



SUSTAINABILITY
REPORT
short version

Lifelines

30 years of building
a great Company

2023



Delo Group celebrated its 30th anniversary in 2023

Delo Group is the flagship of the Russian logistics industry¹



The largest private transportation company in Russia



3 BASINS OF OPERATION:

AZOV-BLACK SEA, BALTIC SEA, FAR EAST



The largest operator of container terminals in Russia



1

RAILROAD OPERATOR FOR CONTAINERIZED CARGO TRANSPORTATION



9 marine terminals and 47 "dry" terminals



1

CONTAINER LOGISTICS COMPANY: THE LARGEST FLEET OF CONTAINERS AND FLATCARS, THE LARGEST CAPACITY OF MARINE AND RAIL CONTAINER TERMINALS



Leader in multimodal container transportation in Russia



RUB 145 bln

INVESTED IN TERMINAL AND INFRASTRUCTURE DEVELOPMENT



300 K

TRANSPORTATION SOLUTIONS



230 K TEUs

CONTAINER FLEET



41 K

FLATCARS

30 years in the transportation market

- The Group maintains an ongoing dialogue with its stakeholders, and its communication is built on the principles of openness, partnership and a balance of interests.
- The Group remains a reliable supplier, conducting its business in accordance with the highest standards of business ethics.
- The Group is committed to reducing the carbon footprint of its clients' supply chains.
- The Group is actively developing IT technologies and new technological solutions to enhance efficiency and improve service quality.
- The Group is constantly enhancing its information security system to safeguard the data of its employees and clients.

Events dedicated to the Group's 30th anniversary

- Our employees received awards and certificates of honor from the Chairman of the Board of Directors, the Ministry of Transport of the Russian Federation and the Federal Service for Supervision of Transport.
- We organized a trip to Moscow for six large families of our employees from various Russian cities.
- Outdoor photo exhibitions were held in Moscow and in the cities of the Far East dedicated to two themes: "Logic of Movement" with industrial landscapes of our operations and "People of Delo" with portraits of our employees.
- As part of the celebrations of the 30th anniversary of Delo Group and the 185th anniversary of the foundation of the city of Novorossiysk, we organized the first children's football festival and children's handball tournament.
- We redeemed 30 million certificates under Russia's voluntary Carbon Zero standard, offsetting more than 10,000 tons of CO₂e of greenhouse gas emissions.
- Lastly, we organized tree planting events in all subholdings, where our employees actively participated.

¹ Based on the Group's estimations as of the end of 2023.

Social (S)

Delo Group understands that people are the most important resource and the key factor in ensuring successful business growth. Comprehensive support for employees and the development of the regions where the Group operates are unconditional priorities for the Group.

Key performance indicators for 2023

10,084

employees in the Group

69%

employee engagement rate

0.85

Lost Time Injury Frequency Rate (LTIFR)

0

fatalities

2,110

employees received assistance through the corporate family and parenting support programs

RUB ~150 mln

spent by the Group on employee healthcare

Delo Group's approach to social management

Delo Group's social development activities contribute to the achievement of:

Russia's National Development Goals

- Preservation of the population, the health and welfare of the people
- Conditions for self-fulfillment and the unlocking of talent
- Decent and effective jobs and successful enterprise

United Nations Sustainable Development Goals



Material topics disclosed

- Occupational, industrial and fire safety
- Effective human resources management
- Ensuring respect for human rights, diversity and inclusion

Plans for 2024

- Standardize approaches to human resources management: develop common rules and methods for building a talent pool, employee training and development, and the bonus system
- Develop a uniform approach for all the Group companies to the selection and implementation of socially significant projects, including the development of a system to evaluate their effectiveness
- Improve the employee motivation system and finalize the system of key performance indicators (KPIs), including the development of cross-functional indicators
- Create a unified grade-based compensation system for all subholdings of the Group
- Streamline the internal organization, including the development of a one-stop information portal for employees, in order to involve them in the corporate culture and expand distance learning opportunities

The Group's social focus

- Ensuring a safe and inclusive work environment and improving occupational health and safety
- Implementation of social programs for employees and their families
- Supporting career development and providing opportunities for professional growth
- Development of corporate culture and active involvement of personnel in socially important projects and initiatives
- Implementation of social and charitable projects and support for the communities in which the Group operates
- Community Support Policy

Key reference documents

- Sustainability Policy [🔗](#)
- Occupational Health and Safety Policy [🔗](#)
- Human Rights Policy [🔗](#)
- Employee Compensation Regulations

Environmental (E)

The Group recognizes its responsibility to preserve natural resources and the environment for the benefit of its employees, partners, customers and society as a whole.

