



**PKP POLSKIE LINIE KOLEJOWE S.A.**

*Zarządca narodowej sieci linii kolejowych*

## 2023 ANNUAL REPORT



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Publisher: Communications and Promotion Department, PKP Polskie Linie Kolejowe S.A., ul. Targowa 74, 03-734 Warsaw.*



*Dear All,*

*I present to you the next issue of the Annual Report of Poland's largest railway company, which showcases the most important areas of PKP Polskie Linie Kolejowe S.A.'s activities in 2023.*

*The Company's task is to run railway traffic based on adjusted timetables, to provide railway customers — carriers and passengers — with the best possible railway line parameters and to increase the level of railway safety.*

*We take a holistic view of the railway network; therefore, we will take measures to provide carriers with favourable conditions for the operation and development of traffic, passenger and freight alike. We are committed to safe, on-time train traffic based on efficient timetables and capacity utilisation. Smooth train traffic will be possible thanks to standardised, good technical parameters, which also means a reduction in speed restrictions on the network.*

*As an infrastructure manager, we have recently been presented with new challenges, mainly related to increasing the efficiency and pace of investment projects and better operational performance.*

*In the investment process, the Company's most important task will be to accelerate the construction work and to spend the available funds in a targeted manner, so that they bring appropriate effects and serve carriers and passengers. By implementing investment programmes, we want to maintain the growing upward trend in rail transport, especially in the passenger segment.*

*Our intention is for PLK SA to be an increasingly modern company with each passing year. PLK SA will also undertake a number of tasks, including optimisation, which will result in sustainable cost, maintenance and operational efficiency.*

*Moreover, the standardisation of infrastructure maintenance management processes, safe and on-time train operations and innovative solutions will be correlated with the implementation of lessons learned and conclusions resulting from the way railways operate in other countries.*

*It is with great pleasure that I submit to you this 2023 Annual Report of PKP Polskie Linie Kolejowe S.A. Have a pleasant and interesting read.*

**Piotr Wyborski**  
*President of the Management Board  
PKP Polskie Linie Kolejowe S.A.*





# 1. Composition of the Company's Supervisory Board and Management Board

## SUPERVISORY BOARD COMPOSITION

### **Jakub Majewski**

Chairman of the Supervisory Board

### **Artur Kawaler**

Secretary of the Supervisory Board

### **Magdalena Błaszczyk**

Member of the Supervisory Board

### **Piotr Gebel**

Member of the Supervisory Board

### **Kazimierz Karolczak**

Member of the Supervisory Board

### **Joanna Klekot**

Member of the Supervisory Board

### **Tomasz Rurka**

Member of the Supervisory Board

### **Henryk Sikora**

Member of the Supervisory Board

### **Witold Stępień**

Member of the Supervisory Board

## MANAGEMENT BOARD COMPOSITION

### **Piotr Wyborski**

President of the Management Board

### **Michał Gil**

Member of the Management Board – Director for Operational Affairs

### **Małgorzata Kuczevska-Łaska**

Member of the Management Board – Director for Finance

### **Krzysztof Waszkiewicz**

Member of the Management Board – Director for Infrastructure Maintenance

### **Marcin Mochocki**

Member of the Management Board – Director for Investment

### **Maciej Kaczorek**

Member of the Management Board – Director for Strategy and Development

### **Piotr Kubicki**

Member of the Management Board – Director for Digital Transformation

*(as of 30 September 2024)*



## 2. Financial result

### Economic-financial results

2023 – 2022 financial result (PLN million)				
Specification	2023	2022	Change 2023 - 2022	%
Sales revenue and equivalent revenue	8,110.5	7,936.0	174.5	2.2
Operating costs	10,496.3	9,408.2	1,088.1	11.6
Profit on sales	-2,385.8	-1,472.2	-913.6	62.1
Margin on sales	-29.4%	-18.6%	-10.8 p.p.	-
Other operating revenue	2,399.4	1,982.9	416.5	21.0
Other operating expenses	2,099.3	452.4	1,646.9	364.0
Result from other operating activities	300.1	1,530.5	-1,230.4	-80.4
EBIT	-2,085.7	58.3	-2,144.0	-3,677.5
EBITDA	448.6	2,369.1	-1,920.5	-81.1
EBITDA margin	5.5%	29.9%	-24.4 p.p.	-
Financial revenue	1,754.0	607.8	1,146.2	188.6
Financial expenses	596.2	409.6	186.6	45.6
Profit (loss) from financial activities	1,157.8	198.2	959.6	484.2
Profit (loss) before tax	-927.9	256.5	-1,184.4	-461.8
Income tax	9.2	83.1	-73.9	-89.0
Net profit (loss)	-937.1	173.4	-1,110.5	-640.4
Net profitability	-11.6%	2.2%	-13.8 p.p.	-

In 2023, PKP Polskie Linie Kolejowe S.A. recorded a net loss of PLN 937,065 thousand. The financial result was lower than that achieved in 2022 by PLN 1,110,482 thousand. The decline in the financial result was mainly due to a significantly lower profit

from other operating activities (a decrease of PLN 1,230,350 thousand compared to 2022).

In 2023, there was a 16.5% increase in total revenue, with a 28.4% increase in total costs compared to 2022.

The 2023 revenue from the provision of railway lines, which was PLN 8,226,000 higher compared to 2022, was due to the higher operating performance by passenger carriers, which was related to an expansion of the transport offer.

PKP Polskie Linie Kolejowe S.A. incurred 11.6% higher operating costs in 2023 compared to 2022.

The increase in operating costs concerned such things as:

- 1) labour costs – primarily due to an increase in the minimum wage and salary increases for the Company's employees;
- 2) depreciation and amortisation – mainly due to the settlement of expenditures on fixed assets in the amount of PLN 10,909,456 thousand.
- 3) outsourced services and consumption of materials and energy – primarily due to higher maintenance and repair costs resulting from the implementation of tasks under the so-called Maintenance Programme (Government programme to support the tasks of railway infrastructure managers, including maintenance and repair, until 2028), as well as an increase in energy costs.

The year 2023 saw a significant decline in the result from other operating activities, primarily because of the recognition in other operating expenses of the costs of provisions for future liabilities due to court claims of contractors carrying out investment project tasks.

In 2023, the Company generated PLN 1,157,833 thousand in profits from financing activities. The achievement of a PLN 959,597 thousand higher result compared to 2022 is mainly the result of interest revenue.



### 3. Train path sales

#### Sharing railway infrastructure

PKP Polskie Linie Kolejowe S.A. makes its infrastructure available on an equal basis to railway operators. In 2023, the access was granted subject to the principles established in the Act on Railway Transport as well as in the regulation of the Minister competent for rail infrastructure of 7 April 2017 on sharing railway infrastructure.

A total of 2,738,336 train rides were made in 2023 based on the timetables provided to the applicants, including:

1. Annual Timetable prepared based on applications submitted by applicants and updated during its validity period on set dates – 1,828,791 train rides;
2. Individual Timetable prepared by PLK SA when there is some throughput available, upon request made by applicant for train routes allocation — 909,545 train rides.

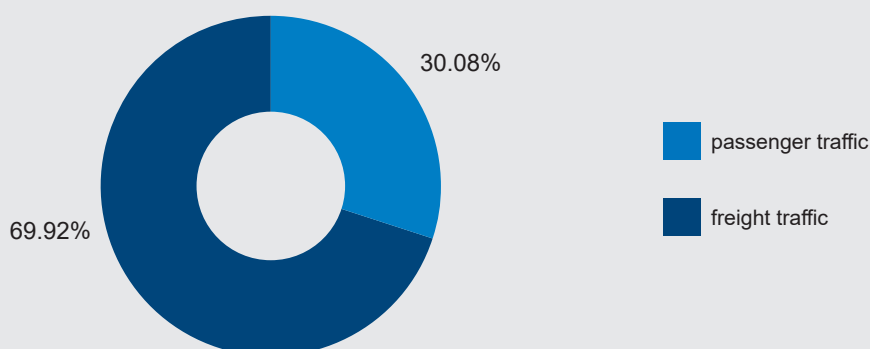
In 2023, the Company made its railway lines available to 125 undertakings, including 18 in passenger traffic, 101 in freight traffic, and 6 in both passenger and freight traffic. Eleven new clients launched their business activity on the network managed by PKP Polskie Linie Kolejowe S.A.

The basic reference value in terms of measuring access to railway lines is operating performance, expressed in train-kilometres [train-km]. In 2023, 269.75 million train-km were achieved, including 188.60 million train-km in passenger services and 81.15 million train-km in freight services.

In 2023, PLK SA recorded a 1.38% increase in the total volume of operational work performed by clients compared to 2022 (there was an increase by 3.37% in passenger transport as well as a 2.98% decrease in freight transport).



## Operating performance per train type in 2023



## Data concerning completed international carriages

International transport services in cross-border traffic in 2023 were performed by 67 operators.

In 2023, 186,323 train rides were completed as part of border traffic, including 105,865 in passenger traffic and 80,458 in freight traffic. The rides across the German-Polish border comprised 44.51% (82,926) of all international railway crossings, those across the Polish-Czech border accounted for 34.97% (65,161), the Polish-Ukrainian border – 7.37% (13,728), the Polish-Belarusian border – 6.58% (12,252) and the Polish-Slovak border – 4.53% (8,435); in the case of the Polish-Lithuanian border, it was less than 1.63% (3,032) and the Polish-Russian border – 0.42% (789).

In 2023, PKP Polskie Linie Kolejowe S.A. carried out an average of 510 train rides per day in international traffic under the Individual and Annual Timetables.

