



**TRANSIMEKSA**

Logistics  
Pure and Simple

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Sustainability Report 2020

[www.transimeksa.com](http://www.transimeksa.com)



**27**

Years we have provided high quality logistics solutions



**1500**

More than 1500 qualified and professional staff



**1070**

Trailers



**20**

Offices across Europe, Baltic and CIS countries



**830**

Trucks



**46 250 m2**

A Class Warehouses



2020 has changed the business environment in ways that were difficult to predict. The impact of COVID – 19, and its effects on the business community will have to be taken into consideration when making development plans for future years. Challenges presented to the transport sector were more significant than ever before: Brexit, Mobility Package and a Worldwide pandemic.

Nevertheless, it has only proved that **UN Global Compact** principles and their integration in our company's sustainable development goals sets the **correct guidelines for the further growth of our company**.

In 2020 TRANSIMEKSA acquired Frolich International Transport GmbH in Germany that will enable us to expand and develop good **intermodal** connectivity for movement of goods between our hub in Germany and Italy. This opportunity provides our customers with a more affordable access to a reliable and innovative transport solution, which brings new expansion opportunities and at the same time **reduces carbon emissions** when bigger cargo volumes are transported by train. TRANSIMEKSA continuously invests in the training of our drivers and mechanics, and technology, to optimize the energy performance in our truck fleet.

All these actions are the beginning of our plan to transition into a logistics provider with net **zero emissions by 2035**. We do believe that by 2030 the new technology will provide a financially sustainable model to invest into electric long haulage trucks.

In the last 27 years we grew and developed from a small local transport company into an international logistics provider with subsidiaries in Latvia, Russia, Germany, Italy, and Belarus. I'm extremely grateful and proud of my colleagues who despite uncertainty caused by the COVID – 19 pandemic have continued their work, some from home offices and those who couldn't were working in shifts in the office. The restrictions on transit imposed by different states (to limit the spread of pandemic) made a tough job of our drivers even tougher and more demanding. During this challenging period TRANSIMEKSA teams across different countries were more united and **supporting each other as never before**.

In order to improve the work environment for our employees this year we decided to invest into a new **modern living space for our drivers** at our premises in Hessisch Lichtenau, Germany. It will enable us to provide comfortable stays for our drivers and mechanics over weekends and between their trips.

I strongly believe that this **sustainability report reflects on our core values as a business entity**. UN Global Compact strategy for 2021 – 2023 prioritizes gender equality, decent work and economic growth, climate action, partnerships and goals, justice and strong institutions.

TRANSIMEKSA'S long-term growth strategy is set within these guidelines and we will gladly take an extra step or drive another mile to achieve those goals.



TRANSIMEKSA  
Chairman of the Board  
**DARIUS VYŠNIAUSKAS**

# About TRANSIMEKSA'S Sustainability report

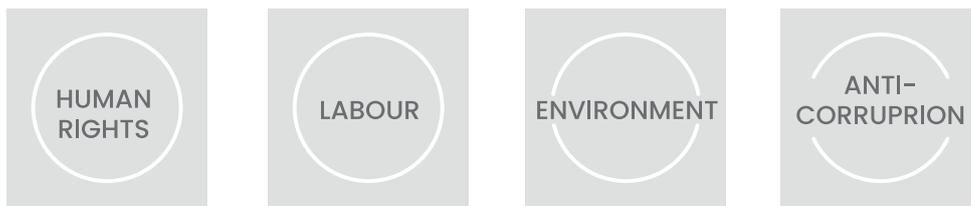
In 2020, we became a member of the UN Global Compact. This is the first CSR report which represents our involvement in ten Principles of the UN Global Compact. These ten principles have encouraged us to re-evaluate our company's values, evolve them and set clear future goals. Our aim is to ensure that the ten Principles of UN Compact are embodied at all levels of our organization – company procedures, politics and strategy.

Social responsibility was not new to TRANSIMEKSA. We made sure there was a focus on the well-being and health of our employees, we aimed to reduce CO2 emissions, and we supported a number of non-governmental organizations, such as homes for children with impaired development. Additionally, the recommendations of the UN Global Compact organization has encouraged us to focus on actions that are currently very important on a global scale.