Key performance indicators in 2023

30 mln

Carbon Zero certificates purchased

> 55 k MWh

of renewable electricity consumed

88.7%

of generated waste diverted from disposal

RUB 306.9 mln

spent on environmental protection

Delo Group was named the winner of the Russian Association of Public Relations award in the "Going Green" category

A methodology for determining the carbon footprint of the Group's operations, including Scope 3 emissions, was developed for each business division and the Group's carbon footprint was calculated

Delo Group's approach to environmental management

Delo Group's environmental activities contribute to the achievement of:

Russia's National Development Goals

- Comfortable and safe environment

United Nations Sustainable Development Goals



Material topics disclosed

- Climate Change and GHG Emissions
- Efficient Resource Management

Plans for 2024

- Implement of a series of measures to systematically reduce the Group's carbon footprint
- Launch a Carbon Footprint Calculator for customers
- Develop the practice of concluding direct contracts for connecting large port infrastructure facilities and railroad terminals to renewable energy sources
- Improve the environmental management system based on ISO 14001 requirements
- Expand the anteatier conservation program

The Group's environmental focus

- Reduction of the Group's carbon footprint
- The Group's participation in Russian green energy certification projects
- Responsible resource conservation
- Reduction of waste generation
- Improvement of the environmental management system
- Supplier evaluation against environmental criteria
- Transparency of information on environmental impacts

Key reference documents

- Sustainability Policy [↗](#)
- Environmental Policy [↗](#)
- Risk Management Policy

Governance (G)

Delo Group is constantly improving its corporate governance system in order to build trusting relationships with all stakeholders.

Key performance indicators in 2023

42%

of leadership positions held by women

100%

of employees trained in anti-corruption practices

1 mln TEUs/year

record high transshipment volumes at terminals using the innovative Conterra terminal management system

760

employees received anti-corruption training

134

suppliers assessed against ESG criteria

iTrans

an automated system for transportation management was launched

NDTLP

The Group is involved in the development of the National Digital Transport and Logistics Platform (NDTLP) of the Russian Federation

DataLens

The Group is involved in the development of the DataLens platform together with Yandex Cloud

Digitization

The Group launched the terminal digitization program together with the Ministry of Transport of the Russian Federation

Delo Group's approach to governance

Delo Group's social development activities contribute to the achievement of:

Russia's National Development Goals

- Decent and effective jobs and successful enterprise
- Digital transformation

United Nations Sustainable Development Goals



Material topics disclosed

- Sustainability Management
- Customer Focus
- Compliance and Business Ethics
- Cybersecurity and Data Protection
- Innovation and Digitalization

The Group's governance focus

- Customer-focused approach to business
- Integration of global best practices in strict compliance with national laws and regulations
- Adherence to the principles of corporate culture and business ethics
- Responsible supply chain management
- Development of products and services for the Group's digital transformation

Key reference documents

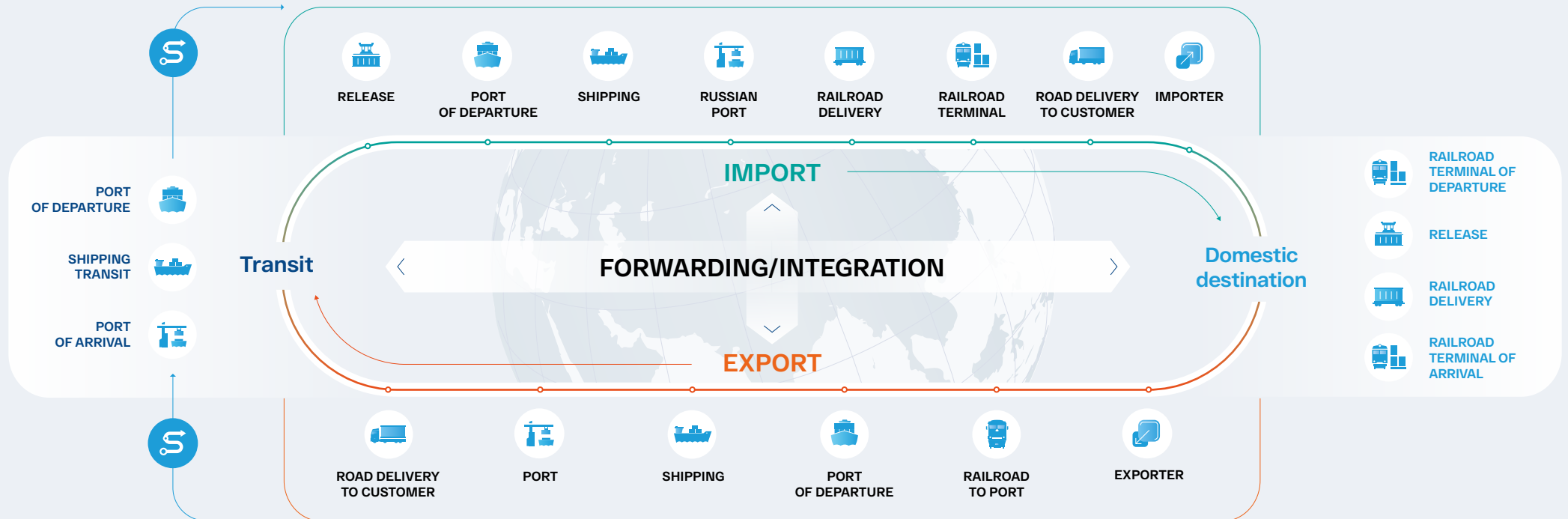
- Sustainability Policy [↗](#)
- Code of Business Conduct [↗](#)
- Anti-Fraud and Anti-Corruption Policy [↗](#)
- Antitrust Compliance Policy [↗](#)
- Government Relations Policy [↗](#)
- Information Security Management Policy [↗](#)
- Supplier Code of Conduct [↗](#)