To make it easier for the railway undertakings to use international train routes, the One Stop Shop (OSS) unit at PKP Polskie Linie Kolejowe S.A., which is part of the international OSS network within RailNetEurope (RNE), provides comprehensive information about the conditions that need to be met to access the RNE members' infrastructure and the services and products they offer. Customers interested in in-

ternational train rides may contact an OSS, which will then take over the process of allocation along the entire train route. PKP Polskie Linie Kolejowe S.A. works with neighbouring railway infrastructure managers under the Annual and Individual Timetables in both passenger and freight traffic.

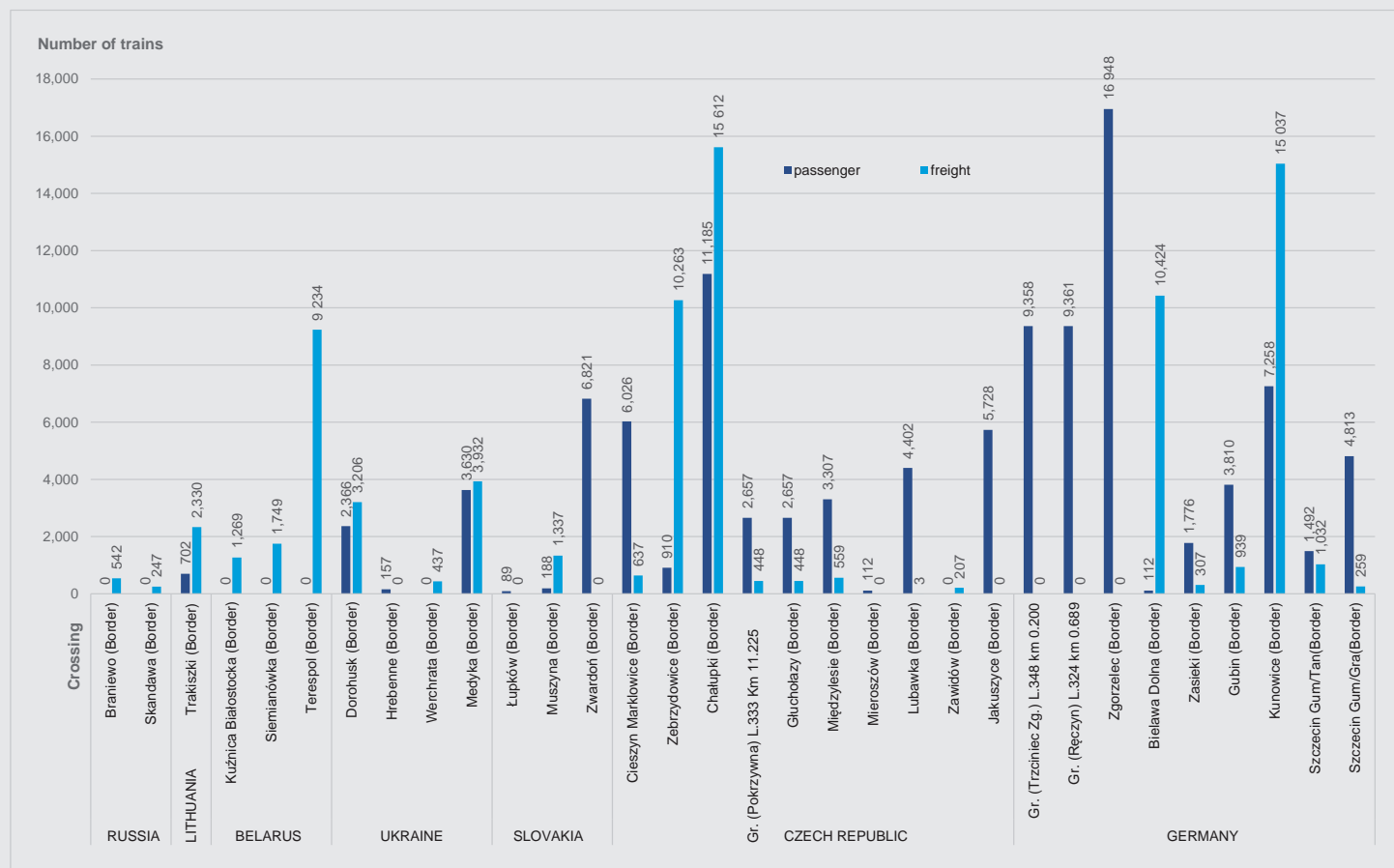
The cooperation with BCz railway (Belarus) is based on a bilateral agreement and the Local Railway Border Agreement (MKPG), whereas that with RZD (Russia) and UZ (Ukraine) takes place under the Instruction for Cross-border Traffic Management, and that with DB Netz (Germany), LG (Lithuania), SŽ (Czech Republic) and ŽSR (Slovakia) is carried out both under bilateral agreements and regulations of international organisations.

Trains rides under Individual Timetables are arranged in a separate way:

1. between PKP Polskie Linie Kolejowe S.A. and DB Netz, LG, SŽ and ŽSR, i.e. they are based on a common procedure (24h/a day via the Railway Traffic Management Centre being coordinated in Warsaw);
2. for the remaining infrastructure managers — by the OSS unit at the Railway Traffic Management Centre in Warsaw.



## International transport services in cross-border traffic in 2023



## Data concerning completed national carriages

In 2023, the following trains operated on the network managed by PKP Polskie Linie Kolejowe S.A.:

- in passenger traffic: 1,831,940 trains (an increase by 87,516 compared to 2022);
- in freight traffic: 409,503 trains (a decrease by 37,336 compared to 2022).



## 4. Infrastructure

### Railway lines

In 2023, the length of railway lines in operation was 18,806.723 km and increased by 173.058 km compared to 2022. This was due to the need to adapt infrastructure to the evolving transport needs.

The railway infrastructure in use, managed by PKP Polskie Linie Kolejowe S.A. (as of 31 December 2023), is as follows:

- 18,806.723 km of railway lines;
- 36,326.688 km of track, including:
  - 27,558.092 km of route tracks and main principal tracks at stations;
  - 8,768.596 km of station tracks;
- 37,352 turnouts, including:
  - 18,006 turnouts on route tracks and main principal tracks;
  - 19,346 turnouts on station tracks.

- 11,603 rail-level crossings, including level crossings of the following categories:

- A – 2,064;
- B – 1,652;
- C – 1,760;
- D – 4,764;
- F – 905;
- cat. E pedestrian crossings – 485.

For several years there has been a systematic increase in the length of tracks allowing a maximum scheduled speed  $V_{max} \geq 120$  km/h.

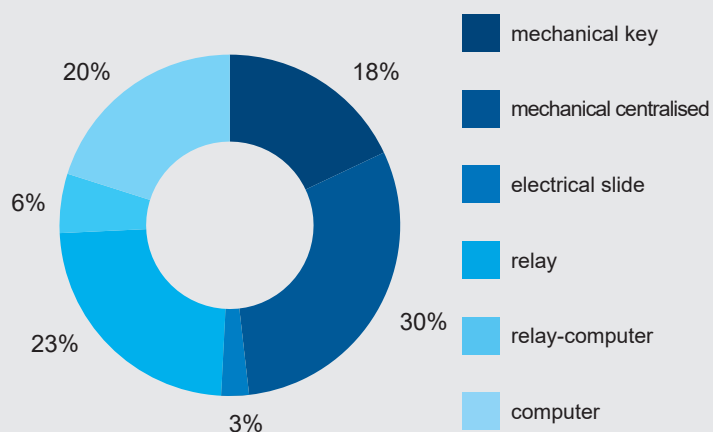
At the end of 2023, the length of such tracks was 12,844 km compared to 11,834 km at the end of 2022, with 11,567 km available at the end of 2021 and 11,131 km at the end of 2020.

## Signalling and telecommunications

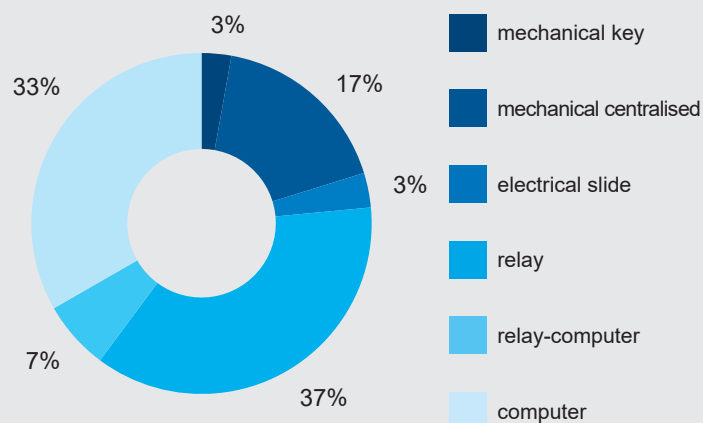
PKP Polskie Linie Kolejowe S.A. supervises groups of technical railway infrastructure equipment such as:

- control-command and signalling (CCS) equipment;
- rolling stock emergency detection equipment;
- other maintenance support equipment.

