Occupational safety

Creating safe working conditions that aim to preserve the life and health of the Company's employees is one of the primary objectives to which Russian Railways devotes constant attention.

The Russian Railways Group's Occupational, Environmental and Industrial Safety Policy is the fundamental document that describes the Company's position, goals and key objectives in ensuring the safety of production processes.

Russian Railways has established an occupational safety management system that is a component of the Company's corporate management system.

Constant improvements to the occupational safety management system at Russian Railways as well as a set of measures to support the safety of production

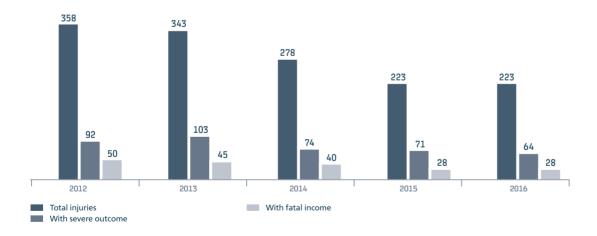
processes performed at the Company ensures a downward trend in the incidence of occupational injury and occupational disease. The injury rates have declined steadily over four years: overall injury by 38%, and fatal injury by 44%.

In 2016, in an effort to transition to a riskoriented approach in occupational safety management, the Company introduced a professional risk management system at all structural units of the Traction Directorate, Central Infrastructure Directorate, Central Traffic Management Directorate and Central Track Repair Directorate. Risk calculations were conducted using the newly developed Russian Railways Automated Professional Risk Management System (APRMS) based on the unified corporate HR resources management system. The foundation for the APRMS software was the Professional Risk Analysis and Assessment Methodology for Russian Railways Employees, which was approved in 2016.

A number of regulatory documents that envisage the establishment of a professional risk assessment and management system at Russian Railways were drafted in 2016.

The final meeting of the Russian Railways Management Board in 2016 set the objective of introducing the risk-oriented approach in the occupational safety management system at 100% of the branches of the production unit in 2017.

Occupational injury dynamics



Dynamics of key occupational safety indicators

Indicator	2012	2013	2014	2015	2016
Spending on occupational safety (measures to improve occupational safety and conditions), RUB mln	12,676.1	16,030.0	16,330.0	18,593.5	18,715.5
Occupational injury frequency rate (number of injures per '000 workers)	0.39	0.39	0.34	0.29	0.30
As a percentage, '000 jobs	19.7	7.5	9.4	4.3	1.0
Improved labour conditions, '000 jobs	55.7	46	33	23	32

