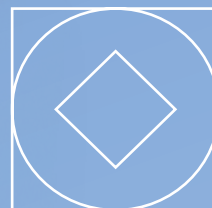
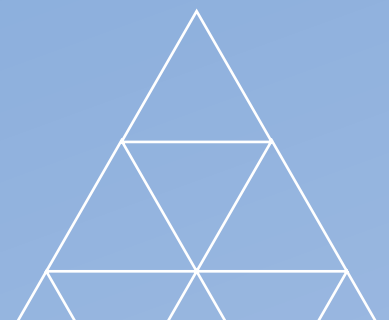


# OVERCOMING NEW CHALLENGES



ESG REPORT  
2021



## CONCEPT OF THE REPORT

As a highly coordinated system, logistics depends on each component for proper operation. Sustainable logistics is an even more organised system that is also adaptable and equipped to handle the difficulties of our world.

Finding the simplest forms that would enable us to creatively explain such a system without sacrificing its characteristics was our choice for how to portray this concept in the manner of contemporary abstractionists.

We developed a series of abstract compositions for TransContainer, Ruscon, and DeloPorts that represent the ideal sustainable logistics. Each component (block/module, part) in them is autonomous and self-sufficient, but their collective is put together into an organised geometric system that can be scaled and transformed.

## OVERCOMING NEW CHALLENGES



Moving towards green logistics

[+ More on p. 4](#)



Social responsibility

[+ More on p. 56](#)



Speed, quality, safety

[+ More on p. 72](#)



Equality of opportunity

[+ More on p. 82](#)

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# STATEMENT FROM MANAGEMENT OF PJSC TRANSCONTAINER

## Dear readers,

We are pleased to present the second ESG Report of PJSC TransContainer, disclosing the Company's efforts for 2021 in the areas of environmental protection, social impact and corporate governance.

We believe that industry leadership is impossible without incorporating sustainability principles into daily operations, and sustainable development is the base for PJSC TransContainer's long-term success and an essential component of its business strategy until 2030.

The Company fully embraces the approach set forth in the 17 Sustainable Development Goals adopted by the UN General Assembly (UN SDGs). TransContainer's strategic business areas are in line with most of the UN SDGs. The Report, in our opinion, will give relevant information about the Company to all interested parties, allowing them to fully comprehend our commitment to the ESG principles.

In 2021, TransContainer's maturity analysis was conducted with respect to three ESG factors: environmental responsibility, social responsibility, and corporate governance. The Company began developing its Sustainability Strategy, defining sustainability goals, prioritising UN SDGs, and establishing Key Performance Indicators (KPIs) for the strategic ESG-related focus areas of

the Company. Five alternative methods were used to evaluate preparedness for ESG ranking.

The publication of ESG reports on an annual basis was adopted by PJSC TransContainer in order to provide the highest level of openness to stakeholders in terms of non-financial information. In order to take the opinions of key stakeholder groups into account, a stakeholder survey was first carried out in 2021 to identify top-priority sustainability topics.

## ENVIRONMENTAL PROTECTION

A source inventory and evaluation of greenhouse gas emissions under Scope 1 and Scope 2 were performed as part of the business's decarbonisation efforts, and by the end of 2021, the Company started establishing a methodology for estimating emissions under Scope 3.

Knowing the significance of the climate agenda, PJSC TransContainer voluntarily commits to reducing greenhouse gas emissions. In 2021, PJSC TransContainer and En+ Group, a leading producer of low-carbon aluminium and electricity, entered into an agreement to supply international renewable energy

certificates (I-REC). These certificates fully covered the Company's electricity consumption for its own needs and ensured the reduction of greenhouse gas emissions into the atmosphere.

## SOCIAL IMPACT

TransContainer recognises the importance and value of fundamental human rights and freedoms. The Company complies completely with all applicable laws of the Russian Federation and generally recognised norms and principles of international law in the regulation and protection of human rights and freedoms. The Code of Business Ethics of PJSC TransContainer (as amended and approved by the Board of Directors in 2021) outlines the fundamental principles of human rights and freedoms.

In addition to recognising the rights of employees to freedom of association and collective protection of interests, PJSC TransContainer offers equal rights, safe working conditions, fair pay, and possibilities for career advancement.

We completely reject any kind of forced and child labour. The Company started formulating a Human Rights Policy around the end of 2021.

## CORPORATE GOVERNANCE

PJSC TransContainer oversaw the creation of a corporate sustainability management framework and a competence centre and hiring process during the reporting year. We established the Environmental Sector and extended the functions of the Strategy and Business Development Unit as they pertain to the sustainability policy and strategy formation, as well as coordinated integration of sustainable development principles in the business processes of the Company.

PJSC TransContainer is dedicated to continually enhancing its ESG efforts because sustainability is a never-ending process. We are happy with our current achievement and certain that our Company's long-term sustainability rests on the values of environmental stewardship and social responsibility.



Greenhouse gas emissions (Scope 1 + 2)

**18** thousand tonnes CO<sub>2</sub>-eq.  
down 8% year-on-year



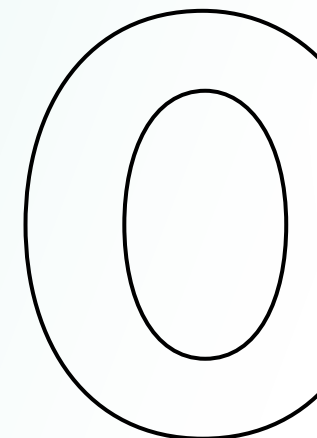
Expenses for social programmes for employees

**159** RUB million

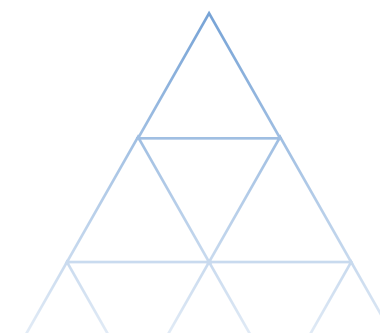


Reduction of greenhouse gas emissions through the purchase of I-REC certificates

**6.1** thousand tons of CO<sub>2</sub>-eq.



- Total incidents rate
- Number of traffic accident
- Human rights violations
- Cases of corruption and conflicts of interest



# MOVING TOWARDS GREEN LOGISTICS

PJSC TransContainer is a Russian intermodal container operator that manages Russia's largest fleet of containers and container flatcars on the entire 1,520-mm gauge railway network.

PJSC TransContainer (hereinafter referred to as the Company) is uniquely qualified for effective management of the largest fleet of containers, which covers more than 3,300 routes both in Russia and abroad. The Company implements all-in-one door-to-door transportation and logistics solutions allowing to deliver cargo by container to any destination point in Russia, CIS countries, Europe and Asia both by using in-house transportation assets and by involving partner companies.



**PJSC TRANSCONTAINER HAS 89 SALES OFFICES** interconnected by a single information system, which ensures a custom-tailored approach to each client and allows both fulfilling small one-time orders and managing a chain of container cargo deliveries of any volume and complexity.

**STRATEGIC GOAL**  
To create a leader of container logistics in the Eurasian space, while maintaining leadership position and strengthening it through outperforming market share growth, in integration with the assets of Delo Group.

**MISSION OF THE COMPANY**  
To provide effective support to our clients by offering prompt, reliable and comprehensive container cargo delivery and logistics solutions.

PJSC TRANSCONTAINER  
**TODAY**



**97** thousand  
ISO containers<sup>1</sup>

**40** thousand  
flatcars<sup>2</sup>

**89**  
sales offices  
in Russia

**4**  
representative offices  
abroad<sup>3</sup>

**40**  
container  
terminals<sup>4</sup>

<sup>1</sup> As of the end of 2021 Including third-party containers.

<sup>2</sup> As of the end of 2021 Including third-party flatcars.

<sup>3</sup> As of the end of 2021.

<sup>4</sup> Three of which are operated by the Company's subsidiaries and joint ventures.

## A unique asset base

Having an extensive asset base is the only way to ensure the reliability and efficiency of intermodal container transportation and all-in-one logistics solutions. PJSC TransContainer operates the largest fleet of single-purpose container flatcars in Russia and is able to respond to demand fluctuations.

Intermodal container transportation services are supported by the Company's nationwide network of railway container terminals located at 40 railway stations, which is the largest terminal network in Russia in terms of TEU throughput capacity. The terminal network has a nationwide geographical coverage

in Russia with a presence at major transportation hubs, important railway junctions and border crossings. With the terminals located on the territory of Russia, the Company can provide services to customers even in the most remote parts of the country, and no other Russian

company in the logistics market has such a base of terminals.

The Company's terminals have trucks and semi-trailers to provide such services as collection and delivery of containers, which are an integral part of all-in-one logistics services of PJSC TransContainer.



**RUSSIA'S LARGEST** intermodal container operator

- NO. 1 IN RUSSIA**
- in terms of rail container traffic volume
  - in terms of the flatcar fleet size
  - in terms of terminal handling of containers on the railway

**THE INTEGRATED BUSINESS MODEL** aims to achieve the maximum synergy of assets and create a suite of services

- PRESENCE:**
- in Russia
  - Europe
  - Asia

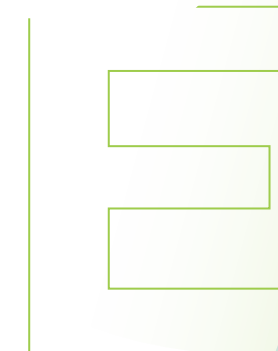
<sup>1</sup> Thirty-seven (37) own container terminals at 37 railway stations in Russia, as well as three container terminals in Russia operated by the Company's subsidiaries and joint ventures.

"Turnkey" multimodal delivery of containerised goods on short notice from the consignor's to the consignee's warehouse using own assets of the Company and Delo Group<sup>1</sup>, as well as the services of co-contractors

Terminal cargo handling, bonded warehousing services, last-mile services, including trucking services and customs clearance

**Our main focus, in addition to economic efficiency for the customer, is to reduce the intensity of greenhouse gas (GHG) emissions. With larger volume of railroad traffic, we can reduce the carbon footprint**

Cargo handling at terminals is the source of maximum greenhouse gas emissions along the entire route. The Company does its best to make its own processes more efficient and has turned to renewable energy sources (RES) for in-house power supply. All these enabled to achieve a 19% reduction in CO2 emissions intensity rate by per container handled



**FULL RANGE OF CONTAINER LOGISTICS SERVICES FOR CUSTOMERS**

Delivery procedures are managed through information systems that ensure full traceability of the goods transported for the benefit of the customer

Implementation of the electronic workflow system



Customers who move their cargo by rail can be sure that all social obligations to service personnel are fulfilled in full compliance with the Labour Code of the Russian Federation, the Collective Bargaining Agreement, etc.

The minimum wage in the Company is more than twice as high as the minimum statutory monthly pay set in 2021



Rail cargo transportation service implies the provision of Company's railcars and containers for loading and terminal handling of containers and goods at the departure and destination stations.

The Company monitors the quality and safety of the services provided. Characteristics of purchased containers comply with GO/ST R 53350-2009 (ISO 668:1995)<sup>2</sup>.

Logistic consulting, tracking of containerised goods, assistance with cross-border paperwork clearance, insurance, customs clearance, and other value-added services

The Company currently is designing a customer calculator, which can determine the amount of emissions on a particular route to further reduce emissions during transportation.

<sup>1</sup> Delo Group includes DeloPorts Holding and Global Ports, a leading container terminal operator. Ruscon (multimodal transport operator) and PJSC TransContainer represent the transportation and logistics sector.

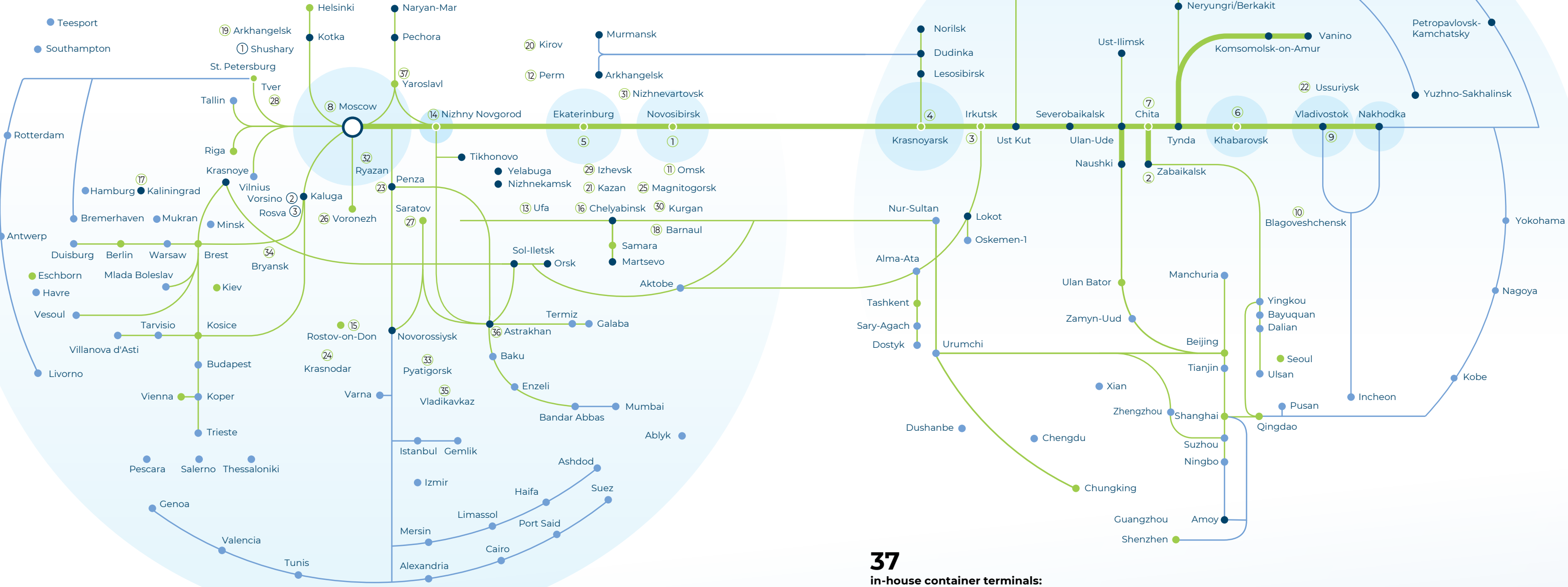
<sup>2</sup> Certificates for containers are issued by the Russian Maritime Register of Shipping.

# BUSINESS FOOTPRINT

## AN EXTENSIVE FOOTPRINT CONTRIBUTES TO THE SUSTAINABILITY OF THE COMPANY'S BUSINESS

PJSC TransContainer delivers container cargoes to any destination in Russia, CIS countries, Europe and Asia, transports cargoes on more than 3,300 routes in Russia and abroad.

— Land delivery routes  
— Shipping routes

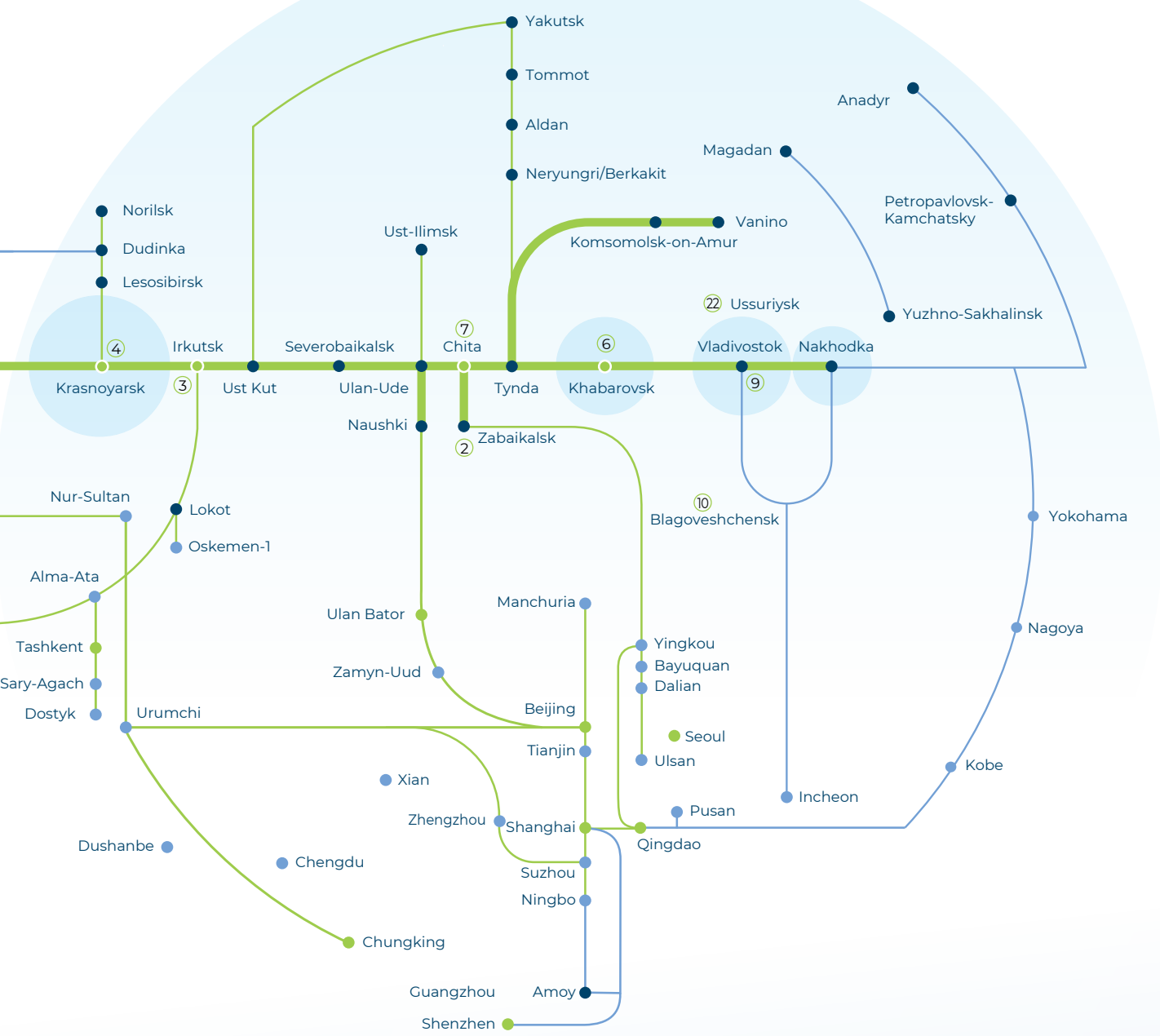


- TransContainer's branch offices in Russia
- TransContainer's representative offices, joint ventures, subsidiaries abroad
- Sales offices abroad
- Sales offices in Russia

- Three container terminals operated by the Company's subsidiaries and joint ventures**
- ① Shushary (JSC Logistics-Terminal)
  - ② Vorsino (LLC FVKS)
  - ③ Rosva (FVKS LLC)

## GEOGRAPHIC POLICY

Control of "points of entry" of the 1,520 gauge railway network  
 Combination of oncoming flows to optimise empty runs  
 Presence in the regions where container flows towards the Russian Federation and the CIS originate



### 37 in-house container terminals:

- |                        |                             |                         |                    |
|------------------------|-----------------------------|-------------------------|--------------------|
| ① Kleschikha           | ⑪ Omsk-Vostochny            | ⑳ Lagernaya             | ⑳ Nizhnevartovsk-1 |
| ② Zabaikalsk           | ⑫ Blochnaya                 | ㉑ Ussuriysk             | ㉒ Lesok            |
| ③ Batareynaya          | ⑬ Chernikovka               | ㉒ Penza-2               | ㉓ Skachki          |
| ④ Bazaikha             | ⑭ Costarikha                | ㉔ Krasnodar             | ㉔ Bryansk-Lgovsky  |
| ⑤ Ekaterinburg-Tovarny | ⑮ Rostov-Tovarny            | ㉕ Magnitogorsk-Gruzovoy | ㉕ Vladikavkaz      |
| ⑥ Khabarovsk-2         | ⑯ Chelyabinsk-Gruzovoy      | ㉖ Pridacha              | ㉖ Kutum            |
| ⑦ Chita                | ⑰ Kaliningrad-Sortirovochny | ㉗ Trofimovsky-2         | ㉗ Yaroslavl        |
| ⑧ Kuntsevo-2           | ⑱ Barnaul                   | ㉘ Tver                  |                    |
| ⑨ Pervaya Rechka       | ⑲ Arkhangelsk-Gorod         | ㉙ Pozim                 |                    |
| ⑩ Blagoveshchensk      | ㉒ Kirov-Kotlassky           | ㉚ Kurgan                |                    |

# INTEGRATED BUSINESS MODEL

## RESOURCES



### COMPLEMENTARY ASSETS

The largest container fleet in Russia: 17.3% – share of TransContainer’s container transportation market in container transportation on the Russian Railways network

**95,213** ISO containers<sup>1</sup>

**35,280** flatcars<sup>1</sup>

The largest fleet of rolling stock – 37.3% (Infoline) of the entire fleet in operation within the Russian Railways network

Developed terminal infrastructure and vehicle fleet

**40** terminals in the Russian Federation (37 in-house terminals and 3 terminals operated by the Company’s subsidiaries and joint ventures)

**5** bonded warehouses

**454** vehicles



### EXPERIENCE AND PROFESSIONALISM

**3,730** employees<sup>2</sup>

**2,107** persons completed training



### CUSTOMER INTIMACY

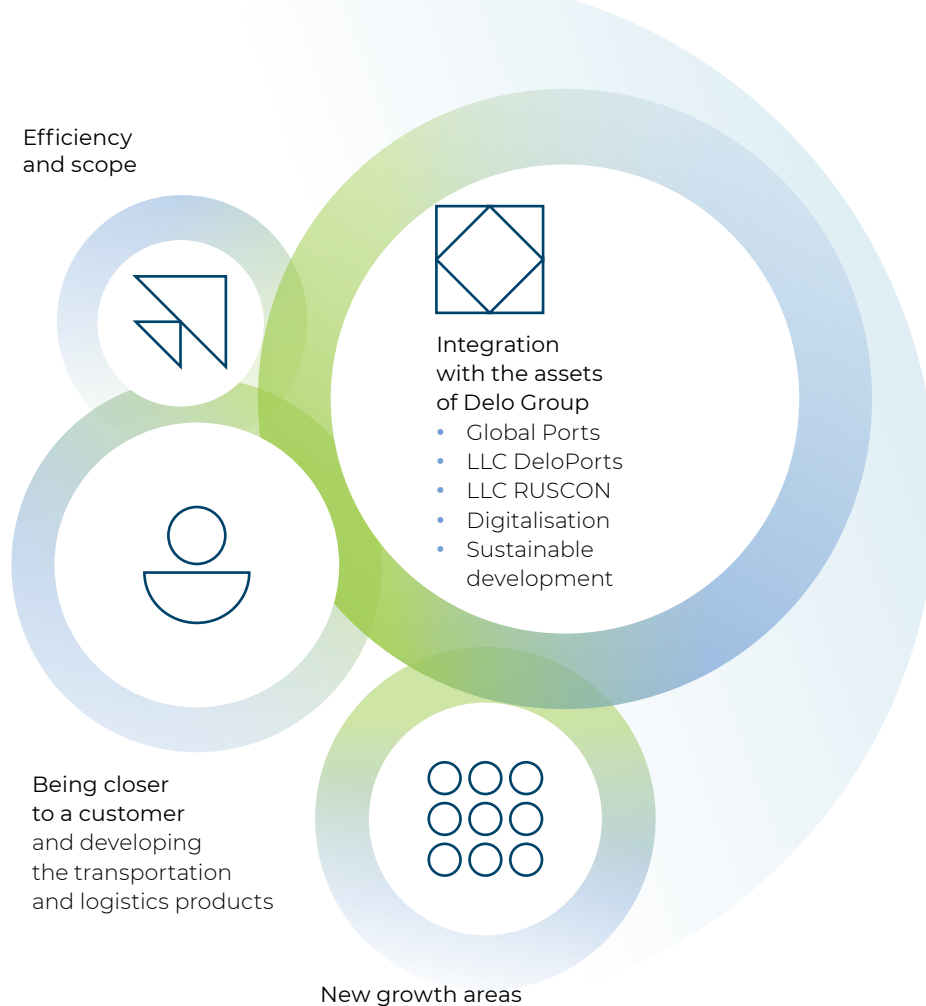
Branches and terminals at all 16 railways of the Russian Railways network, representative offices and subsidiaries in 10 countries

**15** branches      **4** representative offices

**7** subsidiaries      **3** joint ventures



## FOCUS ON DEVELOPMENT



### MODERN DIGITAL TECHNOLOGIES

iSales | iTrans | iLog | 1C



### LONG-TERM AND RELIABLE PARTNERSHIP

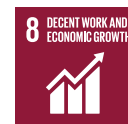
Also, for sustainable development:

**142** partners/co-contractors in **53** countries

<sup>1</sup> Owned by the Company.  
<sup>2</sup> PJSC TransContainer and JSC Logistics-Terminal.

The business model focused on maximising profits is based on the efficiency of complementary assets and integration with the assets of Delo Group.

## VALUE CREATION



### FOR EMPLOYEES

Decent remuneration, comfortable working conditions, training and career growth

**7,754** RUB million payroll payment

**12.6** RUB million costs of training programmes



**98%** "quality of staff recruitment and onboarding" index

**159** RUB million social support for employees

**0** LTIFR

### FOR A SHAREHOLDER

Steady dividend flow

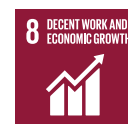
**12.45** RUB billion dividend payout

### FOR PARTNERS

Mutually beneficial relationship

**2,634** thousand TEUs traffic volume

**81,359** RUB million costs for co-contractors



### FOR THE STATE

Contribution to the national economy

**6.4** RUB billion of taxes paid by PJSC TransContainer to the budget and extra-budgetary funds of the Russian Federation

**0.15** RUB billion paid by JSC Logistics-Terminal<sup>1</sup>

Promotion of the decarbonisation of the economy

**100%** of purchased electricity is offset by RES



## HOW WE CREATE VALUE

### Transport corridors / Networked presence / New products

International footprint ensures proximity to customers, building and controlling logistics in the Russian Federation and beyond.

While developing TC/TC service<sup>2</sup>, we benefit from the scale effect

By integrating our own assets with those of Delo Group, we are developing stable transit corridors that are faster than sea transportation and significantly cheaper than airfreight.

### Digitalisation

We are improving efficiency due to automation.

### Sustainable development

The operating model relies on sustainable logistics principles.

[⊕ More on pp. 16–34](#)

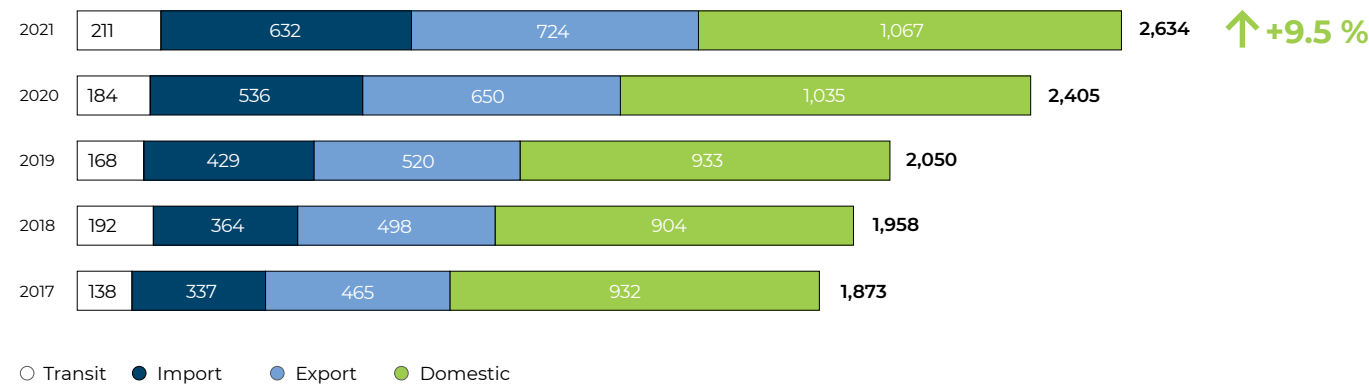
At each stage of the production chain, the Company aligns its business activities with ESG principles.

<sup>1</sup> The amount of taxes, fees and social payments.  
<sup>2</sup> Transportation in own container on own rolling stock.

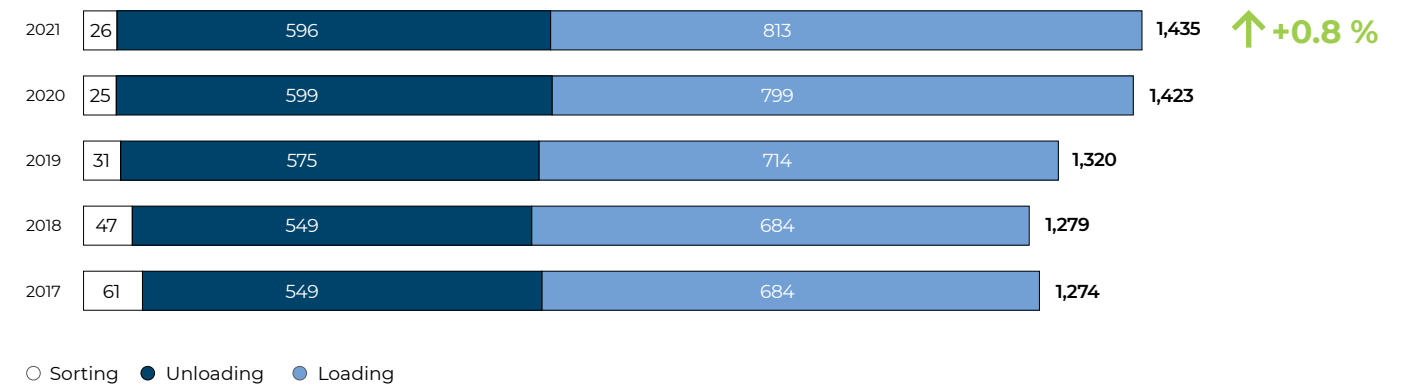
# KEY INDICATORS IN DYNAMICS

## OPERATING INDICATORS

Change in railway container traffic by the company-operated's rolling stock (loaded and empty ISO containers) | thousand TEUs



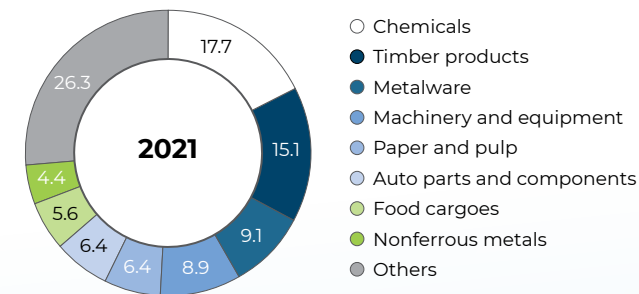
Container handling volumes at the company's terminals in Russia (ISO + medium-capacity containers) | thousand TEUs



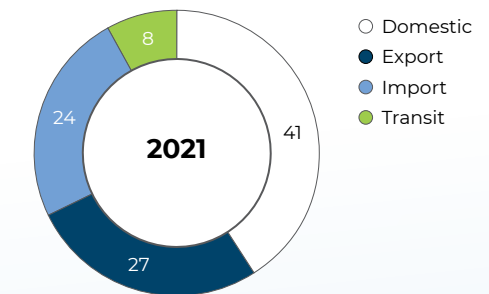
The Company's share of total container traffic in the russian railways network by transportation mode | % and thousand TEUs

	2020   %		2021   %		2021   thousand TEUs
	PJSC TransContainer	Other operators	PJSC TransContainer	Other operators	
Domestic	44.6	55.4	43.3	56.7	1,067
Export	44.6	55.4	46.3	53.7	724
Import	43.9	56.1	45.5	54.5	632
Transit	22.9	77.1	19.6	80.4	211
All routes	41.5	58.5	40.6	59.4	2,634

Structure of loaded containers carried by the Company's rolling stock by cargo type | shares in % based on traffic volumes in TEUs



Structure of container service by the company-operated's rolling stock by transportation mode (loaded and empty iso containers) | shares in % based on traffic volumes in TEUs



<sup>1</sup> Adjusted revenue is calculated as a revenue less cost of services of third parties engaged as co-contractors in performing core business services.  
<sup>2</sup> Since 2020, the calculation of this indicator uses the new methodology of Delo Group.



## KEY INDICATORS

### E-factor

Greenhouse gas emissions (Scope 1 + 2)  
**18 thousand tons of CO2-eq.**  
-8%

Reduction of greenhouse gas emissions through the purchase of I-REC  
**6.1 thousand tons of CO2-eq.**

Energy consumption<sup>1</sup>  
**314 TJ**  
+21%

Water consumption<sup>1</sup>  
**31 thousand m<sup>3</sup>**  
+29%

### S-factor

Total headcount  
**3,730**  
+8%

LTIFR  
**0**

Fatalities  
**0**

Number of traffic accident  
**0**

### G-factor

Share of independent directors  
**18%**

Share of women on the Board of Directors  
**9%**

Share of women in management positions  
**46%**

Cases of corruption and conflicts of interest  
**0**

Total weight of waste generated  
**5,000 tons**  
-8%

Disposal  
**83%**

Environmental expenses  
**RUB 30 million**  
10 times higher than in 2020

Human rights violations  
**0**

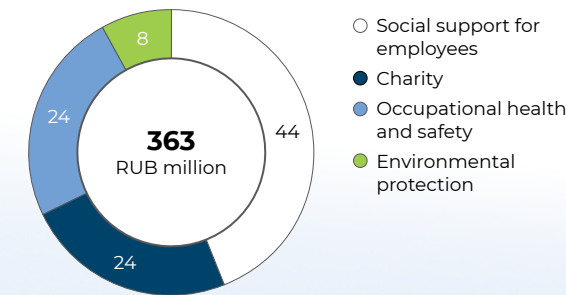
Share of women among employees  
**59%**

Average hours of training per employee  
**36**

Expenses for social programmes for employees  
**RUB 159 million**

Charitable expenditures  
**RUB 88 million**

TransContainer's Sustainability Investments in 2021 | %



<sup>1</sup> The increase is due to the inclusion of JSC Logistics-Terminal in the reporting boundaries.

# OUR CONTRIBUTION

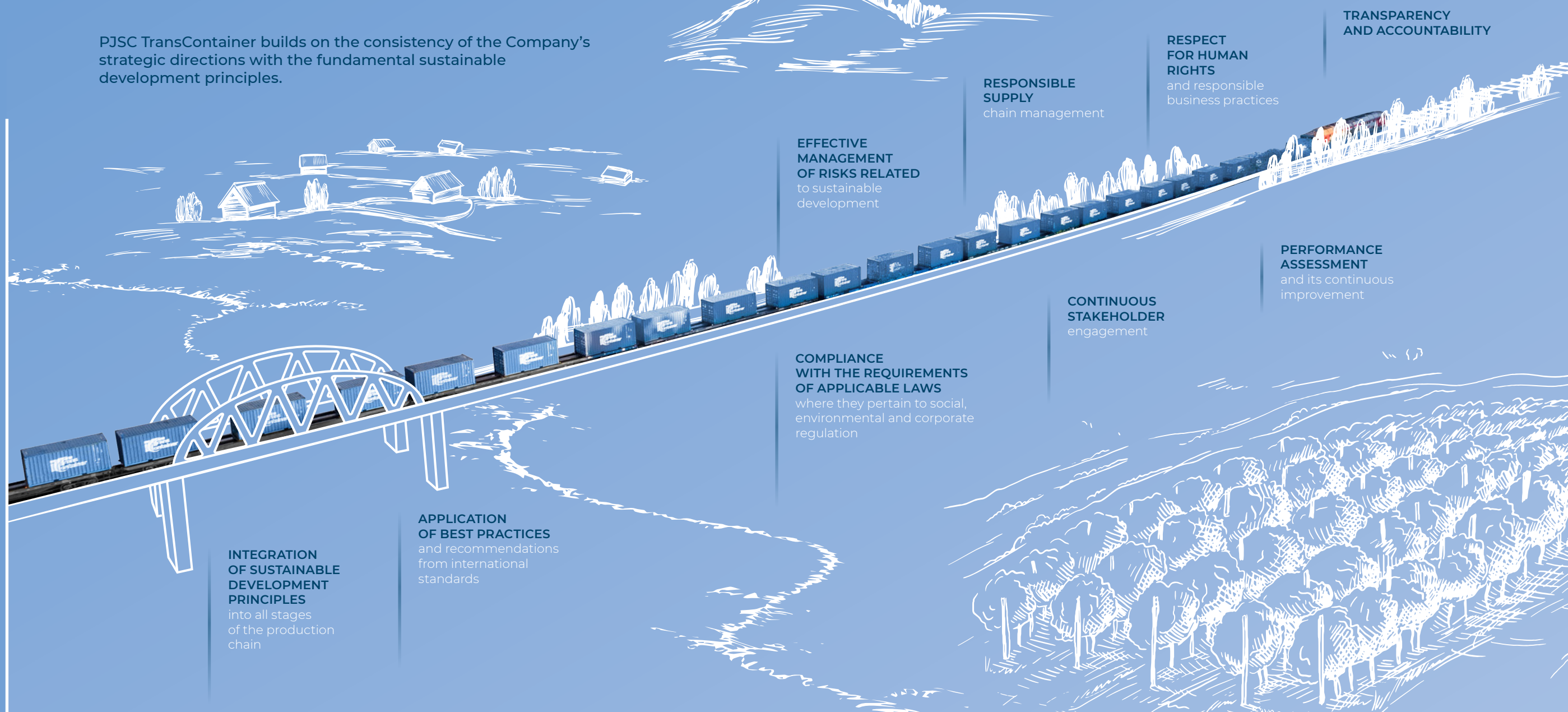
## TO A BETTER FUTURE



Sustainable development is an integral part of TransContainer's business strategy until 2030, and the Company uses every opportunity to improve related corporate management practices by developing, introducing and improving internal documents that regulate various aspects of activities. The Company integrates the sustainability principles one-by-one into its operating processes and corporate governance framework.

PJSC TransContainer builds on the consistency of the Company's strategic directions with the fundamental sustainable development principles.

# SUSTAINABLE DEVELOPMENT

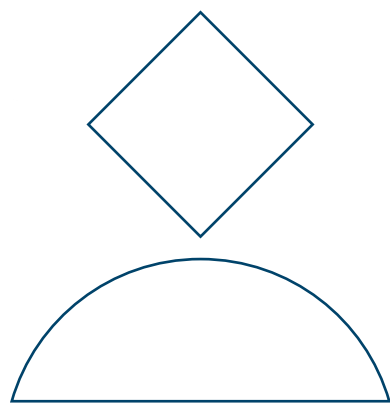


## Value for community

Container rail transport services offer sustainable logistics, contribute to the socio-economic development of the country and, in particular, raise the living standards of people living in Russia's hinterland.

- Better territorial interconnection and access to foreign markets
- Regional development through tax payments

- Decent employment generation
- Charity and support for local communities in the regions within the footprint.
- Wider geographical spread of regional sales markets thanks to the availability of intermodal logistics services and small batch options.

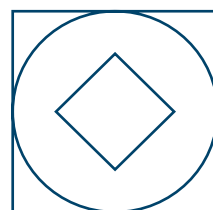


# VALUE

## Value for customers

PJSC TransContainer truly cares about the opinion of its customers and potential partners, including an opinion on the issues related to the agenda for sustainable development and climate change. The Company is deeply involved in the development of a climate strategy, while accommodating the opinion of customers, in order to provide them with effective logistics services with the smallest carbon footprint in the market.

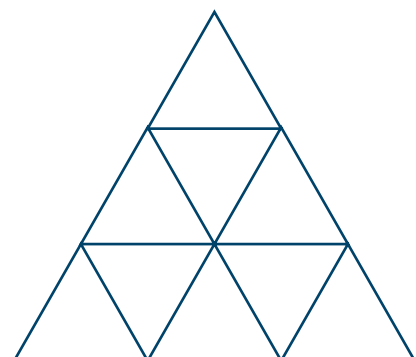
- Enhanced stability of supply chains
- Reduced logistics costs
- Continuity of deliveries / scheduled operations and prevention of supply shocks



## Value for employees

The corporate values of PJSC TransContainer serve as the basis for development and improvement of sustainable development management practices and enhancement of the Company's sustainability. Maintaining the atmosphere of trust and mutual respect among employees, ensuring their occupational safety, as well as promoting and upgrading of their expertise

- and competence are the core values in PJSC TransContainer<sup>1</sup>.
- Social support for employees and members of their families
  - Decent and safe working conditions
  - Respect for human rights and freedom of association
  - Incentive system for employees
  - Competitive wages
  - Available educational programmes



<sup>1</sup> According to the Code of Business Ethics of PJSC TransContainer approved in 2021.



## Value for the Planet

Container rail transportation mode is the most environmentally friendly type of standard-gauge logistics (available in the Russian market). PJSC TransContainer facilitates the reduction of greenhouse gas emissions by promoting rail container transportation services.

- Promotion of decarbonisation of the economy
- Environmental impact reduction in terms of pollutants and waste.

### Environmental impact of the Company's operations



Minimal impact

### Greenhouse gas emissions (Scope 1 + 2)

**18 thousand tons**

### Air emissions

**172 tons**

### Water consumption<sup>1</sup>

**31 thousand m<sup>3</sup>**

### Wastes generation

**5.4 thousand tons**

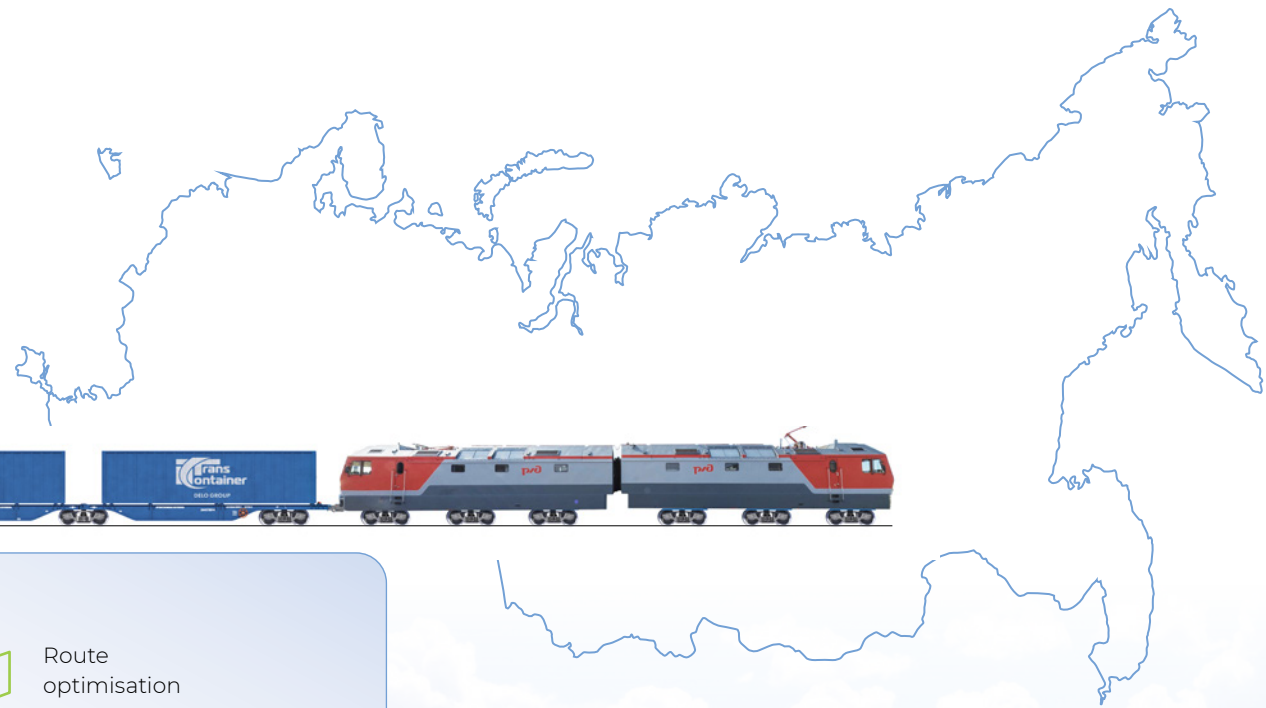
### Biodiversity

The Company does not operate in specially protected natural areas

<sup>1</sup> The Company does not conduct its operations in regions with water stress.

## GREEN LOGISTICS

TransContainer's strategic goal in terms of sustainable development is to become a leader in green logistics and promote the development of sustainable logistics in the Russian Federation.



- Route optimisation
- Maximisation of loading
- ESG screening of suppliers
- Nullification of indirect emissions from purchased electricity
- Conversion of loading vehicles to cleaner fuels
- Energy efficient programmes at terminals
- Digitalisation, such as moving to electronic document management (EDM)
- Sustainability partnerships



## SUSTAINABILITY PARTNERSHIPS

Delo Group joined the National ESG Alliance in December 2021. As part of the Alliance, the Group plans to place greater focus on the projects that ensure quantum growth of the Russian economy, conservation of nature and social well-being of the regions of presence.



"Delo Group joining the National ESG Alliance is a logical and natural step. We are always extremely sensitive to the global challenges facing the logistics sector. Concern for the environment and social responsibility are among our most important areas of development. All Group holdings are actively involved in the social life of the regions within our footprint, and some already use renewable green energy generated from wind and water. As members of the National ESG Alliance, we can synchronise our efforts on that front with the rest of its members, which will ultimately bring about synergetic effects and allow to realise the sustainable development goals of our country on a qualitatively new level".

General Director of LLC MC Delo

## NATIONAL ESG ALLIANCE

### Mission

To facilitate the transition to a sustainable development model for the Russian economy through partnership and combined efforts of all stakeholders to preserve the environment, promote society's well-being and ensure long-term business growth.

### Goal

To contribute to the creation of favourable conditions for all Russian businesses to fully unlock their potential in the process of ESG-transformation. By helping companies change their business models and by spreading best practices from industrial giants to smaller players, we establish an inclusive and non-competitive framework for entrepreneurs to implement ESG initiatives.

In the first half of 2022, Delo Group joined the **RUIE Committee on Climate Policy and Carbon Regulation**, its primary functions are to bring opinions of RUIE members to a consensus, analyse pressing issues and problems related to national and international climate policy and regulation of greenhouse gas emissions and absorption, and generate proposals on how to create the most favourable conditions for entrepreneurial business.

### I-REC CERTIFICATES

I-REC certificates are international certificates confirming that the electricity purchased is generated from renewable energy sources.

The International REC Standard Foundation (I-REC Standard Foundation) is an international non-profit organisation that developed and implemented a robust system for tracing the origin of electricity. I-REC certificates are issued by accredited organisations in 35 countries.

An I-REC certificate is a documented record in the I-REC register that electricity is generated from renewable energy sources.

A green certificate enables companies interested in decarbonisation of their business to cover 100% of their electricity needs with RES, as well as to use renewable energy only to produce their products.

## SUSTAINABLE DEVELOPMENT TRAINING OF EMPLOYEES

In 2021, the TransContainer Academy training portal designed two courses covering important areas of sustainability — Code of Business Ethics and Anti-Corruption & Corporate Fraud Management.

These training courses are mandatory for all new hires. For the purpose of knowledge renewal, the Company

plans to make all employees pass these courses in 2022.

PJSC TransContainer also has occupational health and safety (OHS) and fire safety training courses that are mandatory for all employees.

## CLIMATE AGENDA

### Calculator

With the view of providing a new ESG service to our clients, PJSC TransContainer started designing its own GHG calculator in 2022. You can use this feature to calculate the best cost and time efficient cargo transportation route with a smaller carbon footprint.

### Green certificates

As part of the decarbonisation of the business, the first inventory of emission sources and a Scope 1, Scope 2 GHG estimate were made at the end of 2021. The Company started drafting a methodology for calculating Scope 3 GHG emissions. PJSC TransContainer is aware of the importance of the climate agenda and voluntarily undertakes to reduce greenhouse gas emissions. In 2021, PJSC TransContainer fully covered the in-house electricity consumption through I-REC certificates.

I-REC certificates got by PJSC TransContainer in 2021 were the first significant step of the Company in reducing its carbon footprint and making its business greener. As a result, electricity generation from fossil fuels was completely replaced with renewable energy (hydroelectric power plants (HPP)). Reduction of greenhouse gas emissions due to the redemption of the international I-REC certificate amounted to 6.1 thousand tons.

### Customer screening in terms of future carbon regulation

Consumer demand for green logistics is growing steadily both globally and in Russia. The findings of TransContainer's key customer analysis revealed that most of the customers had set greenhouse gas emission reduction targets and, though many companies revised their sustainability strategies, would continue to make progress towards their decarbonisation goals.

## Asia to Europe Transit: alternative routes in a carbon-constrained environment

In 2021, Delo Group together with TransContainer, DeloPorts and Ruscon undertook a study on Asia – Europe Transit: Alternative Routes in a Carbon-Constrained Environment, which, for instance, included the quantitative assessment of GHG emission intensity rate for sea and railway routes.

The study analysed:

**>1,200 routes** **>50 ports and rail terminals**

Global transport-related CO<sub>2</sub> emissions are around **~9 billion tons**, with almost **~1 billion tons** attributable to shipping traffic. Europe and Asia together account for **16%** of global cargo turnover

Emissions from container carriers amount to **23%** of water transport emissions

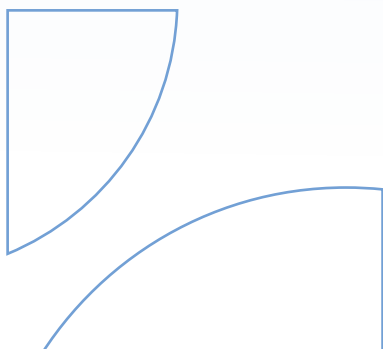
emissions from container carriers on the Europe – Asia route exceed **>35 million tons of CO<sub>2</sub>**

Based on expert estimates, achieving carbon neutrality for maritime traffic will require:

**30 years** **USD 400 billion** of investment (R&D, CAPEX and OPEX)

In addition to the above:

- Russia's unique territorial location, as well as the Russian Government's investments in electrification of railways and development of low-carbon energy (nuclear, hydropower, renewables), already allow for a 50% reduction in greenhouse gas emissions in Asia to Europe cargo transit along a number of routes as compared to the route via the Suez Canal.
- Rail transport services, in combination with renewables and carbon units, can help achieve carbon neutrality faster and cheaper.
- Climate and economic benefits can accrue to those companies that remain in the Russian market and continue to exploit our in-country opportunities.
- Further expansion of transit options through the Russian Federation and investment in infrastructure and railway tracks will enable significant reductions in greenhouse gas emissions in a relatively short period.
- By improving energy and fuel efficiency and turning to renewable energy, terminals can reduce up to 60% of emissions from intermodal exchange and up to 6% of the entire route.
- Emissions from container handling can account for up to 10% of the total emissions on the route.
- Emissions from purchased electricity (Scope 2) range from 50 to 60% of the emissions from container terminals, which can be reduced through the use of renewables.



## The main conclusions on emissions intensity rate on the routes

The following conclusions were drawn from a model comparing emissions intensity rate on sea, rail and multimodal routes between northwest Europe and southeast Asia:



Specific emissions per container and delivery times for rail transport are significantly lower than for sea transport via the Suez Canal, even on the largest container ships with 24,000 TEU carrying capacity

Specific emissions from rail transportation of refrigerated containers from China to Europe are comparable to emissions on maritime routes using the largest container ships ( $\pm 20\%$ , depending on the route) with combined transportation of refrigerated and conventional containers; delivery by rail is faster in this case

The introduction of carbon taxes for maritime container traffic will facilitate the growth of rail traffic between Europe and Asia in the longer term

Rail routes have a significantly greater potential to reduce emissions intensity rate and become carbon neutral already in the short term



Railways give up to 80% reduction in emissions per container, with delivery times from 1 day to several weeks faster

Speed of delivery is of particular importance for refrigerated cargo, and rail transport fulfills these requirements

Rail transport possesses high growth and price competitiveness potential

Rail transport can achieve carbon neutrality faster and cheaper

# SUSTAINABLE DEVELOPMENT MANAGEMENT

PJSC TransContainer established a corporate sustainability management framework in 2021. The Company set up a competence centre and dealt with recruitment of employees, as well as established the Environmental Sector and extended the functions of the Strategy and Business Development Unit as they pertain to the sustainability policy and strategy formation, as well as coordinated integration of sustainable development principles in the business processes of the Company.

In 2021, TransContainer's maturity analysis was conducted with respect to three ESG factors: environmental responsibility, social responsibility, and corporate governance. The Company began developing

its Sustainability Strategy, defining sustainability goals, prioritising UN SDGs<sup>1</sup>, and establishing Key Performance Indicators (KPIs) for the strategic ESG-related focus areas of the Company.

Over the past period, the Company analysed its performance in terms of sustainable development and assessed its readiness for ESG ratings under five different sustainable development rating methodologies.

For the purpose of transparency and accountability of non-financial information to its stakeholders, PJSC TransContainer started publishing its annual ESG Reports. In 2021, the Company conducted its first stakeholder survey to identify priority

sustainability topics and consider opinions of key stakeholder groups.

Below is the list of internal regulatory documents<sup>2</sup> related to sustainable development that were updated/developed in 2021:

- Code of Business Ethics of PJSC TransContainer
- Corporate Fraud Management and Anti-Corruption Policy of PJSC TransContainer
- Labour Protection Policy of PJSC TransContainer
- Environmental Policy of PJSC TransContainer
- Charity Policy of PJSC TransContainer<sup>3</sup>
- Anti-Trust Compliance Policy of PJSC TransContainer
- Supplier Code of Conduct<sup>3</sup>

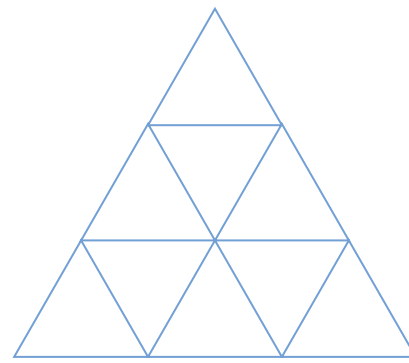
<sup>1</sup> 17 Sustainable Development Goals adopted by the UN General Assembly.

<sup>2</sup> The documents are available on the Company's official website: <https://trcont.com/investor-relations/charter-and-by-laws>.

<sup>3</sup> The document was approved in January 2022.



## SUSTAINABILITY IS A FOUNDATION FOR DEVELOPMENT AND GROWTH



# STRATEGIC DEVELOPMENTS

### EFFICIENCY AND SCOPE

Asset efficiency upgrade will be realised through continuous improvements in asset turnover, allowing the Company to optimise the flatcar and container purchase volume in a growing market

To develop intermodal products, the Company plans to increase its own fleet of container equipment. Market growth requires active development and construction of new terminal infrastructure.

### Shaping the long-term competitive edge of the Company in a transforming logistics market

### BEING CLOSER TO A CUSTOMER

Implementing programmes to raise customer service standards and provide comprehensive products into the market are both aspects of the Company's customer-centric strategy and the development of its transport and logistics products.

Sustainable development is the basis for long-term growth of the Company. According to the corporate strategy of PJSC TransContainer until 2030 approved in September 2021, sustainable development is an integral part of the Company's long-term development and a new growth area.

