

# Strategic approach for Sustainable Development towards 2030

May 30, 2022

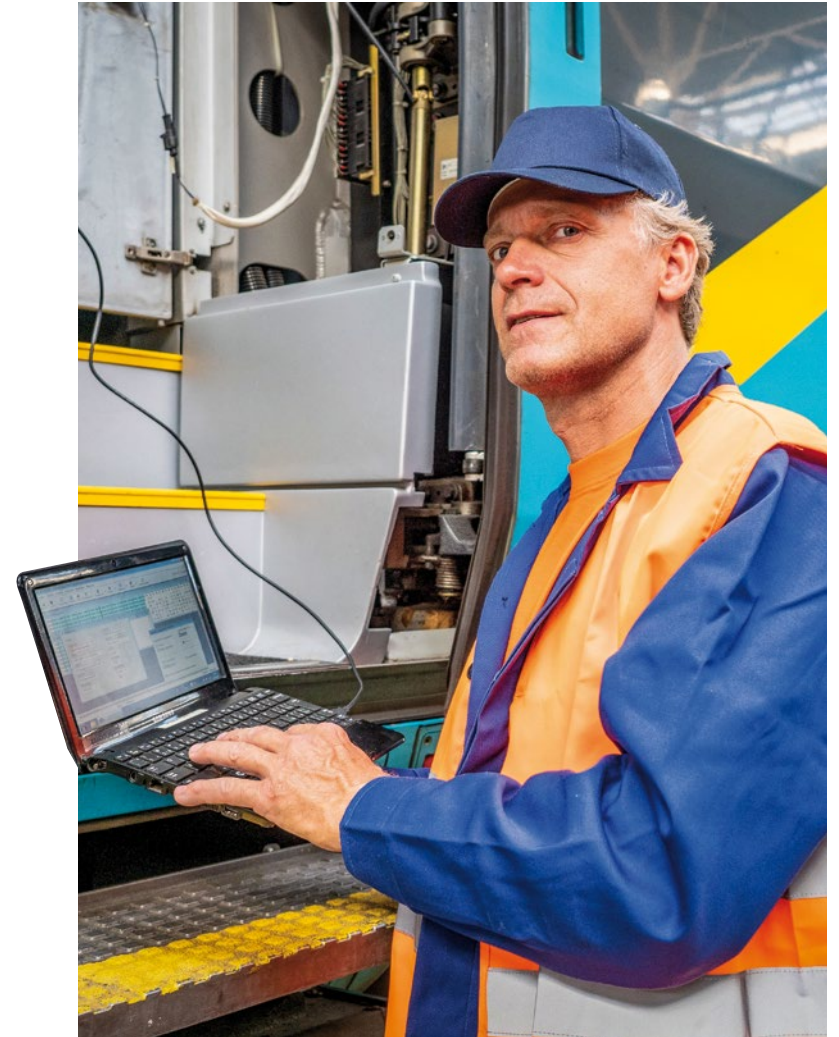




# Our short term Sustainability strategy by 2025

According to our short term strategy, we want to further improve our sustainability performance by addressing specific development targets in the following areas by the year 2025.

1. Safe and reliable railway transport services
2. Environment-friendly transport services
3. Promotion and support of Clean Transportation future
4. Employer attractiveness and responsibility
5. Corporate governance supporting ESG principles



# Our current Sustainability and ESG initiatives

## SOCIAL initiatives already implemented or in progress:

- ŽELEZNICE SRDCEM Endowment Fund – we already collected CZK 26 million to provide financial support of railway staff members and their families in difficult life situations
- Participation in other social projects: SOS Children's Villages, Christmas Grandchildren, Earth Day
- Extra social fund contributions – social contributions, contributions to improve working environment, contributions to cultural and sports events, recreations or camps for children.
- Work-life balance – we offer shortened working weeks according to the job specialization. Parents can also use corporate children's groups for their small kids or summer or winter camps organized by ČD.
- Age management system – within social fund contributions we offer health and recovery programs for selected professions with high physical load
- Cooperation with high schools and universities – Scholarship program known as ČéDés, financial contribution to build a relax zone for students of the Faculty of Transport Engineering, University of Pardubice



## GOVERNANCE initiatives already implemented or in progress:

- Established and regularly evaluated Codes of Conduct (internally, within the supply chain and towards business partners)
- A general supply chain evaluation system is in place and regularly updated to reflect the latest risks and issues related to the Group's operations
- Green and Social procurement policy is in place and applied for relevant projects
- Anti-corruption and whistleblowing measures are in place and regularly updated



# External factors driving our sustainable future



## Sustainable Development Goals (SDGs)

- through our activities and initiatives, we want to actively contribute to 9 of the 17 SDGs – when selecting these goals, we take into account not only our sustainability priorities, but also national sustainability goals in the Czech Republic



## European Green Deal and transport sector development goals

- reduction of greenhouse gas emissions from transport in the EU by 90% by 2050
- transfer of 75% of inland freight transport, which is now provided by road, to railway transport and inland waterway in the EU Member States



## Czech Republic national strategic guidelines for transport sector

- Strategic Framework for Sustainable Development of the Czech Republic
- Transport policy of the Czech Republic for the period 2021 – 2027 with a view to 2050



# Our current Sustainability and ESG initiatives



The transition of Czech Railways to a sustainable future has already begun. We focus on both – to address priority environmental issues and gradually increase our social and governance responsibility.

## ENVIRONMENTAL initiatives already implemented or in progress:

- Railway stock modernization – new zero emission vehicles being introduced
- Increasing the energy efficiency of railway operations (measuring electricity consumption and recuperation support)
- Mapping the potential for building energy savings
- Preparations for the transition to renewable electricity sources





# Our vision and strategic framework

**As a national railway carrier, Czech Railways already provides the most environment-friendly transport services in the Czech Republic.**

In accordance with our corporate development strategy ČD 2030, we will further focus on the following strategic priorities:

1. to keep our position as a national mobility leader and first customer / passenger choice in terms of comfort, safety and reliability
2. to be a company with a transformed organizational structure reflecting market liberalization in order to provide high value-added services value for other carriers on the market
3. to be a more effective modern digital company in the field of distribution channels and internal processes of the company
4. to become an environment-friendly company with one of the lowest carbon footprints in the transport sector of the Czech Republic
5. to be one of the best employers in the Czech Republic with a valuable social responsibility program



# Our short term Sustainability strategy by 2025

## Strategic Development areas

Strategic initiatives (in progress or being defined)

### Safety & reliability

- ETCS implementation
- Customer satisfaction measures improvements (NPS)
- Transport Service Quality measures improvements

### Environment-friendly transport

- Carbon Footprint monitoring & certification
- Gradual transition to renewable energy
- Carry on renewal of the railway stock with zero-emission vehicles
- "End of Diesel" development strategies
- Waste recycling ratio improvements
- Noise emissions reduction

### Clean Transportation future

- Promoting "Green Railway" concept
- Promoting new multi-modal transport scenarios
- Innovation@Transport program to inspire and engage state & public authorities

### Employer attractiveness

- Increasing employee satisfaction, development and engagement
- Recruiting and developing a new generation of employees
- Promoting diversity and equal opportunities
- Increasing safety and promoting employee health

### ESG Corporate governance

- Implementing internal Sustainability mngm. procedures
- Readiness for CSRD reporting
- Readiness for ESG ratings and audits
- Analyzing and implementing the principles of supply chain sustainability assessment



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