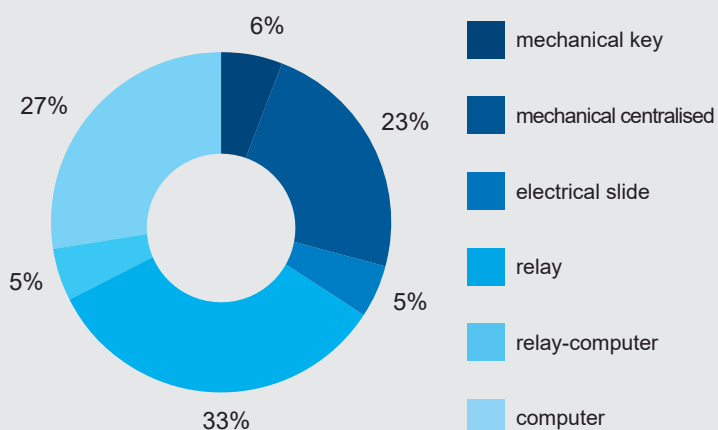
The signal box control areas are equipped in various types of station CCS equipment



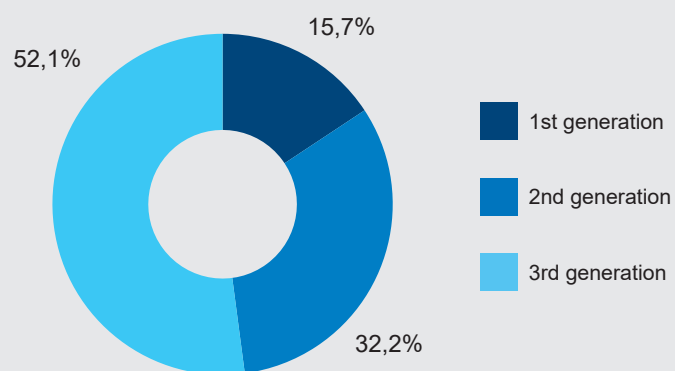
Signallers in various types of station CCS equipment



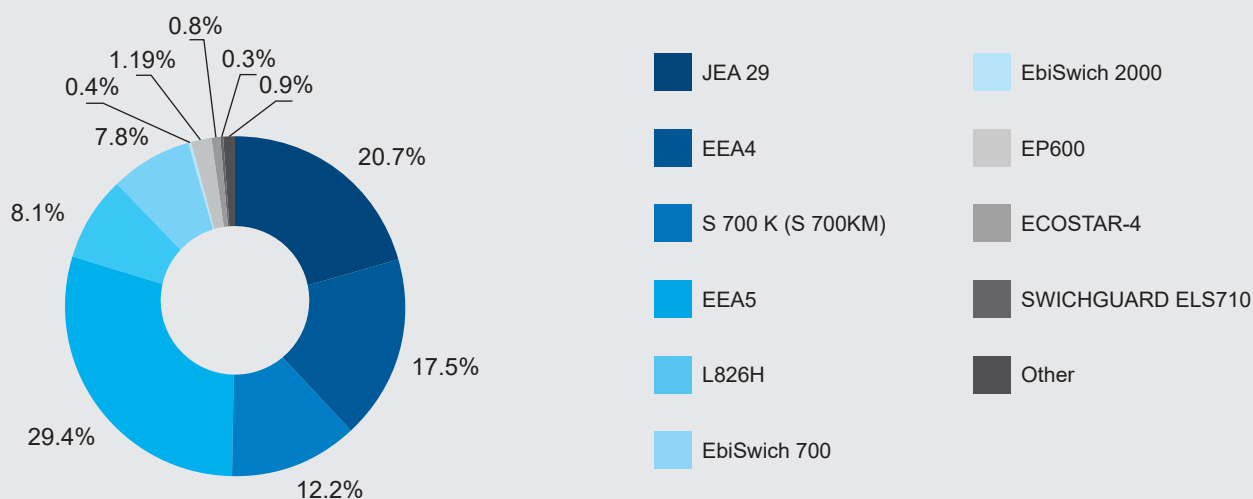
Switches in various types of station CCS equipment



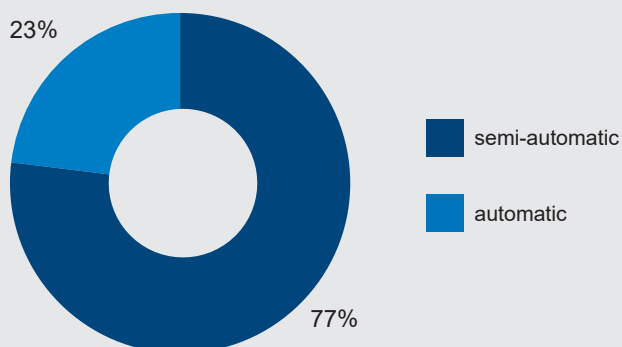
Types of point machines used



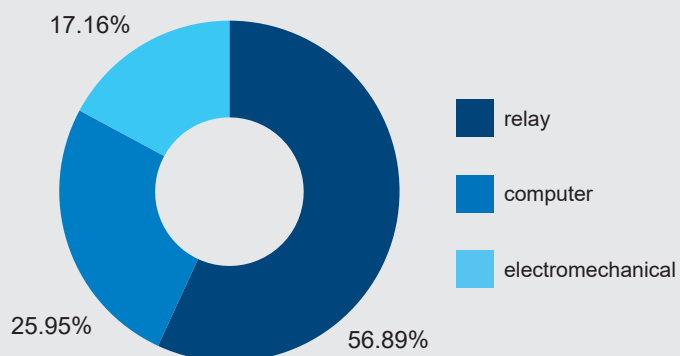
## Types of electric point machines used



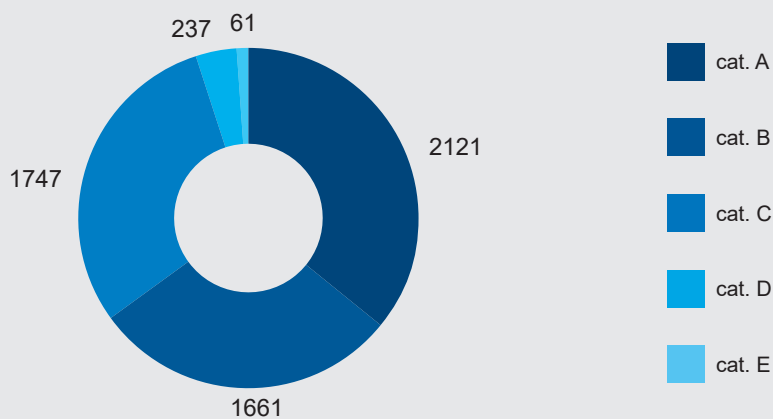
## Types of signalling block systems used [%]



## Signalling block systems by system technologies [%]



## Breakdown of level crossings with traffic safety equipment into individual categories





## Electrical power equipment

Electrical power equipment as of 31 December 2023			
Specification	unit of measurement	2023	2022
<b>Contact line devices:</b>			
length of electrified railway lines	km	12,149	12,080
length of the contact line	tkm	25,152	25,074
Contact line disconnectors	pcs.	20,371	20,321
including controlled disconnectors	pcs.	13,979	13,889
<b>3 kV DC devices (leased to PKP Energetyka S.A.):</b>			
traction substations/sectional cabins	pcs.	11	11
Modernised traction substations/sectional cabins	pcs.	26	26
<b>Turnout electric heating (EOR):</b>			
number of turnouts equipped with EOR	pcs.	23,214	22,491
single turnouts, including locking devices	pcs.	41,608	39,273
<b>Outdoor lighting and facility electrical systems:</b>			
outdoor lighting points	pcs.	224,443	217,969
installation points and indoor lighting	pcs.	238,142	230,889
<b>MV distribution lines:</b>			
non-traction lines (NTL)	km	921	896
<b>Electric power delivery points:</b>			
Number of electric power delivery points	pcs.	17,526	17,409
contracted capacity	kW	459,578	437,806

### Overhead Contact Lines (OCL)

Technical characteristics of contact line devices				
Item	Technical condition	2023 % share	2022 % share	Change
Contact line devices	Very good	18	*	18
	Good	40	63	- 23
	Satisfactory	40	35	5
	Unsatisfactory	2	2	0
	Inadequate	0	0	0

## Turnout electric heating equipment

Characteristics of EOR equipment				
Item	Technical condition	2023 % share	2022 % share	Change
Turnout electric heating equipment	Very good	16.7	*	16.7
	Good	45.4	60.7	-15.3
	Satisfactory	35.7	37.6	-1.9
	Unsatisfactory	1.5	1.1	0.4
	Inadequate	0.7	0.6	0.1

## Outdoor lighting equipment for railway grounds

Characteristics of outdoor lighting equipment for railway grounds				
Item	Technical condition	2023 % share	2022 % share	Change
Outdoor lighting equipment for railway grounds	Very good	13.1	*	13.1
	Good	52.8	64	-11.2
	Satisfactory	26	26	0
	Unsatisfactory	7.8	8.5	-0.7
	Inadequate	0.3	1.5	-1.2

The Company operated 53 photovoltaic installations with a total capacity of 797 kWp in 2023, which produced 453.894

MWh of energy. The Company used 268.353 MWh for its own consumption.

## Passenger service facilities

PKP Polskie Linie Kolejowe S.A. undertakes a number of initiatives in the area of passenger service infrastructure, such as providing clear signposting of passenger stations and railway stops, access to train traffic information, and providing infrastructure to ensure passenger comfort while waiting for a train. Railway stations and stops are being adapted to the needs of persons with reduced mobility.

### Names of railway stations and stops

The process of tidying up and reshaping the public space in which travellers navigate was continued in 2023 with the naming and renaming of railway stations and stops in line with current regulations. Names were given to 40 new railway stations and stops.