# UNTIL 2030

### NEW GROWTH AREAS

Green logistics, digital platforms and other new market segments.

The Company improves the reliability and stability of its business in the longer term by integrating the principles of sustainable development into its corporate strategy. These principles increase brand credibility and attractiveness of the Company for all stakeholders, as well as contribute to the Company's goal of becoming a leader in the field of green logistics.



#### INTEGRATION OF ESG INTO OPERATIONAL PROCESSES

- planning/execution
- disclosures
- continuous stakeholder engagement



#### RECOGNITION AND RATINGS

- preparing an ESG strategy and roadmap for further implementation of ESG principles in the Company's activities
- improving positions in ESG ratings
- attracting green funding



#### GREEN LOGISTICS

- promoting the principles of sustainable logistics in Russia
- developing the green corridors/routes
- working with subcontractors and industry insiders to improve transparency of ESG data for the benefit of the client

## HOW WE CREATE VALUE

### INTEGRATION OF ASSETS

To enhance the comprehensiveness of services provided (end-to-end intermodal products) and the asset utilisation efficiency through integration with Delo Group.

### PRODUCT-ORIENTED APPROACH

To promote transport and logistics products through the development of a pricing system, product metrics, and customer needs analysis.

### CUSTOMER INTIMACY

To create long-term relationships, to provide all-in-one service, and to establish trust and customer intimacy through an international presence.

### EFFICIENCY

To make more efficient use of rolling stock, containers and infrastructure through accurate order fulfilment and management and to stimulate container and rolling stock turnover.

Economies of scale in the development of TC/TC service<sup>1</sup>.

### DIGITALISATION

To increase operational efficiency and transparency of processes, reduce labour input and handwork.

### SUSTAINABLE LOGISTICS

To promote regional social and economic development by expanding transport connectivity in Russia.

To improve access to foreign markets for domestic exports through the development of transport and logistics corridors.

To contribute to the decarbonisation of the economy by increasing the freight traffic by the most ecologically clean mode of transport in the world.

## INTEGRATION OF ESG FACTORS INTO THE CORPORATE GOVERNANCE SYSTEM



#### RESPONSIBILITY

- Involvement of the Board of Directors
- Team building



#### PROCESSES

- Regular assessment of ESG risks, with consideration at all levels
- Development/updating of sustainability policies



#### BUSINESS

- Integration of ESG into business processes and supplier and customer relationship management



#### KPIs AND CONTINUOUS MONITORING OF PERFORMANCE

- Setting of achievable and ambitious ESG targets
- Regular collection of reliable ESG indicators



#### INCENTIVE SYSTEM

- ESG targets are included in the KPIs for annual and long-term executive and employee bonuses



#### ACCOUNTABILITY AND TRANSPARENCY

- Annual publication of the ESG report
- Feedback

<sup>1</sup> The type of transportation which means that PJSC TransContainer's in-house containers are carried on TransContainer's flatcars.

# ESG RISKS

PJSC TransContainer aims to achieve sustainable logistics leader status through effective ESG risk management and identification of new opportunities for further business development, higher efficiency and competitive strength.

The Company took into account sustainability risks and opportunities when preparing its long-term corporate strategy until 2030. In 2021,

PJSC TransContainer analysed how ESG risks influence the Company's activities and then updated the corporate risk map accordingly. The Company's ESG

risks were integrated into the general risk management system. The main ESG risks of PJSC TransContainer are presented below.

Risk	Risk description	Possible consequences of the risk	Risk management
<b>Epidemiological risk</b>	<ul style="list-style-type: none"> <li>Uncontrolled spread of new diseases and humanity's unwillingness to manage them</li> <li>Spontaneous increase in the number of workers becoming ill (mass sick leave, quarantine).</li> <li>Non-compliance with requirements to prevent the spread of coronavirus infection by workers</li> <li>Inadequate organisation of coronavirus response measures</li> </ul>	<ul style="list-style-type: none"> <li>Closure of borders (infrastructural limitations)</li> <li>Redistribution of world trade flows (global trade restrictions)</li> <li>Disruption of normal business operations</li> <li>Business interruption/suspension</li> <li>Lower/higher demand for transport services</li> <li>Sanctions by state authorities supervising COVID-19 focalisation requirements</li> </ul>	<ul style="list-style-type: none"> <li>Flexible working arrangements (hybrid schedule, telecommuting, flexible working hours), taking into account the epidemiological situation</li> <li>Weekly COVID-19 surveillance reports</li> <li>Quarterly analysis of labour productivity</li> <li>Vaccination campaign for employees</li> </ul>
<b>Lack of skilled staff</b>	<ul style="list-style-type: none"> <li>Discontentment with pay, social guarantees and uncompetitive remuneration conditions</li> <li>Lack of career and professional growth opportunities</li> <li>Unsatisfactory working conditions and low staff morale</li> <li>Insufficient number of specialists of necessary qualifications in the labour market</li> <li>Manpower misplanning</li> <li>Outflow of qualified personnel Lack of a functional human resource management strategy</li> <li>Potential human rights violations, including: <ul style="list-style-type: none"> <li>Discrimination based on race, gender and other criteria: <ul style="list-style-type: none"> <li>forced resettlement of local residents</li> <li>use of forced labour and child labour</li> <li>limitation of the ability to form associations, amalgamation</li> <li>non-compliance with the Code of Business Ethics (bullying, harassment)</li> <li>violation of the terms of the Collective Bargaining Agreement</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Additional costs for new employee orientation training</li> <li>Decrease in staff labour productivity</li> <li>Potential leaks/loss of information</li> <li>Deterioration of the Company's business reputation on the labour market, increase in the average vacancy filling period</li> <li>Failure to accomplish key performance indicators, loss of revenue/reduction of financial and economic performance of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Annual analysis of personnel involvement (on an ongoing basis once a year)</li> <li>Formation of a staff training and skill upgrading plan (on an ongoing basis)</li> <li>Formation of a competitive total remuneration system for employees</li> <li>Implementation of corporate culture development projects</li> <li>Labour market analysis and biannual monitoring of trade job wage level by region</li> <li>Identification of competitors and donors</li> <li>Interaction with specialised secondary collages/universities to select promising students</li> </ul>
<b>Mulfunction of IT systems and infrastructure (cyber risks)</b>	<ul style="list-style-type: none"> <li>Obsolescent IT equipment</li> <li>Lack of software updates</li> <li>Virus attack</li> <li>Unauthorised access (including insecure authentication)</li> <li>Software failures</li> <li>Communication service exceptions</li> <li>Lack of technical support from software, equipment manufacturers</li> <li>Use of software in violation of copyright owners' rights</li> </ul>	<ul style="list-style-type: none"> <li>Interruptions in the Company's operations</li> <li>Loss of critical data</li> <li>Necessity to pay fines to rights owners</li> <li>Public image damage</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled replacement and upgrade of obsolescent IT equipment (when needed)</li> <li>Redundancy of IT equipment, data backup</li> <li>Implementation of standby data processing centre (DPC) for business continuity</li> <li>External audit by a special-purpose entity</li> <li>Pentest<sup>1</sup></li> <li>Preparation of a register of analogue solutions and potential developers</li> <li>Consideration of options to reject software, the use of which imposes additional restrictions on the Company's activities</li> </ul>
<b>Confidential/proprietary information leakage</b>	<ul style="list-style-type: none"> <li>Inadequate information security (poorly secured authorisation tools, software failures, configuration failures)</li> <li>Violations of the established data and paperwork management procedures by Company's employees (negligence)</li> <li>Deliberate actions of the Company's employees or other parties that gained legitimate access to confidential information with the aim of divulging such confidential information to competitors for mercenary or other self-interest motives</li> </ul>	<ul style="list-style-type: none"> <li>Direct or indirect financial losses, including potential claims from third-party confidential data owners</li> <li>Weaker competitiveness</li> <li>Deterioration of business reputation as a reliable partner in the container traffic market</li> <li>Penalties for violation of personal data protection laws</li> </ul>	<ul style="list-style-type: none"> <li>Approval of an annual plan to audit the compliance with trade secret and internal security regulations</li> <li>Approval of the annual plan of external information immunity checks, checks of whether employees of the Company use confidential information and the Internet</li> </ul>
<b>Wrongful acts of third parties against the Company's property or personnel</b>	<ul style="list-style-type: none"> <li>Criminal intent to engage in fraud, commercial bribery, theft of the Company's property, deliberate or accidental damage to such property, or terrorist and/or other extremist acts</li> <li>Inadequate due diligence of counterparties</li> <li>Inadequate control of access to facilities: rail sidings, container terminals (sites), production and administrative buildings (premises), containers, flatcars, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Losses related to lost assets, business recovery, lost gain from business suspension (interruption)</li> <li>Damage to business reputation</li> </ul>	<ul style="list-style-type: none"> <li>Approval of the annual plan to supervise the work of security companies</li> <li>Approval of the annual plan to monitor the operation of video surveillance and security alarm systems</li> </ul>

<sup>1</sup> A method of evaluating the security of computer systems or networks by simulating an attack by an intruder.



Risk	Risk description	Possible consequences of the risk	Risk management
<b>Wrongful acts of the Company's employees</b>	<ul style="list-style-type: none"> <li>Inadequate security measures</li> <li>Lack of ethical maturity of employees</li> <li>Deliberate misappropriation of monetary means, assets and other property of the Company, including by fraud</li> <li>The Company's employees deliberately arranging unfavourable contract terms for pecuniary or other self-interest motives</li> </ul>	<ul style="list-style-type: none"> <li>Losses of the Company, including losses of assets</li> <li>Loss of expected gains</li> <li>Human losses</li> <li>Damage to business reputation</li> </ul>	<ul style="list-style-type: none"> <li>Screening of candidates for key positions in the Company, identifying possible conflicts of interest (on an ongoing basis)</li> <li>Approval of an annual plan to counteract unlawful actions</li> </ul>
<b>Technical incidents</b>	<ul style="list-style-type: none"> <li>Exceeded equipment service life limit</li> <li>Equipment manufacturing defects</li> <li>Non-compliance of terms and contents of repair works with requirements of task method statements (TMS)</li> <li>Under-qualification of staff/contractors for maintenance of lifting equipment/vehicles</li> <li>Lack/failure to fulfil schedules and scope of repair work</li> <li>Non-compliance with fire safety requirements</li> <li>Lack of required approvals from co-contractors for handling/transportation of dangerous goods and work with special facilities</li> </ul>	<ul style="list-style-type: none"> <li>Threats to human life and health</li> <li>Production process shutdown</li> <li>Costs related to business recovery</li> <li>Fines, penalties and liquidated damages</li> <li>Losses caused by accidents</li> <li>Damage to business reputation</li> <li>Loss, damage to equipment, cargo, cars, containers).</li> <li>Failure of utility systems</li> <li>Deterioration of building and structure performance standards</li> <li>Loss of functionality of building/construction elements</li> </ul>	<ul style="list-style-type: none"> <li>Timely repairs as prescribed by Federal Industrial Safety Code "Safety Rules for Hazardous Facilities Using Lifting Equipment" as approved by Order of the Federal Environmental, Technological and Nuclear Energy Supervision Service No. 461 dated 26 November 2020), and Operation Manual for loading and unloading machinery (when needed).</li> <li>Upgrade of process equipment with exceeded service life limit in accordance with approved investment programme (condition-based)</li> <li>Construction and inspection checkups prior to commissioning of equipment</li> <li>Check on compliance with repair schedule and scope</li> <li>Random inspections of compliance with timing and content of repair works</li> <li>Control of availability of necessary permits from co-contractors when handling/transporting hazardous goods (to be specified in contracts and procurement documents).</li> <li>Compliance with fire safety requirements pursuant to Federal Law of the Russian Federation No. 123-FZ dated 22 July 2008 Technical Regulations on Fire Safety Requirements and Fire Safety Regulations in the Russian Federation approved by Decree No. 1479 of the Government of the Russian Federation dated 16 September 2020</li> </ul>
<b>Traffic accidents</b> (derailments, wrecks, accidents with rolling stock and containers) through the fault of PJSC TransContainer	<ul style="list-style-type: none"> <li>Failure of employees to comply with regulatory traffic safety requirements</li> </ul>	<ul style="list-style-type: none"> <li>Loss of life</li> <li>Loss of rolling stock, containers, transported cargo</li> <li>Compensation for damage caused by a traffic accident</li> </ul>	<ul style="list-style-type: none"> <li>Development of an approach to traffic accident insurance</li> <li>Timely certification of employees involved in loading and unloading (as required)</li> </ul>
<b>Work-related injuries</b>	<ul style="list-style-type: none"> <li>Employee non-compliance with occupational, industrial and fire safety requirements contained in the applicable laws and Company's by-laws</li> <li>Equipment non-compliance with occupational safety requirements</li> <li>Delayed personnel training on safe operating procedures</li> <li>Non-compliance with internal labour regulations</li> <li>Delays in delivery dates and inadequate quality of personal protective equipment (PPE) supplied</li> </ul>	<ul style="list-style-type: none"> <li>Harm to health of workers</li> <li>Administrative and criminal responsibility</li> <li>Litigation expenses</li> <li>Damage to the Company's reputation</li> </ul>	<ul style="list-style-type: none"> <li>Training in safe working practices as required by the Labour Code of the Russian Federation and Procedure for OHS training and OHS Knowledge Assessment of Corporate Employees approved by Resolution No. 1/29 dated 13 January 2003 of the Ministry of Labour and Social Protection of the Russian Federation and the Ministry of Education of the Russian Federation</li> <li>Provision with individual protective equipment pursuant to Order of the Ministry of Health and Social Development of the Russian Federation No. 582n dated 22 October 2008 On Approval of Standards for Issuance of Certified Protective Clothing, Shoes and Other Protective Means to Russian Railway Personnel Exposed to Extreme Temperatures or Contamination</li> <li>Timely season-wise supply of PPE</li> <li>Three-tier OHS monitoring pursuant to the Regulation on Occupational Health and Safety Monitoring Procedures of PJSC TransContainer</li> <li>Special assessment of working conditions shall be conducted under Federal Law No. 426-FZ dated 28 December 2013 On Special Assessment of Working Conditions once every five years and whenever new jobs are created. For this purpose, the Company engages a duly licensed organisation approved by the Ministry of Health and Social Development of the Russian Federation</li> <li>Assessment and management of such occupational risk as workplace hazards</li> </ul>

Risk	Risk description	Possible consequences of the risk	Risk management
<b>Negative environmental footprint associated with the use of equipment and technology</b>	<ul style="list-style-type: none"> <li>• Non-compliance of existing equipment with updated in-house requirements</li> <li>• Operation of non-eco-friendly equipment</li> <li>• Inadequate occupational training of responsible persons (inadequate qualifications)</li> <li>• Abnormal operating conditions, wear and tear of, and damage to equipment, accidents</li> <li>• Natural disasters, climate change</li> <li>• Accidents, explosions, fires at third-party facilities that interfere with the Company's operations</li> <li>• Lack of formal emergency response procedures, unformalised crisis management</li> <li>• Non-compliance with new climate change legislative instruments</li> <li>• Tougher requirements of applicable climate change legislative instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Suspension of operations</li> <li>• Harm to employees and public health</li> <li>• Penalties and compensation for environmental damage and harm to employees and public health (including charges for greenhouse gas emissions, obligations to use new technologies, bans on certain activities and substances)</li> <li>• An increase in the cost of insurance</li> <li>• Litigation expenses</li> <li>• Commitment to environmental restoration</li> <li>• Deterioration of the Company's business reputation (including a decrease in public tolerance of "dirty" industries and lower investor interest in certain sectors)</li> </ul>	<ul style="list-style-type: none"> <li>• Development of environmental protection initiatives</li> <li>• Insurance of hazardous production facilities against damage to third parties in accordance with Federal Law No. 225-FZ dated 27 July 2010 On Compulsory Third-Party Liability Insurance of Owners of Hazardous Production Facilities for Damage Caused by an Accident at a Hazardous Production Facility</li> <li>• Procurement of up-to-date equipment and technical equipment in line with the approved investment programme</li> <li>• Skills upgrading of employees in health, safety and environment (HSE) in accordance with the regulatory and legal acts of the Russian Federation</li> <li>• Timely development and approval (by supervisory authorities) of documentation regulating the Company's environmental safety activities in accordance with the federal laws of the Russian Federation</li> <li>• Insurance of facilities against emergencies</li> </ul>
<b>Stricter tax regime</b>	<ul style="list-style-type: none"> <li>• Changes to the tax legislation implicating a significant increase in the Company's tax burden</li> <li>• A worldwide trend towards dependence of the tax burden on the company's carbon footprint (including implementation of cross-border carbon regulation)</li> </ul>	<ul style="list-style-type: none"> <li>• Higher Company's tax burden</li> <li>• Poorer financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Timely response to tax law changes (on a regular basis)</li> </ul>
<b>Corruption risks:</b> conflict of interests, insider trading, bribery, influence peddling	<ul style="list-style-type: none"> <li>• Failure to familiarise employees with information and documents regulating the Company's basic principles and approaches to corporate fraud management and anti-corruption.</li> <li>• Lack of ethical maturity of the Company's employees and/or third parties</li> <li>• Corrupt practices by employees of the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Liability of the Company and its employees</li> <li>• Losses of the Company, among them due to loss of assets</li> <li>• Damage to the Company's reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Planning of a set of promotional, organisational, awareness-raising and other anti-corruption measures (workshops, technical training, individual consultations and other activities)</li> <li>• Operation of the public corruption hotline, analysis of public reports about corruption actions made by employees of PJSC TransContainer, as well as about the facts of inappropriate consideration of such reports</li> <li>• Annual anti-corruption summary</li> </ul>
<b>Interest-rate risk</b>	<ul style="list-style-type: none"> <li>• Macroeconomic downturn</li> <li>• Downgrade in credit rating of PJSC TransContainer (deterioration in financial position)</li> <li>• An increase in the interest rate on loans due to an unpredictable raise in the Bank of Russia's key rate</li> <li>• Inadequate debt policy</li> <li>• Global trend of interest rate correlation with the company's ESG rating</li> </ul>	<ul style="list-style-type: none"> <li>• Decline in income on bank deposits/other floating interest rate tools</li> <li>• Increase in charges on loans / other floating interest rate tools</li> <li>• Cash shortage</li> <li>• Lower financial performance</li> <li>• Failure to meet budget targets</li> <li>• Breach of creditor covenants (EBITDA/interest)</li> </ul>	<ul style="list-style-type: none"> <li>• Market analysis, including analysis by banks, rating agencies and other external experts</li> <li>• Diversification of the creditor and investor base</li> <li>• Hedging</li> <li>• Diversification of debt instruments</li> </ul>
<b>Untimely procurement and commissioning of flatcar and car fleet</b>	<ul style="list-style-type: none"> <li>• Delays by suppliers</li> <li>• More-than-predicted rise in the cost of equipment and components</li> <li>• Mismatch between producers' capacity and demand ( the demand exceeds capacity)</li> <li>• Lack of a unified process for coordination of container/car delivery schedules (timing/ volumes) (one year in advance)</li> </ul>	<ul style="list-style-type: none"> <li>• The inability to provide the required operating flatcar and container fleet</li> </ul>	<ul style="list-style-type: none"> <li>• Control over the implementation of the investment programme</li> <li>• ESG screening of suppliers</li> <li>• Monitoring of capabilities of potential suppliers</li> <li>• Streamlining of the procurement scheduling process</li> </ul>

# INTEGRATION OF UN SUSTAINABLE DEVELOPMENT GOALS<sup>1</sup>

By improving transport connectivity across Russia through containerized traffic, expanding domestic exports into foreign markets and developing transport and logistics corridors, the Company contributes to the social and economic development of society, regions and Russian business and ensures seamless logistics.



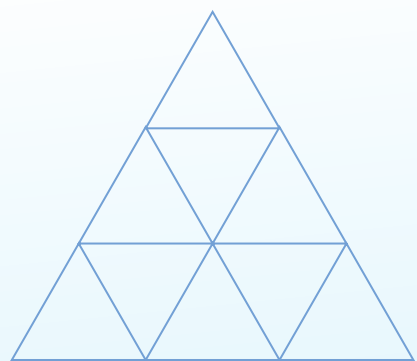
PJSC TransContainer is well aware of its responsibility to shape a sustainable future; therefore, the Company has a strong commitment to contributing to the achievement of the United Nations Global Sustainable Development Goals adopted by the UN General Assembly (UN SDG) and the implementation of the UN Global Compact with the consistent integration of sustainable development principles into the Company's business activities. The Company fully subscribes to the approach set out by the 17 UN SDGs. TransContainer's strategic business areas are aligned with most of the UN SDGs. In 2022, the Company started to prioritize the UN SDGs and will turn its focus toward the achievement of several goals that are most relevant to the business and specifics of the logistics sector and to which the Company is able to make a meaningful contribution. In prioritisation of the UN SDGs, PJSC TransContainer relies on the national goals in hand and the opinion of the Company's stakeholders. The 2022 plans also cover an analysis of the Company's value chain, business model and supply chain in terms of environmental and social impacts.

The sustainable development goals and objectives of PJSC TransContainer are in line with the UN SDGs. The Company continues to work on integration of sustainable development principles into its business processes, internal strategies and policies.



PJSC TransContainer directly facilitates the implementation of the UN Sustainable Development Goals not only through its core activities, using sustainable logistics as a promoter of socio-economic development, but also contributes to the decarbonisation of the economy. The primary intention of sustainable logistics is to meet the needs of stakeholders while minimising negative impact on the environment and society. With a unique terminal base, which is unrivalled on the national level, PJSC TransContainer offers the least carbon-intensive, safe and high-quality cargo transportation services even to the ultimate ends of Russia. The Company also encourages various initiatives, which minimise the environmental impact, enhance the quality of life in the regions where it operates, provide access to free medical services and education, and promote healthy lifestyles and sports and the principles of sustainable development in general.




<sup>1</sup> 17 Sustainable Development Goals adopted by the UN General Assembly in 2015.



## Sustainable Development Goals

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 1. No poverty</b>  Economic growth should be inclusive in order to ensure sustainable jobs and equality	1.1	As a large employer, TransContainer gives substantial support to the population in the form of employment, providing jobs directly at its enterprises and indirectly by influencing employment at enterprises in other economic sectors, which are indissolubly tied to sustainable logistics.
	1.2	
	1.3	PJSC TransContainer had 3,730 employees in 2021, up 8% year-on-year.  The Company makes sure to maintain a competitive level of salaries. The average pay level in PJSC TransContainer in 2021 was RUB 129,303.  Expenditures for supplementary pension, which is an important measure of social responsibility towards the Company's employees, amounted to RUB 35.8 million in 2021.  By improving transport connectivity across Russia through containerized traffic, expanding domestic exports into foreign markets and developing transport and logistics corridors, PJSC TransContainer contributes to the social and economic development of communities in the regions within its footprint.  By doing charity work, PJSC TransContainer sees to improve the society's quality of life and is ready and willing to lend assistance to disadvantaged social groups. Charity function is a part of voluntary social obligations undertaken by the Company. RUB 88 million were allocated for charitable assistance in 2021.  ⊕ For more details, please see the <a href="#">Charity and Corporate Volunteering section on p. 166</a>
<b>No. 2. Zero hunger</b>  The food and agriculture sector offers key solutions for development and is central to the action against hunger and poverty	2.1	Maintaining working logistics is essential to provide food and humanitarian goods to all the world's inhabitants and to keep national economies functioning.  As a major contributor towards eradication of hunger, PJSC TransContainer enables people living in remote corners of our country to receive and send food and agricultural commodities, while ensuring territorial connectivity. No other Russian company has such a unique asset base.  As a charity, the Company organises the transportation of charitable and humanitarian goods, and provides earmarked funding or property acquisition for the benefit of donatees.

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 3. Good health and well-being</b>  A key element of sustainable development is to ensure healthy lives and promoting well-being for all at all ages	3.1	PJSC TransContainer grants access to supplemental health insurance (SHI) to all employees of the Company. In 2021, RUB 55 million were spent on staff health insurance services. PJSC TransContainer also had a medical worker being available in the office for executive staff.
	3.3	
	3.8	Employees of the Company and their family members are offered partial reimbursement of the cost of health resort treatment and children's health camp package tours. Despite the severe epidemiological situation associated with the spread of the new coronavirus infection, the employees managed to use the above offers; the reimbursement of travel expenses in 2021 amounted to RUB 8.3 million.  ⊕ For more details, please see the <a href="#">Decent Working Conditions for Workers section on p. 82</a>  As for the traffic safety, the Company has a traffic safety system in place and carries out timely staff certification in loading and unloading operations.  Anti-COVID-19 measures taken by PJSC TransContainer to assist its employees: <ul style="list-style-type: none"> <li>• posting visual information (a memo for employees on how to behave during the pandemic) on the corporate portal and information panels;</li> <li>• installing dispensers for sanitary treatment of hands with antiseptic;</li> <li>• disinfecting premises;</li> <li>• providing employees with PPE;</li> <li>• arranging social distancing in the workplace;</li> <li>• arranging daily temperature measurements for employees who were kept at regular office work regime;</li> <li>• taking other measures as advised by the Federal Service for the Oversight of Consumer Protection and Welfare;</li> <li>• getting employees vaccinated and revaccinated, incentives for vaccination.</li> </ul> ⊕ For more details, please see the <a href="#">Occupational Health and Safety section on p. 124</a>

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
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### No. 4. Quality education



Quality education is the basis for a life of dignity and sustainable development

4.3	PJSC TransContainer makes arrangements for continuous professional development and career progression for its employees. All employees of the Company, regardless of their official level, have the opportunity to undergo vocational training and develop their competencies at a convenient time.
4.4	
4.7	

The total training expenses amounted to	Total number of employees trained was
<b>RUB 6.4 million</b>	<b>2,107</b>
Average hours of training per year per employee	
<b>36</b>	

The Code of Business Ethics and Anti-Corruption & Corporate Fraud Management programmes were developed in 2021 within the scope of staff sustainability training. PJSC TransContainer also has occupational health and safety (OHS) and fire safety training courses that are mandatory for all employees.

Moreover, PJSC TransContainer interacts with universities to select promising students. A total of 82 students completed industrial and pre-graduation internships at TransContainer in 2021, and, as a result, 12 students were then hired by the Company.

⊕ For more details, please see the Staff Training and Development section on p. 96

### No. 5. Gender equality



Gender equality is not only a fundamental human right but also a necessary condition for peaceful and sustainable existence

5.1	The Company's commitment to diversity and inclusion, as well as zero tolerance to discrimination of any kind are proved out, among other things, by the gender and age structure of the team. Raising the birth rate is no less important for PJSC TransContainer than generating profit. The Company cares about health and social well-being of its employees. In June 2022, TransContainer became the first Russian company to pilot the birth rate increase project in the country under the Demography national project. The Company believes that the birth rate raising efforts should be more systematic and came to terms with the representative of the President of Russia in the Central Federal District to support the D. Mendeleev Institute for Demographic Policy.
5.5	

For instance, PJSC TransContainer launched a pilot project in June 2022 to increase the birth rate among the Company's employees and worked out measures aimed at increasing the birth rate and supporting motherhood and childhood. The above measures include the payment of RUB 1 million for the birth of the third child and each subsequent one, as well as an additional payment to pregnant women (in the period from the beginning of pregnancy until they take maternity leave), reimbursement of costs for pre-school educational institutions and children's health camps package trips.

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
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### No. 6. Clean water and sanitation



Clean and accessible water for all is the key to a sustainable world

6.3	PJSC TransContainer conducts its core activities in the Russian Federation, which belongs to the regions with a low risk of water stress. PJSC TransContainer uses water resources for domestic needs only; basic services of the Company, such as containerised cargo delivery, does not require any water.
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In general, the Company has no significant negative impact on water resources. Water withdrawals in PJSC TransContainer's branches are made mainly through centralised water supply systems.

The Company discharges wastewater to septic tanks, followed by pumping and discharge to centralised water treatment systems. This process implies no impact on water bodies.

⊕ For more details, please see the Water Resources section on p. 162

### No. 7. Affordable and clean energy



7.2	The Company adopts a responsible attitude to the energy transition, while recognising the importance of the process, and is committed to contributing to the decarbonisation of the economy, by using renewable energy sources instead of fossil fuels, and to promoting energy efficiency.
7.3	

Solar collectors with a projected capacity of 60 kW/d are installed at the Zabaikalsk container terminal. The collectors are installed in the bonded warehouse and serve as an auxiliary heating system.

The Company also tries to purchase electricity generated from RES and is on the lookout for fuel suppliers with a low carbon footprint. By purchasing green I-REC certificates in 2021, PJSC TransContainer managed to reduce emissions by 6,100 CO<sub>2</sub>-eq.


In 2021, the Company carried out a number of energy conservation activities, such as the purchase of new equipment and gantry cranes, upgrade of lighting systems and introduction of the remote transport monitoring system.

⊕ For more details, please see the Environmental Impact section on p. 144


Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 8. Decent work and economic growth</b> <p>Eradication of poverty requires reconsideration of economic and social policies</p>	8.1	PJSC TransContainer makes a significant contribution to the social and economic development of the country. The Company promotes economic growth by scaling up its business, creating new decent and safe jobs, and making tax payments. PJSC TransContainer is a major employer and a responsible taxpayer.
	8.3	
	8.5	
	8.6	The headcount as at 31 December 2021 was 3,730, up 8% year-on-year.
	8.8	<p>The taxes paid in the reporting year amounted to</p> <p><b>RUB 6.6 billion</b></p>
		<p>The Company is working to streamline the age and gender structure of its employees, while ensuring equal opportunities for their professional growth and equal pay for equal work.</p> <p>Social benefits and guarantees are an important and integral tool of the Company's HR Policy. Expenditures for social programmes under the Collective Bargaining Agreement in 2021 amounted to almost RUB 159 million.</p> <p>PJSC TransContainer keeps up to high standards of occupational health and safety (OHS). The OHS-related goal of the Company is zero injuries.</p>
		<p><b>0 fatalities</b></p> <p><b>0 LTIFR</b></p>
		<p>The Company conducts regular monitoring of ill health rate. There were no recordable ill health cases over the last four years.</p> <p>There was a special assessment of working conditions in 2021:</p> <ul style="list-style-type: none"> <li>1,139 workplaces were found to have permissible working conditions (conform to occupational safety standards);</li> <li>95 workplaces were found to have harmful working conditions (electric and gas welder, dock operator, crane driver, etc.);</li> <li>no workplaces were found to have hazardous working conditions.</li> </ul> <p>⊕ For more details, please see the Occupational Health and Safety section on p. 124</p>


Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 9. Industry, innovation and infrastructure</b> <p>Investment in infrastructure is crucial to achieving sustainable development</p>	9.1	<p>PJSC TransContainer is the largest intermodal container operator in Russia. The Company owns 40 terminals and is uniquely qualified in effective management of the largest fleet of flatcars and containers on more than 3,300 routes in Russia and abroad. The Company makes a social contribution to the development of the regions where it operates, ensuring the connectivity of the territories and devising more and more unique routes to deliver goods to the most remote areas and increase the frequency of trips per week.</p> <p>With higher efficiency of rolling stock utilization and supporting processes, as well leadership in terms of assets, Efficiency and Scale focus area stands out as one of the strategic directions for the period until 2030.</p> <p><b>Digitalisation/innovation</b> To become more efficient, PJSC TransContainer is developing the Delo Group's digital platform and forming a transport ecosystem around the iSales electronic sales channel.</p> <p>In 2021, TransContainer approved the Strategy which defines the key focus areas for the development of information systems until 2025<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>development of digital sale channels and CRM-system;</li> <li>green logistics projects;</li> <li>development of BPM-system for processes monitoring and optimisation;</li> <li>smart container terminal technologies and artificial intelligence;</li> <li>creation of cross-holding services and a unified corporate data repository for the Group;</li> <li>infrastructure projects and development of supportive corporate systems.</li> </ul> <p>⊕ For more details, please see the Digitalisation section on p. 110</p>
<b>No. 10. Reduced inequalities</b> <p>Reduce inequalities among people and countries</p>	10.2	PJSC TransContainer provides its employees with equal rights and opportunities both in recruitment and in the provision of additional benefits and incentives, a fair level of remuneration, and opportunities for further growth and development.
	10.3	

<sup>1</sup> Resolution of the Board of Directors dated 28 October 2021 (Minutes No. 13).

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 11. Sustainable cities and communities</b>    Investment in infrastructure development will help achieve sustainable development	11.2	PJSC TransContainer contributes to the development of the regions where it operates and maintains the sustainability of cities and towns by ensuring uninterrupted deliveries to the most distant areas of the country. The coronavirus pandemic and the geopolitical situation prompted to reflect on the critical importance of the safety and resilience of the extremely complicated supply chains and logistics systems the contemporary society depends on.
	11.6	<p>As the largest operator in the logistics industry, PJSC TransContainer has a responsible attitude to the opportunity to contribute to the development of sustainable logistics and cities, thereby bringing value to the nation state, customers, partners and society as a whole.</p> <p>With the terminals distributed across Russia, the Company can provide services to customers even in the most remote parts of the country, and no other Russian company in the logistics market has such a base of terminals.</p> <p>However, the growth of the Company's business necessitates investment in assets and infrastructure. Investments in terminal infrastructure will deliver a boost to terminal processing capacity.</p> <p>One of TransContainer's strategic objectives under the approved strategy for the period until 2030 is to increase the workload and efficiency of terminals.</p> <p>Terminal capacity development measures will include expanding the capacity of the Company's in-house key and regional terminals, acquiring or building new terminals, as well as increasing terminal efficiency and automating the operation of key terminals.</p> <p>PJSC TransContainer considers charity as an integral part of its social responsibility. The Company is focused on charitable activities in all regions where the Company operates, both in the Russian Federation and abroad.</p>
		In 2021, expenditures on charitable activities amounted to <b>RUB 88 million</b>



Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
		<p>Involving TransContainer employees in the charitable programmes is a crucial mechanism for social improvement in the regions within its footprint. The Company supports the culture of volunteering services and accomplishment of social tasks.</p> <p>PJSC TransContainer is aware of its responsibility to society and declares its commitment to the sustainable development principles, including the need to ensure a balanced and socially acceptable combination of economic growth and preservation of a favourable environment for future generations.</p> <p>⊕ For more details, please see the <a href="#">Charity and Corporate Volunteering</a> section on p. 166</p> <p>Despite the fact that TransContainer's operations have a moderate impact on the environment, since the main volume of container traffic comes on railway service, which is among the most environmentally friendly modes of transport, the Company on a going basis collects, records environmental indicators, and monitors environmental quality to further minimise negative impact, where applicable. To reduce the risks of environmental accidents and incidents, PJSC TransContainer has a well-organised response system.</p> <p>PJSC TransContainer also shows a responsible attitude to air quality and works to minimise air emissions.</p> <p>PJSC TransContainer carries out the following air emission control and reduction measures:</p> <ul style="list-style-type: none"> <li>• adjustment and maintenance of fuel equipment of internal combustion engines of motor vehicles, improvement of fuel efficiency, optimisation of operating time;</li> <li>• analysis and assessment of the possibility of purchasing special-purpose electric-powered vehicles and using alternative energy sources;</li> <li>• reviewing and updating of permits for air pollutant emissions.</li> </ul> <p>⊕ For more details, please see the <a href="#">Environmental Impact</a> section on p. 144</p>

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 12. Responsible consumption and production</b>	12.4	Responsible waste management is a major concern for PJSC TransContainer. The key priority in waste management is to reduce waste generation during the production process while increasing the percentage of waste recovery. The main waste management measures include the rational use of natural resources, materials, equipment, and the application of state-of-the-art technologies that reduce waste generation. Waste management methods mainly imply disposal and transfer to contracted waste collectors for burial.
	12.5	
 <p>Sustainable consumption and production aim at doing more and better with less</p>		
<p>In 2021, waste generation decreased by 8% to 5,000 tons.</p> <p>The share of waste sent for disposal or treatment in 2021 was 83%. It is planned to introduce a system of separate waste collection to reduce the share of solid municipal waste generated in 2022.</p> <p>PJSC TransContainer conducts its core activities in the Russian Federation, which belongs to the regions with a low risk of water stress. PJSC TransContainer uses water resources for domestic needs only; basic services of the Company, such as containerised cargo delivery, does not require any water.</p> <p>In general, the Company has no significant negative impact on water resources. Water withdrawals in PJSC TransContainer's branches are made mainly through centralised water supply systems. Some branches draw water from underground sources. Groundwater consumption does not exceed 10 m3 per day on the Company-wise level.</p> <p>PJSC TransContainer approved a Supplier Code of Conduct in early 2022. The Company expects its suppliers and contractors to adhere to the responsible consumption and production principles.</p> <p>⊕ For more details, please see the Environmental Impact section on p. 166</p>		

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 13. Climate action</b>	13.2	The global climate agenda and growing business interest in climate issues are the strong promoters of green logistics. PJSC TransContainer plays an important role in the decarbonisation of the economy as it helps phase out road transport, which accounts for significant air and GHG emissions, and replaces it with rail one.
	13.3	
	13.5	
 <p>Climate change knows no bounds and needs a global solution</p>		
<p>According to the International Energy Agency (IEA), rail freight service is one of the most energy-efficient modes of transport, accounting for 7% of international freight traffic but only 3% of the energy consumed by the global transport industry. However, carbon dioxide emissions from rail freight transport are only 0.3% of the global total figure<sup>1</sup>.</p> <p>The Company's strategic goal in terms of sustainability is to become a leader in green logistics.</p> <p>Over 80% of terminals use zero-emission electric gantry cranes in their container handling operations, which significantly reduces the negative impact on air quality compared to the use of fossil fuel powered reach stackers.</p> <p>In 2021, the Company acquired I-REC certificates to offset its own carbon footprint, in particular indirect greenhouse gas emissions (Scope 2).</p> <p>PJSC TransContainer makes annual disclosures on its greenhouse gas emissions and ways to adapt to and mitigate climate change.</p> <p>Scope 1 and Scope 2 greenhouse gas emissions in 2021 were 17,879 tons of CO2-eq. (down 8% year-on-year).</p> <p>The Company developed an online calculator for customers as an additional option of selecting a route with the lowest carbon footprint.</p> <p>PJSC TransContainer keeps track of potential climate risks as part of its risk management procedures. There are organisational and financial measures planned for 2021–2022 under the Company's Climate Strategy to establish a system for calculating financial implications related to climate change and to develop measures for managing these implications.</p> <p>The planned emission reduction activities of the Company aim to reduce emissions per unit produced.</p> <p>PJSC TransContainer also adheres to the principles of reasonable and careful use of energy. The Company has various energy saving measures in place.</p> <p>⊕ For more details, please see the Climate Change section on p. 151</p>		



<sup>1</sup> IEA, Eurasian Rail Alliance Index, 2020.



Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 15. Life on land</b> 	15.1	<p>One of TransContainer's main strategic goals is to minimise the negative impact on the environment through the reduction of its carbon footprint and air emissions, rational use of natural resources and efficient waste management.</p> <p>The Company's activities are closely linked to railway service, which, due to the high electrification of railway networks on the territory of the Russian Federation, has one of the lowest environmental impacts compared to other modes of transport.</p> <p>The Company's terminals are equipped with storm water drainage systems that were designed and now are kept in good repair and proper working order to minimise the negative environmental impact. The production site of JSC Logistics-Terminal, where wastewater is discharged into a water body, has treatment facilities designed to bring wastewater up to regulatory clean water level. Every year the Company engages an accredited laboratory to verify the efficiency of wastewater treatment. Thus, according to the reporting year findings, the efficiency is more than 80% for suspended solids and more than 70% for petroleum products. The renovation of the wastewater treatment facilities is scheduled for 2022; this will further gin up its efficiency. The Company does not discharge untreated wastewater into water bodies or on the ground. The volume of regulatory treated wastewater discharged to water bodies amounted to 182 thousand m3. All wastewater is pre-treated before it is discharged to a wastewater disposal reservoir.</p> <p>⊕ For more details, please see the Environmental Impact section on p. 144</p>
<b>No. 16. Peace and justice strong institutions</b> 	16.5	<p>The Company maintains the principle of zero tolerance to corporate fraud and corruption, including any manifestations of conflict of interest.</p> <p>In 2021, PJSC TransContainer approved the Anti-Corruption &amp; Corporate Fraud Management Policy and posted it on its official website, and in the reporting year two courses covering important areas associated with sustainable development – Code of Business Ethics and Anti-Corruption &amp; Corporate Fraud Management – were developed on the TransContainer Academy educational portal.</p> <p>These training courses are mandatory for all new hires. For the purpose of knowledge renewal, the Company plans to make all employees pass these courses in 2022.</p> <p>In 2021, 12 situations related to conflict of interest were reviewed by the Conflict of Interest Commission, four of which resulted in the adoption of organisational measures.</p> <p>In the reporting period, during the screening of candidates for vacant positions to the Company's divisions, security officers identified three candidates with signs of a conflict of interest, who were refused employment.</p> <p>In 2021, there were more than 215,304 applications received through the call centre and other channels. with 82,253 (of the total number of complaints) received via the hotline. They were checked and did not reveal any facts of corruption, corporate fraud or embezzlement.</p> <p>⊕ For more details, please see the Anti-Corruption section on p. 58</p>

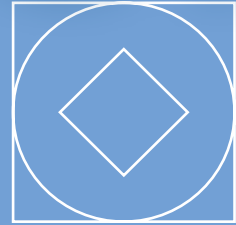
Protecting and rehabilitating terrestrial ecosystems and promoting their sustainable use will help achieve sustainable development

Promoting peaceful and inclusive societies for sustainable development

Name and number of UN Goal	UN target number	Contribution of PJSC TransContainer to the achievement of the UN SDGs
<b>No. 17. Partnerships for the goals</b> 	17.16	<p>In December 2021, Delo Group, which includes PJSC TransContainer, joined the National ESG Alliance. All companies of Delo Group are actively involved in the social life of the regions where they operate, PJSC TransContainer and LLC DeloPorts already make good use of electricity from renewable green sources – wind and water.</p> <p>PJSC TransContainer as part of Delo Group joined the new RUIE Committee on Climate Policy and Carbon Regulation in the first half of 2022.</p> <p>⊕ For more details, please see the Sustainable Development section on p. 16</p> <p>PJSC TransContainer is involved in continuous interaction with non-profit organisations in the field of corporate social responsibility and sustainable development, as well as with charitable foundations as it pertains to charitable assistance and corporate movement of the Company's employees, including in the regions with PJSC TransContainer's footprint.</p> <p>⊕ For more details, please see the Sustainable Development and Stakeholder Relations sections on p. 16 и 179</p>
		<p>Working towards sustainable development is conceivable without partnerships at global, regional and local levels</p>

Working towards sustainable development is conceivable without partnerships at global, regional and local levels

# MAXIMUM TRANSPARENCY



An efficient and transparent system of corporate governance is the key to the success of TransContainer's business strategy.

## CORPORATE GOVERNANCE

**EQUITABLE AND FAIR**  
treatment of  
shareholders

**ACCOUNTABILITY OF THE  
EXECUTIVE BODIES**  
to the General Meeting of  
Shareholders and the Board of  
Directors of the Company

**SUSTAINABLE  
DEVELOPMENT:**  
balance between  
economic interests  
and obligations to  
improve the quality  
of social, economic  
and ecological  
sectors of life

**TRANSPARENCY:**  
disclosure of  
activities



# CORPORATE GOVERNANCE STRUCTURE

An efficient and transparent system of corporate governance is the key to the success of TransContainer's business strategy. The Company is aware that a well-formed corporate governance structure enhances its investment appeal, streamlines internal processes and lowers costs.

In its activities, the Company adheres to the best corporate governance practices, including those based on the Corporate Governance Code recommended for use by joint stock companies by Letter No. 06-52/2463 of the Bank of Russia dated 10 April 2014, and the corporate governance principles of the Organisation for Economic Cooperation and Development.

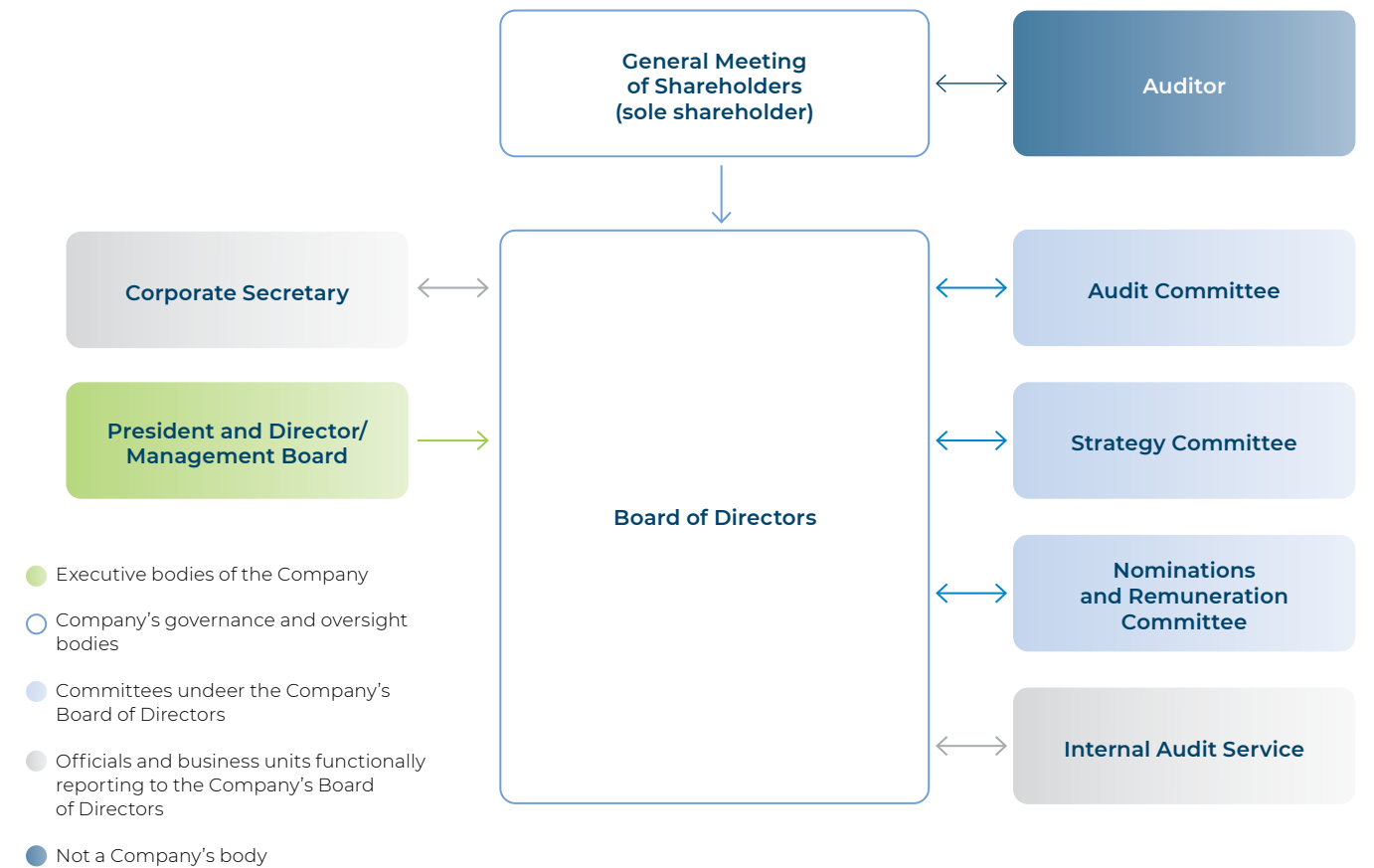
## THE MAIN REGULATORY DOCUMENTS

- Charter of PJSC TransContainer
- Corporate Governance Code of PJSC TransContainer
- Regulations on committees under PJSC TransContainer's Board of Directors
- Regulations on the Board of Directors of PJSC TransContainer
- Regulations on Sole Executive Bodies of PJSC TransContainer
- Regulations on the Corporate Secretary of PJSC TransContainer
- Anti-Corruption & Corporate Fraud Management Policy of PJSC TransContainer
- Anti-Trust Compliance Policy of PJSC TransContainer
- Regulations on the Internal Audit Service of PJSC TransContainer
- The Company's Corporate Governance Code sets out the following principles:
  - equitable and fair treatment of shareholders;
- accountability of the executive bodies to the General Meeting of Shareholders and the Board of Directors of the Company;
- transparency: disclosure of its activities;
- sustainable development: balance between economic interests and obligations to improve the quality of social, economic and ecological sectors of life.



## Governance and oversight structure

GRI 102-18



The system of management and control bodies includes the General Meeting of Shareholders, the Board of Directors, and executive bodies (President, Director, Management Board)<sup>1</sup>.

GRI 102-26

The Board of Directors ensures the long-term sustainability

of the Company through strategic management: defining the Company's vision, mission and strategy, as well as setting strategic goals and key performance indicators. The Board of Directors oversees the performance of the Company's executive bodies, determines the principles and approaches to organising the risk management system and internal control system, and improves the Company's corporate governance system<sup>2</sup>.

GRI 102-22, 102-24

Membership: The 11-member Board of Directors is elected annually by the General Meeting of Shareholders until the next annual General Meeting of Shareholders. The Chairman and Vice-Chairman of the Board of Directors are elected by the members of the Board of Directors<sup>3</sup>.

<sup>1</sup> Previously, the Company had the Revision Commission. Since April 2020, there has been no Revision Commission, as per the Charter of PJSC TransContainer.  
<sup>2</sup> The competence and required skills of the Board of Directors are defined in the PJSC TransContainer's Charter.  
<sup>3</sup> Para. 17.1 of the Charter of PJSC TransContainer.

## INDEPENDENT DIRECTORS

The Company appreciates the input of independent directors to better performance of the Board as they bring an independent perspective to its work. The Board of Directors analyses the Directors' compliance with the independence criteria

on an annual basis. When deciding on the independence of the Board members, the Board of Directors and the Nominations and Remuneration Committee are guided by the independence criteria established in the Listing

Rules of the Moscow Exchange, as well as in the Corporate Governance Code of the Bank of Russia recommended for use by joint stock companies by Letter No. 06-52/2463 of the Bank of Russia dated 10 April 2014.

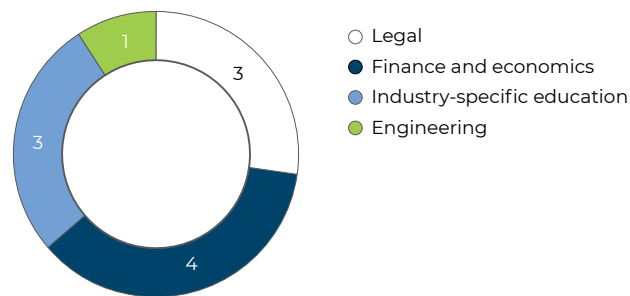
## COMPETENCIES AND DIVERSITY OF THE BOARD OF DIRECTORS

The composition of the Board of Directors of the Company should be balanced in terms of experience, competencies, age and gender. This

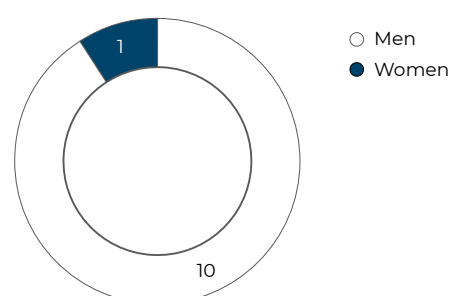
enables Board members to take into account different socio-cultural backgrounds and the interests of a wide range of stakeholders

in discussing issues and making decisions, thus contributing to the long-term sustainable development of the Company.

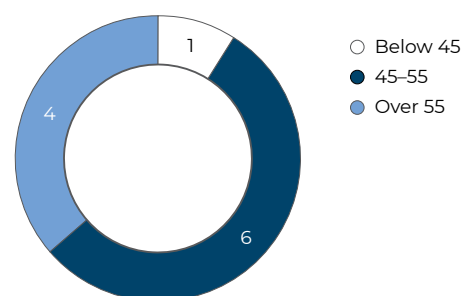
**Educational background of the Board members**



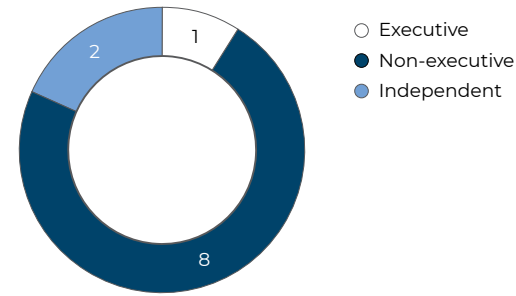
**Age structure of the Board of Directors**



**Gender structure of the Board of Directors**



**Structure of the Board of Directors by compliance with independence criteria**



GRI 102-20

There were 27 meetings<sup>1</sup> of the Board of Directors in 2021: 14 – in-person and 13 – by absentee voting. A total of 175 issues<sup>2</sup> were considered at these meetings

<sup>1</sup> For more details on the participation of Board members in meetings of the Board of Directors and its committees, please see p. 117 of PJSC TransContainer's 2021 Annual Report.  
<sup>2</sup> For more details on the agenda, please see p. 115 of PJSC TransContainer's 2021 Annual Report.

## PERFORMANCE OF THE BOARD OF DIRECTORS AND ITS EVALUATION

GRI 102-28

### Annual planning of the Board's activities

During the corporate year's first meeting, the Board of Directors approves its activity plan for a period until the next annual General Meeting of Shareholders. The Board's progress on the activity plan is reviewed at the last meeting of the corporate year.

was conducted in April 2021, using a remote questionnaire survey, which involved eight Board members. The goal of the self-assessment was to gather reliable information on the performance of the Board of Directors and its committees (as well as individual members thereof) and help guide future improvement of corporate governance practices.

GRI 102-24

### Onboarding of newly elected Board members

A one-day course is presented to newly elected members of the Board to get them acquainted with the Company.

Members of the Board of Directors identified the following principal objectives for the 2021/2022 corporate year:

- strategy development;
- risk management;
- corporate governance development;
- executive management control;
- development of a KPI system for the management team.

### Self-assessment

The results of the self-assessment of the Board of Directors are used to identify areas for improvement and factors that blunt the performance efficiency of the Board of Directors, as well to make proposals on how to enhance the performance of the Board and its committees.

### Independent evaluation

An external organisation, which is selected on a competitive basis, is engaged at least once every three years to carry out independent performance evaluation of the Board of Directors.

### Committees

The Company's Board of Directors has three committees for preliminary review of the most critical aspects of the operations. The committees' activities, remit and functions, the procedure to convene and hold the committee meetings and issue resolutions, as well as rights and responsibilities of the committee members are set out in the Regulations on the Committees under the Board of Directors of PJSC TransContainer.

The Regulations define the procedure for the election of committee members, in particular the requirements for higher education, certain knowledge and experience necessary to serve on each of the three committees.

In total, 193 issues<sup>1</sup> were considered by the three committees.

Self-assessment of the Board of Directors and its committees in 2020/2021 corporate year

Committee	Functions
<b>Audit Committee</b>	Plays a key role in overseeing the completeness, accuracy and reliability of financial statements. Responsible for the sound and effective functioning of risk management, internal controls and corporate governance and for ensuring the independence and objectivity of the internal and external audit functions
<b>Strategy Committee</b>	Pre-reviews issues related to the development and implementation of the Company's development strategy, and to the identification of priority areas and strategic goals of the Company. Oversees the progress on the Company's strategy, the elaboration of recommendations on adjustments to the existing development strategy
<b>Nominations and Remuneration Committee</b>	Preliminarily considers issues related to the formation of an effective and transparent remuneration policy and its practical implementation. The Committee's remit also covers staff planning, occupational structure and performance of the Board of Directors, executive bodies and other key executives of the Company

<sup>1</sup> For more details on the agenda, please see pp. 119-121 of PJSC TransContainer's 2021 Annual Report.

