



Providing food security to  
the world

FY2022 Sustainability Report

**TRANS-OIL**

Group of Companies

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# Abbreviations and acronyms

<b>AMR</b>	Annual Monitoring Report
<b>CSR</b>	Corporate Social Responsibility
<b>CEO</b>	Chief Executive Officer
<b>Company</b>	Trans-Oil Group or the Group
<b>COO&amp;GC</b>	Chief Operating Officer & General Counsel
<b>ESG</b>	Environmental, Social, and Governance
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EPRP</b>	Emergency Preparedness and Response Plan
<b>GBVH</b>	Gender-based violence and harassment
<b>GRI</b>	Global Reporting Initiative
<b>IMS</b>	Integrated Management System
<b>ISCC</b>	ISCC EU certification
<b>MSDS</b>	Material safety data sheet
<b>OHSE</b>	Occupational Health, Safety & Environmental
<b>SBTI</b>	Science Based Targets initiative
<b>HR</b>	Human Resources
<b>SDG</b>	Sustainable Development Goals
<b>SEP</b>	Stakeholder Engagement Plan

# Chairperson's Statements

2-22



**Vaja Jhashi**

CEO and Founder of Trans-Oil Group

Dear Partners,

The sustainability of the business model Trans-Oil operates cannot be ensured by one decision or action. Sustainability has to be embedded in our DNA and has found itself in every decision and action.

We have a clear vision and the right values to make sustainable decisions.

We value everyone, and no one is left behind. We value our products and services, customers and suppliers, employees and partners, authorities and investors equally. But on top of that, the environment and communities are first among equals. The environment is our fellow partner in all new beginnings.

This is the mindset we embrace and the ecosystem we are building.

We are constantly learning to consolidate the sustainability of the business; we improve our products and services; we develop our relationships with partners and authorities - because we believe that a business model is sustainable only when all stakeholders get the opportunity to be satisfied.

# Key stages of Trans-Oil's development

## 1950's

The Company was originally founded by Mr. James Kelly in Fort Wayne, Indiana in the 1950s.

## 1996

The Company started its grain and agro-trading activities in the Black Sea region in 1996. Mr. James Kelley, together with Mr. Vaja Jhashi, a US citizen and then Vice President of the Company, launched the agro-business activities in the Republic of Moldova and Ukraine.

## 2000's

The Company began its transition from a small successful trading house to a vertically integrated corporation owning storage facilities, crushing plants, port terminals.

## 2004

Trans Oil International SA became the Group's Swiss trading branch and handled all overseas operations. Trans Oil International SA quickly became a leader in the international agro commodities market; trading grains originating not only from the Republic of Moldova but from all parts of the Black Sea region including Ukraine, Russia and Kazakhstan.

## 2009

The Company began to develop crucial infrastructure in the Republic of Moldova.

## 2010

The Group launched a Greenfield project to construct a multipurpose oilseed crushing and extraction plant in Ceadir-Lunga, Southern Moldova, capable of crushing up to 400 mt of sunflower seeds per day.

## 2011

The Group acquired the Moldovan operations of WJ Group, its biggest competitor. This acquisition included Floarea Soarelui S.A. crushing plant with refining and bottling divisions located in Balti, Moldova, which has the capacity to crush 1,000 MT of sunflower seeds per day.

## 2014

The Group successfully upgraded the press/preparation division of the Balti crushing plant. This enabled the factory to increase the crushing capacity by 200 mt of sunflower seeds per day. It was also installed a new biomass high-pressure, steam boiler which replaced the existing units which had used natural gas.

## 2016

The Group announced the expansion of its grain export terminal in Giurgiulesti International Free Port. As a result, the Group is able to load more than 1,000 tonnes of grains per hour onto maritime vessels or river barges.

## 2018

Floarea Soarelui S.A., the largest producer of sunflower oil in the Republic of Moldova, has significantly increased its production capacity as a result of the installation of a new, modern oil extraction division.

The first stage of the unique pneumatic equipment (conveyor) for cereals and oilseeds, connecting the two terminals on Prut and Danube river in the port of Giurgiulesti, the Republic of Moldova, was completed. It is a unique project for the country and for the entire Black sea region.

# Key stages of Trans-Oil's development

## 2019

Trans-Oil Group (Aragvi Holding International Ltd) successfully priced a US\$300 million Eurobond at par and with a maturity of April 9, 2024. The Oaktree Capital Management (OCM) acquired a minority interest in Aragvi Holding International Ltd (the parent company of Trans-Oil Group), thus becoming a shareholder of Trans-Oil Group.

## 2020

The construction of a green field oil seeds crushing plant with mechanical pressing only of and with a capacity of 700 MT per days has started in the port of Giurgiulesti Moldova economic free area.

## 2021

Trans-Oil Group successfully priced US\$50m tap issuance of the original US\$450m Eurobond due 2026. The transaction brings the outstanding Eurobond to a total benchmark size of US\$500m following the US\$400m new Eurobond issue in April 2021 and first US\$50m tap issue in June 2021, supporting the investor demand and enhancing liquidity.



# 01 About the report

## In this section

- Report boundaries
- Key stakeholders' engagement and materiality assessment
- Material topics
- Materiality matrix



# Report Boundaries



## 2-3

This FY 2022 Sustainability Report (the “Report”) of Trans-Oil Group of Companies (“Trans-Oil” or “the Company” or “the Group” or the “TOGC”) is the first non-financial report of Trans-Oil covering the period from 1 July 2021 to 30 June 2022. The Group is planning to report on sustainable development topics on an annual basis. Considering that this is the first non-financial report, we focused on the following:

- the disclosure of the Company’s management approaches to the key areas of sustainable development;
- the impact of the Company on the economic, environmental and social aspects of its activity;
- medium-term goals for the named aspects, as well as the progress in achieving them in 2021/22.

We are working to extend our data collection in accordance with GRI indicators.

The report is created following Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. And considering the quality of information includes the principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

This Report is prepared following the requirements and recommendations of the listed below documents in the field of non-financial reporting:

- the family of standards Global Reporting Initiative “GRI Standards” 2021;
- 17 UN Sustainable Development Goals;
- Principles of preparing a communication on progress based on the principles of the UN Global Compact;
- Recommendations of GRI Standards and the UN Global Compact “Integrating the SDGs into Corporate Reporting: a practical Guide”.

## 2-2

This Report provides information on the performance of operating assets of Trans-Oil as an agro-industrial holding with a wide range of activities, including oilseeds, crushing, grain handling and storage, international commodities trading, vegetable oil in bulk, bottled oil, and production of flour.

The report boundaries include all Group business units: crushing and refining, milling, grains and seeds trading, and export terminals.

