

Challenge of the Year

Russian Railways' response to COVID-19

In March 2020, Russian Railways established a dedicated task center to prevent the bringing-in and spread of the novel coronavirus infection and maintain stable operation of the railway transport in response to the general epidemiological situation and escalation of the COVID-19 pandemic. Its prompt actions, including epidemiological, organisational, medical, HR, technological and information response, helped to prevent an explosive spread of the infection, protect our employees and customers, and ensure uninterrupted transport operation.



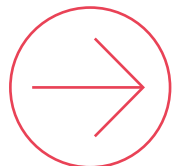
« The pandemic was a severe and objective test of our management system. All our staff, from rank and file workers to heads of regional railways, took the lead in uncertain situations, supported each other, and demonstrated their best professional and human qualities during the pandemic. »

Oleg Belozеров,
CEO and Chairman of the
Management Board

During the pandemic, Russian Railways saw its priority tasks in protecting the health of its employees and customers, facilitating the treatment of infected patients, enhancing communication with customers, introducing new customer-friendly services, and further improving service standards. The Company successfully addressed all of the year's challenges.

RZD-Medicine hospitals taking part in the fight against COVID-19

With the outbreak of the pandemic, several of the Company's healthcare facilities were converted for treatment of COVID-19 patients.¹ We also seconded medical professionals from Russian Railways' network of regional clinics to staff those hospitals.



¹ In accordance with Order No. 844-r of the Russian Government dated 2 April 2020.



2020 results:

9,148

COVID-19 patients
admitted to RZD-Medicine
hospitals

>20,000

employees
of RZD-Medicine receiving
hardship allowances

85

volunteer
response teams created

>1

m COVID-19 tests
made by RZD-Medicine
laboratories

91.9

RUB m
allocated to compensations to
bring wages to an average level
during the lockdown

2,500

volunteers
taking care of veterans

ca. **7**

RUB bn
spent by Russian Railways to
finance anti-COVID efforts

115,000

employees
moved to working
from home



In the context of growing negative macroeconomic changes, the aggravation of the epidemiological situation, and the resulting risk of a decrease in traffic volumes and earnings, at the end of Q1 2020, the Management Board members and the heads of departments, business units and branches of Russian Railways resolved to waive their quarterly bonuses for Q1 2020 and donate the total amount thereof to the All-Russian Public Movement of Medical Volunteers.



Employee protection

With the outbreak of the pandemic, Russian Railways faced three priority tasks:

- preserving employee health;
- maintaining uninterrupted business operations;
- preventing mass lay-offs and escalation of social and psychological tension among the staff.

Key steps taken

- Established a dedicated task center to prevent the bringing-in and spread of the coronavirus infection.
- Introduced security measures to control access to work, such as temperature checks, providing and monitoring the use of personal protective equipment, and social distancing.
- Cancelled all mass events (conferences, forums, sports competitions) and operational meetings.
- Shifted to online meetings, conferences, and employee training.
- Paid wage compensations to employees forced to stay at home due to lockdowns to ensure they get average wage levels.
- Delivered on all of its obligations under the Collective Bargaining Agreement.
- Launched a coronavirus vaccination campaign in late 2020. Organised more than 140 vaccination points at RZD-Medicine clinics, as well as field vaccination teams. Launched a sustained information campaign to promote the importance of vaccination. As of the report date, 93,400 employees were vaccinated.

Passenger protection

One of the key challenges faced by Russian Railways with the onset of the pandemic was to ensure the safety of long-haul and suburban train passengers.

Key steps taken

- Refunded tickets, including non-refundable ones, to all passengers who cancelled their trips during the lockdown.

In March–September 2020, passengers were refunded RUB 16.9 bn for over 7.1 million tickets.

- Provided passengers with remote options to cancel their tickets, obtain refunds for long-haul tickets and prolong their Business Travel Passes for long-distance travel.

- Introduced mandatory contactless temperature checks before gaining access to railway stations and boarding trains. Allocated premises with necessary thermometry, disinfection and personal protection equipment for temporary placement of passengers with symptoms of contagious diseases at railway stations.

- Put social distancing markings at all facilities. Developed schemes for dividing passenger flows within the premises of railway stations.

- Organised regular disinfection of premises (up to 8 times per day) and surfaces (every 2 hours). Organised inspections of ventilation systems, introduced waiting area ventilation schedules, checked the availability of sterilisation lamps, filters, and air sanitisers.

- Introduced the preferential use of online services and cashless (contactless) payments in servicing passengers and visitors.

- Reduced cancellation fees for the return of unused tickets by 100 times (to RUB 2.1).

- Implemented a quick customer response service to ensure that customers receive same-day responses.

- Users of the RZD Passengers mobile app can get assistance on any issue in a real-time chat.

Support of shippers

Russian Railways has been providing maximum support to carriers from the very onset of the pandemic. The Company offered a broad range of preferences and discounts to shippers.

Key steps taken

- Launched a legally binding electronic document management service. More than 21,000 business partners used the service and generated over 3.8 m electronic documents.

- Provided customers with free container storage services for up to 30 days at 6 container terminals for the accumulation of container trains from March 2020 to 31 March 2021.

- Offered a 5% discount for cargo handling and storage services ordered via the Freight Transportation electronic trading platform in March–August 2020.

- Launched a Hot Summer loyalty programme covering a broad range of cargoes and applicable to domestic, export and transit shipments. The loyalty programme helped the Company to resume cooperation with 34 former clients and to attract 93 new partners.

- Provided box railcars for mixed consignments at reduced prices to Federal Freight Company during the period of high alert regime. Transportation costs for shippers were reduced to the price of cargo shipment in an all-purpose car.

- Offered a preferential 90% discount to clients for the storage of crushed aggregate at 71 freight yards of the Kaliningrad, Moscow, Northern, Gorky, Privolzhsk, and West-Siberian Railways from May 2020 to the end of March 2021. The service was mainly used by companies engaged in road repairs and construction.