GRI 102-19

**Executive bodies**

of the Company include the collective executive body – the Management Board and the sole executive bodies – the President and Director<sup>1</sup>, who are responsible for current operations of the Company. The executive bodies report to the General Meeting of Shareholders and the Board of Directors and provide regular reports on their activities, helping to assess the performance and efficiency of the Company's executive bodies.

GRI 102-20

**The competencies**

of the Management Board<sup>2</sup>, the President and the Director of the Company are defined in the Charter.

The members of the Management Board fulfil the tasks set by the Board of Directors and report to the President of the Company, supervising financial and economic, production, environmental and social lines of work. In 2021, the Management Board had 49 meetings (39 – in-person and 10 – by absentee voting), which covered a total of 153 issues<sup>3</sup>.

<sup>1</sup> Pursuant to the Regulations on the Board of Directors, the President of the Company may not hold the position of Chairman of the Board of Directors or Deputy Chairman of the Board of Directors of the Company.  
<sup>2</sup> For more details on the Management Board members, please see pp. 124–127 of PJSC TransContainer's 2021 Annual Report.  
<sup>3</sup> For more details, please see p. 128 of PJSC TransContainer's 2021 Annual Report.

# REMUNERATION OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The goal of the remuneration system for members of the Board of Directors, sole executive bodies, members of the Management Board and the governance body of the Company is to recruit, incentivise and retain for a long time employees who have the required competencies and qualification to steer the Company efficiently towards its strategic goals and objectives.

## THE MAIN REGULATORY DOCUMENTS

- Regulations on Remuneration and Compensation to Members of the Board of Directors of PJSC TransContainer
- Regulations on Incentives for the Management

GRI 102-35, 102-36

Principles for calculating remuneration and compensation for members of the Board of Directors:

- An annual remuneration to a Board member is calculated according to a formula that factors in a member's attendance at meetings.
- An extra annual remuneration for sitting on the committees is calculated according to a formula that factors in the Board member's attendance at meetings (proportion of meetings attended).
- If a member of the Board of Directors sits on several committees, the additional annual remuneration is calculated and paid for participation in each committee.
- Payment of remuneration and compensation to Board members who hold civil service positions / serve as local government officials is made in accordance with the legislation of the Russian Federation.
- The Company does not use a stock bonus plan as remuneration for Board members.

Total remuneration of management consists of a fixed pay (basic salary or fixed wages) established by an employment agreement and a variable pay that includes bonuses and other payments stipulated by labour legislation of the Russian Federation, the Collective Bargaining Agreement or local regulations.

Based on the benchmark analysis of the remuneration level in peer companies, the Nominations and Remuneration Committee makes an assessment of whether management remuneration complies with market levels. The adjustment of the fixed part of the remuneration of members of the executive bodies

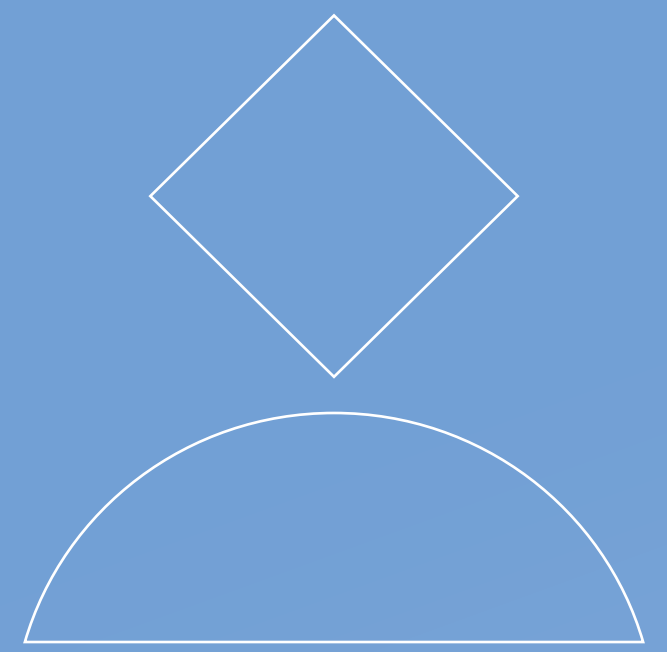
shall be approved by the Board of Directors of the Company, and the adjustment of the permanent part of the remuneration of managers (other than members of the executive bodies of the Company) shall be approved by the President.

<sup>1</sup> Management includes the President, the Director, the First Vice President, the Vice Presidents by business area, the First Deputy Vice President for Economy and Finance – Director for Economy and Finance, the Directors of the Executive Office by business area, as well as the Chief Accountant and the Chief Engineer (In November 2020, the position of Chief Engineer was abolished and the position of Chief Technical Officer was introduced)



# SOCIAL RESPONSIBILITY

Ensuring sustainable development is an important prerequisite for TransContainer's business and is closely linked to such corporate values of the Company as team spirit, professionalism and safety.



## ETHIC BUSINESS PRACTICES



RESPECT

RESPONSIBILITY

HIGH-QUALITY STANDARDS

LEGITIMACY

GOOD FAITH

OPENNESS AND TRANSPARENCY

# ANTI-CORRUPTION

It is crucial for PJSC TransContainer to adhere to high ethical standards and the principles of open and honest business conduct, while relying on the best corporate governance practices; the Company also takes care to maintain its business reputation at the highest level. The Company maintains the principle of zero tolerance to corporate fraud and corruption, including any manifestations of conflict of interest. PJSC TransContainer also expects its business partners and counterparties to create a fair business environment and to commit to anti-corruption practices. The Company incorporates an anti-corruption clause in all of its contracts and agreements.

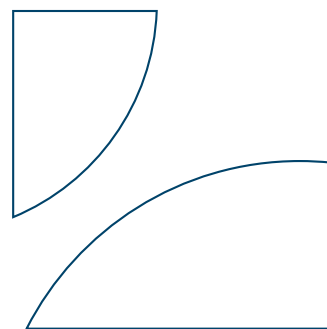
## THE MAIN REGULATORY DOCUMENTS ARE AS FOLLOWS

- Anti-Corruption & Corporate Fraud Management Policy of PJSC TransContainer
- Code of Business Ethics of PJSC TransContainer

## THE COMPANY IS A MEMBER OF THE ANTI-CORRUPTION CHARTER OF THE RUSSIAN BUSINESS SINCE 2015

The basic idea of the Charter is to help the companies forward with the integration of special anti-corruption programmes and practices, which concern not only the situation within organisations but also relations with business partners and the state. The Charter provides for the renunciation of preferences, sealed-bid purchasing, financial oversight, staff training, law enforcement assistance and other measures. Membership in the Charter and consistent implementation

of its provisions bear witness that the Company adopted appropriate anti-corruption measures, which, pursuant to the requirements of Art. 13.3 of Federal Law No. 273-FZ dated 25 December 2008 On Anti-Corruption, shall be taken by any organisation regardless of its form of incorporation. For PJSC TransContainer, membership in the Charter is critical to improving the anti-corruption & corporate fraud management system. It is also a way of building confidence in the Company among customers, partners and other stakeholders.



### GRI 205-2

Anti-fraud and anti-corruption measures:

- establishing an internal regulatory framework against corporate fraud and corruption ;
- informing employees and others of the basic principles and requirements for compliance with applicable anti-corruption laws;
- availability of information channels for reporting corporate fraud and corruption;
- defining the authority and responsibility of employees in matters related to corporate fraud and corruption;
- introducing standards of conduct for employees;
- conducting regular assessment of corruption risks;
- identifying and resolving conflicts of interest;
- regulating the exchange of business gifts and hospitality;
- regulating the procurement activities;
- training the employees in corporate fraud and corruption prevention;
- ongoing anti-corruption outreach and awareness-raising activities.

In 2021, TransContainer Academy offers a new training anti-corruption course.

### GRI 102-25

Prevention and management of conflicts of interest are an essential protection tool of the Company and shareholders.

The Company has taken measures to prevent potential conflict of interest involving executive bodies and key managers, including:

- a requirement set out in the Regulations on the Sole Executive Bodies of PJSC TransContainer and the Regulations on the Management Board of PJSC TransContainer, as well as employment contracts with the President, Director and members of the Management Board, obliging them to refrain from any actions that can or are likely to lead to a conflict of interest and report any such conflict arising to the Board of Directors of the Company;
- referring to the competence of the Company's Board of Directors the issues on giving the authorisation for concurrent employment of the President, Director and members of the Company's Management Board (they can have overlapped positions in PJSC TransContainer, in the management bodies of other organisations, as well as paid positions in other organisations);
- approval (by the Board of Directors of the Company) of the Corporate

Risk Map, which involves measures to manage the risk of illegal actions by the Company's employees. The risk minimisation initiatives include checking the key employees and candidates for key roles for potential conflict of interest;

- consideration by the Audit Committee of the Board of Directors of the report on cases of violation of the Code of Business Ethics of PJSC TransContainer (including situations involving conflicts of interest) prepared by the Internal Audit Service.

The Company runs a regular check of whether the measures to prevent conflict of interest are in place. The unit responsible for such checks is the Economic Security Department.

In 2021, the Conflict of Interest, Anti-Corruption, Corporate Fraud Management and Embezzlement Commission reviewed 12 situations related to conflict of interest, four of which resulted in the adoption of special organisational measures.

In the reporting period, during the screening of candidates for vacant positions in the Company's divisions, security officers identified three candidates with signs of a conflict of interest, who were refused employment.

<sup>1</sup> Employees are kept up-to-date on all changes to regulations through e-mail newsletters and publications in the relevant sections of the internal corporate website.

## HOTLINE

Ways to submit reports on possible corporate fraud:

- through the hotline communication channels on the official website of PJSC TransContainer or on the internal website of the Company (intranet portal) or through the operator of the call centre of PJSC TransContainer (telephone number – 8 (800) 100-22-20, internal telephone number – 11-01);
- to the security service of the executive office of PJSC TransContainer;
- to the immediate superior or, in case of suspicion of corrupt practices by the immediate superior, to the hierarchical superior;
- to the President personally or by e-mail to [trcont@trcont.com](mailto:trcont@trcont.com);

- by other available means which do not contradict the legislation of the Russian Federation and by-laws of the Company.

Received reports shall be forwarded to the Head of the Economic Security Department. The Company guarantees confidentiality with regard to the identity of an employee or a third party who reported a likely case of corporate fraud and corruption.

A total of 215,304 reports were recorded via the call centre and other channels during 2021. Seventy-seven (77) of the total number of reports were made to the Security Hotline. They were checked and did not reveal any facts of corruption, corporate fraud or embezzlement.

## EMPLOYEE INVESTIGATIONS

PJSC TransContainer has a procedure for official investigations initiated through disciplinary offences, damage, loss or other harm to the Company, entailing civil or material liability.

The objectives of an employee investigation are to prove or disprove the fact that an employee of PJSC TransContainer violated the requirements of by-laws or the laws of the Russian Federation.

The internal investigation determines the nature and extent of damage resulting from a disciplinary offense, the form and degree of guilt in action or inaction of the Company's

employee who committed a disciplinary offense, and concludes with proposals on disciplinary punishment.

The goal of an internal review is to survey the circumstances of the incident, determine the extent of the damage caused, identify the employees responsible and the degree of their fault, and prevent any recurrence of misconduct in the future. Based on the results of the internal review, an employee who violated the requirements of the Company's by-laws shall be subject to disciplinary and/or civil/property liability.

## GRI 205-1, 205-3

The Internal Audit Service on a regular basis submits the inspection results on violations of anti-corruption procedures for consideration of the Board of Directors of PJSC TransContainer, as well as the Audit Committee of the Board of Directors. The annual risk assessment revealed no cases of corruption or conflict of interests in PJSC TransContainer.

## STAFF TRAINING

Below are ethical business conduct courses launched in 2021:

- Code of Business Ethics
- Anti-Corruption & Corporate Fraud Management.

After an employee completes the training, he/she may pass a test on the course of his/her choice. All new hires are required to complete these training courses.

# ANTI-TRUST POLICY

The anti-trust policy is tightly bound to the competition policy as the former forbids the development of monopoly, which means that all organisations and companies are on an equal footing and have sufficient opportunity to develop. Well-designed monopoly regulation helps to promote competition, stabilise the market and improve the economy as a whole. Anti-trust compliance is one of the tools to reduce monopoly risks. In 2021, the Company approved the Anti-Trust Compliance Policy of PJSC TransContainer.



The key objectives of anti-trust compliance:

- ensuring compliance of the Company's activities with the requirements of the anti-trust legislation, as well as prevention, detection and restraint of violations of the anti-trust legislation during the Company's operations;
- establishing a unified framework for a uniform understanding of the internal controls aimed at compliance with the anti-trust legislation by the management and employees.



Tasks of the anti-trust compliance:

- To improve the identification, assessment, prevention and management of anti-trust risks;
- To improve internal controls over compliance with anti-trust laws, as well as mitigation mechanisms for realised anti-trust risks;
- To make sure that management and employees are aware of existing anti-trust risks.



The basic principles of anti-trust compliance:

- the principle of recognising anti-trust law violations as a risk that the Company needs to take into account in its activities; the principle of continuous and sustained involvement of management and employees in the antitrust compliance process;
- the principle of resource capability, which implies that the Company should allocate sufficient material and technical resources to implement and operate anti-trust compliance;
- the principle of uninterrupted functioning of anti-trust compliance, which helps identify and prevent anti-trust risks in a timely manner; the principle of information transparency of implementation and operation of the anti-trust compliance system; the principle of constant improvement of anti-trust compliance, depending on changes in the internal and external environment;
- the principle of personal responsibility of the Company's management and employees for improper compliance with anti-trust compliance procedures;
- the principle of regular assessment of the risks of violations of the anti-trust legislation in the Company's activities.

Any interested parties can report a possible violation of the anti-trust legislation confidentially by calling at 8 (800) 100-22-20 (for regions), +7 (495) 788-17-17 (for Moscow and Moscow Region) given at the Company official website, or by e-mail [trcont@trcont.com](mailto:trcont@trcont.com).

In 2021, PJSC TransContainer did not record any conflicts related to the antitrust and non-competitive behaviour violation, including enforcement proceedings, trials, paid and charged fines.



# RESPECT FOR HUMAN RIGHTS

PJSC TransContainer's activities comply with the highest Russian and international standards of human rights observance when interacting with all stakeholders of the Company, in particular with employees, suppliers and clients. An essential rule of business activity at PJSC TransContainer is the respect for people's honour, dignity, rights, and legitimate interests, including the intolerance of all forms of forced and child labour. No signs of discrimination are an evidence that this principle is implemented in the day-to-day business practices of the Company.

The Company supports the principles and values of the following international organisations and initiatives relating to human rights and freedoms:

- Universal Declaration of Human Rights
- United Nations Global Compact
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Conventions<sup>1</sup>.

PJSC TransContainer is aware of its social responsibility and aligns its decision-making process with fundamental human values, international law, laws of the Russian Federation and while taking into account possible environmental and social consequences of its decisions.

PJSC TransContainer operates with the highest ethical standards and relies on the principles of respect, integrity, honesty and responsibility. The Company works to balance the interests of its shareholders, the government, its employees, suppliers, and customers, public institutions, and other stakeholders in order to achieve high long-term operational and financial performance.

In order to raise ethical standards aimed at maintaining an atmosphere of trust, mutual respect and respect for human rights among employees, in July 2021 the Company's Board of Directors approved a new version of the Code of Business Ethics

of PJSC TransContainer, which reinforces PJSC TransContainer's commitment to high ethical standards and represents a set of the most important business principles and rules of conduct for employees. It is based on the Company's mission, strategy and corporate values.

## THE MAIN REGULATORY DOCUMENTS OF THE COMPANY

- Corporate Governance Code of PJSC TransContainer
- Code of Business Ethics of PJSC TransContainer
- by-laws.

GRI 102-16

## THE COMPANY'S CORPORATE VALUES



**Team spirit** means working in a team of like-minded people – the team of Delo Group – one of the most technological and dynamically developing business structures, following the common goals, strategies and corporate values of Delo Group. The unity of corporate values of Delo Group and PJSC TransContainer offers a robust groundwork for high standards of ethical behaviour in Delo Group and in the transport service market.



**Professionalism** entails maintaining a dominant position in the industry by utilising the networked business model, collaborating with Delo Group companies, stakeholders, and business partners to expand onshore and offshore transportation solutions, achieve synergies and operational efficiency, implement modern technology and equipment, perfect our logistics solutions, and uphold a consistently high standard of service at all terminals.



**Safety** refers to the taking of all essential precautions to safeguard people from any injury or threat to their life, health, or environment. Protecting everyone's health and safety is of utmost importance. Occupational safety helps us enhance working conditions, prevent work-related injuries, ill health and emergencies, as well as reduce risks and increase productivity.

Commitment to the Code is a prerequisite for people working in the Company. In order to effectively inform and explain the Code's provisions, PJSC TransContainer organises educational programmes and trainings based on best practices; the Company also has the Code visualised, thus simplifying its perception for employees and increasing their motivation to comply therewith.

In 2021, the TransContainer Academy training portal designed two sustainability-related courses – Code of Business Ethics and Anti-Corruption & Corporate Fraud Management.

The basic ethical principles of PJSC TransContainer are as follows.

### Respect

PJSC TransContainer, as a transregional and transnational company, respects the honour, dignity, rights and legitimate interests of people and their cultural traditions. The Company does not tolerate discrimination on gender, political, religious, national or other grounds.

### Fair practices

The Company follows the principles of fair competition and acts openly in its relations with its suppliers, customers and business partners.

### Legitimacy

The Company is aware of and complies with generally recognised principles and rules of international law, the laws of the Russian Federation, the laws of other countries within PJSC TransContainer's footprint, as well as follows the customs of business intercourse and best industry-specific practices.

### Responsibility

PJSC TransContainer bears responsibility for its own work and believes that its performance results are always specific and show up as new projects, trust, and satisfied clients. The Company makes balanced managerial decisions, follows the corporate social responsibility principle and fulfils its assumed obligations.

### Openness and transparency

The Company maintains open and transparent communications with employees, suppliers, customers, business partners, officials, and the media, subject to restrictions and the requirements of applicable laws.

PJSC TransContainer ensures equality, as pertains to labour rights and non-discrimination of employees, clients and suppliers regardless of gender,

race, nationality, language, origin, family, social and official status, age, place of residence, religious orientation, membership in public associations or any social groups.

PJSC TransContainer provides employees with safe working conditions, fair remuneration and opportunities for professional development in the Company, and also recognises the rights of employees to collective protection of interests and freedom of association and trade unions.

The management of the whole supply chain is one of PJSC TransContainer's key focus areas related to sustainable development. With a strong focus on all elements of the supply chain, especially the goods and services procurement procedure, the Company began developing the Supplier Code of Conduct in 2021. This document includes a list of recommendations and principles of open and fair business conduct, business ethics and sustainable development, most notably respect for human rights and freedoms, and PJSC TransContainer expects that its suppliers adhere thereto. The Code also incorporates the principles of the UN Global Compact and the International Labour Organisation.

<sup>1</sup> Relating to non-discrimination, freedom of association and collective bargaining, and the prevention of child and forced labour.

## TRANSCONTAINER'S HUMAN RIGHTS PRINCIPLES



### Freedom of employment

To refuse to use any form of forced or compulsory labour (as defined by ILO Convention No. 29) and do not seize money or identity documents at the beginning of an employment in order to retain workers against their will.



### Respect for diversity and non-discrimination

To reject all forms of discrimination and strive to ensure that employees are treated with respect and have equal opportunities both at the beginning of the employment and at every stage further on.



### Freedom of associations and collective bargaining

To acknowledge that employees have the freedom to create and join organisations that serve to advance and protect their interests, and not to sway their decisions. The Company also acknowledges their right to have their interests represented (within

the various business units) by trade unions or other persons elected in accordance with the legislation and practices in place in the various regions where TransContainer operates.



### Occupational health and safety

To be responsible for a high level of occupational health and safety in the workplace.

By increasing risk awareness and cultivating responsible attitudes among all of its employees, including through information communication and training, PJSC TransContainer promotes and enhances safety culture. The Company seeks to protect both the interests of other stakeholders and the health and safety of its own workers, particularly through the use of preventative measures.



### Decent and favourable working conditions

With the view toward providing decent and welcoming working conditions, PJSC TransContainer disapproves of any forms of harassment, abuse, verbal abuse, sexual harassment, physical aggression, psychological pressure, threats, and intimidation

both inside and outside the workplace. Remuneration shall rely on the principles of decent pay and equal remuneration for men and women for work of equal value and complexity, based on an impartial assessment based on the scope of work to be done (ILO Convention No. 100). In accordance with the provisions of ILO Conventions, the minimum compensation (pay) that the Company's employees receive cannot be lower than the minimum level set out in the labour agreements and legal regulations in force in each region.

PJSC TransContainer also considers career guidance and training important for the development of workforce and employee skills through improved forms of involvement and participation of employees and their representatives.



### Local community relations

When doing its business, the Company works towards higher quality of life and well-being of the communities within its footprint and tries to have a positive impact on their social and economic development.

## REPORTING OF HUMAN RIGHTS VIOLATIONS

PJSC TransContainer operates a hotline to receive reports of possible violations of human rights. An employee or any other person can call it and, as he/she feels convenient, report violations that have become known to him/her, with the aim of timely identification of possible violations, as well as a response to these facts.

GRI 102-17

Employees must report violations of the Code of Business Ethics of PJSC TransContainer, particularly human rights, first to his/her immediate superior or, in case of suspected violation by the immediate superior, to the hierarchical superior,

by using the following channels of communication:

- filling in the hotline forms posted on the official and internal websites of PJSC TransContainer;
- via an operator of the call centre of PJSC TransContainer using number 8 (800) 100-22-20 or an internal phone number of the Company;
- sending a report to the e-mail address [trcont@trcont.com](mailto:trcont@trcont.com);
- filling in an application on the internal website of PJSC TransContainer in the Complaints section.

PJSC TransContainer checks the information received in accordance

with the procedure established by the Company's by-laws. Should the violation of human rights be confirmed, measures shall be taken to address causes of the violation, mitigate the consequences and bring the employees held liable to responsibility. The Company guarantees confidentiality of a whistleblower, whether an employee or third party. At the whistleblower's request, such a report may be made anonymously.

No human rights violations were identified in 2021.

## RESPONSIBLE TAXPAYER

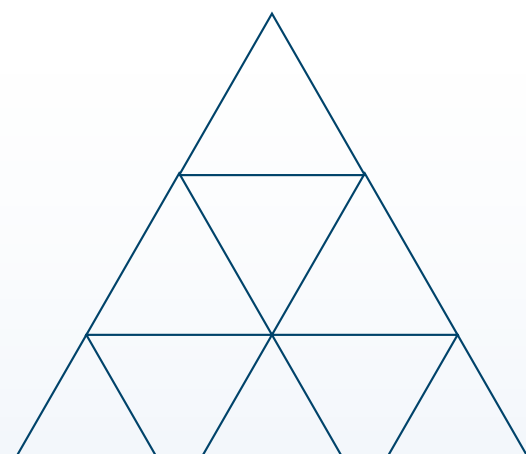
PJSC TransContainer fully abides by tax legislation. Being a responsible and bona fide taxpayer, the Company pays all applicable taxes, charges and duties established by the legislation in the countries of its presence and operates a balanced and consistent tax policy. PJSC TransContainer plans and forecasts its tax obligations and regularly checks whether they are fulfilled.

### TAX MONITORING

As the largest taxpayer, PJSC TransContainer switched to the tax monitoring system last year. This system allows the regular tax inspections to be replaced with online

interaction options, in which the inspectors are given remote access to information systems and reports, thus minimising risks and live without concern for upcoming additional fees.

The financial and business activities of PJSC TransContainer and JSC Logistics-Terminal in 2021 resulted in RUB 6.6 billion of taxes paid to the budget and extra-budgetary funds of the Russian Federation.



# SUSTAINABLE AND TRANSPARENT PROCUREMENT

GRI 102-9

PJSC TransContainer considers responsibility management in the supply chain is an important element of corporate social responsibility. The Company adopts a responsible attitude toward building reliable, long-term and open relationships with contractors and suppliers. The promotion of fair competition, transparency, and sustainability are the guiding principles of PJSC TransContainer's procurement activities.

## THE MAIN REGULATORY DOCUMENTS

Procurement Regulations of PJSC TransContainer

A new version of the Regulation on Procurement was approved in 2021 to detail small-volume purchases.

Procurement goals:

- creating the conditions for timely and complete satisfaction of the Company's needs for goods, works, services

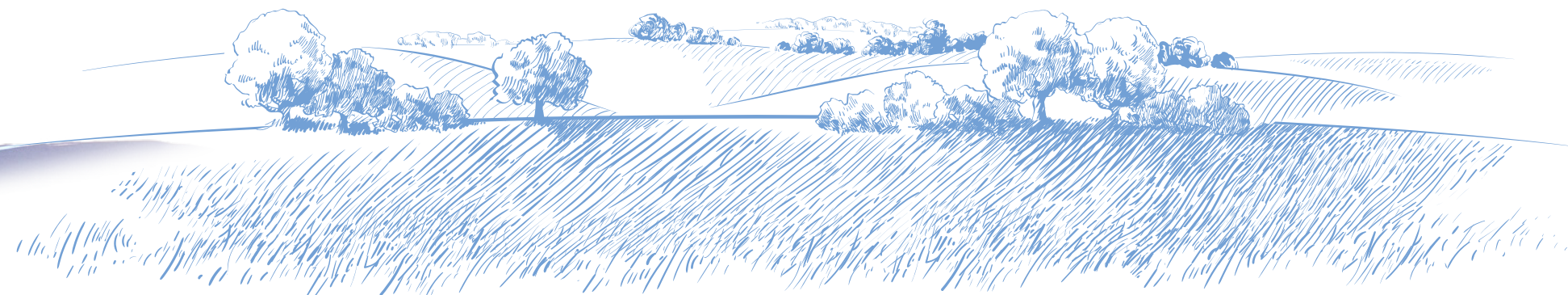
(hereinafter – products), including for commercial use, with the necessary price, quality and reliability parameters;

- making efficient use of funds allocated for the purchase of products;
- market pricing for purchased products and contributing to the reasonable reduction of Company's costs;
- expanding procurement opportunities and encouraging participation in the Company's procurement;
- developing fair competition;
- ensuring transparency in procurement;
- preventing corruption and other abuses.

Procurement principles:

- targeted and cost-effective use of funds to procure goods, works and services (using life cycle costing for procurement as necessary), as well as focus on reducing expenses born by customers
- information transparency of competitive procurements;
- equality and fairness, with no discrimination or unreasonable restrictions on competition among the participants;
- compliance with the laws of the Russian Federation.

The Procurement Regulations of PJSC TransContainer, ongoing competitive procurement procedures are disclosed on the Company's website<sup>1</sup>.



<sup>1</sup> The information on procurement is available on the Company's official website: <https://trcont.com/the-company/procurement>.

## SUPPLY CHAIN MANAGEMENT AS AN INTEGRAL PART OF SUSTAINABLE BUSINESS

PJSC TransContainer considers sustainable development as an important element of business environment in line with such corporate values as team unity, professionalism and safety.

Sustainable development and achievement of the Company's strategic goals are directly related to the efficiency of supply chain management and the quality of development of the Company's suppliers.

Therefore, the Company holds its suppliers to a higher standard as to their compliance with sustainable development fundamentals in order to create an effectively functioning supply chain.

## SUPPLY CHAIN MANAGEMENT OF PJSC TRANSCONTAINER

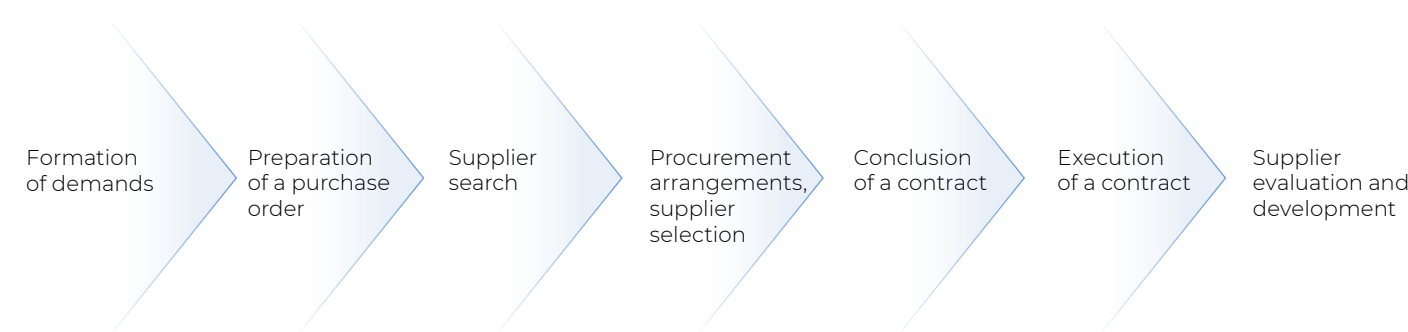
The Company's supply chain management includes a number of sequential stages:

- annual procurement planning (goods, work, and services);
- formation of operational needs for goods, works, and services by structural divisions;
- estimate of needs and existing pool of suppliers; market analysis and sourcing;

- procurement management and selection of a supplier of goods, works, and services;
- conclusion of contracts;
- delivery of goods, works and services procured;
- progress control of concluded contracts.

The 2022 Suppliers and Co-contractors Development Programme envisages the plans to expand the Company's supply chain coverage by adopting a system for evaluating and developing suppliers by key categories

### The planned supply chain management scheme of PJSC TransContainer will look as follows:



## KEY FUNCTIONAL AREAS OF SUPPLY CHAIN MANAGEMENT AT PJSC TRANSCONTAINER

The supply chain management process engages numerous structural divisions of the Company that implement the following functions:

- management of purchases and interaction with suppliers of goods, works, services;
- transportation and logistics support of the procurement process;
- financial and budgetary support and accounting services;
- legal support for supply chain management;
- information support of the procurement process.

### SUPPLIER SELECTION CRITERIA

The following criteria are used to select suppliers:

- reliability;
- production capacity and performance potential;
- cost of goods, works, services;
- warranty obligations;
- after-sales service;
- financial position of the potential supplier;
- reputation (tax clearance, absence from the list of bad suppliers, etc.);
- use of electronic document flow.

Under the Company's sustainable development policy promotion for 2022, it is planned to develop and implement a supplier rating system consistent with ESG requirements, as well as to create a list of critical suppliers, taking into account their importance for the Company (in terms of volume, unique offering, impact on continuity of production activities, etc.).

The TransContainer's Strategy involves the development of procurement category management. In 2021, the Company formed a team of professional procurement category managers. In order to enable the category management approach, the general procedural documents regulating the procurement process were amended. Procurement procedures by railcars, containers categories were also worked out. The Company plans to develop and implement category strategies for key categories (groups) of goods, works and services for 2022 to provide procurement managers with additional effective category management tools.

The category management is introduced to make the Company's procurement activities more efficient, achieve target cost and quality parameters of service for the categories of procured goods, works and services through a systematic approach to the management and development of suppliers at all stages of the procurement process.

In order to ensure **the quality and continuity of supplies**, PJSC TransContainer conducts a **cross-functional assessment of potential suppliers** of the Company with assistance from specialists from the procurement unit, customer services, legal and financial services and security services. The scope of supplier assessment covers experience requirement, compliance of existing competencies with the requirements for the procurement procedure, financial condition of suppliers, and ongoing legal proceedings and necessary approvals, permits, licences, as well as compliance with other requirements.

## PROCUREMENT OUTCOMES

In 2021, PJSC TransContainer conducted 398 procurement procedures with a total volume of RUB 36 billion<sup>1</sup>. Following the procurement procedures, as stipulated by the Procurement Regulations, contracts worth over RUB 30.9 billion were signed in 2021, including contracts for the supply of flatcars and containers worth over RUB 13.6 billion and RUB 7.4 billion, respectively.

Whether or not the procurement through electronic platforms is effective is beyond all question. PJSC TransContainer works towards digital simplification of its procurement procedures. Over 84% of competitive procurements in 2021 were conducted in electronic form on federal electronic trading platforms (ETP). E-procurement helps to increase customers' awareness of contractors, makes the procurement

process more transparent, reduces the risk of corruption, and minimise environmental impact through the digitalisation of the process. Specific procurements only are made in paper form if ETP participants find some additional actions to be complicated.

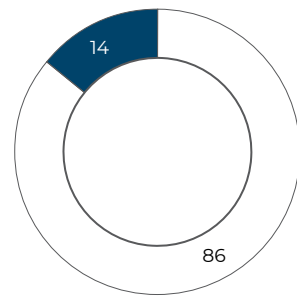


<sup>1</sup> Hereinafter, excluding VAT.

GRI 204-1

The vast majority of suppliers of goods, works and services are residents of the Russian Federation, including small and medium-sized enterprises (SMEs). In 2021, the share of Russian suppliers in the total procurement volume of PJSC TransContainer was 86%.

Share of purchases from local suppliers in 2021 | %



- Russian suppliers
- Foreign suppliers

Procurement from suppliers and contractors in different markets in 2021

Supplier's host country	Amount of purchases from contractors   RUB thousand	Region's share   % by amount
Austria	709,840	0.65
Azerbaijan	18,820	0.02
Belarus	3,447,640	3.18
British Virgin Islands	-	0.00
Germany	-	0.00
Denmark	406,656	0.37
India	355	0.00
Kazakhstan	2,354,181	2.17
Cyprus	174,813	0.16
Kyrgyzstan	12,187	0.01
China	5,817,916	5.36
North Korea	61,143	0.06
South Korea	319,785	0.29
Latvia	95,285	0.09
Lithuania	54,711	0.05
Mongolia	893,092	0.82
Poland	234,164	0.22
Russia <sup>1</sup>	93,401,859	86.07
Singapore	218	0.00
United Kingdom	34,992	0.03
United States of America	2,402	0.00
Turkey	20,015	0.02
Uzbekistan	44,320	0.04
Ukraine	211,552	0.19
Finland	166,524	0.15
France	713	0.00
Czech Republic	153	0.00
Estonia	76	0.00
Japan	34,086	0.03
<b>Total</b>	<b>108,517,501</b>	<b>100</b>

<sup>1</sup> Excluding part of the services of OJSC Russian Railways.

GRI 204-1

INTERACTION WITH SUPPLIERS IN SUSTAINABLE DEVELOPMENT

Responsible procurement of goods and services and trading with socially responsible companies are becoming one of the most pressing sustainability issues because of the drive of many companies to effective management of supply chain risks and carbon neutrality of their business, which is impossible without green procurement. One of TransContainer's sustainability goals is to create a sustainable supply chain.

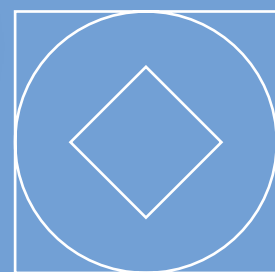
According to the UN Global Compact, **a sustainable supply chain** involves responsible engagement with suppliers and management of the environmental, social and economic impact of business decisions made throughout the life cycle of goods and services.

In 2021, the Supplier and Co-contractor Development Programme was prepared and approved to confirm the compliance with the ESG principles as a development priority while working with suppliers and contractors.

In order to implement the provisions of the Programme in terms of sustainable development of the supply chain, PJSC TransContainer drafted and adopted the Supplier Code of Conduct. The Supplier contains a declaration to extend ESG principles to the entire supply chain, including environmental protection and mitigation, responsible business conduct, e.g., rejection of corruption and fraud, respect for human rights and health and safety.

PJSC TransContainer expects its suppliers to adopt requirements for business environmental and social responsibility in the conclusion and performance of contracts, and to extend these principles to its subcontractors and partners. In 2022, the Company took the first steps to develop a supplier evaluation methodology. The Company's planned supplier evaluation system involves regular audits and inspections of suppliers, including for compliance with environmental and social requirements.

# SPEED, QUALITY, SAFETY



The strategic direction of “Being Closer to a Customer” and development of the transportation and logistics products involve the execution of programmes improving the quality of customer service and entry into the market with integrated products. PJSC TransContainer intends to further develop the transportation service and bring it closer to the all-in-one concept by adding a sea transport leg, the first and last mile, and the provision of a full range of additional services on a one-stop-shop basis (E2E-product).

Under the Company’s corporate strategy until 2030, PJSC TransContainer tilts toward the client-centric business model as it comes to large clients.

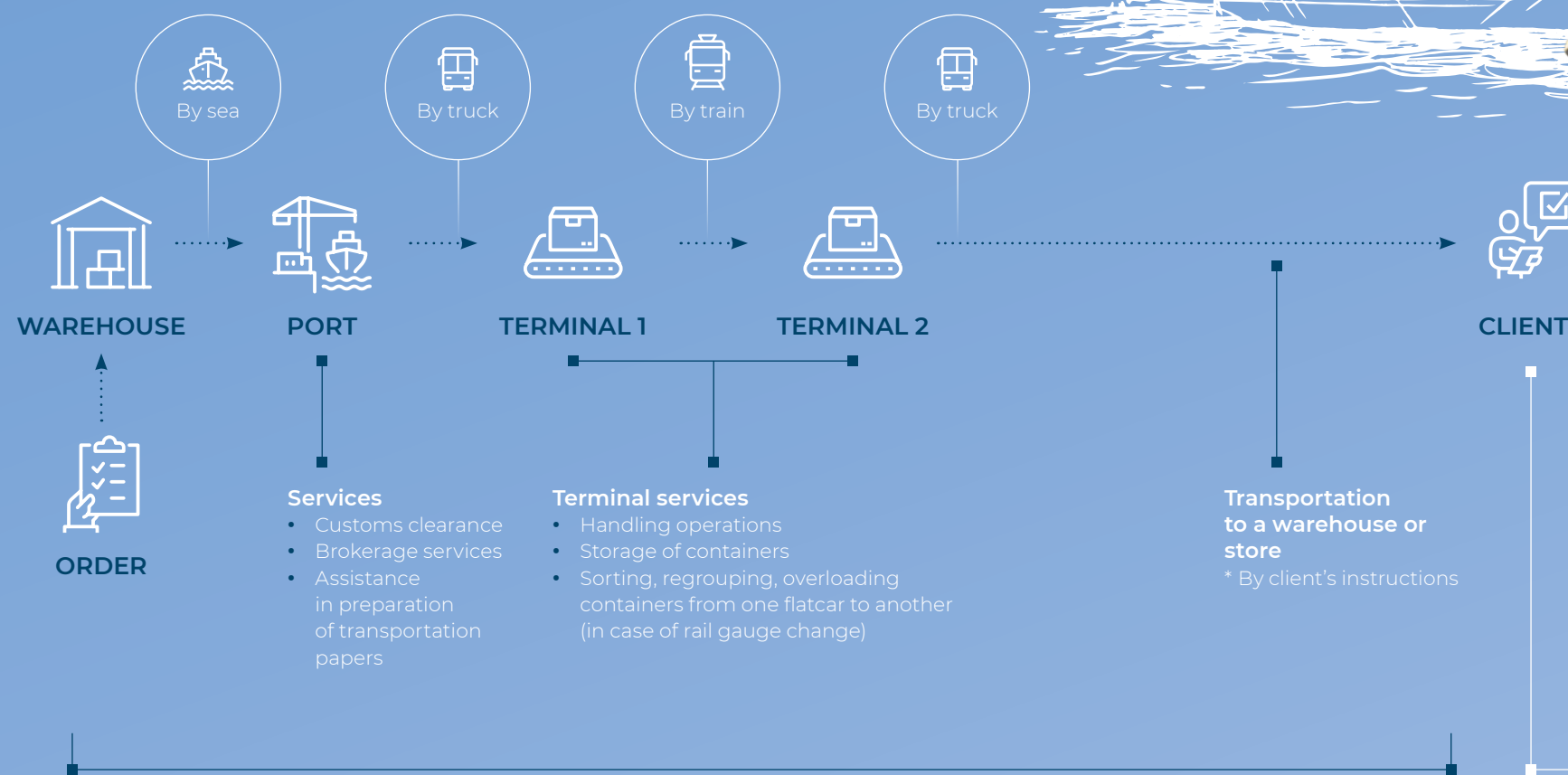
## Containerised freight supply chain management

\*A personal manager is offered to a client

- A** Client requirements analysis and determination of conditions, budget, scope and frequency of container supplies
- B** Development of optimal freight transportation route and method
  - \* There is an option of freight transportation in special containers
- C** Development of communication technologies for logistics chain participants and design of container transportation management systems



# CLOSER TO A CUSTOMER



- Freight forwarding and logistics**
- Status update on container location during transportation
  - Freight security and insurance during transportation (if required)

Customers can choose the required type of transportation or a combination of them depending on their needs (including trucking to a warehouse or a store).

# PJSC TRANSCONTAINER IS A GUARANTOR OF QUALITY SERVICE AND EFFICIENT LOGISTICS

### SALE NETWORK

The Company's sales network covers the entire territory of Russia and key transport hubs in Europe and Asia. The Company maintains its traditional footprint through sales offices, representative offices and joint ventures complemented with the e-commerce channels.

The Company's customer base includes

**>20 thousand clients** ranging from large international companies to sole traders and individuals.

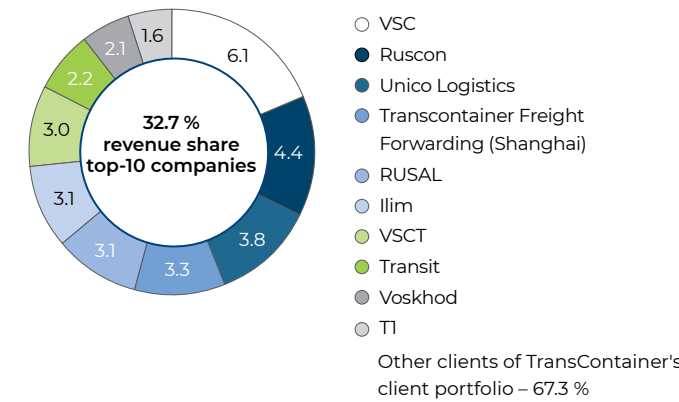
The Company established a customer support service through the reorganisation of the sales and customer service unit. This Service's primary responsibility is to follow up on customer orders under freight forwarding contracts at all transportation stages on a one-stop-shop basic, including the designation of a dedicated manager.

As a consequence, there

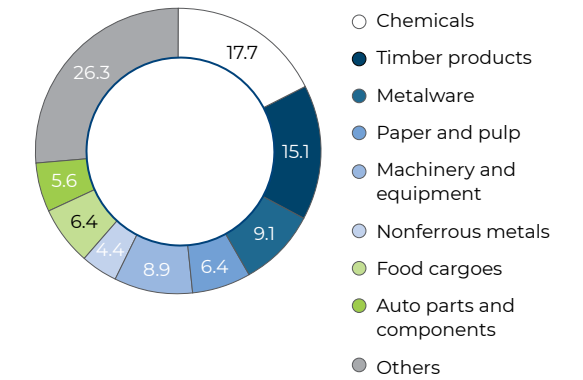
was a **3.5 fold** increase in multimodal service in the Company's portfolio.

Sales and customer service managers receive regular training, including online, on courses developed jointly with the Human Resources Department, based on best practices and the Company's approved sales and service standards.

The Company's largest customers by revenue | %

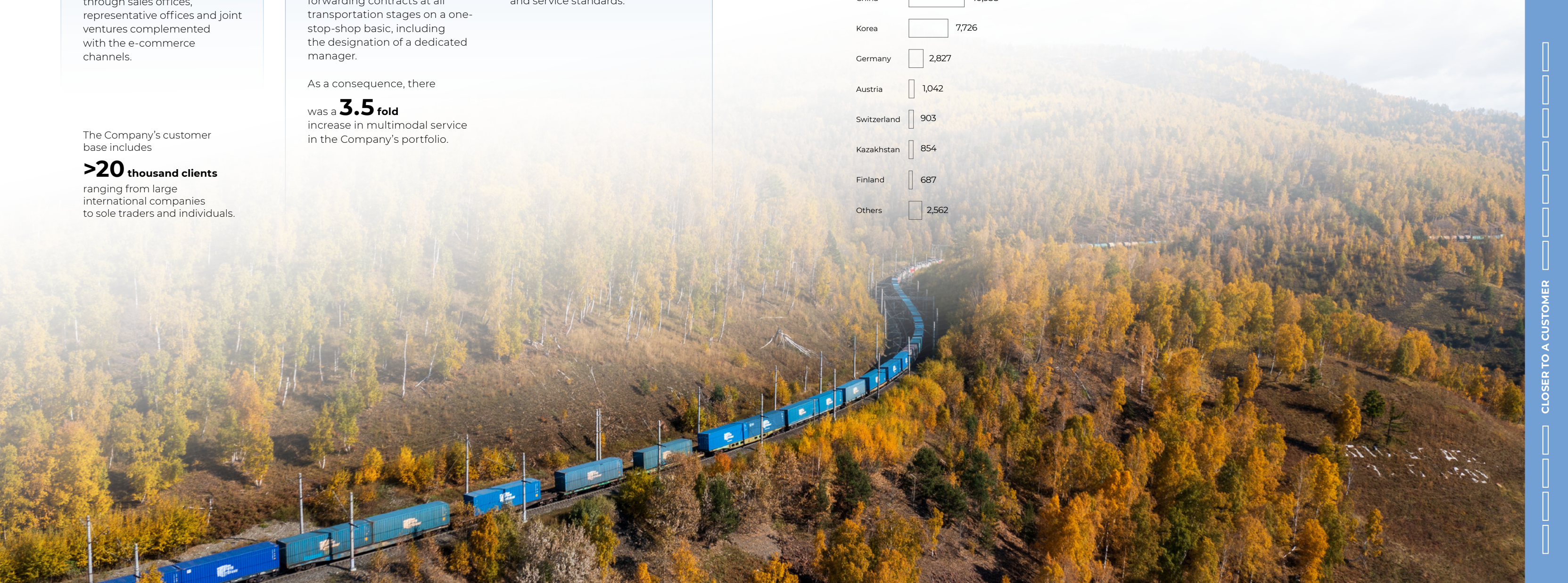
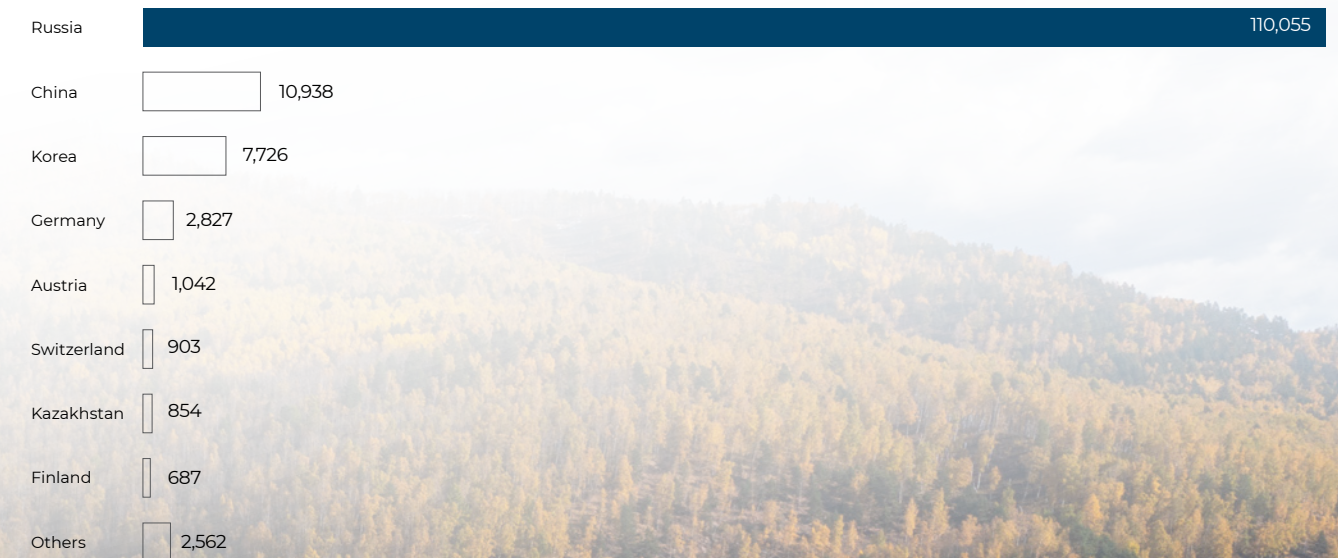


Structure of loaded containers carried by the Company's rolling stock by cargo type | %



GRI 102-6

Markets served by PJSC TransContainer in 2021 | RUB million



# iSALES

iSales is an online service where customers can order container transport services from PJSC TransContainer quickly and almost throughout the Eurasian continent.

## DISTINGUISHING FEATURES OF THE SERVICE

It's one of a kind online service in the Russian container transportation market that offers calculation, order and order follow-up options for multimodal transportation over such a vast territory

There is an option to calculate and order not only internal but international transportation

There is an option to track the order status and the location of a container through a personal account in online mode;

There is an option to order and pay for transportation online.

iSales ensures access to a wide range of services and information on their prices without extra communications and time consumption.

The functionality of the online service allows any client, even without special knowledge in the transport and logistics business, to do the following without outside assistance:

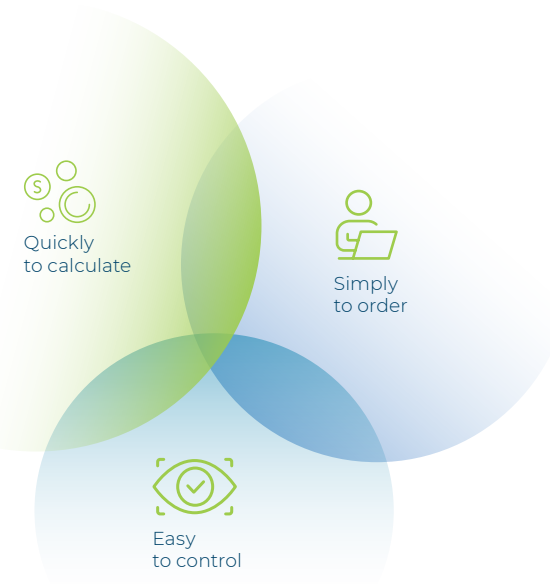
- to calculate the cost of services;
- to make orders without leaving home or office;
- to pay for the orders;
- to track order status;
- to monitor the location of containers in real time;
- to have access to contract documentation;
- to insure against risks;
- to always be in touch with support service and the manager.

## QUALITY AND SAFETY ARE THE COMPANY'S PRIORITIES

In March 2021, TransContainer became the first large logistics company that (together with one of the largest insurance companies in Russia) implemented a freight transportation insurance service in a completely remote online mode. Customers got an opportunity to include insurance

in the order in the iSales service; in this case, the policy is formed automatically and becomes available in the client's personal account after the start of transportation. The cargo insurance programme covers all major risks, road traffic accidents, damage and unlawful acts of third parties.

With the new option, loss settlement takes three to five working days. During the reporting year, from April to December, the Company insured at least 6,750 containers, with 5,118 policies issued.



Quickly to calculate

Simply to order

Easy to control

### For 2021

the number of service visitors increased by

**69%**

to 300,068 unique visitors

and their visits rose by

**87%**

to 3,087,572 in the corresponding months.

# CLIENT ENGAGEMENT

In 2021, the Call Centre of PJSC TransContainer received a total of 215,304 calls (up 12% year-on-year). Call centre service level improved by an average of 0.5% compared to 2020, indicating that the required promptness to answer to subscribers was maintained.

Despite the global unfavourable epidemiological environment and the associated constraints, PJSC TransContainer managed to hold a number of exhibition arrangements in 2021, which led to the signature of agreements and memorandums important to the Company. In addition,

representatives of PJSC TransContainer took part in major international economic forums.

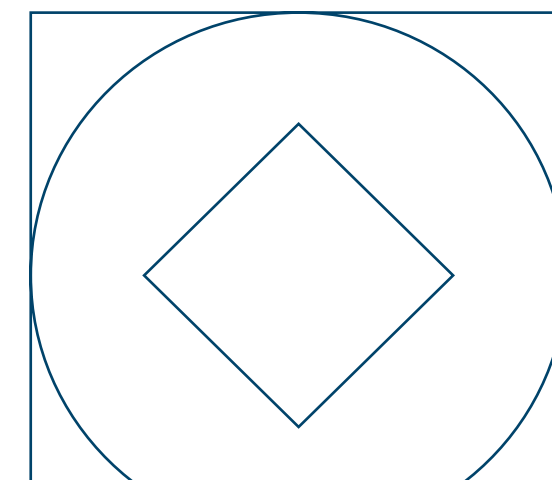
Interaction with foreign partners was at a required level. Representatives of the Company conducted continuous monitoring of the introduction and lifting of restrictive measures in the countries where the main cargo-generating centres and consuming centres are located. If necessary, representatives of the Company also joined in online business events to increase customer loyalty and maintain brand awareness in foreign countries.

**PROMPT AND TRANSPARENT FEEDBACK IS ONE OF THE MAIN PRINCIPLES OF TRANSCONTAINER'S INTERACTION WITH THE CLIENT AND INCLUDES:**

- 24/7 call centre;
- dedicated e-mail addresses;
- feedback forms on the Company's website;
- regular service quality surveys.

Level of performance of PJSC TransContainer Call Centre | %

Indicator	2020	2021	2021/2020, p.p.
Call Centre's service level	91.9	<b>92.4</b>	0.5
Operator unsupervised work rate for target topics	97	<b>97</b>	0
Customer service quality	93.6	<b>94.1</b>	0.5





# QUALITY CONTROL

An effective quality management system (QMS) enables the Company to achieve a high level of services. QMS principles are implemented at every stage of the production chain. Quality management at PJSC TransContainer is a comprehensive and multi-level process, involving all structural divisions of the Company within their remit.

## QUALITY CONTROL PRINCIPLES

The highest priority objective of PJSC TransContainer's efforts is to improve the quality of its services. The Company is working to establish and develop a quality management system (QMS) and highlights the following key principles



### QUALIFIED PERSONNEL AS THE BASIS FOR SUCCESS

The Company values its employees, works to create favourable and safe working conditions, and offers a competitive remuneration and incentivisation system. In aligning its workforce strategy with the global business strategy, the Company explores what skills and competencies are needed to achieve its strategic goals. The findings are used as an input for training and development plans, which also include the transfer of knowledge of the requirements of ISO 9001 standards and QMS documents.

### BUILDING OF MUTUALLY BENEFICIAL RELATIONSHIPS OF TRUST WITH KEY SUPPLIERS

PJSC TransContainer builds long-term mutually beneficial relations with key suppliers on the basis of information transparency and improvement of the procedure for joint resolution of problems related to operational and economic characteristics of the services provided.

### MANAGEMENT THROUGH PROCESSES

The process-based approach is a fundamental principle of the QMS. PJSC TransContainer ensures the required level of quality of services through a system of interrelated management processes. Understanding the interrelated processes as a system and their respective management increases the performance efficiency and effectiveness of the Company and ensures successful achievement of its strategic goals, as well as satisfaction of the needs of all stakeholders.