The full name of the enterprises included in scope of the Report	Abbreviated name (as it can be used in the text of the	Region/City
TOI Commodities SA	TOI	Switzerland, Geneva
Floarea Soarelui SA	FS	Moldova, Balti
Trans-Oil Refinery SRL	TOR	Moldova, Ceadir-Lunga
Danube Oil Company SRL	DOC	Moldova, Giurgiulesti
SC Trans Cargo Terminal SRL	TCT	Moldova, Giurgiulesti
ICS Trans Bulk Logistics SRL	TBL	Moldova, Giurgiulesti
ISC FFA Trans Oil Ltd SRL	FFA	Moldova, Chisinau
SA Elevator Kelley Grains	EKG	Moldova, Causeni
Combinatul de Cereale Aur Alb SA	AA	Moldova, Ceadar-Lunga
Combinatul de Produce Cerealiere Cereale Prut SA	CRP	Moldova, Ungheni
Elevatorul Iargara SA	EIG	Moldova, Iargara
ICS Flograin Group SRL	FGG	Moldova, Floresti
ICS Anengrain Group SRL	AGG	Moldova, Bulboaca
ICS Unco-Cereale SRL	UCR	Moldova, Unchitesti
IM Prut SA	PSA	Moldova, Cania
Molgranum SRL	MG	Moldova, Chisinau
SC Floarea-Soarelui Comert SRL	FSC	Moldova, Balti
Reniyskiy Elevator ALC	RNE	Ukraine, Reni
Reni-Line LLC	RNL	Ukraine, Reni
ICS Uleinord SRL	ULN	Moldova, Otaci
Agrofloris-Nord SRL	AFN	Moldova, Chisinau
SC Ceba Group SRL	CBG	Moldova, Chisinau
Agrotest-Lab SRL	ATL	Moldova, Giurgiulesti
Aragvi Finance International DAC		Ireland
Trans-Oil Commodities SRL		Moldova, Chisinau
Global Grain International SRL	GGI	Romania, Tandarei
Helios Agri International SA	HAI	Romania, Tandarei
Victoria Oil d.o.o.	VO	Serbia, Šid
Balkan Commodities International d.o.o.	BCI	Serbia, Novi Sad
Luka-Bačka Palanka d.o.o.	LB	Serbia, Bačka Palanka
Žito-Bačka Kula d.o.o.	ZB	Serbia, Kula
Granexport d.o.o.	GX	Serbia, Pančevo



# Key stakeholders' engagement and materiality assessment

2-29

A regular structured engagement with stakeholders is the crucial element of reliable and long-lasting relationships which benefit different aspects of the Company's activities. Trans-Oil started to build its partnership strategy through communication and a transparent process of stakeholders' identification.

## The Company identified stakeholders according to their ability to influence its activities:

- 1 stakeholders interested in the results of the Company's projects who may directly or indirectly be affected by its activities
- 2 stakeholders directly involved in Trans-Oil's activities; and
- 3 stakeholders who can influence decisions on implementation of Trans-Oil's projects

Stakeholders who may directly or indirectly affect/ be affected by activities of Trans-Oil

- Civil society and local communities: unions, farmer's associations, ethnic communities, local community members, NGOs / local interest groups;
- Media;
- Customers: local/ international;
- Business partners and suppliers.

Stakeholders involved in activities of Trans-Oil

- Investors;
- Employees of TOGC;
- Owners;
- Contractors' employees;
- Supply chain participants.

Stakeholders who can influence decisions on implementation of Company's projects

- Governmental authorities;
- Governmental agencies (environmental, energy, labour, etc.);
- Local authorities;
- Local services (including fire service);
- NGOs, associations, unions at the local and national levels;
- Media;
- Shareholders, investors & lenders.

To identify the key matters to be covered in this Report per the reporting principles, we identified and assessed 20 topics caused by Trans-Oil activities that significantly impact the economy, environment, governance and people, including the impact on human rights. The assessment was based on two criteria: the impact on the socio-economic sphere and the impact on stakeholders' expectations. All 20 topics are divided into different levels of information disclosure priority.

## The assessment includes the following stages:

- I. preparing of a list of activities based on stakeholder's influence;
- II. ranking was defined according to activities that depends on their decisions;
- III. the information was collected using different communication channels;
- IV. forming a materiality matrix to be outlined in this Report.

Based on analysis of key matters, the 20 topics were identified for disclosure in this Report, among them 4 are high-priority and will be fully disclosed in this Report.

They are:

- Income, expenses and investments;
- Management systems and certification;
- Occupational health and safety;
- Food quality and safety.

# Material topics

## 3-1

While preparing the list of key matters, we analysed the requirements of the Company's main stakeholders, the principles of the UN Global Compact, the UN Sustainable Development Goals, and the requirements of national legislation. All matters were ranked by the number of stakeholders following the priority interest criteria.

### The materiality topics matrix is based on:

- I. Importance to stakeholders
- II. Significance of impact on environmental, social and economic spheres

The materiality matrix is presented on page 11.

Based on the priority levels, the information in the report will be appropriately disclosed:

- high-level – the most detailed disclosure,
- middle-level – middle-detailed disclosure,
- low-level – general information and approach of the Company to the topic (refer to materiality matrix for more information).

## 3-2

Based on an analysis of key matters, the 20 topics were identified for disclosure in this Report, as outlined in the table below:

No.	Material topic	Assessment of the importance	Stakeholders' Group	Significance for the Company
1.	Economic and financial performance	2	1,2,4,7	1
2.	Income, expenses and investments	3	1,2,6	3
3.	Risks assessments	4	1	3
4.	Governance and business ethics	6	1,2,3,4,5,7	6
5.	Management systems and certification	4	1,3	6
6.	Tax policy	3	1,4	6
7.	Data security and privacy	2	1,3,4,5	3
8.	Resource use	3	3,4,5,6	4
9.	Environmental protection and compliance	1	3,4,5,6	2
10.	Climate change	1	3,6	3
11.	Biodiversity	4	3,6	6
12.	Wastes and effluents management	4	4,6	2
13.	Occupational Health and Safety	5	2,3,4,5,6	5
14.	Labour practices and Decent work	1	2,4,6	1
15.	Human rights, diversity and inclusion	1	2,4,6	2
16.	Personnel management, development, motivation	5	2	2
17.	Stakeholder engagement, communities' development	1	3,4,5,6,7	2
18.	Food quality and safety	0	4,5,6	2
19.	Procurement practices and transparency	2	3,4,5,6,7	6
20.	Supply chain control	2	3,5	2

### Stakeholder groups legend:

1. Shareholders, investors & lenders
2. Employees
3. Business partners and suppliers
4. Government and institutions
5. Customers
6. Civil society and local communities
7. Media

# Materiality matrix



3-1



# 02

## About Trans-Oil

### In this section

- Agro-industrial production: key elements and approaches, value chain
- Location of the Company's assets
- Key performance indicators 2021/22
- Corporative management/Management systems and certification
- Risk assessment and tax policy. Key financial figures 2021/22
- Corporate governance structure



# Agricultural production: key elements and approaches, value chain

## 2-1, 2-6

Trans-Oil Group is a group of companies engaging in a wide range of activities:

- grain handling and storage;
- oilseeds crushing;
- flour and vegetable oil production, bulk and bottled;
- meal production;
- international commodities trading.

