



Savings

3.3 kt
Marine fuel



0.9 mln kWh
Electricity



344 thousand l
Diesel fuel



200 t
Heating oil



As part of the Programme, heat supply facilities at VMTP were switched from an oil-fired boiler house to city-level heating grids following the construction of a new cutting-edge automated central heating station with weather compensation. We also upgraded in-port heating grids and installed heat metering devices as delivered to consumers. In 2023, the efficiency of these measures expressed as the energy equivalent averaged 28% YoY.

At 11 container handlers, the lighting system was replaced with LED options. A pilot project was implemented to convert light towers at VMTP to LED lights with a light dimming technology. The project showed that in addition to more uniform illumination, the new solution helped reduce electricity consumption per light tower by more than 50%.

As part of a project to convert in-port equipment to electronic waybills, a fuelling station located at VMTP was mothballed. Instead, three automated containerised fuelling stations were installed at the port. All loading and unloading equipment and terminal tractors have the GLONASS positioning system that monitors their diesel fuel consumption.

FESCO continued to implement Smart Ship Viewer, a comprehensive system for monitoring vessels' performance and fuel consumption. In 2023, it was put in place at four vessels.

FESCO vessels comply with the requirements of the International Convention for the Prevention of Pollution from Ships (MARPOL) in terms of energy efficiency of ships. Fuel consumption is monitored in accordance with the approved Ship Energy Efficiency Management Plan (SEEMP). All of the Company's vessels are certified by the Register confirming correct data collection.

The Group's vessels operated in territorial waters near the European part of the global ocean comply with the EU MRV¹ Regulation, which requires them to have an approved energy efficiency plan and collect and submit data on fuel consumption, greenhouse gas emissions and activities completed to date. These measures are also designed to reduce GHG emissions into the air.



¹ Monitoring, reporting and verification.

SOCIAL PROJECTS

Our approach

As one of major transport and logistics players in Russia and beyond, FESCO Transportation Group recognises its accountability to stakeholders and society as a whole and is committed to doing socially responsible business.

Initiatives contributing to sustainable development in the regions of operation is one of the key priorities of FESCO's corporate social responsibility strategy.

FESCO's definition of "corporate social responsibility" is based on ISO 26000 Guidance on Social Responsibility: "Responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that:

- contributes to sustainable development, including health and the welfare of society
- takes into account the expectations of stakeholders
- is in compliance with applicable law and consistent with international norms of behaviour
- is integrated throughout the organisation and practised in its relationships."

In addition to that, FESCO takes into consideration national development goals envisaged by Russian President's Order No 474 On National Development Goals of the Russian Federation for the Period until 2030 dated 21 July 2020:

- population preservation, people's health and well-being
- self-fulfilment and talent development opportunities
- comfortable and safe living environment
- decent and effective labour, and successful entrepreneurship

FESCO also shares the position on corporate social responsibility set out in the Social Charter of the Russian Business.



As part of its charity activities, FESCO takes on additional voluntary commitments aligned with the SDGs:

- 4 QUALITY EDUCATION**
 - promoting culture and education to unlock human potential in the key regions of operation
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
 - providing consistent and ongoing assistance to local communities in addressing the most pressing challenges
- 17 PARTNERSHIPS FOR THE GOALS**

Social responsibility as a part of FESCO's everyday life

The social responsibility principle is embedded into FESCO's development strategy and day-to-day operations. Commitment to the principle manifests itself at all levels of the Company. The social responsibility principle also underpins the internal and external communication; the Company's employees develop competencies and motivations required to use it in the decision-making process and operations.

FESCO seeks to continuously improve its social responsibility practices, keeps monitoring its impact on social, economic and environmental systems, and analyses the effects of its social, cultural and environmental initiatives. The Company analyses the potential social and environmental impacts of its decisions and integrates the social responsibility principle into its procurement, sales and investment practices.

The Group became a finalist in Our Contribution, Russia's first government award that recognises the contribution of businesses and non-profit organisations to national goals and national projects, and gained the status of "Partner of National Projects".