### COMPREHENSIVE QUALITY MANAGEMENT

PJSC TransContainer exercises quality control on a comprehensive and multi-level basis with all business units involved within their respective remits. The Company regularly assesses the performance of the QMS and promptly addresses any deficiencies identified.

All new hires of PJSC TransContainer are familiarised with the Quality Policy.

The President of PJSC TransContainer and the Quality Representative of PJSC TransContainer's management are responsible for the quality of services and products provided.

In 2021, the Company completed the main stages of a large-scale campaign for updating existing processes and regulations, approved a new organisational structure of the executive office, and updated a top-level process map.

Better service quality management receives particular consideration, with a focus on end-to-end order

support processes from a customer experience perspective.

The process-based management system is developed further through the practical evaluation and implementation of modern change management tools such as Customer Journey Map, visual management through quality point control and critical point control, convergence with the IT-unit in terms of functional specifications for development of IT system on the basis of end-to-end customer-centric processes.

### CREATION OF NEW VALUES (TRANSPORT SERVICES) FOR CONSUMERS

The consumers of the Company's services are the key stakeholder for PJSC TransContainer. The Company chose a client-oriented strategy in which ongoing analysis of clients' present and future demands is conducted to gauge their satisfaction with the effectiveness and thoroughness of the provided services. New transportation products that satisfy client needs are developed using the compiled customer wishes.

### DEVELOPMENT OF THE EMPLOYEES' CREATIVE POTENTIAL

The Company is in an open dialogue with employees, welcoming new ideas, creating an internal culture of entrepreneurship and encouraging innovation in all areas of activity.

### HIGH QUALITY OF THE SERVICES PROVIDED

High service quality is a key intention of the QMS operational processes and, to achieve this, the Company studies current needs of key customer categories and anticipates future ones. A constant endeavour to exceed the expectations of our customers is at the heart of high service quality.

### THE MAIN REGULATORY DOCUMENTS

- Quality Manual of PJSC TransContainer
- Quality Management Policy of PJSC TransContainer

### CERTIFICATION AUDIT

PJSC TransContainer annually undergoes an external audit of the QMS for compliance with the requirements of the international standard ISO 9001:2015. During the audit examination process, the Company's activities are assessed for compliance with the Russian law, for results of customer satisfaction survey, achieved quality objectives, employees training, internal audits of processes and systems of quality management, risk management and other management aspects. In 2021, PJSC TransContainer successfully passed a certification audit of the management system for meeting the requirements of the international standard ISO 9001:2015. The audits covered the executive office, the South-Eastern, October and Northern branches. Founded in 1869 and accredited by the DakkS (Deutsche Akkreditierungsstelle GmbH) state body, TUV NORD (Germany) acts as a certification authority.

# CUSTOMER SATISFACTION SCORE

The customer satisfaction with the services of PJSC TransContainer is assessed every year as per the PJSC TransContainer Marketing process, using a questionnaire survey. The survey results are compiled in a report that serves as a basis for corrective actions. The main purpose is a steady increase in the customer satisfaction index. This index is a part of the KPI system for the executive office and branches.

## THE COMPANY ANNUALLY CONDUCTS A SERVICE QUALITY SURVEY

interviewing clients on the following key issues:

- service quality;
- performance of managers;
- performance of terminals;
- information on the corporate website (suggestions);
- changes clients would like to see in the Company;
- desired additional services;
- preferences and needs of clients.

The main customer needs stated in the survey include lower tariffs, faster delivery, better technical condition of containers and faster handling of containers with freight at terminals.

Based on the results of the survey, the Sales Departments develop corrective measures and proposals for achieving the quality objectives.

The planned measures to improve the quality of customer service include the automation of terminal operations, conversion of 80% of customers to EDM, higher customer awareness of the current order status through automatic notifications, additional training for sales managers on dealing with objections, complaints and claims, as well as customer focus, quality, service.

## THE PRIMARY CAUSE OF THE LOWER INDEX WAS A DECLINE IN THE FOLLOWING PARAMETERS:

- quality of service provided (-0.4 points);
- performance quality of terminals (-0.3 points);
- performance of managers (-0.1 points).

In 2021, the survey involved

**2,400 respondents**

The total percentage of completed questionnaires filed was

**40%**

compared to 42% a year earlier, which suggests sufficiently high client loyalty<sup>1</sup>

TransContainer's final Customer Satisfaction Index (CSI) for services was compared to the previous period

**8.6 points**

## Customer Satisfaction

Customer Satisfaction Score	Unit of measurement	2019	2020	2021
Customer satisfaction index	Percentage of respondents satisfied, out of the total number of respondents who took part in the survey	The average CSI score <b>8.62</b>	The average CSI score <b>8.8</b>	The average CSI score <b>8.6</b>
Data coverage: proportion of customers/consumers surveyed (both respondents and non-respondents) to total clients/consumers, percentage of revenue, etc.	Customer response rate of the total number of customers surveyed   %	<b>48</b>	<b>42</b>	<b>40</b>

## MONITORING THE QUALITY OF SERVICES PROVIDED AND INVESTIGATING CAUSES OF SERVICE SUBSTANDARD QUALITY

PJSC TransContainer continuously monitors the quality of transport service performance and customer care. The quality of services is assessed as per the Order Execution process of PJSC TransContainer. At each stage of order execution, the Company's information system receives data on the progress of delivery

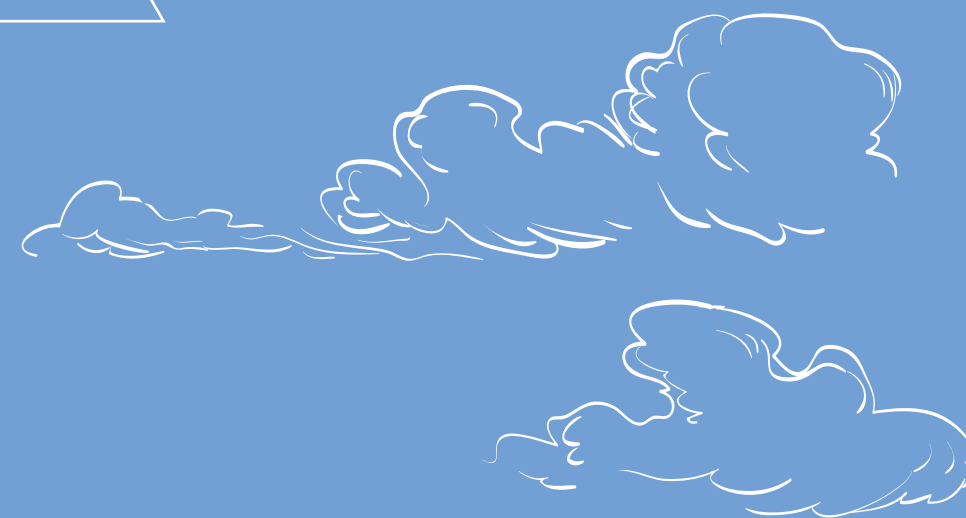
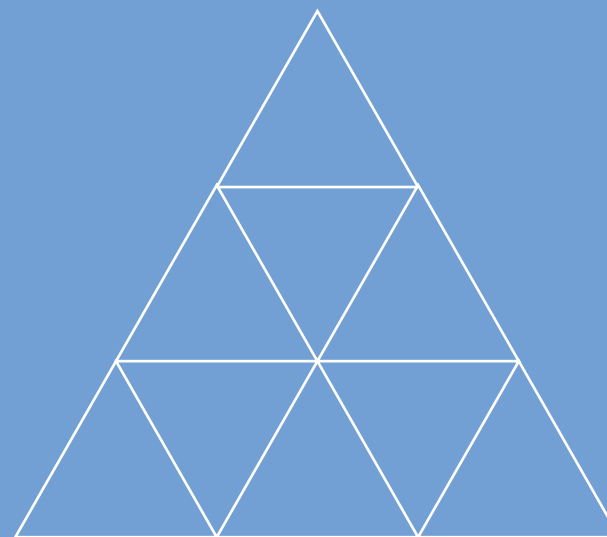
and records any deviations. Employees responsible for a particular stage of work control the time of execution of operations for domestic and intermodal shipments. All incoming information is compiled into a production schedule, which contains planned and actual data on the order progress. Any deviations arising in the process are rectified, if necessary.

Recorded complaints or concerns from customers are signs of quality-related problems. As stipulated by the in-house Customer Care process, PJSC TransContainer has each complaint or concern registered and analysed, an incident investigated, and then takes respective corrective actions.

<sup>1</sup> The average rate in such studies is more than 10%.

# EQUALITY OF OPPORTUNITY

PJSC TransContainer is a socially responsible employer who considers its employees as a key asset. To create decent and safe working conditions, observe human rights and freedoms among employees, incentivise them and unlocking their potential are the most important tasks of the Company.



## CREATING DECENT WORKING CONDITIONS FOR EMPLOYEES

**THE SUCCESS OF EMPLOYEES** is the success of PJSC TransContainer

**RECORD-BREAKING LABOUR PRODUCTIVITY:**

in terms of transportation service

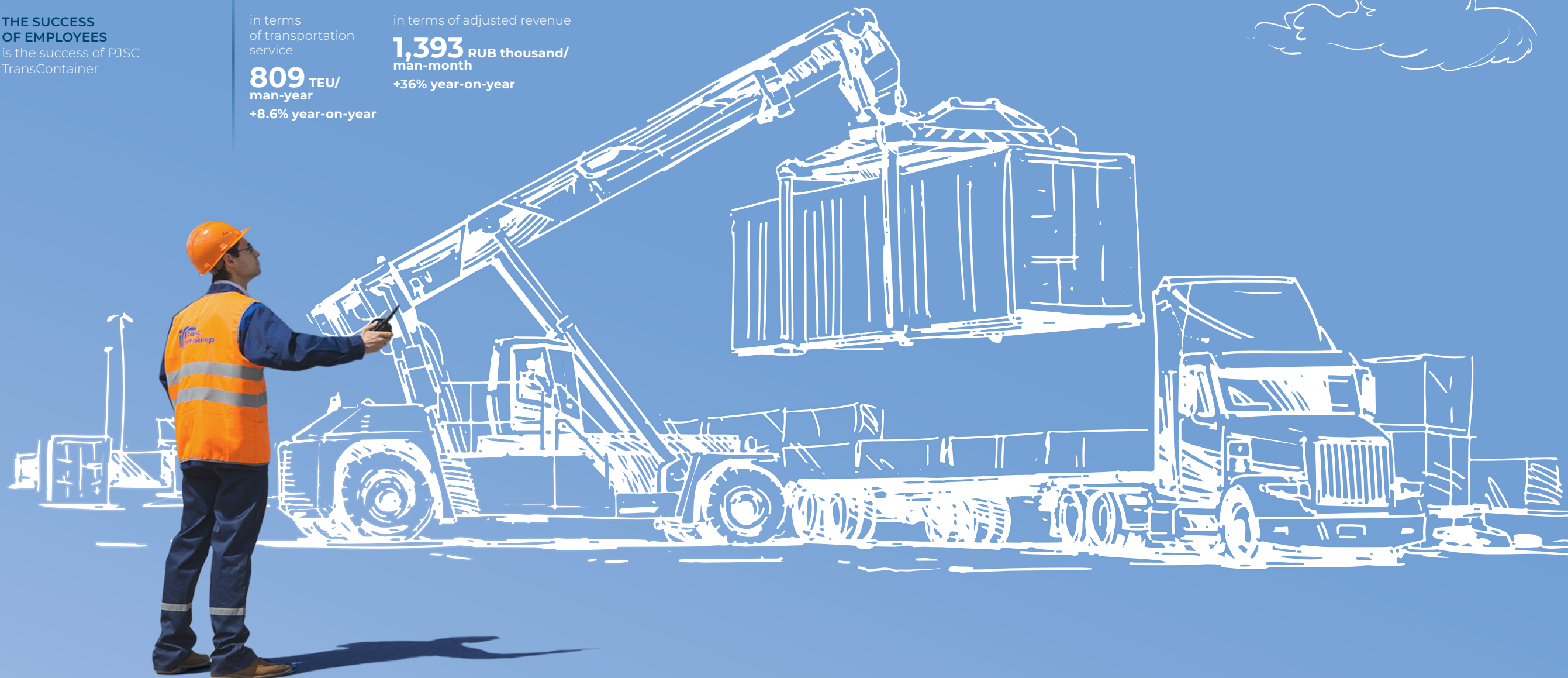
**809** TEU/  
man-year

+8.6% year-on-year

in terms of adjusted revenue

**1,393** RUB thousand/  
man-month

+36% year-on-year



The Company makes an effort to maintain a balance between the age and gender of its workforce, offering each employee the same possibilities for professional advancement and paying them equally for equal work they do. PJSC TransContainer not only follows the Russian Federation's laws and the Labour Code but also takes on voluntary responsibilities for staff development, training, incentives, and social assistance.

For both jobseekers and full-time employees, PJSC TransContainer ensures equal opportunities, along with respectable working conditions, reasonable pay, and chances for career advancement.

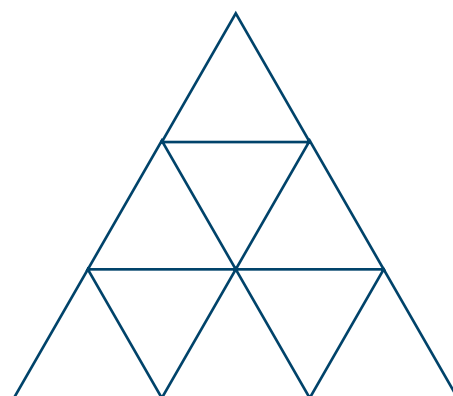
The Internal Labour Rules of PJSC TransContainer were prepared and distributed to all employees of the Company for labour discipline regulation, higher performance work organization, more efficient planning of the working day and higher labour productivity.

The following principles serve as the foundation for the HR policy, which aims to recruit, adapt, develop, and retain the best performers:

- decent and safe working conditions, e.i., personnel health care;
- respect for human rights, including non-discrimination, freedom of association and trade unions;
- equal opportunities for employees to reach their potential and grow;
- encouragement of better performance of employees through tangible and intangible incentives and additional benefits<sup>1</sup>.

**PJSC TransContainer's objectives related to HR management:**

- to ensure a competitive level of wages
- to attract, hire and retain highly qualified specialists
- to ensure a system of continuous training for the staff
- to ensure the staff development that meets the position profile and professional standards
- to improve the remuneration system that contributes to the achievement of the Company's goals



**THE MAIN REGULATORY DOCUMENTS**

- Internal Labour Regulations
- Regulations on the Staff Remuneration System of PJSC TransContainer
- Regulations on Incentives for Management of PJSC TransContainer
- Regulations on Employee Onboarding Procedure of PJSC TransContainer
- Collective Bargaining Agreement of PJSC TransContainer
- Code of Business Ethics of PJSC TransContainer

<sup>1</sup> For more details, please see the Staff Remuneration and Incentivisation and Social Support for Employees sections.

**MAINTAINING HEALTHY CLIMATE AMONG EMPLOYEES**

PJSC TransContainer is aware of its role in establishing a positive atmosphere and ensuring a calm business environment for staff members and bears full responsibility for misconduct at its enterprise.

In carrying out its HR policy, the Company upholds the values of respect and honesty, openness and transparency, as well as the high-quality standards outlined in the Code of Business Ethics of PJSC TransContainer.

Before concluding an employment agreement, every employee must familiarise himself or herself with all key regulatory documents of the Company, including the Code of Business Ethics, which establishes ethical standards of business conduct that apply to all employees of PJSC TransContainer.

The Company has various channels of communication with employees, as well as a hotline where any employee of PJSC TransContainer can anonymously report a conflict

situation for further investigation. If a dispute arises, the Company conducts a full investigation and, if the allegations are substantiated, takes appropriate measures.

In 2021, there were no complaints of bullying, stalking or harassment in the workplace.

**PROMOTING EQUALITY AND COMBATING DISCRIMINATION**

PJSC TransContainer builds relationships with its employees based on the principles of social partnership, always taking their interests into account. When

hiring and providing career opportunities, PJSC TransContainer keeps the principle of diversity and inclusiveness in mind and does not tolerate any form of discrimination,

including on the basis of gender, race, religion, political beliefs or disability.

**EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH DISABILITIES**

Helping people with disabilities is inextricably linked to sustainable development. PJSC TransContainer recognises the relevance and importance of the employment of disabled people. In 2021, the Company approved the Regulations on the Quotas of Jobs for Disabled Persons both in the executive office at PJSC TransContainer and in its branches, subject to federal and regional

legislation covering employment of the disabled. Job quotas for people with disabilities covers citizens of the Russian Federation, foreign citizens and stateless persons permanently residing in the territory of the Russian Federation who are duly recognised as disabled. The Company provides its disabled employees with working conditions in accordance with their individual rehabilitation programmes and takes measures to adapt workplaces accordingly.

The quota for employment of people with disabilities in PJSC TransContainer's executive office is as follows:

- 2% of the average number of employees whose workplace is in Moscow;
- 1% of the average number of employees whose workplace is in Khimki town, Moscow Region.

In 2021, the Company hired 34 employees with disabilities, up 10% year-on-year.

<sup>1</sup> For more details, please see the Employee Engagement section on p.100.

GRI 202-2

## SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

By hiring employees from the local community, the Company creates a positive social effect: it reduces local unemployment and raises living

standards in the regions where it operates. A locally hired manager is more aware of the intricacies of doing business in the region.

### Proportion of senior managers appointed from locals

Indicator	2018	2019	2020	2021
Senior management <sup>1</sup> , total   people	17	8	24	9
Senior managers hired from the local community <sup>2</sup>   people	17	8	22	9
Percentage of senior managers in regions of significant operations <sup>3</sup> , hired from the local community   %	100	100	92	100

## PERSONNEL RECRUITING AND SCREENING

Recruiting and retaining a highly skilled workforce is a critical issue and of paramount importance in human resources management.

In 2021, the Company expanded their recruitment channels. PJSC TransContainer vacancies can be found through employment websites, telegram channels, social networks, professional communities, internal corporate portal; moreover, the Company engages recruitment agencies and organises interaction with industry-specific educational institutions. In addition, for a more convenient search, the official website of PJSC TransContainer has a Career section, which contains information on vacancies, as well as career growth and development opportunities. To screen out the best employees, the Company uses various tools, such as interviews, tests and case

studies for assessment of professional capabilities, ability and potential tests, motivational questionnaires; data on vacancies available on PJSC TransContainer's resources are updated in a timely and regular manner.

The Company gives preference to candidates from the talent pool, as well as to internal candidates. In 2021, about 170 vacancies were filled by internal talent pool; six of them were appointed to high-demand positions.

In 2022, according to the recruitment plan, it is intended to expand search channels and introduce new tools, such as targeted advertising, the use of designated landing pages for involving specialists in the industry, sourcing technology in terms of attracting IT specialists.

A strong HR brand is important for successful job closures. The Company cares about its positioning in the candidate market. Therefore, information on the designated recruitment website is updated in a timely manner. In 2021, the Company's page was developed to effectively search for IT specialists on a designated website.

The Company is an active user and promoter of an automated recruitment platform that enables recruiters and functional customer managers to share information rapidly and make coordinated judgments in a single information field in order to decrease the amount of time needed to fill vacancies.

<sup>1</sup> Senior managers – President, Director, First Vice-President, Vice-Presidents (by area of activity), Directors of Executive Office (by area of activity), Directors of Branches and Representative Offices of PJSC TransContainer (Executive Office and branches of the Company).

<sup>2</sup> Locally hired senior managers – persons who were born or legally entitled to reside in the Russian Federation for an indefinite period of time, and admitted or transferred to senior managerial positions.

<sup>3</sup> The Russian Federation is the major area for TransContainer's operations.

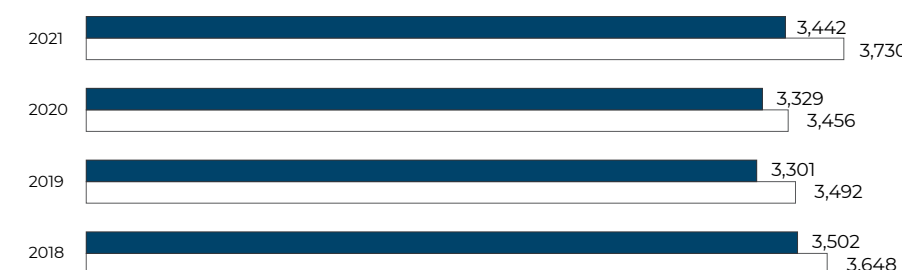
## STAFF DESCRIPTION

GRI 102-7, 102-8

The total headcount of PJSC TransContainer as at 31 December 2021

**3,730<sup>1</sup>** people

Total staff | people



● Average headcount  
○ Headcount (as at 31 December of the reporting year)

GRI 405-1

## DIVERSITY AND INCLUSION

The success of a business requires the presence of differences in backgrounds and experiences of staff. Supporting diversity and inclusion in the workplace is an essential component of the Company's HR policy.

The Company's commitment to diversity and inclusion, as well as zero tolerance to discrimination of any kind are proved out, among other things, by the gender and age structure of the team.

### Staff structure by position category as of 31 December

#### TOP MANAGERS

Headcount

**85** people,  
including:  
**64** men  
**21** women

#### HEADS OF THE STRUCTURAL UNITS

Headcount

**667** people,  
including:  
**338** men  
**319** women

#### SPECIALISTS

Headcount

**1,985** people,  
including:  
**445** men  
**1,540** women

#### WORKERS

Headcount

**1,003** people,  
including:  
**677** men  
**326** women

#### TOTAL FOR THE COMPANY

Headcount

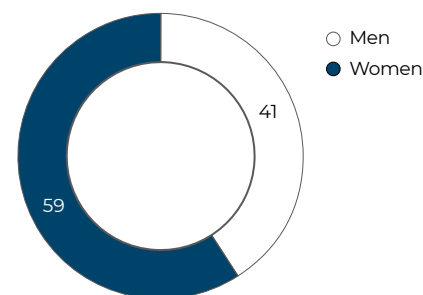
**3,730** people,  
including:  
**1,524** men  
**2,206** women

<sup>1</sup> In 2021, a subsidiary, JSC Logistics-Terminal was covered by the reporting boundaries.

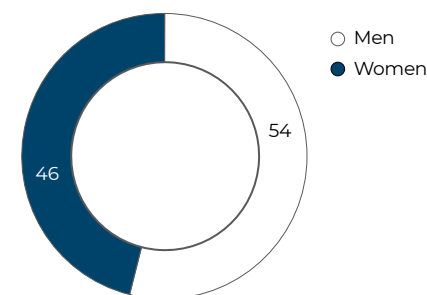
For a fair and effective workplace, there must be a balance between men and women.

The Company works to make men and women equal. The number of women and men in management positions at PJSC TransContainer in 2021 was approximately equal, with women accounting for about 46%. The share of women in specialist positions (white-collars) is 78%. Men predominate in the group of workers (blue-collars) (68%) due to the specific nature of their job. The share of women among PJSC TransContainer employees in the reporting year was 59%.

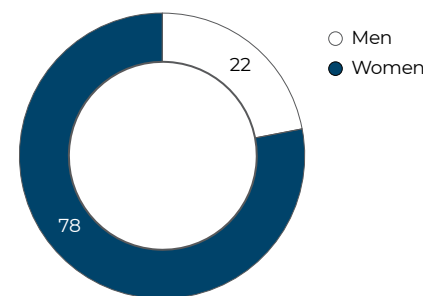
Gender structure of PJSC TransContainer's personnel | %



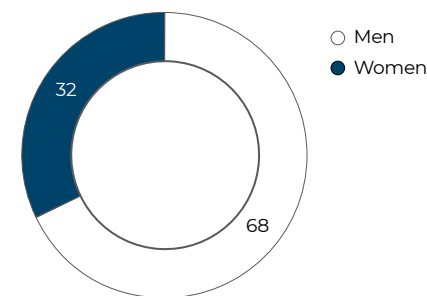
Share of men and women in executive positions of PJSC TransContainer | %



Share of men and women in specialist positions of PJSC TransContainer | %



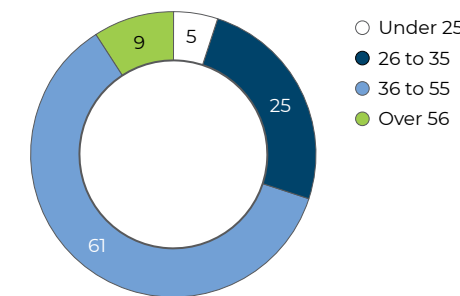
Share of men and women in worker positions of PJSC TransContainer | %



Staff breakdown by age, as of year-end | people

Indicator	2021
Total	3,730
Under 25	176
26 to 35	948
36 to 55	2,284
Over 56	322
Average age, years	41.6
Number of employed pensioners	159

Personnel structure by age | %



As at 31 December 2021, the headcount was 3,730 people. The Company employs people of different ages, with the bulk of staff members being in the 36 to 55 age range. The age of staff is roughly 42 years old. Building a diverse team and, as a result, fusing

new, creative ideas with wisdom and life experience boosts productivity and business outcomes. Additionally, PJSC TransContainer looks after its retiree workforce; in 2021, the Company had 159 pensioners on payroll.

More than 96% of employees are hired under permanent employment contracts, and more than 99% are employed full-time, demonstrating the Company's commitment to long-term relationships with its workforce.

Headcount by type of employment and employment contracts as at 31 December 2021 | people

Gender	Full-time employment	Part-time employment	Permanent contract	Temporary contract
Men	1,515	9	1,493	31
Women	2,194	12	2,119	87
<b>Total</b>	<b>3,709</b>	<b>21</b>	<b>3,612</b>	<b>118</b>

## STAFF ONBOARDING

Employee orientation is an important part of the recruitment and hiring process. The right way to hire new employees is to have them successfully complete a probationary term, do duties on time, and assimilate into their new roles.

The purpose of staff onboarding:

- to reduce start-up costs;
- to reduce the new employee's anxiety and uncertainty;
- to reduce employee turnover;
- to increase job efficiency by saving both the management and the employee time;
- to increase job satisfaction.

The goal of the onboarding session is to acquaint new hires with the organisational structure and operation of the business, as well as the place of their unit and position within the overall system of objectives and the organisational structure.

In 2021, the Staff Recruitment and Onboarding Quality index was 98%, indicating that 98% of new hires successfully passed their probation and took up their duties.

By presenting a welcome pack, the Company shows its support for new hires, further fostering

a sense of belonging and comfort in the workplace. The welcome pack includes a variety of useful branded items, a checklist of the key onboarding steps, and a brochure called the Company Guide that compiles and summarises all pertinent information.

The Company also takes good care of new hires, thus an online welcome training was created that, in a light-hearted manner, offers helpful and current information about the Company, corporate benefits, and development prospects.

## MENTORING PROGRAMME

The mentoring programme is an efficient onboarding strategy for new hires who are beginning their professional careers and have no prior work experience.

The mentoring programme is intended to involve new employees in corporate operations while transferring information with the assistance of the most seasoned and qualified staff members.

Competencies required for carrying out mentoring activities:

- involvement in the work process;
- readiness to training and development;
- team building and development;

- leadership as a managerial approach.

A new employee finds a mentor during the first three days of employment. The mentor and the employee's line manager then create a unique work plan specifically for the new hire. Throughout the allotted time, the mentor and the new hire carry out the goals and developmental phases as planned.

Advantages for a new employee:

- a tailored strategy for maximising potential of new hires and keeping track of their education;
- quick assimilation into a close-knit team;

- faster adaptation to the Company's multitasking pace.

Advantages for mentors:

- expansion of their abilities and expertise;
- additional training for mentors at TransContainer Academy;
- additional benefits in choosing the nominees for the best performer in the Company;
- one-time incentive (bonus) for mentoring.

## YOUTH POLICY

Young people are important to PJSC TransContainer as well. Youth outreach is a crucial component of efficiently managing the Company's human resource potential.

The main goal of PJSC TransContainer's youth policy is to support and develop young people and to help them realise their professional potential in the Company's best interests.

In March 2021, PJSC TransContainer hosted an online Open Door Day as part of the youth policy, which involved more than 50 students from the Moscow College of Transport of RUT (MIIT). Managers gave insights on career development, the organisation of technical and production processes, and answered questions from students during the event.

The students gained a better understanding PJSC TransContainer's scope and areas of activities and were able to learn which qualities and skills they would need to acquire in order to work for the Company.

In total, 82 students completed pre-graduation and industrial internships at PJSC TransContainer in 2021, and 12 of those students were hired by the Company as a result of the internship.

<sup>1</sup> For requirements for corporate competencies of a mentor, please see Appendix 3 to the Regulations on Mentoring at PJSC TransContainer.

## TALENT POOL

Succession planning, or succession pooling, is a system to manage the succession process for critical positions within the Company to grow internal employees with a distinctive set of skills and competencies, to monitor the competitiveness of the Company's leadership capital, and to ensure effective turnover of key managers and increase predictability of the succession process.

Creating a talent pool has the following goals:

- to increase the Company's HR security through the availability of succession candidates for positions that are critical to the business;
- to find and nurture the Company's most potential workers;
- to preserve the acquired knowledge and abilities unique to the Company to maintain continuity;
- to retain high-potential Company's employees by offering them development opportunities and career advancements;
- to promptly replace key management positions without suffering financial loss or a drop in the quality of business processes.

For each critical position, the likelihood of a vacancy is determined. The necessary number of candidates for succession is determined based

on the likelihood that was calculated for each target position (the closer the probability of the position opening is, the greater the number of candidates should be in the pool).

Candidates in the talent pool are evaluated based on their potential for leadership and business performance. The 9-box grid<sup>1</sup> uses the findings to allocate the candidates for the talent pool. The talent pool includes employees with high and medium leadership potential as well as high business performance.

Employees in the talent pool are differentiated by the degree of readiness to take up a key position. Each pool member's level of readiness is assessed based on their business performance and leadership potential, as well as the viewpoint of the key position holder and the Company's President.

For each level of the talent pool, a corporate development programme is created based on the assessment results and the Company's commercial objectives.

The succession candidates are trained through the following development activities:

- coaching and mentoring;

- study of the best industry practices (visits to enterprises, short-term internships);
- replacement of a manager in a key position;
- management of large-scale projects (first with a supervisor, then independently).

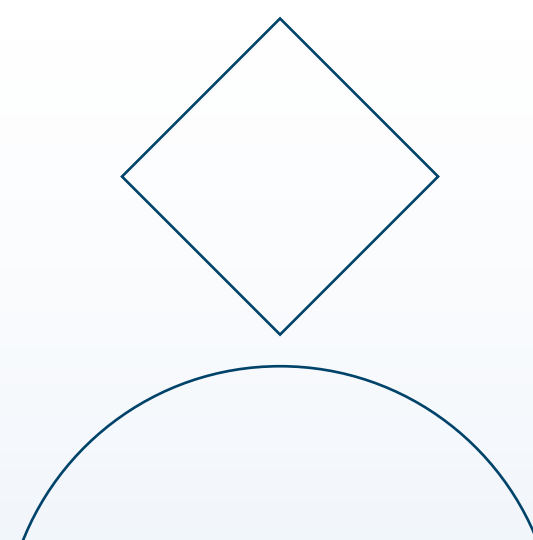
Participation in the development programmes is a must for of succession pool members. The Company views its talent pool members as priority candidates for appointment when a critical position becomes vacant.

The following metrics are used to evaluate the success of the succession pool on a yearly basis:

- the share of succession member who received appointments from the total number of talent pool members;
- the share of target positions filled from the talent pool from the total number of target vacant positions filled.

The Company regularly develops and updates its talent pool in accordance with internal regulatory documents.

<sup>1</sup> The potential matrix is a useful tool for succession planning and talent management.



## PERSONNEL TURNOVER

GRI 401-1

Effective HR policy and a variety of recruitment methods commonly used by the Company keep staffing at a high level –

**95.4%<sup>1</sup>**

Data on full-time employees in 2018–2021 | people

Indicator	2018	2019	2020	2021
Men	172	174	192	<b>273</b>
Women	175	144	168	<b>266</b>
Under 25	90	78	71	<b>109</b>
26 to 35	139	109	115	<b>191</b>
36 to 55	110	113	154	<b>225</b>
Over 56	8	18	20	<b>14</b>
Number of new hires	347	318	360	<b>539</b>

The total number of hired and dismissed employees in 2021, by age and gender | people

### Hired

Under 25		26 to 35		36 to 55		Over 56		Total
Men	Women	Men	Women	Men	Women	Men	Women	
48	61	98	93	118	107	9	5	539

### Dismissed

Under 25		26 to 35		36 to 55		Over 56		Total
Men	Women	Men	Women	Men	Women	Men	Women	
13	28	84	64	107	110	28	29	463

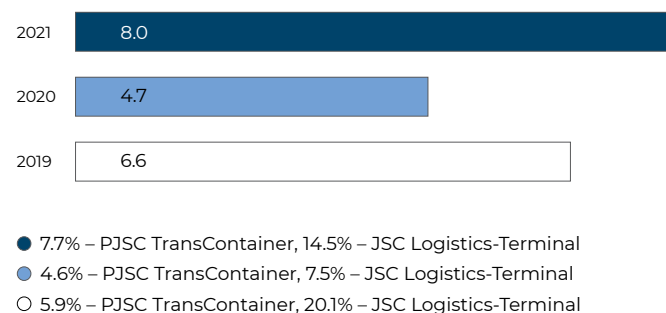
In the reporting year, 463 people left the Company as follows:

- voluntary redundancy – 59.8%, including 2.6% to care for a child under the age of 14
- retirement – 8.9%;
- layoffs – 1.3%;
- as agreed by the parties – 24.8%;
- for labour misconduct – 0%;
- change of employer – 1.1%;
- for reasons of ill health – 0%.

In order to efficiently manage its workforce, PJSC TransContainer prepares quarterly reports on staff turnover. The staff turnover rate in 2021 was 8%, up 3.4% year-on-year.

The reason behind the increase in the figure in 2021 was the inclusion of JSC Logistics-Terminal in the reporting boundaries.

Staff turnover rate | %



<sup>1</sup> In 2021, the staffing level of PJSC TransContainer was 96.3% and that of JSC Logistics-Terminal was 82.3%.  
<sup>2</sup> Employee turnover rate = (voluntary redundancy + labour misconduct) / average headcount × 100.

## STAFF REMUNERATION AND INCENTIVISATION

### THE MAIN REGULATORY DOCUMENTS

- Regulations on the Staff Remuneration System of PJSC TransContainer
- Regulations on Incentive Scheme for Employees of PJSC TransContainer
- Collective Bargaining Agreement of PJSC TransContainer

TransContainer's HR policy places a strong emphasis on ensuring a competitive wage, its regular indexation, and employee motivation through both tangible and intangible incentives in order to recruit and retain highly qualified employees.

According to PJSC TransContainer's Regulations on the Remuneration of Employees, the total remuneration of employees consists of the fixed part

(salary, hourly wage rate), the variable part that includes bonus pays for meeting operative performance targets and key performance indicators, and other compensatory and incentive payments as required by the labour laws of the Russian Federation, the Collective Bargaining Agreement and local regulations.

Employees' salaries are set on the basis of an approved staffing schedule and are indexed as given in the TransContainer Collective Bargaining Agreement. The compensation for workers is paid on the basis of a rate per hour worked, and this rate is taken from a wage scale.

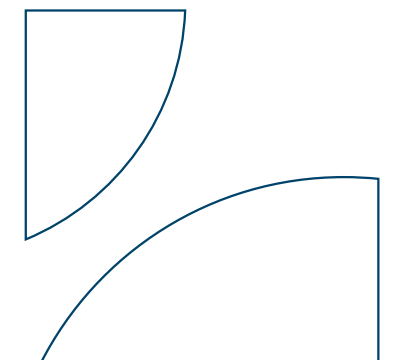
In 2021, the Regulations on the Commission for Bonus Payment to PJSC TransContainer's Executive Office were approved, the purpose of which is to determine the achievement of bonus targets based on the reporting year's performance, as well as to determine the amount of bonus and make a decision on payment of bonuses.

The bonus system implies payment of remuneration based on the Company's operating and financial results, as well as employees' personal contribution. Targets for bonus awards are determined in relation to business units, professions, and job positions.

The Company has developed and is continuously improving the scheme, which links the bonus amount to the achievement of target KPIs at the end of the year.

To attract and retain qualified staff, the Company pays a one-off loyalty bonus. In 2021, 635 employees received the one-off loyalty bonuses, which totalled RUB 82 million.

The Collective Bargaining Agreement has a provision for annual wage indexation, which was 5.3% in 2021. The indexation level is based on the inflation of consumer prices for goods and services forecasted by the Ministry of Economic Development of the Russian Federation.





GRI 202-1

Average wage in PJSC TransContainer | RUB

2021	129,303
2020	117,969
2019	112,986
2018	107,101

According to the Collective Bargaining Agreement, the monthly salary of an employee of PJSC TransContainer cannot be lower than the minimum wage established by the legislation of the Russian Federation. In comparison to the minimum wage in the Russian Federation,

the minimum entry-level wage in the Company is much higher. As the business is becoming more efficient, the Company is trying to gradually raise the real wages of its employees.

In 2021, PJSC TransContainer increased the wages by 5.3%.

Ratio of entry-level wages of PJSC TransContainer's employees to the minimum wage

Indicator	2018	2019	2020	2021
Minimum wage in the Russian Federation, RUB	9,489	11,280	12,130	<b>12,792<sup>1</sup></b>
Minimum entry-level wage (excluding bonus payments) <sup>2</sup>   RUB	29,914	31,398	32,346	<b>34,055</b>
Ratio of entry-level wages to minimum wages in the Russian Federation   %	315	278	267	<b>266</b>

The ratio of the average wage at PJSC TransContainer and JSC Logistics-Terminal with the average wage in the Russian Federation | RUB

Indicator	2018	2019	2020	2021
PJSC TransContainer	107,101	112,986	117,969	<b>129,303</b>
JSC Logistics-Terminal	-	-	77,181	<b>87,881</b>
Russian Federation	43,724	47,867	51,344	<b>57,244</b>
TransContainer / Russian Federation variance   %	145	136	130	<b>126</b>
Logistics-Terminal / Russian Federation variance   %	-	-	50	<b>54</b>

GRI 401-2

ONE-OFF BONUSES

The Company's President may additionally give staff the following incentive payments:

- one-time incentive payments to employees who completed especially crucial production tasks intended to increase the effectiveness of the Company's operations;

- payments for anniversaries and other special occasions;
- bonuses for staff based on outcomes of competitions held by the Company's divisions;
- other incentive payments.

INTANGIBLE INCENTIVES

The Company actively promotes a system of intangible incentives to recognise the achievements of its best performers (letters of commendation, acknowledgements, valuable gifts, awards on important corporate dates).

Number of employees awarded in 2021

Letters of commendation and acknowledgments	
Russian Railways	41
TransContainer and Logistics-Terminal	32
TransContainer's Honorary Employee award	8
<b>Total</b>	<b>81</b>

GRI 102-35

KEY PERFORMANCE INDICATORS

Key performance indicators are based on economic, financial, and industry-specific factors; they also consider the outcomes of sustainable development.

A KPI system used by PJSC TransContainer best represents the extent to which management has met both short- and medium-term targets as well as long-term strategic goals.

The KPI system includes three categories of indicators:

- Corporate KPIs are metrics that represent the overall Company's performance;
- Process KPIs are metrics that assess how well a Company's process or functional area is performing;
- Project KPIs, which are fixed-term indicators, measure the degree to which the objectives of projects (project stages) of the Company or functional area are being met.

Each KPI has a passport that details the technique for calculating the indicator's target and actual value. According to PJSC TransContainer's

Board of Directors' resolution, the Company President's performance is assessed using two metrics – net profit and EBITDA, which measure how effective the Company's current operations are and have an impact on the market capitalisation.

The Board of Directors' approved budget for the Company as of the reporting date, along with the Company's approved development strategy, serve as the basis for the management's target KPI values. The better the Company's current performance is, the higher its market capitalisation is. That is the reason why KPIs such as net profit, EBITDA, market share of revenue-generating rail container service, service sales volume (TEU) of PJSC TransContainer, transport and logistics margin, etc. are included in the evaluation of the performance of the sole executive bodies. Their target values are set in accordance with the Company's budget valid as of the reporting period, which was approved by the Board of Directors.

The KPIs of the members of the Management Board and middle managers include sustainable development indicators, e.g., less number of work-related accidents, a shift to electronic document management, increased information and financial security, a lower staff turnover, and key performance indicators for meeting environmental targets.

In addition, the achieved targets determined as part of the combined branch performance rating are used to evaluate the operational and financial performance of the directors of PJSC TransContainer's branches.

- The results of the rating are taken into consideration:
- when deciding whether to rotate directors of branches;
  - when distributing the payroll budget, in the event of additional remuneration of branch employees based on the year's performance.

The experience with this management approach has shown that the targets system and quarterly monitoring through the TransContainer branch rating are sufficiently effective to improve core production, management and development processes.

<sup>1</sup> Federal Law No. 473-FZ dated 29 December 2020 on Amendments to Certain Legislative Acts of the Russian Federation.  
<sup>2</sup> Information on salaries in the Company's headquarters.

# STAFF TRAINING AND DEVELOPMENT

In order to maintain a high standard of work that is effective, competitive, and of high quality, PJSC TransContainer places a strong priority on the ongoing skill upgrade of its personnel. The Company is aware that it's critical to strengthen employee competencies and continually acquire, apply, and introduce new skills and knowledge. Efficiency will undoubtedly suffer if personnel qualifications don't match the needs of the Company. In addition to having a direct effect on financial performance, professional development for employees also enhances the corporate climate

by boosting employee engagement and motivation.

PJSC TransContainer distinguishes the following key areas pertaining to human resources development:

- improving employees' professional qualification and competence level in compliance with the corporate HR management policy, job profiles and requirements of professional standards;
- offering possibilities for professional progress within the Company and keeping employees motivated to advance in their profession.

One of the components of the Company's successful and long-term development is the workforce's ongoing skill improvement

### THE MAIN REGULATORY DOCUMENT

- Regulations on Training and Development of PJSC TransContainer's employees

## APPROACH TO ORGANISATION OF THE STAFF TRAINING AND DEVELOPMENT PROCESS

The TransContainer Academy is a corporate training system that encourages employees' professional development and career advancement. No matter what level they hold within the Company, every employee has

access to training there to advance their professional skills. To further develop their domain expertise, PJSC TransContainer employees participate in external trainings, thematic conferences, and workshops.



## General approach to personnel training and development

DEVELOPING STRATEGIC VISION AND BUSINESS MANAGEMENT SKILLS



DEVELOPMENT OF CORPORATE COMPETENCIES AND MANAGEMENT SKILLS



Building of management skills

DEVELOPMENT OF KEY COMPETENCIES TO SUPPORT CHANGE WITHIN THE COMPANY



Short-term educational programmes

DEVELOPMENT OF EXPERTISE



Skill upgrade and development of production staff expertise

STATUTORY COMPLIANCE



Training in mandatory areas (occupational health and safety, etc.)



Business schools



External training centres, universities, colleges



TransContainer Academy



Guidance, coaching, mentoring

GRI 404-2

## STAFF TRAINING AND DEVELOPMENT PROGRAMMES IN PLACE

### Internal training of employees

TransContainer Academy's corporate training programme aims to improve management, professional, and individual competencies. The employees can choose the required courses by themselves and then attend them whenever it is convenient for them.

Employees can evaluate their level of competency through professional

testing on the TransContainer Academy platform. Tests can help find employee knowledge gaps and further plan the necessary programmes for training and development.

The primary goals of the TransContainer Academy are to engage managers in the professional growth of their team members and to inspire them to work together toward a common

goal. The creation of the school of internal coaches was a big step forward in achieving these goals. Internal experts and coaches were chosen to offer the staff members any level of training required. Internal coaches and experts from among experienced employees and functional managers are actively involved in the creation of a corporate knowledge base.

### DEVELOPMENT OF TRANSCONTAINER ACADEMY

TransContainer Academy was established in 2018 as part of the HR Unit that oversees personnel training and development. The Academy's initial efforts were mostly centred on distance learning, which was heavily promoted within the Company. Basic training programmes and professional exams were created between 2018 and 2020, which helped the Company's workers become more familiar with the Academy resource. In 2020, TransContainer Academy expanded beyond

its digital platform and began to be used as the foundation for internal employee training and business programmes. As the Academy has amassed a sufficient number of internal trainings, distance courses, and modular corporate training programmes by the year 2021, in March 2021, it was decided to transform the TransContainer Academy in order to systematise development activities and start new areas in line with the Company's business objectives

### TRANSCONTAINER ACADEMY TODAY

TransContainer Academy is an innovative, integrated HR platform for employee onboarding, training and development.

**1,986 employees** trained at the Academy between 2018 and 2021.

### 3 main focus areas of the Academy



1. Management Academy:
  - two levels of programmes (top team, talent pool);
  - improvement of skills and expertise in line with the corporate model;
  - improvement of skills and expertise through project activities.



2. Team Academy:
  - improvement of skills and expertise in line with the business demands;
  - collaboration among Company's employees on projects;
  - participation in educational projects of the Company's employees (including development of the institute of internal coaches).



3. Open Academy:
  - open programmes available for all employees of the Company;
  - improvement of skills and expertise through an online platform, mini-training sessions in the form of webinars.

### 19 internal training courses

Regular activity weeks are held in the branches by the Company's internal coaches, who take into account both business needs and employee wishes for personal growth.

### 85 distance learning courses

Career development, management and personal effectiveness. Every PJSC TransContainer's employee has access to the remote training system and can complete courses whenever it's convenient for him/her.

### 30 professional tests

Employees can evaluate their skill level on the TransContainer Academy platform by taking tests:

- in their trade;
- in OHS;
- in anti-corruption and ethical business conduct, including human rights;
- in knowledge of business process regulations.

### TransContainer Academy results in 2021

In 2021, the TransContainer Academy launched 22 new courses that were completed by more than 900 people. The TransContainer Academy platform's remote learning courses are tailored to the demands and requirements of the business.

The Company put a lot of effort into getting staff members involved in distance (online) learning in 2021 through the TransContainer Academy platform:

- a new TransContainer Academy page with a practical and user-friendly user interface (UI) was created;
- a competition in honour of "Knowledge Day" was organised among employees (the completion of online learning courses was the primary requirement for participation);
- to encourage distance learning, a publicity campaign was launched (articles and publications).

The following events were held in 2021 in collaboration with top coaches and business schools to promote TransContainer Academy's corporate programmes:

- a "Closer to a Customer" programme for the sales and customer unit;
- a corporate "Cheerful Slides" programme for creation of effective presentations.

The following subjects were covered in training courses given in 2021 by the Company's internal coaches:

- "Customer Focus and Quality Service";
- "Basic Management Skills".

In 2021, two new sustainable development courses — "Code of Business Ethics" and "Anti-Corruption & Corporate Fraud Management" — were created as part of TransContainer's personnel training in the subject. The employees may take a test on the course of their choosing after finishing the pertinent training to consolidate what they have learnt.

### External Training, Advanced Training and Retraining

TransContainer's major concern is enhancing professional competence and developing the personal and business qualities of its employees. The Company welcomes the participation of employees in external trainings, seminars and thematic conferences. This has a positive effect on staff development and systematic updating of knowledge, skills, and abilities of employees.

A total of 2,107 people participated in outside information and advisory activities in 2021 and developed their abilities in the process. In the reporting year, investment in employee training and development almost doubled to more than RUB 12.5 million

**A total of 2,107 people** participated in outside information and advisory activities in 2021 and developed their abilities in the process



**Training and development hours by employee category**

Employee group and indicator	2021
<b>Top managers</b>	
Total number of employees	52
Training hours	1,723
Average training hours per employee	33.13
<b>Functional managers</b>	
Total number of employees	868
Training hours	29,044
Average training hours per employee	33.46
<b>Specialists</b>	
Total number of employees	504
Training hours	11,900
Average training hours per employee	31.32
<b>Workers</b>	
Total number of employees	683
Training hours	28,054
Average training hours per employee	41.07

**General information on training hours and the Company's investment in employee training and development**

Indicator	2021
Total training expenses   RUB	6,390,000
Number of employees who received training   people	2,107
Average amount spent on training and development   RUB	5,960
Average training hours per employee   h	36
Average training hours (men)   h	33
Average training hours (women)   h	41

**Distribution of budget funds in 2021 for training and development by areas**

Training area	Share of total training budget   %	Number of employees trained   people
Advanced training and development training	32.35	260
Obligatory training	64.00	1,847
Second higher education for employees of the Company, higher education in specialised universities for students	3.65	3

**Average training hours per employee per year | h**

Indicator	2018	2019	2020	2021
Managers	53.9	57.4	42.1	33.7
Specialists and workers	42.0	51.9	38.8	37.3
Men	59.2	66.5	43.6	33.4
Women	48.6	57.2	36.3	40.5
Average number	53.9	61.9	45.1	35.7

**Investments in staff training and development | RUB thousand**

2018	2019	2020	2021
20,920	49,478	6,393	12,558

**Return on investment in human capital**

Indicator	2018	2019	2020	2021
Consolidated revenue   RUB million	79,178	88,291	107,181	139,742
Total operating expenses   RUB million	66,886	71,569	89,422	112,977
Total personnel expenses   RUB million	6,422	6,492	6,545	7,754
Return on investment in human capital	2.91	3.58	3.71	4.45

**REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW OF EMPLOYEES**

The Company consistently assesses staff performance to increase their productivity and efficiency. Decisions about the incentive pay component of employees' salary and promotions to higher positions are based on the outcomes of the reviews.

**Performance review by gender and category of employees**

Indicator	2018	2019	2020	2021
Employees who underwent explicit performance review   people	183	185	186	264
Share of the total number of employees   %	5.3	5.6	5.8	7.5
<b>Including by employee category</b>				
Managers   people	183	182	185	198
Share of total number of managers   %	25.6	26.6	27.6	27.6
Specialists/white collars   people	0	3	1	66
Share of total number of specialists   %	0	0.2	0.1	3.5
Workers   people	0	0	0	0
Share of total number of workers   %	0	0	0	0
<b>Including by gender</b>				
Men   people	127	122	128	159
Share of total number of men   %	8.7	8.9	9.4	11.4
Women   people	56	63	58	105
Share of total number of women   %	2.7	3.3	3.1	4.9

# EMPLOYEE ENGAGEMENT

Improper or disorganised management-employee communication makes it challenging to deliver results, causes disagreements and misunderstandings, and fosters a toxic corporate culture, which reduces employee loyalty and requires more resources, time, and effort.

An open line of communication between management and employees is the cornerstone of good communication, which facilitates the development of a shared language and boosts employee loyalty.

PJSC TransContainer integrated an efficient system of communication between the management of the Company and its employees, enabling rapid resolution of any difficulties that may occur and the application of the relevant countermeasures.

The PJSC TransContainer feedback system is built on the following principles:

- voluntary participation of employees (increased engagement of employees)
- anonymity;
- 100% responsiveness and promptness;
- equal access to feedback for all employees.

Team meetings, employee meetings, call centres, helpline and hotline of the OHS Service on the corporate portal, questionnaires designed to measure employee social satisfaction, web-services for questions to the HR Service and Company's management on the corporate portal, and special "Question and Answer" columns in all communication channels are some of the interaction mechanisms and feedback tools that PJSC TransContainer uses.

PJSC TransContainer uses various channels and resources to build effective teamwork:

- meeting of employees with the President of the Company;
- an annual employee engagement survey;
- corporate publications;
- the Company's news digests;
- information stands;
- hotline;
- collective bargaining agreement;
- internal intranet portal: the "Questions to the Management" section, where employees may ask their questions to the Company's top manager, and the "Complaints" section, where employees may leave their claims or complaints.

The registration, prompt and impartial evaluation of claims or complaints are all under the control of the Human Resources Department.



## TRADE UNION ORGANISATION

Because of the current geopolitical climate, the Company's President had a live session organised in early March 2022 to address questions from employees about the Company's activities in 2022. This was done in an effort to maintain transparency and a calm working environment. To share as much information as possible, questions from each PJSC TransContainer's employee were gathered in advance.

The interaction between the trade union organisation and PJSC TransContainer is based on the concepts of social partnership, which helps to resolve critical labour and social issues, prevents conflicts among employees through communication and prompt feedback, and offers Company's employees a well-balanced social package. The primary trade union of PJSC TransContainer is a crucial element of the corporate culture since it helps to boost teamwork and corporate spirit, two factors that have a direct impact on the efficiency of the Company. With a balanced social partnership approach, PJSC TransContainer has not seen a single case of job termination owing to labour relations disputes.

By the end of 2021, the primary trade union organisation of the Russian Trade Union of Railway Personnel and Transport Construction Workers of PJSC TransContainer, which was founded in 2010, united 96% of all company employees, i.e. 15 primary trade union organisations of the Executive Office and branches across the railway network. The chairs of trade unions perform additional public duties while still doing their primary ones.

The trade union organisation represents the interests of employees when concluding the Collective Bargaining Agreement and monitors its implementation, provides a reasoned opinion on the Company's by-laws related to labour and social issues. New PJSC TransContainer's Collective

Bargaining Agreement for 2022–2024 was concluded in 2021, preserving existing benefits and guarantees. Each year, the Company provides an overview of how the PJSC TransContainer Collective Bargaining Agreement has been put into practice. According to the social partnership's parties, the Collective Bargaining Agreement's requirements were met, there were no labour disputes involving the Agreement's requirements, and no deadlines for wage payments were broken in 2021.

In order to strengthen team cohesion and engagement and to maintain a healthy lifestyle throughout the pandemic, various distance learning events were arranged on the initiative of TransContainer's management and with the active assistance of the trade union organisation:

- for the 75th anniversary of Victory in the Great Patriotic War, the children's drawing competition named "Victory Day through the eyes of our children" and the "Immortal Regiment" campaign;
- the "Our Talents" corporate creativity competition;
- "Home Working" photo contest;
- "A healthy mind in a healthy body" sporting challenge, daily physical;
- New Year's Eve corporate event in an online format – an intellectual game called TK-QUIZ;
- "From Vienna to Shanghai" corporate marathon;
- a charity event called "Lighting the New Year's Eve Lights".

In 2021, TransContainer's trade union organisation did not leave the children of its employees without attention. The "Trade Union Organisation of PJSC TransContainer Delivers New Year's Mood" campaign included traditional New Year's activities, contests and campaigns for children and a gift for each child from the organisation. The event was conducted online to protect everyone's safety.

Employees had the chance to get reimbursed for sports or exercise (renting gyms, playgrounds, lanes in swimming pools), social help for marriage registration, the birth of children, and financial assistance, at the expense of the trade union

budget. Bonuses were awarded for anniversaries and for active participation in trade union activities, vouchers for recreation and health resort treatment (vouchers to sanatoriums and resorts) were given, and congratulations on the 15th anniversary of the Company and all-Russian holidays were offered.

As part of the Company's charitable endeavours in 2021, aid was given to employee families raising children with disabilities and families with several children, upon the request of the trade union organisation.

Awards from PJSC TransContainer, OJSC Russian Railways,

and the Russian Trade Union of Railway Personnel and Transport Construction Workers (ROSPROFZHEL) were given to PJSC TransContainer personnel in 2021 in recognition of their work.