The Company has a port terminal in the South of Moldova at Giurgiulesti, the country's only international port. Also, there are 84 offices all over the country offering tolling services. Furthermore, Trans-Oil Group runs international commodity trading activities involving all Mediterranean region countries and Europe and import/export operations with countries like Kazakhstan, Russia, Ukraine and the USA.

Trans-Oil is a leading agro-industrial holding in Center and Eastern Europe (CEE) and the number one originator, processor and exporter of agro-commodities in the Republic of Moldova. The Company was founded in the Republic of Moldova and has extended its operations to Ukraine, Romania, Serbia and other CEE countries.

All Company's activities are coordinated from head offices in Moldova, Switzerland, Romania and Serbia.

Trans-Oil is a vertically-integrated business with control over the entire value chain, engaging in a wide range of activities, including oil seeds and grain handling and storage, grain flour production, oil seeds crushing, vegetable oil refining and meal production. The Company operates 46 silos for oil seeds and grain storage, 5 crushing and refining plants with a crushing capacity of 4.2k MT/day and 4 port terminals on the Danube river in Serbia, Ukraine and Moldova.

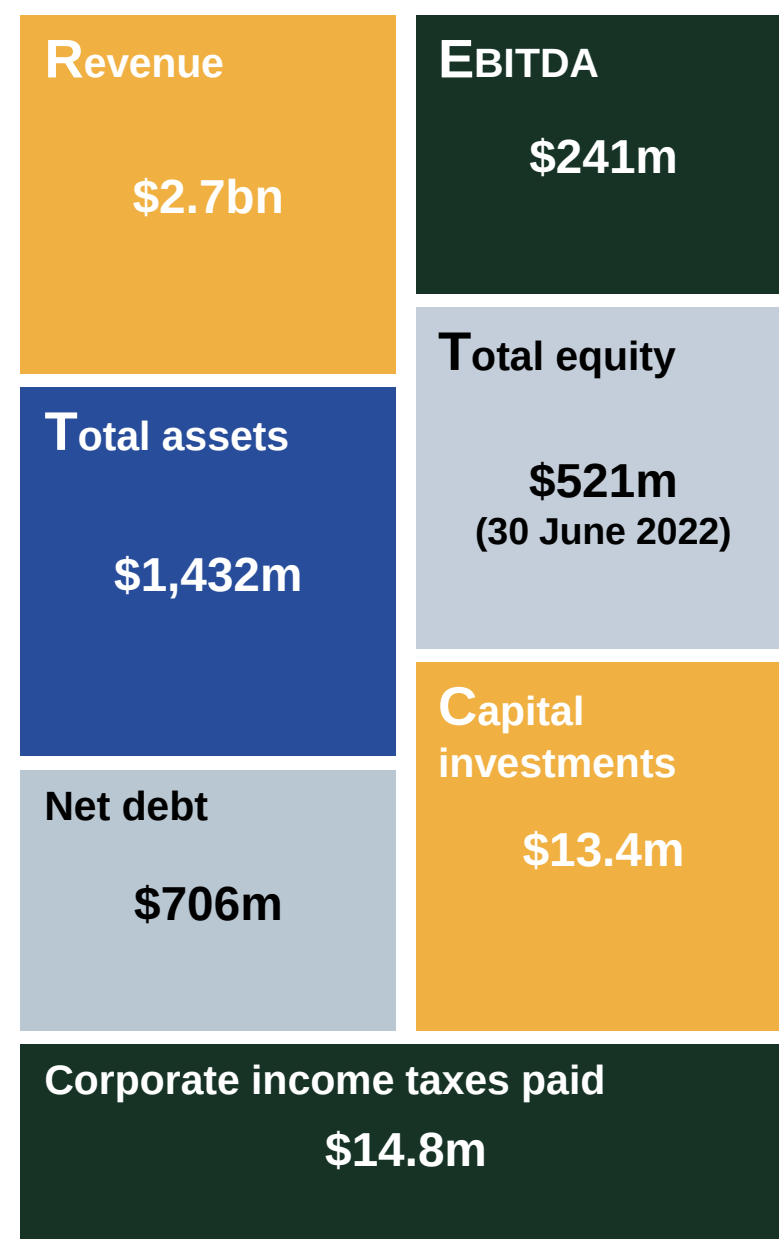
## Location of the Company's assets and the main operating activities in Central and Eastern Europe