Being part of UN Global, has sparked an additional interest to explore other companies and their social activities. We found many great examples and ideas that we could incorporate in our activities.

We are happy and proud, that we have become a part of this large team and we will aim to be an example to our employees, partners and clients.

The structure of this report consists of 4 blocks:



## Key Principles that are relevant to our region and industry



# Human Rights Golden Rules

# 1.

**BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND**

# 2.

**MAKE SURE THAT THEY ARE NOT COMPLICATED IN HUMAN RIGHTS ABUSES**

Within the area and outside of TRANSIMEKSA, every employee must act without discrimination in respect of other employees (sex, race, religion, marital status, age, political opinion, nationality, disability, health, sexual orientation and other cases). All of our Suppliers and Partners must also follow the principles of equal rights.

TRANSIMEKSA follows all requirements of the Convention of the United Nations on the Rights of the Child and is strictly against any child labour. We do not tolerate child labour in TRANSIMEKSA, nor in the companies of suppliers, customers or partners. If we become aware of any child exploitation within or outside of Transimeksa, we inform the appropriate State institutions in all situations.

Each employee of TRANSIMEKSA is able to submit a complaint against discrimination, harassment, psychological or physical abuse. The complaint is received and considered by the Trust persons appointed by the Board of TRANSIMEKSA. Anonymous complaints can be submitted when meeting with Trust persons or by e-mail.



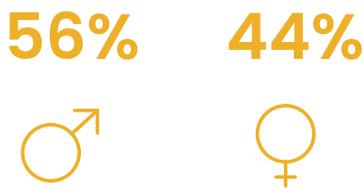
# Equal rights and discrimination policy

30% of the company's board are women. Women constitute 35% of department managers. After maternity and childcare, mothers and fathers are guaranteed the same or better responsibilities and working conditions. Additional days off are granted for parents with children under 12 years old.

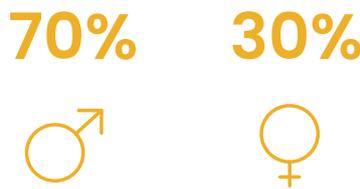
TRANSIMEKSA supports the legal employment of young employees. We ensure that young employees are employed in accordance with applicable laws, and shall protect them from any participation or work, which, according to the circumstances or nature of the work can harm their health, safety and morality. Employment of young employees takes place only according to the legislation, regulating the employment of persons under 18 and their working conditions of the country where the employment is performed.

TRANSIMEKSA employs people of 12 nationalities. Therefore, all information about changes or decisions made within the company are shared with all of the employees in 4 core languages. The newsletter and company events encourage cultural engagement and the importance of tolerance within TRANSIMEKSA. In 2020, we invested in HR software, which has helped to achieve more efficient internal communications.

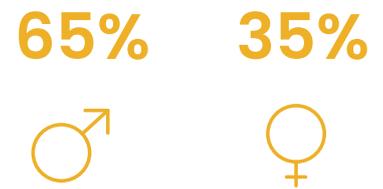
## BREAKDOWN BY GENDER (ADMINISTRATION)



## BREAKDOWN BY GENDER (BOARD)

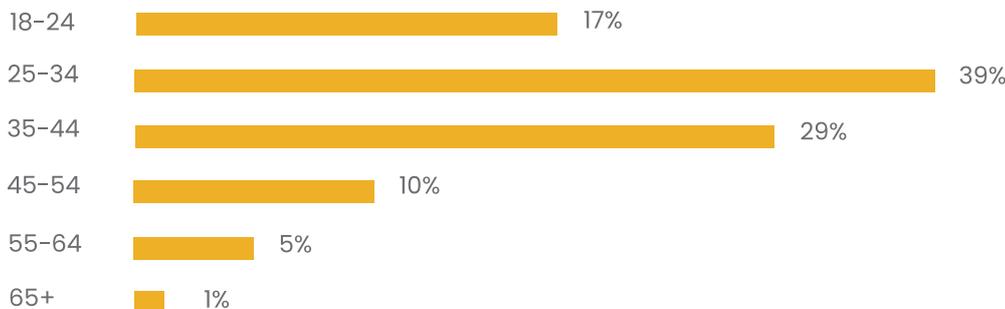


## BREAKDOWN BY GENDER (MANAGEMENT)



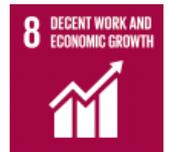
In TRANSIMEKSA administration, we have 4 generations of employees who are guaranteed equal career opportunities and working conditions.