The amount allotted to trade union organisations in 2021 for their efficient operation, employee cultural and sporting events, social protection measures for employees and their families, organisation of a campaign to improve the health of children, New Year's holidays, and other activities covered by ROSPROFZHEL's statutory activities, was

**RUB 25.1 million**

## EMPLOYEE ENGAGEMENT

Feedback from staff members helps to make more accurate HR management decisions and ultimately improve working conditions for employees. In addition to other things, PJSC TransContainer has a mechanism for measuring employee engagement.

An employee engagement survey was undertaken in September 2021, and the results were utilised to develop a plan of remedial actions targeted at raising the level of engagement.

A total of 2,910 employees

**89%**

of PJSC TransContainer took part in the engagement survey, which shows the interest of each employee in the Company's development. The engagement rate was 69%, which is higher than the benchmark.

According to the study, PJSC TransContainer outperforms rival transport organisations on numerous measures of employee engagement.

Employees view the Company as a reliable, trustworthy, and competitive employer.

### IN THE MAJORITY OF PARAMETERS, EMPLOYEES HAVE POSITIVE OPINIONS OF THE WORKPLACE ENVIRONMENT.

According to the 2021 survey, TransContainer's employees:

- trust the top management;
- believe in the success of the business and the chosen strategy;
- highly appreciate the performance of their immediate supervisors.

From an area that required improvement in 2018<sup>1</sup>, trust in top management has turned into a strength of the Company. The high level of confidence in the management team is another good point mentioned by the employees:

- **80% of respondents** believed that top management's choices helped the Company succeed;
- **87% of respondents** feel that the Company's development strategy is forward-looking, that they understand the objectives and methods for accomplishing the strategy, and that they are aware of their own individual contributions to the cause.

When compared to the survey done in 2018, these indicators have showed a good trend and shifted from the areas that require improvement to the Company's strengths. Employees place a great importance on stability and a comfortable psychological environment in the team; 85% of them are happy with their working environment and the team dynamic, which is much higher than the industry average.

The staff is optimistic about the Company's future and anticipates either stability or good transformation. The share of pessimists is substantially smaller than the benchmark, indicating

that employees are also secure in their personal stability.

Based on the consolidated data from the survey results, as well as focus groups and information received via the feedback form on the portal, a draft action plan was prepared to improve engagement in 2022, with a strong focus on the areas that were identified as requiring attention and improvement across the Company: training, career, compensation, evaluation and recognition, and business processes.

The next engagement survey is scheduled for autumn 2022.



<sup>1</sup> During the period 2018 -2019, PJSC TransContainer was a subsidiary of OJSC Russian Railways.

# SOCIAL SUPPORT FOR EMPLOYEES

GRI 102-41, 403-6

As a responsible employer, PJSC TransContainer cares about the welfare and social security of its employees and their families. The Company offers a variety of social guarantees, benefits, and compensation to its employees, including voluntary health insurance, financial aid, compensation for work-related disabilities, reimbursement for trips to health resorts and children's camps, reimbursement for travel by suburban and long-distance rail, reimbursement for the costs of kindergarten tuition, etc. The Collective Bargaining Agreement reached between PJSC TransContainer and the staff members outlines the obligations to give the above. The provisions of the Collective Bargaining Agreement apply to all employees of the Company.

GRI 401-2, 403-3

Guiding principles for employee social support:

- Access to voluntary health insurance (VHI).
- Partial reimbursement of the cost of trips to health resorts and recreational facilities and children's health camps.
- Payment of a one-off financial aid for the birth of a child. All employees are entitled to parental leave<sup>1</sup>.
- Reimbursement of rail travel costs.
- Financial support to employees in various life situations.
- Corporate pension scheme for employees.
- One-time payment in connection with retirement.

## THE MAIN REGULATORY DOCUMENTS

- Collective Bargaining Agreement of PJSC TransContainer
- Regulations on Non-State Pension Provision for PJSC TransContainer's Employees
- Regulations on the Procedure for Providing Financial Assistance in PJSC TransContainer

## VOLUNTARY HEALTH INSURANCE

For all employees of the Company there is a voluntary health insurance (VHI) programme, which includes outpatient and polyclinic care, inpatient care, preventive vaccination, dental care, medical procedures, 24/7 trauma care, diagnostic research, home care,

emergency medical care. In 2021, the list of medical and preventive institutions where employees can receive medical care was significantly increased, the content of insurance programmes was improved, the coverage of the VHI agreement

was expanded. Additionally, starting in 2021, the Company's entire workforce received cancer insurance coverage for the first time. Expenses for VHI of employees in 2021 amounted to **RUB 55 million**

<sup>1</sup> It is a legally enforceable right

## HEALTH RESORT TREATMENT

Employees of the Company and their children are provided with partial compensation of vouchers for health resort treatment, as well as vouchers to children's health camps. Despite the severe epidemiological situation associated with the spread of the new

coronavirus infection, the employees managed to use the above offers; the reimbursement of travel expenses in 2021 amounted to

**RUB 8.3 million**

## NON-STATE PENSION PLAN

GRI 201-3

An important measure of social responsibility towards our employees is the supplementary pension scheme.

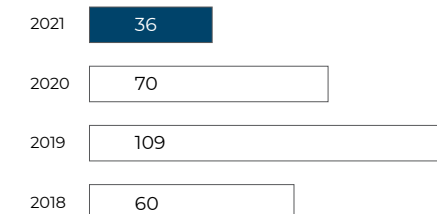
The Company has a corporate non-state pension scheme in place secured by the agreement with JSC Blagosostoyanie Non-State Pension Fund (NPF). The payouts shall be made in accordance with the Regulations in place in the Company.

Pension plans imply co-financing of future pensions by the employer and the employee. For older employees who join the plan on time, the employer makes a significant contribution to securing a decent pension. In 2021, the Company allocated

**RUB 35.8 million**

for the Non-State Pension Provision Programme.

Pension obligations (NPF) | RUB million



## SOCIAL GUARANTEES FOR UNEMPLOYED PENSIONERS

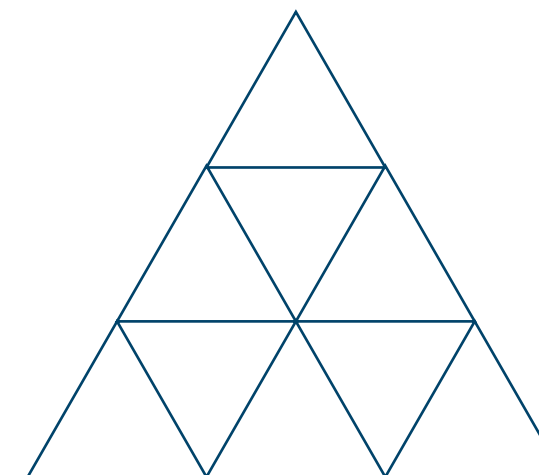
The Collective Bargaining Agreement of the Company stipulates the following social guarantees meant to raise the living standards of unemployed pensioners:

- reimbursement of the cost of expensive medical treatment;
- reimbursement of the cost of health resort treatment;
- reimbursement of the cost of domestic fuel;
- compensation for the cost of railway travel;
- emergency financial assistance;
- financial assistance is provided for family members in case of death of an unemployed pensioner.

The number of unemployed pensioners as at 31 December 2021 amounted to 1,647 people.

The funds allocated to social protection of unemployed pensioners amounted to **RUB 5.5 million**

<sup>1</sup> Regulations on Non-State Pension Provision for PJSC TransContainer's Employees.



**Pension and social security obligations met by the Company in 2021**

Indicator	2020	2021
Number of unemployed pensioners as at 31.12.2020   people	1,630	<b>1,647</b>
Number of unemployed pensioners who receive corporate pensions   people	785	<b>774</b>
Share of total number of unemployed pensioners   %	48.2	<b>47</b>
Average corporate pension   RUB	8,492.58	<b>8,798.14</b>
Amount of social security expenses per unemployed pensioner   RUB	2,800	<b>3,322</b>

**COLLECTIVE BARGAINING AGREEMENT**

GRI 102-41

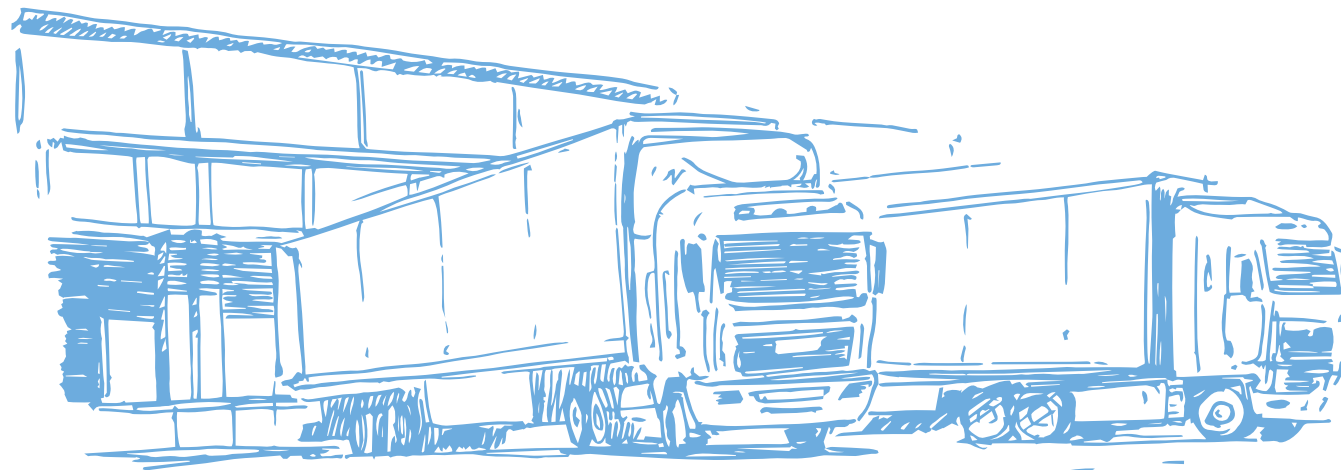
The Collective Bargaining Agreement in place in PJSC TransContainer aims to ensure and promote social interaction between employees and the employer based on the principles of social partnership in order to improve the performance of the Company and preserve the social & labour interests of employees and the employer.

A new Collective Bargaining Agreement of PJSC TransContainer for 2022–2024 was signed in December 2021 by the President of the Company and the Chairman of ROSPROFZHEL, the primary trade union organisation of PJSC TransContainer. All guarantees and benefits given to employees and unemployed pensioners of the Company are retained in full.

Share of employees covered by the Collective Bargaining

Agreement in 2021–95%<sup>1</sup>. Expenditures for social programmes under the Collective Bargaining Agreement in 2021 amounted to

**RUB 159.4 million**



<sup>1</sup> The share of PJSC TransContainer's employees covered by the Collective Bargaining Agreement in 2021 is 100%; however, due to the inclusion of JSC Logistics-Terminal (a subsidiary) in the reporting boundaries, the total share of employees covered is 95%.

**CORPORATE CULTURE**

Increased employee loyalty and more employee involvement in Company's affairs are priorities for PJSC TransContainer. A corporate charity marathon called "From Vienna to Shanghai" was held in 2021 and was open to any employee of the Company in an effort to encourage employee involvement. The marathon, which was timed to coincide with PJSC TransContainer's 15th anniversary, improved team spirit, promoted a healthy lifestyle, and enhanced employee engagement and loyalty. At the conclusion of the marathon, the money raised was donated to the Malachovka tuberculosis dispensary.

According to the final statistics, 329 Company's employees participated

in the running race virtually and electronically reported information on the distance covered. Sixteen (16) videos that included all of the staff from various branches were filmed and put together to promote this marathon. Winners received valuable prizes. Three winners were selected at random, the most active marathon runners earned gift certificates from the union, and commemorative medals were given to all runners who completed the transcontinental race. Some employees ran one kilometre during the marathon, while others covered 826 kilometres, which is equivalent to the distance between Moscow and Samara. Naturally, the major goal of the marathon was to bring the TransContainer's team from Vienna to Shanghai together, rather

than to achieve sporting triumphs. Not only the Company's employees' interest in exercise was improved through this marathon, but it also allowed the competitors to get to know one another and unite in friendship.

An #IGOTVACCINATED project was launched with a video message from the Company's senior managers and employees about the significance of vaccination in order to protect workers against contracting coronavirus. As of 31 December 2021, 2,579 employees got vaccinated. Additionally, medical professionals delivered webinars on COVID-19 recovery for employees of PJSC TransContainer's branches in 2021 as part of the corporate employee health support programme.

**Expenses for social programmes under the Collective Bargaining Agreement of PJSC TransContainer in 2021**

Social guarantee	Amount   RUB million
Voluntary health insurance of employees	55.0
Non-state pension provision for employees	35.8
Health resort treatment for employees and their children	4.1
Recreation of employees' children (children's health camps)	4.2
Compensation for the cost of pre-school institutions for employees' children	9.6
Compensation for the cost of travel for employees and their families	18.9
Payment of toddler care allowance	7.4
Child-birth payment	4.1
Financial aid due to family circumstances	14.9
Expenses for social guarantees for unemployed pensioners	5.4
<b>Total</b>	<b>159.4</b>

<sup>1</sup> According to the rules of the marathon, 1 km = RUB 1,000. The money was allocated from the Company's budget as part of the charity.



# TECHNOLOGICAL EFFECTIVENESS AND FLEXIBILITY

Digitalisation is increasingly important to a company's ability to compete. PJSC TransContainer plans to keep striving to enhance the Company's digital maturity in order to become the industry leader in container rail transportation.

In order to achieve this, the period from 2021 to 2022 was spent to establish a special structure. For instance, there was a huge increase in the staff structure of the information technology unit, and vacancies were filled with qualified specialists.

The TransContainer's Strategy for the Development of Information Systems until 2025<sup>1</sup> was approved in 2021. It defines the key focus areas for the Company's information systems:



**DEVELOPMENT** of digital sale channels and CRM-system



**GREEN LOGISTICS PROJECTS**



**SMART CONTAINER TERMINAL TECHNOLOGIES** and artificial intelligence



**CREATION** of cross-holding services and a unified corporate data repository for the Group



**INFRASTRUCTURE PROJECTS** and development of supportive corporate systems



**DEVELOPMENT** of BPM-system for monitoring and optimisation of processes

DIGITALISATION



<sup>1</sup>Resolution of the Board of Directors dated 28 October 2021 (Minutes No. 13).

Digitalisation and a customer-centric approach are among TransContainer's strategic directions for the period until 2030<sup>1</sup>. This is also in line with the Transport Strategy of the Russian Federation until 2030 for the period up to 2035, which defines the following development areas of the transportation industry:

- development of information technologies to improve the efficiency of user engagement;
- integration of multimodal technologies in passenger and freight services, expansion of cargo tracking systems at each stage of transportation.

The achievement of digitalisation goals and objectives is closely related to sustainable development and the requirement for stable development of logistics, whether it be road-traffic safety, the development of sustainable cities, the emergence of new modes of transportation with zero impact on the environment or the climate, or the elimination of logistics shocks through the effective management of flows using contemporary IT technologies. Thus, the digital transformation of the logistics sector has a significant impact on the Company's sustainable development as it helps manage

a logistics system that is effective, safe, and good for the environment and society, as well as maintain and expand a supportive logistical infrastructure.

The strategic goals of PJSC TransContainer cannot be achieved without integrating cutting-edge digital technology into crucial business procedures

### IT strategic goals and focus areas

KEY FOCUS AREAS		2021	2025
INNOVATIONS	IT-LEADERSHIP	The area is not yet developed	Regular approbations and innovations
DEVELOPMENT SPEED	FLEXIBILITY TO CHANGES IN BUSINESS	6–12 months	2–6 months
AUTOMATION LEVEL	AUTOMATION OF BUSINESS PROCESSES	23 %	60 %
AVAILABILITY OF DATA FOR ONLINE ANALYSIS	AVAILABILITY OF DATA	5 %	90 %
AVAILABILITY OF IT SYSTEMS FOR CLIENTS		98 %	99.9 %
AVAILABILITY OF SYSTEMS FOR EMPLOYEES	AVAILABILITY OF DATA AND CYBERSECURITY	95 %	98 %

<sup>1</sup> According to the Company's corporate strategy for the period until 2030 approved by the Board of Directors in September 2021.

In 2021, when 9 out of 14 branches of PJSC TransContainer transitioned to the new IT architecture, the groundwork for the digitalisation and optimisation of the Company's business projects was laid.

High resilience and flexibility, as well as simple updates and straightforward software deployment and scalability, were all secured by this transition. Moving forward, these modifications

will positively affect the growth of container traffic in Russia and abroad, speeding up freight delivery, enhancing customer satisfaction, and lowering non-production costs

### Strategic IT projects support business along the entire value chain

#### CLIENT ACQUISITION AND SALES

- Development of iSales and sale channels (informing about services and sales on partner sites, sales of additional services, mobile application).
- Corporate data repository (data analysis for customer segmentation and development of new offers).
- Creation of cross-holding macro-services (selling additional services of subholdings through iSales).
- CRM and internet website development (lead generation and dealing with customers).

#### SERVICE/PRODUCT DESIGN

- Digital platform for service providers/co-contractors (search and engagement of optimal contractors).
- Route network digital twin (logistician's personal cabinet) – preparation of transportation solutions; pricing module – calculation of dynamic rates, including special rates for customers and segments.
- iTrans development (empirical identification of a transportation solution).
- Introduction and development of BPMS system (optimisation of business processes to improve quality and reduce the cost of services and products).

#### PROCUREMENT AND SUPPLY OF RESOURCES

- Route network digital twin (balancer – tracking of balancing and volume limits, automatic adjustment, application of upward/downward tariffs for customers).
- Planning of iLog adjustments (calculation of adjustments for sales plans).
- iTrans development (resources reservation for orders, tenders with co-contractors, integrations with booking ports)
- Development of supportive corporate systems. System for truck deliveries (management of own container carrier fleet for truck deliveries).

#### POST-PROCESSING: DOCUMENT FLOW, MUTUAL SETTLEMENTS

- iSales development (reporting for customer, exchange of documents, convenient payment).
- Digital platform for service providers/co-contractors (automation of document flow with co-contractors).
- Shared Services Centre (improving the quality of customers and co-contractors services).
- Development of supportive corporate systems. Money service system (mutual settlements with customers).
- Development of supportive corporate systems. Electronic document management (with customers and co-contractors).

#### PRODUCTION / CUSTOMER SERVICE

- iTrans development (tracking of ground location and order progress; integration with ports, shipping lines, and overseas depots).
- Digital platform for service providers/co-contractors (auctions for co-contractors, tracking of whether the services are actually provided).
- Unification of TOS-systems (automation and standardisation of terminal processes).
- Development of iSales and sale channels (creation of an order, informing, interaction with clients).
- Introduction of artificial intelligence technologies (estimated time of arrival (ETA), estimated uncoupling for repair, etc.)
- Development of fleet management systems (monitoring the operation of equipment).

# INFORMATION SECURITY

PJSC TransContainer started a massive digitalisation effort across all its business operations that helped the business become more efficient than ever. However, in this situation, the Company realised how crucial it is to safeguard information systems and customer personal information and promote an information security culture. PJSC TransContainer is working hard to ensure the Company's information security since it is aware of its obligation to clients, workers, investors, and the state for the data integrity and the sustainable operation of the Company as a whole.

In order to increase the level of information security and the confidence of counterparties, partners, and investors, the Company pursues a policy of continuous improvement of processes that contribute to information security, to ensure their compliance with legal requirements, international standards, and best practices.

As an operator that processes personal data, PJSC TransContainer is responsible for ensuring the protection of subjects' rights and freedoms while processing their personal data and for taking necessary steps to comply with the requirements of Federal Law No. 152-FZ dated 27 July 2006, "On Personal Data", and any regulations adopted

in accordance therewith. One of the Company's top priorities is to maintain the confidentiality, integrity, and authenticity in handling confidential information, including personal data, trade secrets, insider knowledge, confidential information of partners and other organisations, and information that has legally come to the Company's knowledge. The categorisation of facilities and design of a centralised system to ensure information security of significant facilities of the Company's critical information infrastructure were completed as required by Federal Law No. 187-FZ dated 26 July 2017, "On the Security of Critical Information Infrastructure of the Russian Federation". An information technology development strategy was created to guarantee the long-term growth of PJSC TransContainer.

### THE MAIN REGULATORY DOCUMENT

- Information Security Policy of PJSC TransContainer
- Instructions on Information Security in PJSC TransContainer

## ANY VULNERABILITIES IDENTIFIED ARE REPORTED TO THE IT DEPARTMENT FOR ELIMINATION

### ОСНОВНЫЕ ФУНКЦИИ СИСТЕМЫ ИНФОРМАЦИОННОЙ БЕЗОПАСНОСТИ:

- Control over proper functioning of the system and information exchange between users;
- Monitoring, analysis and testing of the security of the Company's information systems;
- Creation and implementation of safe technologies;
- Improvement of the information protection system.

### VIOLATIONS OF INFORMATION SECURITY:

- Are reported to the Information Security Department by e-mail or phone.

### PREVENTIVE MEASURES:

- The Company's servers are subject to penetration testing every fortnight;
- Any vulnerabilities identified are reported to the IT Department for elimination.

Like any large corporation, TransContainer is exposed to information technology and information security risks, such as:

- security leakage risk;
- risk of business interruption and emergencies as a result of computer incidents.

If realised, these risks could lead to business interruption, loss of critical information, fines and image damage.

Cyberattack risk management by PJSC TransContainer:

- scheduled replacement and obsolescent IT equipment upgrading;
- redundancy of IT equipment, data backup;
- implementation of a back-up data processing centre for business continuity;
- external audit by a special-purpose entity;
- penetration test<sup>1</sup>;
- preparation of a register of analogue solutions and potential developers;
- consideration of options to reject software, the use of which imposes additional restrictions on the Company's activities.

None of the aforementioned risks materialised in 2021, including no instances of misuse of personal data or data leaks.

<sup>1</sup> Analysis of the system for vulnerabilities

# NUANCED

## APPROACH TO COMPREHENSIVE THREAT PROTECTION

### RISK MANAGEMENT AND CONTROL SYSTEM



# RISK MANAGEMENT

In order to achieve the essential balance between profit earning and loss reduction, PJSC TransContainer put an effective risk management system in place, which is a crucial component of the management system for the Company. The Corporate Risk Management System (CRMS) relies on internationally recognised standards: COSO ERM 2017<sup>1</sup> and ISO 31000:2018<sup>2</sup>.

## CORPORATE RISK MANAGEMENT FRAMEWORK

Risks are detected and identified using a variety of methods and tools, including risk recognition based on:

- the goals and objectives set;
- sectoral and international comparisons;
- workshops and discussions;
- interviewing;
- a database of realised risks;
- analysis of the damage from realised risks, etc.

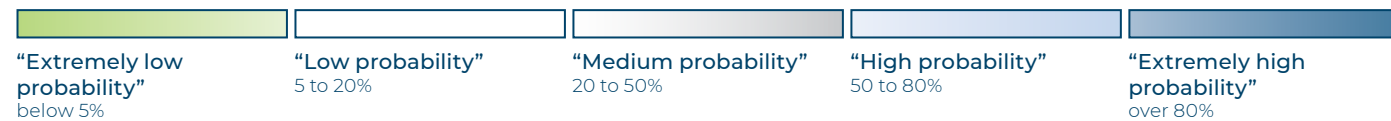
The Company has a Corporate Risk Map (CRM). Owners are identified for each risk. The CRM is reviewed on an annual basis or as new risks are identified. According to commonly acknowledged criteria, the risks are divided into four categories: financial, operational, regulatory, and strategic. PJSC TransContainer defines three risk types: critical (C), acceptable (A) and Insignificant (I), depending on the likelihood of their occurrence and the potential damage from their implementation.

### THE MAIN REGULATORY DOCUMENT

- Corporate Risk Management System Policy of PJSC TransContainer

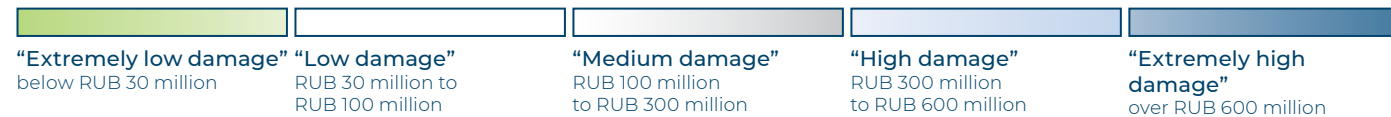
### THE PROBABILITY RATING SCALE

has the following intervals<sup>3</sup>:



### THE DAMAGE/GAIN

rating scale has the following intervals<sup>3</sup>:

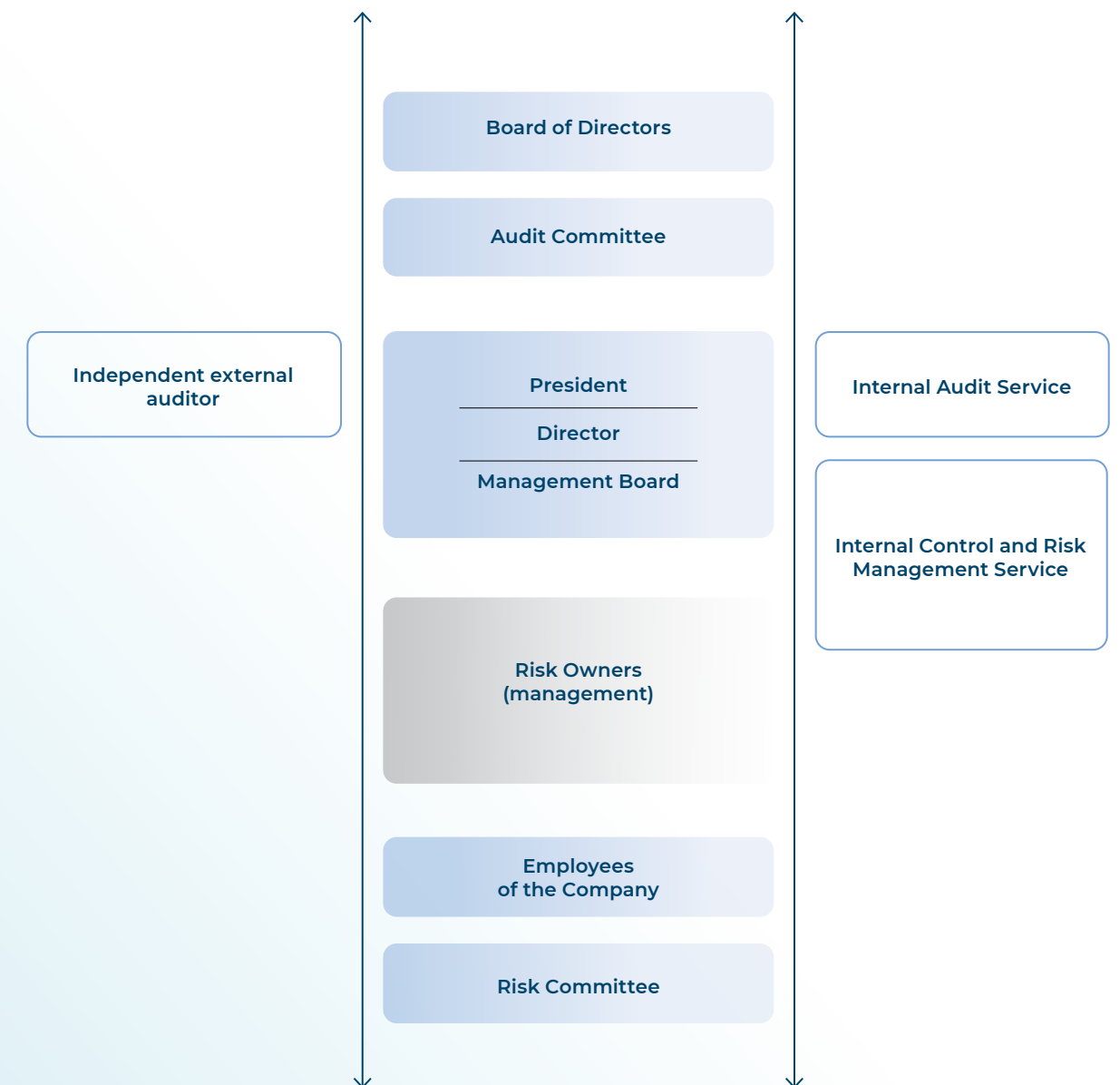


<sup>1</sup> Enterprise Risk Management Integrated Framework (COSO ERM, 2017, The Committee of Sponsoring Organizations of the Treadway Commission)  
<sup>2</sup> ISO 31000:2018 Risk management. Principles and guidelines (ISO 31000:2018, 2018, International Organisation for Standardisation).  
<sup>3</sup> The quantitative values of the interval boundaries are reviewed annually.

### Determination of the risk criticality

Criticality of risk	Probability				
	Extremely low	Low	Middle	High	Extremely high
Extremely low	I	I	I	I	I
Low	I	I	I	A	A
Middle	I	I	A	A	A
High	I	A	A	A	C
Extremely high	A	A	A	C	C

### Risk Management Structure



The hierarchically organised areas of responsibility within the risk management system enable more efficient risk management, identification, and mitigation.

The following is the structure for risk management

Governing body or business unit	Competencies in CRMS
<b>Board of Directors</b>	Management and monitoring of the Company's critical risks, approval of the Corporate risk map and risk management measures, and approval of regulatory documents on risk management
<b>Audit Committee of the Board of Directors</b>	Recommendations for the Board of Directors on the risk management system operations, review of the report on realised risks, recommendations for the Board of Directors on the approval of the Corporate Risk Map
<b>President, Director, Management Board</b>	Responsible for the effective management of the Company's risks
<b>Risk Committee</b>	Preliminary consideration of all matters related to the system operation, management of insignificant and acceptable risks, preliminary consideration of critical risks, review of risk reports, pre-approval of the Corporate Risk Map
<b>Risk Owners (management)</b>	Identification, assessment, description, prevention and management of risks
<b>Employees of the Company</b>	Identification and prevention of risks, implementation of risk management initiatives
<b>Risk Management and Business Process Optimisation Service</b>	Organisation and support of the risk management system and coordination of its processes, preparation of materials for meetings of the Audit Committees and the Board of Directors, consolidation of information, and working with risks, risk owners, creation of the Corporate Risk Map
<b>Internal Audit Service</b>	Assessment of the risk management system in the Company
<b>Independent external auditor</b>	Recommendations on how to organise the risk management system

In 2021, the main CRMS documents were updated in view of the updated COSO ERM 2017 concept and changes in the international risk management standards ISO 31000:2018, the updated Rules for Risk Identification and Assessment were approved,

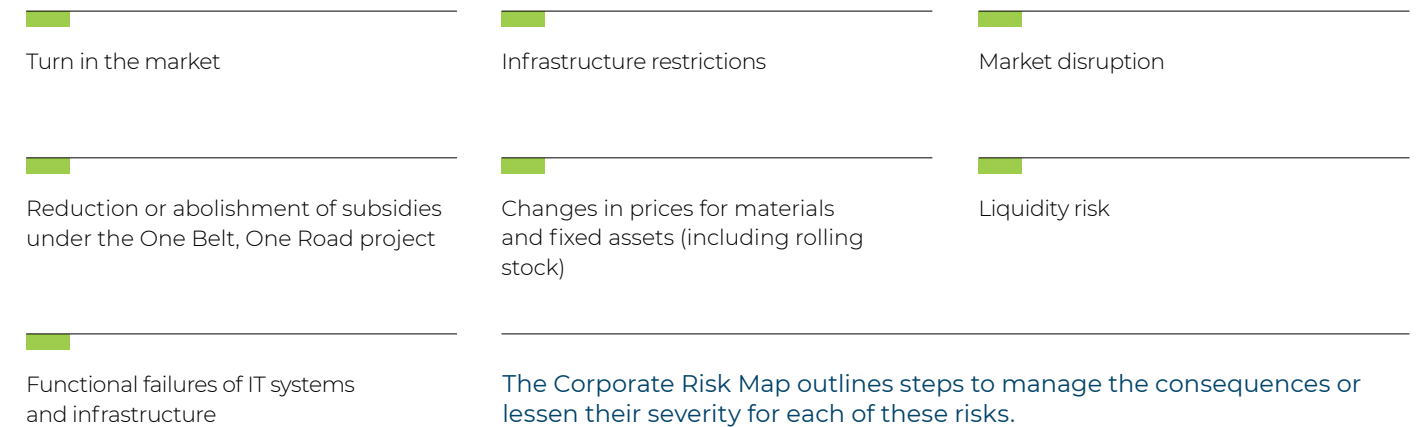
and the Audit Committee approved the updated Corporate Risk Management System Policy of PJSC TransContainer. The automation of the risk management system resulted in its widespread usage for sharing and archiving risk-related data.

The primary objective of the COMPANY's CRMS is to guarantee the system's ongoing operation and prompt development in order to meet PJSC TransContainer's goals.

## CORPORATE RISK MAP

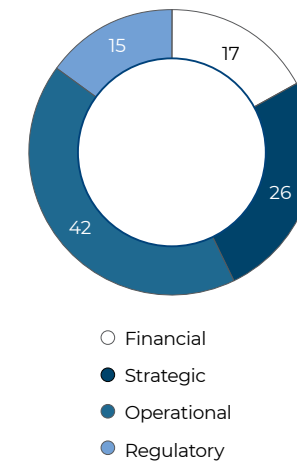
In the 2021 Corporate Risk Map, the Company identified nine critical risks, 37 acceptable risks, and seven insignificant risks.

### Key critical risks

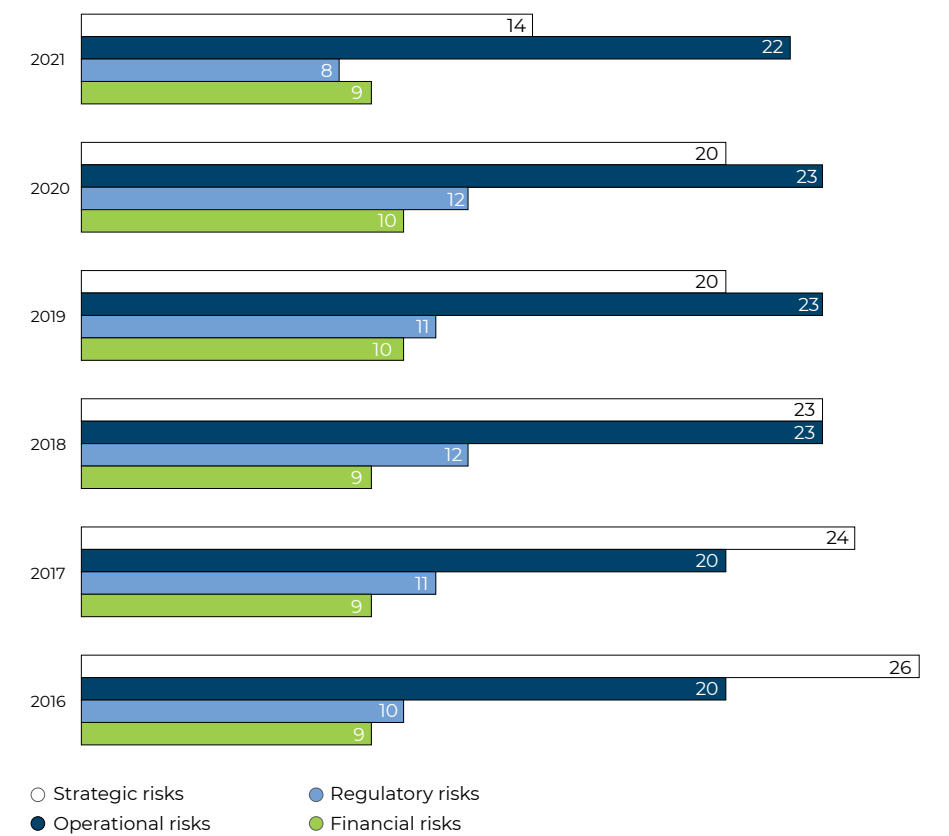


The Corporate Risk Map outlines steps to manage the consequences or lessen their severity for each of these risks.

### Dynamics of critical risks

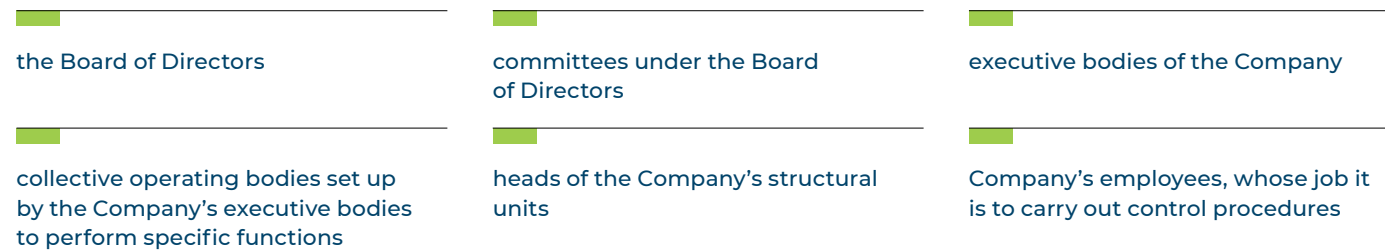


### Dynamics of Corporate Risk Map structure



# INTERNAL CONTROL

TransContainer's Internal Control Policy provides for the effective management of the Company's internal controls through efficient day-to-day interaction of all participants including:



## INTERNAL AUDIT SERVICE

In order to assist the Board of Directors and the executive bodies of the Company in improving the financial and economic activities through a systematic and consistent approach to the analysis and assessment of risk management and internal control systems, the Board of Directors established the Internal Audit Service by decision of the Board of Directors of the Company.

### THE MAIN REGULATORY DOCUMENT

- Regulations on the Internal Audit Service of PJSC TransContainer

Committed to independence and neutrality, the Internal Audit Service is guided by the principles of independence and objectivity, Russian laws, Regulation on the Committees of the Board of Directors of PJSC TransContainer, resolutions of the General Meeting of Shareholders and the Board of Directors, the Company's by-laws, internal auditing guidance as per the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors.

The Head of the Internal Audit Service reports to the Audit Committee on the performance of throughout the reporting period and the year, and on the current state of the internal control, risk management and corporate governance systems, on progress against the annual action plan and budget of the Internal Audit Service.

Key projects of the Internal Audit Service in 2021:

- assessment of corporate governance;
- assessment of the risk management system;
- assessment of document management in the Company's branches;
- verification of the effectiveness of the control procedures under the Information Technology process;
- verification of the effectiveness of the control procedures under by the Service Sales and Order Execution processes;

- audit of financial and business operations of JSC Logistics-Terminal;
- assessment of the level of automation of the Company's main business processes;
- audit of financial and operational activities of the Company's four branches;
- verification of the control procedures in the processes of implementation and operation of software tools in the claim and claim-related work of the Company;
- assessment of the management system of TransContainer's foreign subsidiaries;
- audit of financial and economic activities of subsidiaries such as TransContainer Asia Pacific Ltd, TransContainer Freight Forwarding (Shanghai) Co. Ltd;
- verification of the efficiency of the procurement process at PJSC TransContainer.

# ASSESSMENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In 2021, the Company conducted internal audits, testing procedures and unscheduled audit assignments. As a result of these activities, the Internal Audit Service obtained reasonable assurance that the risk management and internal control

system in place at the Company complies with the approaches and principles set out by the Board of Directors and management of the Company, in all material respects providing an objective, fair and clear view of the current state and prospects

of the Company, the integrity and transparency of the Company's reporting and the acceptability of risks assumed by the Company. The Service noted that the reviewed aspects of risk management and internal control have rooms for further improvement.

## INTERACTION WITH THE EXTERNAL AUDITOR

To ensure an independent and unbiased audit of the Company's financial statements, the Company has approved the the Policy on Interaction with External Auditor of PJSC TransContainers.

The external auditor is selected at least once every five years and approved at the General Meeting of Shareholders, on the proposal of the Board of Directors.

The Audit Committee vets candidates for the Company's auditors, including their compliance with mandatory requirements and selection criteria, and makes recommendations to the Board of Directors on who to elect and on the fee for the relevant services

To ensure the independence of the external auditor, the Company strives to avoid engaging auditors for non-audit services. In exceptional cases where this seems appropriate, according to the Policy on Interaction with External Auditor, the Auditor provides non-audit services only upon the preliminary approval of the Audit Committee, except for services on staff training, workshops, corporate qualification training programmes, accounting and recording, and on other training types for Company's employees and members of the Board of Directors, as well as accounting and reporting counselling.

### The Company's auditor selection principles:

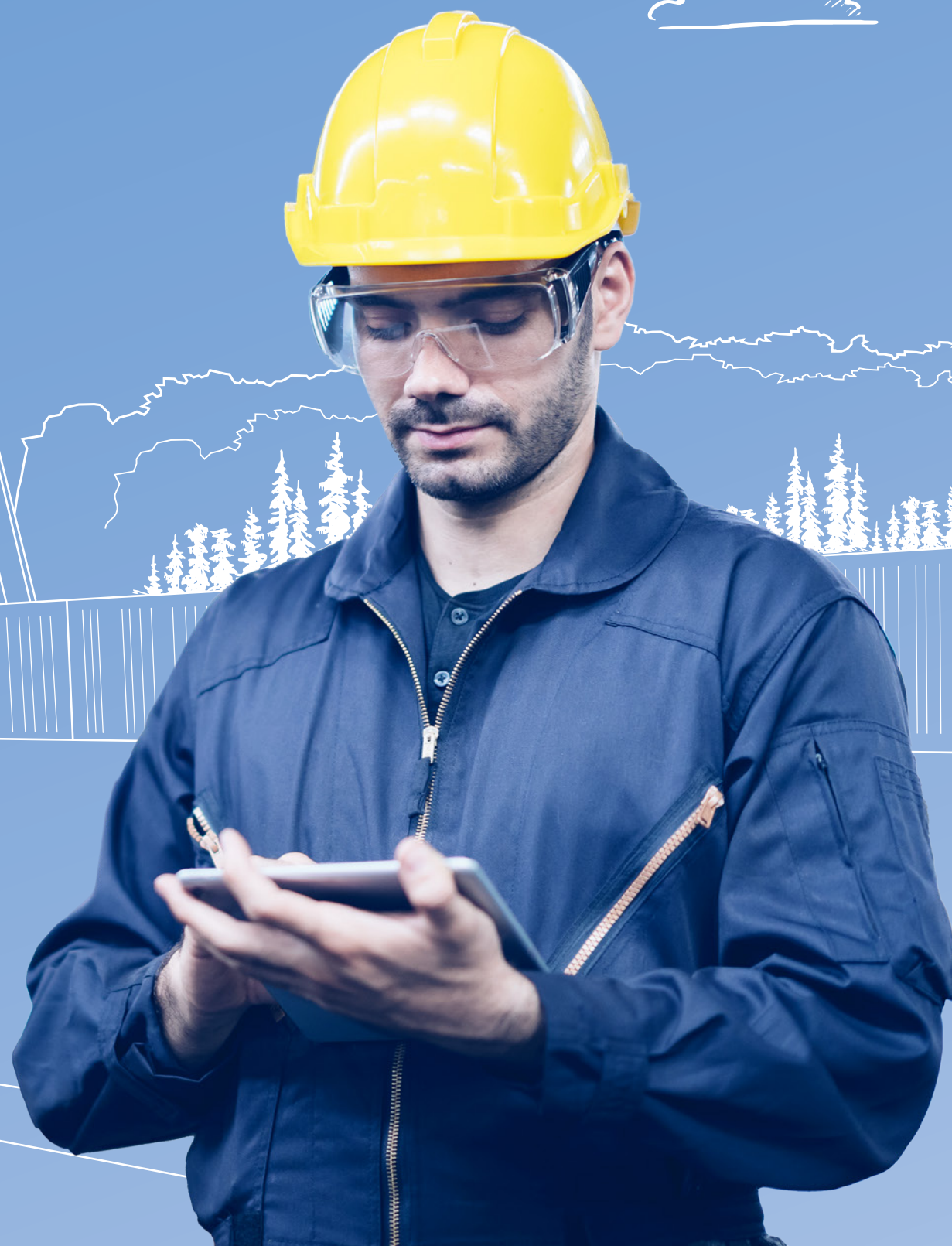
- legality (approval of the auditor in accordance with the laws of the Russian Federation on joint stock companies);
- continuity (audit of the accounts by the same auditor over several years in order to maintain high quality);
- consistency (engagement of the same auditor to conduct the audit and review of the consolidated financial statements under IFRS and the audit of the financial statements prepared under RAS);
- independence (no interest and no conflict of interest).

# CARING FOR EVERY MEMBER OF STAFF

## OCCUPATIONAL HEALTH AND SAFETY



The health and safety of employees is an unconditional priority for PJSC TransContainer. High standards of occupational health and safety are strictly observed by the Company. Improvement of work conditions of employees and fire safety of facilities, as well as improvement of equipment safety in the course of work, are the main directions of the Company's activities in the field of occupational safety.





**THESE ACTIVITIES ARE REGULATED BY THE FOLLOWING DOCUMENTS:**

- Occupational Safety Policy of PJSC TransContainer
- Corporate Standard STP TK.001-2008 Health and Safety Management System in PJSC TransContainer
- Regulation on Monitoring Occupational Safety in PJSC TransContainer
- Process Regulation RP TK B.17-60-2021 Ensuring Occupational Safety and Environmental Protection in PJSC TransContainer
- other by-laws of the Executive Office and branches of the Company.

**PRINCIPLES OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT<sup>1</sup>**

**Training in occupational health and safety:**

- annual planned training of managers and specialists to prevent work-related injuries;
- mandatory training of employees in occupational health and safety, fire safety, industrial safety, and electrical safety;
- participation of workers in counselling and information exchange on health and safety issues;
- continuous monitoring of work conditions.

**Reporting and commitments:**

- reporting on occupational health and safety programmes and relevant performance;
- formal commitment to the Health and Safety Policy;
- targets to reduce the number of health and safety incidents;
- management responsibility for occupational health and safety issues.

**Internal procedures:**

- emergency preparedness procedures;
- operating manuals or procedures that are relevant to the industry.

The issues related to occupational health and safety, as well as industrial safety, are monitored by senior management, and the Company's performance in this area is reviewed by the Board of Directors.

Funds allocated annually for the improvement of work conditions and occupational safety according to the Action Plan constitute at least 0.3% of the total amount of expenses attributable to the net cost. The Company's branches plan and implement measures necessary

to ensure safe work conditions within the budget.

Based on the analysis of quarterly reports of the Company's branches on the implementation of measures and special assessment of work conditions (SAWC) at workplaces, PJSC TransContainer continuously monitors work conditions and annually develops the action plan to improve work conditions and occupational safety.

The Company carries out three types of production control: environmental impact management (environmental control), control of compliance with industrial safety requirements at hazardous production facilities (HPF), and control of compliance with sanitary and epidemiological requirements.

Industrial control over compliance with sanitary regulations and the implementation of sanitary and epidemiological (preventive) measures allows timely identification of violations and timely response to them, which can prevent injuries, work-related ill health, infectious diseases, or other consequences of negative impact on the health of workers.

The main tasks of sanitary and epidemiological control are as follows:

- monitoring of work conditions at workplaces;
- organisation of preliminary and periodic medical examinations;
- control over availability of certificates of compliance of personal protective equipment with the requirements of the Technical Regulations of the Customs Union and other state standards;
- keeping records and reporting as prescribed by applicable laws.

**REDRAFTED OCCUPATIONAL SAFETY POLICY**

In 2021, the Occupational Safety Policy of PJSC TransContainer was developed and approved, including the approval of the Process Regulation RP TK B.17-60-2021 Ensuring Occupational Safety and Environmental Protection in PJSC TransContainer.

In connection with the entry into force of new Labour Protection

Regulations from 1 January 2021, labour protection instructions, briefings, and training programmes were revised and approved in the branches. An occupational risk assessment (hazard identification, assessment of occupational risk levels, and reduction of occupational risk levels) is organised in all branches and the Executive Office in accordance with internal regulations.

**PJSC TRANSCONTAINER'S OCCUPATIONAL HEALTH AND SAFETY SYSTEM ENVISAGES THE FOLLOWING MEASURES:**

- regular occupational health and safety training programmes for employees;
- reporting on occupational health and safety programmes and relevant performance;
- emergency preparedness procedures;
- formal commitment to the Health and Safety Policy;
- management responsibility for occupational health and safety issues;
- operating manuals or procedures that are relevant to the industry;
- targets to reduce the number of occupational health and safety incidents;
- internal or external occupational health and safety audits, which are conducted at least once every three years.

**100%** of employees are covered by PJSC TransContainer's occupational health and safety system, which includes the following measures

**EXTERNAL AND INTERNAL AUDITS**

The Company regularly performs internal and external audits of production safety.

In 2021, an external audit of industrial safety was conducted at PJSC TransContainer. According to the audit recommendations, work is planned to update the SAWC in 2021-2022.

The frequency of internal audits is in accordance with the approved schedule of the Internal Audit Service. An internal audit of the Company was carried out in 2020. Based on the results of the audit, necessary adjustments were made both in the branches and in the Company as a whole.

**THE OBJECTIVES OF THE INDUSTRIAL SAFETY AUDIT ARE AS FOLLOWS**

Studying the type and composition of SAWC documentation

Making hierarchy of existing SAWC documents

Evaluation of documents for compliance with the requirements of GOST 12.0.230.2-2015, GOST 12.0.230.2-2015, Order of the Russian Ministry of Labour No. 438n On Approval of the Standard Regulations on Occupational Safety Management System dated 19 August 2016

Issuing recommendations to improve SAWC documentation

<sup>1</sup> All employees of the Company are subject to the occupational health and safety system.  
<sup>2</sup> For more details, please see the Environmental Impact section.

<sup>1</sup> Related to work at height, operation of electrical installations, cargo handling operations, placement of cargo, etc.

## CONTINUOUS IMPROVEMENT OF WORK CONDITIONS

In the Company, the main mechanism for reducing the negative impact on occupational health and safety is improving the work conditions. Measures are developed annually, and their implementation is monitored on a quarterly basis.

The annual measures to improve work conditions and occupational safety of PJSC TransContainer take into account recommendations of the Order of the Ministry of Health and Social Development of Russia No. 181n dated 1 March 2012 — Standard List of Annual Measures to Improve Work Conditions and Occupational Safety and to Reduce Occupational Risks. The same measures are reflected in Appendix No. 3 to the Collective Bargaining Agreement of PJSC TransContainer.

For better microclimatic conditions, the Company installed heaters, air conditioning systems, ionisers, and window blinds.

PJSC TransContainer also purchased labour-saving devices to reduce workload and physical effort.

As part of providing amenities to employees, the Company furnished individual lockers, electrical appliances, and bottled water.

### Measures for improvement of work conditions in 2021:

- portable radios, tools with insulating handles for work in electrical installations, prohibiting/informing/prescribing safety signs, and fire doors were purchased;
- the insulation resistance of electric equipment was measured, and a number of process control activities were conducted.

### In addition, the following was undertaken in 2021 to improve work conditions and reduce injuries:

- the installation of additional lighting masts at container sites of the Bazaikha terminal (the Krasnoyarsk branch), the Blagoveshchensk terminal (the Trans-Baikal branch), and the Kostarikha terminal (the Gorky branch) of PJSC TransContainer to bring the sites' lighting to the required standards;
- the improvement of the service gangway at the Batareinaya container terminal of the East Siberian branch of PJSC TransContainer with the installation of a barrier fence on the roadside to ensure the safe movement of employees on foot over long distances, protected from motor vehicle traffic zones. The following investment projects have been implemented:
  - the installation of a two-storey modular building at the Khabarovsk-2 container terminal of PJSC TransContainer's (the Far East branch) to provide comfortable accommodation for the terminal employees;
  - the installation of a new overpass for inspection and repair of large-capacity containers at the terminals of Batareinaya and Pridacha stations (the East Siberian and South-East branches of PJSC TransContainer) will ensure necessary safety and avoid the risk of personnel injury during inspection and repair of large-capacity containers.

In 2021, RUB 33 million was spent on measures to improve work conditions **an increase of 12%** compared to 2020.

A total of **78 workplaces** exposed to harmful factors were improved in 2021

To improve work conditions at workplaces exposed to harmful factors, the Company spent RUB 1.4 million on the following measures:

creation of a favourable microclimate for employees (heaters, air conditioners, air ionisers, and blinds were purchased)

modern tools, machine tools, and other production equipment were purchased

## SPECIAL ASSESSMENT OF WORK CONDITIONS

Special assessment of work conditions at workplaces and sanitary production control are carried out periodically in order to respect the rights of employees to safe work conditions at workplaces. When harmful factors are identified, measures are taken to eliminate or reduce the level of exposure of employees to such factors. A special assessment of work conditions was conducted in the reporting year.

In 2021, due to the expiration of the five-year period for SAWC and the commissioning of newly organised workplaces in the Company's business units and branches, contracts for special assessment of work conditions were signed. SAWC was conducted at 1,234 workplaces: in the Executive Office and branches of PJSC TransContainer, and in JSC Logistics-Terminal as well.

Pursuant to the Collective Bargaining Agreement of PJSC TransContainer and the results of SAWC, employees exposed to harmful and/or hazardous work conditions receive compensations. Such employees get bonuses in addition to standard wages and extra leave days.

According to the requirements of standard guidelines and Collective Bargaining Agreement of PJSC TransContainer, employees engaged in workplaces exposed to harmful work conditions are provided with effective personal protective equipment that underwent compulsory certification. This information is reflected in employment contracts, the Collective Bargaining Agreement of PJSC TransContainer, and by-laws of the Executive Office and branches of PJSC TransContainer.

PJSC TransContainer annually sets targets for improvement of work conditions that are reflected in the annual appendix to the Collective Bargaining Agreement of PJSC TransContainer — Action Plan to Improve Work Conditions and Occupational Safety.

GRI 403-7

### Procedures to Mitigate the Occupational Health and Safety Impacts

In the Company, the main mechanism for reducing the negative impact on occupational health and safety is improving the work conditions. Measures are developed on an annual basis and their implementation is monitored on a quarterly basis.

Under the circumstances of the spread of coronavirus infection, the Company pays serious attention to providing employees of business units with modern and reliable personal protective equipment. There are special acceptance boards in place responsible for the quality and timely provision of protective clothing.

GRI 403-4

### Processes of worker participation, consultation, and communication on occupational health and safety

The employees participate in communication on occupational health and safety management system in the form of technical training, individual briefings, meetings, and drills.

PJSC TransContainer has joint Occupational Health and Safety Committees that include

### Results of assessment of work conditions in 2021:

- 1,139 workplaces were found to have permissible work conditions (conform to occupational safety standards);
- 95 workplaces were found to have harmful work conditions (electric and gas welder, dock operator, crane driver, etc.);
- no workplaces were found to have hazardous work conditions.

representatives both of the employer and employees (trade union). The Occupational Health and Safety Committee operates in accordance with an approved policy, procedures, and regulations. One of the Committee's objectives is to assist and advise employees on occupational health and safety matters.

## TRAINING IN INDUSTRIAL SAFETY AND OCCUPATIONAL HEALTH AND SAFETY

For managers and specialists, scheduled training in work-related injury prevention is carried out annually. The training areas and number of employees trained in 2021:

occupational safety  
**390 people**

industrial safety  
**85 people**

electrical safety  
**96 people**

The financial cost of these activities amounted to  
**RUB 2.7 million**

## CONTRACTING ORGANISATIONS

Occupational health and safety requirements were also applied by the Company to subcontractors/co-contractors. The requirements to ensure and observe occupational health and safety at container terminals are included in contracts with co-contractors. Penalties will be imposed for violations of these requirements.

