 6.598% interest rate, maturity in 2028 | <a href="#">XS2271376498</a> | <a href="#">Sustainalytics 2020</a> | The Company's social projects in line with <a href="#">Russian Railways' Social Financing Framework</a>                                  |
| 2021 green eurobonds   | CHF 450 m, 3.125% interest rate, perpetual        | <a href="#">CH1100259816</a> | <a href="#">Sustainalytics 2021</a> | Green projects in line with <a href="#">Russian Railways' Green Financing Framework</a>  |

### Green project to purchase Lastochka trains


Lastochka is an electric high-speed passenger train used for both suburban and long-haul transportation.

The purchase of Lastochka trains meets the criteria of a clean

transportation project outlined by ICMA's Green Bond Principles.

As proven by the Company's indicative measurements of the environmental impact from Lastochka trains, rail passenger transport boasts a significant advantage over motor vehicles.

**RUB 16.9 BN**  
was spent on Lastochka trains in 2021.

 For more details on sustainable financing see [Russian Railways' website](#)