

FESCO's approach to the sustainable development strategy fits into the classical definition set out in Our Common Future, report of the World Commission on environment and development (1987).



“Meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.”

In its sustainable development strategy, FESCO relies on the Sustainable Development Goals (SDGs) set out in the Resolution of the UN General Assembly adopted on 25 September 2015.

The Company places emphasis on the following SDGs where it can make the greatest difference as part of its daily operations:



Goal 17: partnership for sustainable development – FESCO pays all due taxes in a timely manner and pursues comprehensive partnerships with government and international organisations as a way to ensure social prosperity



Goal 8: decent work and economic growth; and Goal 10: reduced inequalities – FESCO offers decent remuneration, honours all its social commitments, and closely cooperates with trade unions



Goal 3: good health and well-being – FESCO has never ceased to take care of its employees' lives and health by improving occupational health and safety technologies



Goal 12: responsible consumption and production – FESCO undertakes energy-saving and energy efficiency measures to reduce the energy intensity of its production activities



Goal 16: peace, justice and strong institutions – FESCO implements best anti-corruption practices and sticks to high business ethics standards



Goal 13: climate action – FESCO regularly sets targets to reduce specific greenhouse gas emissions, both on land and at sea



Goal 14: life below water – FESCO monitors marine ecosystems in its areas of operation and prevents their pollution by imposing restrictive requirements



Goal 15: life on land – FESCO seeks to minimise its environmental impact and continuously searches for best-in-class environmental technologies and solutions



Goal 9: industry, innovation and infrastructure – FESCO strives to apply the latest technologies across its operations

Stakeholder engagement

FESCO seeks to identify the full range of stakeholder interests in a timely manner and integrate them into its operations. Our relations with stakeholders are constantly evolving and improving. The Company's goal is to ensure effective communication and open dialogue with all stakeholders.

Stakeholder group	Stakeholder engagement tool/channel
Shareholders and investors 	<ul style="list-style-type: none"> General Shareholders Meeting annual report, information brochures and booklets financial statements press releases, mandatory disclosure publications meetings with the Company's management press conferences, presentations, forums corporate website, including the Shareholders and Investors section shareholder surveys query responses, provision of requested documents and information inclusion of independent directors in the Board of Directors to protect shareholders hotline and email
Suppliers and contractors 	<ul style="list-style-type: none"> Invitations to tender for the supply of goods, performance of works, and provision of services supplier and contractor reliability checks one-on-one and online negotiations formalisation of partnership (cooperation contracts and agreements) electronic trading and procurement platform
Customers 	<ul style="list-style-type: none"> Information on services, rates, and schedules available on the Company's website and via email MY.FESCO, customer's personal account single customer support service (call centre) NPS, CSAT, in-depth interviews with key customers, focus groups launch of a Telegram channel negotiations, offline customer events development of personalised transportation and logistics solutions for key customers participation in industry-specific conferences and exhibitions formalisation of contractual relations on-site customer support
Business partners 	<ul style="list-style-type: none"> Negotiations, meetings, presentations participation in conferences, forums and exhibitions membership in industrial unions and associations annual report, financial statements, press releases
Employees 	<ul style="list-style-type: none"> Corporate means of communications, including FESCO's news portal, Telegram channel, and educational webinars mass cultural and sports events personnel engagement surveys regular management meetings target management (KPIs) by-laws: remuneration, benefits and compensations, internal staff rules, personal data, training and development, staff recruitment collective bargaining agreement veteran council trade unions