Based on a standard memo for customers and visitors, the Company has compiled and approved safety leaflets for all container terminals, considering the specifics of every particular terminal.

The schemes of routes for passing through the container terminals are fitted in accessible places. The territory has road surface markings,

road signs, and guiding boards (including those with routes of service and production passages).

These routing schemes have been approved and are available on the Company's website. The use of PPE kits is mandatory at each container terminal when visited by co-executives or clients, for which spare PPE kits are made available.

## INTERACTION WITH EMPLOYEES ON OCCUPATIONAL SAFETY

The Company has a hotline on occupational health and safety issues (telephone number 8-800-100-22-20, internal phone number 10-88) and an appropriate e-mail (safety@trcont.ru).

**Appeals from Company employees are accepted for consideration via the Company's call centre by telephone or e-mail on the following issues:**

- violation of internal rules, regulations, and provisions adopted by the Company;
- misconduct in the area of occupational health and safety by employees at all levels;
- concealment or misrepresentation of the facts and circumstances of a work-related accident;
- unsafe work conditions;
- proposals to improve work conditions or other occupational, fire, and industrial safety issues.

GRI 403-9

## WORK-RELATED INJURIES

In 2021, there were no fatal accidents at PJSC TransContainer, and the LTIFR<sup>1</sup> also improved to 0. The main risks of work-related injuries are related to cargo handling operations and road traffic collisions. The data is provided based on incident reports from all branches of the Company. In order to manage this risk, PJSC TransContainer carries out timely certification of employees involved in cargo handling.

### PJSC TRANSCONTAINER'S GOAL IS ZERO INJURIES

Since 2018, the Company had neither fatal accidents nor work-related ill health among employees

**Due to the current geopolitical situation, specialised training courses for all employees of PJSC TransContainer**

were added to the online platform TransContainer Academy on recommendations for behaviour in stressful situations to support the psychological health of employees in 2022. A hotline was also established for prompt interaction with the Company's employees.

### Workplace safety indicators of PJSC TransContainer

Indicator	2018	2019	2020	2021
The number of fatalities related to the Company's production activities	0	0	0	<b>0</b>
The number of high-consequence injuries (excluding fatalities) related to the Company's production activities	0	1	0	<b>0</b>
The number of work-related injuries	1	4	1	<b>2</b>
LTIFR <sup>2</sup>	0.17	0.71	0.18	<b>0</b>

GRI 403-10

## WORK-RELATED ILL HEALTH

The Company conducts regular monitoring of work-related ill health rate. There were no recordable work-related ill health cases over the last four years. Reporting is provided on a quarterly basis by all branches of the Company.

In the reporting period, RUB 62 million (7.85% more than in 2020) was allocated for occupational safety measures<sup>3</sup>. These funds were used to purchase portable radios, tools with insulating handles for work in electrical installations,

fire extinguishing equipment, prohibiting/informing/prescribing safety signs, and fire doors. In addition, work was carried out to measure the insulation resistance of electrical installations, and to conduct production control as well.

### Breakdown of OHS costs<sup>4</sup> | RUB million

	2019	2020	2021
Occupational health and safety activities	45	49	<b>62</b>
Including:			
measures to improve work conditions	27	30	<b>33</b>
measures to reduce work-related injuries	18	18	<b>30</b>
Personal Protective Equipment (PPE)	19	14	<b>19</b>
<b>Total</b>	<b>64</b>	<b>63</b>	<b>81</b>

<sup>1</sup> Lost time injury frequency rate.

<sup>2</sup> Since 2021, only work-related accidents, which are caused mainly by PJSC TransContainer (according to a report per Form N-1), are considered, and the target value is set as 0. In 2019-2020, all cases were considered in the KPIs, and the target value was taken as 2.

<sup>3</sup> Excluding costs for personal protective equipment.

<sup>4</sup> 2019-2020 – indicators of PJSC TransContainer, 2021 – indicators of PJSC TransContainer and JSC Logistics-Terminal.

# INDUSTRIAL SAFETY

PJSC TransContainer carries out production control at its hazardous production facilities. It is a part of the industrial safety management system and implies a set of measures aimed at ensuring the safe operation of hazardous production facilities, preventing accidents and incidents at such facilities, and guaranteeing the preparedness for localisation of and recovery from those.

Production control is undertaken in accordance with the Rules for Organisation and Implementation of Production Control over Compliance with Industrial Safety Requirements, which are approved by Decree No. 2168 of the Government of the Russian Federation dated 18 December 2020. Engineering and technical personnel responsible for maintenance of hoisting structures and crane runways in operable condition are guided by the Industrial Safety Federal Norms and Rules — Safety Rules for Hazardous Production Facilities Where Hoisting Structures Are Used (approved by Order No. 461 of the Federal Service for Environmental, Technological and Nuclear Supervision dated 26 November 2020), technical documentation for hoisting structures, process instructions and internal regulatory documents of the Company.

To ensure proper maintenance of the lifting equipment by contractors and to monitor the good condition of container handlers (of the reach stacker type), the branches have daily inspection checklists; also, people responsible for keeping the logbooks of reach stackers are appointed.

The officials in charge of the following activities are appointed by the order on supervision of the safe operation of the hoisting equipment at the production facilities in every branch: production control during operation of the hoisting equipment, maintaining the hoisting equipment and crane runways in serviceable condition, and safe operations with the use of the hoisting equipment. Those responsible for production control are branch chief engineers and heads of container terminals. The foremen are responsible for the maintenance of lifting equipment in working order and safe work performance.

A total of **RUB 4.8 million** was spent on industrial safety in 2021

### The main objectives of industrial control at hazardous production facilities are as follows :

- ensuring compliance with industrial safety requirements at hazardous production facilities;
- analysis of industrial safety conditions, including through expert's assessment;
- developing measures to improve industrial safety and prevent damage to the environment;
- monitoring compliance with the industrial safety requirements established by federal laws and other statutory regulations;
- coordinating the activities aimed at preventing emergencies at hazardous production facilities and guaranteeing the preparedness for localisation of and recovery from emergencies;
- monitoring timely performance of the required tests and technical certification of the devices used at the hazardous production facilities, repairs, and calibration of the measuring instruments;
- monitoring the compliance with process discipline.

### The measures, which imply justification of safety for humans, are as follows:

- the officials carry out production control over compliance with sanitary and hygienic (preventive) measures (the officials responsible for production control shall be appointed by an order);
- laboratory studies of the effects of substances, biological, physical, and other factors on humans;
- periodic medical examinations of personnel working under hazardous work conditions in accordance with the requirements of current legislation;
- provision of employees with detergents and disinfectants;
- issuance of protective clothing, footwear and other PPE

- to employees in accordance with the Standard Industrial Norms for Free Issue of Special Clothing, Footwear and Other Personal Protective Equipment;
- measurement of emissions of pollutants into the atmosphere from stationary sources and in buffer zones;
- disease prevention through medical examinations and vaccination of personnel;
- prevention of possible emergency situations that threaten the sanitary and epidemiological well-being of the population;
- training of personnel in compliance with the requirements of sanitary legislation and sanitary norms;
- special assessment of work conditions in accordance

- with the requirements of current legislation;
- upkeep and maintenance of the territory in accordance with sanitary regulations;
- collection, accumulation, disposal, and recovery of production and consumption waste in accordance with the sanitary regulations;
- conduct of briefings;
- measures to ensure compliance of employees with work-and-rest regimes;
- deratisation and disinfection in the premises and on the territory.

## HAZARDOUS CARGO TRANSPORTATION

PJSC TransContainer has the licence to handle dangerous cargo on the railway transport (series PRD No. 7703502 dated 3 December 2013) issued based on the Regulations on Licencing of Handling Dangerous Cargo on the Railway Transport approved by the Decree of the Government of the Russian Federation dated 31 December 2020 No. 2417, and thus handles dangerous cargo. The company also provides empty containers for the transportation of dangerous goods and, as a freight forwarder, provides terminal-related services and motorway/railway transportation services.

For strict observance of rules of transportation of dangerous cargoes in the company's container terminals, employees of PJSC TransContainer accept a container with dangerous cargoes from a client only in the presence of danger signs, plates with a danger code and transport emergency card number. In the absence of such plates, the terminal employee glues such danger signs to the container and checks the terms of transportation against the transportation documents presented.

Terminal employees in charge of accepting for carriage and/or delivery a container with dangerous

cargo is certified for their knowledge of and compliance with safety conditions for the carriage of dangerous cargo once every two years. Moreover, when the Company acts as a carrier under the agreement No. 26/417 dated 31 July 2006 stipulating the procedure of interaction between OJSC Russian Railways and PJSC TransContainer in container terminals owned by PJSC TransContainer, employees of PJSC TransContainer perform random checks of observance of requirements for loading, cargo placing in a container, packaging provided by a client, presence of danger signs and other control functions related to traffic safety issues.

## EMERGENCY RESPONSE PROGRAMME

PJSC TransContainer has an obligation to prepare for emergencies as defined in the civil defence and emergency response plans, which are developed and approved for all business units of the Company. Potential risks associated with the occurrence of emergencies are defined in the Corporate Risk Map.

PJSC TransContainer has an obligation to prepare for emergencies as defined in the civil defence and emergency response plans, which are developed and approved for all business units of the Company. Potential risks associated with the occurrence of emergencies are defined in the Corporate Risk Map.

Civil defence headquarters for prevention and elimination of emergencies and ensuring fire safety have been established in the Executive Office and branches of PJSC TransContainer to prevent fires, ensure the safety of people and protect property in case of fire and emergencies. The Company's approach and organisation of activities in the areas of fire safety, civil defence and emergency response is based on full compliance with the requirements of appropriate statutory and technical regulations.

Action plans for prevention of and recovery from emergencies have been developed and approved in the Company's Executive Office

and in the branches, with due regard to the possible circumstances.

The Internal Civil Defence and Emergency Response Headquarters oversee emergency preparedness throughout the Company. There are teams at the regional, corporate, or department level that are included in the Civil Defence and Emergency Response Headquarters. For the occurrence of any emergency, the Company has a circular alarm desk. Responsibility for the occurrence of an emergency and further investigation is defined for the management of the Company and its branches.

The Company does not have its own rescue services; each branch has agreements for natural and man-made emergency management and fire safety with specialised organisations that have fire safety and emergency response licences. These organisations conduct annual inspections of fire safety.

To improve employees' emergency preparedness, the Company conducts quarterly emergency alarm drills and participates in annual all-Russian civil defence and emergency response training sessions led by the Ministry of Emergency Situations and Russian Railways. Training in fire safety, civil defence and emergency preparedness is conducted on a scheduled basis. Civil defence and fire safety induction training is provided to employees upon hiring. Training in fire safety, civil defence and emergency preparedness, as well as practical exercises are an essential element of fire safety and fire/emergency response preparedness.

The Company fully complies with the requirements of statutory regulations on fire safety, civil defence, and emergency response. 100% of the Company's facilities have automatic fire detection systems, fire alarm systems, and fire extinguishing systems.

All the Company's employees are provided with PPE to the extent of 100% as required by the civil defence regulations, and expired PPE is upgraded during the year.

To monitor the risks approved in the Corporate Risk Map, the responsible risk owners submit a quarterly report on the risk management measures undertaken and a quarterly report on the risks realised.

## MONITORING OF INCIDENTS AND ACCIDENTS

The Company maintains a general record of incidents and accidents at its facilities. There is an SMS-informing system in place that enables PJSC TransContainer's employees to rapidly receive information on risks and events, which may have a significant impact on the Company's operations and financial position.

Potential risks associated with the occurrence of an emergency are identified in the Corporate Risk Map. The goals, objectives, and principles of risk management are defined in the Policy of the Corporate Risk Management System of PJSC TransContainer.

## PROCESSES OF HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

To identify hazardous situations in the workplaces and assess risks, the Company uses step-by-step operations flowcharts developed for all hazardous activities, as well as safety memos for employees of the Company and third parties when visiting terminals.

Occupational safety instructions regulate the obligations of employees

to report hazards and dangerous situations at workplaces.

If work appears to be unsafe or harmful to an employee's health, such employee has the right to stop performing this type of work. This right is claimed in Corporate Standard STP TK.001-2008 Health and Safety Management System in PJSC TransContainer.

The procedure of investigating incidents that pose a threat or harm to employees' health is defined in the laws of the Russian Federation.

## TRAFFIC SAFETY AND PRESERVATION OF RAILCAR AND CONTAINER FLEETS

The objectives of PJSC TransContainer in the field of traffic safety and preservation of railcar and container fleets are as follows:

- safety of the transportation process
- threats to human life and health
- preservation of containers, railcars, lifting machinery and other equipment
- reduction of risks and minimization of the consequences of transport accidents
- strengthening the efficiency of interaction between all stakeholders in the transportation process

### KEY REGULATORY DOCUMENTS

- PJSC TransContainer's Policies on traffic safety and preservation of railcar and container fleets<sup>1</sup>;
- Process Regulation RP TK U.04-62-2021 Control of the Traffic Safety Management System in PJSC TransContainer.

<sup>1</sup> The Policy was approved in 2022.

**The tasks of PJSC TransContainer in the field of traffic safety and preservation of railcar and container fleets are as follows:**

- to determine and improve methods for traffic safety management and prevention of transport accidents in PJSC TransContainer;
- to ensure compliance of PJSC TransContainer's employees with the regulatory requirements in the field of safety of train traffic, including the transportation of dangerous goods and the preservation of railcar and container fleets;
- to support and coordinate the functioning of the Executive Office, branches, and other business units of PJSC TransContainer in the field of traffic safety;
- to increase the effectiveness of preventive measures to comply with the requirements and safety standards of the railway transport infrastructure.

**The policy in the field of safety of traffic and preservation of railcar and container fleets of PJSC TransContainer is built on the basis of the development of a safety culture, the responsibility of employees engaged in the transportation process, and the control of the technical condition of cars, containers, and load-lifting equipment. The said policy includes the following main areas:**

- elaboration of an action plan aimed at the transportation process safety and the preservation of railcar and container fleets, and control over its implementation; organisation of regular training and actualisation of competence of PJSC TransContainer employees in the field of regulatory requirements for traffic safety and the preservation of railcar and container fleets; conducting month's campaigns of increasing and strengthening the control over the technical condition of railcars and containers;
- deployment of facilities for objective registration of traffic safety information, and organization of prompt notification of involved managers and business units of PJSC TransContainer of cases about violations of traffic safety in railway transport;
- participation in the investigation of transport accidents on the railway network of the Russian Federation and in the recovery from transport accidents within the technical and technological capabilities of PJSC TransContainer.

**Basic principles of activities of PJSC TransContainer in the field of traffic safety and preservation of railcar and container fleets**

- Anticipate and Prevent. This principle assumes the possibility of transport accidents and failures in the traffic safety system. It provides for the development of appropriate measures to prevent their occurrence and development.
- Detect in Time. This principle requires timely identification of compliance of the technical condition of railcars, containers, lifting machinery, and other equipment with applicable railway safety and operational regulations.
- From Preservation to Safety. This principle implies the strict observance of all stages of production processes by employees.
- A Systemic and Proactive Approach. This principle refers to the regular systematic analysis of the risks of transport accidents and the timely identification and elimination of factors that may lead to transport accidents.
- The Endowment of Resources. This principle assumes the allocation of funds by PJSC TransContainer to finance activities in the field of traffic safety and preservation of railcar and container fleets.
- Personal Responsibility. The managers and employees of PJSC TransContainer are personally liable for the proper execution of their duties in the fields of traffic safety and preservation of railcar and container fleets; they understand their responsibility for traffic safety and are involved in ensuring traffic safety at all levels.
- Information Exchange. This principle necessitates the constant development of a system for the exchange of information between all participants in the transportation process in the field of traffic safety by minimizing communication barriers.

**ACCIDENTS AND INCIDENTS<sup>1</sup>**

**Information on incidents in 2021**

Date of an incident	Company / Branch	Description of an incident	Consequences
1 January 2021	East Siberian	At Bolshoi Lug station in the Irkutsk Region of the East Siberian Railway, couplers of railcars (owned by PJSC TransContainer) within a freight train decoupled spontaneously	The railcars were detached from the train at Irkutsk-Sortirovochny station for investigation. Transferred to a non-operational fleet under the code 'Faults not related to technical condition'
9 January 2022	Far Eastern	When shunting at Tynda station, a railcar owned by PJSC TransContainer derailed off the station tracks of general usage.	No injuries, no damage to the container and cargo
12 January 2021	North Caucasus	During cargo handling operations at PJSC Novorossiysk Commercial Seaport, a container owned by PJSC TransContainer (with aluminium as a cargo) fell from a reach stacker spreader.	The container damaged (can be rectified by special reconditioning repairs), the railcar and cargo not damaged
15 January 2021	Krasnoyarsk	A container truck and a gantry crane collided at the Bazaikha container terminal	Minor damage to crane equipment, no injuries
30 January 2021	Ural	While performing cargo handling operations at the Ekaterinburg-Tovarny container terminal, a reach stacker driver hit a container (with transformer sheet steel as a cargo) with its counterweight.	The container was deformed and repaired at the terminal's expense. No injuries or damage to the cargo
10 February 2021	Northern	A road traffic collision involving a road train (owned by the Yaroslavl container terminal): the truck skidded (the road surface was not treated by de-icing agents) and collided with road signs	Vehicle damaged: tank punctured, rear left-hand corner of cab crumpled. The cargo and semi-trailer not damaged
15 February 2021	Northern	A road traffic collision at the client's site: while reversing, a third-party vehicle collided with a vehicle owned by the branch	No injuries. Damage to the vehicle: radiator grille, right corner of the bumper. The cargo and semi-trailer not damaged
16 February 2021	JSC Logistics-Terminal	When backing, a shunting train collided with the buffer stop.	Damage to the terminal fence, the buffer stop structure, and the covered goods wagon (owned by Evrosib)
16 February 2021	Far Eastern	A vehicle (owned by Cargo Handling Section MCh-1 of OJSC Russian Railways) carrying a 40-foot container (with lumber as a cargo) owned by PJSC TransContainer crashed sideways on the road as a result of a skid	No injuries. No damage to the cargo while the container got damaged
17 February 2021	East Siberian	The wheel set of a flatcar owned by PJSC TransContainer skidded off at Taishet station while passing a railroad switch.	The railcar was rejected for current uncoupling repair
24 February 2021	Northern	In Yaroslavl, a vehicle owned by the branch caused a road traffic collision when moving with an empty container for loading: the semi-trailer skidded and hit the cabin	The vehicle cabin was damaged, the container was dented, and its side wall was torn. No injuries

<sup>1</sup> The table below reflects incidents and accidents at the facilities and terminals of PJSC TransContainer and those involving the Company's equipment and property (railcars, containers, and vehicles).

Date of an incident	Company / Branch	Description of an incident	Consequences
1 March 2021	Far Eastern	A train collided with a car in Vladivostok Commercial Seaport (PJSC VMTP) at an auxiliary level crossing while shunting. As a result of the collision, a railcar owned by PJSC TransContainer was damaged	The railcar was rejected for current uncoupling repair
1 March 2021	Kuibyshev	In an accident with a road train owned by the Samara branch, the right door leaf of the container opened spontaneously, resulting in damage to a motor car that was moving in the same direction	No injuries, the motor car had its rear window broken, the windscreen spoiler was damaged
16 March 2021	Kuibyshev	A road traffic collision with a road train owned by the Samara branch: a tangential collision with a car.	No injuries, minor damages to the motor car
25 March 2021	West Siberian	An incident involving damage to a container and reach stacker occurred at the Kleshchikha container terminal during cargo handling	No injuries, damage to the lower longitudinal girder of the container, damage to the reach stacker left front fender and the left hydraulic valve of the main lifting cylinder
9 April 2021	Far Eastern	While shunting on tracks of general usage in the Cargo Yard Park of Pervaya Rechka station, two-wheel sets of a TransContainer railcar derailed on a railroad switch	No injuries, no damage to the container and cargo. The railcar damaged (can be rectified by current repairs)
19 April 2021	East Siberian	A road traffic collision on the territory of the Batareinaya container terminal: a semi-trailer truck (owned by LLC TransSibGroupBaikal, with lead as a cargo) hit a concrete lighting pylon with the rear part of the semi-trailer when backing	The following were damaged: one concrete lighting pylon, eight meters of fence made of corrugated sheet, four 0.6 kW LED floodlights, one 2.0 kW halogen floodlight, one fibre optic cable (torn and damaged), four video cameras.
22 April 2021	Far Eastern	There was spontaneous ignition of the floorboards of a railcar owned by PJSC TransContainer within the train running between Kleshchikha station (the West Siberian Railways) and Ugolnaya station (the Far Eastern Railways).	The railcar has the floorboards damaged in the middle part (2x2.5 m <sup>2</sup> ).
24 April 2021	Far Eastern	At Khabarovsk-2 station, when breaking up a group of railcars on the gravity yard, a railcar owned by PJSC TransContainer derailed with the overturning of a laden container owned by PJSC TransContainer (with household items as a cargo).	The railcar damaged (can be rectified by current repairs)
10 May 2021	East Siberian	A freight train was stopped on the Timlyui — Selenga section of the East Siberian Railways due to a pressure drop in the brake line, and a railcar owned by PJSC TransContainer was found to have lost its coupling	The railcar was rejected for current uncoupling repair

Date of an incident	Company / Branch	Description of an incident	Consequences
14 May 2021	Trans-Baikal	At the Blagoveshchensk container terminal, while unloading a laden container by a crane from a railcar to the yard, the crosshead spreader broke.	No injuries, two containers were damaged
7 June 2021	JSC Logistics-Terminal	A road traffic collision between a GAZ A32R32 box truck (owned by JSC Logistics-Terminal) and a Škoda Rapid (private) in St. Petersburg.	GAZ vehicle damages: scratches and dents on the left rear fender
11 June 2021	JSC Logistics-Terminal	When a 40-foot container was unloaded from a platform by a reach stacker, a twist lock was damaged	Deformation of the railcar mounting structure
11 June 2021	Kuibyshev	On the Molvino — Gremyachiy Klyuch section of the Kuibyshev Railways, a locomotive had a hard coupling to a freight train. Two railcars of PJSC TransContainer damaged without derailment	The railcars damaged (can be rectified by current repairs)
13 June 2021	Trans-Baikal	At Chernyshevsk station of the Trans-Baikal Railways in the train Yoshkar-Ola — Mys Churkin, one wheel set of a railcar (owned by PJSC TransContainer) carrying TKRU container (with personal belongings as a cargo) derailed and the container turned around perpendicular to the track	The railcar was rejected for current uncoupling repair. The container and the cargo were not damaged.
18 June 2021	JSC Logistics-Terminal	A reach stacker's counterweight collided with the cabin of a tractor unit belonging to LCC 7-TRANS, an associate contractor of intra-terminal transportation	Damage to the reach stacker is limited to the paintwork on the counterweight. Minor damage to the cabin of the tractor unit
30 June 2021	Ural	Derailed of railcars within a container train on the Revda — Reshety section of the Sverdlovsk Railways	Damage to 17 railcars and 11 containers owned by PJSC TransContainer
14 July 2021	Trans-Baikal	Two freight trains derailed on the Uryum — Nanagry section of the Mogochi Division of the Trans-Baikal Railways, with 34 railcars derailed	Derailed of 10 railcars owned by PJSC TransContainer
21 July 2021	Far Eastern	On the Amursk — Komsomolsk-on-Amur highway, a Volvo truck carrying a container owned by PJSC TransContainer collided head-on into a motor car. The container was being transported under a vehicle-and-crew rental agreement	As a result of the accident, the driver of the Volvo was hospitalized with a bruised chest, and four passengers in the car were killed on impact
22 July 2021	Octyabrsky	During shunting operations on the approach track of the Kaliningrad-Sortirovochny container terminal, a flatcar owned by PJSC TransContainer hit a buffer stop and derailed (derailment of all four-wheel sets).	The railcar damaged (can be rectified by current repairs)
28 July 2021	Trans-Baikal	During cargo handling at the Chita container terminal using a gantry crane, the laden container fell onto a semi-trailer of the Company's client.	No injuries. The semi-trailer got minor damage. No damage to the cargo. No damage to the gantry crane. The container damaged (can be rectified by current repairs)

Date of an incident	Company / Branch	Description of an incident	Consequences
28 July 2021	Ural	There was a conflict between drivers of cars at the Chelyabinsk-Gruzovoy container terminal of the Ural branch: a driver was hit by a tire iron and got an impact injury to the right forearm.	This injury is classified as minor in terms of the severity of a work-related injury.
3 August 2021	Trans-Baikal	On the Aleur — Bushulei section of the Transbaikal Railways, two trains collided while running in the same direction. The result of the collision was a derailment of railcars.	The structure gauge along the down line was disturbed. Two poles of overhead line were damaged. The railcar and container owned by PJSC TransContainer were damaged
11 August 2021	Northern	While shunting at the Arkhangelsk-City terminal, there was a temporary halt of a coming group of railcars. A security guard employed by LLC Bastion-Kansk 2 decided to step under a coupler between railcars, which damaged his both feet	Railcars riding over with injuries to both feet
17 August 2021	West Siberian	A reach stacker collided with a semi-trailer of a third-party vehicle when backing at the Kleshchikha container terminal	No injuries. The semi-trailer damaged
24 August 2021	North Caucasus	Signs of forced entry in rented premises at the Krasnodar container terminal were found	No damage
6 September 2021	Octyabrsky	While shunting at Novy Port railway station, a railcar owned by PJSC TransContainer derailed	The railcar damaged (can be rectified by current repairs)
2 October 2021	Kuibyshev	During cargo handling with a gantry crane at the Chernikovka container terminal, a container owned by PJSC TransContainer (with household items as a cargo) fell down on a railcar	No injuries. Cargo, railcar, and container were not damaged.
15 October 2021	Northern	A road traffic collision involving a road train (owned by the Yaroslavl container terminal), on the road	No injuries. Minor damage to the tractor unit the cargo and semi-trailer not damaged
17 October 2021	Moscow	One railcar owned by PJSC TransContainer derailed while shunting at Bekasovo-Sortirovochnoye station of the Moscow-Smolensk Region of the Moscow Railways	The railcar damaged (can be rectified by current repairs)
23 October 2021	Trans-Baikal	At an uncontrolled level crossing at the Ledyanaya station (the Svobodnensky Regional Directorate of the Trans-Baikal Railways), a train and a KamAZ truck collided, with the consequent derailment of three sections of the locomotive and 14 railcars as well.	Derailment of 14 railcars owned by PJSC TransContainer
28 October 2021	West Siberian	During shunting operations on the approach track of EVRAZ West-Siberian Metal Plant at Novokuznetsk-Severny station (the West Siberian Railways), a railcar owned by PJSC TransContainer was damaged	The railcar damaged (can be rectified by current repairs)

Date of an incident	Company / Branch	Description of an incident	Consequences
8 November 2021	Far Eastern	During shunting on the limited-access tracks of Komsomolsk-on-Amur station, two railcars owned by PJSC TransContainer derailed	No injuries, no damage to the cargo. The railcars damaged (can be rectified by current repairs)
22 November 2021	Far Eastern	A truck carrying a 40-foot container (with lumber as a cargo) tripped on the road. The container is owned by PJSC TransContainer. The cargo was transported by a co-contractor	The injured driver has been taken to hospital. The container and cargo damaged
6 December 2021	Far Eastern	A laden container owned by PJSC TransContainer fell from the second tier during cargo handling at the Khabarovsk-2 container terminal of the Khabarovsk Mechanized Section (Cargo Handling Section MCh-1 of OJSC Russian Railways)	No injuries, no damage to the container and cargo
8 December 2021	Ural	Broken coupling of a railcar owned by PJSC TransContainer as part of a train on the Tundush — Berdyausch section of the South Urals Railways	The railcar was rejected for current uncoupling repair
14 December 2021	Far Eastern	An empty railcar owned by PJSC TransContainer was found on the limited-access approach track of LLC Eastern Stevedoring Company of Nakhodka-Vostochnaya station; the railcar had traces of one bogie derailment	The railcar damaged (can be rectified by current repairs)
23 December 2021	JSC Logistics-Terminal	During transportation of an ISO tank within the terminal from a repair section to the container site, it fell off the trailer. The ISO tank was transported by a vehicle owned by a co-contractor.	No injuries. No damage to the property of PJSC TransContainer and JSC Logistics-Terminal
30 December 2021	JSC Logistics-Terminal	During cargo handling operations at a site, a reach stacker spreader damaged a container	Damage to elements of the spreader's hydraulic system, breach of the container side wall, and leakage of hydraulic oil onto the cargo in the container through a hole in the shell plate.

In total, there were 49 incidents at the production facilities of PJSC TransContainer in 2021; there were no emergencies in the reporting year. Based on the results of incident investigations, general and local measures are developed to ensure the safety of the transportation process,

the preservation of railcar and container fleet, and the prevention of incidents and accidents in terminal operations. The employees involved in such activities are familiarised with the safety requirements of the transportation process through technical training or briefing.

In 2021, there were no emergencies at the production facilities of PJSC TransContainer.



# RESPONSE TO THE COVID-19 PANDEMIC IN 2021

During the spread of coronavirus infection, the Company, like the rest of the world, faced serious challenges in changing the business processes, optimisation, digitalisation and automation of existing procedures, and staff management in the new normal as well.

As in the previous years, PJSC TransContainer recorded no cases of idle time or dismissals of employees due to the epidemiological situation in the reporting year.

The Company's social responsibility and comprehensive measures

to support the health of employees and their families made it possible to prevent the mass spread of coronavirus among teams during the pandemic, to maintain the efficiency of the staff, and even to achieve high production performance while optimising business processes.

Due to the developed IT infrastructure, the change in the work format has not affected the stability and quality of services, communications both within the Company and with clients and partners.

## THE FOLLOWING ACTIVITIES TO COUNTER THE SPREAD OF COVID-19 WERE CARRIED OUT IN THE REPORTING YEAR

### Administrative measures:

- functioning of the SARS-CoV-2 Pandemic Prevention and Mitigation Commission at PJSC TransContainer for prompt consideration of issues and decision-making.

### Remote communications:

- telecommuting of employees not directly engaged in the maintenance and operation of hazardous production facilities to ensure compliance with the self-isolation regime, and providing access to necessary information resources and software.

### Digitalisation:

- implementation of electronic document exchange with the use of an enhanced qualified electronic signature;
- arranging approvals for hiring/re-appointment of candidates on-line (with the use of the recruiting system Huntflow);

### Compliance with and reinforcement of hygienic measures::

- posting visual information (a memo for employees on how to behave during the pandemic) on the corporate portal and information panels;
- installing dispensers for the sanitary treatment of hands with antiseptic;
- carrying out indoor disinfection;
- providing employees with personal protective equipment;
- arranging social distancing in the workplace;
- arranging daily temperature measurements for employees who were kept at regular office work regime;
- taking other measures as advised by the Federal Service for the Oversight of Consumer Protection and Welfare.

### Additional measures aimed at maintaining the health of employees:

- indoor disinfection;
- acquisition of personal protective equipment (protective masks, gloves, disinfectant wipes, skin antiseptics for hand treatment, and disinfectants);
- acquisition of air disinfection devices.

Throughout the pandemic, the Company informed the employees about the safety measures at home and at work, legal requirements, necessary protective measures against COVID-19 by videos, screen savers on personal computers, regular newsletters, webinars on relevant issues related to the pandemic with doctors.

The Company supports responsible citizenship and encourages the employees who have been vaccinated and revaccinated against coronavirus. As an additional incentive, employees get the benefit of paid days off, one day for each day of vaccination/

revaccination. In addition, those employees who are ill are paid an extra seven days of sick leave during the year to compensate up to their full salary.

The current COVID-19 situation in the Company is monitored (the dynamics of the number of sick employees, the severity of their condition, analysis of data on collective immunity, etc.) on a regular basis. Based on monitoring, managerial decisions are made in a timely manner to prevent the spread of the coronavirus infection. Prompt and timely implementation of legislative acts issued by regional authorities is ensured.

If necessary, employees are provided with additional assistance under the voluntary health insurance as well as material support.

The Executive Office employs a doctor. Employees of the office can seek medical attention from the doctor during office hours.

# AIMING FOR MINIMUM EMISSIONS

GRI 102-18, 102-19, 102-20

Rational use of natural resources, efficient waste management, reduction of pollutant and greenhouse gas emissions into the atmosphere, as well as reduction of the carbon footprint are the main strategic goals of PJSC TransContainer to ensure environmentally safe and sustainable development of the Company.

ENVIRONMENTAL  
IMPACT



Thanks to the high level of electrification of railway networks in Russia, railway transportation has a low environmental impact compared to other modes of transportation, and the Company's operations are especially linked with this type of transportation. Cargo transported by rail is reliably protected from external environmental factors. For example, containers filled with hard coal or loose, dusty mixtures do not have a negative impact on the environment when loaded onto 1,435-mm gauge flatcars, unlike in the case of the open method of transshipment. The use of zero-emission electric gantry cranes during container handling minimises the negative impact on the atmosphere and environmental components. More than 80% of the terminals chose the use of electric gantry cranes over fossil fuel based reach-stackers. Fully aware of its responsibility both to modern society and to future generations, PJSC TransContainer is committed to mitigating its negative impact on the environment.

## MANAGEMENT APPROACH

### KEY REGULATORY DOCUMENTS

- Environmental Policy of PJSC TransContainer;
- Plans of Environmental Protection Initiatives;
- Declaration of Environmental Impact;
- Programmes of Industrial Environmental Control

PJSC TransContainer complies with the legal regulations in its activities and is guided by high environmental protection standards.

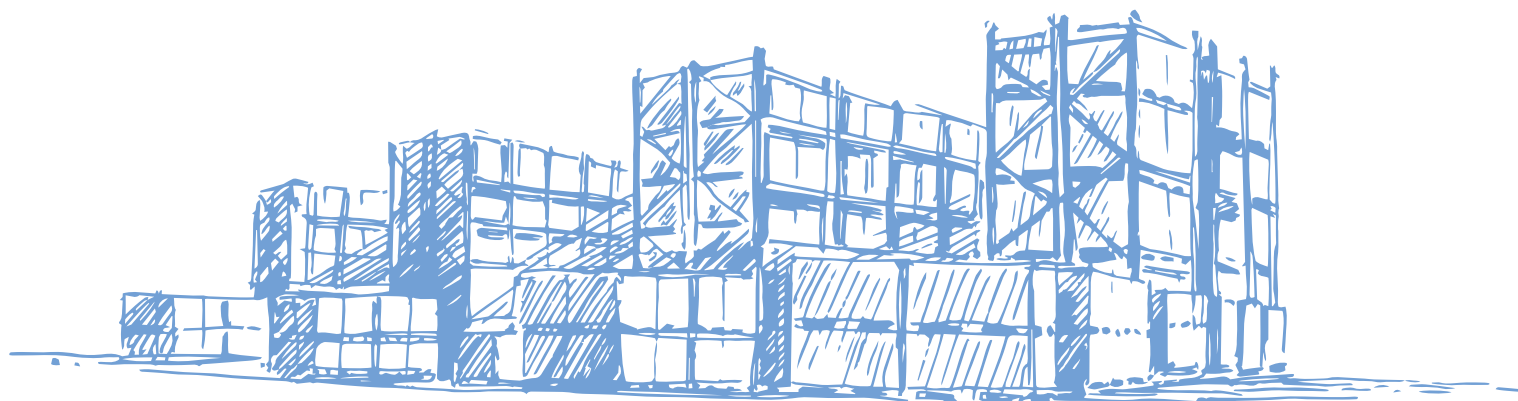
The Company has in place an Environmental Management System in accordance with the requirements of ISO 14001:2015. The System is aimed at effective management of environmental issues and covers all main levels of management and stages of production activities in the Company. External and internal audits of the System are conducted on a regular basis. The last external audit of the Quality Management System was carried out on 26 July 2021 and the last internal audit on 6 December 2021. The internal

audit identified the following typical observations in some branches:

- untimely submission of declarations on payment for negative environmental impact;
- failure to update the instructions on waste handling;
- unrecorded facilities having negative environmental impact were identified; information on facilities having negative environmental impact was not updated.

Corrective actions were undertaken in full and measures are included in the Plan of Environmental Protection Initiatives for 2022. Monitoring and adjustment is carried out on a quarterly basis in line with the reports on the implementation of environmental protection initiatives.

In 2021, the Board of Directors approved the new Environmental Policy of PJSC TransContainer. The new version of the Policy is elaborated to meet new global challenges and the Company's goals.



**The objectives of the Environmental Policy are as follows:**

- to ensure the environmentally safe and sustainable development of the Company;
- to reduce the negative impact of the Company's activities on the environment to a minimum acceptable level;
- to ensure consistent and continuous improvement of the characteristics and indicators of the impact of the existing and planned activities on the environment, climate, and biodiversity;
- to ensure effective climate risk management;
- to increase the energy efficiency of production processes;

- to reduce the carbon footprint of the Company's operations;
- to reduce the consumption of water;
- to reduce the pollutant emissions into the atmosphere;
- to reduce the waste generation.

In order to achieve the goals of the Environmental Policy, the Company sets the following objectives:

- to maintain and improve the environmental management system;
- to reduce the energy intensity ratio for production;
- to manage the production and consumption waste with an emphasis on recycling;
- to raise the environmental awareness of employees, promote careful use of resources.

In 2021, the Environmental Sector was established within PJSC TransContainer's Executive Office. With this decision, the Company's management confirmed the importance of the environmental agenda for the Company's activities. Environmental issues are monitored by top management, and performance is reviewed at the level of the Company's Board of Directors. In the Company's branches, the responsibility for environmental issues rests with the employees of technical departments, sectors, and services responsible for environmental issues; those employees report to the heads of relevant departments, chief engineers and directors of branches.

**Structure of Environmental Management**

**Board of Directors**

Determination of the environmental protection strategy, approval of the Company's regulatory documents governing environmental activities

**President**

Overall responsibility for environmental issues

**First Vice President**

Responsibility for environmental issues at top management level

**Technical Director<sup>1</sup>**

Approval of the Plan of Environmental Protection Initiatives

**Head of the Environmental Sector**

Development of the Plans of Environmental Protection Initiatives, monitoring and control of the environmental performance indicators

**Branch Director  
Branch Chief Engineer  
Branch Environmental Engineer**

Development and implementation of plans, reporting to the Company's Executive Office and regulatory bodies

<sup>1</sup> Chief Engineer since 2022.

**INDUSTRIAL ENVIRONMENTAL CONTROL**

Industrial environmental control is a range of activities performed by business units to manage the impact on the environment through description, observation, assessment and forecasting. The Programme of Industrial Environmental Control provides verification of the Company's compliance with legal norms and regulations in the field of environmental protection.

At the production sites of PJSC TransContainer, which are classified as Categories 2 and 3 facilities having negative environmental impact, the programmes of industrial environmental control are developed and approved in compliance with Article 67 of the Federal Law No. 7-FZ On Environmental Protection dated 10 January 2002, industrial environmental control is undertaken in accordance with the established requirements, information is documented and data obtained

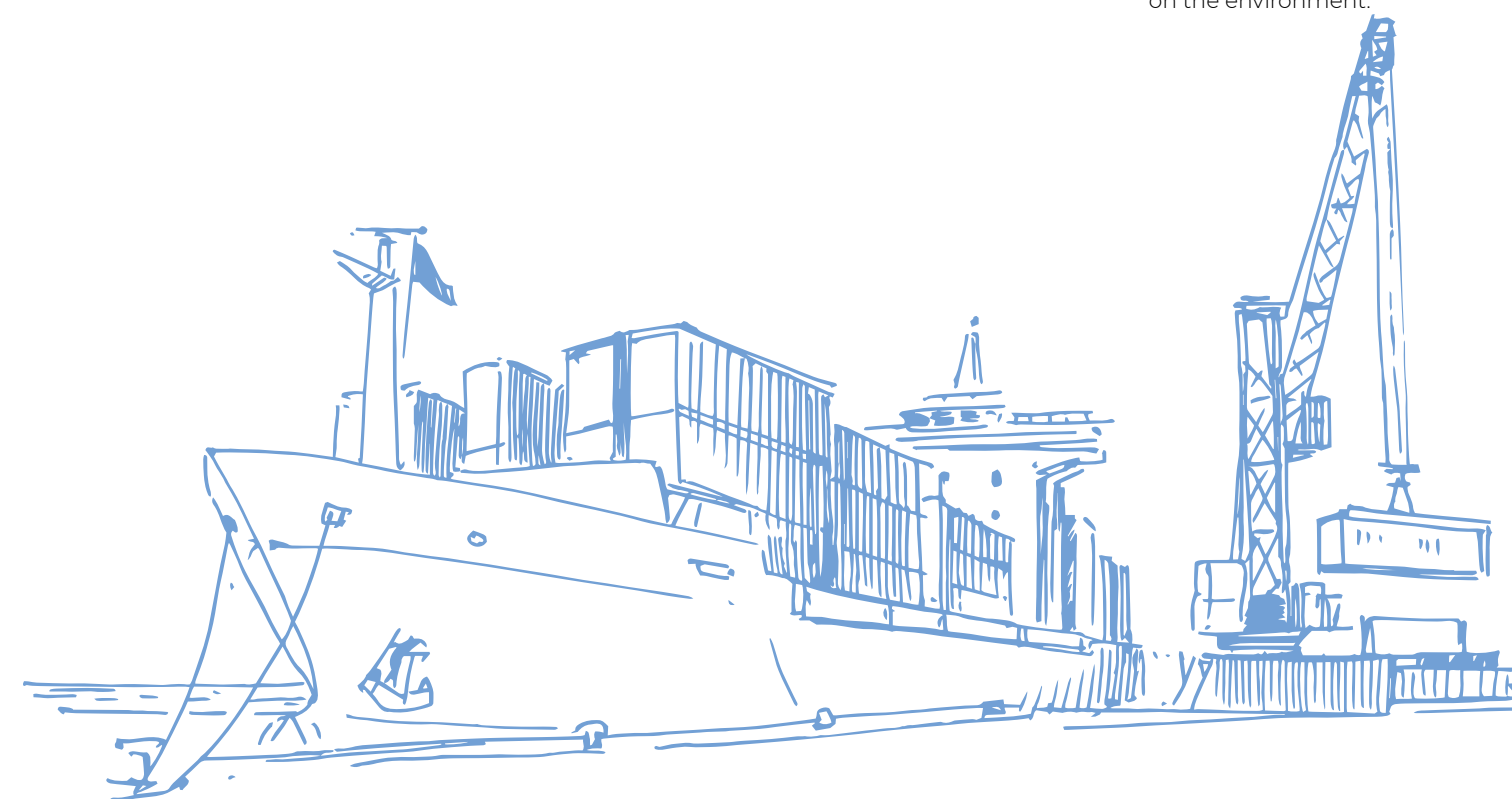
from the control implementation are stored. Category 4 facilities having negative environmental impact (having insignificant environmental impact), which include the Company's office premises, do not develop a Programme of Industrial Environmental Control in accordance with the legislation; however, they conduct regular accounting and control of energy consumption and waste generation. The Company does not have any Category 1 facility having negative environmental impact.

The developed Programmes of Industrial Environmental Control and Annual Reports on those Programmes comply with the requirements for the composition and content of such Programmes and Reports as prescribed by the Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 74 dated 28 February 2018. Those Reports are accepted by the appropriate executive authorities via the personal account

of a natural resource user, within the timeframe established by the law.

The main objective of the Programme of Industrial Environmental Control is to meet the requirements of environmental legislation, including:

- compliance with standards of impact on environmental components;
- compliance with limits on the use of natural resources and those on waste placement;
- compliance with environmental quality standards in the area of a facility's impact;
- compliance with Plans of Environmental Protection Initiatives related to mitigating the anthropogenic load on the environment.



## COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

The Company's Executive Office monitors compliance with environmental legislation at the Company's branches. In 2021, PJSC TransContainer has not received any significant environmental fines. Two fines under Article 8.5 of the Code of Administrative Offences of the Russian Federation (Concealment or distortion of environmental information) and Article 19.7 of the same Code (Failure to provide information (details)) were imposed; the total fines are no more than RUB 85,000, which is an insignificant amount in relation

to the revenue. The fines were caused by a technical error and the dismissal of the person in charge. In connection with those fines, measures have been undertaken at the level of branches to prevent the late submission of the relevant types of reports.

The Company's branches take the following actions to prevent possible environmental violations:

- annual planning of environmental protection initiatives;
- monitoring the implementation of such initiatives;

- training of responsible employees in accordance with the legislation;
- maintaining machinery, vehicles, and equipment in good working order;
- daily on-site inspection by responsible employees to prevent possible violations.

**176.0 RUB thousand**  
"polluter pay" charges in 2021  
**0.001%** of revenues

## ENVIRONMENTAL COSTS

In 2021, environmental protection costs totalled approximately RUB 30 million, up almost 10 times against 2020, due to storm drain reconstruction projects at the Gorky and Krasnoyarsk

branches, as well as conversion of the boiler plant at the Kleschikha container terminal to gas fuel, which is more environmental friendly

and would reduce emissions of pollutants into the atmosphere.

Environmental costs | RUB thousand

Objective	2018	2019	2020	2021
Air protection and climate change prevention	28,000	3,600	95	<b>20,312</b>
Waste management	240	487	74	<b>1,866</b>
Protection and rehabilitation of land, surface water and groundwater	50	500	2,200	<b>7,561</b>
Other environmental costs	30	1,414	830	-
<b>Total</b>	<b>28,320</b>	<b>6,001</b>	<b>3,200</b>	<b>29,739</b>

### Achieving the 2021 environmental protection targets

Goal	Status	Progress
Conversion of the boiler plant at the Kleschikha container terminal to gas fuel	✓ Achieved	The Company has reduced pollutant emissions into the atmosphere.
Purchase of I-REC certificates	✓ Achieved	The Company has reduced greenhouse gas emissions by purchasing electricity generated by renewable energy sources
Recovery and treatment of 50% of waste generated	✓ Achieved	PJSC TransContainer was able to achieve a waste recovery and treatment rate of more than 80% while reducing the total weight compared to 2020
Updating the Environmental Policy	✓ Achieved	The Company has developed a new Environmental Policy, taking into account the latest requirements of the international community

## CLIMATE CHANGE

PJSC TransContainer recognises the need to mitigate climate change and the importance of business adaptation to changing climatic conditions. The Company is aware of its important position in the supply chain, given that rail container transportation is the least carbon-intensive, and this helps to prevent excessive CO2 emissions and reduce the carbon footprint for its clients in terms of Scope 3 greenhouse gas emissions.

PJSC TransContainer, as one of the major players in the long-haul transportation market, aims to contribute to the sustainable development of the logistics industry and become a leader in green logistics.

When developing the Corporate Strategy of PJSC TransContainer until 2030 (the Strategy was approved in 2021), we entertained the forecasts of leading analytical centres, with due regard to the scenarios of the Paris Climate Agreement in terms of global reduction of greenhouse gas emissions.

To improve the approach to accounting for greenhouse gas emissions, in 2021, PJSC TransContainer for the first time accessioned the sources of greenhouse gas emissions and calculated the emissions according to an international standard — GHG Protocol.

The operational and organisational boundaries for calculating emissions were expanded, and data on direct and indirect greenhouse gas emissions were published for the first time. In late 2021, the Company started developing the methodology for the assessment of Scope 3 greenhouse gas emissions, and in 2022,

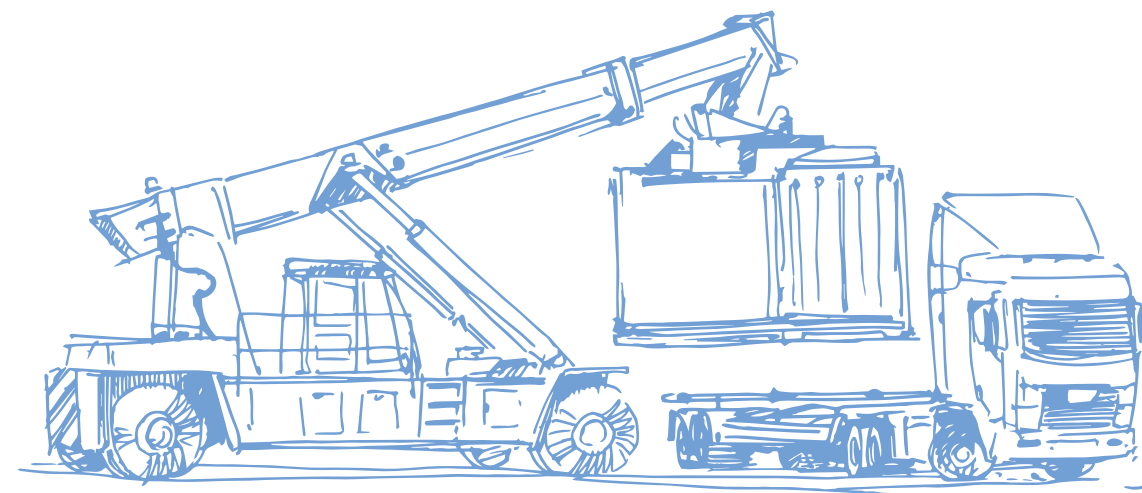
PJSC TransContainer became the first logistics company to calculate and disclose its carbon footprint. Also, in 2021, PJSC TransContainer used renewable energy sources to power its terminals and executive office, which was a significant step in reducing the Company's carbon footprint.

PJSC TransContainer became the first logistics company:

- with zero emissions in terms of purchased electricity by acquiring I-REC certificates in 2021
- disclose its carbon footprint (Scope 1.2.3).

Also, in 2021, PJSC TransContainer used renewable energy sources to power its terminals and executive office, which was a significant step in reducing the Company's carbon footprint.

I-REC certificates (International Renewable Energy Certificates) are a market-based tool that certifies that the electricity purchased was generated from renewable energy sources. The certificates also confirm that the energy generated is guaranteed to meet internationally recognised green standards, such as GHGP, CDP and RE100.



## CLIMATE RISK MANAGEMENT

GRI 102-5, 102-29, 102-31, 201-2

PJSC TransContainer accounts for climate risks on an ongoing basis.

In 2021, The Company has analysed potential climate risks as part of its risk management procedures. There are organisational and financial measures planned for H2 2022 under the Company's Climate Strategy to establish a system for calculating financial implications related to climate change and to develop measures for managing such implications.

The most important issues on climate change (including strategy, risk management, and approval

of climate targets) are considered by the Company's top management at meetings of the Board of Directors.

In December 2021 The Company's Board of Directors has approved a new version of the Environmental Policy of PJSC TransContainer, which includes the Company's commitments to climate preservation and the reduction of greenhouse gas emissions<sup>1</sup>. The Board of Directors approves and monitors the implementation of climate protection measures aimed at ensuring information transparency and creating long-term value for the shareholders, investors, clients,

and other stakeholders. The Audit Committee of the Board of Directors is responsible for monitoring the reliability and effectiveness of the risk management system and reviewing the size of the risk appetite, including in terms of climate risks. PJSC TransContainer plans to establish a committee of the Board of Directors responsible for sustainable development issues, where the issues of climate change will also be addressed. The Committee will prepare recommendations to the Company's Board of Directors for decision-making in the field of sustainable development, including issues of climate risk management

## OPPORTUNITIES RELATED TO CLIMATE CHANGE

The production of any service, in case extraction of natural resources or the production of goods and services, releases greenhouse gases, solids, and many other harmful emissions, depending on the business. The increasing concentration of greenhouse gases in the atmosphere is causing the greenhouse effect, which is leading to significant climate change and, consequently, to potential natural disasters. These processes are affecting both biodiversity decline and an increase in health risks.

The increasing frequency of extreme weather events, as well as increasing national and global attention to environmental issues and the potential introduction of a carbon tax, are forcing manufacturers to analyse the volume of greenhouse gas emissions throughout the production chain.

As the leader in container transportation in Russia, PJSC TransContainer aims to become the leader in the lowest carbon footprint in logistics, as without an ambitious decarbonisation

plan, the requirements of the most responsible clients (importers, exporters, and transit transporters) cannot be fully met today.

At the moment, projects are being developed at a legislative level; those projects should contribute to the reduction of greenhouse gas emissions by companies in Russia, thereby preventing the risks of the greenhouse effect and weather anomalies. For example, the European Union plans to introduce a carbon tax on imports of products that have been produced with high greenhouse gas (CO<sub>2</sub>) emissions. So, when importing goods that have been produced in Russia, an importing company or consumer should pay a fee depending on the amount of greenhouse gases. As of today, the calculation needs to account for the producer's CO<sub>2</sub> emission indicators under Scope 1 and Scope 2. The extension of the calculation methodology to Scope 3, which includes upstream and downstream logistics of a producer, can take place with the next round of European legislation after 2026.

In 2015, Russia became a signatory to the Paris Climate Agreement. The next step for domestic regulation of greenhouse gas emissions in 2020 was the Presidential Decree No. 666 On Reducing Greenhouse Gas Emissions dated 4 November 2020, which aims to reduce CO<sub>2</sub> emissions by 2030. In 2021, one of the key events on the climate agenda was the Sixth Report of the UN Intergovernmental Panel on Climate Change, which once again confirmed the need for urgent measures to reduce greenhouse gas emissions. In 2022, Russia has not abandoned the decarbonisation of the economy.

The carbon regulation will be implemented through the systematisation of greenhouse gas emission data and incentives for companies to adopt low-carbon technologies and optimise production processes.

According to the International Energy Agency (IEA), the transport sector will account for over 7.2 Gt of CO<sub>2</sub>-eq. in 2020.

However, although rail transport accounts for around 9% of freight transport, rail transport is responsible for only 3% of energy consumption in the transport sector<sup>1</sup>.

Most of OJSC Russian Railways network used by PJSC TransContainer for freight transportation is electrified. The main focus of the decarbonisation of railway transportation in the environmental strategy of OJSC Russian Railways until 2030 is to increase the level of electrification. In addition, projects for the use of renewable energy sources and methane are being considered, and the first pilot project for passenger transportation using hydrogen as an energy source is already being implemented in Sakhalin.

To manage its carbon footprint and climate risks, PJSC TransContainer in 2022 started developing the Company's Climate Strategy and setting environmental quantitative targets for reducing greenhouse gas emissions, as well as further practical actions to address such targets.

The reduction of PJSC TransContainer's greenhouse gas emissions is one of the fundamental goals of the future Climate Strategy and contributes to the special level of responsibility that the Company assumes. This measure is a prerequisite for compliance with the principles of sustainable development and also reduces possible financial risks associated with the carbon regulation committed by various countries.

PJSC TransContainer is fully aware of the importance of the climate agenda, supports the provisions of the Paris Climate Agreement and takes measures to reduce greenhouse gas emissions. By conducting a scenario analysis of the impact on climate conditions, PJSC TransContainer has identified risks and opportunities for the development of measures to reduce greenhouse gas emissions.

Climate change also brings about certain opportunities for PJSC TransContainer. First, due to the introduction of a carbon tax, services featuring the lowest carbon footprint will be in demand in the market: it is a coherent advantage for the Company, as railway container transportation is considered to be the cleanest type of long-haul transportation. In particular, the Company has made commitments to reduce greenhouse gas emissions. In 2021, PJSC TransContainer became the first and only Russian logistics company to use electric power from renewable sources for its own needs. While reducing emissions, PJSC TransContainer is actually acting in a socially responsible manner, and the same has a positive effect on client loyalty and the company's profit.

