

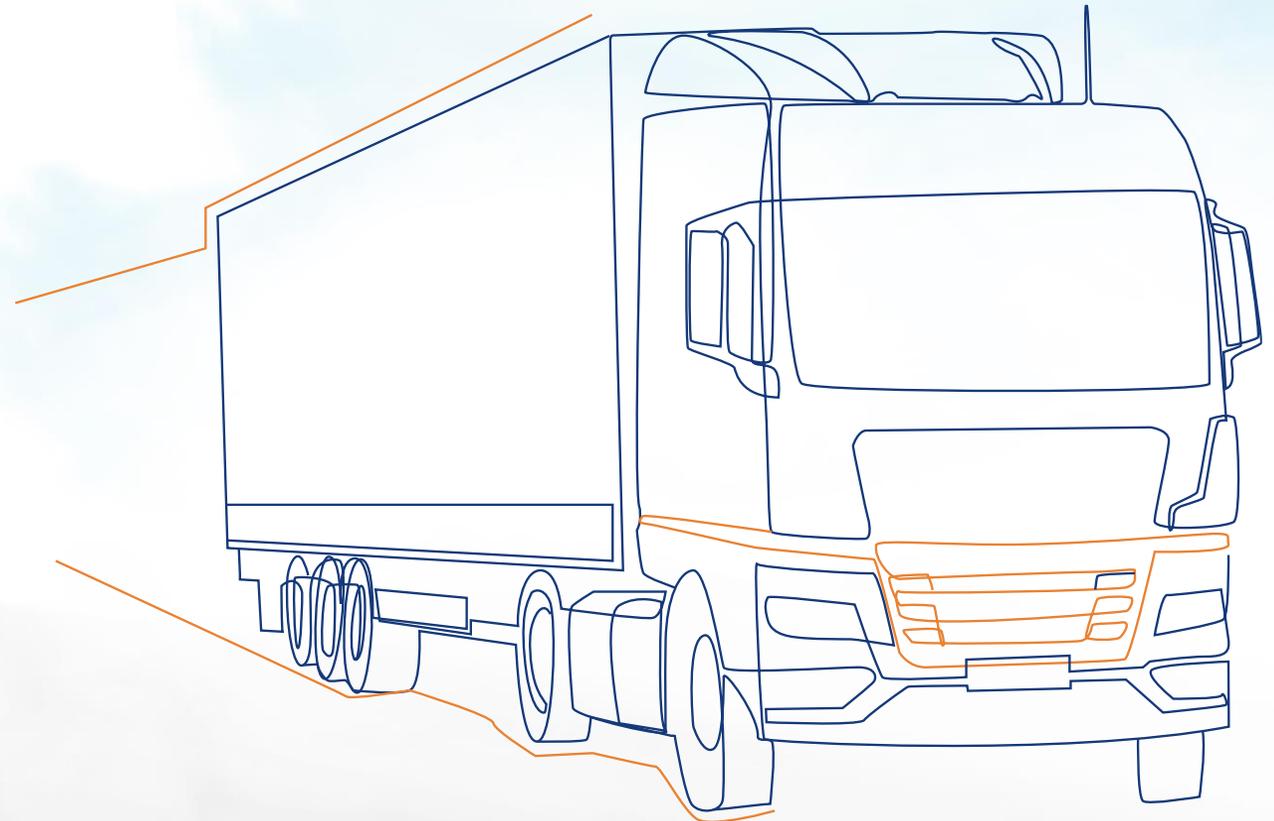


ESG

REPORT 2022-2023

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Oleg Germanovich,
Executive Director of TELS GLOBAL

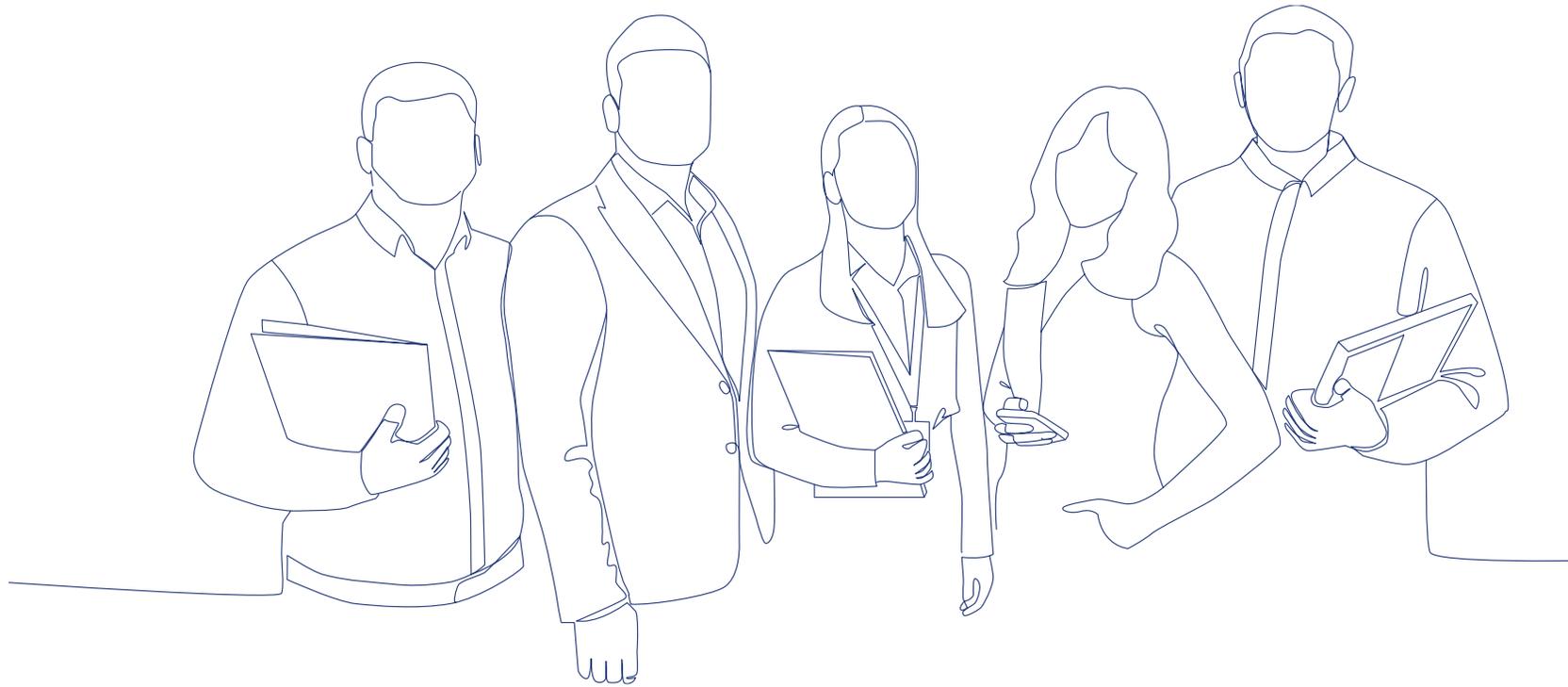
*We will contribute to global collaboration under
any circumstances*

Since 2020, a flood of global problems and conflicts has moved backward the world trend of globalization in economics and trade. Long-standing supply chains have been broken, resulted in vivid regress of entire transport corridors within large regions and friendly political blocs.

Under these circumstances, TELS GLOBAL's role, as mentioned in our mission (To promote international trade by facilitating our customers' business, offering perfect schemes of shipment from anywhere in the world with quality, reliably, and on time), has assumed greater importance. Implementing this mission expands TELS GLOBAL presence in all economically active regions of the world and extents possible transport links between them.

Our global mission is to make trade with any region of the world easy and possible to our customers. I hope, this would unite the world again, helps return to mutually beneficial collaboration both in economic and social spheres.

We believe that it is essential to maintain high international standards and commitment to sustainable development in all of our focal areas and that it is necessary to disseminate them among business communities of all regions.



In the past period, our main success was the company's quick adaptation to sudden changes and constraints in the global trade, this has helped a large number of our customers to maintain stable delivery of equipment, raw materials, and supplies of the necessary quality to their production lines. All of the company's representative offices have taken

action to improve the working conditions of their employees in terms of workplace comfort and work-life balance; energy saving and non-waste technologies continue to be introduced. The company's and its employees' involvement in social events in the field of health, conservation, and cultural exchange has increased significantly.

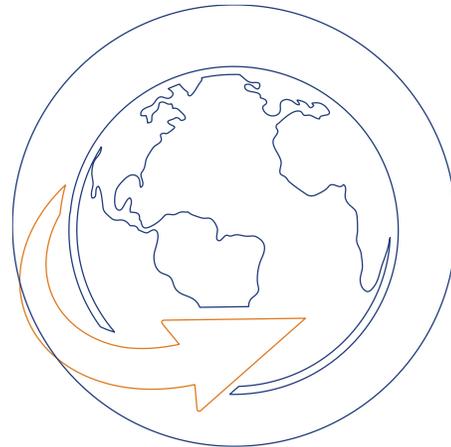
In the future, we will continue to pursue our goals: we will explore and develop relevant transport corridors, establish effective multiple logistic schemes, create reliable supply chains – promote international trade under any circumstances.

TELS GLOBAL –

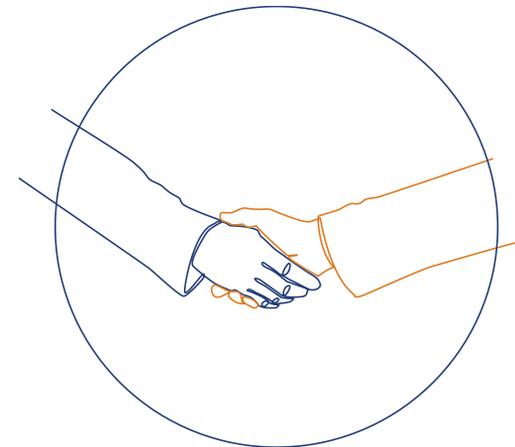
is an international logistics provider implementing integrated transport-logistics solutions using all modes of transport, warehouse, insurance, financial, and other related services.



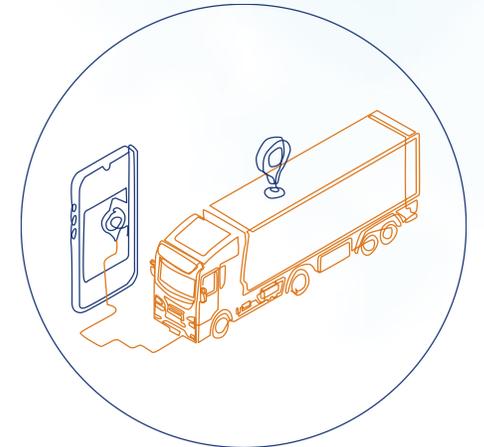
Flexibility of logistics solutions with various shipment schemes developed ensures effective risk management and sustainability of supply under any circumstances.



TELS GLOBAL operates throughout Europe and Asia as well as in major routes to/from Africa and America with the possibility of arranging shipment for its customers from anywhere in the world with quality, reliably, and on time.



Long-term partner relations with customers and contractors are the ultimate value at TELS GLOBAL enabling to maximize the results of business development of all participants.

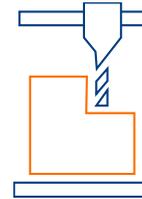


The pursuance of innovative development and comprehensive digitalization of the workplace makes TELS GLOBAL a convenient and transparent logistics partner with unlimited opportunities for more effective cooperation.

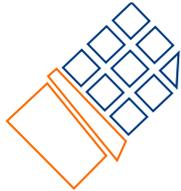
INDUSTRY EXPERIENCE



Packaging (Cellulose, paper and carton)



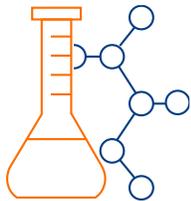
Engineering and industrial equipment



Food products, including tea, coffee, sweets, spices, canned goods, etc.



Home appliances and electronics, including mobile phones and accessories



Chemical industry (hydrocarbone, minerals, polymers, glass and plastic containers)



Automotive and agricultural machinery, including parts, spare parts and tires

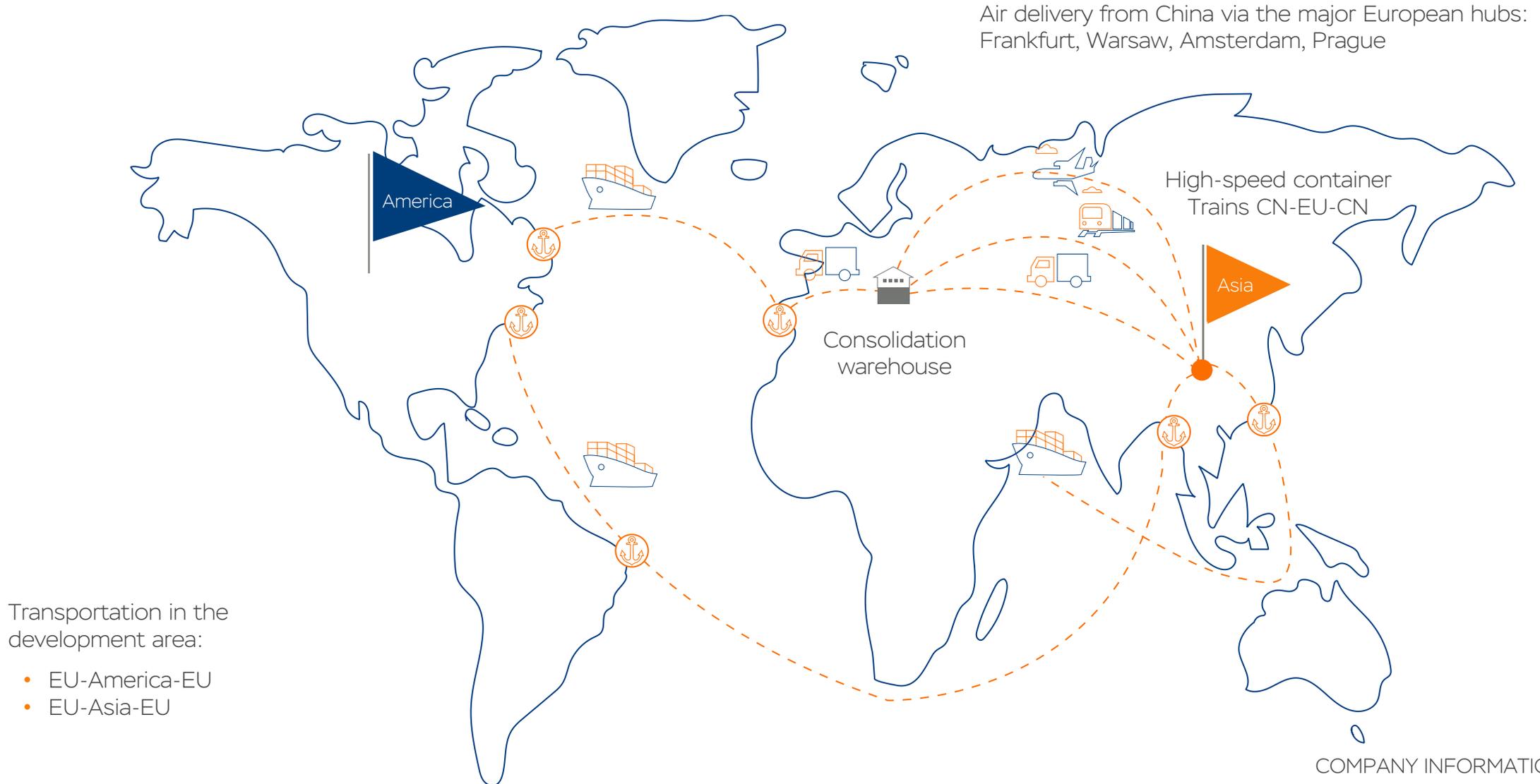


FMCG (cosmetics, household chemicals, hygiene products, etc.)

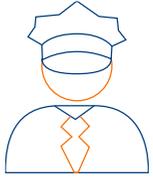


Alcohol and non-alcohol beverages, carbonated and still drinks, juice, water

MAIN TRANSPORTATION ROUTES



INTRA-EUROPEAN SHIPMENTS



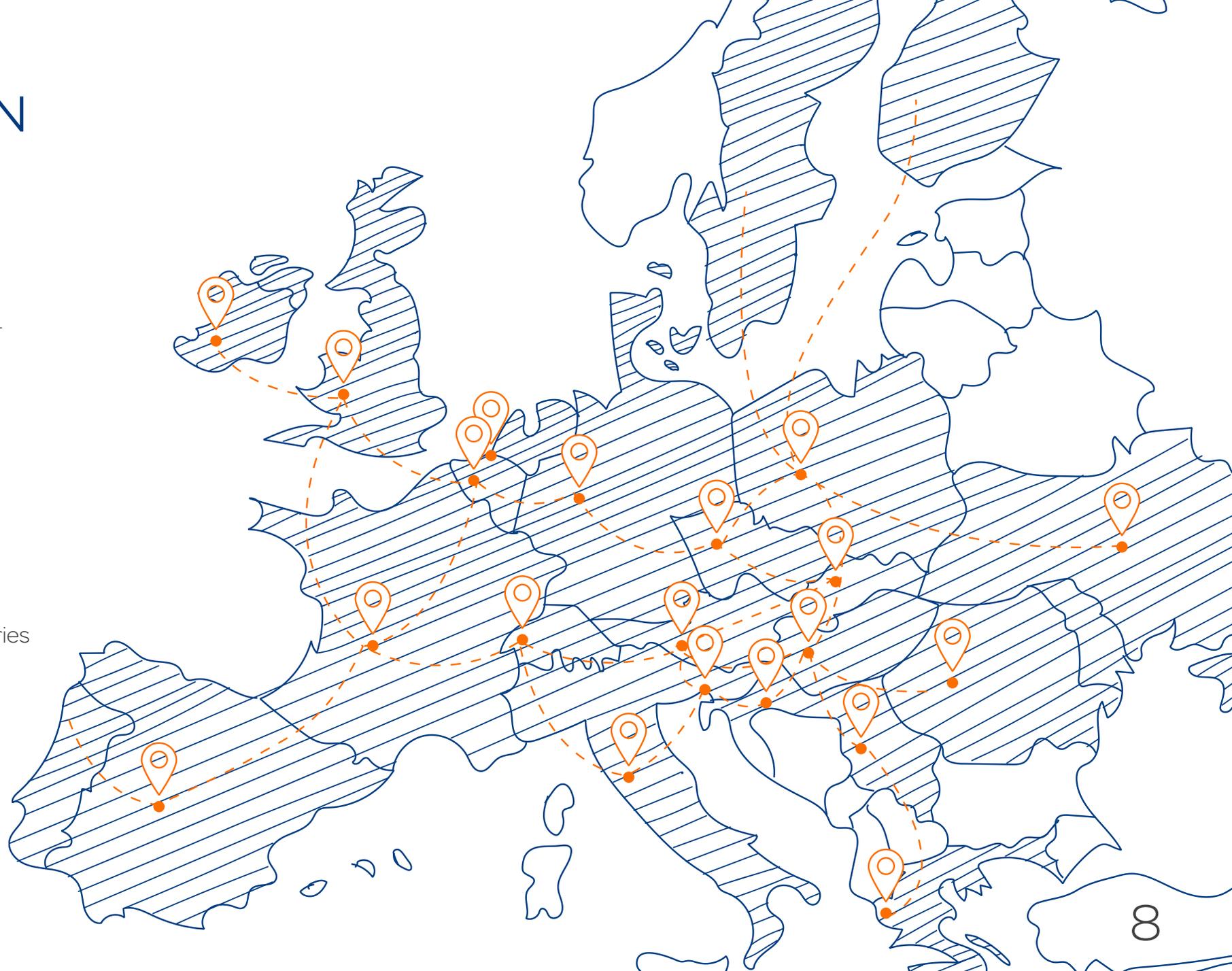
in-depth expertise on intra-European destinations