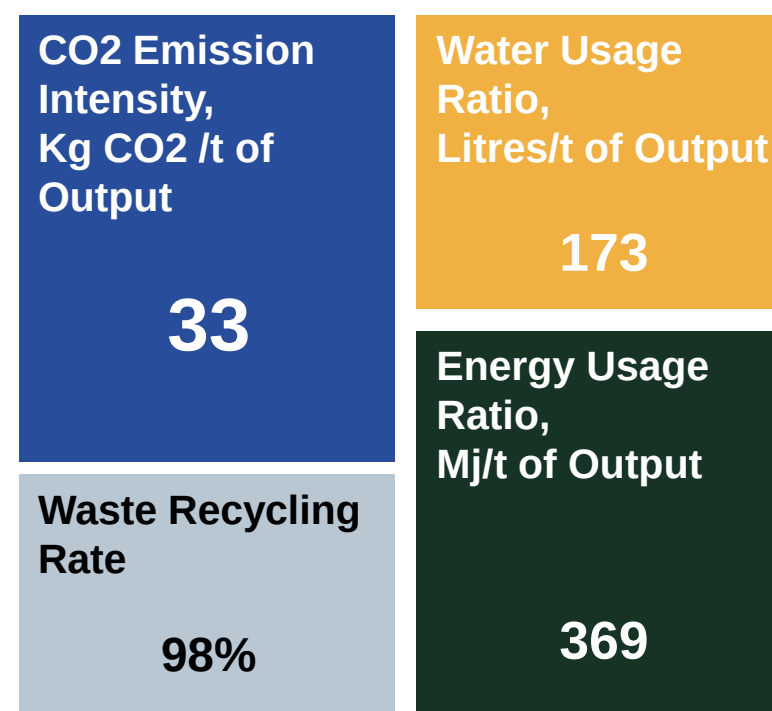
# Key performance indicators 2021/22

201-1, 203-2

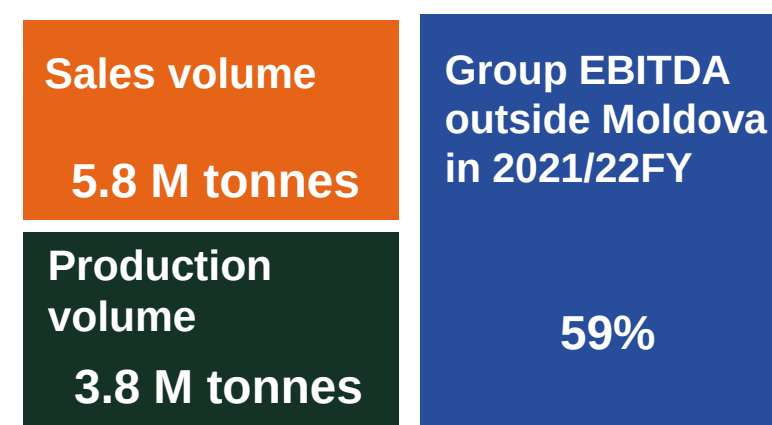
## Key financial indicators



## Key sustainable development indicators



## Key operational indicators



The positive outlook is driven by Trans-Oil's increased scale and improved business diversification following the expansion of its Origination and Marketing segment into new countries such as Argentina and Germany, with foreign origination reaching 86% of sales during FY21 (year end to June 2021).

The improved scale and business diversification are also underpinned by the acquisition of Serbian assets. This, together with a conservative capital structure and risk management, points to a strengthening credit profile.

The Group is a major exporter of Moldovan cereals to various markets in Europe, CEE and MENA countries.

## Vision, mission and values of the Company

- Leadership
- Teamwork
- Pursue growth
- Learning
- Constant improvement
- Quality



**We act ethically in all aspects of our business**

<sup>1</sup>More details about TOGC financial and operational indicators are available in Investor Presentation October 2022  
[https://www.transoilcorp.com/images/transoil/presentations/Trans-Oil\\_2022FY\\_Results\\_presentation\\_28-Oct-2022\\_master1.pdf](https://www.transoilcorp.com/images/transoil/presentations/Trans-Oil_2022FY_Results_presentation_28-Oct-2022_master1.pdf)

# Corporate Management Systems and certifications

## 201-1, 203-2

In total, 34 certificates were received by the Company. The Company has spent in the reporting year above 38 ths USD to obtain and maintain these certifications.

The Company subsidiaries' Management Systems were certified according to various types of standards, such as:

- ISO9001
- ISO14001
- ISO10012
- ISO17001
- ISO22000/ FSSC22000
- ISO45001
- HACCP
- GMP+B2
- GMP+B3
- KOSHER
- HALAL
- IFS
- GAFTA
- ISCC EU
- ISCC EU PLUS



The Company has developed its Corporate ES integrated management system. All entities follow the same Corporate Policies and Procedures.

## 3-3

During 2020/21, Trans-Oil participated in a series of agribusiness sustainability webinars organised by FMO and other partners for stakeholders from Eastern Europe and Central Asia (ECA). At the webinar on December 8, 2020 "How should agribusiness react to climate change?" the Company prepared and presented a report on climate change impacts on agriculture in the Republic of Moldova and agribusiness adaptation to climate change risks.

**AGRIBUSINESS SUSTAINABILITY WEBINAR SERIES** | **WEBINAR** | **AVG** | **FMO** Entrepreneurial Development Bank

**HOW SHOULD AGRIBUSINESS REACT TO CLIMATE CHANGE?**  
Investor's View & Corporate Cases

8 December 2020  
15:00 - 16:30 CET  
ZOOM

**Natalia Alekseeva**  
Team Leader for National Climate Change Action, FAO (Italy)

**Fiodor Rafiev**  
Director of Legal Department, Corporate Secretary, Trans Oil Group (Moldova)

**Liubov Bohachevska-Jensen**  
Director of Development and Communications, GoodValley (Ukraine)

**Tatiana Gerling**  
Senior Environmental and Social Specialist, FMO (Netherlands)

# Risk assessment and Tax Policy

2-12, 2-23

Identifying and assessing risks is crucial in managing the operating assets and transacting new investment opportunities.

The risk management process describes the organisation's operation and governance of the Company's risk management. The roles and responsibilities for risk management are defined and outlined in the processes and reporting by the Group's employees, management, and risk officers.

The risk management process supports business decisions and adds shareholder value.

Implementation is evaluated and based on the following:

- risk assessments implemented at appropriate organisational levels;
- risk mitigation actions are agreed upon, implemented, and followed up;
- review of critical risks and action plans embedded in management meetings;
- high risks that threaten Group objectives are escalated and reported to Board.

Trans-Oil has a written information disclosure policy that seeks to ensure all material information (financial) is thorough, timely and equally available to all stakeholders. It has implemented a group-wide transfer pricing policy that governs the pricing of the goods and services transaction between the Group companies to ensure that prices applied are at an arm's length basis.

## 1 Grievance from an external stakeholder during the reporting period

One grievance from a community member that is neighboring one of Company's sites regarding dust emissions from the facilities was recorded in the system and accordingly addressed.

# Key financial figures 2021/22. Income, expenses and investments

201-1

Trans-Oil has actively invested across all business lines in order to maintain and support further development of the business. CAPEX for 2019/20 – 2021/22 included:

- Crushing plant in the Giurgiulesti port (\$37m)
- Purchase of 100 new railcars (\$6.9m)
- Maintenance CAPEX (\$3.1m)



**\$2.7bn**  
Revenue in 2021/22  
(+97.1% from 2020/21)



**\$521m**  
Total equity  
(30 Jun 2022)



**\$241m**  
EBITDA in 2021/22  
(+76.3% from 2020/21)



**9%**  
EBITDA margin  
in 2021/22



**5.8m MT**  
Total sales volume  
in 2021/22



**787k MT**  
Total crushed volume  
in 2021/22

**Any expenses related to maintenance of the Group facilities are usually reflected in the Group income statement.**



# Corporate governance structure



2-9

Oaktree Capital Management has acquired a 12.5% interest in Aragvi Holding International Ltd on 18 June 2019 – Oaktree Capital management is a leading American global asset management firm specializing in alternative investment (including private equity).