While systematically reducing its emissions, PJSC TransContainer is ready to provide the lowest-emission services for the transportation of goods; this would facilitate a decrease in the tax burden on clients when Scope 3 carbon regulation is introduced<sup>2</sup>.

Moreover, the Company will be able to offer new services to manage its carbon footprint that are focused on meeting the Paris Climate Agreement's goals of avoiding temperature rises above pre-industrial levels. At the end of 2021, the Company has commenced to develop a calculator enabling clients to calculate the amount of greenhouse gases that are emitted when shipping by a particular route.

However, there are several types of risks associated with climate change in the transport sector: transition risks and physical impact risks.

Transition risks are those associated with economic and legislative risks that can lead to a loss of reputation, and a decrease in the Company's financial performance. Physical impact risks are those caused by both short-term impacts (such as natural disasters) and long-term impacts (such as prolonged drought leading to fires, or the appearance of permafrost). These manifestations of climate change have a particular impact on transport infrastructure and transport, and its reliability and safety.

The unbalanced introduction of a carbon tax may also have a negative impact on the financial performance and competitiveness of TransContainer's clients and suppliers, which could lead to a deterioration of the Company's financial performance and problems in the supply chain.

<sup>1</sup> The Environmental Policy of PJSC TransContainer is published on the Company's official website.

<sup>1</sup> Rail Tracking report – November 2021: <https://www.iea.org/reports/rail>.  
<sup>2</sup> For more details on the 2021 study on Asia – Europe Transit: Alternative Routes in a Carbon-Constrained Environment, please see page 21.

## CLIMATE CHANGE RISKS

Climate risks <sup>1</sup>	Description and classification of the risk	Impacts associated with the risk	Financial implications of the risk	Methods used to manage the risk
<b>Risks caused by long-term climate change (physical risks)</b>	PJSC TransContainer may be affected by risks that have a direct impact on its production facilities and are caused by long-term climate change (such as rising sea levels, periods of abnormally high temperatures, drought, and heat waves) and the inability to mitigate and adapt to climate change.	<ul style="list-style-type: none"> <li>This risk relates to the direct or indirect impact of abnormal weather conditions on the Company's infrastructure, employee safety, and labour efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Risks caused by long-term or strong short-term climate change have a direct impact on assets or an indirect impact on the production chains of client companies</li> </ul>	When constructing and reconstructing PJSC TransContainer's production facilities, the design and estimate documentation accounts for possible adverse climatic conditions that are typical for the regions of implementation, and measures are taken to minimise such risks
<b>Risks caused by the strong short-term effects of natural factors (physical risks)</b>	PJSC TransContainer can be affected by risks that have a direct impact on production facilities and are caused by the strong short-term impact of adverse weather conditions (for example, such as floods, earthquakes, hurricanes, heavy rainfall, lightning, fires, etc.). Recently, there has been an increase in this physical risk due to the growing frequency of adverse weather events			<p>PJSC TransContainer assesses and accounts for physical risks and consequences of climatic changes both at the stage of design and construction and at the stage of operation.</p> <p>The Company also insures its property against the above risks</p>
<b>Transition risks</b>	Risks arising from the transition to a lower carbon economy. For example, reputational risk due to, among other things, changes in the behaviour of stakeholders and loss of client loyalty. The risk of changes in legislation (regulatory risk) that implies fines for exceeding emission limits and technological risk (e.g., costs of introducing new technologies, the best available technologies, updating the technological infrastructure, etc.).	<ul style="list-style-type: none"> <li>Reduced attractiveness of PJSC TransContainer for investors.</li> <li>A decrease in demand for container transportation due to the unacceptability of working with companies that have a significant environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>A decrease in the value of assets, a loss of return on assets, and changes in market demand</li> <li>An increase in the cost of insurance of facilities</li> <li>Impact on the Company's revenues</li> </ul>	<p>Although the Company does not have a significant carbon footprint compared to industrial facilities, PJSC TransContainer decided to contribute to the Russian Federation's carbon neutrality targets.</p> <p>To this end, the Company plans to develop a system for evaluating greenhouse gas emissions and to further manage and reduce CO2 emissions.</p> <p>In 2021, PJSC TransContainer handled the formation of a corporate sustainability management structure and the creation of a competence centre and recruitment. The Environmental Sector has been created and the functions of the strategy unit have been expanded in terms of elaborating the sustainable development policy and strategy, as well as coordinating the activities related to introducing the sustainable development principles into the Company's business processes and oversight of sustainable development activities, including climate risk management</p>
<b>Tax risk (transition risks)</b>	Due to the specific nature of business, the volume of greenhouse gas emissions of PJSC TransContainer is not significant compared to industrial companies, but due to global warming and ambitious plans of developed countries to introduce carbon taxes, PJSC TransContainer also has potential risks of worsening the tax regime	<ul style="list-style-type: none"> <li>As part of the energy transition and carbon regulation, many countries are developing taxonomies, cross-border regulation, and taxes on greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>Increased tax burden on the Company, declining financial results</li> </ul>	To manage the risk, it is necessary to respond to changes in tax legislation in a timely manner and to develop a PJSC TransContainer's Climate Change Strategy that includes cost-effective preventive measures to minimise CO <sub>2</sub> emissions and compensate for the irreducible emissions by carbon units
<b>Interest rate risk (transition risks)</b>	It is important for lenders that the Company analyses its financial implications in relation to climate change and incorporates the risks into its business models	<ul style="list-style-type: none"> <li>Global trend of interest rate correlation with the Company's ESG rating</li> <li>The risk of the Company falling behind its competitors in ESG transformation (interest rate dependency)</li> <li>A growth of interest rate due to a decrease in ESG-rating of PJSC TransContainer</li> </ul>	<ul style="list-style-type: none"> <li>Decline in income on bank deposits/other floating interest rate tools.</li> <li>Increase in charges on loans / other floating interest rate tools.</li> <li>Cash shortage</li> <li>Lower financial performance Failure to meet budget targets</li> <li>Breach of creditor covenants (EBITDA/interest)</li> </ul>	The analysis of market conditions, including based on the analytical materials of banks, rating agencies, and other external experts, as well as diversification of the lender base and debt instruments, hedging, and implementation of complex measures to obtain, maintain, and improve positions in ESG-ratings and scoring platforms of financial institutions are necessary.

<sup>1</sup> When identifying climate risks and updating the Risk Map of the Company, the classification of climate risks per the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) is accounted for.

<sup>2</sup> It is part of the Technical Director's unit. The unit is responsible for environmental protection, occupational health, and industrial safety.

# GREENHOUSE GAS EMISSIONS

GRI 305-1, 305-2, 305-4

As part of improving the approach to accounting for emissions in 2021, PJSC TransContainer took the first-ever accessioning of greenhouse gas emission sources and calculated emissions according to an international standard — GHG Protocol.

The operational and organisational boundaries for calculating emissions were expanded, and data on indirect greenhouse gas emissions (those related to energy generation and other types) were published for the first time. To make the data comparable, 2020 and 2019 greenhouse gas emissions were recalculated.

Under the GHG Protocol standard, Scope 1 and Scope 2 greenhouse gas emissions in 2021 were 17,879<sup>1</sup> t of CO<sub>2</sub>-eq. (down 8% year-on-year). The decrease in controlled greenhouse gas emissions with a simultaneous increase in container handling during this period was achieved mainly due to the purchase of electricity from renewable energy sources (I-REC certificates).

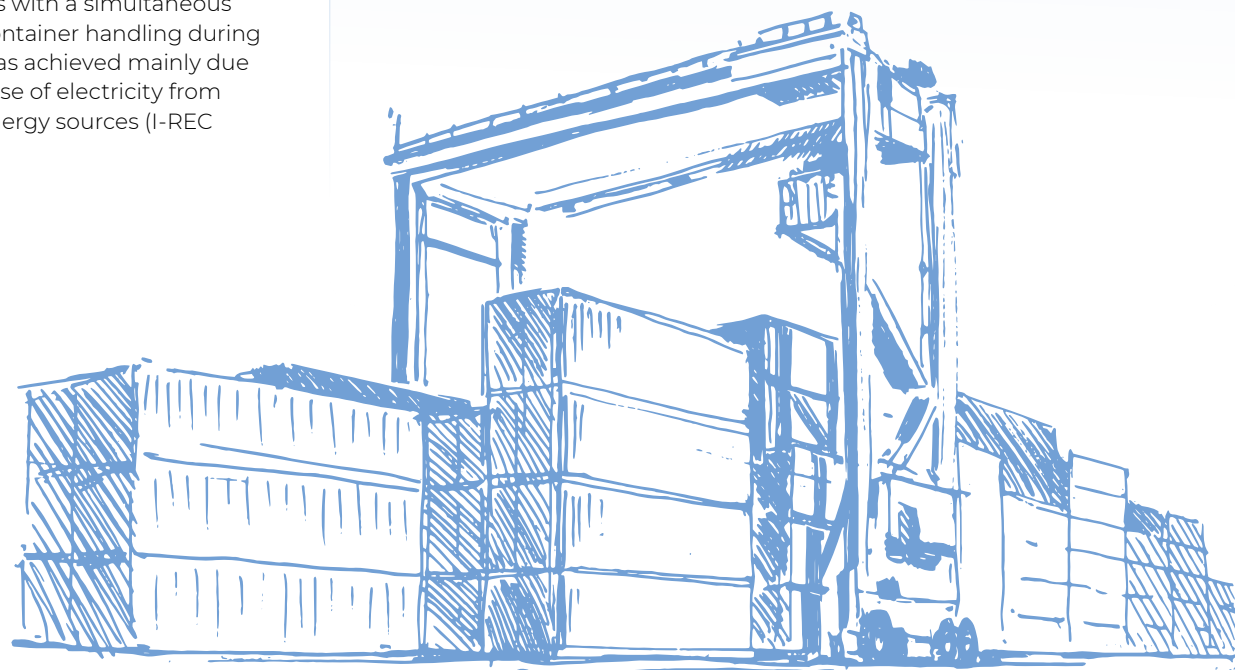
## REMOTE MONITORING OF MOTOR VEHICLES

To increase fuel control in some of the Company's branches (Kuybyshev, West Siberian, and East Siberian), as well as in the Company's Executive Office, remote monitoring of motor vehicles is provided.

Remote monitoring of motor vehicles is used for the more efficient and seamless operation of those — from traffic management to fuel

consumption control. Smart vehicle route planning and installation of fuel level sensors translate into a significant reduction in empty mileage and fuel consumption.

At the moment, the project of introducing the unified system of monitoring of the Company's fixed assets (vehicles, stackers, gas stations, and diesel generators) in the amount of 193 units is under agreement.



<sup>1</sup> The reporting scope for 2021 included JSC Logistics-Terminal (the production asset of PJSC TransContainer); JSC Logistics-Terminal emissions in 2021 amounted to 3,547 t of CO<sub>2</sub>-eq.

## Greenhouse gas emissions<sup>1</sup> | t of CO<sub>2</sub>-eq

Indicator	2018	2019	2020	2021
Direct (Scope 1) GHG emissions	12,678	11,932	11,405	<b>14,096</b>
Indirect (Scope 2) GHG emissions	14,184	14,053	8,061	<b>3,783</b>
Indirect (Scope 3) GHG emissions	–	–	–	<b>1,734,121</b>
<b>Total</b>	<b>26,862</b>	<b>25,985</b>	<b>19,466</b>	<b>1,752,000</b>

The Scope 3 greenhouse gas emissions were calculated in accordance with the GHG Protocol, and all seven proposed

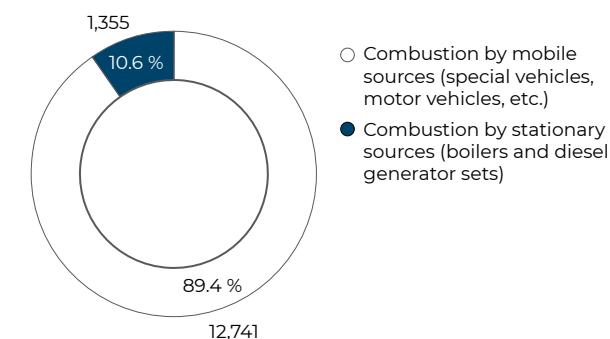
categories were accounted for. PJSC TransContainer is the first Russian logistics company to disclose its Scope 3 carbon footprint

## GHG emissions intensity<sup>2</sup>

Indicator	2018	2019	2020	2021
Handling volumes at container terminals (with subsidiaries)   thousand TEU	1,279	1,320	1,423	<b>1,613</b>
Revenue   RUB million	76,959	86,179	103,497	<b>131,594</b>
Average headcount   people	3,503	3,301	3,329	<b>3,442</b>
Greenhouse gas emissions <sup>3</sup>   t of CO <sub>2</sub> -eq	26,862	25,986	19,467	<b>17,879</b>
Emissions intensity   kg of CO <sub>2</sub> eq. / TEU	21.0	19.7	13.7	<b>11.1</b>
Emissions intensity   kg of CO <sub>2</sub> eq. / RUB million	349.0	301.5	188.1	<b>135.9</b>
Emissions intensity   kg of CO <sub>2</sub> eq. / people	7.7	7.9	5.8	<b>5.2</b>

Total greenhouse gas emissions   t of CO <sub>2</sub> -eq.	PJSC TransContainer	JSC Logistics-Terminal	Total
Scope 1 + 2	14,332	3,547	<b>17,879</b>
Scope 1	11,096	3,000	<b>14,096</b>
Scope 2	3 236 <sup>4</sup>	547	<b>3,783</b>

## Breakdown of Scope 1 greenhouse gas emissions in 2021 | t of CO<sub>2</sub>-eq.



<sup>1</sup> 2019–2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal. The calculation of Scope 1 and Scope 2 includes the following types of greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.  
<sup>2</sup> 2019–2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal.  
<sup>3</sup> Scope 1 and Scope 2 greenhouse gas emissions.  
<sup>4</sup> In 2021, electricity consumption was 100% covered by renewable energy sources. This emission volume is due to heat consumption.



# ENERGY EFFICIENCY

**GRI 302-1, 302-4**

One of the Company's important sustainability goals is to increase energy efficiency, as this is one of the factors affecting the net cost of container transportation. In 2021, the Company carried out a number of energy conservation activities, such

as the purchase of new equipment and gantry cranes, upgrade of lighting systems and introduction of the remote transport monitoring system.

The energy consumption indicator in 2021 increased by 27% compared to 2020. This is due to the accounting

of resources consumed by JSC Logistics-Terminal, the increase in the volume of container handling at the Company's production sites and the end of telecommuting. The energy consumption is metered. Meters are calibrated according to schedule.

**Energy consumption profile<sup>1</sup> | toe**

Type of energy resource	2018	2019	2020	2021
Electricity	2,126.5	2,119.5	1,928.8	<b>2,482.5</b>
Diesel fuel	5,328.5	5,011.9	4,930.3	<b>5,879.0</b>
Petrol	315.1	289.1	163.5	<b>243.8</b>
Natural gas	120.8	136.6	61.9	<b>410.8</b>
Heat	4,147.0	4,112.8	1,388.9	<b>1,725.5</b>
<b>Total</b>	<b>12,037.9</b>	<b>11,669.9</b>	<b>8,473.4</b>	<b>10,741.6</b>

**GRI 302-1**

**Total energy consumed | TJ**

Indicator	2018	2019	2020	2021 <sup>2</sup>
Total energy consumed	264.7	258.3	247.6	<b>314.1</b>

**Energy consumption in 2021**

Type of energy resource	Physical volume	Volume in monetary terms   RUB thousand
Electricity, total   thousand kWh	20,182.8	105,474.4
Diesel fuel   t	4,054.5	197,287.9
Petrol   t	163.6	7,418.5
Natural gas   thousand m <sup>3</sup>	356.0	1,973.6
Heat   Gcal	12,066.2	18,887.8

**GRI 302-3**

**GRI 302-3 Energy intensity | toe /TEU**

Indicator	2018	2019	2020	2021
Energy intensity <sup>3</sup>	0.009	0.009	0.006	<b>0.007</b>

<sup>1</sup> 2019–2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal.  
<sup>2</sup> Includes JSC Logistics-Terminal with 53.9 TJ.  
<sup>3</sup> Total energy consumption (TFOE) / container reconditioning (TEU).

# RENEWABLE ENERGY SOURCES

The Company is looking for possible ways to reduce its carbon footprint. One of the implemented projects is solar collectors at the Zabaikalsk container terminal, with a designed capacity of 60 kW/day. The collectors are installed in the bonded warehouse

and serve as an auxiliary heating system.

The Company also tries to purchase electricity generated from RES and is on the lookout for fuel suppliers with a low carbon footprint.

By purchasing green I-REC certificates in 2021, PJSC TransContainer managed to reduce emissions by 6,100 CO<sub>2</sub>-eq.

**GRI 302-1**

**Consumption of energy from renewable sources | %**

Indicator	2018	2019	2020	2021
Share of consumption of energy from renewable sources	0	0	0	<b>20.6</b>



# AIR PROTECTION

GRI 305-7

The reduction of pollutant emissions is an important area of the Company's activities in environmental protection and improvement of the environmental efficiency of PJSC TransContainer. These emissions occur primarily due to fuel combustion by internal combustion engines of machinery located at the Company's production sites. Emissions are estimated by the calculation method with the use of various software suites (PDV-Ecolog, Ecolog (Unified Atmospheric Pollution Calculation Programme), and other software products).

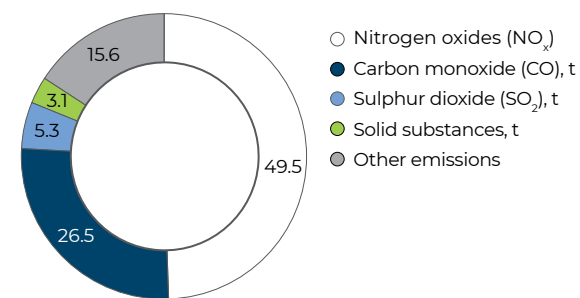
PJSC TransContainer does not emit highly toxic and ozone-depleting substances; the Company's emissions have no hazardous air pollutants either.

The Company annually provides information to federal executive authorities on its emissions in reports under the Programme of Industrial Environmental Control, 2-TP Form Statistical Reports (Air), declarations on payment for negative impact on the environment, etc.

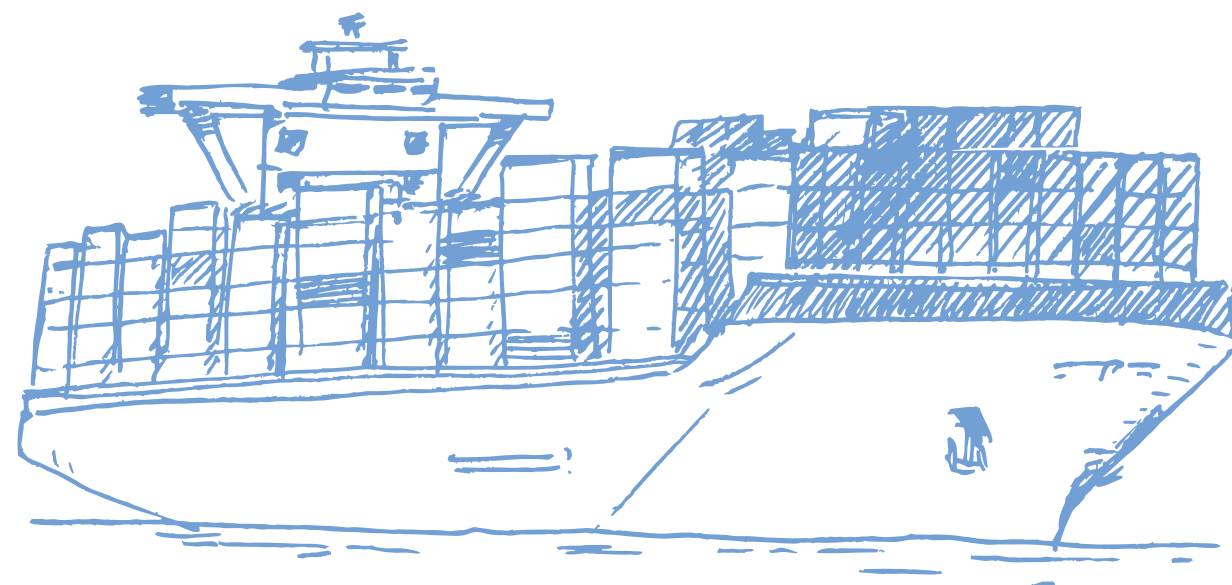
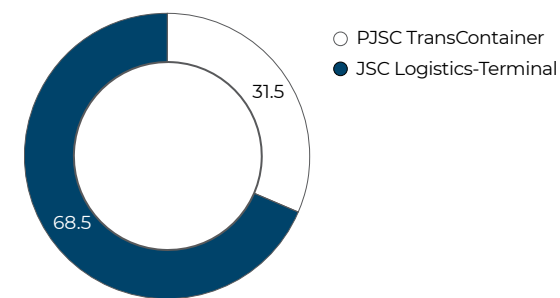
In the reporting year, pollutant emissions increased by 131 t compared to 2020 and totalled 172 t. In 2021,

the reporting boundary included JSC Logistics-Terminal, which accounted for 68.5% of total emissions of PJSC TransContainer (118 t). Such a significant volume of emissions at one terminal of JSC Logistics-Terminal is due to the emissions from a leased shunting locomotive. In 2022, it is planned to optimise diesel locomotive running time at the terminal and develop a new accessioning of pollutant emission sources. The increase of the remaining 12 t is due to the development of a new accessioning of emission sources by the Krasnoyarsk branch, taking into account the changes made in federal laws.

Breakdown of emissions in 2021 | %



Breakdown of emissions in 2021 | %



Changes in pollutant emissions<sup>1</sup> | t

Pollutant	2018	2019	2020	2021
Carbon oxide   CO	13.7	14.4	17.8	45.6
Nitrogen oxide   NO <sub>x</sub>	11.6	12.1	16.0	85.1
Sulphur dioxide   SO <sub>2</sub>	1.8	2.3	2.7	9.1
Solid particles	1.2	1.6	2.1	5.4
Other emissions of pollutants	3.1	3.4	3.2	27.1
<b>Total</b>	<b>31.4</b>	<b>33.8</b>	<b>41.8</b>	<b>172.3</b>
Handling volumes at container terminals (with subsidiaries)   thousand TEU	1,279	1,320	1,423	1,613
Revenue   RUB million	76,959	86,179	103,497	131,594
Average headcount   people	3,503	3,301	3,329	3,442
<b>Specific emission   kg/TEU</b>	<b>0,025</b>	<b>0,026</b>	<b>0,029</b>	<b>0,107</b>
<b>Specific emission   kg / RUB million</b>	<b>0.41</b>	<b>0.39</b>	<b>0.40</b>	<b>1.31</b>
<b>Specific emission   t/person</b>	<b>0.009</b>	<b>0.010</b>	<b>0.012</b>	<b>0.050</b>

Indicator	PJSC TransContainer	JSC Logistics-Terminal	Total
Air emissions   t	54.3	118.0	172.3

In 2019–2021, PJSC TransContainer developed and coordinated standards for permissible pollutant emissions in accordance with new methodological requirements (modern approach to rating of fugitive sources and accounting for emissions from motor vehicles). During the reporting year, all branches of the Company carried out organisational and preventive measures to stabilise harmful air emissions.

An increase in the volume of emissions does not lead to a significant increase in the actual negative

impact on the atmospheric air. Most of the emission parameters are determined by calculation, while the indicators based on field surveys have not undergone major changes.

PJSC TransContainer carries out the following air emission control and reduction measures:

- adjustment and maintenance of fuel equipment of internal combustion engines of motor vehicles, improvement of fuel efficiency, optimisation of operating time;
- analysis and assessment of the possibility of purchasing

special-purpose electric-powered vehicles and using alternative energy sources;

- adjustment and update of permits for air pollutant emissions.

In 2021, works on reconstruction of the boiler plant of the Kleschikha station of the West Siberian Branch were completed. Conversion of the boiler plant from diesel to gas fuel will reduce direct emissions of greenhouse gases and pollutants into the atmosphere.

<sup>1</sup> 2019–2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal.

# WATER RESOURCES

GRI 301-1

While providing intermodal cargo transportation services, the Company does not use water in technological processes. However, the reduction of water consumption is stipulated in the Environmental Policy of PJSC TransContainer. In 2021, water consumption amounted to 30,800 m<sup>3</sup>, 24,800 m<sup>3</sup> of which was consumed by PJSC TransContainer's terminals. With an average headcount of 3,442 employees and 247 workdays in 2021, the average water consumption per employee was 29 l/d, which is an excellent indicator. TransContainer's production assets are mainly located in the Russian Federation and thus operate in areas with a low risk of water scarcity. Subsidiaries outside the Russian Federation have no production assets or production processes that can harm water resources.

The Company's water supply and discharge are mainly carried out through centralised systems. Where centralised utilities are not available, water is withdrawn from underground sources (Trans-Baikal and Far East Branches). Water consumption from centralised sources is metered; meters are verified by a third party. The Company annually submits 4-LS Form Statistical Reports on terminals with wells in order to confirm water consumption standards. Water quality monitoring for physico-chemical and microbiological indicators is carried out annually. If a site has no centralised wastewater discharge system, wastewater is treated in septic tanks, then pumped and diverted to centralised wastewater treatment systems.

GRI 303-2

The terminals are equipped with storm drain systems that were designed and now are kept in good repair and proper working order to minimise the negative environmental impact. The production site of JSC Logistics-Terminal, where wastewater is discharged into a water body, has treatment facilities designed to bring wastewater to regulatory clean quality. Every year, the Company engages an accredited laboratory to verify the efficiency of wastewater treatment. Thus, according to the reporting year findings, the efficiency is more than 80% for suspended solids and more than 70% for petroleum products. In 2022, design and survey work are planned for the reconstruction of wastewater treatment plants that will further increase their efficiency. The Company does not discharge untreated wastewater into water bodies or on the ground. The volume of regulatory treated wastewater discharged to water bodies amounted to 182 thousand m<sup>3</sup>.

GRI 303-3

In 2021, the share of water withdrawn from groundwater sources was 3,000 m<sup>3</sup>, or 10% of the total water used. All of the water consumed is fresh water.

To manage water resources successfully, the Company monitors water consumption on a regular basis. The goals of PJSC TransContainer's water resource use are in line with the long-term environmental strategy of the Russian Federation. Measures are taken to conserve water; water supply systems are continuously maintained; and immediate repairs are carried out when leaks are detected.

Through gradual installation of resource-saving technologies, PJSC TransContainer has been reducing water consumption. For example, the East Siberian Branch stops using artesian wells and switches to centralised water supply; the Company's Executive Office is equipped with sensor-controlled taps.

At the end of 2021, water consumption increased by 28% due to the inclusion of data for JSC Logistics-Terminal. Excluding JSC Logistics-Terminal, there was a slight increase due to the low base of 2020 when coronavirus restrictions were imposed.

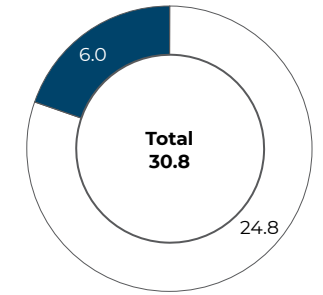
<sup>1</sup> According to the International Water Management Institute, Russia belongs to regions with excessive water resources.

Water consumption and discharge<sup>1</sup> | thousand m<sup>3</sup>

GRI 303-3, 303-4, 303-5

Indicator	2018	2019	2020	2021
<b>Water consumption, total</b>	<b>28.9</b>	<b>29.8</b>	<b>23.9</b>	<b>30.8</b>
Including:				
centralised water supply	25.5	26.3	20.0	<b>27.8</b>
artesian wells	3.4	3.5	3.9	<b>3.0</b>
<b>Wastewater discharge, total</b>	<b>27.4</b>	<b>26.6</b>	<b>22.7</b>	<b>212.2</b>
Including:				
into centralised discharge systems	23.4	22.6	18.1	<b>26.2</b>
into septic tanks	4.0	4.0	4.6	<b>4.1</b>
into water bodies	-	-	-	<b>181.9</b>
Handling volumes at container terminals (with subsidiaries)   thousand TEU	1,279	1,320	1,423	<b>1,613</b>
Revenue (RUB million)	76,959	86,179	103,497	<b>131,594</b>
Average headcount (people)	3,503	3,301	3,329	<b>3,442</b>
<b>Specific water consumption   m<sup>3</sup>/TEU</b>	<b>0,023</b>	<b>0,022</b>	<b>0,017</b>	<b>0,019</b>
<b>Specific water consumption   m<sup>3</sup> / RUB million</b>	<b>0.38</b>	<b>0.35</b>	<b>0.23</b>	<b>0.23</b>
<b>Specific water consumption   m<sup>3</sup>/person</b>	<b>8.25</b>	<b>9.02</b>	<b>7.18</b>	<b>8.95</b>

Water consumption | thousand m<sup>3</sup>



○ PJSC TransContainer  
● JSC Logistics-Terminal

# BIODIVERSITY CONSERVATION

GRI 304-1

PJSC TransContainer's operations do not affect significant habitats of endemic species of flora and fauna, as proven by field studies performed as part of engineering and environmental surveys in various

years of the Company's operations. Most of the terminals are located within settlements and do not impact upon areas with a special status of use. The territory of the terminals is fenced, which prevents the entry of large animals. Nevertheless, PJSC TransContainer is interested

in biodiversity conservation, as evidenced by the current Environmental Policy of PJSC TransContainer. In order to restore disturbed ecosystems and preserve biodiversity, PJSC TransContainer has planned to carry out reforestation activities in the regions of operation in 2022.

<sup>1</sup> 2019–2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal.

# WASTE MANAGEMENT

GRI 306-1,306-2

PJSC TransContainer pays great attention to responsible waste management, i.e., a reduction in waste generation arising from production activities and a simultaneous increase in the percentage of waste recovery. The key measures related to waste management include the rational use of natural resources, materials, and equipment; and the application of state-of-the-art technologies that reduce waste generation. Waste management methods mainly involve recovery and transfer to contracted waste collectors for landfilling. Landfilling is the least preferable method of waste management for PJSC TransContainer and is used

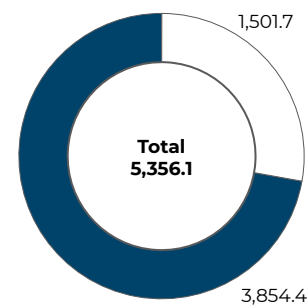
In 2021, PJSC TransContainer directed **12,260 kg of waste paper**, for recycling, which allowed the Company to save **122 trees**.

when waste cannot be recovered or treated. The Company does not have a waste management licence. Under existing contracts, wastes of hazard classes I-IV are directed to organisations which hold such licences. The solid municipal waste is removed, recovered and treated by regional operators.

The share of waste sent for recovery or treatment in 2021 was 83%. Class I and II wastes (hazardous wastes) are fully treated or recovered. The main waste products that are sent to landfills are debris swept away as there is no technology for recycling it.

The Company aims to reduce the percentage of waste that is directed to the regional operator. For this purpose, it is planned to improve the system of separate collection of secondary resources in administrative buildings and office premises in 2022. The weight of waste generated in 2021 was 5,400 t, down 8.5% year-on-year, given that in 2021 PJSC TransContainer included JSC Logistics-Terminal (which generates 3,800 t) in the reporting boundary.

Volume of waste generated by PJSC TransContainer in 2021 | t



○ PJSC TransContainer  
● JSC Logistics-Terminal

A significant amount of waste generated by JSC Logistics-Terminal is related to the recovery of 3,606.4 t of construction waste from the warehouse building and cargo stored in it following a fire at the end of December 2019.

**Measures to reduce the amount of waste generated**



1. The elimination of mercury-containing lamps, which are hazard class I waste, and switching to diode lamps.



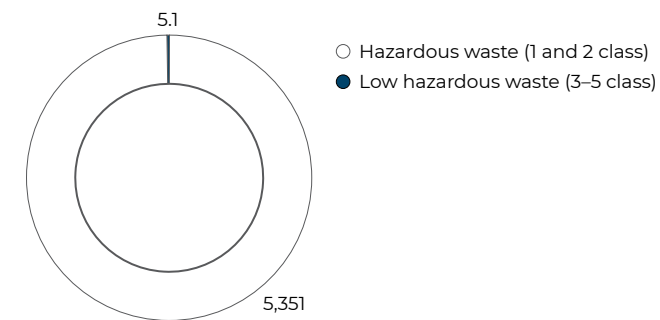
2. Sales of end-of-life containers for non-transportation purposes (bonded warehouse, garage, accommodation cabin, etc.).

Total weight of waste generated<sup>1</sup> | t

GRI 306-3

Indicator	2018	2019	2020	2021
Total weight of waste generated	3,436.2	4,732.2	5,811.6	<b>5,356.1</b>
By hazard class:				
Class I	0.5	0.5	0.5	<b>0.4</b>
Class II	1.2	8.1	2.2	<b>4.7</b>
Class III	120.3	71.8	15.2	<b>74.2</b>
Class IV	834.0	1,042.5	649.0	<b>4,657.8</b>
Class V	2,480.2	3,609.3	5,144.7	<b>619.0</b>
Handling volumes at container terminals (with subsidiaries)   thousand TEU	1,279	1,320	1,423	<b>1,613</b>
Revenue   RUB million	76,959	86,179	103,497	<b>131,594</b>
Average headcount   people	3,503	3,301	3,329	<b>3,442</b>
<b>Specific waste generation   kg/TEU</b>	<b>2.67</b>	<b>3.58</b>	<b>4.08</b>	<b>3.32</b>
<b>Specific waste generation   kg / RUB million</b>	<b>44.6</b>	<b>54.9</b>	<b>56.2</b>	<b>40.7</b>
<b>Specific waste generation   t/person</b>	<b>0.98</b>	<b>1.43</b>	<b>1.75</b>	<b>1.56</b>

Breakdown of waste generated by PJSC TransContainer in 2021 | t



Breakdown of waste management by PJSC TransContainer | t

Indicator	Generated	Recovered or treated
Hazardous waste (Classes I and II)	5.1	5.1
Low-hazardous waste (Classes III to V)	5,351.0	4,464.9

The structure of waste generated shows that the share of hazardous waste is less than 0.1%.

Waste recovery rate

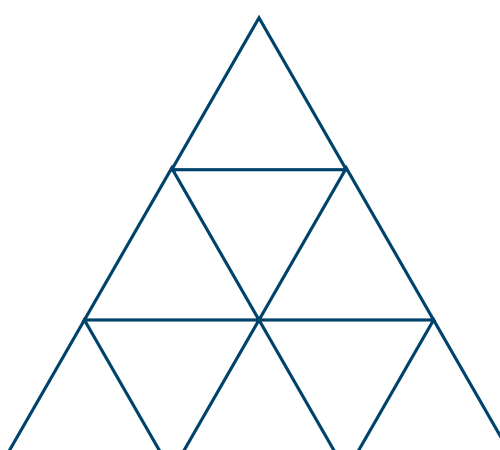
GRI 306-4, 306-5

Indicator	2019	2020	2021
Total weight of waste generated   t	4,732.2	5,811.6	<b>5,356.1</b>
Recovered or treated   t	2,255.4	5,302.9	<b>4,470.0</b>
Recovery rate   %	48	91	<b>83</b>

83% of waste generated by PJSC TransContainer in 2021 was directed to recycling; the remaining 17% was handed over to an operator for solid municipal waste management.

All data for the Sustainable Development Report in terms of waste correspond to the 2-TP Form Reports (Waste) and the declaration on the payment for negative environmental impact; the same is accepted by the Federal Service for Supervision of Natural Resources (Rosprirodnadzor).

<sup>1</sup> 2019-2020 – data for PJSC TransContainer, 2021 – data for PJSC TransContainer and JSC Logistics-Terminal.



# HIGH QUALITY

## OF LIFE FOR EACH AND EVERY PERSON

GRI 203-2

PJSC TransContainer considers charity as an integral part of its social responsibility that contributes to the achievement of sustainable development goals.

Through charity, the Company seeks to improve the quality of life and lend assistance to disadvantaged social groups. Charity is a part of the voluntary social commitments undertaken by the Company. Those commitments are specified in the Corporate Governance Code of PJSC TransContainer and the Charity Policy of PJSC TransContainer.

### CHARITY AND CORPORATE VOLUNTEERING



In early 2022, PJSC TransContainer approved the revised Charity Policy of the Company. PJSC TransContainer is focused on charitable activities in all regions where it operates, both in the Russian Federation and abroad.

The Company undertakes charity activities in accordance with the Civil Code of the Russian Federation, the Federal Law On Charitable Activity and Volunteering, the Federal Law On Non-Commercial Organisations, other normative and legal acts, the Code of Business Ethics of PJSC TransContainer, the Anti-Corruption & Corporate Fraud Management Policy of PJSC TransContainer.

**Principles of charity**

**Voluntary involvement:** unconditional charity on the basis of freedom to choose goals and areas of support.

**Comprehensive approach and planning:** ensuring the long-term and systematic nature of charity in accordance with the chosen areas, and annual planning of the appropriate expenses.

**Transparency of charity:** publicity in interaction with donees and availability of information about potential donees, as well as informing the public about the charitable activities of PJSC TransContainer.

**Targeting of charitable assistance:** providing support only to specific citizens and organisations, which really need it, in view of reliable information.

**Openness to cooperation:** TransContainer's readiness to cooperate with state and local authorities and charitable organisations on relevant and demanded charitable programmes and projects.

**Control over earmarked use:** ensuring control over the use of the Company's charitable aid for the purposes indicated in the agreements and documents on charitable donations, receiving reports and other forms of feedback from donees on the results of charitable donations.

**Inadmissibility of corruption and conflict of interests:** absence of corruption in any form, as well as potential or real conflict of interest of any parties involved in the charitable activities of PJSC TransContainer.

**THE MAIN REGULATORY DOCUMENTS**

- Charity Policy
- Regulations on Charity of PJSC TransContainer
- 'TransContainer for Children' Charitable Programme of Public Joint Stock Company Center for Cargo Container Traffic TransContainer
- Procedure of Charitable Assistance in PJSC TransContainer

<sup>1</sup> Approved by the decision of the Board of Directors dated 28 January 2022 (Minutes No. 19).

# FOCUS AREAS OF CHARITABLE ACTIVITIES

## PJSC TRANSCONTAINER IDENTIFIES THE FOLLOWING FOCUS AREAS OF CHARITABLE ACTIVITIES

assistance to orphans, disabled children, children in need of treatment, and children from disadvantaged social groups

assistance in organising and/or conducting physical education and sporting events

assistance in the construction and restoration of cultural monuments and religious sites

assistance to employees of the Company for expensive medical treatment of employees and members of their families (spouses, parents, and children) if such treatment is not covered by compulsory and voluntary medical insurance and if its cost exceeds the average monthly income of an employee

assistance to victims of natural calamities, environmental, industrial or other disasters, social, ethnic, or religious conflicts

support of industry charitable programmes

PJSC TransContainer does not provide charitable assistance to authorities, public officials, commercial organisations, political parties, and those institutions, social movements, groups and companies, whose policies or activities are inconsistent with the values of the Company.

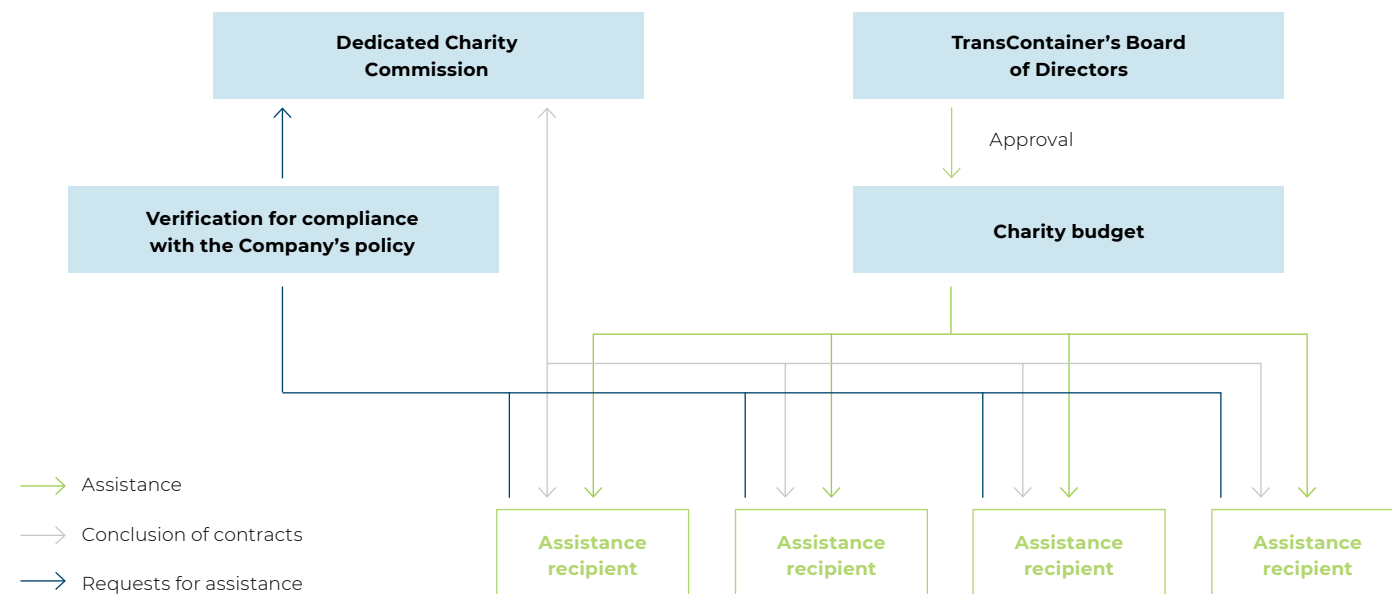
As a charity, the Company organises the transportation of charitable and humanitarian goods, and provides earmarked funding or property acquisition for the benefit of donees.

All requests for charitable aid are considered by the Company's Charity Commission within

the framework of the approved budget for the year. In some cases, issues may be brought before the Board of Directors.

## Charity system management

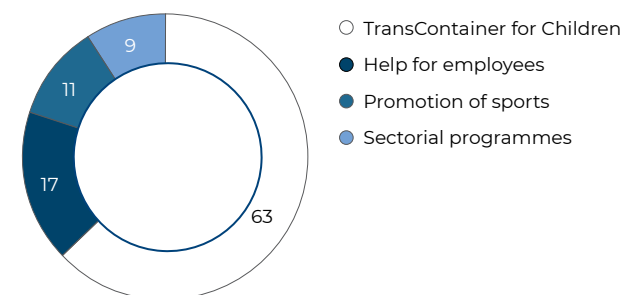
### Assistance scheme



Charitable activities are undertaken at the expense of the Company's profits, within the limits set in the approved budget.

The priority area of the Company's charitable activities in 2021 was targeted assistance to pay for expensive surgeries and rehabilitations, the purchase of necessary medicines for individuals, state and private social and medical institutions. In 2021, as far as promotion of sports and healthy lifestyle is concerned, the Company provided charitable assistance to the regional public organisation: Bonum Support for Promising Youth. Also in the reporting year, the Company continued to provide humanitarian aid to local communities in the regions where it operates: the Krasnoyarsk Branch was involved in organising the transportation of a 20-foot container of flour for further shipment to Syria. In total, PJSC TransContainer allocated RUB 88 million for charity in 2021.

Expenses allocated for charity in 2021 | %



## INDUSTRY CHARITABLE PROGRAMMES

Industry programmes are charitable actions run in cooperation with the Company's shareholders. In the reporting year, the programme was aimed at providing charitable assistance to low-income groups of population in the regions of presence.

In 2021, PJSC TransContainer assisted in the purchase of special wheelchairs and expensive medicines for the Be Human Charity Foundation, and presents and furniture for orphanages and medical institutions.

A total of **RUB 7.9 million** was spent on this programme in the reporting year.

### Promotion of sports and healthy lifestyles

PJSC TransContainer contributes to the development and promotion of sports and healthy lifestyles as a whole in Russia. The Company also pays special attention to the development of children's and youth sports. In 2021, PJSC TransContainer supported all-Russian martial arts competitions as part of the LokoJudo Little League project. An extensive LokoJudo Little League project held a number of competitions during the reporting year. Thousands of kids between the ages of 10 and 12 participated in them. Each sporting event had 300 to 500 participants. Since the beginning of the year, more than 6,000 athletes have had the opportunity not only to demonstrate their skills among their peers, receive well-deserved awards, exchange experiences with each other, but also had a chance to meet famous sportsmen. In 2021, social investments aimed at promoting healthy lifestyles, in particular under the LokoJudo Children's League project, amounted to **RUB 10 million**.

### Help for employees

The charity program of PJSC TransContainer includes support to employees of the Company for expensive treatment of employees and their family members (spouses, parents, and children) if such treatment

is not covered by an employee's health insurance agreement, purchase of vital medical devices and medicines, compensation of funeral expenses, targeted charity assistance to employees of PJSC TransContainer who have three or more children as dependents.

A total of **RUB 15 million** was allocated to help employees under this programme, including:

- about RUB 3 million were spent on rehabilitation, purchase of medical devices and treatment of PJSC TransContainer employees and their family members;
- charitable assistance to former TransContainer employees, who are participants of the Great Patriotic War (two people) in the amount of RUB 100,000 per person and home front workers (five people) in the amount of RUB 50,000 per person, for the total amount of RUB 450,000;
- targeted charitable assistance to employees of PJSC TransContainer who have three or more children as their dependents (143 employees, 456 children in total; RUB 15,000 were allocated per child for the total amount of RUB 6.84 million);
- targeted charitable assistance to employees and non-working pensioners of PJSC TransContainer who raise disabled children and children with lifelong disabilities, amounting to RUB 75,000 per person for a total of RUB 4.5 million;
- charitable assistance to the family of a non-working pensioner who died after a long illness, to cover funeral expenses, in the amount of RUB 81,500;
- charitable assistance to a widow in connection with the death of her husband, a driver of a car at the Pridacha container terminal, in the amount of RUB 200,000.

## TRANSCONTAINER FOR CHILDREN

In line with the 'TransContainer for Children' long-term targeted charitable programme<sup>1</sup>, the Company provides sponsorship to children's social and healthcare institutions, sports schools and clubs, and supports physically disabled children and those suffering from serious diseases. The Company plans to gradually increase the budget allocated to this charitable programme

### 'TRANSCONTAINER FOR CHILDREN' CHARITABLE PROGRAMME

**Year of launch:** 2015.

**The purpose of creation:** the provision of social assistance to orphans, children left without parental care, and disadvantaged children; carrying out actions and events under the auspices of the Company to inform the population about the social problems of children in order to attract the wide population to charitable activities

#### The Programme areas:

- education, science, culture, art, spiritual development of a child;
- supporting children's health and preventive healthcare, raising awareness about a healthy lifestyle;
- physical education and mass sports among children;
- providing social rehabilitation to orphans, disabled and disadvantaged children, and children without parental care;
- promoting patriotic and moral education among children and young people.

Since its launch, a total of **RUB 325 million** have been allocated

More than **750 children** have been supported in regions where PJSC TransContainer operates

More than **55 children's playgrounds and sports grounds** have been reconstructed and equipped in children's social and medical institutions in various Russian regions

In the reporting year, PJSC TransContainer held a charity marathon From Vienna to Shanghai, where each kilometre was the equivalent of RUB 1,000. The funds were transferred to the Malakhovsky Tuberculosis Dispensary.

#### As part of 'TransContainer for Children' Charitable Program in 2021, the Company provided assistance

to more than **150 children:**

- children with cerebral palsy and children with cancer;
- children with physical disabilities without parental care (specialised equipment was purchased);
- Company's employees who have children with disabilities;
- wards of Malakhovsky Children's Tuberculosis Sanatorium.

#### The charitable assistance under the 'TransContainer for Children' Programme

in 2021 amounted to **RUB 55 million**

The amount allocated for 2022 **RUB 70 million**

<sup>1</sup> Approved by the decision of the Board of Directors of PJSC TransContainer dated 21 January 2015.

### Contribution to the sustainable development of the Company's regions of operation:

- development of the territories' potential through tax deductions into local budgets;
- creation of decent and safe jobs with competitive salaries;
- purchases from local suppliers;
- development of small and medium-sized business and social entrepreneurship;
- development of cooperation with local authorities;
- facilitating development of the sales market;
- Assistance to children in the regions where the Company operates as part of the 'TransContainer for Children' Programme;
- charitable assistance to the local communities in the regions of presence, both under the industry programme of PJSC TransContainer and by the Company's volunteers.

### Corporate volunteering

The development of corporate volunteering in the country is supported by the state and business, and PJSC TransContainer is no exception. The Company's volunteers make a significant contribution to the social and economic development of the country and their region. For employees, volunteering is a way of self-improvement and self-realisation; participation in social projects develops necessary skills and experience and strengthens horizontal ties within the Company.

In 2021, the Charity Policy was also updated in terms of corporate volunteering. The Company supports the culture of volunteering services and accomplishment of social tasks. The employees of PJSC TransContainer have the right to implement their volunteer social initiatives individually or collectively in their independently chosen areas, which may not coincide with the areas of charitable activities of the Company. PJSC TransContainer is entitled to provide informational and organizational

support to volunteering employees. At the same time, the Company does not provide financial support to volunteering employees and is not liable for their obligations to third parties that may arise in the implementation of volunteer programs.

PJSC TransContainer intends to continue involving the Company's employees in the volunteer movement and encourage their participation in environmental and charitable projects of PJSC TransContainer. The Company's volunteers work with non-profit and volunteer organisations to guarantee that aid is effectively distributed to the most vulnerable segments of the community. A wide range of charity events are held in the regions of the Company's footprint, with the participation of employees. Employees of the branches take part in charity events and implement their own social projects.

In 2021, TransContainer volunteers raised funds for the New Year celebration for the Home with Lighthouse hospice: bedding, toys (soft, educational, and radio-controlled ones) and hygiene products were purchased.

According to TransContainer volunteers, initiatives of gratuitous help make a person a little happier. The most valuable thing about volunteering is the opportunity to contribute to the kind of society we ourselves want to live in: sustainable, with equal opportunities for all, full of trust and mutual respect.

<sup>1</sup> According to the UN, the total contribution of volunteers to global GDP was estimated at 2.4% in 2018.



# APPENDICES



# APPROACH TO THE REPORT

## ABOUT THE REPORT

GRI 102-40

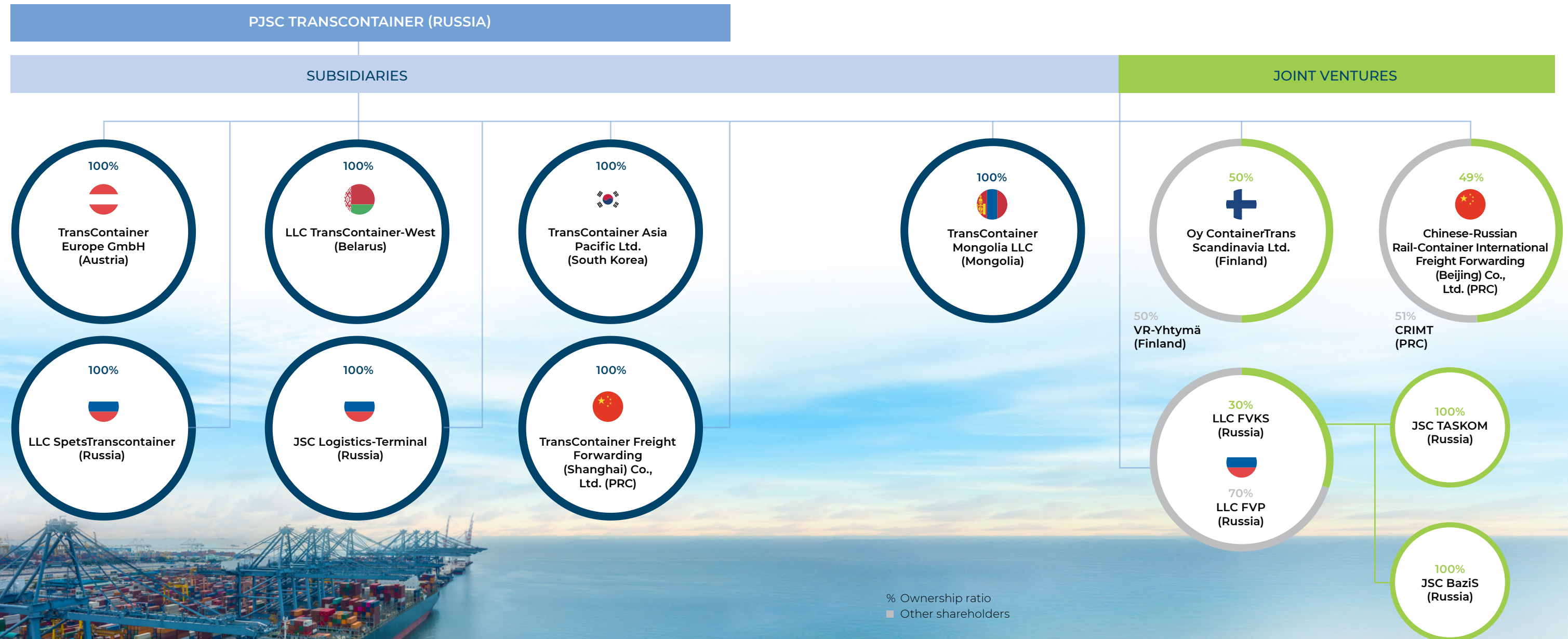
The purpose of PJSC TransContainer's ESG Report is to inform a wide range of the Company's stakeholders, in particular employees, investors, customers, suppliers and society as a whole, about the Company's progress in sustainable development and its economic, environmental and social performance.

This Report has been prepared in accordance with the GRI Standards: Core. To ensure higher quality of disclosure of non-financial indicators of PJSC TransContainer, the following international initiatives were used for the first time in the preparation of the 2021 Report:

- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);

- The US Sustainability Accounting Standards Board (SASB) standard for the Transport sector;
- Sustainable development indicators included in ESG ratings/rankings.

## PJSC TransContainer's Structure as at 31 December 2021



## DEFINITION OF THE REPORTING BOUNDARIES

The non-financial indicators in the 2021 ESG Report are consolidated under IFRS.