### Video monitoring

In 2023, the project for the establishment of the Video Monitoring System (SMW) continued at the stations of railway line No. 351 (on sections: Wronki – Słonice, Słonice – Szczecin Dąbie and Poznań Wola – Wronki, as well as at the Warsaw Railway Junction at Warszawa Zachodnia station). Moreover, design work was carried for the construction of the SMW on railway lines No. 6, 28, 182, 131, 2, 3, 275 and 282, as well as works on the project involving the establishment of the Passenger Infrastructure Safety Centre (CBIP), which will serve as a central point for the supervision of national video monitoring system belonging to PKP Polskie Linie Kolejowe S.A.

## **Platform equipment, maintenance and access routes**

In 2023, we continued implementing the tasks aimed at improving the comfort of passengers waiting for trains at railway stations and stops, which included:

- 1) providing 65 platform shelters in 50 locations;
- 2) providing nearly 235 litter bins in 78 locations;
- 3) providing 153 platform benches in 31 locations;
- 4) providing 234 bicycle stands in 42 locations;
- 5) providing 292 notice boards in 168 locations;
- 6) providing new permanent signage boards in over 160 locations.

## **Maintaining cleanliness on platforms and their access roads at railway stations and stops, as well as at Łódź Fabryczna station**

In 2023, the project to maintain cleanliness of platforms and their access routes, as well as tracks, intertrack spaces, station buildings and other infrastructure serving travellers was continued (together with PKP S.A.).

## **Adaptation of passenger infrastructure to the needs of persons with disabilities and persons with reduced mobility (PRM)**

As part of the Company's refurbishment and regeneration efforts, 144 platforms were reconstructed, and 113 new ones were built. This involved ensuring their adaptation to the needs of persons with reduced mobility through such means as: installation of 74 passenger lifts and 177 ramps leading to the platforms, construction of paths for the visually impaired

and blind and adjustment of platform heights to the applicable guidelines. The year 2023 also saw the Company continue its cooperation with PKP S.A. in providing assistance to disabled persons and persons with reduced mobility at passenger stations by security personnel employed by PKP S.A. As part of this cooperation, more than 33,000 persons with reduced mobility received assistance at 69 stations in 2023.

## **Inspections and audits of passenger infrastructure**

PKP Polskie Linie Kolejowe S.A. continued to carry out passenger infrastructure inspections and audits, which were carried out to identify and remedy non-compliances with the Company's internal regulations on passenger infrastructure, as well as due to the need to have up-to-date and reliable information on the condition of such infrastructure.

## **Commercial development of passenger infrastructure**

In 2023, PKP Polskie Linie Kolejowe S.A. leased passenger infrastructure spaces for commercial purposes on an ongoing basis. This activity was carried out based on the "Guidelines for the commercial development of passenger infrastructure managed by PKP Polskie Linie Kolejowe S.A.", which define the principles of commercial, service and advertising space development in passenger infrastructure areas.

## **"Sprawny Peron" app**

Launched in 2023, the "Sprawny Peron" (Functional Platform) app allows travellers to report deficiencies in passenger infrastructure directly to the Company.



## 5. Safety

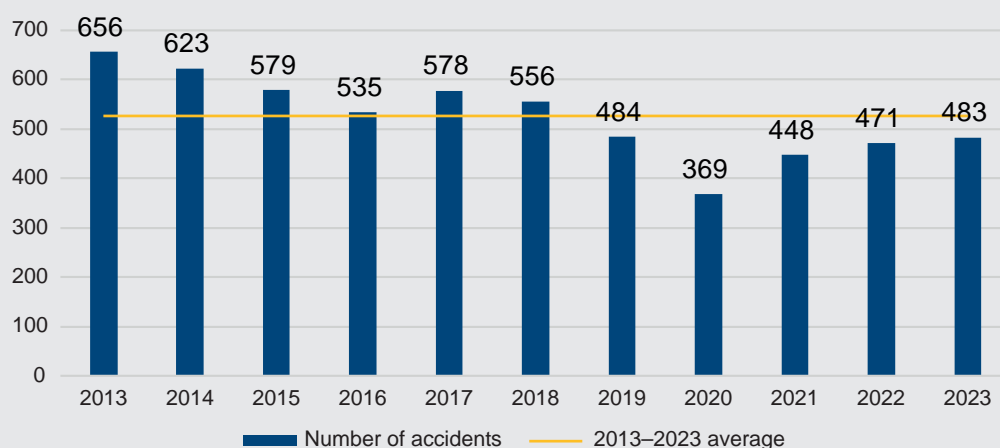
### Statistics of railway events

(as of September 2024)

Between 1 January and 31 December 2023, there were 483 accidents (excluding suicides) on the railway network managed by PKP Polskie Linie Kolejowe S.A.

Compared to 2022, there were 12 more accidents (2.5% increase).

Comparison of the number of accidents on railway lines managed by PKP Polskie Linie Kolejowe S.A. between 2013 and 2023





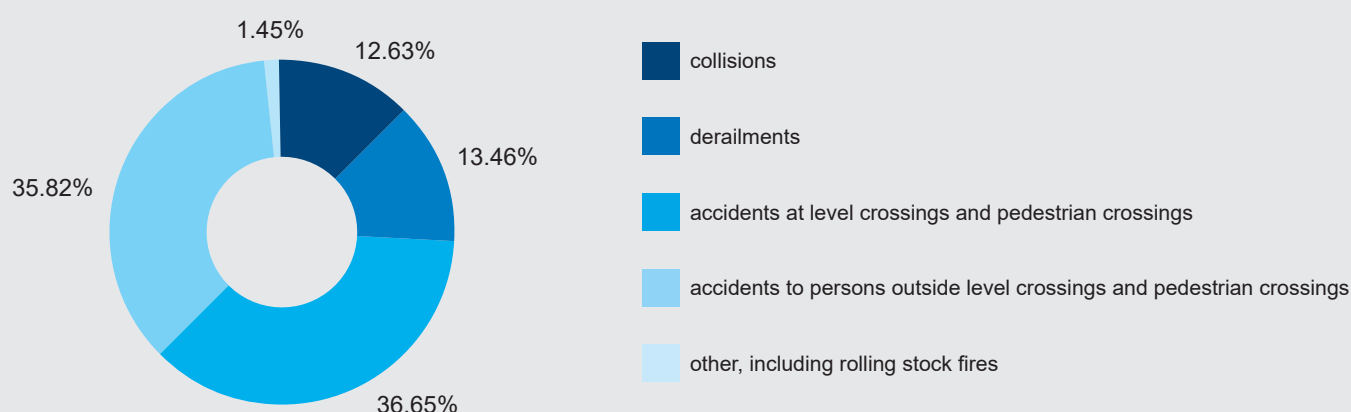
## Accidents and serious accidents by type

The accident type classification used by PKP Polskie Linie Kolejowe S.A., which is compliant with the requirements of the Office of Rail Transport (UTK) and European Railway Agency (ERA), includes:

1. collisions;
2. derailments;

3. level crossing and pedestrian crossing accidents;
4. accidents to persons outside level crossings and pedestrian crossings (except suicides);
5. rolling stock fires;
6. other accidents.

Quantitative structure of accidents on the rail network managed by PKP Polskie Linie Kolejowe S.A. in 2023 by type



It can be seen from the graph above that by far the most numerous groups of accidents occurring on the network managed by PKP Polskie Linie Kolejowe S.A. were accidents involving people outside level crossings and pedestrian crossings (people being hit on railway land or jumping on/off trains) and accidents at level crossings and pedestrian crossings. Collisions and derailments accounted for just over 26% of railway accidents in 2023. These are incidents that usually occur because of the broadly understood railway system, i.e. technical equipment, procedures and/or human and organisational factors (on the part of the railway undertaking or the infrastructure manager). The possibility to reduce these two types of accidents depends directly on the measures taken by railway market participants — infrastructure managers and railway undertakings, but also designers, producers, suppliers and contractors of construction and maintenance works.

### Persons injured in railway accidents

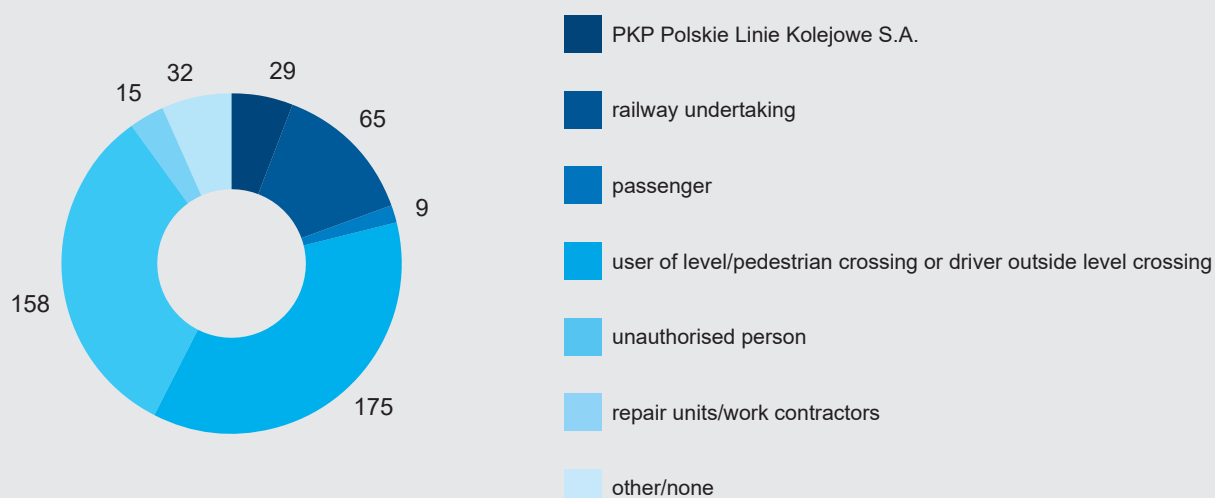
The number of persons injured in accidents on the railway network managed by PKP Polskie Linie Kolejowe S.A. in 2023

amounted to 214, including 154 fatalities and 60 cases of serious injuries. Compared to 2022, there were 8 fewer fatalities, while the number of seriously injured people increased by 10. The largest groups of fatalities that occurred in 2023 were unauthorised persons on railway premises (113 fatalities, a decrease of 5 compared to 2022) and users of level crossings and crossings (39 fatalities, i.e. 2 fewer than in 2022). Among persons seriously injured in railway accidents, the largest group (31 persons, i.e. 4 more than in 2022) were also unauthorised persons on railway premises and users of level crossings and pedestrian crossings (24 persons, i.e. 4 more than in 2022).

