

Corporate Quality Management System

Quality Policy and Targets

JSC FPC's corporate quality management system (CQMS) is built in line with the parent company's Quality Management Strategy, the Development Strategy of JSC FPC, and ISO 9001:2015 Quality management systems. Requirements.

Certification of the CQMS and compliance with ISO 9001:2015 Quality management systems. Requirements

CQMS activities at the Company are governed by JSC FPC's Quality Policy.

In terms of quality, JSC FPC aims to:

- Meet customer requirements and expectations by continuously improving service quality and ensuring high levels of service, comfort and safety
- Continuously improve the Company's operational efficiency and performance by enhancing its CQMS and business processes and introducing new technologies for lean production, rolling stock maintenance, and customer service

To achieve these goals and ensure sustainable development, FPC's management undertakes to:

- Follow the management's leadership principle, foster collaboration between employees in achieving goals, enhance employees' competencies, motivation and corporate relations culture
- Support and develop mutually beneficial long-term relations with suppliers, improve the satisfaction levels among the Company's customers and all of its stakeholders
- Manage potential corporate risks, prevent recurring and potential inconsistencies, and make decisions based on objective evidence and stakeholder requirements
- Keep its CQMS compliant with ISO 9001:2015 international standard and stakeholder requirements
- Continuously improve its corporate quality management system, enhance operational efficiency and performance through process improvement, innovation and cost optimisation
- Organise the work on implementation of the Quality Policy and provide them with necessary resources

In 2023, JSC FPC successfully passed a CQMS inspection for compliance with ISO 9001:2015 Quality management systems. Requirements in support of valid certificate **No. 210890/A/A/0001/UK/RUS** dated 19 April 2023 with validity period till 17 April 2026 for the core business processes of the Company:

- Passenger, baggage and unaccompanied baggage transportation
- Passenger assistance, customer service, and carriage servicing and maintenance on long-distance trains
- Issuance and sales of travel and carriage tickets and documents
- Carriage servicing before journey
- Carriage overhaul reconditioning
- Depot repairs (DR) of carriages
- Stage one and two (KR-1 and KR-2) carriage overhauls
- Current repairs of coupled/uncoupled carriages
- Wheelset repairs
- Repairs of carriage components and assemblies
- Carriage maintenance and inspection (TO-1, TO-2, and TO-3)

Key advantages of having a certificate of compliance with ISO 9001:2015 Quality management systems. Requirements:

- Image of a customer-focused company confirmed by state-level documents
- Confirmation of FPC's compliance with global best practices in quality management by an independent certification body
- Increased passenger satisfaction driven by services provided in line with global quality standards
- Improved operational efficiency and performance of the corporate governance system
- Increased share value
- JSC FPC's higher score in bids (tenders) for the provision of auxiliary services held by the parent company and other customers

2023 Highlights

Daytime trains

As of year-end 2023, 19.8 million passengers were carried by daytime long-distance trains, up 9.9% year-on-year.

>19.8 million ^{+9.9% year-on-year}
of passengers at the year-end 2023

67 pairs of daytime trains

38 routes¹



Daytime service accounted for 18.7% of the total annual passenger traffic of JSC FPC.

Number of passengers carried, thousand people



Changes in number of passengers carried by daytime trains since 2015, million people



¹ Including Moscow – Minsk, Moscow – Tambov, Moscow – Lipetsk, Moscow – Yaroslavl, Moscow – Belgorod, Moscow – Smolensk, Moscow – Kursk, Moscow – Bryansk, Moscow – Saransk, Krasnodar – Adler, Krasnodar – Imeretinsky Resort and others.

Double-decker trains

As of year-end 2023, double-decker trains carried more than 12.7 million passengers, 14.0% higher than in 2022. Double-decker service accounted for 12.0% of total annual passenger traffic of JSC FPC.