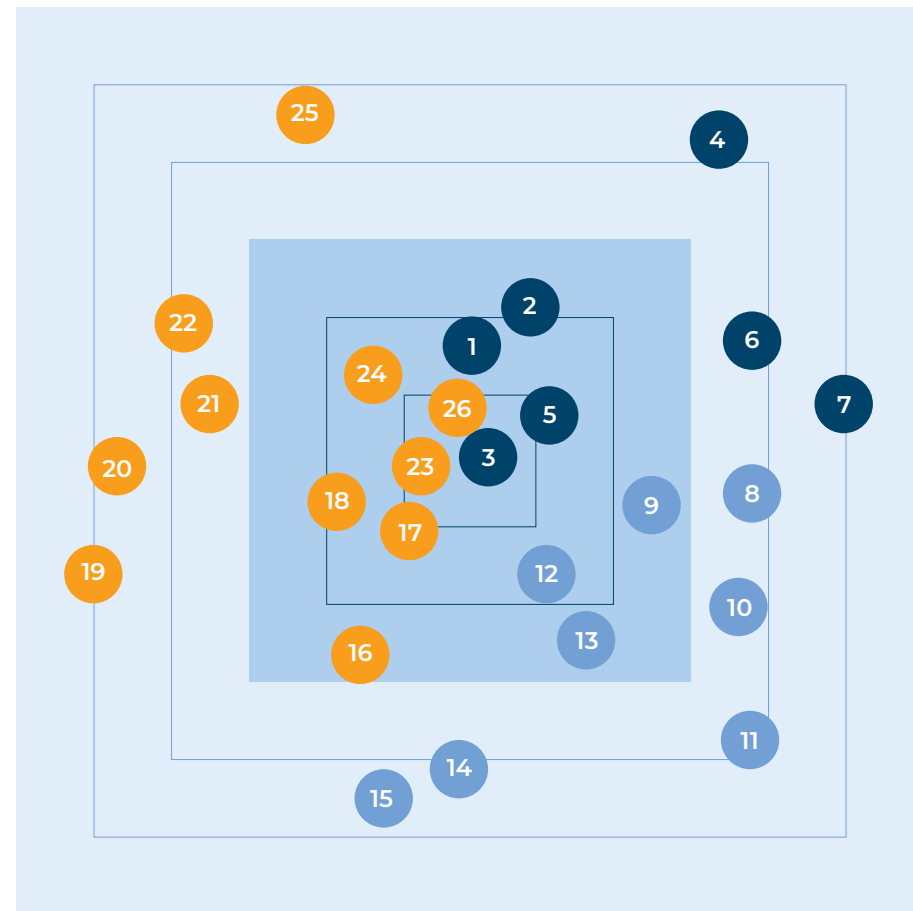
According to the materiality principle, PJSC TransContainer and its subsidiary, JSC Logistics-Terminal were selected for the reporting year: This fact should be considered in comparing the dynamics of non-financial reporting indicators.

<sup>1</sup> For more details, please see the 2020 ESG Report of PJSC TransContainer.

## IDENTIFICATION OF MATERIAL TOPICS

GRI 102-46, 102-47

The Company identified the list of material topics at the end of 2021 during the preparation of the 2020 ESG Report. The list of material topics and their position in the matrix remained the same, as there were no significant changes that could affect stakeholders' opinions and assessment by the Company.



**The following topics were recognised as material:**

- Topic 1 Economic performance
- Topic 2 Market presence
- Topic 3 Indirect Economic Impacts
- Topic 5 Anti-Corruption
- Topic 9 Energy Consumption and Energy Efficiency
- Topic 12 Air Emissions
- Topic 13 Greenhouse Gases Emissions
- Topic 16 Employment
- Topic 17 Occupational Health and Safety
- Topic 18 Training and Education
- Topic 23 Customer Focus and Quality Control
- Topic 24 Data Security
- Topic 26 External Social Policy

**The following topics were recognised as significant:**

- Topic 10 Water Management and Water Conservation
- Topic 14 Waste Management
- Topic 21 Respect for Human Rights.

<sup>1</sup> For more details, please see the 2020 ESG Report of PJSC TransContainer

## STAKEHOLDER ENGAGEMENT

### APPROACH TO STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-42, 102-43, 102-21, 102-44

The Company is interested in building good functional relations with all its stakeholders. The Company accommodates the interests

and concerns of its stakeholders in the decision-making process. The key elements of engagement are involvement, impact and response<sup>1</sup>.

GRI 102-42

PJSC TransContainer understands stakeholders as individuals or legal entities interested in the financial, operational, non-financial and other results of the Company<sup>2</sup>.

GRI 102-40

The main stakeholder groups of PJSC TransContainer are:

- employees,
- suppliers,
- clients,
- financial institutions,
- public organisations,
- Mass media,
- state and local authorities,
- investors.

### STAKEHOLDER ENGAGEMENT GOALS

Building trust-based relations with the Company's stakeholders.

Balance between economic feasibility and stakeholder expectations.

#### THE MAIN REGULATORY DOCUMENTS

- Corporate Governance Code of PJSC TransContainer
- Regulations on Information Policy of PJSC TransContainer
- Code of Business Ethics of PJSC TransContainer

<sup>1</sup> AA1000 Accountability Principles (AA1000AP, 2018).

<sup>2</sup> This criterion for referring to stakeholders is defined in the Role of Stakeholders section of the Corporate Governance Code of PJSC TransContainer. Read the definition of 'a stakeholder' in the glossary.

## PRINCIPLES OF STAKEHOLDER ENGAGEMENT

- The Company accommodates the interests of stakeholders when making decisions on business management;
- The Company ensures effective management of public expectations, including their identification, analysis and response;
- The Company's employees are guided by the Code of Business Ethics of PJSC TransContainer, also in their interaction with stakeholders;
- The Company implements the principle of information disclosure, which promotes the transparency of relations between the Company and stakeholders.

## OBLIGATIONS OF PJSC TRANSCONTAINER IN ITS INTERACTION WITH STAKEHOLDERS

PJSC TransContainer is aware of its responsibility to all stakeholders and undertakes the following obligations:

- to provide reliable and accurate information on the Company's activities in a timely manner, including through the preparation and disclosure of operational, financial, and non-financial indicators in public reports;
- to build long-term and good relationships with stakeholders for mutually beneficial cooperation;
- to provide effective feedback and continuously improve the understanding of stakeholder expectations and needs.

## STAKEHOLDER ENGAGEMENT PROCEDURE

The decision-making process of PJSC TransContainer considers the interests and expectations of each stakeholder group and uses various tools to build a fruitful interaction. PJSC TransContainer has various channels of engagement with stakeholders to receive feedback and improve

the process of cooperation. There is a special business unit that is in charge for interaction with each stakeholder group and makes sure that each stakeholder group receives necessary and reliable information in a timely manner.

## EMPLOYEES

Employees are TransContainer's main asset. Supporting personnel in their professional development and ensuring decent and safe

working conditions allows the Company to achieve high financial and operational results

and to be a leader in the transport and logistics services market.

### Principles of engagement

- The Company strictly adheres to the principles of social responsibility and partnership in its interactions with employees.
- The Company takes consistent efforts to promote a culture of equality, mutual respect and common security, and provides training and development opportunities for employees, ensuring competitive wages and social guarantees.

### Stakeholder engagement channel/mechanism

- Collective Bargaining Agreement.
- Staff incentive system.
- Staff vocational education and skill upgrading.
- Mandatory medical check-ups.
- Sports and cultural events.
- Staff social security: VHI, accident insurance, recreation for employees and their families, non-state pension schemes.
- Surveys among employees (including staff engagement).
- Meetings with management.
- News digest.

### Key engagement issues

- Social security.
- Medical service and welfare support.
- Opportunities for professional growth and development.
- Job placement and wage levels.

### Responsible unit

HR Unit

## STATE AND LOCAL AUTHORITIES

The Company is a member of field-specific advisory commissions and interacts with representatives of state authorities in order to defend its interests and reach a compromise with the tasks of state authorities.

The State as a regulator has a significant influence on the work of the Company, e.g., through state support measures (subsidies) for container rail transit, tax policy, etc.

### Principles of engagement

- Building and maintaining constructive relations with state (municipal) entities as required by applicable laws of the Russian Federation.
- Compliance with laws of the Russian Federation, regulatory acts of international and foreign laws and municipal regulations directly related to the Company's activities.
- The Company agrees to pay federal, regional and local taxes in a timely manner.
- The Company excludes the possibility of undue influence on decision-making by the state and/or local authorities in the interests of the Company.
- The Company does not engage in political movements or organisations.
- The Company discloses information on its activities as required by laws of the Russian Federation, rules of the stock exchanges, Charter and by-laws of PJSC TransContainer

### Stakeholder engagement channel/mechanism

- Participation in intergovernmental commission meetings.
- Responding to state authority requests.
- Participation in meetings of field-specific associations.
- Execution of standard-setting initiatives to arrange container transportation.
- Participation in task forces, joint meetings, round tables, conferences and forums.
- Submission of appeals and proposals.
- Participation in the legislation improvement process.

### Key engagement issues

- Development of container transportation.
- Tariff indexation.
- Development of the logistics industry.
- Non-discriminatory access to infrastructure.

### Responsible unit

PR Unit

## SUPPLIERS, CONTRACTORS AND BUSINESS PARTNERS

Interaction with suppliers and contractors has a strong impact on the Company's performance. The purpose of procurement is to promote mutually beneficial relationships with suppliers

and contractors in order to ensure steady supply of goods and services to the Company. The related activities are aligned with the existing standards of the Company, legislation of the Russian Federation, generally

accepted norms, including those in the field of occupational health and safety and environmental protection.

### Principles of engagement

- Honesty and decency in business dealings with clients and partners are the foundation for long-term relationships. Living up to this principle helps the Company maintain a positive reputation and drives forward the relationships with clients and partners, thus creating a strong and mutually beneficial grounds for cooperation.
- The Company is aware of a personal responsibility for the quality of services provided and applies itself to offer each client a high level of service and individual approach.
- Compliance with contractual obligations and respect for the interests of clients and partners. The Company respects the interests of clients and partners and works towards meaningful cooperation

### Stakeholder engagement channel/mechanism

- Correspondence via e-mail.
- Telephone conversations.
- Meetings via video conferences.
- Negotiations and preliminary assessment of potential suppliers and contractors.
- Formalisation of relationships (contracts, cooperation agreements).
- Participation in conferences, forums and exhibitions.
- Membership in industry unions and associations.

### Key engagement issues

- Assessment of suppliers and contractors for compliance with the requirements of the Company and Russian laws, generally accepted standards, including on OHS.
- Financial results, economic effect of procurement procedures.
- Good timing of procurement of goods, works, services for unconditional implementation of the investment programme.

### Responsible unit

Procurement Unit

## CLIENTS

Honesty and decency in business dealings with clients are the foundation for long-term relationships. Living up to this principle helps the Company maintain

a positive reputation and drives forward the relationships with clients, thus creating strong and mutually beneficial grounds for cooperation. Amid increasing market competition,

PJSC TransContainer continues to improve its transport and logistics services for customers, while following a continuous efficiency strategy.

### Principles of engagement

- PJSC TransContainer is aware of a personal responsibility for the quality of services provided and applies itself to offer each client a high level of service and individual approach.
- Compliance with contractual obligations and respect for the interests of clients and partners. PJSC TransContainer respects the interests of clients and partners and works towards meaningful cooperation

### Stakeholder engagement wchannel/mechanism

- Formalisation of contractual relationships.
- Participation in conferences and forums.
- Regular client satisfaction surveys.
- 24/7 client support by the Company's Call Centre.
- Online consultations on the Company's website and online meetings with clients.
- Client support directly at a place of service.
- Support for customer personal accounts on the iSales website.
- Feedback forms on the Company's website and iSales website.
- E-mail correspondence.
- Meetings with clients in industry-related exhibitions and conferences and as a promotion of proactive sales.
- 24/7 client support by the Company's Call Centre.
- Online consultations on the Company's website and online meetings with clients.
- Cold prospecting and sales through the Company's Call Centre.
- Regular client satisfaction surveys.

### Key engagement issues

- Expansion of the transport geography by launching new train services and adding alternative transit routes through Vostochny port, Zamyn-Uud – Naushki land border crossings.
- The Customer Support Service was set up to achieve better quality of service through improved customer communications; the principal task of which is to follow up customer orders under freight forwarding contracts at all stages of transportation on a one-stop-shop basis, with a dedicated manager assigned.
- Implementation of all-in-one transport solutions involving TC terminals with the use of special equipment to replace transportation in hoppers and other types of railcars with containerised service.
- Customer support and the provision of all available transportation options to cope with the change in operating regime caused by the coronavirus pandemic and the imposition of related restrictions.
- Implementation and development of electronic document management system between the Company and clients to optimise the operating expenses of both parties
- Launch of products transportation solutions to enable containerisation options for industrial clients and to support their entry into international markets.
- Participation in projects for the organisation or handling of a terminal infrastructure of enterprises (metallurgical, chemical, and wood processing sectors).
- Customisation of terminal infrastructure for the needs of enterprises.
- Information support of consumers through official websites without direct contact with clients.
- Elaboration of PJSC TransContainer's participation in management and maintenance of the railway infrastructure of enterprises.
- Participation in projects to provide integrated in-plant logistics of enterprises in various sectors of industry

### Responsible unit

Customer Service Unit

## FINANCIAL INSTITUTIONS

The Company's current and long-term financing, which is required for the fulfilment of plans and investment projects, is ensured through careful consideration of the interests and requirements of financial institutions and successful

collaboration with them. Strong relationships with financial partners are promoted through their increased awareness of the Company's capabilities and timely and transparent reporting. Supporting counterparties of financial institutions, together

with investors, form a reliable diversified creditor base that provides current and long-term financing for the Company and its subsidiaries and affiliates.

### Principles of engagement

- Enhancing investment appeal through ongoing advancements in corporate governance and operational efficiency underlies the relationship with financial institutions.
- High level of business transparency and information disclosure that reflects its investment potential.

### Stakeholder engagement channel/mechanism

- Regular (daily, monthly) information contact with supporting counterparts.
- Disclosures.
- Coordination of operational and long-term plans.
- Individual management meetings.
- Work with representatives of the analytical and expert community.
- Conference calls on financial results

### Key engagement issues

- Operationals and financials.
- Debt performance and structure of the debt portfolio.
- Credit ratings.
- Investment programmes.
- Business plan.

### Responsible unit

Finance Unit

## PUBLIC ORGANISATIONS

The Company is actively engaged in NGOs' efforts to make container service more competitive, safeguard the rights of container operators and promote Russia's containerisation and corporate social responsibility.

<b>Principles of engagement</b>	<ul style="list-style-type: none"> <li>• Cooperation for sectoral and regional development.</li> <li>• Compliance with Russian and international environmental standards</li> <li>• Regular and constructive dialogue.</li> <li>• Information transparency and openness</li> </ul>
<b>Stakeholder engagement wchannel/mechanism</b>	<ul style="list-style-type: none"> <li>• Participation in expert panels.</li> <li>• Establishment of joint coordination committees and task forces.</li> <li>• Participation in conferences, forums, roundtables, plenary talks, strategy sessions.</li> <li>• Holding of meetings, participation in meetings, submission of appeals and proposals.</li> <li>• TransContainer's programmes on environmental protection and sustainable development.</li> <li>• Company's support for NGO initiatives and projects.</li> <li>• TransContainer's programmes on regional infrastructure development.</li> <li>• Participation in expert panels.</li> <li>• Establishment of joint coordination committees and task forces.</li> <li>• Participation in conferences, forums, roundtables, plenary talks, strategy sessions.</li> <li>• Holding of meetings, participation in meetings, submission of appeals and proposals</li> </ul>
<b>Key engagement issues</b>	<ul style="list-style-type: none"> <li>• Protection of interests of container operators.</li> <li>• Social responsibility of business.</li> <li>• Increased competitiveness of container service.</li> <li>• Increased use of containers in Russia.</li> <li>• Development of container transportation.</li> <li>• Removal of constraints on how container traffic is organised (traffic-carrying capacity, coordination of plans with foreign road administrations, coordination of transport requests according to the needs of transport service users).</li> <li>• Non-discriminatory access to infrastructure, tariff indexation</li> </ul>
<b>Responsible unit</b>	PR Unit

## INVESTORS AND SHAREHOLDERS

The Company aims to strengthen its competitive position in the market and to provide stable returns and long-term value to its investors. Lenders provide the Company with the necessary capital to develop and expand its operations

<b>Principles of engagement</b>	<ul style="list-style-type: none"> <li>• Respect for rights and legitimate interests of shareholders.</li> <li>• Trust between shareholders and the Company in dealings related to the management of the Company.</li> <li>• Timely disclosures of all relevant information, including its financial situation, economic performance, ownership structure, and management structure, in order to ensure that the shareholders make informed decisions.</li> <li>• Equality of treatment for the investment community, including in the exercise of their rights to participate in the management of the Company and to receive dividends.</li> <li>• Effective use of the Company's assets aimed at increasing the value of securities and raising the investment appeal of the Company.</li> </ul>
<b>Stakeholder engagement wchannel/mechanism</b>	<ul style="list-style-type: none"> <li>• Meetings and presentations.</li> <li>• Conference calls, video calls.</li> <li>• Annual general meetings of shareholders and regulatory reporting.</li> <li>• Official correspondence, telephone conversations.</li> <li>• Press releases, reports as part of mandatory disclosure.</li> <li>• Official website of the Company.</li> <li>• The presence of independent directors on the Board of Directors to safeguard shareholder interests.</li> <li>• General Meeting of Shareholders.</li> <li>• Meetings, conference calls, video calls.</li> <li>• Investor Day with top management.</li> <li>• Analyst's guide.</li> <li>• The For Investors section of the corporate website.</li> <li>• Hotline and e-mail.</li> <li>• Corporate reporting and the media</li> </ul>
<b>Key engagement issues</b>	<ul style="list-style-type: none"> <li>• Operationals and financials.</li> <li>• Debt performance and structure of the debt portfolio.</li> <li>• Credit ratings.</li> <li>• Investment programmes.</li> <li>• Business plan.</li> <li>• Financial and operating data.</li> <li>• Dividends.</li> <li>• ESG agenda.</li> <li>• Implementation of investment projects.</li> <li>• Debt policy.</li> <li>• Profitability management.</li> <li>• Risk management.</li> </ul>
<b>Responsible unit</b>	Finance Unit

## MASS MEDIA

The Company issues press releases, comments, interviews, and other material to the media in the Russian Federation in compliance with the Regulations on Information Policy of PJSC TransContainer.

Communication with media representatives will determine which media outlets to use. The relevance of the media agenda to the objectives of the Company is also considered while evaluating the information

on the website of the outlet with which cooperation is intended. In order to get the information they require, media agents are also interested in developing good ties with the Company.

### Principles of engagement

The Company issues press releases, comments, interviews, and other material to the media in the Russian Federation in compliance with the Regulations on Information Policy of PJSC TransContainer. Communication with media representatives will determine which media outlets to use. The relevance of the media agenda to the objectives of the Company is also considered while evaluating the information on the website of the outlet with which cooperation is intended. In order to give the media accurate information on the Company's operations, management and staff engage in direct communication with the media. In order to get the information they require, media agents are also interested in developing good ties with the Company

### Stakeholder engagement wchannel/mechanism

- Publication of press releases on the Company's website.
- Posts on social media.
- Interviews and comments.
- Briefings, press conferences.
- Comments and answers to questions from the media.
- Participation in public events that media representatives attend.
- Interviews and comments with specialised media on themes related to the sector.
- Filming of stories for government television.
- Involvement in roundtable discussions with media representatives.
- Processing of questions from media representatives and drafting of authorised comments

### Key engagement issues

- Financial and operating results.
- Current business operations.
- ESG agenda.
- Launch of new web-services.
- Cooperation with Russian and foreign companies.
- Container traffic in gondola cars.
- Tariff policy for transportation on OJSC Russian Railways network.
- The situation in global logistics, ports and border crossings.
- Renewal of the container and platform fleet.
- Cooperation with financial institutions

### Responsible unit

PR Unit

## LOCAL COMMUNITIES

TransContainer is mindful of its effects on the local communities whose areas it serves and of its capacity to interact with them. The Company willingly commits to helping them develop in a favourable way.

### Principles of engagement

To the greatest extent possible, PJSC TransContainer seeks to increase employment opportunities for local contractors, foster the growth of small businesses in the areas where it operates, enhance the quality of life of nearby communities, and advance the social and economic progress of the regions in which it does business. It also aims to provide services in the most remote areas, thus ensuring territorial connectivity of the country. The Company acknowledges and respects the rights and freedoms of local residents as well as the cultural legacy of the local communities. The growth of business volunteering and assistance for those in need was another area where PJSC TransContainer has an impact on the local communities.

### Stakeholder engagement wchannel/mechanism

- Distribution of press releases and social media postings.
- Organisation of social and charitable projects.
- Feedback and communication from the public and local communities (where appropriate), in order to introduce and carry out socio-environmental projects and corporate volunteering.
- Publication of the Annual Report.
- Publication of the ESG Report.
- Call Centre.
- Hotline

### Key engagement issues

As part of its philanthropic work, PJSC TransContainer supports youth development, sports growth, and the promotion of a healthy lifestyle. It also helps with the building and restoration of religious buildings and monuments as well as the preservation of Russia's cultural heritage.

The Company supports sectoral charity programmes to provide social protection and assistance to local communities.

- Additionally, the Company:
- collaborates with local vendors,
  - creates jobs in the areas where it operates,
  - aligns its development strategy with that of the region,
  - takes into account the preferences and characteristics of local customers.

### Responsible unit

PR Unit



# INFORMATION TRANSPARENCY

Information is a valuable resource in today's environment. A successful business and a competitive edge for any organisation depend on effective channels of communication with internal and external audiences, accessibility, and completeness of information.

The Company has well-established channels of communication with employees, investors, partners, customers and other stakeholders, which facilitate a rapid response and prompt resolution of the situation. All PJSC TransContainer's stakeholders have

an equal chance to make choices based on accurate information about the Company and to offer feedback.

## FEEDBACK

When it comes to issues pertaining to the sustainable development agenda, PJSC TransContainer truly cares about the viewpoints of its stakeholders. Additionally, the Company always ensures that the information given in the ESG Reports is complete, objective, and relevant. Commentary on the Report and the Company's non-financial performance is always

welcome, and PJSC TransContainer appreciates it. Please e-mail your questions and suggestions to the Strategy and Business Development Unit at [TokarOA@trcont.ru](mailto:TokarOA@trcont.ru).

PJSC TransContainer seeks to be as transparent as possible with all stakeholder groups and carefully examines stakeholder comments

to improve its sustainability performance and reporting procedures.

# QUANTITATIVE DATA

## RESPONSIBLE BUSINESS PRACTICES

### Membership in non-governmental organisations

Organisation	Year of membership
All-Russian Industrial Association of Rail Transport Employers	2007
International Coordinating Council on Trans-Eurasian Transportation	2007
Russian Association of Freight Forwarding and Logistics Organisations	2020
Coordinating Transport Meeting of the CIS Members	2008
Russian Union of Industrialists and Entrepreneurs	2009
Union of Railway Rolling Stock Operator Services Marketeers	2009
Italian-Russian Chamber of Commerce	2010
Association of Railway Equipment Manufacturers	2015
Organisation for Railways Cooperation	2014
Eurasian Union of Railway Freight Transport Participants	2021
Chamber of Commerce and Industry of the Rostov Region	2021
Chamber of Commerce and Industry of the Stavropol Territory	2021
Chamber of Commerce and Industry of the Krasnodar Territory	2021

Direct economic value generated and distributed, 2018–2021<sup>1</sup> | RUB million

Indicator	2018	2019	2020	2021
Generated direct economic value <sup>2</sup>	79,178	88,291	107,181	<b>139,742</b>
Distributed direct economic value <sup>3</sup>	74,354	84,505	134,603	<b>135,299</b>
Economic value retained	4,824	3,786	(27,422)	<b>4,443</b>

CREATING DECENT WORKING CONDITIONS FOR WORKERS

Information on employees and other workers for 2021 | people

Indicator	Men	Women	Total
Headcount as of the last day of the year	1,524	2,206	<b>3,730</b>
Average-headcount for the year	1,476.5	1,965.5	<b>3,442</b>
• Permanent employment contract	1,493	2,119	<b>3,612</b>
• Temporary employment contract	31	87	<b>118</b>
• Full-time	1,515	2,194	<b>3,709</b>
• Part-time	9	12	<b>21</b>

Collective bargaining agreement

Indicator	Unit of measurement	2018	2019	2020	2021
Percentage of employees covered by collective bargaining agreement	%	100	100	100	<b>95<sup>1</sup></b>

<sup>1</sup> Calculated based on consolidated financial statements for 2021, 2020, 2019, 2018 in millions of Russian Roubles on an accrual basis.  
<sup>2</sup> The direct economic value generated includes the revenues of the Company.  
<sup>3</sup> Income means revenues, other operating income, finance income, share in the financial result of associates and joint ventures, profit on disposal of joint venture.  
 Distributed direct economic value includes the following cost items of the Company:  
 - operating expenses are operating costs less labour costs, taxes other than income tax, and social investments;  
 - payments to financial providers – accrued dividends, financial expenses;  
 - taxes payable to governments – current income tax and taxes other than income tax;  
 - social investments – funds allocated by the Company to charity.

Parental leave

Indicator	Unit of measurement	2021		
		Total	Men	Women
Number of workers eligible for maternity/paternity leave in the reporting period	people	<b>504</b>	<b>201</b>	<b>303</b>
Number of workers who took maternity/paternity leave in the reporting period	people	<b>268</b>	<b>2</b>	<b>266</b>
Number of workers who returned to work during the reporting period after their maternity/paternity leave was over	people	<b>54</b>	<b>1</b>	<b>53</b>
Total number of employees who returned to work after their maternity/paternity leave was over in the previous reporting period (2020)	people	<b>76</b>	<b>1</b>	<b>75</b>
Number of workers who return to work after their maternity/paternity leave was over and who have continued to work within 12 months after they returned to work	people	<b>45</b>	<b>1</b>	<b>44</b>

Indicator	Unit of measurement	2020		
		Total	Men	Women
Number of workers eligible for maternity/paternity leave in the reporting period	people	556	330	226
Number of workers who took maternity/paternity leave in the reporting period	people	275	2	273
Number of workers who returned to work during the reporting period after their maternity/paternity leave was over	people	75	1	74
Total number of workers who returned to work after their maternity/paternity leave was over in the previous reporting period (2019)	people	72	0	72
Number of workers who return to work after their maternity/paternity leave was over and who have continued to work within 12 months after they returned to work	people	58	1	57

Indicator	Unit of measurement	2019		
		Total	Men	Women
Number of workers eligible for maternity/paternity leave in the reporting period	человек	661	261	400
Number of workers who took maternity/paternity leave in the reporting period	человек	280	3	278
Number of workers who returned to work during the reporting period after their maternity/paternity leave was over	человек	72	0	72
Total number of workers who returned to work after their maternity/paternity leave was over in the previous reporting period (2019)	человек	99	0	99
Number of workers who return to work after their maternity/paternity leave was over and who have continued to work within 12 months after they returned to work	человек	87	0	87

<sup>1</sup> In 2021, the reporting boundaries included JSC Logistics-Terminal (a subsidiary), which is not covered by the Collective Bargaining Agreement. The percentage of employees covered by the collective bargaining agreement at PJSC TransContainer is 100%.

Indicator	Unit of measurement	2018		
		Total	Men	Women
Number of workers eligible for maternity/paternity leave in the reporting period	people	711	269	442
Number of workers who took maternity/paternity leave in the reporting period	people	314	1	313
Number of workers who returned to work during the reporting period after their maternity/paternity leave was over	people	99	0	99
Total number of workers who returned to work after their maternity/paternity leave was over in the previous reporting period (2019)	people	104	0	104
Number of workers who return to work after their maternity/paternity leave was over and who have continued to work within 12 months after they returned to work	people	86	0	86

GRI 404-1

**Average hours of training per year per employee**

Data on budget and average hours (including overall gender distribution)

Indicator	Unit of measurement	2018	2019	2020	2021
The total amount spent on training	RUB thousand	20,920	49,500	6,390	<b>12,558</b>
Number of employees who received training	people	1,622	1,928	1,798	<b>2,107</b>
Average amount spent on training and development per employee	RUB	12,898	25,674	3,554	<b>5,960</b>
Average training hours per employee	h	53	62	45	<b>36</b>
Average training hours (men)	h	59	67	44	<b>33</b>
Average training hours (women)	h	49	57	57	<b>41</b>

**Average training hours per employee category**

Indicator	Unit of measurement	2018	2019	2020	2021
<b>Top managers</b>					
Total number of employees	people	64	101	67	<b>52</b>
Training hours	h	3,348	3,833	2,819	<b>1,723</b>
Average training hours per employee	h	52.31	37.95	42.08	<b>33.13</b>
<b>Functional managers</b>					
Total number of employees	people	502	529	637	<b>868</b>
Training hours	h	27,047	34,120	34,464	<b>29,044</b>
Average training hours per employee	h	53.88	64.49	54.10	<b>33.46</b>
<b>Specialists</b>					
Total number of employees	people	467	376	474	<b>504</b>
Training hours	h	19,597	19,513	18,384	<b>11,900</b>
Average training hours per employee	h	41.96	51.90	38.78	<b>31.32</b>
<b>Workers</b>					
Total number of employees	people	589	922	620	<b>683</b>
Training hours	h	36,283	51,515	24,082	<b>28,054</b>
Average training hours per employee	h	61.60	55.87	38.84	<b>41.07</b>

**Average training hours per employee category and gender**

Indicator	Unit of measurement	2018	2019	2020	2021
<b>Top managers</b>					
Total number of employees trained (men)	people	43	75	49	<b>39</b>
Total number of employees trained (women)	people	21	26	18	<b>13</b>
Training hours (men)	h	2,317	2,846	2,061	<b>1,275</b>
Training hours (women)	h	1,031	987	758	<b>448</b>
<b>Functional managers</b>					
Total number of employees trained (men)	people	292	239	312	<b>391</b>
Total number of employees trained (women)	people	210	290	325	<b>477</b>
Training hours (men)	h	11,315	15,415	16,888	<b>13,070</b>
Training hours (women)	h	15,733	18,705	17,576	<b>15,974</b>
<b>Specialists</b>					
Total number of employees trained (men)	people	182	94	104	<b>126</b>
Total number of employees trained (women)	people	285	282	370	<b>378</b>
Training hours (men)	h	7,637	4,828	4,034	<b>2,975</b>
Training hours (women)	h	11,960	14,685	14,350	<b>8,925</b>
<b>Workers</b>					
Total number of employees trained (men)	people	341	496	450	<b>369</b>
Total number of employees trained (women)	people	248	426	170	<b>314</b>
Training hours (men)	h	21,000	27,713	17,479	<b>15,149</b>
Training hours (women)	h	15,281	23,802	6,603	<b>12,905</b>

GRI 403-9

**Work-related injuries**

Indicator	Unit of measurement	2018	2019	2020	2021
Number of lost time injuries (LTIs)	people	1	4	1	<b>2</b>
Lost time injury frequency rate (LTIFR)	-	0.17	0.71	0.18	<b>0</b>

**ENVIRONMENTAL IMPACT**

GRI 302-1

**Energy consumption from non-renewable sources**

Type of fuel	Unit of measurement	2018	2019	2020	2021 <sup>1</sup>
Diesel fuel	TJ	145.1	140.7	136.7	<b>173.1</b>
Natural gas	TJ	4.0	4.6	5.6	<b>6.9</b>
Petrol	TJ	6.4	5.9	4.2	<b>10.9</b>
<b>Total</b>	<b>TJ</b>	<b>155.5</b>	<b>151.2</b>	<b>146.6</b>	<b>190.9</b>

GRI 302-1

**Electricity consumption and heating consumption**

Type of energy	Unit of measurement	2018	2019	2020	2021 <sup>1</sup>
Electric energy	TJ	56.4	63.2	57.4	<b>72.7</b>
Heating energy	TJ	52.7	43.9	43.6	<b>50.5</b>
<b>Total</b>	<b>TJ</b>	<b>109.1</b>	<b>107.1</b>	<b>101.0</b>	<b>123.2</b>

GRI 302-1

**Total energy consumed**

Indicator	Unit of measurement	2018	2019	2020	2021 <sup>1</sup>
Total energy consumed	TJ	264.7	258.3	247.6	<b>314.1</b>

GRI 302-1

**Fuel consumption from renewable sources**

Indicator	Unit of measurement	2018	2019	2020	2021
Share of consumption of energy from renewable sources	%	0	0	0	<b>20.6</b>

<sup>1</sup> Includes data from JSC Logistics-Terminal.

GRI 303-3

Water withdrawal

Water withdrawal sources	Unit of measurement	2018	2019	2020	2021
Underground water	'000 m <sup>3</sup>	3.4	3.5	3.9	<b>3.0</b>
Third-party water	'000 m <sup>3</sup>	25.5	26.3	20.0	<b>27.8</b>
<b>Total</b>	<b>'000 m<sup>3</sup></b>	<b>28.9</b>	<b>29.9</b>	<b>23.9</b>	<b>30.8</b>

GRI 303-4

Water discharge

Types of destination	Unit of measurement	2018	2019	2020	2021
Sewers	'000 m <sup>3</sup>	23.4	22.6	18.1	<b>26.2</b>
Septic system	'000 m <sup>3</sup>	4.0	4.0	4.6	<b>4.1</b>
Water bodies	'000 m <sup>3</sup>	-	-	-	<b>181.9</b>
<b>Total</b>	<b>'000 m<sup>3</sup></b>	<b>27.4</b>	<b>26.6</b>	<b>22.7</b>	<b>212.2</b>

# TCFD INDEX

Section	Source reference
<b>Corporate governance</b>	
Corporate governance disclosure of the company's risks and opportunities related to climate change	Climate Risk Management <a href="#">⊕ For more details, please see p. 152</a>
<b>Strategy</b>	
Disclosure of the actual and potential impacts of climate-related risks and opportunities on the company's operations, strategy and financial planning, where material	Opportunities Related to Climate Change <a href="#">⊕ For more details, please see p. 152</a>
	Climate change risks <a href="#">⊕ For more details, please see p. 154</a>
<b>Risk management</b>	
A description of the processes by which the company identifies, assesses and manages climate risks	Climate Risk Management <a href="#">⊕ For more details, please see p. 152</a>
<b>Indicators and targets</b>	
Disclosure of indicators and targets used in the assessment and management of relevant climate risks and opportunities, where this information is material	Greenhouse gas emissions Scope 1-14 thousand tons of CO <sub>2</sub> -eq. Scope 2-4 thousand tons of CO <sub>2</sub> -eq. Scope 3-1,734 thousand tons of CO <sub>2</sub> -eq. <a href="#">⊕ For more details, please see p. 156</a>

# SASB INDEX

Section	Indicator	Units of measurement	Remarks	Section
Greenhouse gas emissions	Total greenhouse gas emissions (Scope 1)	t CO <sub>2</sub> -eq.	14,096	<a href="#">Climate Change</a>
	Description of long-term or short-term strategies or plans for managing direct greenhouse gas emissions (Scope 1) and emission reduction targets; analysis of these indicators	Description	The Company voluntarily made a commitment to reduce its greenhouse gas emissions. For more details, please see the Climate Change section.	<a href="#">Climate Change</a>
	Total fuel consumption, percentage of recycled fuel	TJ	3,148	<a href="#">Energy Efficiency</a>
Air quality	Air emissions: 1) nitrogen oxides (except N <sub>2</sub> O), 2) solids (PM10)	т	Nitrogen oxide – 49.5; solids – 3.1	<a href="#">Air protection</a>
Employee health and safety	Total Recordable Incident Rate (TRIR) <sup>1</sup>	%	0.067	<a href="#">Occupational health and safety</a>
	Fatal Accident Rate	%	0	<a href="#">Occupational health and safety</a>
	Near Miss Frequency Rate (NMFR)	number	The Company maintains a general record of accidents at its facilities. There is an SMS-informing system in place (approved in the Company by Order No. 115 dated 19 June 2014) that enables to rapidly receive the information on risks/events that may have a significant impact on the Company's operations and financial position.	<a href="#">Occupational health and safety</a>
			<p>Potential risks associated with the occurrence of an emergency are identified in the Corporate Risk Map. The goals, objectives and principles of risk management are defined in the Policy of the Corporate Risk Management System of PJSC TransContainer, approved by the decision of the Board of Directors on 28 January 2022.</p> <p>To monitor the risks approved in the Corporate Risk Map, the responsible risk owners submit a quarterly report on the risk management measures undertaken and a quarterly report on the risks realised</p>	

<sup>1</sup> The total recordable incident rate (TRIR) shows how often workers get injured. TRIR is usually in the 0–10 range, where the lower the better: 3.1 is average, 0 is ideal.

Section	Indicator	Units of measurement	Remarks	Section
Competitive behaviour	Total amount of monetary losses incurred as a result of proceedings related to anti-competitive conduct rules	RUB	0	<a href="#">Anti-Trust Policy</a>
Accident and safety management	Number of accidents and incidents	number	0 accidents; 49 incidents	<a href="#">Occupational health and safety</a>
	Number of accidents, cases with no action required (NARs)	number	These indicators are not consolidated within the Company	
	Number of defective railways agreed with the Federal Railways Administration (FRA)	Not applicable		
	Frequency of internal surveys of railway integrity	Not applicable		
Activity index	ISO containers carried	million tons	27.0	
	including in revenue service	million tons	26.3	
	Average haul	km	4,299	
	Including the average haul of revenue service	km	4,376	
	Cargo turnover of ISO containers	billion ton-kilometres	116.2	
	Including in revenue service	billion ton-kilometres	115.0	
	Number of employees	people	3,730	

# GRI CONTENT INDEX

GRI 102-55

Code	GRI indicator	Remarks	Section	Page
<b>Core option</b>				
<b>Organizational profile</b>				
GRI 102-1	Name of the organization	Public Joint Stock Company TransContainer Container Transport Centre	<a href="#">TransContainer Today</a>	4
GRI 102-2	Activities, brands, products, and services		<a href="#">TransContainer Today</a>	4
GRI 102-3	Location of headquarters		<a href="#">Business Model</a>	10
GRI 102-4	Location of operations	The Russian Federation is where PJSC TransContainer conducts the majority of its operations.	<a href="#">Contact Information</a>	214
GRI 102-5	Ownership and legal form		<a href="#">TransContainer Today</a>	4
GRI 102-6	Markets served		<a href="#">Business Footprint</a>	8
GRI 102-7	Scale of the organization		<a href="#">Approach to the Report</a>	176
GRI 102-8	Information on employees and other workers		<a href="#">Closer to a Customer</a>	72
GRI 102-9	Supply chain		<a href="#">TransContainer Today</a>	4
GRI 102-10	Significant changes to the organization and its supply chain	In August 2020, PJSC TransContainer became a completely private company fully owned by Delo Group.	<a href="#">Business Footprint</a>	8
GRI 102-11	Precautionary Principle or approach		<a href="#">Risk Management and Internal Control System</a> <a href="#">Greenhouse gas emissions</a> <a href="#">Air protection</a>	116 156 160
GRI 102-12	External initiatives		<a href="#">Stakeholder Engagement</a> <a href="#">Quantitative Data</a>	179 191
GRI 102-13	Membership of associations		<a href="#">Stakeholder Engagement</a> <a href="#">Quantitative Data</a>	179 191

Code	GRI indicator	Remarks	Section	Page
<b>Strategy and analysis</b>				
GRI 102-14	Statement from senior decision-maker	Statement from Senior Management	<a href="#">Statement from Senior Management</a>	
GRI 102-15	Key impacts, risks, and opportunities	Risk Management and Internal Control System	<a href="#">Risk Management and Internal Control System</a>	116
<b>Ethics and integrity</b>				
GRI 102-16	Values, principles, standards, and norms of behavior		<a href="#">Respect for Human Rights</a>	62
GRI 102-17	Mechanisms for advice and concerns about ethics		<a href="#">Anti-Corruption</a> <a href="#">Respect for Human Rights</a>	58 62
<b>Governance</b>				
GRI 102-18	Governance structure		<a href="#">Corporate Governance Structure</a>	50
GRI 102-19	Delegating authority		<a href="#">Corporate Governance Structure</a>	50
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	The Board of Directors of PJSC TransContainer is responsible for assessing strategic issues in the area of sustainable development and for approving the Company's regulatory documents in that area, including the ESG Report. In 2021, the Company's Board of Directors had 27 meetings and considered 175 issues, 10% of which had a direct bearing on social and environmental development	<a href="#">Corporate Governance Structure</a>	50
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics		<a href="#">Sustainable development</a> <a href="#">Stakeholder Engagement</a>	16 179
GRI 102-22	Composition of the highest governance body and its committees	For more details, please see the 2021 Annual Report of the Company	<a href="#">Corporate Governance Structure</a>	50
GRI 102-24	Nominating and selecting the highest governance body		<a href="#">Corporate Governance Structure</a>	50
GRI 102-25	Conflicts of interest		<a href="#">Anti-Corruption</a>	
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy		<a href="#">Corporate Governance Structure</a>	50
GRI 102-28	Evaluating the highest governance body's performance		<a href="#">Corporate Governance Structure</a>	50
GRI 102-29	Identifying and managing economic, environmental, and social impacts		<a href="#">Risk Management and Internal Control and Audit System</a>	116

Code	GRI indicator	Remarks	Section	Page
GRI 102-30	Effectiveness of risk management processes		<a href="#">Risk Management and Internal Control System</a>	116
GRI 102-31	Review of economic, environmental, and social topics		<a href="#">Risk Management and Internal Control System</a>	116
GRI 102-32	Highest governance body's role in sustainability reporting	The 2021 ESG Report was approved at TransContainer's Board of Directors meeting		
GRI 102-33	Communicating critical concerns		<a href="#">Risk Management and Internal Control System</a>	116
GRI 102-34	Nature and total number of critical concerns		<a href="#">Risk Management and Internal Control System</a>	116
GRI 102-35	Remuneration policies		<a href="#">Remuneration for Members of the Board of Directors and the Management Board</a>	54 93
GRI 102-36	Process for determining remuneration		<a href="#">Staff Remuneration and Incentivisation</a> <a href="#">Remuneration for Members of the Board of Directors and the Management Board</a>	54
<b>Stakeholder Engagement</b>				
GRI 102-40	List of stakeholder groups		<a href="#">Stakeholder Engagement</a>	179
GRI 102-41	Collective Bargaining Agreement		<a href="#">Social Support for Employees</a>	106
			<a href="#">Quantitative Data</a>	191
GRI 102-42	Identifying and selecting stakeholders		<a href="#">Stakeholder Engagement</a>	179
GRI 102-43	Approach to stakeholder engagement		<a href="#">Stakeholder Engagement</a>	179
GRI 102-44	Key topics and concerns raised		<a href="#">Stakeholder Engagement</a>	179
<b>Reporting practice</b>				
GRI 102-45	Entities included in the consolidated financial statements		<a href="#">Approach to the Report</a>	176
GRI 102-46	Defining report content and topic Boundaries		<a href="#">Identification of Material Topics</a>	176
GRI 102-47	List of material topics		<a href="#">Identification of Material Topics</a>	176
GRI 102-48	Restatements of information		–	
GRI 102-49	Changes in reporting		–	
GRI 102-50	Reporting period	The report presents the results for the period from 1 January 2021 to 31 December 2021.	–	
GRI 102-51	Date of most recent report			
GRI 102-52	Reporting cycle	Annual		

Code	GRI indicator	Remarks	Section	Page
GRI 102-53	Contact information for questions on this report		<a href="#">Contact Information</a>	214
GRI 102-54	Claims of reporting in accordance with the GRI Standards		<a href="#">Approach to the report</a>	176
GRI 102-55	GRI content index		<a href="#">GRI content index</a>	200
GRI 102-56	External assurance	None	–	
<b>Topic-specific disclosures</b>				
<b>Economic</b>				
<b>GRI 201 Economic performance (2016)</b>				
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Identification of Material Topics</a>	176
	103-3 Evaluation of the management approach			
GRI 201-1	Direct economic value generated and distributed		<a href="#">Quantitative Data</a>	191
GRI 201-2	Financial implications and other risks and opportunities due to climate change		<a href="#">Изменение климата</a>	151
GRI 201-3	Defined benefit plan obligations and other retirement plans	In 2021, the estimated value of pension liabilities, which are covered by the Company's general resources, amounted to RUB 779 million.  Most incentive plans are fully funded by the employer. Employer contributions to the compulsory national post-employment benefit scheme are about 22% in addition to wages, and to the Group's voluntary benefit schemes is about 6%. Under one of the Group's voluntary scheme, contributions are also payable by employees (up to 10% of wages, on average no more than 5%)	<a href="#">Social Support for Employees</a> <a href="#">Quantitative Data</a>	106 191
GRI 201-4	Financial assistance received from government	In 2021, the tax incentives amounted to RUB 789 million (in the Russian Federation)		
<b>GRI 202 Market presence (2016)</b>				
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Staff Remuneration and Incentivisation</a>	93
	103-3 Evaluation of the management approach		<a href="#">Staff Breakdown</a>	87



Code	GRI indicator	Remarks	Section	Page
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage		<a href="#">Staff Remuneration and Incentivisation</a>	93
GRI 202-2	Proportion of senior management hired from the local community		<a href="#">Staff Breakdown</a>	87
<b>GRI 203</b>	<b>Indirect economic impacts (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Charity and Corporate Volunteering</a>	166
	103-3 Evaluation of the management approach			
GRI 203-1	Infrastructure investments and services supported		<a href="#">Charity and Corporate Volunteering</a>	166
GRI 203-2	Significant indirect economic impacts		<a href="#">Sustainable development</a>	16
<b>GRI 204</b>	<b>Procurement practices (2016)</b>			
GRI 204-1	Proportion of spending on local suppliers		<a href="#">Sustainable and Transparent Procurement</a>	66
			<a href="#">Quantitative Data</a>	191
<b>GRI 205</b>	<b>Anti-corruption (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Anti-Corruption</a>	58
	103-3 Evaluation of the management approach			
GRI 205-1	Operations assessed for risks related to corruption		<a href="#">Anti-Corruption</a>	58
GRI 205-2	Communication and training about anti-corruption policies and procedures		<a href="#">Anti-Corruption</a>	58
GRI 205-3	Confirmed incidents of corruption and actions taken		<a href="#">Anti-Corruption</a>	58
<b>GRI 206</b>	<b>Anti-competitive Behavior (2016)</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary		<a href="#">Anti-Trust Policy</a>	61
	103-2 The management approach and its components		<a href="#">Anti-Trust Policy</a>	61
	103-3 Evaluation of the management approach		<a href="#">Anti-Trust Policy</a>	61
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None	<a href="#">Anti-Trust Policy</a>	61
<b>GRI 207</b>	<b>Tax (2019)</b>			

Code	GRI indicator	Remarks	Section	Page
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Responsible taxpayer</a>	65
	103-3 Evaluation of the management approach		<a href="#">Responsible taxpayer</a>	65
GRI 207-1	Approach to tax		<a href="#">Responsible taxpayer</a>	65
GRI 207-2	Tax governance, control, and risk management		<a href="#">Responsible taxpayer</a>	65
GRI 207-4	Country-by-country reporting		<a href="#">Consolidated Financial Statements</a>	
			<a href="#">Responsible taxpayer</a>	65
<b>Environmental</b>				
<b>GRI 302</b>	<b>Energy (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Energy Efficiency</a>	158
	103-3 Evaluation of the management approach			
GRI 302-1	Energy consumption within the organization		<a href="#">Energy Efficiency</a>	158
			<a href="#">Quantitative Data</a>	191
GRI 302-3	Energy consumption		<a href="#">Energy Efficiency</a>	158
			<a href="#">Quantitative Data</a>	191
GRI 302-4	Reduction of energy consumption		<a href="#">Energy Efficiency</a>	158
<b>GRI 303</b>	<b>Water and Effluents (2018)</b>			
GRI 303-1	Interactions with water as a shared resource		<a href="#">Water resources</a>	162
GRI 303-2	Management of water discharge-related impacts		<a href="#">Water resources</a>	162
GRI 303-3	Water withdrawal		<a href="#">Water resources</a>	162
			<a href="#">Quantitative Data</a>	191
GRI 303-4	Water discharge		<a href="#">Water resources</a>	162
			<a href="#">Quantitative Data</a>	191
GRI 303-5	Water consumption		<a href="#">Water resources</a>	162
<b>GRI 305</b>	<b>Emissions (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Greenhouse gas emissions</a>	156
	103-3 Evaluation of the management approach		<a href="#">Air protection</a>	160
GRI 305-1	Direct (Scope 1) GHG emissions	14,096 t	<a href="#">Greenhouse gas emissions</a>	156
GRI 305-2	Energy indirect (Scope 2) GHG emissions	3,783 t	<a href="#">Greenhouse Gas Emissions</a>	156

Code	GRI indicator	Remarks	Section	Page
GRI 305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions		<a href="#">Air protection</a>	160
<b>GRI 306</b>	<b>Waste (2016)</b>			
GRI 306-1	Waste generation and significant waste-related impacts		<a href="#">Waste Management</a>	164
GRI 306-2	Management of significant waste-related impacts		<a href="#">Waste Management</a>	164
GRI 306-3	Total weight of waste generated	5,356.1 t	<a href="#">Waste Management</a>	164
GRI 306-4	Waste diverted from disposal		<a href="#">Waste Management</a>	164
GRI 306-5	Waste directed to disposal		<a href="#">Waste Management</a>	164
<b>Social</b>				
<b>GRI 401</b>	<b>Environmental Compliance (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Staff Description</a>	87
	103-3 Evaluation of the management approach		<a href="#">Staff Training and Development</a> <a href="#">Social Support for Employees</a>	
GRI 401-1	New employee hires and employee turnover		<a href="#">Staff Description</a>	87
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		<a href="#">Staff Remuneration and Incentivisation</a> <a href="#">Social Support for Employees</a>	
GRI 401-3	Parental leave		<a href="#">Quantitative Data</a>	191
<b>GRI 402</b>	<b>Labor/Management Relations (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Staff Description</a>	87
	103-3 Evaluation of the management approach			
GRI 402-1	Minimum notice periods regarding operational changes	According to Russian law, employees must be informed at least eight weeks in advance of any significant operational changes to the company's operations that may have an impact on them.	-	
<b>GRI 403</b>	<b>Occupational Health and Safety (2018)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Occupational Health and Safety</a>	124
	103-3 Evaluation of the management approach			

Code	GRI indicator	Remarks	Section	Page
GRI 403-1	Occupational health and safety management system		<a href="#">Occupational Health and Safety</a>	124
GRI 403-2	Hazard identification, risk assessment, and incident investigation		<a href="#">Occupational Health and Safety</a>	124
GRI 403-3	Occupational health services		<a href="#">Social Support for Employees</a>	106
			<a href="#">Occupational Health and Safety</a>	124
GRI 403-4	Participation of workers in counselling and information exchange on health and safety issues;		<a href="#">Occupational Health and Safety</a>	124
GRI 403-5	Worker training on occupational health and safety		<a href="#">Occupational Health and Safety</a>	124
GRI 403-6	Promotion of worker health		<a href="#">Social Support for Employees</a>	106
			<a href="#">Occupational Health and Safety</a>	124
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		<a href="#">Occupational Health and Safety</a>	124
GRI 403-9	Work-related injuries	2	<a href="#">Occupational Health and Safety</a>	124
			<a href="#">Quantitative Data</a>	191
GRI 403-10	Work-related ill health		<a href="#">Occupational Health and Safety</a>	124
<b>GRI 404</b>	<b>Training and Education (2016)</b>			
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Staff Training and Development</a>	96
	103-3 Evaluation of the management approach			
GRI 404-1	Average hours of training per year per employee	36	<a href="#">Staff Training and Development</a>	96
			<a href="#">Quantitative Data</a>	191
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		<a href="#">Staff Training and Development</a>	96
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		<a href="#">Staff Training and Development</a>	96
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>			
GRI 405-1	Diversity of governance bodies and employees		<a href="#">Corporate Governance Structure</a>	50
<b>GRI 408</b>	<b>Child Labor (2016)</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	No units with a significant risk of child labour were identified		
<b>GRI 409</b>	<b>Forced or compulsory labor (2016)</b>			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No units with significant risk of forced or compulsory labour were identified		

Code	GRI indicator	Remarks	Section	Page
<b>GRI 416 Customer Health and Safety (2016)</b>				
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Quality Control</a>	78
	103-3 Evaluation of the management approach			
GRI 416-1	Assessment of the health and safety impacts of product and service categories		<a href="#">Quality Control</a>	78
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In the reporting year, no cases of non-compliance with the health and safety impact of the services provided or with the information and labelling requirements for the services were identified in the Company		
<b>GRI 417 Marketing and Labeling (2016)</b>				
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Quality Control</a>	78
	103-3 Evaluation of the management approach			
GRI 417-3	Incidents of non-compliance concerning marketing communications	No cases of non-compliance in 2021 related to marketing communications		
<b>GRI 418 Customer Privacy (2016)</b>				
GRI 103 Management Approach (2016)	103-1 Explanation of the material topic and its Boundary		<a href="#">Identification of Material Topics</a>	176
	103-2 The management approach and its components		<a href="#">Data Security</a>	114
	103-3 Evaluation of the management approach			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents of breach of customer privacy were identified in 2021		

# GLOSSARY

**Impact** herein refers to the effect the Company has on the economy, the environment, and/or society.

**Twenty-Foot Container Equivalent Unit (TEU)** is a conventional unit of measurement for the capacity of 20-foot containers, based on the volume of a 20-foot (6.1 m) intermodal ISO container.

**Stakeholders** are all entities or individuals that are invested in the Company and who affect or are affected by the Company's activities.

**Intermodal Corridor** is the interaction of the following transport components: rail, road, sea, river, pipeline, air transport, the association of related infrastructure elements such as access roads, customs, border posts, warehouses.

**Intermodal Freight Transport** is a system of delivery of commodities in international traffic by several modes of transport under a single transport document and transfer of commodities at transshipment points from one mode of transport to another without participation of the cargo owner in a single freight unit (or means of transport).

**Corporate Governance** is an approach to business management that makes sure that all shareholders and other stakeholders receive a fair and equitable part of the company's performance.

**Tax Monitoring** is a method of enhanced information exchange in which an organisation provides the tax authority with immediate access to accounting and tax data.

**Transshipment** is the transfer of cargo from one mode of transport to another via port warehouses or directly from one means of transport to another (from railcars, river vessels, road trucks to a sea vessel and vice versa).

**Employee Turnover** in HR management measures the rate at which employees leave a company.

**Freight Forwarding** is an activity related to providing services to consignors and consignees (clients) and organising the delivery of goods by any mode of transport.

**First Mile Services** are services for receiving goods from the supplier's warehouse and preparing them for transport, as well as quality and quantity control operations.

**Last Mile Services** in this case are container transportation services between the Company's terminal and the final freight destination (or container loading point).

**Sustainable Development** is the development of the economy, society and technology in such a way that the quality of human life is improved and the negative impact on the environment is minimised.

**EBITDA** is earnings before interest, taxes, depreciation and amortisation.

**ESG** (Environmental, Social, and Corporate Governance) is a set of characteristics of business management that ensures the involvement of a given company in environmental, social, and governance issues.

**GRI** (Global Reporting Initiative) is an international organisation whose main objectives are to develop and implement an authoritative and trusted sustainability reporting system that can be used by organisations regardless of their size, activity or region.

**ISO Container** is a standardised, reusable container designed for the transport of goods by road, rail, sea or air and adapted for mechanised transshipment from one means of transport to another.

**KPIs** (Key Performance Indicators) are numerical values expressed in absolute or relative (percentage) values to measure the effectiveness and efficiency of actions taken.



# CONTACT INFORMATION

GRI 102-3, 102-53

<b>Full name of the Company in English</b>	Public Joint Stock Company TransContainer Container Transport Centre
<b>Abbreviated name of the Company in English:</b>	PJSC TransContainer
<b>Place of incorporation of the Company</b>	Property 39, bld. 6 Leningradskaya St., Khimki, Moscow Region, 141402
<b>Company's postal address</b>	19 Oruzheyniy Pereulok, Moscow, 125047
<b>Website</b>	<a href="http://www.trcont.com">www.trcont.com</a> email: <a href="mailto:trcont@trcont.com">trcont@trcont.com</a>
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