In 2023, the Group earned the highest A+ status in the Leaders of Corporate Charity ranking. FESCO moved up two notches from the B+ status of 2022. The experts praised FESCO's active efforts to address social problems, develop and realise talents across its footprint. The ranking is put together by the Donors Forum (Association of Sponsoring Organisations) in partnership with National Priorities, Kommersant publishing house, and B1 Group.

In the Environment, Personnel, State (EPS) rating prepared by the Financial University under the Government of the Russian Federation and the Mendeleyev Institute of Demographic Policy, **FESCO received the highest grade – AAA – and was categorised by experts as one of the "Leaders".**



Management of corporate social responsibility strategy

The Board of Directors and the Executive Board of FESCO are the main governing bodies in charge of corporate social responsibility.

Their duties include approving the Company's strategy in this area, monitoring its progress, and assessing performance. On an annual basis, the Board of Directors approves an Annual Report that contains exhaustive information about progress against programmes and projects run as part of the corporate social responsibility strategy.

business units, contractors and partners are involved to implement the activities under the agreed programme, while external experts assess the programme effectiveness. Publications in the media and social networks are monitored to assess the PR effect.

Departments responsible for the development and implementation of the Company's corporate social responsibility strategy annually submit a programme of charity initiatives and social projects to the Executive Board for it to approve this programme and associated expenditures. The relevant departments are responsible for implementing the programme within their remit, leveraging their own resources and engaging the employees of related business functions. Where necessary, cooperation is facilitated between federal government or local authorities and the Group's

The annual programme is developed in line with FESCO's corporate social responsibility strategy whereby the social responsibility principle is embedded into the Company's development strategy and day-to-day operations.

To have a better understanding of the impacts its programmes produce, the Company regularly collects every stakeholder feedback through surveys (covering both employees and local communities), focus groups and interviews.

Partner selection principle

FESCO's values include a focus on the overall result, professionalism and responsibility. Committed to these values, the Company strives to maximise the efficiency of its external social and charity programmes by building long-term partnerships with the government and society.

A special role is played by professionals: social entrepreneurs, community-focused non-profit organisations, and charity experts.

In addition, the mandatory selection criteria for external social and charity programmes and projects include:

- needs of stakeholders and the regions of operation
- systematic approach to achieving specific sustainable development goals, focus on a measurable result
- potential of long-term partnership with a minimum risk of creating dependence of the target audience on charity support
- proportionality of costs and expected effect

The Company supports the following forms of external social programmes



FESCO takes consistent efforts to improve the quality of external social and charity projects in which it participates. The efforts include engagement of internal and external experts in programmes and projects, evaluation of results, and promotion of ideas, principles and best practices of corporate social responsibility, social entrepreneurship and charity.

Our goals and objectives

The Company's corporate social responsibility efforts in the regions of its operations are focused on developing human capital, improving the quality of life, and creating new opportunities for self-fulfilment of local people.

Objectives of FESCO's social policy:

- supporting social initiatives contributing to sustainable development in the regions of operation
- supporting socially significant events and projects aimed at solving social, economic and environmental issues in the regions of operation
- supporting projects and programmes focused on the development of social institutes in the regions of operation

Areas of FESCO's charity and sponsorship:

- Supporting educational activities:
 - assisting in projects to create new educational opportunities across the Group's footprint
 - supporting institutions of pre-school education, general education, vocational education and professional university education, as well as institutions of additional education
- Supporting cultural activities:
 - fostering cultural projects and programmes, as well as projects aimed at preserving and promoting cultural heritage in the regions of operation
 - supporting projects that contribute to the formation and development of cultural identity in the regions of operation
- Comprehensive support for family and childhood
- Supporting sports activities:
 - assistance in organising and holding sporting events
 - assistance in organising and holding projects and programmes aimed at promoting sports and engaging people in regular physical activities and sports
 - supporting projects and programmes focused on the development of children's and youth sports
- Supporting activities aimed at the development of social infrastructure in the regions of operation
- Supporting socially vulnerable and unprotected people
- Supporting organisations and institutions focused on flora and fauna conservation, as well as supporting animal shelters
- Other efforts aimed to address pressing social and economic issues across the Group's footprint

Exceptional role of the Primorye Territory and Vladivostok

Since the history of FESCO establishment and evolution is closely linked to the exploration and development of the Russian Far East, the region as a whole and Vladivostok as its capital play an exceptional role in the Company's corporate social responsibility strategy. FESCO prioritises external social and charity projects and programmes implemented in the Primorye Territory.