>12.7 ^{+14% year-on-year} million of passengers at the year-end 2023

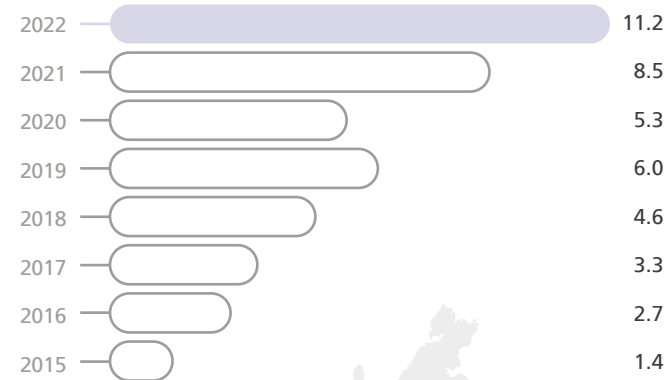
30 pairs of trains

22 routes¹

Number of passengers carried, thousand people



Changes in number of passengers carried by double-decker trains since 2015, million people



A new train No. 357/358 Ufa/Samara – Imeretinsky Resort and three additional trains in the summer period: No. 151/151 Moscow – St. Petersburg, No. 549/550 Adler – Tolyatti and No. 571/571 Samara – Anapa were added to scheduled service.



Higher-speed trains

In 2023, high-speed trains made up by JSC FPC carried 10.7 million passengers, which is 6.3% higher than in 2022, accounting for 10.1% of FPC's total annual passenger traffic.

>10.7 ^{+6.3% year-on-year} million of passengers at the year-end 2023

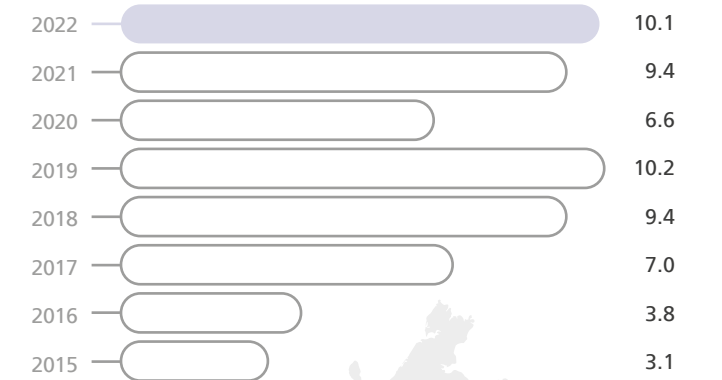
28 pairs of daytime trains

8 routes¹

Number of passengers carried, thousand people



Changes in number of passengers carried by higher-speed trains since 2015, million people



since 2 June 2023 daytime high-speed train No. 727/728 St.-Petersburg – Moscow



¹ St. Petersburg – Moscow, St. Petersburg – Belgorod, Moscow – Adler, Moscow – Kazan, St. Petersburg – Adler, Voronezh – Moscow, Samara – Moscow, Izhevsk – Moscow, Penza – Moscow, Togliatti – Moscow, Kislovodsk – Moscow, Petrozavodsk – Moscow, Moscow – Bryansk, St. Petersburg – Murmansk, Moscow – Ulyanovsk, Moscow – Cheboksary, Moscow – Yoshkar-Ola, St. Petersburg – Kostroma, Moscow – Orsk, Ufa/ Samara – Imeretinsky Resort, Togliatti – Adler and Samara – Anapa.

¹ Moscow – Nizhny Novgorod, Moscow – Smolensk, Moscow – Voronezh, Moscow – Kursk, Moscow – Bryansk, Moscow – Belgorod, Moscow – Minsk, Moscow – St. Petersburg.

Tourist Trains

In 2023, the number of FPC tourist trains increased to 27 (+58% vs. 2022). The trains called the Pearl of the Caucasus, Winter Fairy Tale, To Karelia, To Siberia and Baikal Express are still very well-liked by travellers. New projects were launched: To the Vineyards by the Sea, To Northern Lights, Along the Golden Ring, Taste of the Era, Russian North. To Veliky Ustyug, To the Lotus Valley, Grushinsky Express, Along the Oldenburgsk Road, Weekend in Dombay and To the Mountains and Thermal Springs.