### Accidents by fault attribution

The statistics show that the vast majority of railway traffic accidents are caused by users of level crossings and pedestrian crossings and unauthorised persons on railway premises — compared to other categories, they make up an overwhelming number of entities at fault for accidents on the railway network managed by the Company.

## Quantitative structure of accidents on the rail network managed by PKP Polskie Linie Kolejowe S.A. in 2023 by fault attribution



In 2023, there were 29 accidents attributable to PKP Polskie Linie Kolejowe S.A., including: 4 collisions, 20 derailments, 2 accidents at level crossings, 1 accident involving a person, 1 railway vehicle fire and 1 accident classified as "other". The most frequent caus-

es of incidents burdening the Company were mistakes of employees in charge of railway traffic and damage to or poor technical condition of the surface of railway tracks.

## Measures taken to improve railway traffic safety

### Improvement of the technical condition of infrastructure and equipment

PKP Polskie Linie Kolejowe S.A. is carrying out a number of modernisation and regeneration efforts on the railway network. The scope of works under individual investment projects usually involves the comprehensive replacement of the railway surface, control-command and signalling equipment, electric power equipment (both traction and non-traction) as well as the modernisation of level crossings and their removal and replacement with grade-separated crossings. The replacement of old, worn-out and degraded elements of the railway infrastructure and technical equipment with new elements and equipment made using modern technologies makes it possible to significantly improve the operating parameters of railway lines (mainly maximum permissible speeds) while maintaining and typically also increasing the level of safety.

The company is undertaking many activities aimed at ensuring the highest level of safety during investment project and other work, both in terms of railway traffic safety and the safety of people working in the vicinity of active tracks:

- in 2023, there were 65,528 track closures on the network managed by PKP Polskie Linie Kolejowe S.A. (2% more than in 2022);
- increasing manning of operating control points during station- and route-related investment projects (more than 25,000 hours in 2023);

- thematic audits of the SMS related to railway traffic safety during investment project work (6 audits in 2023);
- verifying compliance with railway traffic safety rules in the vicinity of modernisation project worksites (2023 saw the Company inspectors carry out 11 such inspections).

Measures to improve the technical condition of infrastructure and equipment undertaken in 2023:

1. replacement and retrofitting of turnouts – the investment project activities covered a total of 993 turnouts; all newly installed turnouts are electrically heated (EOR equipment);
2. modernisation and upgrades of level crossings – the investment project activities covered 368 crossings, with the scope of modernisation involving the installation of automatic crossing signalling devices, CCTV equipment and/or replacement of the driving surface, depending on the location. Moreover, 47 grade-separated crossings were built or modernised.
3. installation of track occupancy control systems – installed on 425 tracks of 59 railway stations;
4. installation of crossing device interlinks in station CCS equipment – applied at 63 level crossings;
5. placement of rumble strips on access roads to level crossings to slow down driving – by the end of 2023, these were applied on access roads to 590 level crossings;

6. activities of the Safety Committee – a body has been established within the Company's internal structure to monitor safety procedures and processes and identify negative factors affecting safety.

At the same time, the Committee undertakes activities aimed at developing solutions to improve safety of the infrastructure managed by PKP Polskie Linie Kolejowe S.A.

### **Monitoring the Safety Management System**

To implement the requirements of the Common Safety Method (CSM) for monitoring, i.e. Commission Regulation (EU) No 1078/2012 of 16 November 2012 on a common safety method for monitoring to be applied by railway undertakings, infrastructure managers after receiving a safety certificate or safety authorisation and by entities in charge of maintenance, the Company applies the "Strategy for monitoring the Safety Management System and the Maintenance Management System of PKP PLK S. A.", as well as procedure SMS/MMS-PD-04 "Monitoring and continuous improvement of the Safety Management System".

### **Implementation of the Railway Traffic Safety Improvement Programme**

The implementation of the "PKP PLK S.A. 2023 Railway Traffic Safety Improvement Programme" was aimed at ensuring an optimum level of safety for passengers and transported freight, employees and contractors, improving the technical condition of the infrastructure and continuously improving the safety of railway traffic operations. The individual measures included in the Programme were aimed at achieving the Company's priority safety objectives for 2023.

## **Risk management measures**

In 2023, PKP Polskie Linie Kolejowe S.A. conducted:

1. 766 change significance assessments in accordance with procedure SMS/MMS-PR-03 "Change Management" to determine the significance of each planned change in the railway system. The change significance assessments mainly concerned the following:
  - reconstruction/re-categorisation of level crossings;
  - obtaining a derogation from the Company's existing rules and/or internal regulations;
  - changes to provisions in the Company's internal regulations (including SMS and MMS);
  - construction, modernisation/refurbishment of railway/engineering structures;
  - construction and modernisation of platforms;
  - changes to railway traffic organisation rules;
  - increasing the design speed on specific railway line sections;
  - using reclaimed products.

Three changes were classified as significant and were subject to risk assessment in accordance with Commission Implementing Regulation (EU) No 402/2013 of 30 April 2013 on the common safety method for risk evaluation and assessment and repealing Regulation (EC) No 352/2009.

2. 233 risk assessments in accordance with procedure SMS/MMS-PR-02 "Technical and operational risk assessment" to determine, in justified cases, additional risk control measures to minimise risk (increase safety) in PKP Polskie Linie Kolejowe S.A.'s operations. The scope of the risk assessments included primarily:
  - technical condition of the infrastructure;
  - hazards at level crossings;
  - hazards related to the operation of CCS equipment;
  - changes to railway traffic organisation, including the use of Proceed on Sight Authority (PoSA) signals for more than 20 days.

In 2023, PKP Polskie Linie Kolejowe S.A. made two updates to the "Hazard Register" — one of the basic documents used for the ongoing risk assessments and change significance assessments.



## 6. Development prospects

### Strategic framework

In line with its statutory obligations, PKP Polskie Linie Kolejowe S.A. operates as the manager of the national railway infrastructure and implements the state policy in the area of railway transport.

The Strategy for Responsible Development for the period up to 2020 (with an outlook to 2030)<sup>1</sup> defines strategic programmes for the railway sector. Two of them relate directly to the Company's activity. This includes the National Railway Programme until 2030 (with an outlook to 2032) (KPK), as well as a multi-year programme entitled: *Government programme to support the tasks of railway infrastructure managers, including maintenance and repair, until 2028*. The National Railway Programme includes investment projects co-financed from EU funds under the 2021–2027 financial perspective and other state-funded investments in railway infrastructure managed by PKP Polskie Linie Kolejowe S.A., whereas the other programme is intended to ensure the sustainability of operational parameters of railway infrastructure, stability of financing and effective infrastructure management.

The multiannual *Government programme to support the tasks of railway infrastructure managers, including maintenance and repair, until 2028*, complements the activities carried out under the NRP, ensuring co-financing of railway infrastructure management costs until 2028, especially in the area of maintenance and repairs. This will improve the quality of the railway infrastructure and shorten journey times, increase passenger safety and, as a result, make railway transport more competitive. The programme in question is being implemented under the agreement<sup>2</sup> of 21 December 2018, concluded by and between PLK SA and the Ministry responsible for infrastructure.

The year 2019 saw the launch of yet another multiannual programme dedicated to the development of railway infrastructure. Implemented by PLK S.A., the *Programme to Supplement Local and Regional Railway Infrastructure – Railway Plus until 2028*, is a tool for achieving the objectives of the state's policy to ensure the transport accessibility of Poland's various regions.

<sup>1</sup> Document adopted by resolution of the Council of Ministers of 14 February 2017.

<sup>2</sup> Agreement of 21 December 2018 for the implementation of the "Support for financing the costs of railway infrastructure management, including its maintenance and repairs until 2023" multiannual programme.



The programme includes such things as a basic investment component, under which PKP Polskie Linie Kolejowe S.A. works with local government units to carry out railway network development projects in smaller towns. The investment project tasks receive 85% funding under the Programme and 15% from the local authorities.

Additionally, 2021 saw the launch of the “Government Programme for the Construction or Modernisation of Railway Stops for 2021–2025” (Railway Stop Programme), which aims to increase the accessibility of rail transport for local communities by supplementing the local and regional passenger infrastructure managed by PKP Polskie Linie Kolejowe S.A.

## Predicted development prospects

The development prospects for PKP Polskie Linie Kolejowe S.A. result from government-level decisions concerning rail transport and provisions in this area adopted in EU and national strategic documents. It is assumed that they will be implemented on a continuous basis in the following years.