## BREAKDOWN BY AGE



# Labour Golden rules

- 3. **BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;**
- 4. **THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR;**
- 5. **THE EFFECTIVE ABOLITION OF CHILD LABOUR; AND**
- 6. **THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.**



## Co-workers

Our workers are of the utmost importance; therefore we pay great attention to those working here. The goal of our human resources policy is to create an environment that would help attract and retain competent workers. We are convinced that suitable people in suitable positions not only fulfil themselves in all respects, but they also create the biggest added value to the company.

Various motivation programs are used in the Company to encourage employee creativeness and initiative.

The priority field in human resources management and motivation is the training of employees and assistance to them in planning their career. It is the duty of Company managers to notice a promising employee and to take care of his/her career.

### Employee satisfaction (eNPS\*)

#### PROMOTERS

**49%**

Rated 9-10



#### NEUTRALS

**39%**

Rated 7-8



#### DETRACTORS

**9%**

Rated 0-6



\*Employee Net Promoter Score® (eNPS) is a derivative of the popular Net Promoter System framework. Originally a customer satisfaction metric measuring the likelihood of recommending a company, it was later used internally on employees instead of customers to evaluate their engagement.

TRANSIMEKSA provides all employees with a safe, ergonomic workplace in compliance with all required country hygiene regulations.

For all of our warehouse, car service and office staff we have dedicated recreation areas, kitchens, rooms for personal hygiene, physiological and health care needs.

For our drivers, in Vilnius we have fully equipped apartments. In 2021-2022, we are planning to build a modern container hotel in Hessich Lichtenau, Germany. This will allow our drivers to relax on weekends and their days off. If this project proves successful, we will consider to build similar hotels in other EU countries.



# Safety of our drivers



4 times per year, all 1500 of our drivers have training to update and refresh their knowledge.

The most important topics during safety training:



security and safety of loading/unloading of cargo



safe driving on the road



logistics of dangerous cargo



first aid training



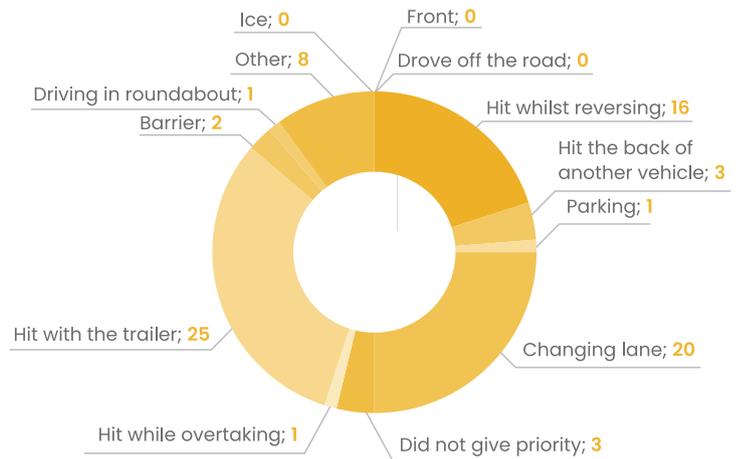
accident risk prevention, training on how to act and deal with accidents on the road and robberies



education on how to maintain physical and mental health while working on the road

## Drivers safety on the road

### Traffic incidents on road 2020

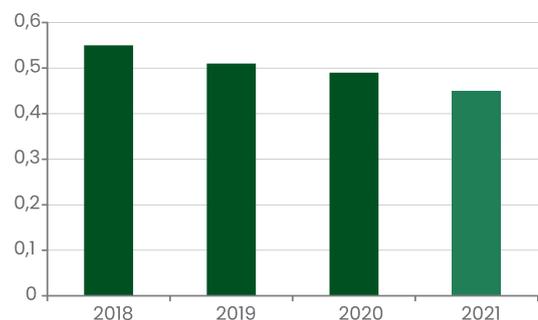


## TRIR rate 0,49\*

In 2020 we have worked 985 680 hours and our TRIR rate is 0,49, which is lower compared to 2019 when our TRIR rate was 0,51. This shows us that we still must find ways to improve our situation. 2021 we are planning to reduce TRIR rate to 0,45.