223 intra-European destinations



35 departure and destination countries



Road freight FTL and LTL



Optimizing delivery schemes meeting customer's needs and priorities



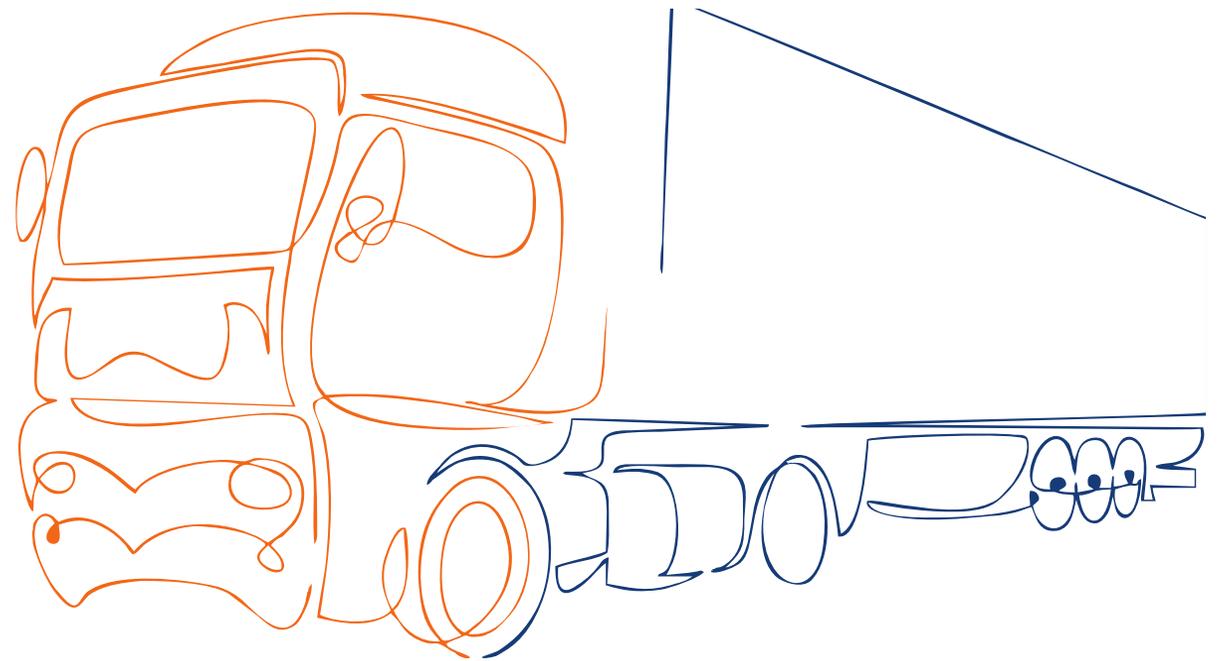
Cargo insurance at profitable rates



Assistance with documentation and customs clearance



Cargo handling during transportation: repacking, labelling, marking, etc.



Carrier pool is created according to Customer's needs from those who have passed the obligatory checking procedure and comply with the requirements, with further performance control by KPI.

AIR FREIGHT FORWARDING



Wide geographic range.
All major departure airports



Defining the best route and
booking air cargo containers



Optimization of storage and
inventory costs, reduction
of packaging costs



Passenger, cargo and charter
flights



We work only with direct agents
in the countries of departure

Door-to-door and airport-to-airport delivery of cargo from anywhere in the world by passenger, cargo and charter flights.



DDU/DDP SERVICE IN THE COUNTRIES OF DESTINATION

- terminal handling of cargo upon arrival
- customs clearance to the consignee
- delivery to the consignee

CONTAINER FREIGHT FORWARDING

CONTAINER (FCL AND LCL) TRANSPORTATIONS WITH A FULL RANGE OF RELATED SERVICES



Optimized routes and transportation conditions



Online tracking along the train line



Detailed preliminary calculation of rates for railway transportation from departure to destination point



Reloading of goods en route from one vehicle and / or mode of transport to the other



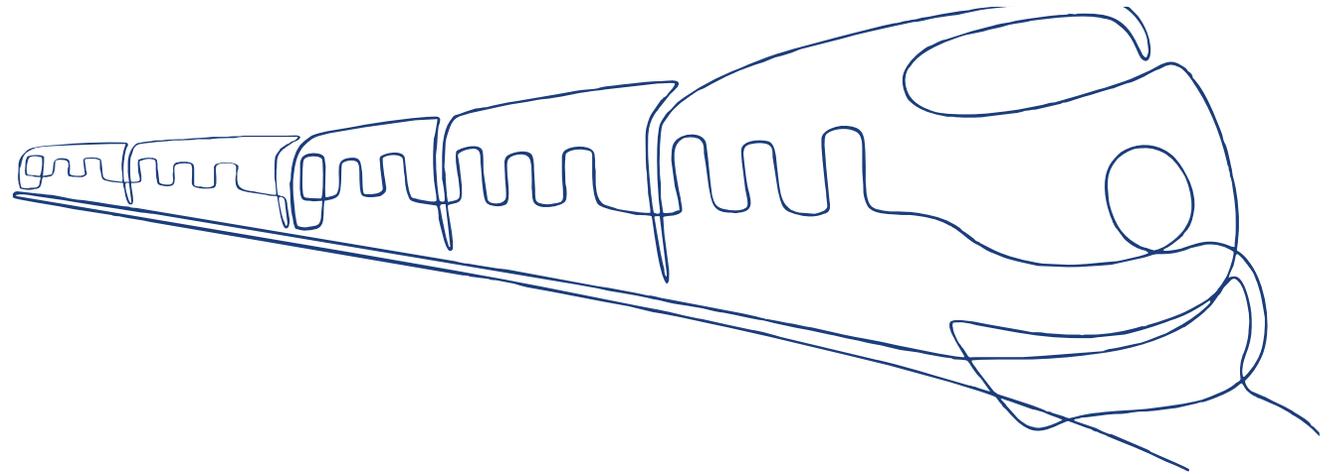
Payment of additional rates and services – declaring, agenting, customs duties, cargo protection, etc.



Cargo protection and insurance at profitable rates



Seamless workflow and direct contracts with shipping lines, intermodal operators, local agents



SEA FREIGHT FORWARDING

COMPREHENSIVE DOOR-TO-DOOR SERVICE, INCLUDING:



Development of individual delivery schemes based on the peculiarities of customer's business



All types of services related to terminal cargo handling

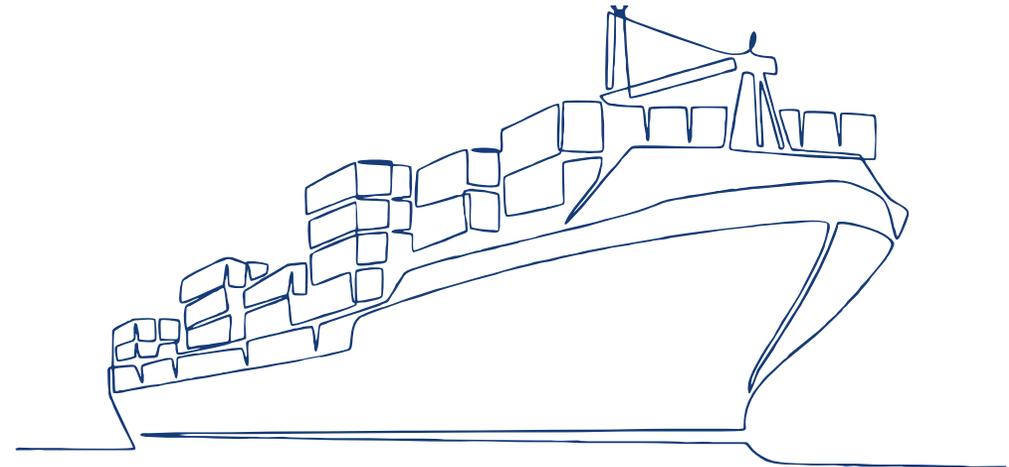


Assistance with documentation and customs clearance



Cargo insurance at profitable rates, etc.

FCL and LCL container shipments by sea, Ro-Ro oversized cargo transportation.



OUR PARTNERS:

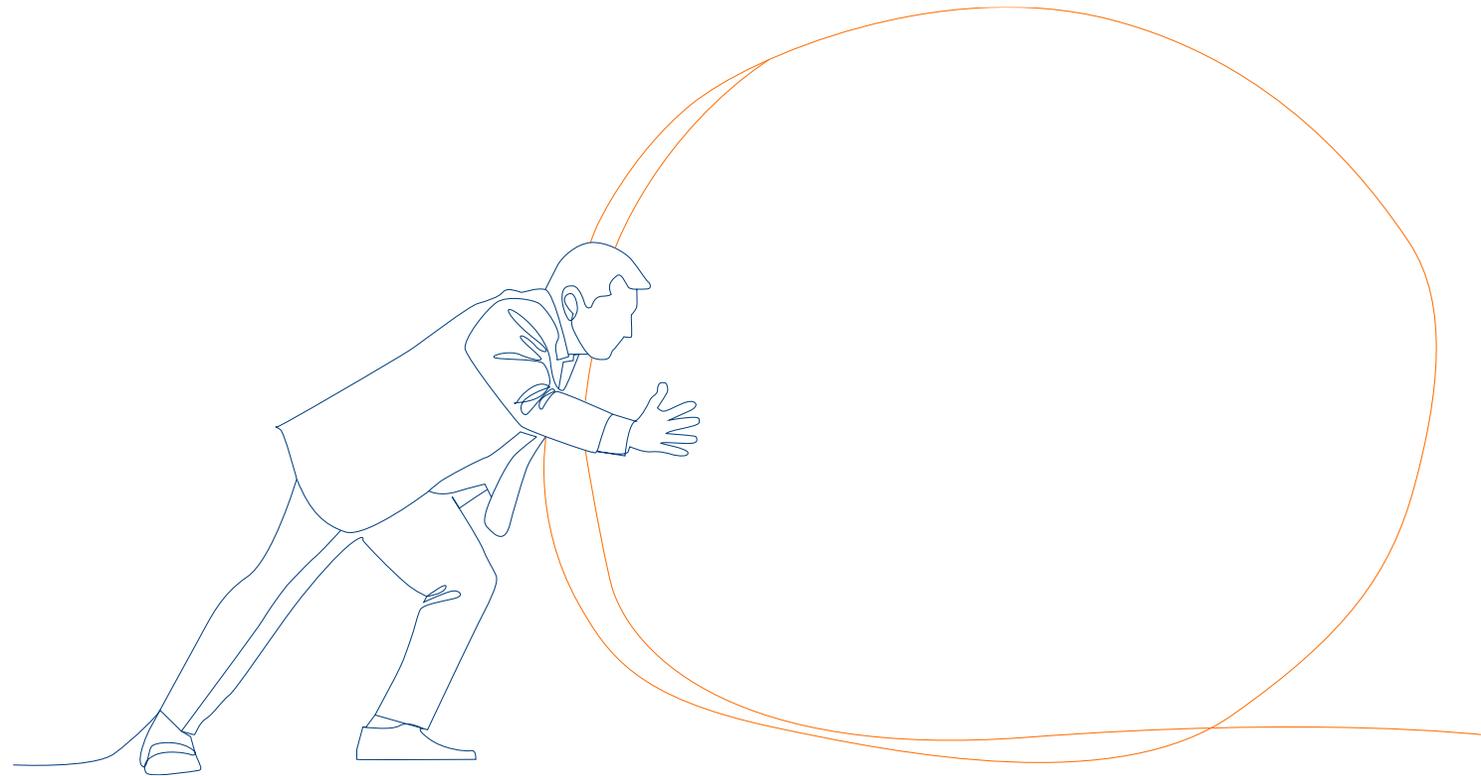
- direct contracts with shipping lines, multimodal operators, local agents;
- consolidation warehouses in China and the USA.

TRANSPORTATION OF OVERSIZED AND HEAVY-WEIGHT CARGO

TELS GLOBAL offers door-to-door delivery of oversized and heavy-weight cargo (OOG) by all modes of transport and with all the required services.

TELS GLOBAL boasts of considerable experience in transportation of such OHC as:

- road, construction and agricultural machinery;
- industrial, oil and construction equipment;
- power plant turbines, boilers;
- oversized containers, long pipes, beams, etc.



TELS GLOBAL

TODAY MEANS:



DEVELOPMENT

20 years of successful development in the market of transport and logistics services



OPERATIONS

operations in 74 countries



INSURANCE

the customer liability is insured with TTClub (UK) with a limit of 2.5 million euros per any one event

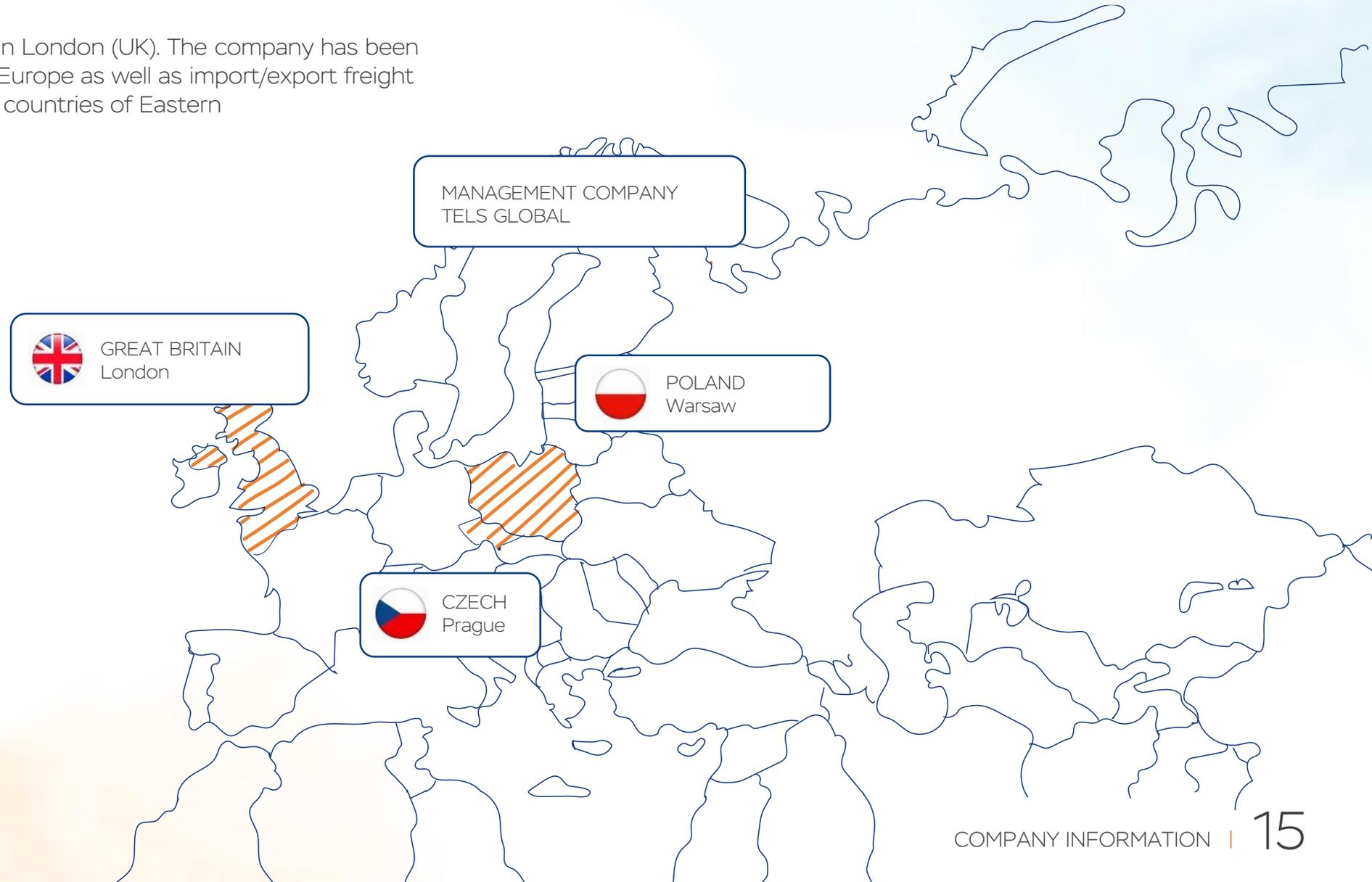


LEARNING

the company's Corporate Learning Centre constantly keeps a high level of the staff's competence, monitors developments in the logistics market, and organises prompt training of the company's and its partners' staff

TELS GLOBAL GEOGRAPHY

The company was founded in 2001 in London (UK). The company has been providing road transport services in Europe as well as import/export freight forwarding between the EU and the countries of Eastern Europe since 2002.



OUR BRAND CODE



VISION

To be a recognized leader in the efficiency and quality of transport and logistics services provided. To ensure sustainable growth of the company's and its customers' business based on developing relations while creating and implementing simple and convenient solutions, introducing advanced technologies.



MISSION

To promote international trade by facilitating our customers' business, offering perfect schemes of shipment from anywhere in the world with quality, reliably, and on time.