The primary development prospects for the Company are also determined by activities aimed at improving railway traffic safety, enhancing the quality of the infrastructure offer and developing cooperation with railway undertakings and business partners. Further work is envisaged to improve the efficiency of the Company's activity. Particular attention will be paid to the issues of cost-effectiveness of operations and the fullest

possible consideration of the needs of railway operators and the expectations formulated by society and the economy. The activities related to ensuring compliance of technical solutions with the requirements of the Technical Specifications for Interoperability (TSI) will also be continued.

In the long term, the Company's activities will continue to focus on the implementation of investment projects aimed at modernising the railway network and ensuring that the infrastructure offer meets market demand and society's expectations. They will be carried out in connection with the implementation of the multiannual programme that is a continuation of the existing NRP.

## EU legislation and strategy

In 2023, the Company carried out work related to proposals for the revision of the regulation on EU guidelines for the development of the Trans-European Transport Network (TEN-T), the regulation on the use of railway infrastructure capacity and the revision of the directive on the certification of train drivers operating locomotives and trains on the Community railway system. PKP Polskie Linie Kolejowe S.A. was also involved in EU legislative and non-legislative initiatives relating to EU climate policy under the European Green Deal, the Taxonomy for Sustainable Investment, the implementation of the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDD) and the “Fit for 55” package.

The Company also monitored legislative proposals relating to critical infrastructure and cybersecurity.

Further, the Company participated in selected public consultations of the European Commission, either directly or through sectoral organisations. Activities continued under the KPI PRIME project, resulting in a further Benchmarking Report on the performance of railway infrastructure managers in the EU for 2022.

PKP Polskie Linie Kolejowe S.A. also maintained its cooperation with the PKP S.A. Representative Office in Belgium.

## International cooperation

In terms of international cooperation, in 2023, the Company participated in the work of the most important international organisations: the International Union of Railways (UIC), the Association of European Rail Infrastructure Managers RailNet Europe (RNE), the Community of European Railway and Infrastructure Companies (CER), European Rail Infrastructure Managers (EIM) association, United Nations Economic Commission for Europe (UNECE), Colpofer (a European organisation set up in 1980, bringing together railway companies and

police forces) and the Platform for European Rail Infrastructure Managers (PRIME).

In 2023, PKP Polskie Linie Kolejowe S.A. was represented in the statutory bodies of selected international organisations and bodies, including RNE and the European Rail Infrastructure Managers (EIM) association. Work continued on the UNECE Trans-European Railway (TER) project, which is headed by a representative of the Company.

Highlights of the Company's international activities in 2023 included the participation of its representatives in the RNE General Assembly, the EIM General Assembly and CEOs Club Meeting, the PRIME Plenary Meeting, as well as the High-Level Infrastructure Managers Meeting (HLIM). The Company's experts continued their work in selected committees and working groups and under projects of UIC, EIM, PRIME, RNE, CER and UNECE. Further, a workshop was held on 16 June 2023 as part of the TER project on rail access to seaports.

The Company continued its active bilateral cooperation, both at the management level and at the expert level. It carried out independent activities and participated in the work and meetings of ministerial teams, e.g. with partners from Germany, the Czech Republic, Ukraine and the USA.

As part of cooperation with infrastructure managers from the Czech Republic, Slovakia, Germany, Lithuania and the Ukrainian railway, meetings were held in 2023 between representatives of the Company's management and their counterparts from Sprava železnic LTG Infra and UZ.

2023 also saw the traditional Border Conferences of PKP Polskie Linie Kolejowe S.A. with neighbouring partners: Sprava železnic and DB Netz AG. The work of the Infrastructure Group including Sprava železnic and DB Netz AG continued as well.

Bilateral cooperation involved the implementation of investment projects, particularly at the interface with DB Netz AG, as well as work on the Rail Baltica project with LTG Infra A.S. and RB Rail AS.

In 2023, Company representatives participated in a number of international meetings at home and abroad with partners from such countries as the Netherlands, the USA, Spain, Switzerland, Japan and Ukraine, fostering cooperation on cross-border investment projects and the development of railway connections and the implementation of new solutions for the railway market.

Given the current geopolitical situation, the Company's representatives participated in the work of an inter-ministerial working group on financing and coordination of investment activities at railway border crossings, managed by Ministry responsible for infrastructure; this initiative aimed at increasing the capacity at railway border crossings between Poland and Ukraine. Additionally, Company representatives participating in a delegation from the Ministry responsible for infrastructure took an active part in meetings of the Polish and Baltic Groups operating under the EU Solidarity Lanes initiative.

International activities enabled the exchange of experience and good practices. It also contributed to strengthening the image of PKP Polskie Linie Kolejowe S.A. as a partner open to dialogue and new technologies.

## Development of freight corridors

Freight corridors operate under Regulation (EU) No. 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight. They are intended to make international rail freight more competitive through organisational improvements and better cooperation between infrastructure managers.

Three freight corridors run through Poland:

1. Rail Freight Corridor No. 5 Baltic Sea – Adriatic Sea (RFC5)
2. Rail Freight Corridor No. 8 North Sea – Baltic Sea (RFC8)
3. Amber Rail Freight Corridor No. 11 (RFC11).

In 2023, work was underway to revise Regulation (EU) No. 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development

of the trans-European transport network, which provides for, among other things, the merging of TEN-T corridors with rail freight corridors into European Transport Corridors (ETCs) and the appointment of coordinators for them. As part of this proposal, the European Commission also plans to create a new corridor running through Poland, i.e. the Baltic Sea – Black Sea/Aegean Sea corridor.

In 2023, the Corridor Management Boards continued their involvement in the EU Solidarity Routes.

As part of this activity, infrastructure managers from countries bordering Ukraine provided the European Commission with monthly data on actual traffic volumes at border crossings and the extent of goods transported.

## Environmental protection

As part of the preparation of investment projects in 2023, 11 environmental approvals were obtained, 4 of which after an environmental impact assessment. Contracts continued to be executed to obtain environmental documentation for the purpose of obtaining environmental approvals for further railway investment projects.

Carrying out the obligations arising from the environmental approvals, PKP Polskie Linie Kolejowe S.A. performs post-execution analyses and environmental monitoring, among other things. Such studies are carried once an investment project has been finished.

The post-implementation analyses and environmental monitoring carried out and in progress for some of the completed investment projects indicate the need to carry out additional impact minimisation measures.

Three remedial decisions were issued in 2023, ordering that acoustic screens and rail dampers be provided to minimise the negative impact caused by railway noise.

The Company's Acoustic Laboratory, which has been accredited by the Polish Centre for Accreditation since 2016, carried out environmental noise measurements in 83 locations in 2023.

In pursuit of climate neutrality, the Company is taking and will continue to take measures to reduce CO2 emissions. The measures in question include:

- purchasing/renting/leasing 250 electric/hybrid vehicles by 2026;
- continuing to eliminate solid-fuel heaters in railway buildings;
- replacing 67% of lighting with energy-efficient systems by the end of 2030;
- reducing solid fuel consumption by 60% (2025–2030 average) compared to the 2013 baseline of 20,700 tonnes – by the end of 2030;
- developing guidelines for the purchase of energy-efficient systems/machinery and equipment;
- analysing the technical and location possibilities for the development of RES installations.

Tasks resulting from the Plan for the Adaptation of Rail Infrastructure to Climate Change, in force since 2019, were also implemented, including:

- increasing the number of EOR (turnout electric heating) devices in use by 3.21% and the number of control cabinets within the SMUE (Electrical Equipment Monitoring System) by 9% compared to 2022;
- decommissioning 68 solid fuel heating appliances.



## 7. Investment projects

### Implementation of investment programmes

As the manager of the national railway network, PKP Polskie Linie Kolejowe S.A. carries out activities aimed at improving the accessibility, efficiency and effectiveness of the country's transport system through the implementation of a broad investment project programme, including the modernisation of many railway lines.

PLK SA continues to implement investment projects included in such multiannual programmes as the National Railway Programme (NRP 2030), the Programme to Supplement Local and Regional Railway Infrastructure — Railway Plus until 2029 and the Government Programme for the Construction or Modernisation of Railway Stops for 2021–2025.

The largest of these is the NRP 2030, which establishes the financial framework and conditions for the implementation of the state's intentions regarding railway investment projects that are expected to be finalised by 2032. It is a direct continuation of the NRP.

As a result of the update adopted by the Council of Ministers in Resolution No. 144/2023 on 16 August 2023, the name of the programme was changed to the National Railway Programme until 2030 (with an outlook to 2032). Thus, the programme's validity period was adjusted to the European Union's financial perspective for 2021–2027, with some projects planned to be implemented by 2032. Its last update took place on 14 November 2023 (Resolution of the Council of Ministers No. 218/2023).

As of 31 December 2023, the total value of the NRP 2030 was PLN 166.357 billion\*, including:

- 1) PLN 78.983 billion for the 2014–2020 perspective,
- 2) PLN 76.247 billion for the 2021–2027 perspective,
- 3) PLN 11.127 billion under the National Recovery and Resilience Plan.

\* In accordance with Resolution No. 218/2023 of the Council of Ministers of 14 November 2023.



## Implementation of the National Railway Programme

In 2023, the Company carried out investment projects throughout the country based on contracts concluded with contractors. Activities related to the comprehensive monitoring of all projects in the basic list of the NRP 2030 continued to be carried out, particularly with regard to such key issues as construction site work, forecast expenditure, public procurement procedures, timely execution of milestones and project schedules.

The progress of the NRP 2030 as of 31 December 2023 was as follows:

### NRP 2014–2020

- value of completed investment projects: PLN 43.3 billion;
- value of investment projects in progress (at various stages): PLN 35.5 billion;
- value of investment projects for which tenders are ongoing: PLN 0.2 billion.