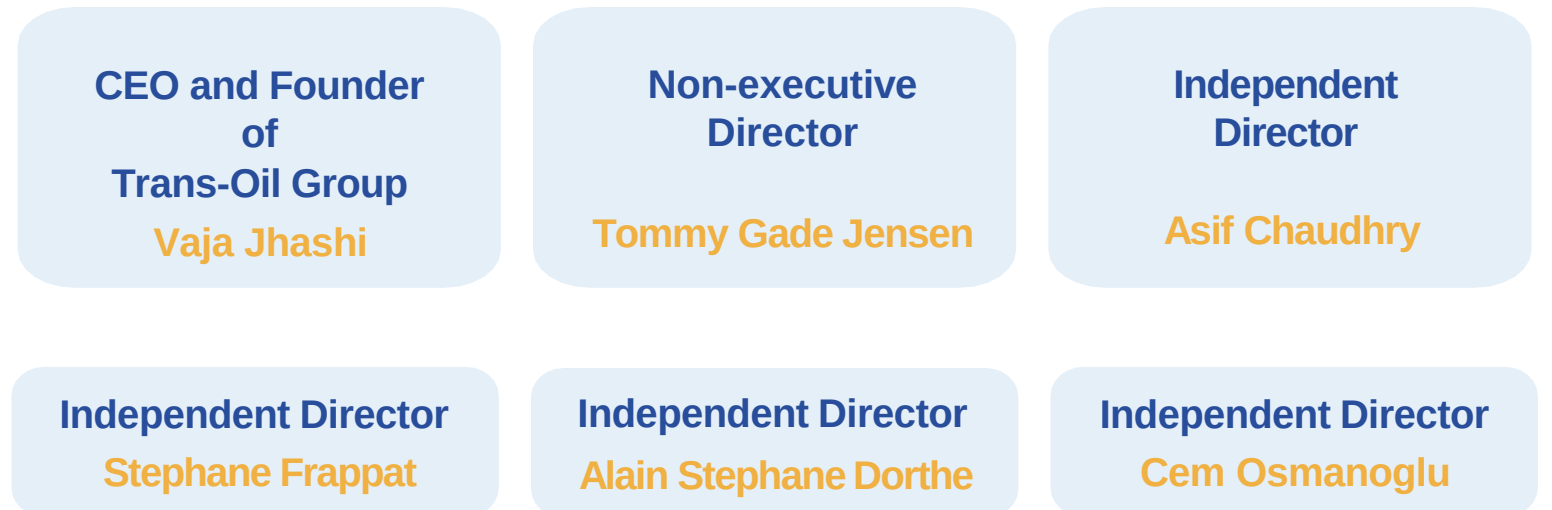


2-13

**We ensure that the process holders have all the necessary clearances to perform activities within their areas of responsibility.**

The highest governance body of the Trans-Oil is Board of Directors

## Board of Directors



2-12

The Board of Directors approves the strategy of the Company and its key priorities and reviews the overall performance of financial and non-financial indicators.

The Company has a charter or articles of incorporation according to local legislation, with provisions on:

- the protection of shareholder rights and the equitable treatment of shareholders;
- distribution of authority between the Annual General Meeting of shareholders, the Board of Directors and executive bodies; and
- Information disclosure and transparency of the Company's activities.

The Board of Directors supervises compliance with procedures established by the Management team for preparing and publishing the Annual Report, the Annual Accounts, the quarterly (if any) and semi-annual financial reports and any other financial information. The Board of Directors also supervises the internal control mechanisms for external financial reporting as described in the Company Law of the Republic of Cyprus. Any financial audit of the Company must comply with International Financial Reporting Standards and be approved by the Audit committee.

The Board of Directors ensures that the external auditor attends the Board's meeting to discuss the external auditor's report concerning the audit of the annual accounts. At these meetings, the Board of Directors decides whether or not to approve the annual accounts. The external auditor receives all financial information underlying the quarterly (if any) and/or semi-annual financial reports and other interim financial reports and shall be allowed to respond to all information.

# 03

## Sustainable development

### In this section

- The Company`s approach to manage ESG issues
- ESG performance indicators
- Membership in associations
- Contribution to the achievement of the UN SDGs
- Governance and business ethics, providing data security
- Protection of human rights, providing diversity and inclusion
- Food quality and safety



# The Company`s approach to manage ESG issues

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- ✘ Best practice Environmental, Health and Safety standards in place (IFC/EBRD compliant).
- ✘ Increasing local farming potential, tolling and purchasing offices throughout the country where farmers can barter seeds for oil and meal.
- ✘ Providing decent and equal employment conditions being the largest employer with ca. 2,847 of employees across the regions of Company`s operation.
- ✘ Exclusive contracts with organic certified farmers in the Republic of Moldova.
- ✘ The Company has a well-organized corporate governance structure and timely discloses financial reports and information for stakeholders.
- ✘ Our partners from GFI are the largest agricultural originator, processor and exporter in the Republic of Moldova and using the benefits of the country`s location and free trade area regime with the EU.

## 0 Environmental and Technogenic Incidents

Credit  
ratings

Fitch  
Ratings

**B**  
(Positive)

S&P Global  
Ratings

**B-**  
(Stable)

# Trans-Oil's ESG key performance indicators 2021/22

OUR PEOPLE			
Metrics	Act	Act *	Est.
	'20/'21	'21/'22	'22/'23
Number of Workplace Accidents	0	11	0
Number of Road Truck Accidents	0	4	0
Occupational Disease Rate (%)	0%	0%	0%
Women Employment Rate (%)	29%	28%	> 30%
"White Collar" Rate (%)	22%	23%	< 20%
Employees Under 18 Years Rate (%)	0%	0%	0%
Employees with Disabilities Rate (%)	2,8%	1,7%	> 2%
Employee Turnover Rate (%)	21,6%	23,7%	< 15%
Number of Grievances from Employees	0	0	0
Employee Training Hours	17,3	11,6	16,0
Overtime Hours to Regular Hours Rate	-	4,1%	4%
Night Hours to Regular Hours Rate	-	17,4%	17%
Medical Leave Incidence (Sick Days / Employee)	14,8	9,0	7,0
Medical Leave Severity (Sick Days / Medical Case)	19,0	12,4	10,0
Total OHS Related Expenses, (USD/tonne of Output)	0,26	0,13	0,50

COMMUNITY TRUST			
Metrics	Act	Act *	Est.
	'20/'21	'21/'22	'22/'23
CO2 Emission Intensity (Kg CO2/tonne of Output)	57,8	33,2	30,0
CO2 Emission from renewable sources (%)	54%	56%	57%
Water Usage Ratio (L/t Output)	251,2	172,7	160,0
Energy Usage Ratio (Mj/t of Output)	582,1	368,6	350,0
Waste Generation Rate (Kg/t of Output)	144,4	49,7	48,2
Waste Recycling Rate (%)	97,9%	98,0%	98,0%
Chemicals Usage Ratio (Kg/t of Output)	0,50	0,31	0,30
Number of Grievances from Community	0	1	0
Number of Volunteer Man-Hours	672	1078	1186
Community Investments (USD)	58420	348827	350000
Total Environmental Related Expenses, (USD/tonne of Output)	0,66	1,66	1,00
Environmental and Technogenic Incidents	0	0	0

\* Including 5 Serbian and 2 Romanian operations (2 crushing plants with refinery, 2 port terminals with elevators, 2 mills with elevators, 36 storage elevators, 2 offices) and the start up of a new Moldovan Crushing plant

# Trans-Oil Membership in associations

2-28



[International Sunflower Oils Association \(ISOA\)](#)