VALUES

- Customer-oriented approach
- Commitment to results
- Teamwork
- Flexibility
- Innovation
- Responsibility



SELF-PRESENTATION

Logistics partner for market leaders



PRODUCT

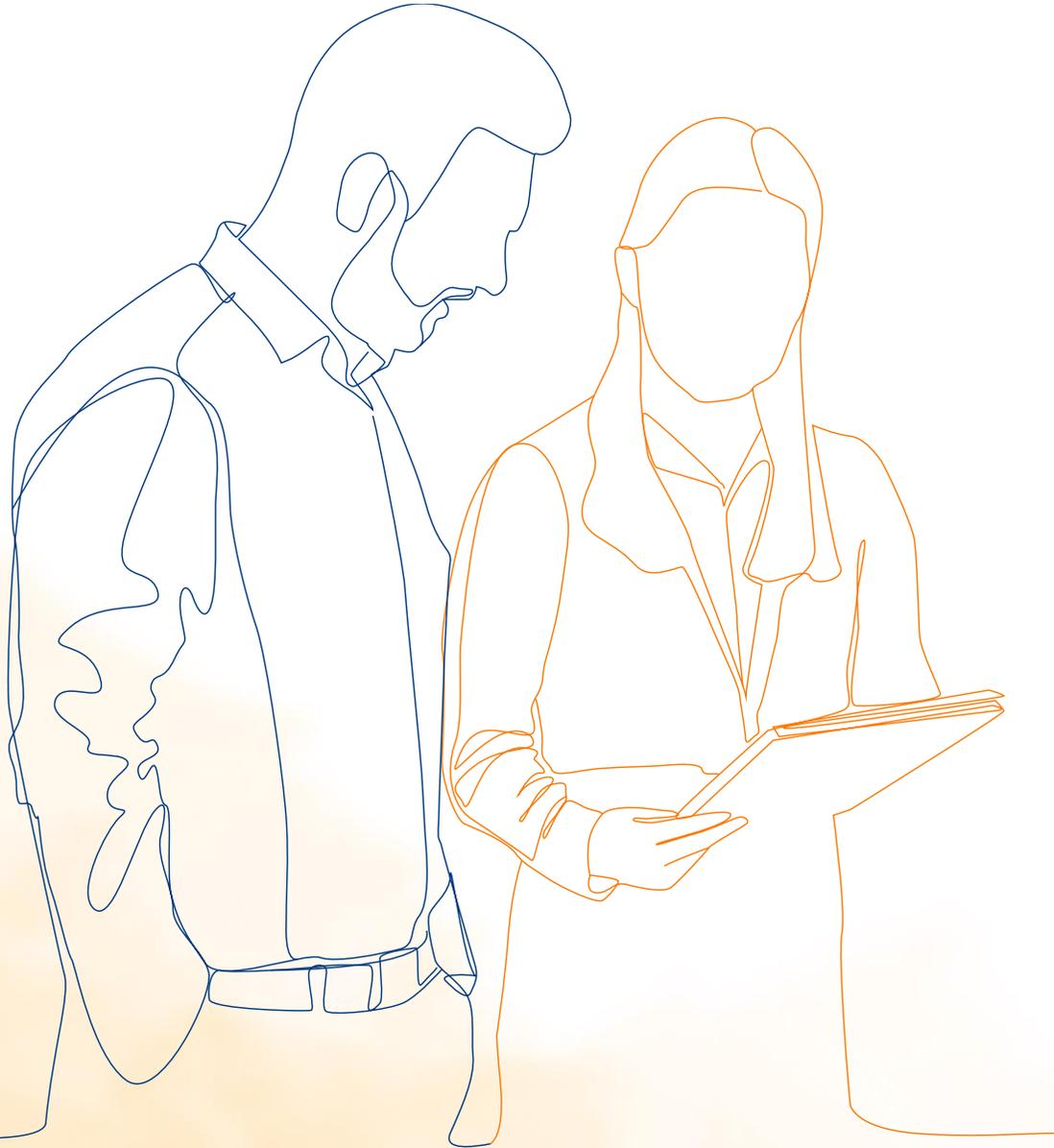
Ecosystem for management of transport and logistics services



STYLE

- We're open
- We're reliable
- We're energetic
- We're effective
- We're experts





STAKEHOLDER ENGAGEMENT

Engaging with a wide range of stakeholders is one of the key operating activities of the company.

When interacting with stakeholders, we strive to improve company's performance, develop common goals and values, and improve business's stability.

EMPLOYEES:

Goals	Solutions
<ul style="list-style-type: none"> • Organising comfortable, safe, and high-tech workplace • Providing fair remuneration for work. • Ensuring social security. • Prioritising professional development and career progression • Building high standards into company's culture • Informing employees on the current strategy and objectives of the company • Supporting a better work-life balance • Encouraging healthy lifestyle and providing medical support. • Participating in meaningful social activities 	<ul style="list-style-type: none"> • Setting up ergonomic and technology-supported workplaces • Conducting performance review and creating employee development plan • Providing social guarantees that exceed the requirements of the operating country • Organising internal PR events in order to highlight company's success and achievements • Communicating through the corporate portal regarding the company's strategy, goals, and work standards • Introducing different types of work models including remote work model • Promoting healthy lifestyles, vaccination, and insurance • Organising charity and voluntary events

CUSTOMERS:

Goals	Solutions
<ul style="list-style-type: none"> • Informing the customers about the company's current opportunities and the full range of services • Defining the conditions of the market and forecasting its performance • Enhancing "Employee-Customer" interactions' efficiency • Communicating orders statuses to customers • Optimising supply chains for customer satisfaction • Continuously improving service quality • Maintaining customer loyalty 	<ul style="list-style-type: none"> • Delivering quality services (timely delivery and cargo safety) • Promoting the company's services via various channels (negotiations, website, SM platforms, etc.) • Accommodating customers' subscription to an organised newsletter, market news, and analytical materials • Developing and implementing digital communication processes and introducing electronic data interchange (online document exchange) • Measuring customer satisfaction on a regular basis • Meeting the ISO 9001, 14001, 27001, 28000 standards. • Conducting customer surveys and setting up working groups in order to optimise supply chain

CONTRACTORS:

Goals	Engagement tools
<ul style="list-style-type: none"> • Building a pool of carriers corresponding to the current requirements • Advising carriers on standards and requirements of clients-cargo owners • Conducting quality control of orders' execution • Introducing communications automation 	<ul style="list-style-type: none"> • Ensuring potential carriers' compliance with the requirements set by the inspection protocols • Organising educational events for carriers' drivers on the standards and qualification requirements of clients-cargo owners • Conducting data collections and performance reviews of carriers based on the results of cooperation • Creating digital workplace that allows teams to communicate and work with others online

REGULATORY AND PUBLIC AGENCIES:

Goals	Engagement tools
<ul style="list-style-type: none"> • Maintaining continuous communication with local authorities • Monitoring changes in regional regulations of legal and regulatory framework that affect business' commercial activities 	<ul style="list-style-type: none"> • Compliance with the current legislative requirements. • Reliability of the information provided. • Emergency preparedness.

PUBLIC:

Goals	Engagement tools
<ul style="list-style-type: none"> • Promoting corporate social responsibility • Continuously managing company's reputation and enhancing it • Building public trust through community engagement 	<ul style="list-style-type: none"> • Following the strategic plan for participation in charity • Supporting employees' philanthropic initiatives • Identifying and participating in key local charity events (such as planting trees, voluntary work, national and sportive holidays, etc.)

TELS GLOBAL is a member of a highly competitive industry, and the industry leaders set a high standards for for organisation building. In order to succeed, TELS GLOBAL must must structure its organisation as a modern corporation capable of utilising the best practices of the industry leaders and establishing its unique competitive corporate-governance practices.



TELS GLOBAL has an efficient corporate-governance system which meets key international standards. We continuously improve our corporate-governance mechanisms to better protect the shareholders' and other stakeholders' rights, and we strive adhere to the best international practices.

The General Meeting of Shareholders is TELS GLOBAL's supreme governing body. The Board of Directors is elected by the shareholders and is accountable to them. It provides strategic management and control over TELS GLOBAL's management processes. The Board of Directors has established risk & audit committee, reward & nominations committee, and strategy committee.

The Committees' members are chosen from the Board of Directors and list of employees based on their professional

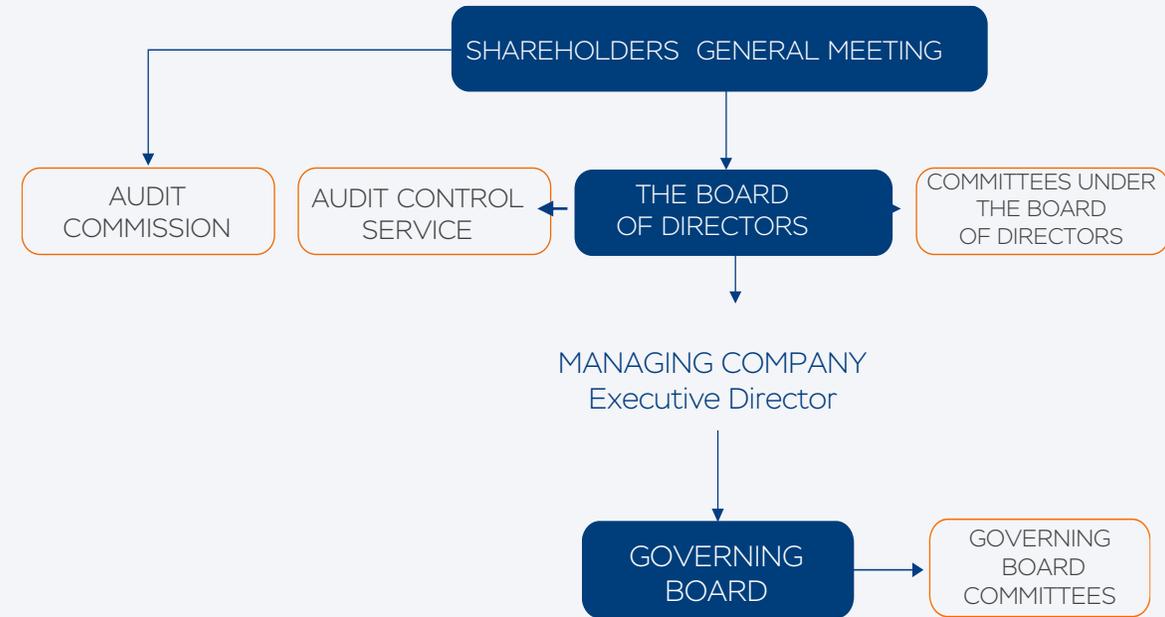
BOARD OF DIRECTOR'S COMMITTEES:

- Risk and Audit Committee,
- Strategy Committee,
- Compensation and Appointments Committee.

experience and skills. The risk & audit committee assists the Board of Directors in conducting internal and external audits, including reviewing of internal control systems and carrying out compliance with the financial reporting standards. The reward & nominations committee provides the Board of Directors recommendations regarding the development of an effective reward system, approves candidates' nominations to fill senior management positions, introduces succession planning for the organisation, and also deals with other personnel related aspects. The strategy committee assists the Board of Directors in analyzing and monitoring strategic management issues. The strategy committee assists the Board of Directors in analyzing and monitoring strategic management issues.

GOVERNING BOARD'S COMMITTEES:

- Budget Committee,
- Organisation Development Committee,
- IT Technology Committee.



Company has developed an effective risk management framework that complies with ISO 31000 international principles with other applicable standards of the TELS GLOBAL management framework. The framework ensures the efficiency in decision-making as well as the business development in times of uncertainty.

The Governing Board, which is elected by the Board of Directors, maintains a consistent TG's management system and conducts effective operational activities to achieve strategic objectives.

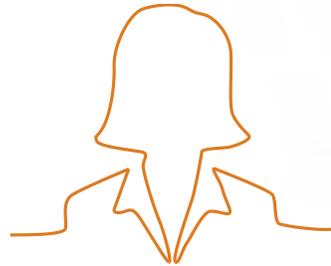


COMPOSITION OF THE GOVERNING BODY

71%
of male



29%
of female



RISK MANAGEMENT



Continuous staff training



A designated person to address risks when they do arise



A reliable information system with immediate response to deviations



Contractors' selection and monitoring of their performance



Staff's risk awareness of potential risks



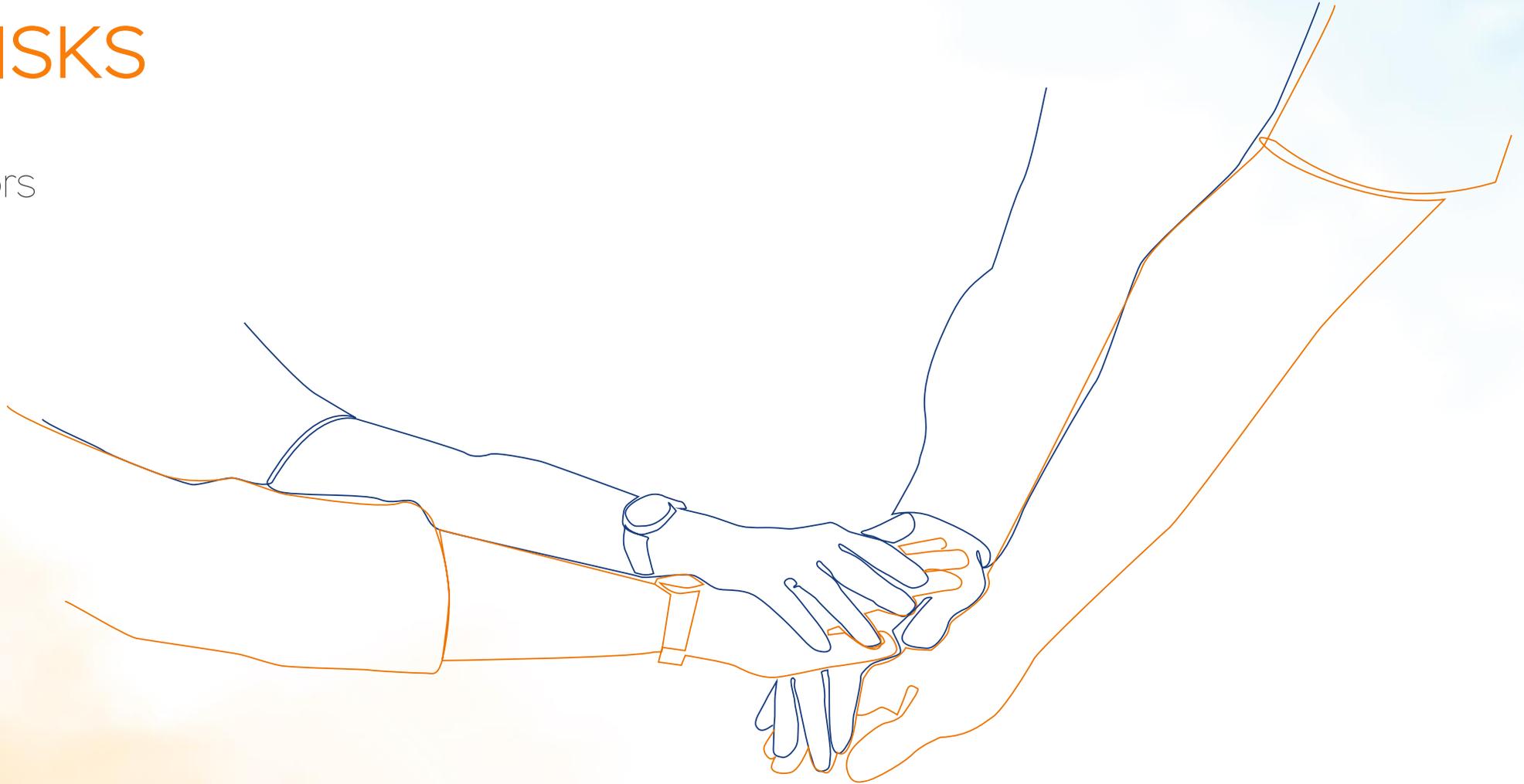
A quality management system



RISK MANAGEMENT

KEY RISKS

Social factors



RISK GROUP	MAIN RISK FACTORS	RISK MANAGEMENT/INFLUENCE ON RISK LEVEL
HUMAN RIGHTS	<ul style="list-style-type: none"> • Violation of obligations (emergence of labour disputes) between the Company and employees. 	<ul style="list-style-type: none"> • Strict compliance with labour laws. • Compliance with all applicable regulations. • Implementation of a wide range of social policy measures to recruit, develop, and keep skilled and loyal staff.
OCCUPATIONAL SAFETY. HEALTH AND SAFETY.	<ul style="list-style-type: none"> • Non-compliance with OS rules and regulations. • Potential risk of combustion and electric shock. • Violation of OS laws, regulations, and standards can result in fines and adverse effect on reputation. 	<ul style="list-style-type: none"> • Implementation of the electric safety programme. • Ensuring safe working conditions. • Diagnostics (non-destructive testing) and monitoring of equipment parameters. • Repair and timely replacement of equipment and office equipment.
REGULATORY (REGARDING OTHER STAKEHOLDERS)	<ul style="list-style-type: none"> • Changes in the regulatory environment regarding engagement with customers and suppliers which results in additional economic costs. 	<ul style="list-style-type: none"> • Active engagement with partners in creating common benefits. • Ongoing monitoring of compliance with regulatory requirements, monitoring of regulatory developments, and development of the necessary monitoring tools.

<p>CYBERSECURITY</p>	<ul style="list-style-type: none"> • Breach of the personal data of employees, business partners, financial information. • Information security breach resulting in possible disruption or interruption of the IT services provided, the Company's operation and financial processes, including restricted information breach. • Hacker and viral attacks, internal factors related to actions by employees and tools to analyse and correlate information security events. 	<ul style="list-style-type: none"> • Ensuring organisational and technical actions to counteract a personal data breach. • Classification, categorization of the Company's systems, creation of a model of threats to information security, preparation of information security requirements. • Streamlining of TELS GLOBAL's information infrastructure components taking into account the need for information security, design, and implementation of information security systems in the Company's information infrastructure, assessment of systems compliance with information security requirements. • Training of the Company's staff in information security. • Maintenance of information security of TELS GLOBAL's information systems during operation, discovery and processing of information security incidents, internal investigations of violations of information security requirements. • Implementation of document workflow at the Company taking into account information security requirements. • Improvement of the Company's information security regulations.
<p>STAFF RISKS</p>	<ul style="list-style-type: none"> • Lack of qualified staff. • Risk of staff security regarding the staff central to the business. • Staff turnover by certain categories. • Failure to plan for continuity of positions. • Disuse of the efficiency increase potential. 	<ul style="list-style-type: none"> • Monitoring of amendments and compliance with the current labour laws. • Implementation of programmes and initiatives aimed at staff training and development. • Development and implementation of the Succession Pool programme. • Ensuring decent and equal working conditions for all employees and of equal opportunities for the employees. • Development of the Company's staff competencies at all levels. • Analysis of the level of employee engagement and methods to improve it. • Development of young professionals and mentoring programmes.

RISK MANAGEMENT

KEY RISKS

Economic and financial factors



Economic and financial factors

RISK GROUP	MAIN RISK FACTORS	RISK MANAGEMENT/INFLUENCE ON RISK LEVEL
INDUSTRY	<ul style="list-style-type: none"> • Passing by government and regulatory bodies of new laws and regulations and amendments to the current laws resulting in reduced implementation, cost effectiveness, and (or) the necessity to change the business model. • Potential regulatory actions by government bodies, including trade, competition, anti-dumping laws and regulations, sanction regimes, and other regulations. 	<ul style="list-style-type: none"> • Ongoing monitoring of compliance with regulatory requirements, monitoring of regulatory developments, and development of the necessary monitoring tools. • TELS GLOBAL and the management of the group’s Company are members of various national industry associations, contribute to the development of those organisations and participate in developing industry regulations. • Procedures are in place and updated on time to ensure compliance with the sanction requirements by all units of the Company.
GEOPOLITICAL	<ul style="list-style-type: none"> • Sanctions and regulations restricting or hindering the operation. • Lack of compliance with and monitoring of national and international sustainable development directives and provisions. • Decrease in operational efficiency, a threat to business-processes continuity and financial stability. 	<ul style="list-style-type: none"> • Establishment of a system for continuous monitoring and control of compliance with sustainable development requirements and trends. • Procedures are in place and updated on time to ensure compliance with the sanction requirements by all units of the Company. • Compliance control.