### NRP 2021–2027

- value of completed investment projects: PLN 0.0 billion;
- value of investment projects in progress (at various stages): PLN 5.9 billion;
- value of investment projects for which tenders are ongoing: PLN 12.1 billion.

### National Recovery and Resilience Plan

- value of completed investment projects: PLN 0.0 billion;
- value of investment projects in progress (at various stages): PLN 3.3 billion;
- value of investment projects for which tenders are ongoing: PLN 6.8 billion.

Between January and December 2023, PKP Polskie Linie Kolejowe S.A. signed contracts under the NRP 2030 for a total net value of approximately PLN 8.3 billion, including:

- PLN 0.7 billion under the 2014–2020 perspective;
- PLN 4.3 billion under the 2021–2027 perspective;
- PLN 3.3 billion under the National Recovery and Resilience Plan.

## Investment projects in value terms

The implementation of PI2023 involved investment project work on the railway network managed by PKP Polskie Linie

## 2023 investment projects

The basis for the Company's 2023 investment activities, as in previous years, was the Company's Investment Plan (PI2023) which assumed the implementation of projects financed by the Cohesion Fund, the state budget, the Railway Fund and the Company's own funds. The most significant group in PI2023 was projects financed from the Connecting Europe Facility and the Operational Programme Infrastructure and Environment (OPI&E). The capital expenditure in 2023 amounted to PLN 12.53 billion. The largest projects implemented included:

1. Work on the E75 line, section: Czyżew – Białystok;
2. Work on the C-E 65 railway line, section: Chorzów Batory – Tarnowskie Góry – Karsznice – Inowrocław – Bydgoszcz – Maksymilianowo;
3. Work on the Warsaw cross-city line, section: Warszawa Wschodnia – Warszawa Zachodnia, stage I;
4. Improvement of railway access to the Port of Gdynia;
5. Work on railway lines No. 97, 98 and 99, section: Skawina – Sucha Beskidzka – Chabówka – Zakopane;
6. Streamlining the TEN-T Łódź Railway Node, stage II, section: Łódź Fabryczna – Łódź Kaliska – Łódź Żabieniec;
7. Work on the E59 railway line, section: Poznań Główny – Szczecin Dąbie;
8. Work on the E59 railway line, section: Wronki – Słonice;
9. Setting up ERTMS GSM-R system infrastructure on PKP Polskie Linie Kolejowe S.A. lines as part of NPW ERTMS;
10. Work on primary passenger lines (E30 and E65) within the Śląskie Voivodeship, stage I: E65 railway line, section: Będzin – Katowice – Tychy – Czechowice Dziedzice/Zebrzydowice, LOT C.

Kolejowe S.A., particularly the modernisation, revitalisation or construction of 1,070.07 km of track, 367 level crossings and 291 platforms.

The project progress indicators are shown in the table below:

Project progress indicators			
Item	Indicator	Unit of measurement	Performance
1.	Modernisation of the railway (including the repair of track superstructure, railroad bed, heat-treated rails)	km of tracks	1,070.07
2.	Installation of turnouts	pcs.	996
3.	Engineering structures, including:	pcs.	551
	3.1. Bridges	pcs.	85
	3.2. Flyovers	pcs.	114
	3.3. Culverts	pcs.	352
4.	Platforms	pcs.	291
5.	Contact line	tkm	617.46
6.	Level crossings	pcs.	367

## Government Programme for the Construction or Modernisation of Railway Stops for 2021 – 2025

The year 2023 saw PKP Polskie Linie Kolejowe S.A. carry out the following activities under the Government Programme for the Construction or Modernisation of Railway Stops for 2021–2025: In terms of platform construction/modernisation:

- 1) 87 stops in 16 voivodeships, worth PLN 349.79 million, were made available to travellers, including:
  - 3 newly constructed stops in 2 voivodeships, worth PLN 14.04 million, were made available to travellers, the final acceptance of which took place in 2022,
  - 68 stops were made available to travellers after final acceptance, including:
    - 23 newly constructed stops in 10 voivodeships, worth PLN 94.54 million,
    - 45 modernised stops in 12 voivodeships, worth PLN 145.35 million; 16 stops were made available to travellers before final acceptance, including:
      - 4 newly constructed stops in 3 voivodeships, worth PLN 39.20 million,
      - 12 modernised stops in 5 voivodeships, worth PLN 56.66 million;
- 2) 9 stops in 5 voivodeships, worth PLN 20.78 million, were operationally accepted (before opening to travellers), including:
  - 7 newly constructed stops in 4 provinces, worth PLN 17.47 million,

- 2 modernised stops in 2 voivodeships, worth PLN 3.31 million;
- 3) contracts were signed for the construction of 78 stops, valued at PLN 348.60 million, including:
    - contracts for the construction of 29 stops, valued at PLN 169.48 million,
    - contracts for the modernisation of 49 stops, valued at PLN 179.12 million;
  - 4) tender procedures were announced for the construction of 74 stops with an estimated value of PLN 374.27 million, including:
    - a tender for 35 new stops with an estimated value of PLN 214.52 million,
    - a tender for 39 modernised stops with an estimated value of PLN 159.75 million;
  - 5) work was started but not completed for 60 stops worth PLN 299.76 million, including:
    - 26 new stops worth PLN 156.95 million,
    - 34 modernised stops worth PLN 142.81 million.

In terms of car park construction:

- 6 car parks worth PLN 2.41 million were made available to travellers,
- work to provide additional 24 car parks worth PLN 10.59 million was still in progress.

## Programme to Supplement Local and Regional Railway Infrastructure – Railway Plus until 2029

The value of the Railway Plus Programme is approximately PLN 13.2 billion, including:

- about PLN 11.2 billion — funds from the recapitalisation of PLK SA;
- about PLN 2.0 billion — own contribution of local government units.

The Railway Plus Programme provides for the implementation of 35 projects covering nearly 1,200 km of railway lines.

The condition for the implementation of the projects is that PLK SA concludes contracts with the applicants. By 31 De-

cember 2023, all 35 contracts had been signed.

A total of 25 tender procedures for the selection of contractors for design and technical studies were announced. Six tender procedures for the design and execution of construction works were announced.

Further, 19 agreements had been concluded with contractors for design studies by 31 December 2023. Three contracts were also concluded for design documentation and construction works for the projects. Moreover, three annexes to agreements with local authorities were also signed in relation to the projects.

## Sources of financing

At the end of 2023, PKP Polskie Linie Kolejowe S.A. had contracted EU funds for 131 projects, including:

- 46 projects under the Operational Programme Infrastructure and Environment (OPI&E) for a total EU allocation of PLN 17,677,628 thousand.

In 2023, the Company signed the last 3 Co-financing Agreements (see table below), as a result of which all OPI&E 2014–2020 projects scheduled for contracting formally received co-financing.

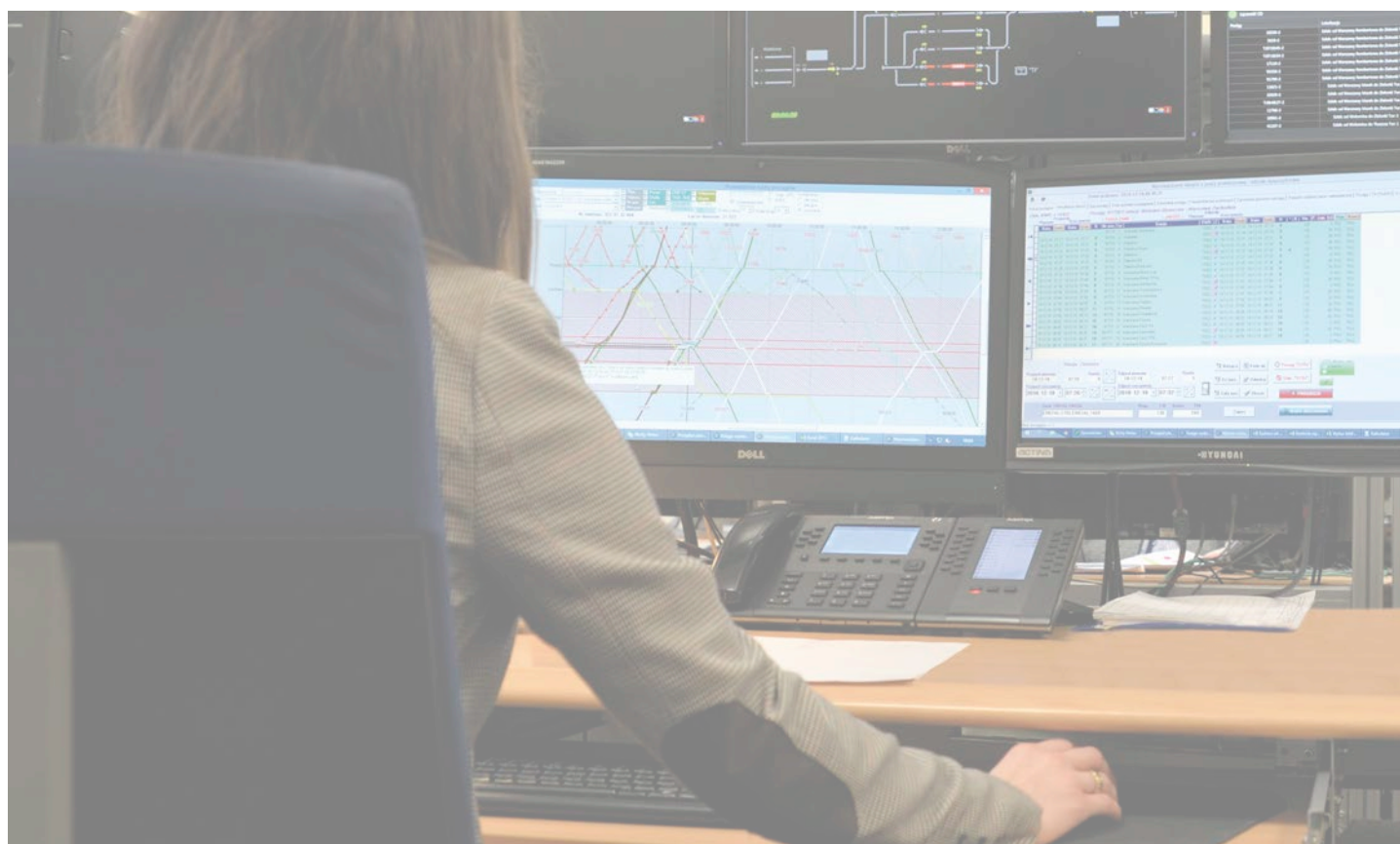
- 9 projects under the Operational Programme Eastern Poland (OPEP) with a total EU allocation of PLN 1,689 514.5 thousand;

- 48 under Regional Operational Programmes (ROP) with a total EU allocation of PLN 3,585,164.4 thousand;
- 28 projects under the 2014–2020 Connecting Europe Facility with a total EU allocation of EUR 3,616,574.2 thousand.

