

Priority objectives of the Russian Railways Group for 2017

Ensure the unconditional fulfilment of the Company's Financial Plan and Investment Programme approved by the Government of the Russian Federation and the Russian Railways Board of Directors, including through:

- improving the principles of long-term tariff regulation and the effective application of the right to flexibly change tariff levels within the price limits;
- enhancing the internal efficiency of activities in order to ensure that the growth rate in railway transportation costs does not exceed the projected average annual consumer price index for goods and services of 104.7%;
- the effective management of resources and production reserves and the further introduction of the risk management system and outsourcing.

Ensure the traffic and carrying capacity of infrastructure meets the needs of users of railway transportation services.

Streamline the labour organisation of employees to ensure growth in workforce productivity (105%) based on rationalisation, improvements to the lean manufacturing system and quality management as well as the regulation and standardisation of internal processes.

Monitor that the volume of contracts signed complies with the parameters of the financial plans of branches, type design procurements based on the list of standard requirements, improve the quality of interaction with suppliers, including small and medium-sized business, and also develop an automated system to control the Russian Railways Group's procurement activities.

Strengthen the Russian Railways Group's positions on foreign markets for logistics and the construction of railway infrastructure by developing cooperation with foreign partners and specialised international organisations.

Implement measures that aim to enhance the management and operation of Russian Railways property by improving the management of the Company's non-core and unused property.

Update the long-term railway network development parameters, including the development of a programme for the second stage of the development of the railway infrastructure of the Eastern operating domain over the period from 2020 to 2025.

Implement measures to improve the quality of transportation and logistics services and operating domain technologies in the transportation management system in order to increase scheduled freight shipments and the reliability and speed of deliveries (by 95.5% and 380 km/day, respectively), improve the structure of transportation by freight nomenclature and also realise transport potential.

Develop a traffic safety culture at the Russian Railways Group, including enhancing the level of traffic safety and reliability of the transportation process (to the level of 1.38 events/mln pass. km), and prevent an adverse environmental impact.

Expand the range and quality of services, introduce new marketing initiatives, including through a flexible price policy to improve the level of satisfaction among long-haul and suburban passengers and also ensure sustainable transportation service, including for the 2017 FIFA Confederations Cup.

Ensure interaction with the federal executive authorities on matters concerning the tariff policy, the implementation of essential infrastructure projects, the organisation of suburban passenger transportation as well as compensation for the Russian Railways Group's declining revenue from passenger transportation and the provision of infrastructure services.

Support social stability in the workforce based on the Company's balanced and effective personnel and social policy.

Implement measures that aim to establish an integrated network of rapid-transit and high-speed transportation in the Russian Federation, above all the construction of the Moscow-Nizhny Novgorod-Kazan high-speed railway.