RISK GROUP	MAIN RISK FACTORS	RISK MANAGEMENT/INFLUENCE ON RISK LEVEL
REPUTATION	<ul style="list-style-type: none"> • Failure by the Company (affiliates, related entities, real owners) to comply with the requirements of the law, the requirements of the constitution and bylaws, customary business practices, the principles of professional ethics; non-compliance with contractual obligations regarding customers and counterparties. • Lack of mechanisms in bylaws enabling to deal effectively with conflicts of interest between customers and counterparties, founders (members), governing bodies and (or) employees as well as to minimise the negative effects of conflicts of interest, including prevention of complaints, lawsuits by customers and counterparties and (or) employment of enforcement actions by regulatory and supervisory bodies. • Inadequate reporting on sustainable development or non-compliance with obligations assumed. • Non-transparency of the ownership structure. • Business reputation of beneficial owners. • Deficiencies in risk management resulting in potential damage to business reputation. • Deficiencies in staff selection and placement. • Occurrence of a conflict of interest with founders (members), customers, and counterparties as well as other stakeholders. • Publication of negative information about the Company or its employees, founders (members), members of governing bodies, affiliates, related entities in mass media. 	<ul style="list-style-type: none"> • Development of a global social and communication strategy. • Close control over the quality of the information transmitted. • Maintaining regular contact with stakeholders • Providing timely and objective information about financials, performance, corporate governance, and sustainable development indicators. • Ensuring information transparency. Publication of sustainable development reports. • Ensuring continuous monitoring of compliance with the legal requirements and current agreements • Timely settlements with the parties. • Participation in ESG ratings. • Development of a global social and communication strategy. • Close control over the quality of the information transmitted. • Development of a behavioural environment and a management culture. • Development of internal policies, including the Code of Business Conduct and Ethics.

Financial factors

RISK GROUP	MAIN RISK FACTORS	RISK MANAGEMENT/INFLUENCE ON RISK LEVEL
<p>LIQUIDITY AND CREDITWORTHINESS RISK</p>	<ul style="list-style-type: none"> • The Company's inability to finance its operation, ensure an increase in assets, and meet obligations as they mature without losses in amounts that are beyond its financial sustainability. • Quality of assets and liabilities. • Degree of imbalance in assets and liabilities by maturity, amount, and currency. • Political situation and economic stability in the country. • Deterioration of operating results. 	<ul style="list-style-type: none"> • The operating management of the Company's liquidity is based on the balance of payments, schedule of payments, and payment position within the approved budgets. • Depending on the current liquidity, the Company promptly raises or allocates money on the best market terms. • The Company implements long-term operational planning and takes early steps to borrow without reaching the point of decrease in solvency and operational results that could have an impact on creditworthiness at the time of occurrence.
<p>CREDIT RISK</p>	<ul style="list-style-type: none"> • Non-compliance, late or incomplete compliance with financial obligations by counterparties. • Creditworthiness, reputation, and types of counterparties by form of ownership, membership of certain industries, and relations with their partners. • Type, form, and amount of financing provided and credit limit. • Bankruptcy, fraud, and abuse by counterparties. 	<ul style="list-style-type: none"> • A methodology to calculate and set credit limits has been developed, monitoring of compliance with credit limits. • Assessment and monitoring of counterparty creditworthiness. The terms of payment and securing payments by the counterparties (guarantees, letters of credit, advance payments) are to be determined. • Monitoring of the current financial condition and economic security of the counterparties. • Settlements. • Collective decision-making regarding engagement with troublesome counterparts (in the committee format).

RISK OF NON-COMPLIANCE WITH COVENANTS

- Deterioration of operational results and/or occurrence of contingent losses.
- Taking managerial decisions without taking into account the terms of the covenants available and (or) late informing about the company-level decisions controlling the covenants of failure to meet business targets.
- Failure to meet business targets.
- Lack of system analysis and assessment of the ESG factors and associated risks and opportunities.
- Lack of system control.

- The Company analyses, controls, forecasts, and monitors approved covenants on a monthly basis.
- An action plan is being developed for the case of discovering deviations in the projection period.
- A rolling planning and budgeting system has been implemented.
- Automation of business processes.

FOREIGN-CURRENCY RISK

- Unbalanced foreign-currency position.
- High volatility of exchange rates.

- Minimisation of settlements in the currencies exposed to the foreign-currency risk.
- Standards for dealing with counterparties by payment currencies.
- Simulation and assessment of budget parameters taking into account the possible volatility of the relevant market parameters.
- Creation of foreign-currency provisions.
- Neutrality (single currency) position: incoming and outgoing cash flows in the same settlement currency compensate each other.

RISK MANAGEMENT

KEY RISKS

Environment risks



RISK GROUP	MAIN RISK FACTORS	RISK MANAGEMENT/INFLUENCE ON RISK LEVEL
ENVIRONMENT	<ul style="list-style-type: none"> • Waste generation during operation. • Use by Service Providers of vehicle services with an environmental class which does not meet the Company's requirements. 	<ul style="list-style-type: none"> • Maintenance of the environment management system in accordance with the principles of ISO 14001. • Minimisation of natural-resources consumption. • Providing for safe management of the Company's waste. • Selection of partners complying with the environment standards. • Separate waste collection. • Optimisation of the areas used. • Use of environmental materials and resources. • Minimisation of waste and decrease in its volume. • Decrease in energy consumption owing to energy-saving materials and technologies.



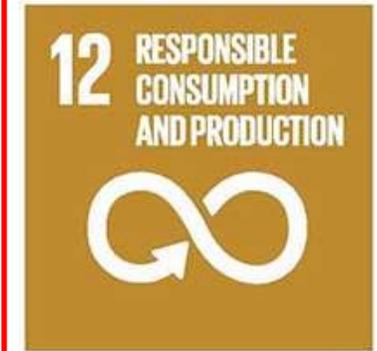
PRIORITY SUSTAINABILITY GOALS

The company's sustainable development policy is based on the UN Sustainable Development Goals. The company has identified the goals that it influences, as well as the highest-priority goals where the company's impact is most significant.

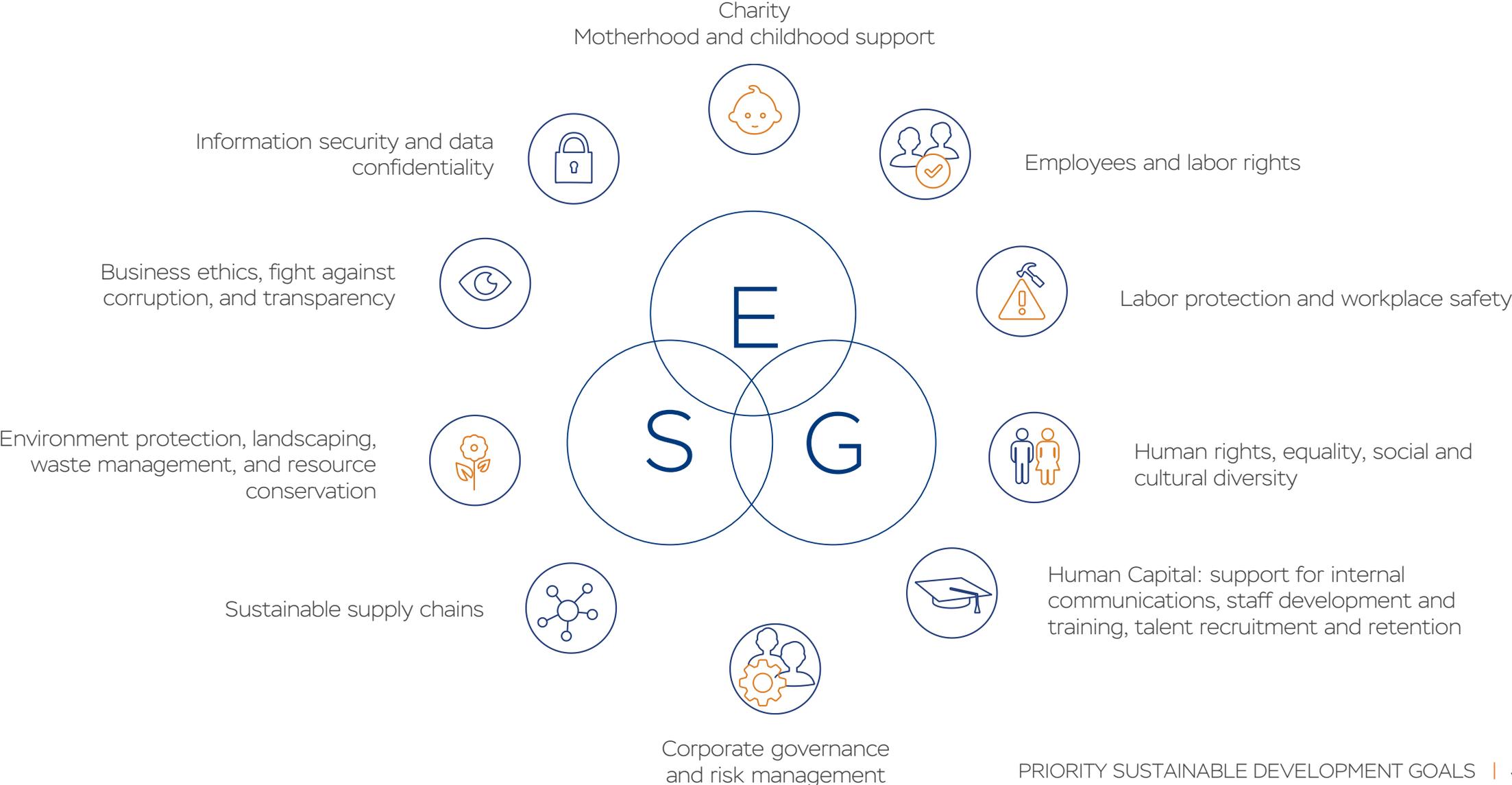


SUSTAINABLE DEVELOPMENT GOALS ARE INTEGRATED INTO THE COMPANY'S DEVELOPMENT STRATEGY

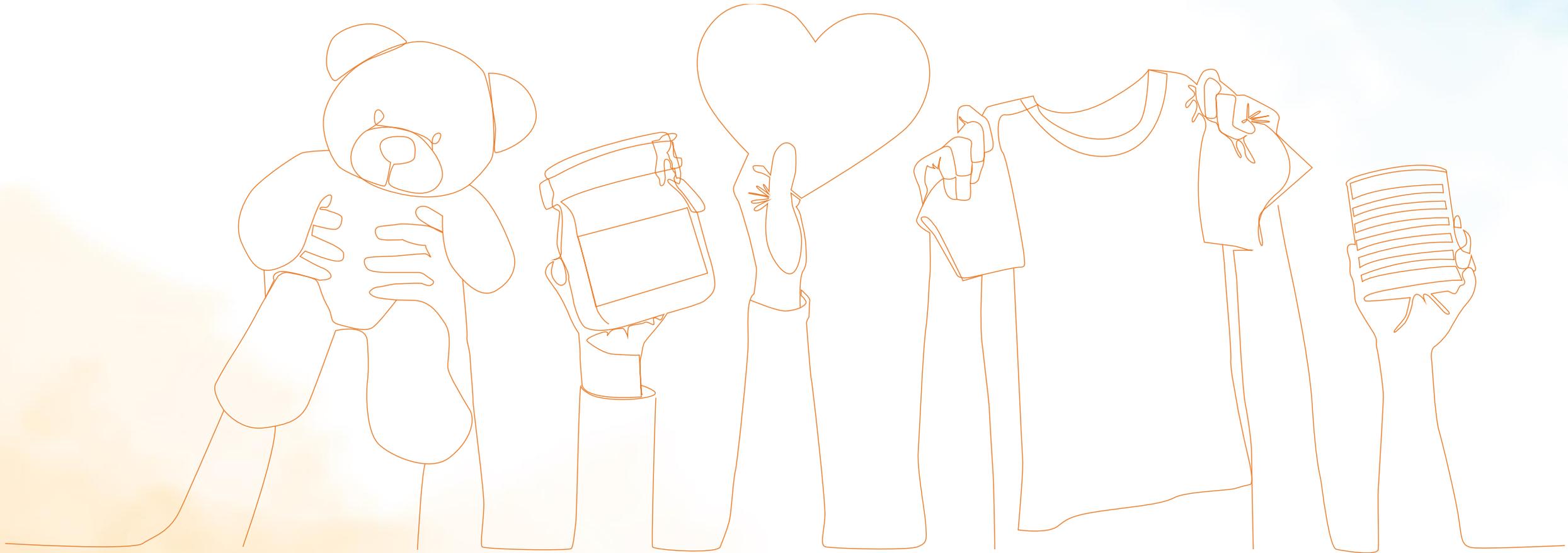
The goals that the company influences and takes into account in building its own strategy are presented on a colored background, the goals that the company has the greatest influence on and that are its priority are highlighted additionally.



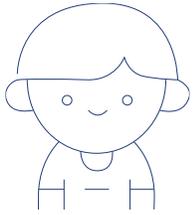
ESG STRUCTURE OF TELS GLOBAL



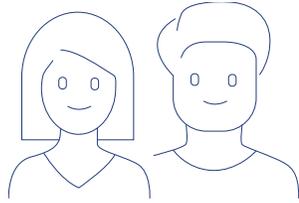
CHARITY



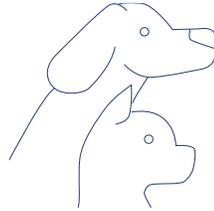
THE COMPANY HAS IDENTIFIED THE FOLLOWING CHARITY PRIORITIES:



Events as well as targeted transfers to help children in need



Events and targeted collections for adults in need



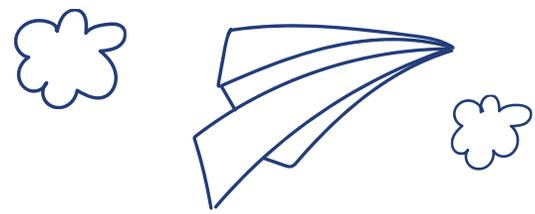
Events to help animals

- Five targeted collections for children in need of treatment and rehabilitation have been completed.
- In 2022, we continued the tradition of holding a Christmas fair to sell food prepared by the company's employees as well as an auction of the lots provided by the company's employees. All the proceeds have been used to treat the child of the company's employee with a complex childhood illness and disability.

The company supports the staff charity initiatives, always covers the events initiated by the company's employees, and takes an active part in them.



HELP EVENTS FOR ORPHANAGES AND COMMUNITY OUTREACH CENTRES



«GOOD CARDS»

Event to support of the SUPER CAT animal shelter:
employees purchased branded themed postcards dedicated to International Women's Day. money from selling them were used to help the shelter

Helping the shelter "Good to Give": fundraising and necessary food.



CHARITABLE CONTRIBUTIONS FOR ANIMAL SHELTERS



Thriving life on land is the basis of our life on this planet. All of us are part of the planet's ecosystem and should thus, as part of the ESG strategy, commit ourselves to biodiversity conservation on earth. Zoos, among others, carry out such an important mission. To care for the animal world and to provide targeted aid to the Warsaw zoo, the TELS Polska Sp.z.o.o. has got an animal under its care.

Please meet the meerkat **Freight**

Surykatką **Freight**

opiekują się firma logistyczna TELS Polska Sp.z.o.o.

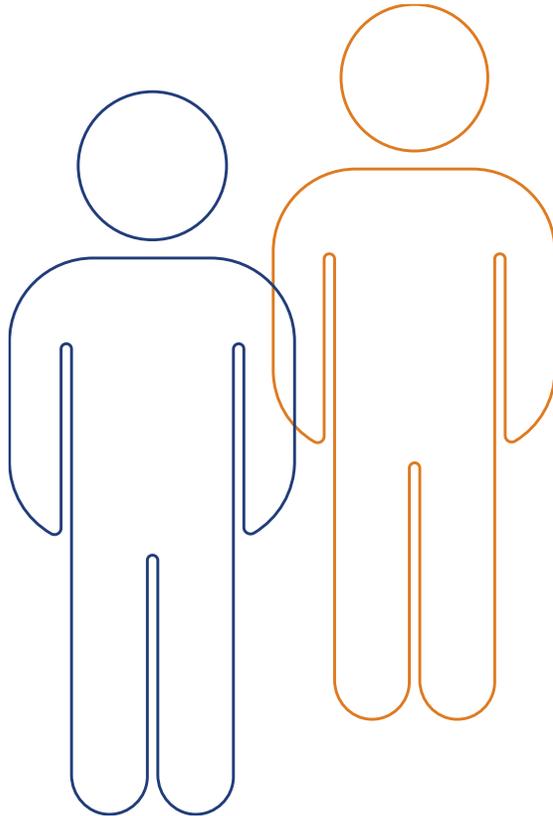


TELS GLOBAL
FORWARD TOGETHER



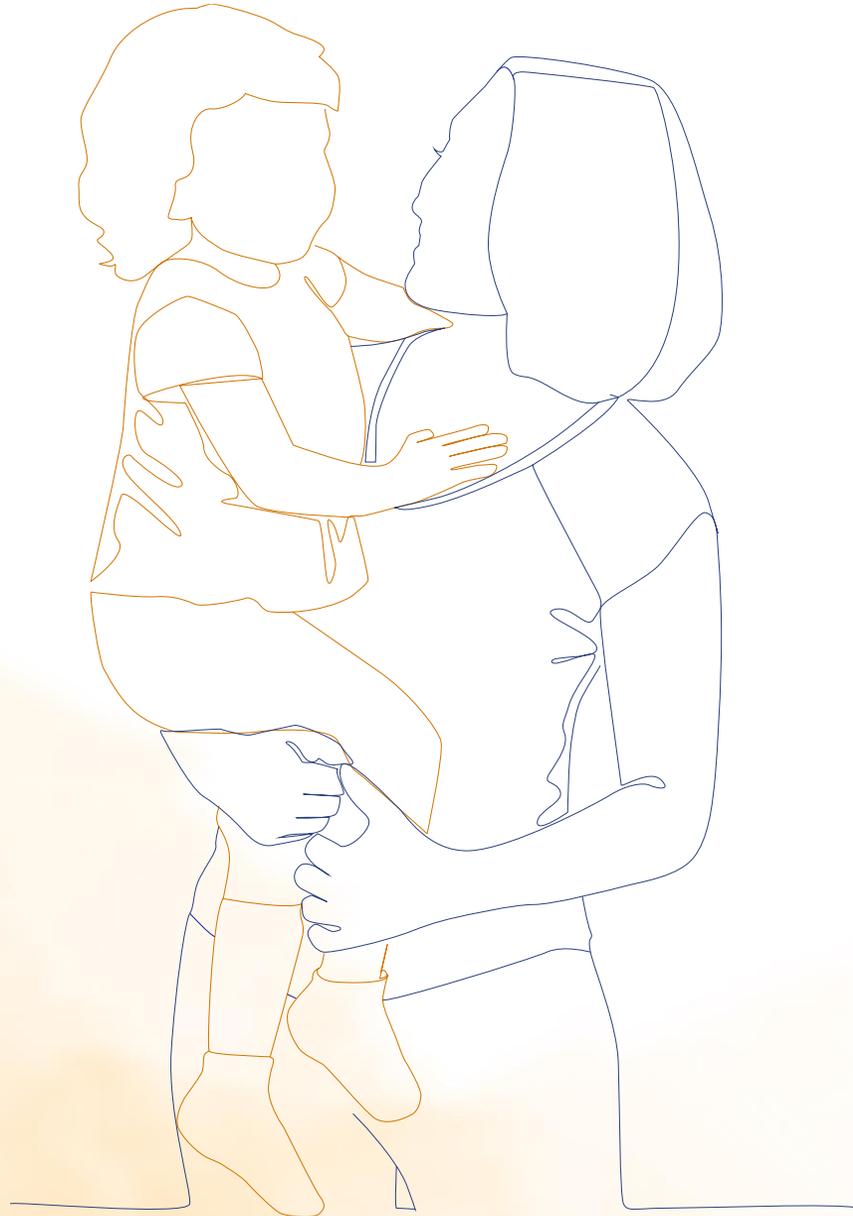
ESG PRINCIPLES

THE SOCIAL MATTERS - employees and employee well-being - are the company's key value



OUR EFFORTS ARE AIMED AT DEVELOPING THE STAFF POTENTIAL:

- Support for health and well-being
- Ensuring decent and equal working conditions for all staff
- Ensuring safe working conditions
- Development of young professionals and mentoring programmes
- Ensuring equal opportunities for staff
- Promoting a healthy lifestyle



MOTHERHOOD AND CHILDHOOD SUPPORT

Our company strongly believes that improving society is inextricably linked to supporting mothers and children.