### TRIR rate 2018-2021

\*A key EHS metric is Total Recordable Incident Rate (TRIR) or Total Case Incident Rate. TRIR gives the company a look at the organization's past safety performance by calculating the number of recordable incidents per 100 full-time workers during a one-year period. The lower the TRIR, the better a company's safety performance appears. Companies can benefit from tracking this metric year-by-year to improve their safety initiatives.



# Drivers safety on roads – increasing the visibility of pedestrians and cyclists

There is a prevailing opinion in society that the truck is tall, with large side-mirrors, equipped with modern safety equipment, such as automatic emergency braking system. Therefore, it is thought that the driver is able to see pedestrians, cyclist and cars easily and react quickly to an emergency situation. This is only partially true as, like cars, all trucks have so called 'blind spots', which means that it's not always possible for truck drivers to have full visibility.

With the aim to change the society's opinion and increase our young pedestrians knowledge about road safety and visibility, in 2020 we gifted reflectors to all students and teachers of Siauliai Secondary School. This meant that more than 1200 pedestrians will be more visible on the roads.

We are planning to make this an annual tradition in TRANSIMEKSA.



# Prevention of COVID – 19

2020 was a difficult year for every business, everyone had to adapt to a quickly and constantly changing situation. Every business had to create a safe working environment for its employees and at the same time, maintain high productivity and excellent customer service.

To prevent the spread of Covid-19 and to ensure the safety of our colleagues, we strictly followed the recommendations and regulations set by the EU government and the World Health Organization.

We made sure to always have updated safety information for our colleagues in all countries. During the pandemic period, the communication of TRANSIMEKSA remained fast and effective, as every employee was aware of the etiquette expected in and out of work.

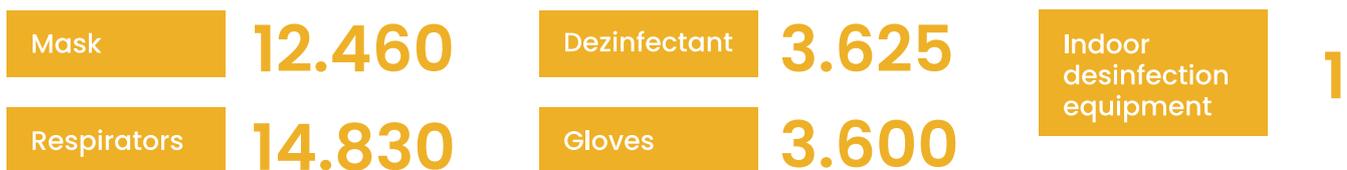
Work from home was organized and a special security gate was installed, to prevent unknown people from entering the company's territory.

In our warehouses, employees were required to work in shifts, which allowed us to keep the required social distancing. We introduced a timetable for breaks, which minimized social contact and the number of people in break rooms.

During the pandemic, all drivers departing and arriving to the territory had their temperature checked. Additionally, covid-19 tests were periodically carried out to prevent the spread of the virus and protect our colleagues. To reduce the tension and emphasize the importance of our drivers work during this challenging time, we organized a competition – My Dad/Mom is a Superhero, which were drawn by our drivers' children.

All colleagues were equipped with protective equipment – masks, gloves, and hand sanitizers. In the event of a positive covid-19 test, the premises were fully disinfected.

## PPE equipment and methods used to prevent Covid-19



# Charity, events and employee initiatives

TRANSIMEKSA initiates and supports employee initiatives related to education, ecology and the promotion of healthy lifestyles.

During these uncertain times, all of the events were organized outdoors to maintain social distancing and prevent the spread of the virus. In July, employees initiated an orienteering competition and in November–December we had a walking competition, where we achieved 2457 km and the winner walked a total of 474 km. Additionally, in the summer we had a canoeing tour.

TRANSIMEKSA, supports children with impaired development in Siauliai.

Employees also actively support SOS animals charity, by gifting food and money, and volunteering their free time in the shelter to care for all pets and animals.