Alongside that, the Group takes into account the importance of other regions of operation and carries out charitable projects there as well; some programmes are rolled out at the federal level.

In running external social and charity projects and programmes in the Russian Far East, FESCO keeps in mind the region's special geopolitical position, historical development, social and economic aspects.

The youth policy is a top priority for FESCO seeking to create an inviting environment for young talents, develop infrastructure to support the potential and aspirations of young people, and encourage the younger generation to preserve and study the region's cultural and historical heritage.



Social, cultural and sports initiatives by FESCO in 2023

FESCO provides active support to initiatives aimed at the development of cultural and social life in the regions where it operates with total social investments coming close to RUB 1.9 billion and more than 100 thousand people benefitting from a variety of the Company's social and cultural initiatives.



Sea of Opportunities, a contest of social projects

The Sea of Opportunities grant contest is a cornerstone of FESCO's local community support and development programme. In 2023, as part of this competition, FESCO Transportation Group continued to allocate grants to non-profit organisations, government institutions and volunteers to address the most acute social problems of the Primorye Territory.

Grant contests as a tool of interaction with local communities are used throughout Russia, however, the Primorye Territory had not seen any such initiative until 2020. This was one of the main reasons for launching the programme. Another important goal of the programme is related to a global trend – a large-scale evolution from targeted charity to consistent efforts to create a permanent and lasting framework for dealing with social problems.

Based on the results of the fourth annual contest in 2023, 55 applications were submitted by non-profit, government and municipal organisations, as well as volunteer groups involving FESCO employees, from Vladivostok, as well as cities and towns of the region – Nakhodka, Artem, Ussuriysk, Partizansk, and more.

23 projects received grants under the core programme: 21 grants of up to RUB 300,000 and two more grants of up to RUB 500,000, successfully presented in person to the Contest's selection committee.

In addition, five projects were awarded grants in a special category by VMTP, which has been a partner of the competition since 2022. The port provides funding for projects aimed at the development of the Jägerskiöld neighbourhood.

The Sea of Opportunities seeks to strengthen social partnership between FESCO, the public, government, and local authorities of the Primorye Territory in order to:

- implement innovative sustainable development technologies in the Contest territory
- run projects seeking to improve the quality of life, including development of education, creation of new public spaces, preservation of cultural heritage, and creation of new opportunities for self-actualisation, in the Contest territory
- develop local community institutions
- promote social and corporate volunteering
- foster social entrepreneurship

In 2023, the grant fund totalled RUB 9.2 million. As the Sea of Opportunities winners managed to raise additional RUB 5 million on their own, the total social impact of the contest exceeded RUB 14 million. The projects covered over 6 thousand beneficiaries, with more than 500 people registering as volunteers to help implement the social initiatives.

RUB 9.2 mln

grant fund

RUB 5 mln

funding raised by grant recipients



Key areas of projects under the Sea of Opportunities contest



Social protection, psychological assistance, promotion of creativity, and career guidance:

- introduction of new methodologies and technologies for social and psychological protection and support for children (including orphans and children with disabilities), teenagers and young people, the disabled, veterans, the elderly, the unemployed and other socially vulnerable people
- support for creative R&D efforts, career guidance



Environment:

- fostering of an eco-friendly culture and popularisation of environmental knowledge
- introduction of new technologies for environmental protection and conservation
- landscaping and gardening campaigns
- development of cognitive tourism



Culture:

- preservation of cultural heritage and cultural and historical sites
- ramping-up the region's creative and tourist potential
- creation of new meaningful forms of leisure



Sports and healthy lifestyle:

- promotion of sports and healthy lifestyle
- creation of conditions for the development of physical culture and mass sports
- introduction of effective forms of organising sports activities and hobbies for children and adults



Social entrepreneurship:

- development of social and entrepreneurial initiatives

The Company continues to place a heavy emphasis on networking, horizontal links between participants and other stakeholders, and training for applicants and winners to enable them to be successful in other grant contests going forward. The contest operator, Razvitiye Autonomous Non-profit Organisation, a provider of advanced professional training and consulting services,

acting as a resource centre for non-profit organisations in the Primorye Territory, held a series of educational events for potential grant recipients, spring and autumn grant schools, and provided ongoing expert consulting support both at the stage of preparing applications for the contest and during project implementation.

An independent [review](#) of the Sea of Opportunities conducted by FESCO at the end of 2023 for the first time in the contest history found that 58% of the surveyed participants from previous years managed to expand the reach of their projects using the funds received and help even more people.

~60%

projects acquiring new partners to jointly implement initiatives that are important for the local communities

Official website of the contest



Supporting culture and arts

Opening a public space of the State Tretyakov Gallery in Vladivostok

As part of the continuing strategic partnership between FESCO Transportation Group and the State Tretyakov Gallery, a public space of the State Tretyakov Gallery was opened in Vladivostok in July 2023. In addition to financing, FESCO provided the Tretyakov Gallery with premises for this project. The representative office of the Tretyakov Gallery is now located in the historical building of Far-Eastern Shipping Company at 15 Aleutskaya Street, Vladivostok. The Tretyakov Gallery's public space works as a cultural and educational platform hosting exhibitions, workshops, lectures, film screenings and other events. Apart from that, visitors will be able to work and study here, as the Gallery's representative office features a small library with books on painting and fine arts, several fully equipped workplaces, and a lounge area.

Visitors of the Tretyakov Gallery in Vladivostok can read art books, catalogues of the gallery's exhibitions in Moscow, meet like-minded people and take part in cultural, scientific and educational events.

Exhibition projects

In 2023, FESCO acted as the general partner of the Age of Graphics exhibition at the New Tretyakov Gallery in Moscow, where visitors could see new additions of works of graphics of the 20th and 21st centuries.

With the support of FESCO, the Primorsky State Picture Gallery in Vladivostok also hosted the exhibition dubbed "Energy of Colour. Archetypes of the Avant-Garde". The project was implemented in partnership with the State Tretyakov Gallery and Far Eastern State Museum. The exhibition gathered more than 50 works that most vividly reflected the traditions of the Russian avant-garde.



Master's programme in museum studies

The cooperation between FESCO and the Tretyakov Gallery goes beyond cultural initiatives. FESCO contributed to launching the master's programme in museum studies in 2021 at the Far Eastern Federal University in Vladivostok, and 2023 saw the first eleven Master's students defend their qualification works, with nine of them awarded diplomas with honours.

Since 2023, FESCO has been providing financial support for the implementation of a similar master's programme at Immanuel Kant Baltic Federal University.

As part of it, students develop skills for working in museums, while the State Tretyakov Gallery employees and the professors participate in classes on fundraising, exhibitions, hands-on course on writing about arts, digital environment and museum PR.

The programme graduates will be able to join the talent pool of the Tretyakov Gallery branches in Vladivostok and Kaliningrad.

In 2023, FESCO also implemented a number of joint partnership projects with the **Pushkin State Museum of Fine Arts, Russian and Polytechnic museums.**

Together with **Dom Tvorchestva Peredelkino**, FESCO organised Through Time and Space, a literary residency for authors from the Primorye and Khabarovsk territories, where under the guidance of experienced mentors and with the support of each other they could write original texts about the link connecting generations in the Far East.

To mark the 115th anniversary of the birth of Anna Shchetinina, the world's first woman to serve as a captain of an ocean-going vessel, FESCO republished her memoirs *On the Seas and Beyond the Seas*, which were issued as a separate book only in 1988. Over 900 books were donated to the libraries of the Primorye Territory, Admiral Nevelskoy Maritime State University and Far Eastern Federal University.