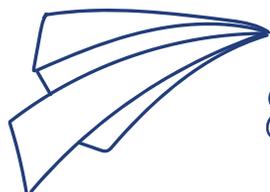
Support for mothers and children is an integral part of operation of an ethical organisation and creation of a safe working environment for its employees. The company invests in activities, supports initiatives which promote comfortable motherhood and childhood.

IMPLEMENTATION:

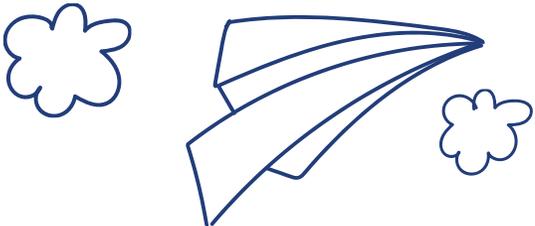
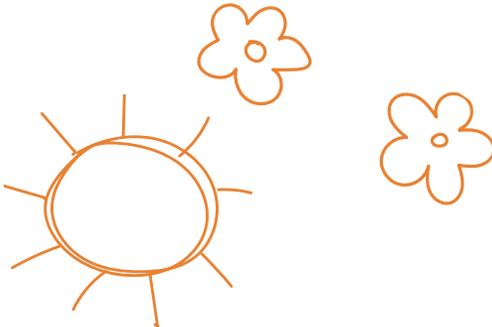
- to take care of their children, our employees who have two or more pre-school and school-age children are granted the right to be absent from work for two working days per year (upon application);
- in case of an illness, the staff may be absent from work (upon application) for two working days per year without a sick leave;
- payment for gifts for the children of the Company's employees aged 15 and younger;
- financial assistance to the employees on the occasion of marriage, childbirth, death of a close relative (parents, children, siblings);
- Christmas contest of creative work of the employees' children with a prize pool;
- Best-diary contest with valuable prizes awarded to the best students;
- First-grade-pupil kits are gifts to the employees' children who attend the first grade;
- Health and resort treatment of the staff and their children makes it possible to get a voucher to a health centre granted by the government in aid.

Our plans are to further keep the company's high standard of performance in this area.

CHRISTMAS CONTEST OF CREATIVE WORK OF THE EMPLOYEE'S CHILDREN



BEST-DIARY CONTEST



FIRST-GRADE-PUPIL KITS ARE GIFTS TO THE EMPLOYEE'S CHILDREN WHO ATTEND THE FIRST GRADE



HEALTH AND WELL-BEING SUPPORT



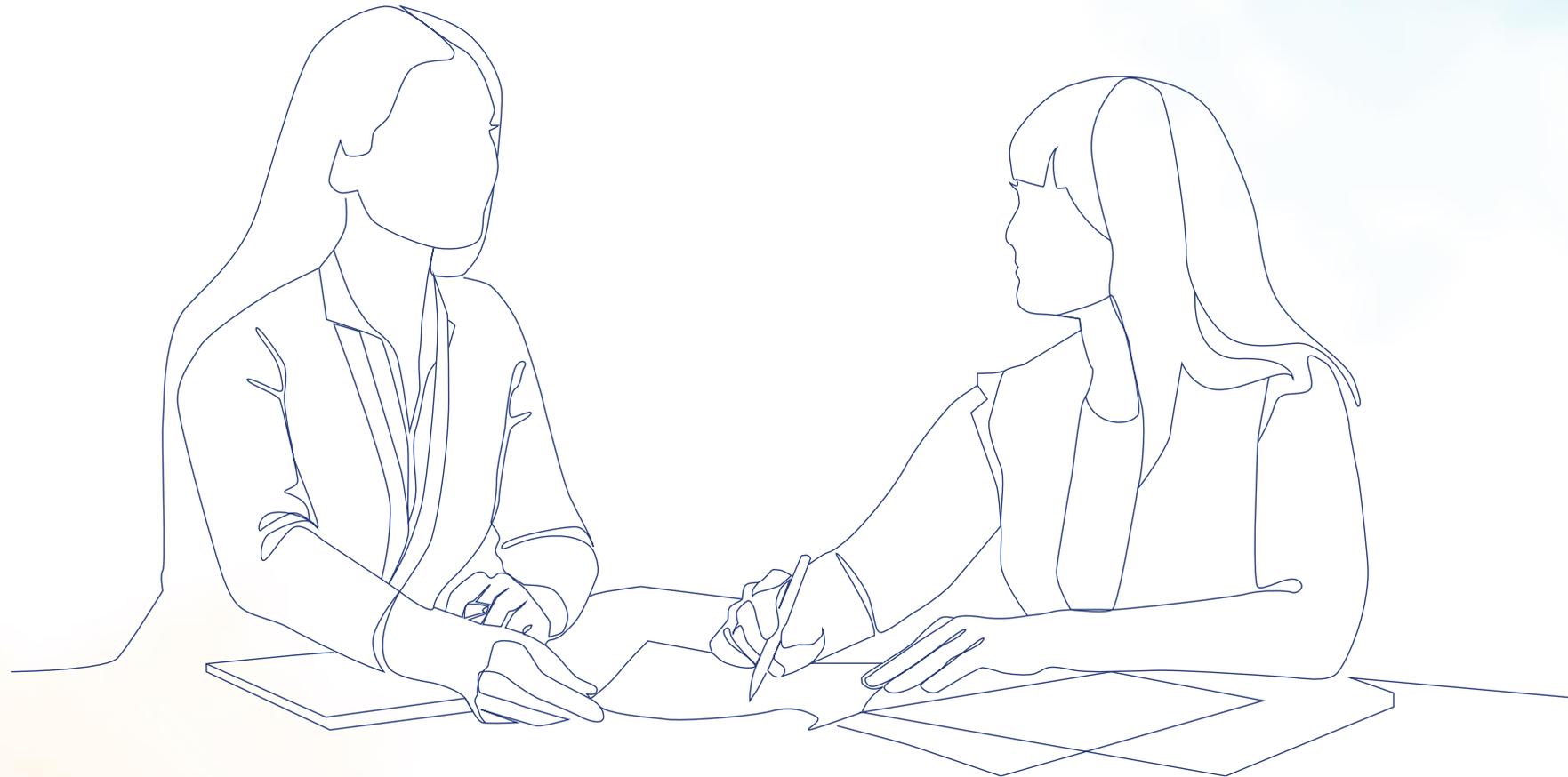


Participation in various sporting events
Half marathon participants



Annual traditional influenza vaccination

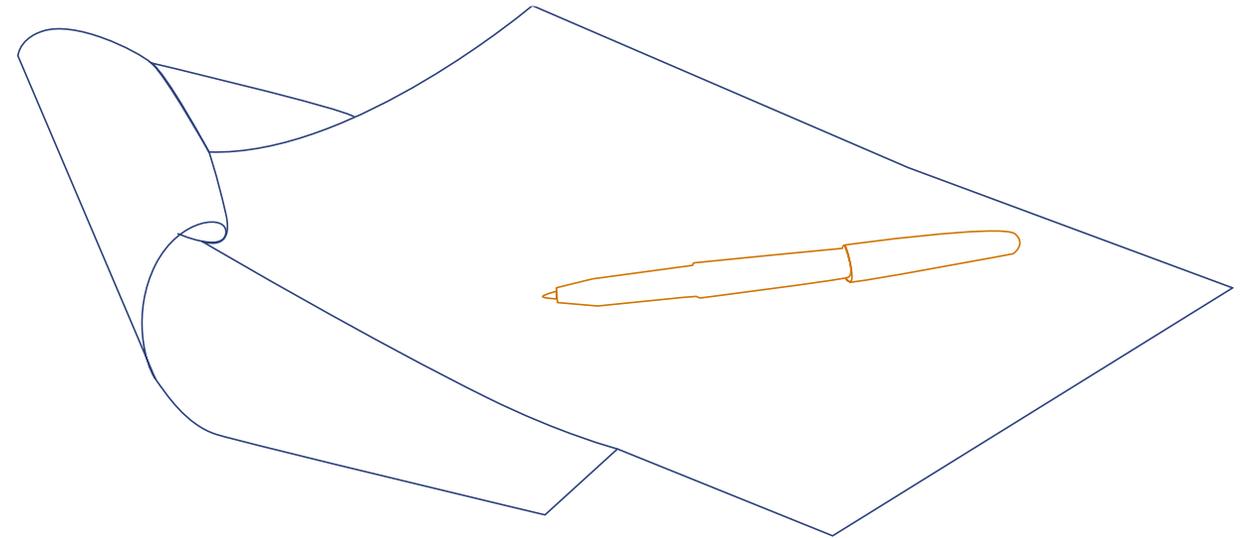
STAFF RELATIONS AND LABOUR RIGHTS



It is essential for the company to give priority to safety at work, to comply with occupational health, and to take care of its employees. The company seeks to take a number of measures aimed at ensuring a safe and comfortable workplace, mitigating the risks of accidents and injuries, and improving job satisfaction.

CURRENT DOCUMENTS:

- Employees' benefit plan regulations
- Human rights protection policy
- Equal opportunities policy
- Recruitment regulations
- Code of business conduct
- Occupational health policy





EMPLOYEE'S WORKING CONDITIONS AND SAFETY

One of TG's main objectives is to provide an attractive, safe, and inclusive workplace, to ensure decent working conditions for all employees, and to keep improving the working environment for all of our employees.



NON-DISCRIMINATION, ABILITY TO REPORT VIOLATIONS

THE POLICIES IN FORCE DECLARE:

- Inadmissibility of discrimination and forced labour
- Inadmissibility of harassment
- Respect for cultural differences and values

- Respect for the rights to freedom of assembly and association
- Compliance with occupational health regulations

The Company's employee may notify his or her line manager regarding occupational risks and hazardous situations discovered or send a notice to a special email address. Retaliatory measures or sanctions against the employees reporting on occupational risks and hazardous situations are prohibited.

THE COMPANY'S BENEFIT PLAN INCLUDES THE FOLLOWING:

- reimbursement of the cost of voluntary health insurance for the employees with at least five years of service with the Company;
- additional days of corporate leave for the management;
- additional days of paid leave (wedding, death of a close relative);
- a paid day off on the employee's birthday (upon successful initial trial period). If the employee's birthday falls on a day off or a holiday, the day off is granted either on the birthday eve or on the first working day after the birthday;
- monthly supply of tea and coffee to the staff;
- reimbursement to the staff of the actual mobile phone charges incurred on official business on business trips, during non-working hours, and on public holidays;
- the employees' participation in special corporate events paid for by the Company;
- payment for gifts for the children of the Company's employees aged 15 and younger;
- New Year's gifts to the staff;
- financial assistance to the employees on the occasion of marriage, childbirth, death of a close relative (parents, children, siblings);
- the working day shortened by an hour on Fridays.

PLANS:

1

Achieving engagement of 55%

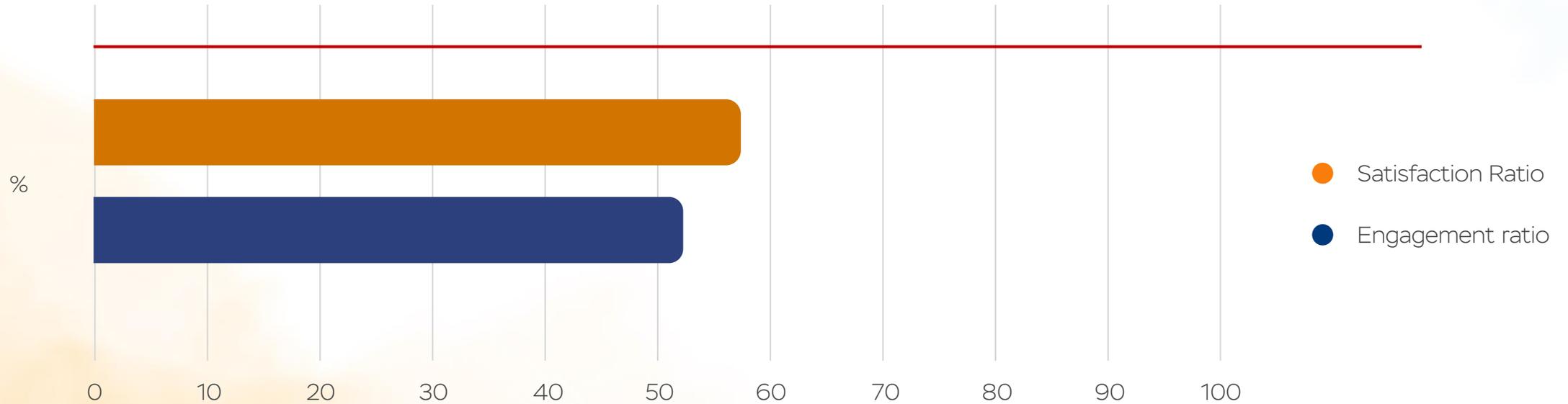
2

Achieving satisfaction of 56%

3

Retaining the leading position in the industry employers' market

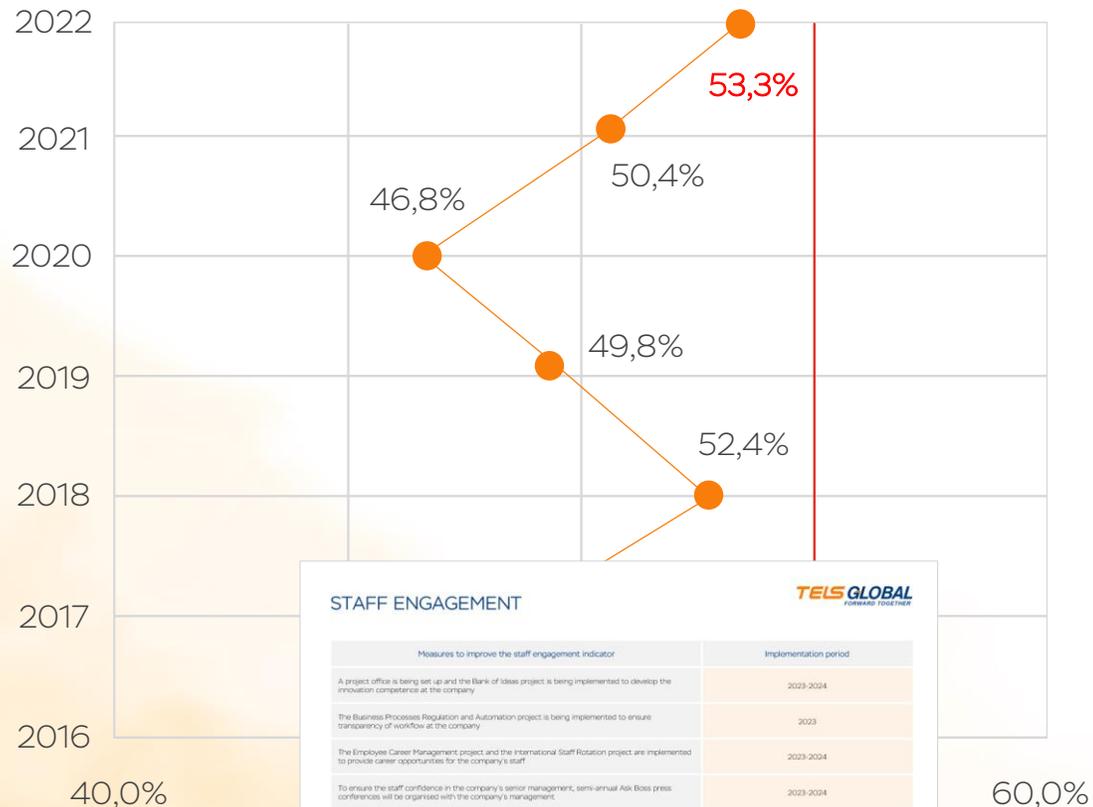
STAFF ENGAGEMENT, SATISFACTION ratio
TG, 2017-2022