Plans for 2024

- Adopt the Group's Sustainable Development Strategy
- Extend the practice of risk assessment and prioritization based on the financial model to all subholdings

End-to-end logistics and container operations

Delo Group responds to the needs of its clients by providing a wide range of logistics services, regardless of the length of the route and the complexity of the logistics chain. This approach adds value to our services, ensuring their competitiveness and customer satisfaction.



Stevedoring Division

The Group's Stevedoring Division includes terminals in the Azov-Black Sea, Baltic and Far East basins, which are key regions for international cargo flows.

The Stevedoring Division focuses on container handling, transshipments and storage of grain, RoRo, bulk and other types of cargo, as well as ship towing services with the help of 6 new highly maneuverable tugboats.



Operational highlights

3.9 mln TEUs/year

CAPACITY OF MARINE CONTAINER TERMINALS

9 mln tons/year

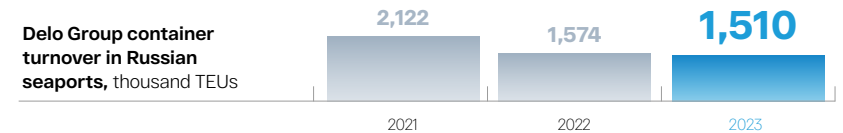
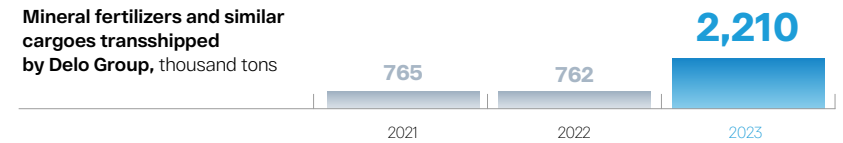
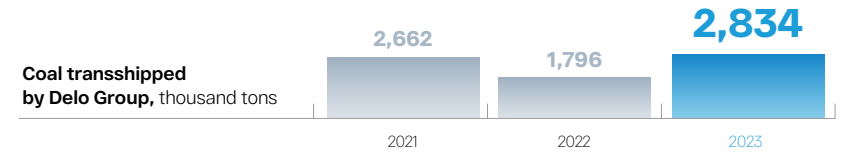
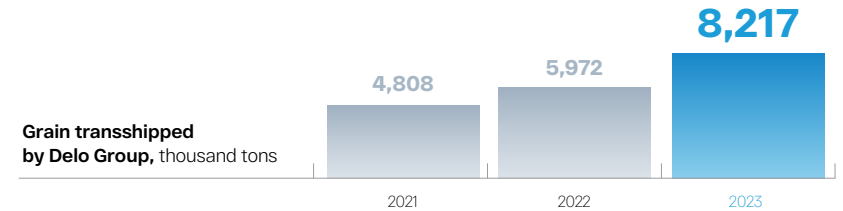
CAPACITY OF GRAIN TERMINAL

1,822

MOORED VESSELS IN 2023

RUB 13.1 bln

INVESTMENT IN THE GROUP'S STEVEDORING OPERATIONS IN 2023



Transportation and Logistics Division

Delo Group's transportation and logistics companies provide rail and multimodal transportation services, ensuring fast, reliable and sustainable cargo delivery. As part of this business, the Group is also involved in customs clearance and logistics route optimization.