# Environment Golden rules

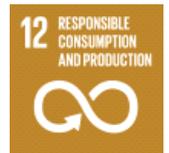
**7. BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;**



**8. UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND**



**9. ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.**



## Sustainability direction

Reduction of CO2 and other pollutants

Moderate use of natural resources

Employee training

Emergency incidents prevention

We are a fast growing transport services company, with branches in European and CIS countries and do not shy away from ambitious plans for further development. The transport sector undoubtedly has a significant impact on the environment. Transport companies alone emit 12% of global CO2 emissions and 22% in Europe. Therefore, the contribution of transport companies to reducing global warming is extremely important. A significant part of TRANSIMEKSA's actions, time, and financial resources related to environmental impacts are focused on reducing CO2 emissions.

We have a responsibility and need to grow our business sustainably while maintaining a balance between commercial, social and environmental factors. We have an ambitious goal to reduce the CO2 emission of our vehicles to 0 by 2035, with the development of technology to replace our fleet with electric trucks.

Our company employs more than 1500 employees, works with more than 1000 customers, suppliers and partners. Therefore, focusing our actions and communication in the direction of sustainability can increase the awareness and potentially change actions of many people not only in the workplace, but also outside the workplace. This is encouraging us to contribute to a cleaner and healthier environment for all of us. Therefore, training our employees and increasing their knowledge regarding this is very important to us.

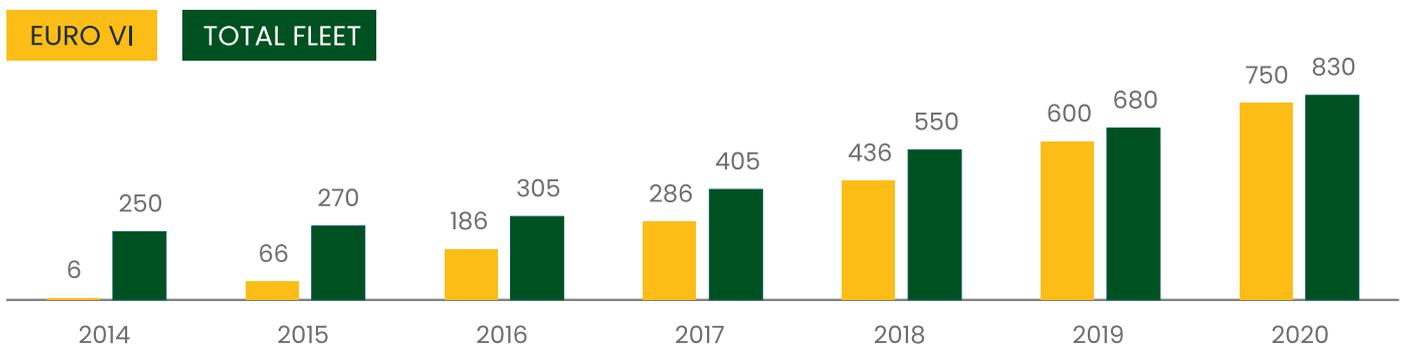
# Always renewing our fleet

TRANSIMEKSA constantly renews its fleet. One of the most important criteria for selecting suppliers of new trucks is fuel consumption. Currently, 90% of all TRANSIMEKSA trucks are EURO VI and 80% of all trucks are no older than 4 years.

We choose the trailer suppliers that pay great attention to the aerodynamic characteristics of the trailer when designing products. When purchasing trailers, one of the most important criteria is the lightness of the trailer. In our fleet, we have 52 Double deck box semi-trailers, which can be loaded on two floors. This helps to reduce the number of journeys while also reducing CO2 emissions.