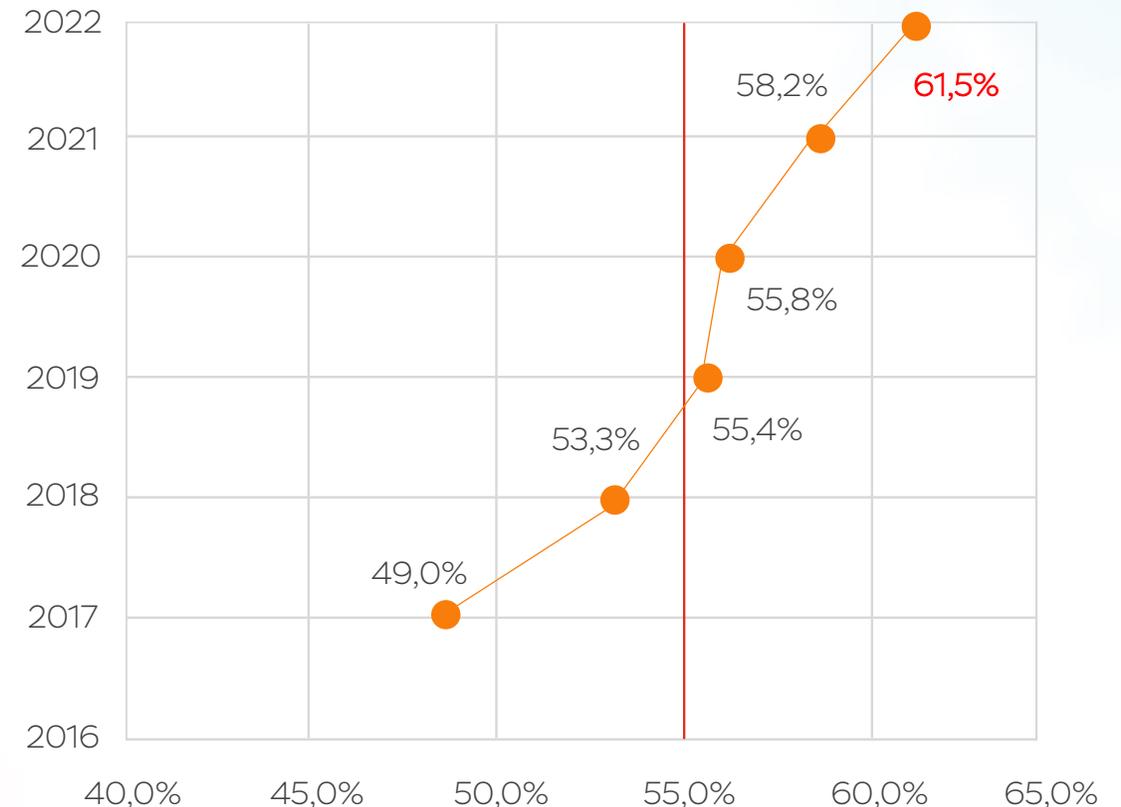
STAFF ENGAGEMENT

STAFF ENGAGEMENT, SATISFACTION ratio TELS GLOBAL, 2017-2022

ENGAGEMENT RATIO TG,
2017-2022



SATISFACTION RATIO TG,
2017-2022



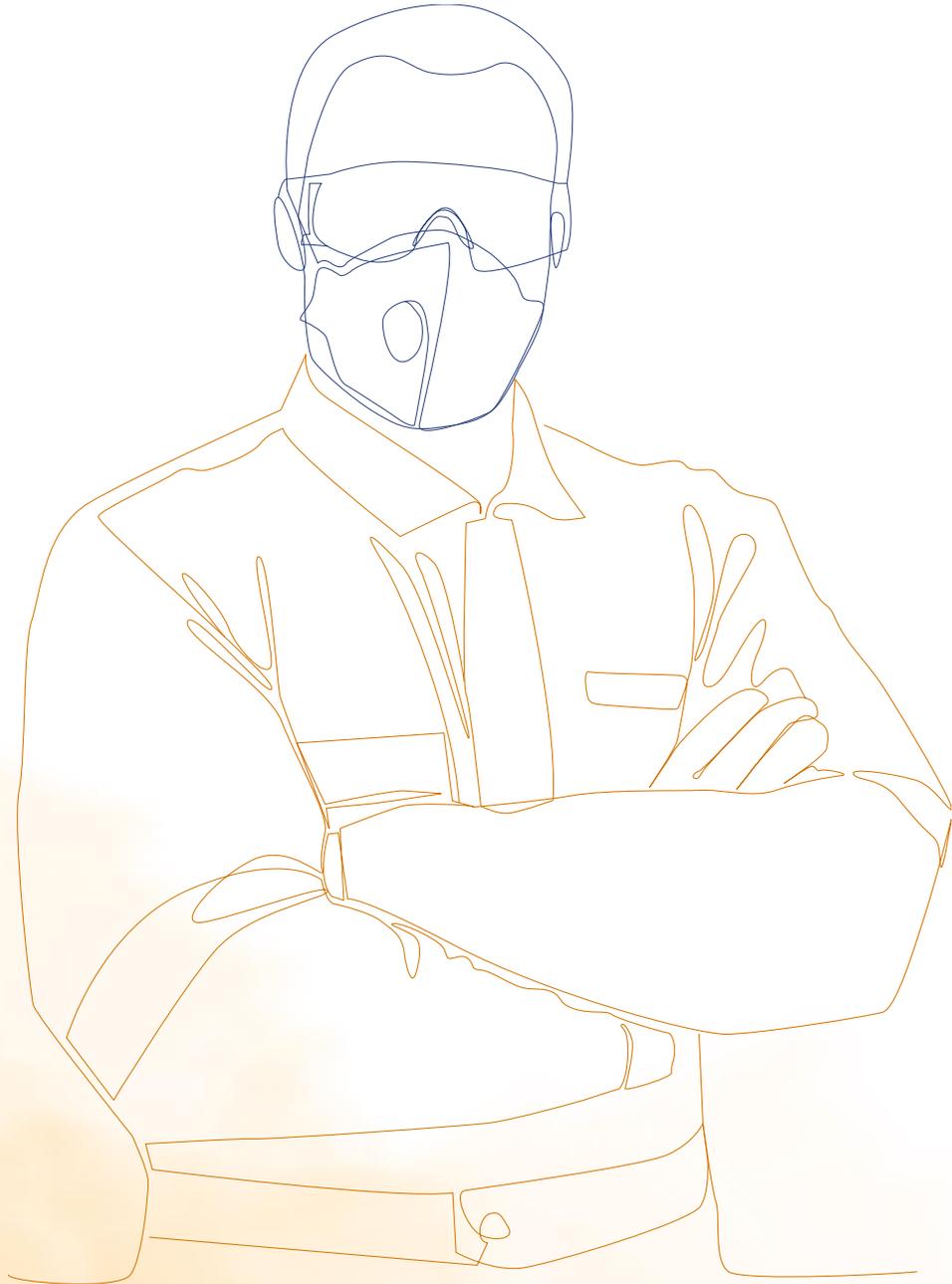
STAFF ENGAGEMENT **TELS GLOBAL**
FORWARD TOGETHER

Measures to improve the staff engagement indicator	Implementation period
A project office is being set up and the Bank of Ideas project is being implemented to develop the innovation competence at the company	2023-2024
The Business Processes Regulation and Automation project is being implemented to ensure transparency of workflow at the company	2023
The Employee Career Management project and the International Staff Rotation project are implemented to provide career opportunities for the company's staff	2023-2024
To ensure the staff confidence in the company's senior management, semi-annual Ask Boss press conferences will be organised with the company's management	2023-2024
To further train, develop, and train the staff regularly, it is planned to develop new Succession Pool Training Programmes for managerial and unique positions	2024-2025

STAFF RELATIONS AND LABOUR RIGHTS | 57

STAFF ENGAGEMENT

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LABOR PROTECTION AND WORKPLACE SAFETY

Accident rate – 0

Total number of complaints received – 0

1

The company complies with the occupational health laws and ensures workplace safety

2

The company has an occupational health and safety management system that meets the requirements of ISO 45000

TELS GLOBAL monitors compliance with legislation, instructions, rules and regulations on labor protection, carries out a set of measures and actions aimed at ensuring the safety and protection of employees in the process of labor activity



HUMAN RIGHTS, EQUALITY, SOCIAL AND CULTURAL DIVERSITY

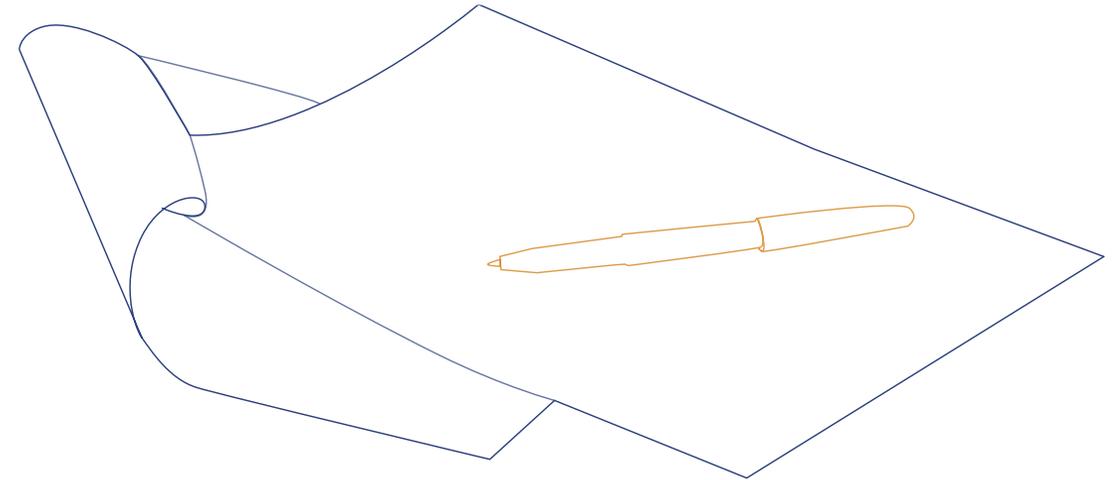


The basis of the process of engagement with stakeholders is unconditional compliance with and protection of the fundamental human rights. The company does not accept discrimination in any form and manifestation and seeks to create equal opportunities and an inclusive environment. To achieve a high level of human rights management, TG intends to expand activities in the following areas:

- monitoring and assessing of compliance with the human rights standards
- inclusion of the study of topical human-rights issues in the new staff onboarding plan
- improved violation reporting procedure, consideration, and internal investigation of each application

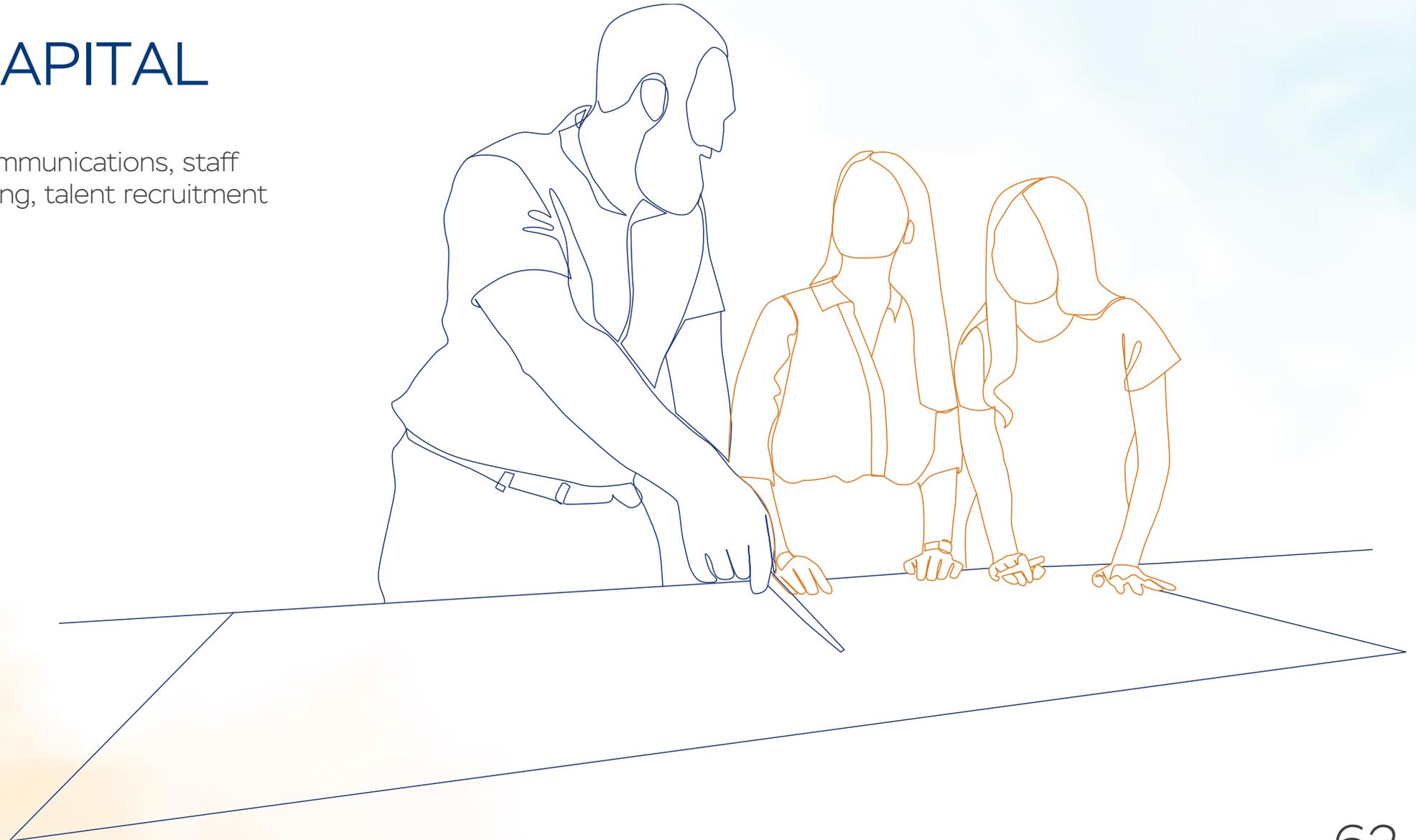
CURRENT DOCUMENTS:

- Human rights protection policy
- Equal opportunities policy
- Procedure for reporting potential violations



HUMAN CAPITAL

Support for internal communications, staff development and training, talent recruitment and retention



As part of maintaining competitive positions in the labour markets of TELS GLOBAL's operation countries, the company uses the Human Capital Management system.

HUMAN CAPITAL MANAGEMENT SYSTEM:

- provides a timely response to the challenges of the external environment and to the expectations of key stakeholders regarding the organisation's development,
- takes into account the internal capabilities of the business and, based on a comprehensive analysis, will enable development of optimal human resources management solutions for the best possible operation of the business,
- ensures that the corporate culture changes in line with the strategic business objectives of the company in a timely manner,
- enables development of talents key to the business, prepares leaders, develops fair and transparent performance standards.

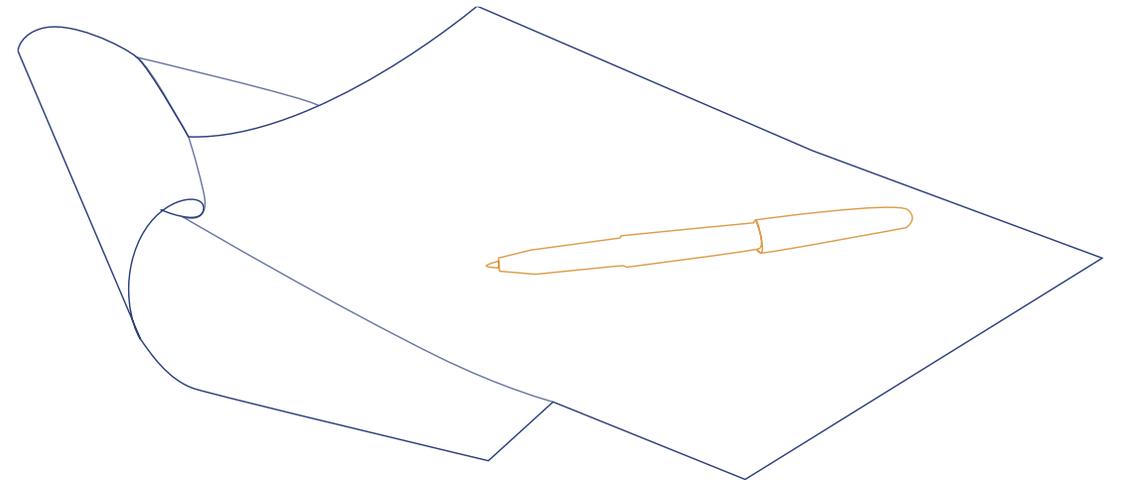
Human Capital Management means an approach to the staff as an asset of the organisation which can be invested in and which can and should be capitalised upon to the maximum.
Consequently, TELS GLOBAL develops and updates group policies such as:

-
- TG's human resources management policy
 - Code of business conduct

Staff training and further training covers all levels of positions. The company prioritises offering extensive professional and personal development opportunities to the staff.

CURRENT DOCUMENTS:

- Staff training regulations
- TELS GLOBAL's career management regulations
- Succession pool training regulations



EMPLOYEE PORTRAIT:

5,45 AVERAGE PERIOD OF
SERVICE WITH THE COMPANY

21% male **79%** female

35 AVERAGE AGE
OF THE STAFF



TRAINING

SCHEDULED TRAINING

is carried out according to approved programmes of training, further training, succession pool preparation, and initial onboarding training of new staff.

UNSCHEDULED TRAINING

is arranged on an ad hoc basis at the request of the heads of the Company's business units.

INDIVIDUAL TRAINING

is carried out at open training sessions, seminars, and conferences of external providers of education services, retraining, further training courses at higher education institutions, during onsite training etc.

CORPORATE TRAINING

is held during training sessions, seminars, and webinars organised with external providers of education services, external and internal trainers especially for the Company's staff.

EXTERNAL TRAINING

involves participation in open courses, seminars, training sessions, and webinars organised by external providers of educational services, trainers, and organisations.

INTERNAL TRAINING

is organised by engaging internal experts and the Company's resources.

Internal training includes:

- on-the-job training (supervisory control);
- corporate onboarding training for new staff;
- internal training sessions;
- onsite training.

External training includes:

- participation in external open topic-based training programmes, seminars, training sessions, webinars, and conferences;
- further training and certification courses.

SELF-EDUCATION AND PERSONAL DEVELOPMENT

at the Company is supported by the Corporate Learning Website (CLW) where resources can be found as part of the corporate training of new staff, e-books and video content as well as the personal area enables to see the performance, participate in and hold webinars, discuss important and relevant topics in forums.

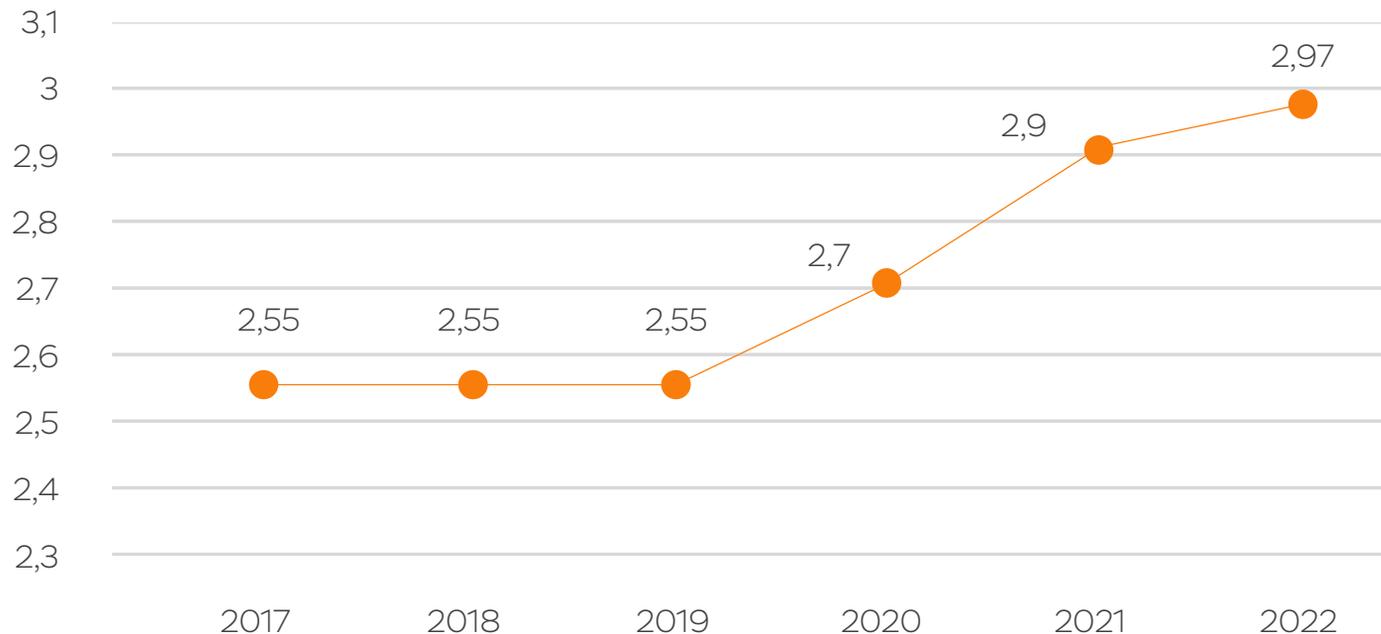


CERTIFICATION AND CLASSES

Each new employee of the company is trained according to the onboarding plan. Upon completion of the training, all staff are certified in a test format. The company has a system for evaluating the staff performance, determining the job competence, awarding a category.