Delo Group's Transportation and Logistics Division includes 47 "dry" terminals across Russia, as well as the largest fleet of containers and railroad flatcars. Delo Group's own infrastructure and integrated door-to-door transportation and logistics solutions enable the delivery of containerized cargoes to any destination not only in Russia, but also in CIS countries, Europe and Asia.



Operational highlights

3.7 mln TEUs/year

CAPACITY OF "DRY" TERMINALS

450

MOTOR VEHICLES

41 k

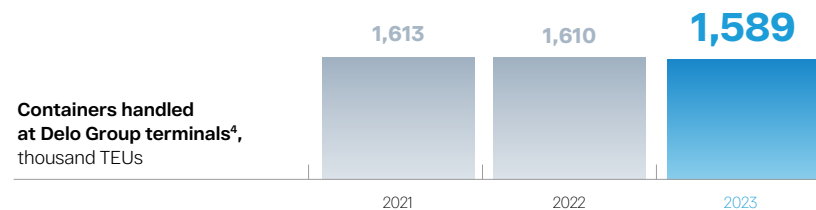
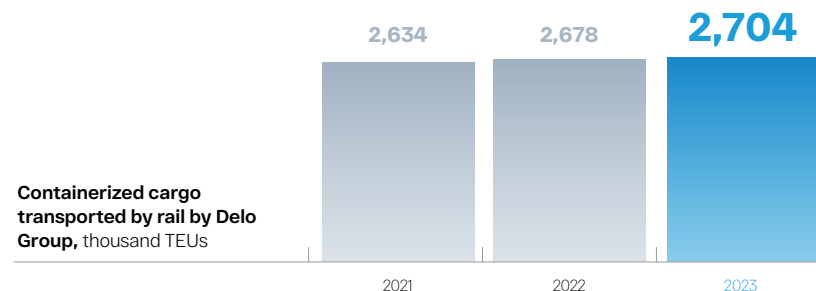
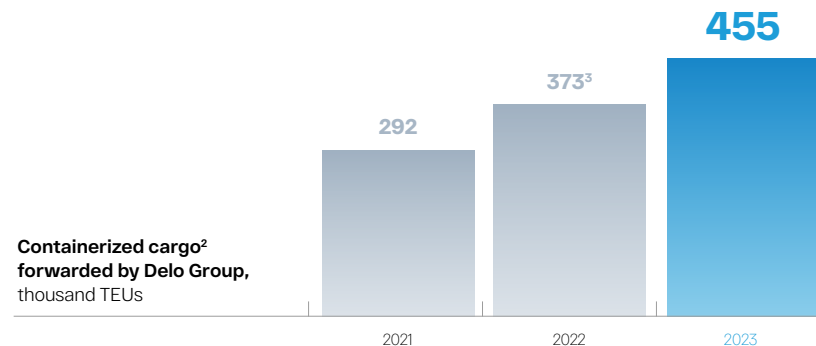
FLATCARS

36.4%

SHARE OF THE RUSSIAN RAIL CONTAINER TRANSPORT MARKET IN 2023 (TOTAL TRANSPORT)

RUB 2.7 bln

INVESTMENT IN THE DEVELOPMENT OF TERMINAL INFRASTRUCTURE



² Freight forwarding is a one-stop service that includes organizing and handling all stages of cargo transportation from the consignor to the consignee.
³ Figures have been updated and restated compared to those presented in Delo Group's Sustainability Report 2022.
⁴ A container terminal is a logistics hub for container handling where the following container operations take place: arrival and dispatch (delivery to and release from the terminal), customs clearance, temporary storage, sorting, loading and unloading of cargo, and maintenance.

Shipping Division

The Shipping Division includes cabotage operations aimed at ensuring that the residents of the Russian Far Eastern regions have access to the necessary goods and services. Delo Group operates across the entire Russian Far East and the Northern Sea Route. The Group also provides tramp and ferry services, as well as multimodal logistics for various types of cargo.