[Aceba Agrocereale](#)



[American Chamber of Commerce in Moldova](#)



[Chamber of Commerce and Industry of RM](#)



[Association of Exporters and Importers of Agricultural and Cereal Products](#)



[Association Serbia Grains](#)



[Žitounija, Mill Association, bakeries and pasta industry of Serbia](#)



[Chamber of commerce and industry of Serbia](#)

# Trans-Oil UN SDG Commitments and Contribution

Focused goals and the scope	Sustainable Development Goals	Commitments till 2030
Carbon emissions and energy efficiency	SDG 7: Affordable and Clean Energy SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action	<ul style="list-style-type: none"> <li>• Aiming for a substantial decrease in the intensity of direct carbon emissions.</li> <li>• Targeting a substantial reduction in the energy usage per tonne of output.</li> <li>• Committing to sourcing the vast majority of energy used in operations from renewable sources.</li> <li>• Committing to a substantial increase in the use of clean energy for electrical purposes*.</li> <li>• Achieving certification of all crushing and refining plants under ISO 14001 and ISO 50001 standards.</li> </ul>
Water and Effluents	SDG 6: Clean Water and Sanitation; SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 14: Life below Water SDG 15: Life on Land	<ul style="list-style-type: none"> <li>• Targeting a substantial decrease in water usage per tonne of oil produced, across all crushing and refining plants.</li> <li>• Aiming for a significant reduction in the quantity of wastewater discharge from all crushing and refining plants.</li> <li>• Ensuring all wastewater discharge from crushing and refining plants complies with the WB EHS Guidelines.</li> </ul>
Our people, consumers and communities	SDG 3: Good Health and Well-being SDG 4: Quality Education SDG 8: Decent Work and Economic Growth SDG 11: Sustainable Cities and Communities SDG 17: Partnerships for the Goals	<ul style="list-style-type: none"> <li>• Committing to zero fatalities among employees and a substantial reduction of the lost time accident rate vs. 2021/2022.</li> <li>• Achieving certification of all crushing and refining plants under ISO 45001 standards.</li> <li>• Achieving certification of all crushing and refining plants under ISO 9001 and ISO 22000 standards.</li> <li>• Investing in employee training.</li> <li>• Working towards a significant representation of women in management positions.</li> </ul>

\* CHP and/or solar energy.

# Trans-Oil UN SDG Commitments and Contribution

Focused goals and the scope	Sustainable Development Goals	Commitments till 2030
Packaging, waste management and recycling	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 14: Life Below Water	<ul style="list-style-type: none"> <li>Achieving high waste recycling rate.</li> <li>Aiming for a significant portion of total PET to come from recycled or renewable materials.</li> </ul>
Sustainable sourcing and supply chain	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 17: Partnerships for the Goals	<ul style="list-style-type: none"> <li>Aiming for a substantial portion of key agricultural commodities to be sourced based on sustainable agricultural principles (any of third-party certifications: ISCC, Global GAP, GRASP, Organic, Rainforest Alliance, Fair Trade International, etc.).</li> <li>Committing for our Code of Supplier with ESG principles to be accepted and signed by a large majority of commodity suppliers.</li> <li>Requiring all new suppliers to complete an ESG self-assessment.</li> <li>Support small and medium farmers participation at international/regional agricultural events.</li> <li>Facilitate extensive soil sampling and analysis on farms and follow-up consultations with farmers.</li> </ul>
Biodiversity and animal welfare	SDG 13: Climate Action SDG 15: Life on Land SDG 17: Partnerships for the Goals	<ul style="list-style-type: none"> <li>Committing to creating and restoring protection strips around farmland in cooperation with local authorities.</li> </ul>

Our ethical standards focus on the following areas: employees, customers, relations with its business partners, government, society and the wider community. These ethical standards also apply to business areas for all subsidiaries and dependent companies within and outside of all countries of the Group`s operation. Our business plan includes specific, measurable targets for improving ethical behaviour.

## Governance and business ethics, providing data security

2-23, 3-3

### Trans-Oil`s approach to sustainable development (“SD”) is based on the following practices:

- ✦ International Finance Corporation`s Performance Standards (2012);
- ✦ EBRD Performance Requirements (2019);
- ✦ The International Bill of Human Rights and IFC Sustainability Framework (2011);
- ✦ Respecting the rule of law of the Republic of Cyprus, Switzerland, the Republic of Moldova, Romania, the Republic of Serbia and Ukraine laws and regulations, and showing respect for human rights;
- ✦ UN Sustainable Development Goals;
- ✦ Requirements of applicable laws.

## Ethical Standards for Relationship with Our Stakeholders:

### ➤ Employees and officers

We value our employees as the keystone to success. We are thus committed to treating all employees with dignity, trust and respect and building a long-term relationship based on the Republic of Cyprus, Switzerland, the Republic of Moldova, Romania, the Republic of Serbia and Ukraine labour law and the respect of human rights. We do not employ child labour. We foster teamwork, believing that diversity in talent, perspectives and opinions stimulate new and creative business opportunities and innovation. Similarly, we renounce all forms of bureaucracy and excessive hierarchical structures that impede operational efficiency.

### ➤ Customers

Customer satisfaction is tantamount to us. Safe and quality products and services, fair pricing and appropriate after-sales service, shall define our customer relations. We always seek to deliver what is promised.

### ➤ Business Partners

We believe a long-term relationship with our business partners (suppliers, contractors, participants in joint ventures and others) founded on respect, trust, honesty and fairness is vital to our success. We only put forth our best effort to cooperate with business partners that share our ethical standards.

### ➤ Government

In spirit and letter, we abide by all national and local regulations, including voluntary codes and guidelines. We had also legally obtained all licenses required to do a business activity. We seek to build and manage a good relationship with governmental authorities on an arm's length basis. No attempts to improperly influence government decisions shall be made, and we will not offer, pay, or solicit authorities in any decisions.

### ➤ Society, environment and wider community

We are an integral part of the community where we operate and are committed to a good relationship built on respect, trust, honesty and fairness. We are committed to creating jobs and developing local talent when this is economically sustainable. The preservation of the environment is of the utmost importance to us, and we thus strive to minimise any environmental disruption arising from our activities by reducing waste, emissions and discharges and using energy efficiently. All operations and activities are carried out according to the highest standards of care and in line with internationally recognised principles.



# Protection of human rights, providing diversity and inclusion

2-23

Trans-Oil is responsible and ethical business organization and respect internationally recognized principles of human rights contained in the Universal Declaration of Human Rights and the United Nations Global Compact.

The Company takes appropriate measures to ensure its values, principles, standards and behavioural norms are followed. Thus, we regularly conduct special training to raise employee awareness of all necessary business ethics regulations and standards.