Five categories are available, the frequency of and the procedure for certification are set out in the Staff Certification Regulations.

AVERAGE STAFF CATEGORY AT THE COMPANY, 2022



15% OF STAFF UPGRADED THEIR CATEGORY IN 2022

STAFF TURNOVER

Reducing the staff turnover is an important task for the company as it saves resources, improves stability and productivity as well as preserves the valuable knowledge and skills of the staff.

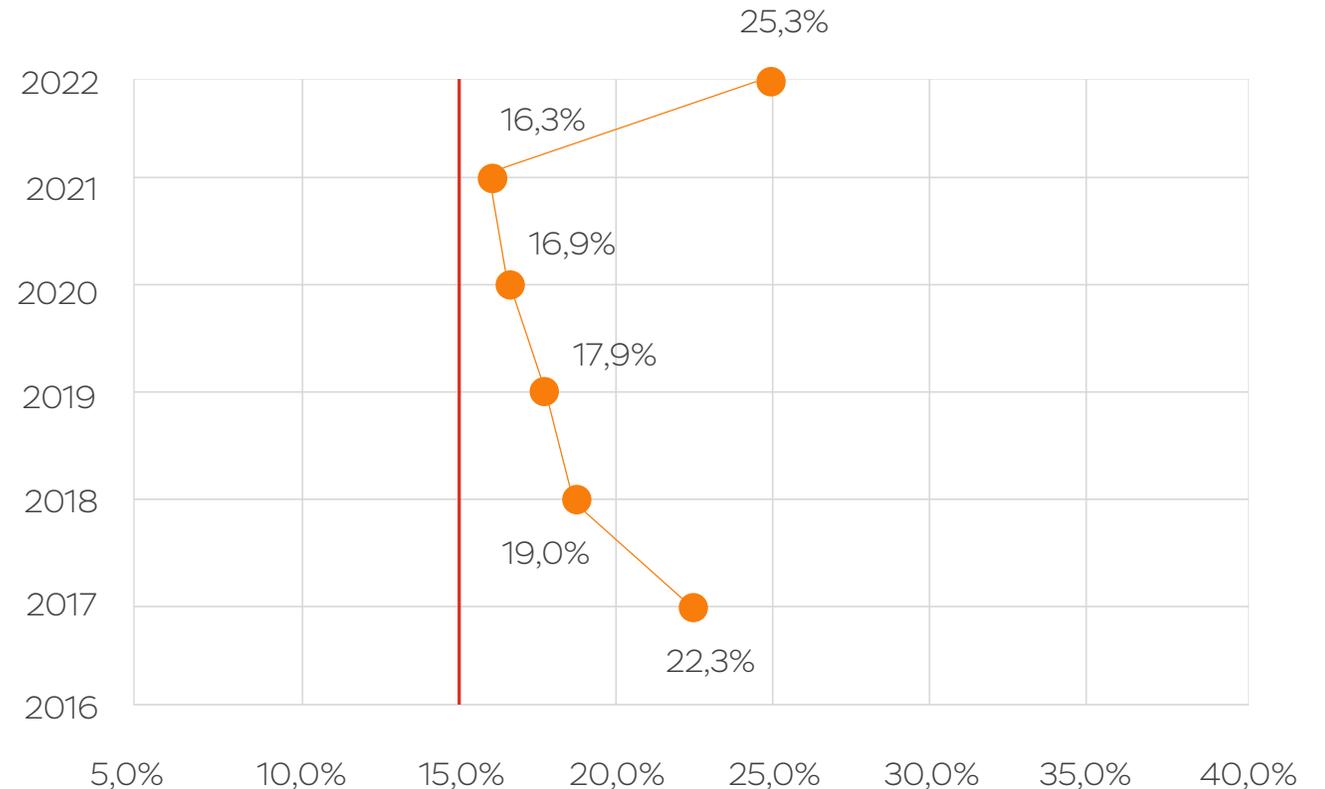
Against the backdrop of the difficult economic situation in 2022, the company experienced a loss of some staff resulting in an increase in the annual turnover. However, at present, the company continues working to meet the last year's indicators and further improve the ratio.

ATTRACTIVENESS OF THE COMPANY
AS AN EMPLOYER



PROSPECTIVE EMPLOYEES ACCEPT
OVER 85% OF THE OFFERS

TELS GLOBAL'S STAFF TURNOVER RATE 2017-2022



Under the Succession Pool Training Regulations, the staff members are recruited and trained on the basis of the programme developed and approved for each approved category of the succession pool's position.

58,8% of the staff were appointed to a senior position after training as part of the succession pool

Achievements: the annual addition of new modules to the CLW

NEW TRAINING MODULES IN 2021-2023

Development of soft
and hard skills

Sales school

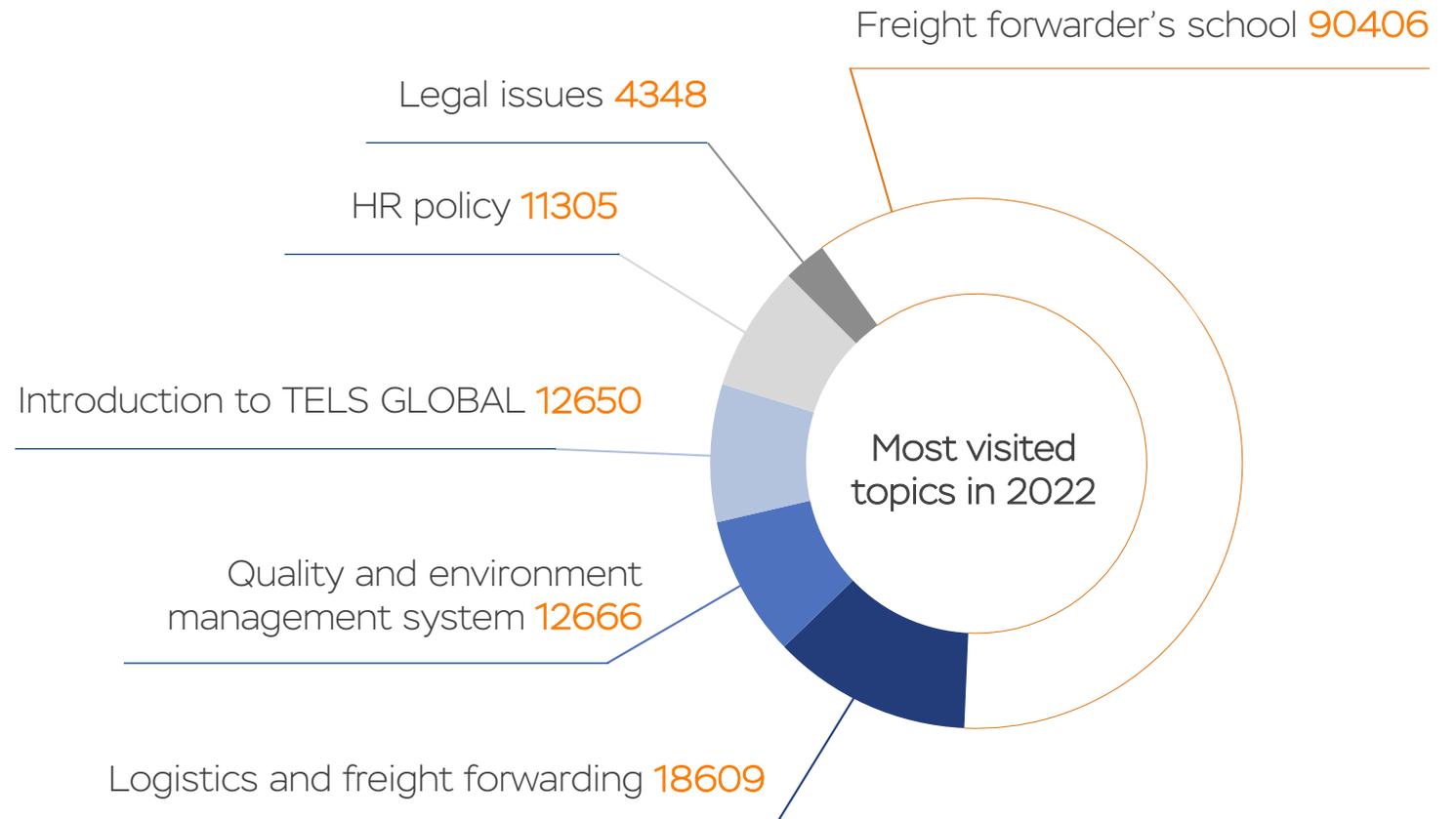
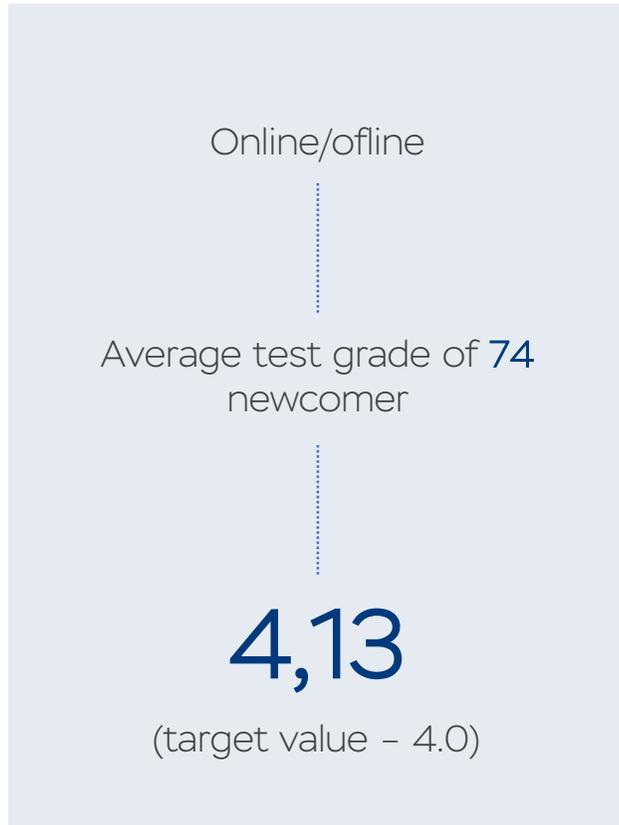
ESG global practices
and company strategy

Human rights, anti-corruption policy,
and equal opportunities at TG



Release of personnel reserve 2023

STAFF DEVELOPMENT AND TRAINING



A system approach to the human resources management is an integral part of the Tg's overall organisational development. Owing to this approach, TG seeks to be competitive in the labour markets of the operation countries,

PLANS, RECRUITS, RETAINS, AND DEVELOPS

the necessary number of staff to achieve its strategic objectives.

THE HUMAN RESOURCES MANAGEMENT SYSTEM ENABLES:

- to improve the overall quality of the employee management and staff productivity,
- to identify the key staff,
- to develop talents
- as well as to increase their engagement.

The main objectives, tasks, and management principles of the Human Capital management are set forth in TELS GLOBAL's Human Resources Management Policy.



PLANS:

- In 2023-2024, we will continue our consistent policy of supporting internal communication, the staff development and training. Recruiting and retaining talents will remain the main focus of the company.
- Next year, we plan to focus on such topics as Digital Business Transformation, Financial Awareness, Project Management, Management, Leadership and Responsibility
- Create the library, development of soft and hard skills modules with books, knowledge and skills development resources in English on the corporate learning website



CORPORATE MANAGEMENT

TELS GLOBAL has established corporate governance bodies (Board of Directors, Management Board, relevant committees and internal control bodies). The necessary mechanisms and procedures for corporate governance are being put in place. The rules of the corporate governance system are fixed in the following documents of the Company:

- Regulations on the General Meeting of Shareholders
- Regulations on the Board of Directors
- Regulations on the Management Board
- Regulations on the Executive Director
- Regulations on the Committees under the Board of Directors and the Management Board
- Regulations on the Assessment of Corporate Governance Bodies
- Regulations on the Corporate Secretary



SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

The ESG agenda is gradually becoming an integral part of the business of all market players, including TELS GLOBAL.

The Company analyses international sustainable-development trends and risks and develops its operation “sustainably”, which allows for identification of sources of growth and successful use of sustainable opportunities in its operation balancing the Company’s opportunities and the risks associated with these opportunities.

The high quality of the Company’s corporate governance ensures that sustainable development

goals are consistently integrated into strategic planning reflecting TELS GLOBAL’s desire to create long-term value for all stakeholders. TELS GLOBAL’s Board of Directors, Management Board, corporate governance bodies pay due attention to consideration of the ESG factors and sustainable development issues.

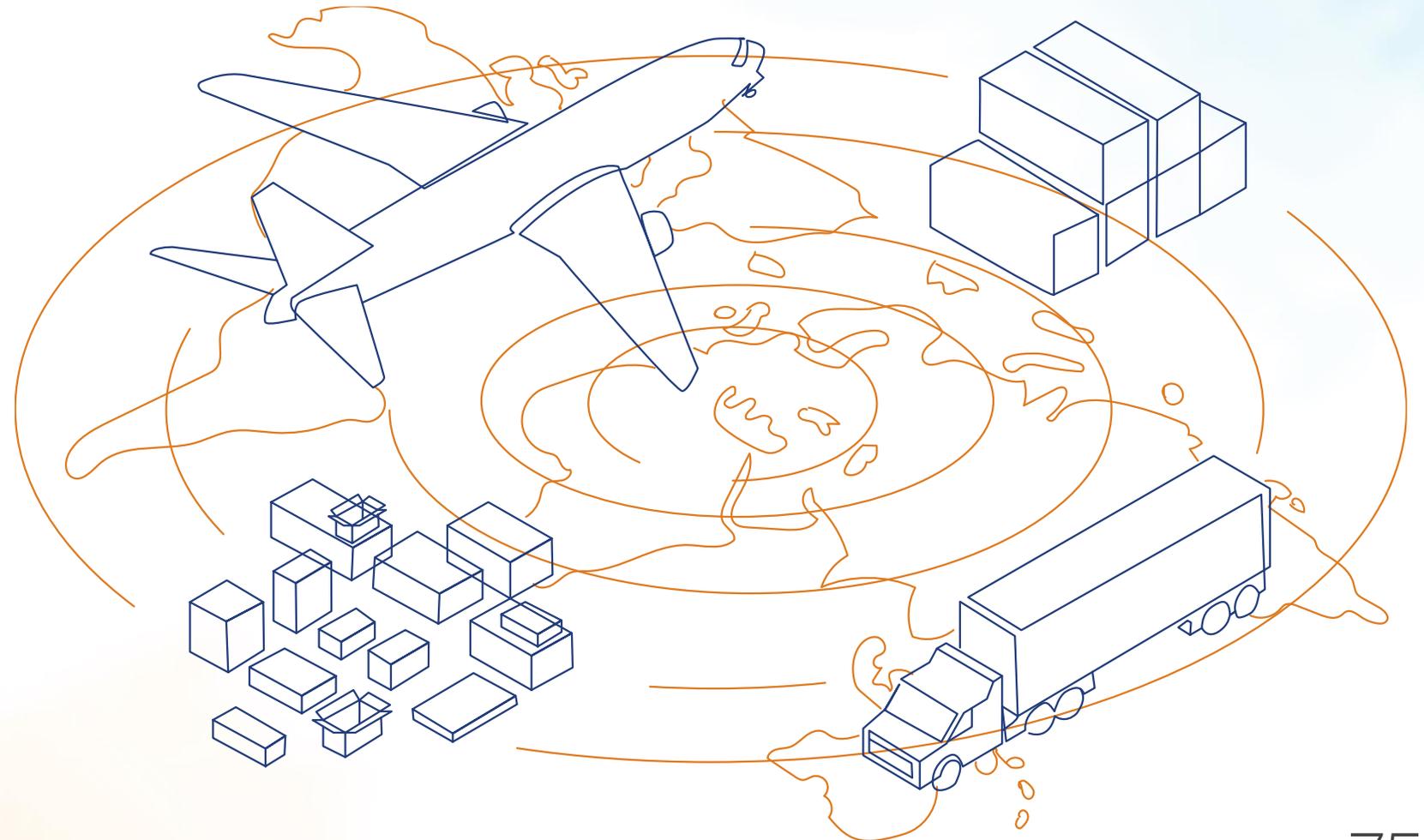
Risk management plays a key role in achieving TELS GLOBAL’s strategic goals and objectives. Our approach to risk management encompasses all business processes and applies to all daily operations. The Company has developed a common concept for risk identification, assessment, and management at

both the corporate and operational levels. We use a similar approach to manage financial and non-financial risks. The risk management process consists of timely risk identification, analysis, assessment, and implementation of the relevant measures. The Company takes measures to manage not only strategic and financial risks but also risks associated with sustainable development: environment, social, and economic.

The risk management system allows for a rapid response to changes in the world ensuring stability of the Company’s financial position, continuity of its operations and achievement of its objectives.

SUSTAINABLE SUPPLY CHAIN

Since the ESG strategy adoption, we have taken the first steps to create a sustainable supply chain.



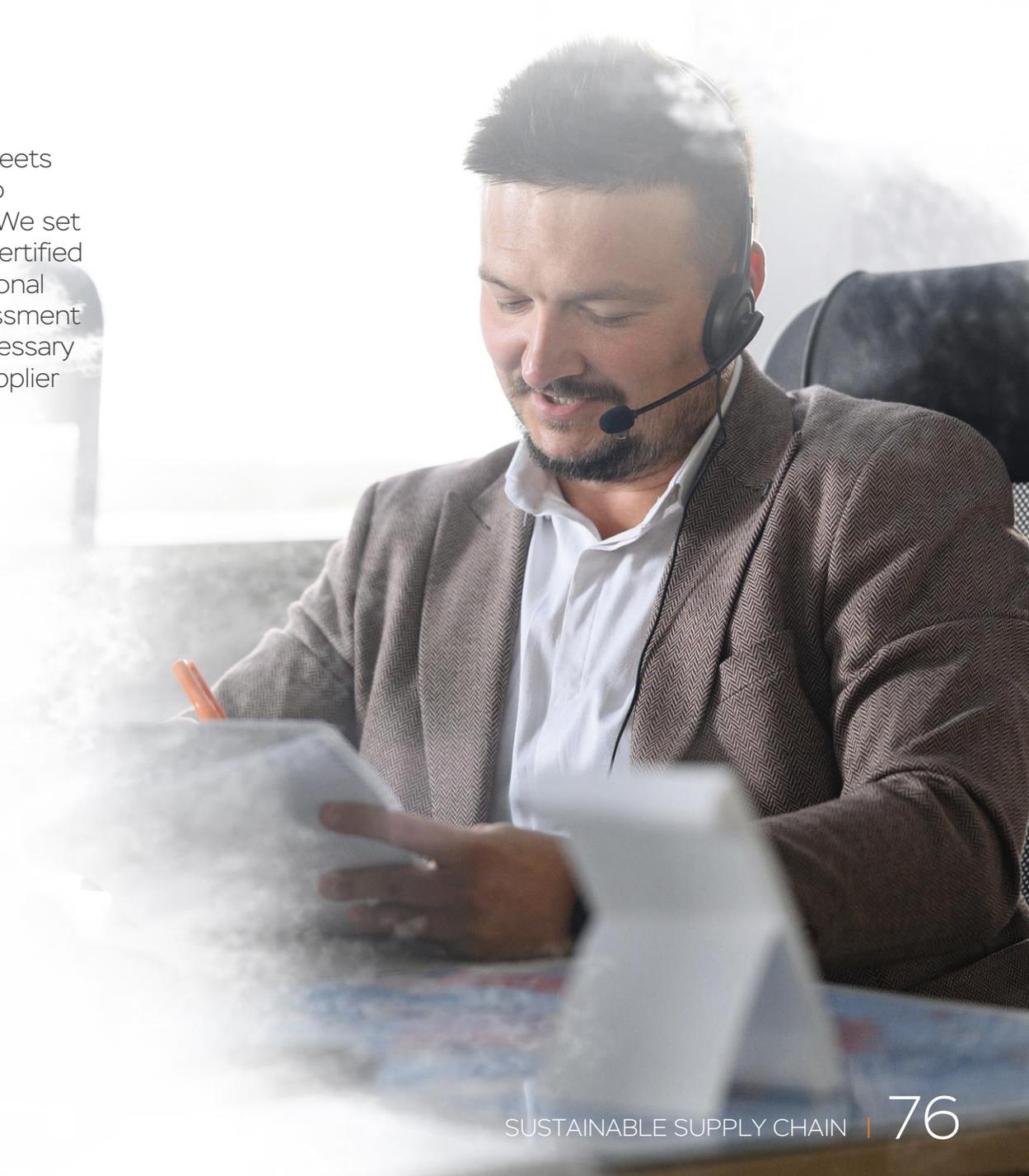
We are engaged in an active dialogue with suppliers to ensure that transport meets international requirements. Our professionals design the best logistics routes to minimise harmful effects on the environment and reduce the carbon footprint. We set high requirements for transportation service providers. In 2022, the Company certified its supply chain security management system for compliance with the international requirements of ISO 28000. Procedures for continuous identification and assessment of security threats and risks of the supply chain have been introduced. The necessary measures to manage supply chain risks and threats are being implemented. Supplier evaluation and admission requirements have been determined.