Stakeholder group	Stakeholder engagement tool/channel
Local communities 	<ul style="list-style-type: none"> Long-term or one-off social, environmental and cultural programmes in the regions of operation partnership projects and programmes in the regions of operation volunteer programmes, projects and campaigns organisation of sociological and other studies, surveys, and focus groups, participation in them PR activities, including dedicated events, workshops, forums and competitions management meetings with representatives of local communities, including managers and employees of non-profit organisations, volunteer movements, social and cultural institutions, representatives of university students and teachers in the regions of operation, school students, teachers and administrative staff, veteran organisations, etc. meetings with officials from government agencies and local authorities in the regions of operation participation in industry-specific, public and other exhibitions, conferences, forums, etc. the Group's corporate websites and social media pages, the websites and social media pages of individual programmes and projects pursued by the Group
Members of professional industrial communities 	<ul style="list-style-type: none"> Membership in industrial unions and associations: <ul style="list-style-type: none"> Eurasian Union of Rail Freight Transport Participants Organisation for Cooperation of Railways Union of Railway Operators Market Association of Commercial Sea Ports Russian Chamber of Shipping International Coordinating Council on Trans-Eurasian Transportation Russian Union of Industrialists and Entrepreneurs (RSPP) Russian Association of Freight Forwarding and Logistic Organisations Public Council of the Northern Sea Route Russian-Chinese Business Council Association of Exporters and Importers Chamber of Commerce and Industry of the Primorye Territory Association of Operators of the Refrigerator Rolling Stock Association of Partners on Coordination and Usage of the Northern Sea Route participation in expert councils establishment of joint coordination committees and task forces participation in conferences, forums, round tables, plenary and strategic sessions
Higher education institutions 	<ul style="list-style-type: none"> Internship offers work in the project management office at the Far Eastern Federal University (FSC – Workflow Management, Accounting) organisation of competitions to select talented students (case championships, brain storms) lectures and master classes from FESCO experts resolution of project-based challenges
Rating agencies 	<ul style="list-style-type: none"> Regular contacts with agency officers information disclosure press releases disclosing financial results publication of financial statements and annual reports conference calls with management
Financial organisations 	<ul style="list-style-type: none"> Disclosures under financial monitoring engagement with analysts and lawyers during Q&A sessions held as part of disclosures monthly and quarterly management meetings with partner banks discussions with analysts and client managers as part of the efforts to manage bank product requests
Government agencies 	<ul style="list-style-type: none"> Participation in the meetings of intergovernmental commissions, their working bodies, and port expert groups; participation in official delegations accompanying Russian vice prime ministers and select ministers on their working visits to the countries where FESCO operates participation in conferences and task forces sponsored by allied associations (the Organisation for Cooperation of Railways, Union of Railway Operators Market, Association of Commercial Sea Ports, Russian Chamber of Shipping, Russian-Chinese Business Council, International Coordinating Council on Trans-Eurasian Transportation, Eurasian Union of Rail Freight Transport Participants, Russian Association of Freight Forwarding and Logistic Organisations, RSPP, Public Council of the Northern Sea Route, etc.) preparation of the Company's responses to requests submitted by government agencies sponsorship of regulatory initiatives on maritime shipments, stevedoring services at ports, container shipment by various means of transport participation in working groups, joint meetings, round tables, conferences, and forums submission of queries and proposals to federal and regional executive authorities interaction with relevant government agencies to obtain permits, certificates, licences, etc. implementation of initiatives for improving intermodal transportation processing procedures in partnership with relevant government authorities

Personnel

FESCO consistently implements its HR management strategy until 2025. The strategy covers all aspects of employer–employee relationships and envisages efforts in the following areas.



Staff acquisition:

- broader youth involvement
- wider geographical outreach and deeper student engagement
- enhanced online visibility in social media and career portals
- automation of the staff recruitment process and development of the employer brand



Staff development:

- corporate university and a shared training system
- talent pool for key positions
- career growth based on intra-Group transfers
- participation in cross-functional projects



Corporate culture and social protection:

- improvements in employee engagement
- enhancement of the employer's social responsibility
- uniform corporate culture
- interaction with trade unions



Improvements in the efficiency of HR management processes:

- description of HR processes for their automation
- 40% of processes undergoing automation, 20% of optimisation assignments completed, with more than 380 metrics and relevant calculation methodologies identified
- unification of HR processes increased to 97%, with the automation rate growing to 60%
- development of local regulations based on unified standards (in line with both mandatory labour law requirements and additionally approved criteria to meet specific business needs)
- introduction of electronic workflow in HR processes



Remuneration and incentives, employee benefits and organisational development:

- unified remuneration and incentivisation system
- unified system of employee benefits
- unified system for salary indexation and payroll reviews
- staff performance management system
- unified system for building organisational structures