By the end of 2023, PKP Polskie Linie Kolejowe S.A., in its role as beneficiary, had contracted EU funds for 7 CEF 2 projects (for 2021–2027).

The company received funding under the 2nd call for CEF 2 – Connecting Europe Facility for 2021–2027.

National Recovery and Resilience Plan – the Company had submitted all anticipated project applications, i.e. for 31 projects, by the end of 2023. By 31 December 2023, 15 projects were contracted with the Centre for EU Transport Projects for the amount of PLN 7,106,948.8 thousand.



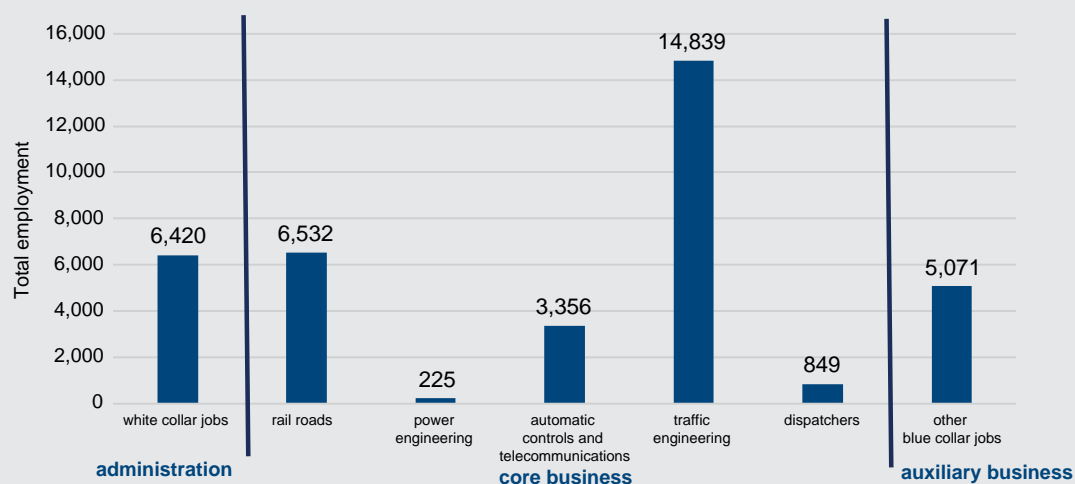
## 8. Personnel

### Employment structure

As of 31 December 2023, PKP Polskie Linie Kolejowe S.A. employed 37,292 people – 357 (i.e. 0.95%) fewer than on 31 December 2022. Core business staff accounted for the

largest share of those employed, at 69.18% of the total workforce. Administrative staff accounted for 17.22% and auxiliary business staff for 13.60% of the workforce.

Employment by professional group  
as of 31 December 2023 – in persons



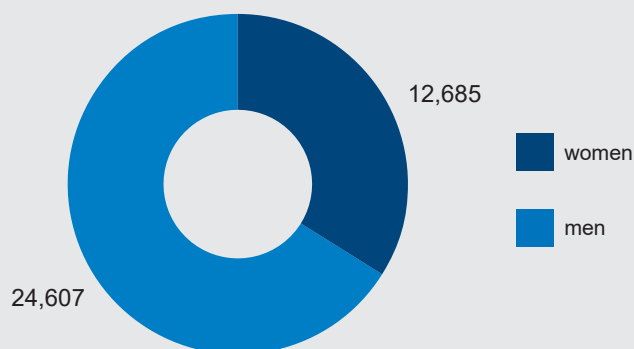
Women accounted for 34.02% of the Company's total workforce at the end of 2023, while men accounted for 65.98%.

As of 31 December 2023, employees in the below 50 age bracket were the most numerous in the Company, account-

ing for 53.00% of the total workforce. This group saw an increase of 0.78% compared to the previous year.

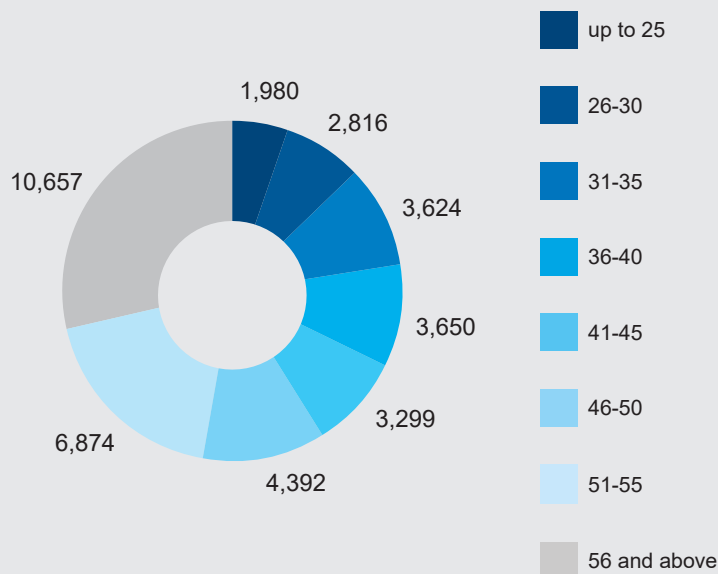
Employees in the over 51 age bracket accounted for 47.00% of the total workforce, with a decrease of 1.73% in this group since 31 December 2022.

### Employment by gender as of 31 December 2023 – in persons



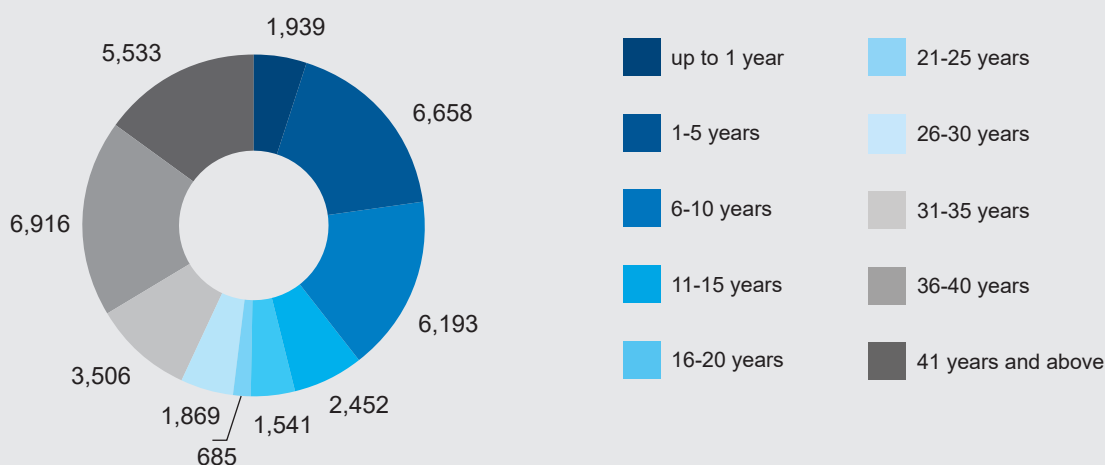
Employees with up to 10 years' seniority accounted for 39.66% of the total workforce. There was an increase of 3.17% in this group with respect to 2022. Employees with seniority of 11 to 20 years accounted for 10.71% of the total workforce. This category saw an increase of 0.83% compared to 31 De-

### Employment structure by age as of 31 December 2023 – in persons



cember 2022. The dominant group at PLK SA was employees with seniority of more than 21 years, who accounted for 49.63% of the total workforce. There was a decrease of 4.93% in this group compared to last year.

### Employment structure by seniority as of 31 December 2023 — in persons



At PKP Polskie Linie Kolejowe S.A., the number of employees with higher education is steadily increasing. As per the employment situation at the end of 2023, there was an increase of 0.70% in the proportion of employees with higher education

in relation to 2022, with a decrease of 1.64% in the number of staff with other education. This results from a deliberate employment policy aimed at attracting highly qualified employees and PLK SA's professional development system.



## CONTACT DETAILS

[www.plk-sa.pl](http://www.plk-sa.pl)

[www.plk-inwestycje.pl](http://www.plk-inwestycje.pl)

[www.bezpieczny-przejazd.pl](http://www.bezpieczny-przejazd.pl)