

Main areas of development

The target business model ensures the balanced and interdependent development of the Russian Railways Group based on five key units: Transportation and Logistics, Passenger Transportation, Railway Transportation and Infrastructure, International Engineering and Transportation Construction, and Social Policy.

A strategic priority for the development of transportation and logistics is to establish a diversified product basket for the Russian Railways Group with a transition from providing mostly transportation services to providing freight owners with complex integrated door-to-door services and the formation of global logistics chains.

A strategic priority for passenger transportation is to expand the range of advanced transportation services offered to customers by accelerating and increasing multimodal transportation and improving the quality of traditional services in trains and areas related to transportation. One of the key objectives is to expand the operating domain of rapid-transit and high-speed transportation between the country's

largest metropolitan areas on the basis of modern efficient solutions.

The strategic priorities for the development of infrastructure are dictated by its status as a natural monopoly and include reducing infrastructure costs, broadening opportunities to create new transportation (freight and passenger) and logistics products (speed, reliability of infrastructure services, increasing carrying capacity), modernising the network and building profitable additional mainlines for growing transportation volumes.

Another strategic development priority is to consolidate and expand the Group's presence on the international railway engineering and transportation

construction market and lay the groundwork to expand the Group's other businesses on the markets where it operates as a contractor for the construction of infrastructure facilities.

The Russian Railways Group's Development Strategy is based on an understanding of the importance of the Group's team as a key asset that is capable of ensuring long-term development goals and the perception of the Group's social sphere as a significant competitive advantage. The Group's social and public policy pursued outside of the workforce is an integral component of this unit.