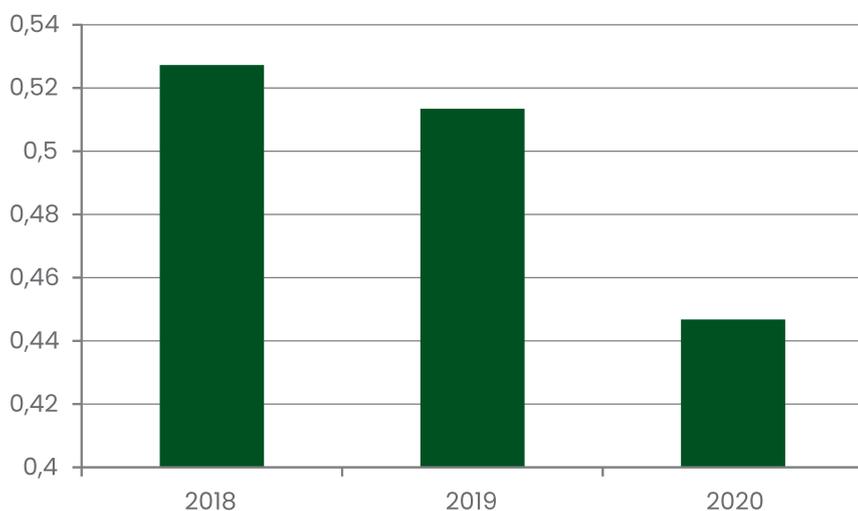
Over the years of experience in the transport sector, we have carefully selected our tire suppliers whose products maintain a balance between tire durability and reduction in fuel consumption. For example, the ultra fuel efficient tires are made from a special soft mixture, which leads to faster wear and leaves harmful chemicals to nature on road surfaces, and the frequency of tire replacement increases the overall waste. This represents the importance of finding the right balance between durability and fuel consumption.

## We choose our truck fleet responsibly



## The control of CO2 emissions

### TRANSIMEKSA NET sales and CO2 emissions in kg relation



In 2020, TRANSIMEKSA sales grew by 6% compared to 2019, while CO2 emissions produced by trucks transporting goods by road reduced by 8%, representing 3,351 tons of CO2. We managed to reduce the CO2 emissions, even though we grew as a company.

# Development of intermodal transportation network

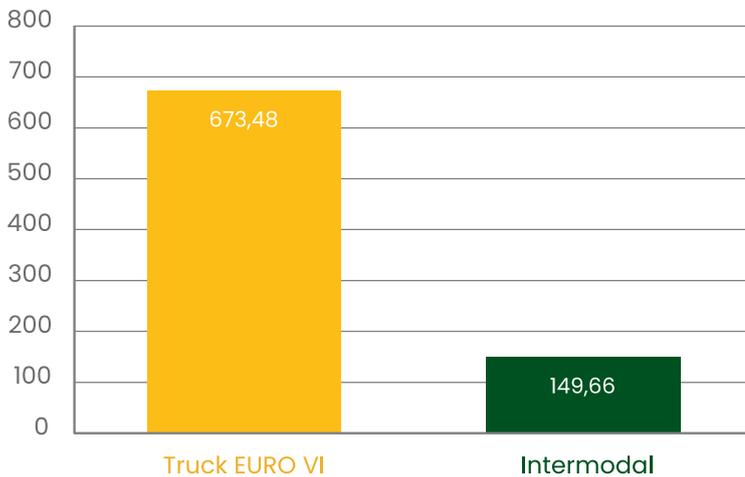
Intermodal freight transport significantly reduces CO2 and chemical emissions. It also improves the capacity of the entire transport system, reduces freight transport on motorways, reduces noise and increases road safety.

In 2020, we acquired Frölich Internationale Transporte in Germany. A company with a developed intermodal network between Germany and Italy, connecting northern and southern Europe through the Alps. Offering a regular transportation of cargo in specially adapted semi-trailers by rail.

Additionally, we tested several new intermodal lanes by rail and ferry and have invested in the growth of our intermodal business development team. We plan that in 2025, the intermodal business turnover by rail and ferry will make up 30% of the total TRANSIMEKSA group turnover.



## CO2 emission comparison transporting cargo Kassel-Verona via road and rail



Total weight of the cargo - 100 t  
 CO2 emission transporting cargo by truck 673,48 kg (0,75 kg/km)  
 CO2 emission transporting cargo by rail 149,66 kg (0,17 kg/km)  
 Distance via road 897,97 km ir 884,51 km via rail.