The Company seeks to comply with all applicable local labour legislation, including discrimination laws and other requirements to which we have subscribed. It provides that all its employees, including part-time and contracted, have free access to formal, non-retaliatory grievance procedures for reporting alleged violations of this policy in all subsidiaries.

Trans-Oil Group of Companies is committed to providing a workplace free from any form of discrimination, bullying and harassment, including sexual harassment.

## Trans-Oil's Equality principles

**Provide equal opportunities to all its employees**

It is considered a violation to discriminate concerning employment opportunities, benefits or privileges, to create discriminatory work conditions, or to use discriminatory evaluation standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's age, gender, national origin, marital status, disability status, religion, race, colour or sexual orientation.

**Prohibit abuse and harassment of any kind**

No employee will be subjected to physical, psychological, verbal, sexual, racial, or any other form of harassment or abuse. The Company ensures appropriate procedures are in place to detect failures to meet this policy and to deal with them promptly and effectively.

**Prohibit sexual harassment of any form**

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature when submission to or rejection of such conduct is used as the basis for employment, promotion or benefit decisions or when such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.

# Food quality and safety

2-23

We are committed to conducting all our business activities honestly and responsibly, to continuously improve our performance and maintain customer confidence in our products and services through the development and implementation of a quality and food safety management system in line with the requirements of internationally recognised quality and food safety management standards and best practices.

Trans-Oil Group of Companies, including all our subsidiaries, believe that our success depends on the supply of safe food and high-quality products and services that meet or exceed customer and consumer expectations. We aim to ensure that the needs of our customers are clearly understood and met through close liaison at all stages of work.

## Principles of Food and Quality Safety in Trans-Oil:

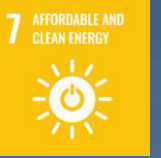
- Produce, process, store and deliver crops and products that meet the highest quality and food safety standards;
- Meet or exceed all applicable statutory and regulatory requirements and other quality and food safety requirements to which the Company has subscribed;
- Implement and maintain an adequate quality and food safety management system in compliance with the international management standards ISO 9001, ISO 22000 and/or Global Gap in all its subsidiaries where applicable to ensure accountability and drive continuous improvement of performance;
- Evaluate and validate the effectiveness of the quality and food safety management system through an internal and external audit process;
- Build quality and food safety capability through structured programs that develop technical skills, increase awareness, manage risks and drive increasing levels of excellence;
- Continually review quality and food safety policies, standards and procedures to effectively manage food safety risks associated with changes in products, processes and technologies;
- Set annual measurable quality and food safety objectives for all subsidiaries and at the Group level to ensure continuous improvement and compliance with all standards and requirements;
- Include quality and food safety strategies in the annual business planning process to ensure that quality and food safety remains an integral part of its operations;
- Ensure that suppliers and contractors embrace the same quality and food safety commitments and monitor the materials and services they supply through audits and incoming goods inspections;
- Communicate quality and food safety requirements to suppliers, contractors, customers and consumers by establishing specifications for raw materials, processing, storage and consumer guidelines;
- Be transparent and communicate, whenever necessary, on quality and food safety aspects, strategies and performance to all internal and external stakeholders that impact, or are impacted by, the Company's quality and food safety management system.

# 04

## Protecting the environment

### In this section

- The Company's approach
- Compliance with environmental regulations
- Environmental protection measures and activities
- Biodiversity and deforestation
- Climate change response (including emissions management)
- Resource utilization and processing (water, energy, waste management)



We, Trans-Oil and all our subsidiaries understand that our environmental performance is critical to our success. We have a fundamental responsibility to enforce our role in ensuring a healthy and sustainable environment. This belief is part of our culture, and this policy applies across the Company, including all our subsidiaries, projects, facilities, processes and products.

## The Company's approach to protecting the environment and managing environmental impacts

3-3

We are committed to conduct all business activities in a responsible manner that protects and preserves the environment and reduces our environmental footprint.

## Compliance with environmental regulations in Trans-Oil

2-27, 307-1

**We comply with applicable Environmental regulation in countries we operate.**

During reporting period there were:

- 61 inspections from environmental, labour and other safety authorities;
- total monetary value of fines: 195 USD;
- total number of NOVs (notice of violation): 7;
- total number on none-monetary sanctions: 0.

## Principles of environmental management in Trans-Oil:

- Conduct all activities in compliance with environmentally applicable legal requirements and with other requirements to which the Company subscribes;
- Implement and maintain an environmental management system in compliance with internationally recognized environmental management standard ISO 14001 in all subsidiaries to ensure accountability and foster continuous improvement of environmental performance;
- Audit the environmental management system, procedures and processes to assess performance against internal and external applicable environmental standards and requirements;
- Set annual environmental measurable objectives for all subsidiaries and at the Group level, measure results and review performance regularly, and take appropriate actions to ensure continuous improvement and compliance with all applicable standards and requirements;
- Identify, evaluate and address environmental impacts through the implementation of effective and sustainable control measures;
- Identify and implement ways to improve the process efficiency of the Company's materials and resources use, pollution prevention, emissions minimization, wastes reduction, reuse and recycling;
- Commit to protecting the climate by reducing energy use and carbon emissions, even as it grows its business;
- Provide a framework to prevent environmental incidents, pollution and inefficient waste of resources;
- Manage environmental incidents in a manner that protects its assets, employees, contractors, customers and the public, as well as the image of the Company;
- Provide clearly defined roles and responsibilities; develop employee environmental competency through practical training and leadership at all levels within the Company to ensure that employees understand and commit to effective implementation of environmental policies and practices;
- Collaborate, as appropriate, with public and private entities, including governments, non-governmental organizations, and professional associations, to promote environmental stewardship initiatives, sustainable business and communities;
- Include environmental strategies and objectives in the business planning process to ensure that management of environmental impacts remains an integral part of its operations;
- Be transparent and communicate, whenever necessary, environmental commitments, requirements and performance indicators to all internal and external stakeholders that impact, or are impacted by, the Company's activity.

# Environmental protection measures and activities

3-3

The Company annually assesses and discloses its environmental performance in ES Annual Monitoring Reports.

Most significant impacts on the environment, community and flora/fauna that are possible as a result of Company subsidiaries' activities are associated with:

- air pollution with dust from commodities, equipment and moving vehicles on sites;
- air pollution with combustion gases from combustion facilities and vehicles;
- air pollution with fumigants from pest control and crop protection procedures;
- water and soil accidental pollution with oil/petrol drips/spills from vehicles and equipment;
- water and soil accidental pollution with hazardous chemicals (solvents, acids, caustics);
- use of non-renewable resources such as fossil fuel (petrol, diesel, natural gas, coal);
- use of hazardous materials (n-hexane, acids, caustic, insecticides and pesticides, etc.);
- use of water by crushing plants and refineries;
- wastewater generation;
- waste generation (non-hazardous recyclable, non-hazardous non-recyclable; hazardous recyclable);
- phonic pollution from equipment and vehicles.