CURRENT DOCUMENTS:

- Safety manual for motor carriers
- Supplier's code of conduct
- TELS GLOBAL's supply chain safety plan
- TELS GLOBAL's supply chain safety regulations
- TELS GLOBAL's supply chain emergency action plan

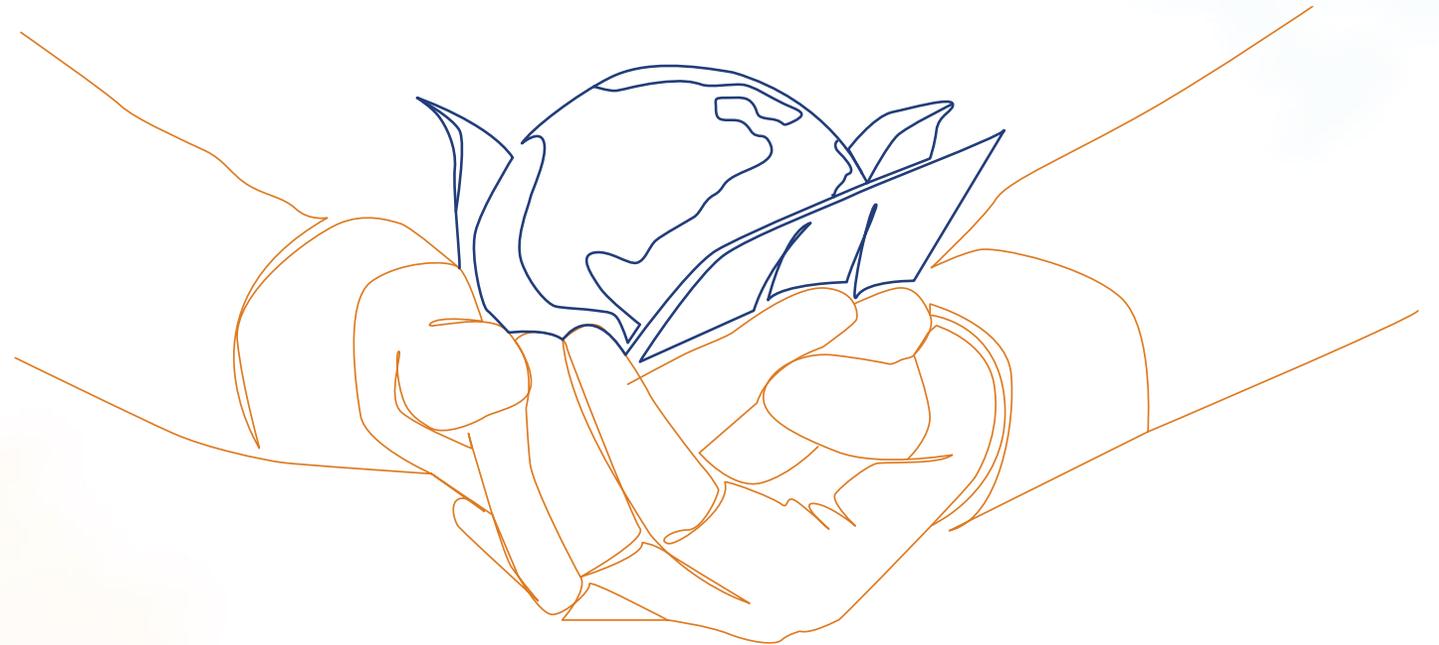
PLANS:

Preparation of a questionnaire and implementation of a supplier audit procedure regarding compliance with the ESG principles. The frequency of planned audits is once every three years. This procedure will enable tracking of the dynamics of our partners' processes, preference of work will be given to partners with the highest rating.



ENVIRONMENT PROTECTION, LANDSCAPING, RESOURCE CONSERVATION

We have a corporate policy aimed at protecting the environment. Its objectives are consistent with the global objectives of environment safety and rational environment management. TELS GLOBAL seeks to reduce its environmental impact and improve resource efficiency.



TELS GLOBAL is committed to reducing environmental impact and improving resource efficiency.

OUR CONCERN TO PRESERVE THE ENVIRONMENTAL BALANCE OF THE PLANET INCLUDES:

- Maintenance of the company's environment management system in accordance with ISO 14001.
- Minimisation of natural-resources consumption.
- Providing for safe waste management.
- Selection of partners strictly complying with the environment standards.
- The Company operates in accordance with the current legal environment-protection requirements.
- Implementation of the Sustainable Eco-Procurement Policy.



PLANS AND ACHIEVEMENTS:

- The company is migrating to electronic document management in relations with its Suppliers and Customers.
- The Company continues to actively implement the payment process under copies of documents sent by e-mail. As a result of this process, suppliers no longer have to send original documents in hard copy via couriers, thus reducing paper consumption and paper-record volume by 20% in 2023.
- In organising the operation, the company's employees use electronic document management, and paper of the environment-friendly grade has been used for the required minimum of paper records since this year.
- On the occasion of each employee's birthday and anniversary of employment, we issue a certificate that the company has planted a tree to celebrate this occasion. Similarly, such tree planting certificates are issued to our key customers as a sign of gratitude for effective cooperation, as a symbol that our relations will only grow and become stronger as the trees planted.
- All of the company's offices are equipped using energy-saving materials and technologies thus reducing consumption by more than 10%.



The company's offices have joined the Blue Lid Campaign. All offices have bottle-cap containers in place, the material collected is brought for recycling, and the money is transferred to the New Life in Exchange for Bottle Caps charity.

PROBLEM

Millions tons of lids end up in landfills every year

**WHAT DOES
TELS GLOBAL**

Collects labeled lids



RESULT

Sale of recyclable materials to recycling companies



Helping sick children and adults with the proceeds of the program



HELP IN EXCHANGE FOR LIDS

CALCULATION OF CO₂ EMISSIONS DURING TRANSPORTATION

In 2023 we introduced automatic calculation of greenhouse gas emissions CO₂ during transportation. At the Customer's request, we provide information on greenhouse gas emissions during transportation of their goods. By using vehicles with high environmental standards (Euro 5 and above) and optimizing the transportation route, we aim to reduce greenhouse gas emissions.

When making an application for transportation, the system calculates future emissions based on the following criteria:

- environmental standard of the vehicle;
- freight weight;
- transportation route.

Calculation is made not only for FTL transportations but also for the LTL (less than trailer load) format – the volume of emissions per kilogram of freight. These data can be made available to the ordering customer upon request and used for joint emission reduction purposes.

OUR PLANS:

To analyse the current emissions during transportation and develop an action plan to reduce CO₂ emissions.



TELS GLOBAL also follows a care for nature policy in the production of promotional merchandise. At least 60% of branded products are made of recycled plastic or environment-friendly materials.

TELS GLOBAL HAS JOINED THE NEW LIFE IN EXCHANGE FOR BOTTLE CAPS PROJECT.

The company's offices have bottle-cap containers in place which are subsequently brought for commercial recycling, and the money earned is transferred to charity. In the first months of the campaign, more than 100 kg of bottle caps were collected.

ENVIRONMENTAL EDUCATION

The training programme for the company's new employees includes an environmental safety module and a module of the environment management system at the company.

BUSINESS ETHICS, FIGHT AGAINST CORRUPTION, INFORMATION SECURITY



THE COMPANY HAS AN INFORMATION-SECURITY POLICY AIMED AT:

- minimising the company's risks;
- ensuring a high level of protection of information resources;
- prevention, assessment, and forecasting of threats to information security;
- continuous operation of critical information services;

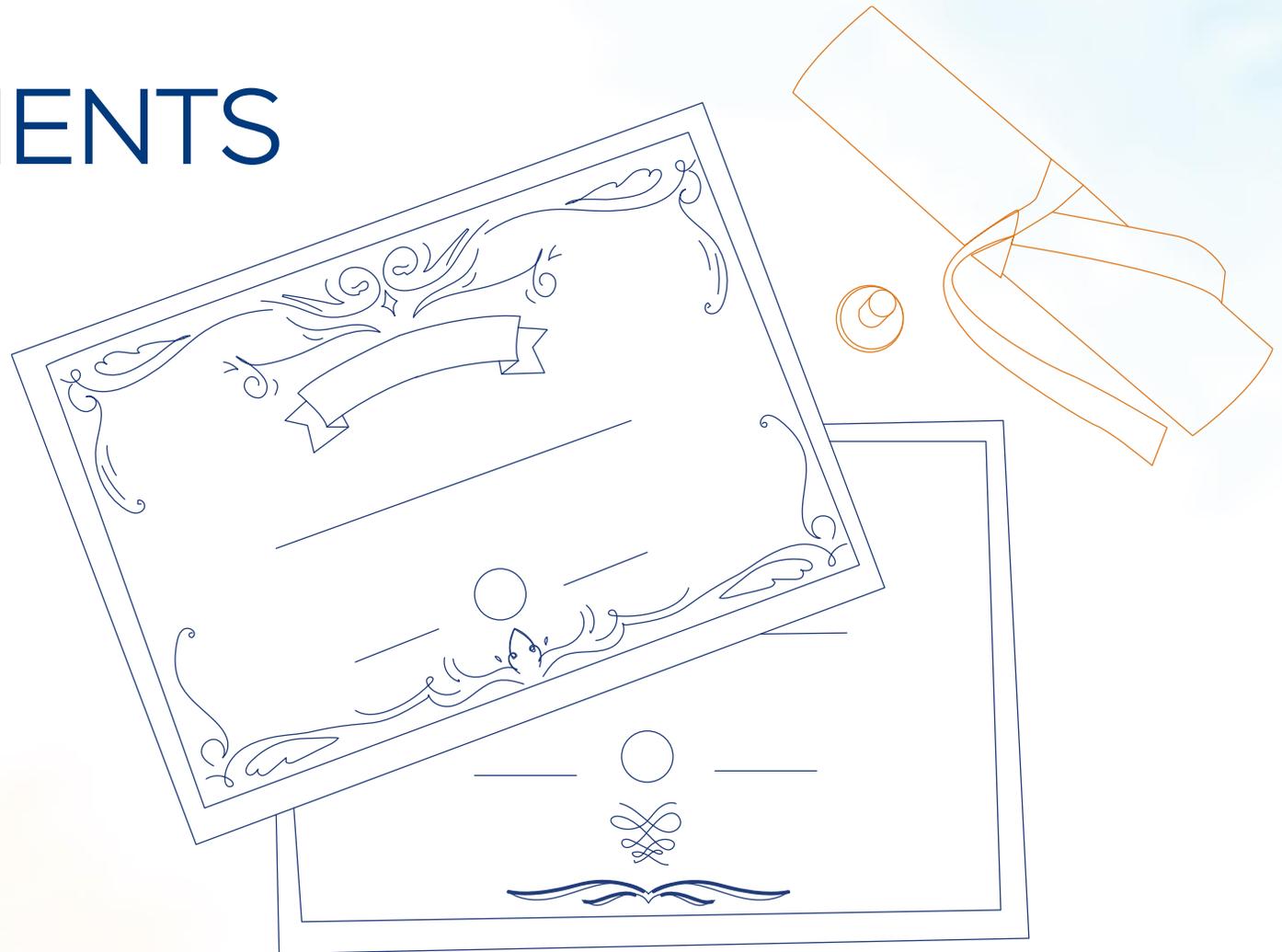
TG's anti-corruption policy has been developed in accordance and in line with the requirements of the generally recognised principles and norms of international law and international treaties, the anti-corruption laws of the countries in which the company's offices are registered. We have a zero-tolerance policy regarding corruption.

Ethics, anti-corruption, and information security training is included in the staff onboarding plan.

CURRENT DOCUMENTS:

- Anti-corruption policy
- ISO/IEC 27001 conformity certificate
- Code of business conduct
- Information-security (IS) incident management
- IS risk management
- Regulations of applying the SIEM concept to ensure IS
- Staff IS regulations
- Asset-management IS regulations

CERTIFICATES AND ACHIEVEMENTS



COMPANY'S STRENGTHS

- presence of a recognised brand in major operation markets;
- a high ranking of TELS GLOBAL among international customers;
- a broad territory of the services consumption market;
- a highly qualified staff;
- a professional training school for transport and logistics services.

OUR MISSION:

To promote world trade improving our customers business, offering perfect, prompt and reliable schemes of cargo delivery from anywhere in

BUSINESS SECURITY FOR CLIENTS AND PARTNERS



Company has developed, implemented and maintains a quality management system in accordance with the requirements of the international standard ISO 9001:2015.



The ecological management system TELS GLOBAL proves that the company strives to deliver its services in line with corporate responsibility, sustainable development and environmental protection.



Supply Chain Security Management. In December 2022, TELS GLOBAL received ISO 28000 certification for its high level of supply chain security.



ISO 27001 certification demonstrates to our business partners and customers that the company has an effective information security management system and that their business information is well protected.



Safety & Quality Assessment for compliance with the European Chemical Council's (CEFIC) requirements for freight forwarding.



Full membership in FIATA, which confirms the high level of TELS GLOBAL service standards and provides a number of advantages for international multimodal transportation.

ESG RATINGS

EcoVadis is one of the world's most reliable providers of sustainable development ratings for business as well as of information-collection tools and collaborative tools to improve the performance of the global supply chains.

Industry leaders such as Johnson & Johnson, Verizon, L'Oréal, Subway, Nestlé, Salesforce, Michelin, and BASF are among over 85,000 companies forming the EcoVadis community.

Companies work to assess, cooperate, and improve sustainable development indicators to protect their brands, create transparency, innovate and accelerate growth.

Simple and efficient EcoVadis scorecards assess companies' actions by providing detailed analysis of environment, labour, and human rights risks, ethics and sustainable procurement in 200 procurement categories in 160 countries.

SAQ is an internationally recognised sustainable-development standard for the automotive industry. The SUPPLIERASSURANCE rating is one of the most popular sustainable-development ratings for business as well as of information-collection tools and collaborative tools to improve the performance of the global supply chains. The SAQ survey enables to compare performance with industry and country averages.

SAQ is consistent with the global sustainable-development guidelines for the automotive industry and aims to improve sustainable-development indicators in the supply chain by assessing policies and practices in the areas of human rights and environmental sustainability, occupational health, business ethics, and compliance as well as responsible supplier management.

CURRENT TG'S RATINGS ON THE ECOVADIS PLATFORM



63/100

85th percentile ⓘ

CURRENT TG'S RATINGS SAQ

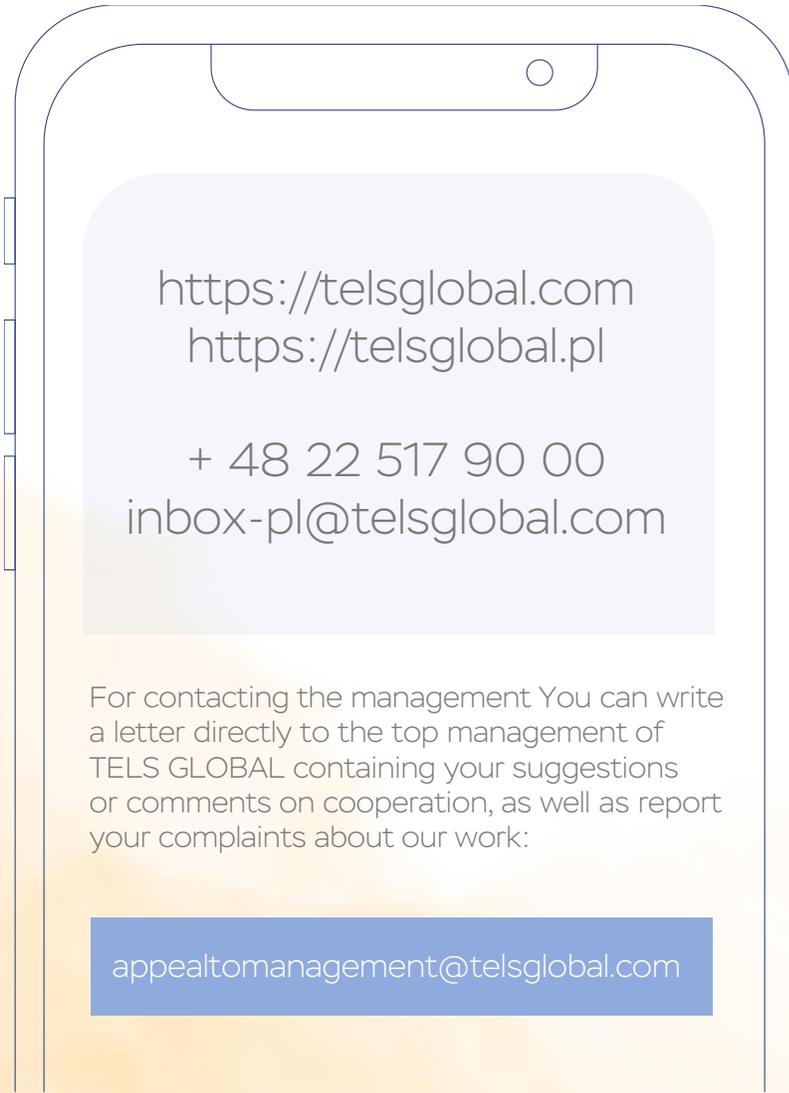


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Рейтинг минимальной области охвата

Оценка устойчивости

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For contacting the management You can write a letter directly to the top management of TELS GLOBAL containing your suggestions or comments on cooperation, as well as report your complaints about our work:

appealtomanagement@telsglobal.com