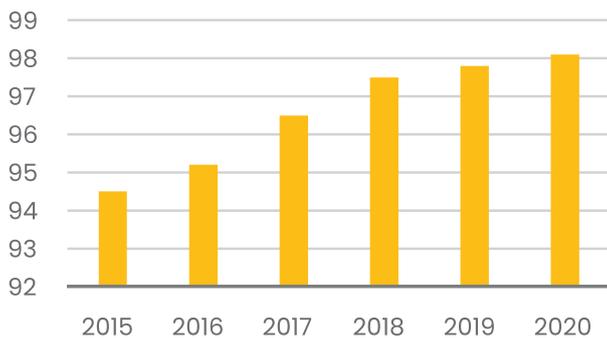


On average, a Euro VI truck with cargo of 80% of the permissible weight releases 0,75 kg of CO<sub>2</sub> per km. Drivers with ecological driving experience, can reduce the CO<sub>2</sub> emissions by 10% (0,65 kg/1km). On the other hand, when driving unecologically the truck will emit 0,8–0,81 kg/1 km CO<sub>2</sub>.

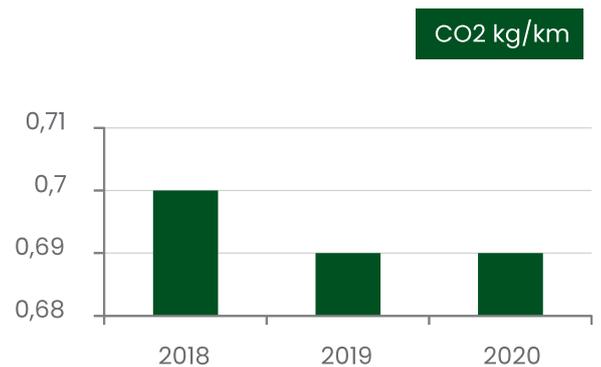
TRANSIMEKSA drivers travel about 50–60 million kilometers every year and the application of moderate eco driving (compared to average driving) reduces CO<sub>2</sub> emissions by as much as 4000–5000 tons per year. Therefore, at the TRANSIMEKSA driving school, one of the most important parts of the training, in addition to safe driving, is focused on eco driving. The school teaches how to reduce fuel and lubricant consumption, reduce other pollutants, reduce the wear of tires and other parts of the vehicle.

Instructors of TRANSIMEKSA driver school constantly update their knowledge at international instructor training courses and specialized training is provided by the truck manufacturers. Therefore, our drivers are trained according to the latest training methodology. Following several years of driver training, the CO<sub>2</sub> emissions of 0.69 kg/km has been achieved.

### Driver key performance indicator



### TRANSIMEKSA CO<sub>2</sub> emissions kg/km



Additional measures taken by TRANSIMEKSA to reduce CO<sub>2</sub> emissions and chemical pollution:



Optimal and efficient route planning;



Optimize empty mileage indicators (MT trips);



Raise awareness among drivers and administrative staff;



A class warehouses;



Transport and storage of chemical and dangerous goods are carried out in accordance with all international requirements;



Continuous training of our employees on what actions to take in the event of an accident, fire or other incident;



Continuous training for ADR cargo transportation.

# Sustainability policy in our offices, warehouses and car services

As you would expect for a transport company, our vehicles are the biggest contributor to environmental impact. That said, we still focus on the sustainability of each department and on employees as individuals. We regularly inform our employees of best practices to ensure that sustainability is engrained in our everyday processes, rather than a separate point of focus.

Sustainability within the company relies on the productivity of our employees, their positive engagement, and their ability to adapt to changes in the market or technology. We hope that our employees take pride in working for a sustainable company.

All TRANSIMEKSA premises focus on the following:

Waste reduction and recycling – we recycle plastic and paper, limit the use of single use plastics, and strive to use products made from recycled materials.

Reduction of pollution – we use energy efficient LED lights, invest in energy saving equipment and use phosphate-free cleaning products.

Conservation of natural resources – we reduce printing and use electronic invoicing where appropriate.

Raising employee awareness and engagement.

The introduction of the ISO 14001 standards together with our intent to retain a high SQAS rating, drives us to regularly evaluate our policies in search for greater sustainability.



We have solar power plants on office buildings in Vilnius and Germany.