Another new multi-modal tourist route was organised covering Ritsa – Cherepovets – Sochi Airport – Rosa Khutor – Gagra – Sukhum – Sochi – Sochi Airport – Cherepovets. This is a joint project of the parent company, LLC Severstal Aviation Enterprise, JSC FPC and LLC RZD Tour. With the Russian-Belarusian tourist project called the Belarusian Voyage, many tourists had a chance to visit the Republic of Belarus. The Sochi tourist train continues to run between Russian resort cities and to Abkhazia.

For 2024, the Company's top priority areas will continue to be the growth and mainstreamification of tourist service.

Car carriers

4,400

motor vehicles were transported in car carriers in 2023, motor vehicles transported in FPC car carriers on the following routes:

- Khabarovsk – Novy Urgal
- St. Petersburg – Adler
- Moscow – St. Petersburg
- Moscow – Adler
- Moscow – Vladivostok



The southern destinations (St. Petersburg – Adler, Moscow – Adler), according to the findings of 2023, became the most popular.

Traffic and new trains

In the 2022/2023 standard train schedule, the overall traffic of FPC passenger trains amounted to 468 train pairs, including 277 pairs of express trains, 164 pairs of passenger trains and 27 pairs of high-speed trains. To improve efficiency and rational utilisation of rolling stock, the schedule service includes 141 pairs of multi-group trains.

New long-distance trains:

In order to improve transport accessibility of the regions and attract additional passenger traffic to rail service, new trains were added to the train schedule for 2023/24:

- No. 27/28 Vladivostok – Blagoveshchensk
- No. 99/100 Nizhny Novgorod – Labytnangi
- No. 117/118 St. Petersburg – Labytnangi
- No. 141/142 Smolensk – Arkhangelsk
- No. 143/144 Smolensk – Murmansk
- No. 147/148 Kazan – Moscow
- No. 149/150 Kazan – Moscow
- No. 265/266 Tyumen – Kislovodsk
- No. 373/374 Tyumen – Derbent
- No. 517/518 Saratov – Murmansk
- No. 559/560 Volgograd – Rostov-on-Don
- Non-stop groups of carriages Perm – Kislovodsk
- Non-stop groups of carriages Chelyabinsk – Tashkent
- Non-stop groups of carriages Grozny – Kazan
- Non-stop groups of carriages Arkhangelsk – Syktyvkar
- Non-stop groups of carriages Nizhny Novgorod – Minsk
- Non-stop groups of carriages Astrakhan – Anapa

International service

>3.2 million passengers

carried internationally in 2023

As the epidemiological situation in the Russian Federation returns to normal in 2023, JSC FPC focused its attention on the expansion of international passenger service with friendly

neighbouring nations. The Company provided railway passenger service between the Russian Federation and Abkhazia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

The primary goal of international cooperation in 2023 was to augment the passenger traffic on the Russia Federation – Republic of Belarus passenger market, given its capacity under the existing circumstances. Thus, new trains No. 149/150 Samara – Minsk and No. 67/68 St. Petersburg – Smolensk were scheduled, running along the territory of Belarus through the border towns – Nevel, Vitebsk, Rudnya. Moreover, non-stop groups of carriages Minsk – Mineralnye Vody, Nizhny Novgorod – Minsk, Minsk – Arkhangelsk were arranged, and as for Central Asia direction, a non-stop group of carriages from Chelyabinsk to Tashkent was organised in 2023.

A total of 3,205,820 people were carried internationally as of the year-end.

Import substitution

The Russian Federation's railway transport sector has long been subject to restrictive measures from Western nations. This year is no exception. This may result in issues with rolling stock functioning and the supply of foreign-made parts required for its upkeep.

In order to ensure technological self-sufficiency, the Company made a concerted effort in 2022–2023 to substitute imported system designs and assemblies of passenger carriage, as well as production processes related to maintenance and repair of rolling stock. During this period, 1,220 foreign-made products were listed, including:

- for 866 items (71% of the total number) – counterparts were introduced in design documentation
- 328 items (27% of the total number) – counterparts were selected, but are to be incorporated into the design documentation
- 26 items (2% of the total number) – in the red zone (no counterparts were selected)

However, the situation with these components is not critical and does not affect the continuity of the transportation process, as they are available in the warehouses of suppliers on the territory of the Russian Federation.