Education

FESCO's main goals in rolling out educational projects are to achieve the national objectives of personnel training for the transport and logistics industry. A strong talent pool is impossible without early career guidance programmes for schoolchildren, which is why FESCO places great emphasis on such projects.

FESCO's IT class

In late May 2023, FESCO opened a computer class for training in relevant IT professions at the Kvantorium children's technology park. The programme is designed for pupils in grades 7–11, including those left without parental care, from large or distressed families.

The training curriculum covers programming, 3D modelling, VR app development, and industrial design.

Culture Contour creative camp

The first Culture Contour, a creative camp for children, was organised in summer 2023 jointly with the New Teacher Charity Foundation, bringing together 140 teenagers aged 13 to 17, who worked for a fortnight to prepare their creative projects and then present them at a city festival. The camp was hosted by school No. 32, where the participants of the foundation's Teacher for Russia programme are supported by the Primorye Territory's Ministry of Education and FESCO.



Culture Contour

In November 2023, a three-day training programme was held for teachers to upgrade their skills: more than 60 teachers from the Primorye Territory learnt the tools and technologies of informal pedagogy and project approach during the workshop Organising Activities at School and Beyond.

This is not the first instance of cooperation between FESCO Transportation Group and the New Teacher Charity Foundation, as previously FESCO supported the launch of the Teacher for Russia programme in the Primorye Territory.

Ticket to the Future federal project

VMTP joined the Ticket to the Future federal project as part of the Education national project. The project introduces schoolchildren interested in professions related to vessels, ports, and logistics to the workplace conditions and nature of work. The relevant agreement was signed on 1 December 2023. As part of the initiative, schoolchildren from Vladivostok and the Primorye Territory visit the port on career guidance tours to solidify their knowledge.

In parallel with the Ticket to the Future activities, the tours are also offered to pupils in grades 7–11 left without parental care, from large or distressed families.



Ticket to the Future

FESCO for the Kids programme

FESCO pays special attention to programmes that contribute to the comprehensive development of children and unlock their potential, as well as to projects aimed at supporting children with disabilities.

These activities are implemented in the following areas:

- project to support children's and family reading by reprinting Soviet children's books and publishing new ones, donating them to educational and health facilities and conducting educational programmes
- partnership with charities to support severely ill children
- volunteering: visiting organisations for orphans and children left temporarily without parental care, organising events for parents and patients of children's healthcare facilities
- support for projects aimed at developing and unlocking the potential of children and young people as part of the Sea of Opportunities grant contest



Programme objectives



To help children resolve their social problems and improve the quality of life.



To create career guidance educational programmes for schoolkids and children from special institutions.



To promote the development of intellectual and creative abilities.



To strengthen the ties between parents and children through spending time together.



To integrate FESCO's volunteering activities into the strategy of assistance to special institutions across the Company's footprint.



Main beneficiaries of the FESCO for the Kids programme:

- children of different ages: providing educational and recreational opportunities for children of different age groups in line with their needs and interests
- children with disabilities: helping severely ill children by supporting their health and providing access to education and cultural events
- families and parents: supporting family reading, fostering stronger ties between children and their parents, creating shared time for learning and development
- local educational and healthcare facilities: providing reprinted children's books to cultural (libraries), educational (schools, kindergartens) and healthcare institutions, thus enhancing their educational content
- local communities: supporting the development of the region's cultural and educational environment, which strengthens local communities and social ties

Project to support children's and family reading

For more than three years, FESCO has been implementing a programme to support children's and family reading as part of FESCO for the Kids programme: it reprints popular Soviet books for children and teenagers, implements its own publishing projects and engages in awareness-raising and educational activities.

3,180

 children

covered by educational programmes in 2023

>100

 thousand

books published by FESCO and donated to educational institutions, libraries, healthcare facilities and social institutions in Vladivostok and the Primorye Territory in 2023

2023 saw FESCO introduce the programme to support children's and family reading in the cities where the Company operates – at the Arts and Reading Festival in Tomsk, the Museums to Children festival in St Petersburg, and Russia Expo at VDNH.