Vilnius branch solar power plant is 1100 m<sup>2</sup> and produces 85 MWh annually. Frolich branch power plant in Germany is 358 m<sup>2</sup> and produces about 40 MWh of electricity annually. This represents 25% of the total amount of electricity needed for office, warehouse and car service purposes.

# 10.

## BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Corruption in our Ethical Code is understood as any activity misusing the power entrusted by TRANSIMEKSA for personal gain.

We do not tolerate Corruption in any of its forms, and shall work to fight it.

We strive that the anti-corruption policy requirements of this Code would be followed by all our suppliers, contractors, subcontractors, electricity producers, users, consultants, agents and others.

We make every effort to ensure that the money paid to third parties such as agents, partners, vendors and consultants would not be used for corruption.

**Bribery.** Bribery in our Ethical Code is understood as offering, giving, requesting, acceptance, or receipt of financial or other benefits in order to encourage the wrong execution of a persons functions. Bribery shall not necessarily mean the bribe in terms of money.

We do not directly or indirectly, offer or allow, the accepting or receiving of a bribe, including through any third party.

**Imposition.** We do not tolerate any imposition of the duties performed. Labour, financial, material resources, internal and confidential information provided by TRANSIMEKSA may be used only for the performance of direct duties, except for the cases where such use is expressly regulated by TRANSIMEKSA in writing.

**We always inform the relevant State institutions in case of the giving or taking of a bribe, corruption and bribery.**



## ISO 14001

### Environmental management

Since 2013 the Company has achieved a certification under ISO 14001 (Environmental Management Systems). Since 2016 we have been certified according to the new ISO 14001:2015 standard's requirements.

## ISO 45001

### Occupational Health and Safety Management Systems

It is ensuring that organization are constantly minimizing risks related to health and safety, in addition, improving safety standards and working environment.

## ISO 9001

### Standard for Quality Management System

Quality management system. Focusing on customer satisfaction, raising awareness and staff motivation, also continuously improving processes.

## AEO

### AEO Certificate based on the Customs-to-Business partnership introduced by the World Customs Organization

Traders who voluntarily meet a range of criteria work in close cooperation with customs authorities to assure the common objective of supply chain security and are entitled to enjoy benefits throughout the EU.

## SQAS (Safety&Quality assessment systems) attestation.

It is a system of uniform third party assessments to evaluate the performance of Logistics Service Providers and Chemical Distributors. SQAS assessments cover quality, safety, security, environment and CSR (Corporate Social Responsibility). SQAS is an assessment system that provides a detailed factual assessment report. The SQAS assessment reports allow chemical companies to evaluate their logistics service providers according to their own standards and requirements.

Overall score of TRANSIMEKSA: **88%**

## Self-Assessment Questionnaire (SAQ)

The Self-Assessment Questionnaire (SAQ) is designed to be a first check of supplier performance on CSR/Sustainability by all participating OEMs from DRIVE Sustainability.

The SAQ is made available under the terms of the Creative Commons and is delivered on the SupplierAssurance platform, which collects and validates supplier sustainability evidence. By checking a range of supplier certificates and policies, SupplierAssurance gives buyers highly accurate and reliable data to help mitigate sustainability risks and reputational damage.

SAQ improves performance across a range of sustainability themes including Company Management, Environment, Working Conditions & Human Rights, Health & Safety, Supplier Management, Business Ethics and Responsible Sourcing.

TRANSIMEKSA SAQ rate **94%**





Our ability to grow as a company is reliant on the commitment, happiness and well-being of our staff. In 2020, we participated in the NPS evaluation and were proud to receive an NPS score of 42. It is our goal to uphold this score by continuing to prioritize the well-being of our employees.

We have committed to strengthen our onboarding and succession planning processes. We believe that this will help improve employee confidence and knowledge, and should help our talent acquisition team to find dedicated candidates.

We will continue to look for ways to improve and exceed our customers' expectations. We intend to develop a quality management program according to the cycle PDCA, update the adaptation processes for new employees, and continuously conduct internal training on how to improve customer service, time management, and personal management of day-to-day tasks.

Increase the volume of cargo transported by intermodal (rail, ferry) by 50% at least. The tendency to use the truck fleet more and more for last mile deliveries will be one of the key factors in the development of Transimeksa. It will further reduce CO2 emission and increase safety while transporting the goods.