Operational highlights

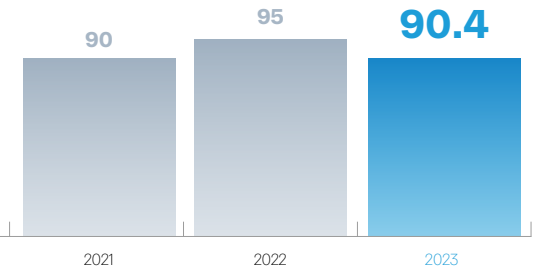
14 vessels

THE FLEET OF THE SHIPPING DIVISION, INCLUDING 1 HARBOR TUG AND 13 VESSELS OF ICE CLASS NOT LOWER THAN L1 (ARC4), INCLUDING 3 SPECIALIZED CONTAINER VESSELS, 7 MULTIPURPOSE DRY CARGO VESSELS, 3 DIESEL-ELECTRIC VESSELS

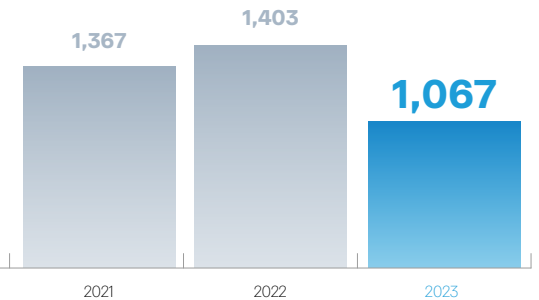
18,374

TOTAL PASSENGERS CARRIED IN 2023

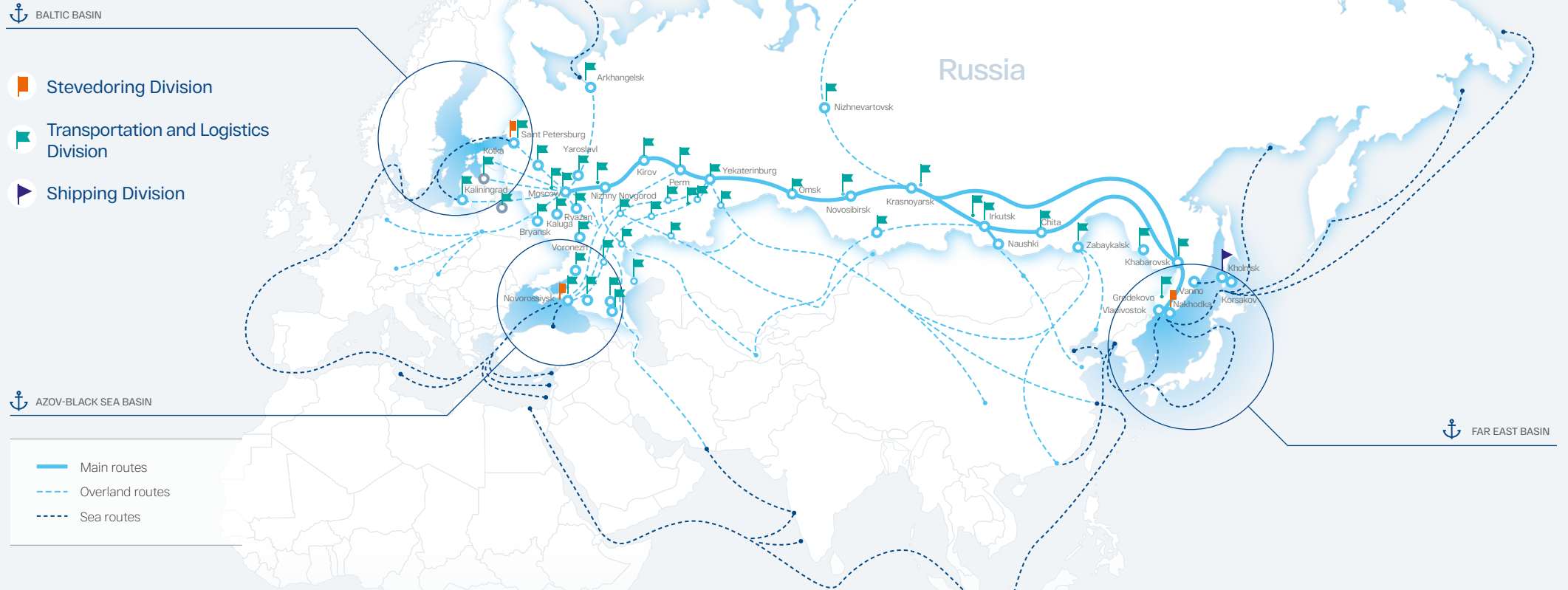
Containerized cargo transported by the Shipping Division, thousand TEUs



Non-containerized cargo transported by the Shipping Division, thousand tons



Business Geography



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