Support for severely ill children of Primorye

Since 2020, FESCO Transportation Group together with Rusfond, Russia's largest charity foundation, has been providing assistance to seriously ill children from the Primorye Territory. The goal is to create a system of swift and effective targeted assistance to severely ill children that for various reasons are unable to get treatment for their conditions under mandatory health insurance. In 2023, high-tech medical care under the programme was provided to 16 children.

The Group also supports the development of the bone marrow donor register in the Far East.



Sports initiatives

FESCO makes sports more accessible and gives an opportunity to children of different ages to lead an active lifestyle and go in for their favourite sports.

In 2023, more than 15 different projects were accomplished, with more than 5 thousand people involved. The Group is actively engaged in organising and holding competitions and tournaments at various levels, as well as supporting projects promoting sports and healthy lifestyles.

FESCO supported a number of important events, including those involving Olympic champions and world-class athletes – Children of Primorye International Games, IPFC 7 international tournament, Lilia Akhaimova gymnastics tournament, and more.

FESCO sponsored more than ten tournaments in full-contact karate, triathlon, wrestling, sambo, and other martial arts, held a FESCO children's basketball tournament, jointly with Lev Yashin Football

Academy of Dynamo organised Far East FESCO Cup – an international football tournament, held competitions in intellectual sports, weiqi and go. All tournaments are organised in close cooperation with regional governments and sports federations.

FESCO's significant contribution to the development of regional sports is the support of HC Admiral from Primorye. The hockey club celebrated its tenth anniversary in 2023, and FESCO has been its reliable partner since day one.

One of the goals of FESCO's social policy is to provide opportunities even to the most vulnerable people. In 2023, the Company and Adaptivnoe Sambo non-profit organisation held several events for children with disabilities: the first FESCO Inclusive Games, Special Olympics and Inclusive Spartakiad.

15 different projects

accomplished in 2023

5 thousand people

involved in FESCO projects in 2023



Development of social and public infrastructure

Creating a comfortable urban environment is one of the top priorities in the Group's corporate social responsibility strategy. The following key initiatives were implemented in 2023:

- signing an agreement with the Vladivostok administration to improve one of the city's main centres of attraction – Tokarevsky Lighthouse, the oldest lighthouse in Vladivostok. It is planned to renovate the territory near the lighthouse, create a lit promenade area with resting places and landscaping

- repair and restoration of Admiral Nevelskoy Maritime State University
- repairs in schools, leisure centres, and sponsored institutions
- repair and equipment of sports facilities
- FESCO Assistance – multifunctional automotive systems for solving problems on the roads and integration of the LizaAlert facial recognition system to help in the search for missing people
- opening of playgrounds in Vladivostok

Corporate volunteering

Since 2023, FESCO has been actively promoting corporate volunteering. In addition to strengthening corporate culture, team building, and invaluable contribution to external social projects, corporate volunteering makes a significant contribution to the achievement of the national development goals by involving the most active part of the nation – professionals who really care – in socially impactful activities. Moreover, volunteer programmes help to expand the network of contacts and forge partnerships for further mutually beneficial cooperation.

In its corporate volunteering programme, FESCO follows the principles set out in the Group's corporate social responsibility strategy, coordinating the efforts of volunteers towards implementing the strategy and increasing the efficiency of social investments in the development of local communities.

In 2023, the FESCO volunteer team won in the Corporate Volunteer Organisation of the Primorye Territory nomination at the Volunteer of the Year 2023, a regional contest for recognition, support and rewarding of the best volunteers. The competition is held to popularise and develop volunteering in the Primorye Territory and implement the Social Activity federal project as part of the Education national project.

On 14 November 2023, at the 12th Corporate Volunteering International Forum in Moscow, FESCO Transportation Group headed the Regional Representative Office of the National Corporate Volunteering Council in the Primorye Territory.

Priority areas of corporate volunteering:

- social assistance: aid to vulnerable groups and people with disabilities, urgent assistance upon request of the community without the involvement of the employer, etc., assistance to children and pensioners
- environmental protection
- promotion of sports and healthy lifestyle
- cultural and educational projects