The Company annually submits to lenders its ES monitoring reports following the IFC PSs and other requirements.

## Biodiversity and deforestation

304-2

The Company has not been involved in adverse biodiversity and/or deforestation activities. All of its sites are situated in industrial designated areas, and most of them are provided with sanitary protection zones and were established before Company acquired them. At some Company sites, tree planting activities are organized annually around sites to create tree protection strips.

304-1, 304-2, 304-3, 3-3

Local farming households were established long ago, so the Company is aware of no deforestation activities.

The Company has committed to contributing the next 3 years to the plantation of new and restoration of existing tree protection strips in rural areas.

## Activities performed in 2021/22

3-3

Three entities of Trans-Oil are certified according to ISO 14001:

- Victoria Oil d.o.o.
- Granexport d.o.o.
- Zito-Backa Kula d.o.o.

Other entities are also planned to be certified in the nearest periods.

2-23

The most recent Company's project is the "green field" crushing plant for vegetable oil production in the Republic of Moldova, Giurgiulesti Free Economic Area.

## The Company has developed and approved the "Deforestation-Free Supply Chain Policy".

Trans-Oil Group and all its subsidiaries believe that forests and natural ecosystems are essential for a healthy environment and a sustainable supply chain. Forests provide many benefits to humans regarding carbon sequestration, climate regulation, fresh water supply, timber, energy, habitat for biodiversity, clean air, erosion control, etc.

The policy aims to map the supply chains to identify the origins of sourced goods and commodities and to provide that these are purchased from countries and suppliers that have not been involved in deforestation activities or another significant conversion of natural habitats and that do share our values related to caring for the environment.

The policy also includes commitments targeted at stopping deforestation and enhancing natural habitats.

# Climate change response (including emissions management)

3-3

The Company has Corporate Climate Change and Energy Efficiency Policy and Corporate Environmental Policy which describe the approach to Climate change response management.

Policies include commitments to resource efficiency and pollution prevention, such as:

- Identify and implement ways to improve the process efficiency of the Company's materials and resources use, pollution prevention, emissions minimisation, wastes reduction, reuse and recycling;
- Provide a framework to prevent environmental incidents, pollution and inefficient waste of resources.

## Climate action and emission savings

3-3

Climate change is a challenge that entire humankind is facing. We develop our business model under the requirements of applicable law regarding the reduction of Greenhouse Gas (GHG) emissions.

A climate change vulnerability assessment of the agricultural supply chain of Trans-Oil Group was conducted in May 2021. Based on the Assessment, the Company has developed a plan with actions to mitigate the identified risks.

Land resources in Moldova are degrading at a high rate, likely exacerbated by increasing drought risk and heat. Degraded land, in turn, leaves farmers more sensitive to the impacts of climate change. To counteract land degradation, interviewed farmers showed interest in adding new crops, such as legumes, to their rotation plan. However, as a combined effect of Trans-Oil's dominant market position, on-the-spot purchasing practices and a strong focus on three crops, farmers have limited access to profitable markets for alternative crops. Risk mitigation can thus be achieved by increasing the number and proportion of alternative crops traded by Trans-Oil, providing farmers with a market for crops suitable to changing climatic conditions. Crop diversification would spread economic risks for farmers and Trans-Oil, and improved market inclusion through appropriate farmer contracts can complement diversification.

## Actions planned until 2027

The actions identified and based on the Climate change vulnerability assessment of the agricultural supply chain for the long-term period 2022-2027 include:

- market diversification by increasing the number and proportionate volume of alternative crops traded;
- partial transition to the organic market, gradually increasing the share of organic produce traded;
- facilitate technical and advisory support by organising farmer training on soil conservation, risk management and forecast technologies;
- establish demo farms for testing crops/varieties and adapting farming practices to local conditions;
- facilitate extensive soil sampling on farms and follow-up consultations with farmers;
- restore and create protection strips around farmland in cooperation with local authorities;
- identify opportunities for cooperation in the development of irrigation infrastructure projects.

## Energy efficiency

The Company's Energy Efficiency Management Plan includes measures contributing to reducing GHG emissions. Agricultural activity is very variable regarding energy usage and GHG emissions. Yields and contracted volumes vary a lot from year to year, and humidity and impurities in commodities, that need to be removed by drying and cleaning (aspiration/sieving) vary yearly. It is possible without any efforts to have good trends in one year and, on the other hand, bad indicators in a specific year, even when efforts are made to reduce energy usage and emissions.

# Disclosure on GHG emissions

305-1, 3-3

The Company reports GHG scopes 1 and 2. Most CO2 of Scope 1 and 2 emissions are produced from energy used (electricity and fuel). Hence, most of the efforts are concentrated on energy efficiency.

For production purposes (except transportation), the primary Company energy sources are:

- Sunflower husks from own production – 73% for thermal energy production in crushing plants (steam).
- Electricity purchased – 19% for equipment operation, illumination of territory, storage and production facilities and offices.
- Natural gas and diesel fuel (fossil fuel) – 6%, mainly for grain and seeds drying.

As per 2021/22 internal statistical data and KPIs, about 9% of energy was generated from fossil fuels, e.g., natural gas and diesel.

Fossil fuel is mainly used on grain dryers and internal transportation (railway locomotives and forklifts). In dry years, almost no fuel is used for commodities drying, reaching a very low indicator for fossil fuel, while in wet years, when the commodities need much drying, this share increases.

## Direct GHG emissions in CO2 equivalent (Scope 1), tonnes

305-1

	2020-2021	2021-2022	Regional	2020-2021	2021-2022
Stationary emission sources	25 453	86 426*	Moldova	28 072	54 090
Mobile emission sources	2 691	3 514	Romania	0	10 439
			Serbia	0	25 318
			Ukraine	71	93

## Indirect GHG emissions in CO2 equivalent (Scope 2), tonnes

305-2

	2020-2021	2021-2022
Grid electricity purchases	9 641	37 650
Regional		
Moldova	9 448	17 712
Romania	0	3 307
Serbia	0	16 148
Ukraine	193	484

\* In 2021-2022, new operations in Moldova, Romania and Serbia were integrated in the reporting.

# Disclosure on GHG emissions

**305-1, 3-3**

Overall Group contribution with CO2 equivalent emissions in the 2021/22 reporting period, as per estimated calculations for scope 1 and scope 2, made up around **127.6k MT** of CO2 equivalent.

## CO2 Emission Intensity

Indicator	2020-2021	2021-2022
CO2-equivalent Emission, Tonnes	37 785	127 590
Total Production, Tonnes	653 698	3 845 993
<b>CO2 Emission Intensity, Kg CO2/Tonne of output</b>	<b>57.8</b>	<b>33.2</b>

## Current year vs Prior Year Comparison

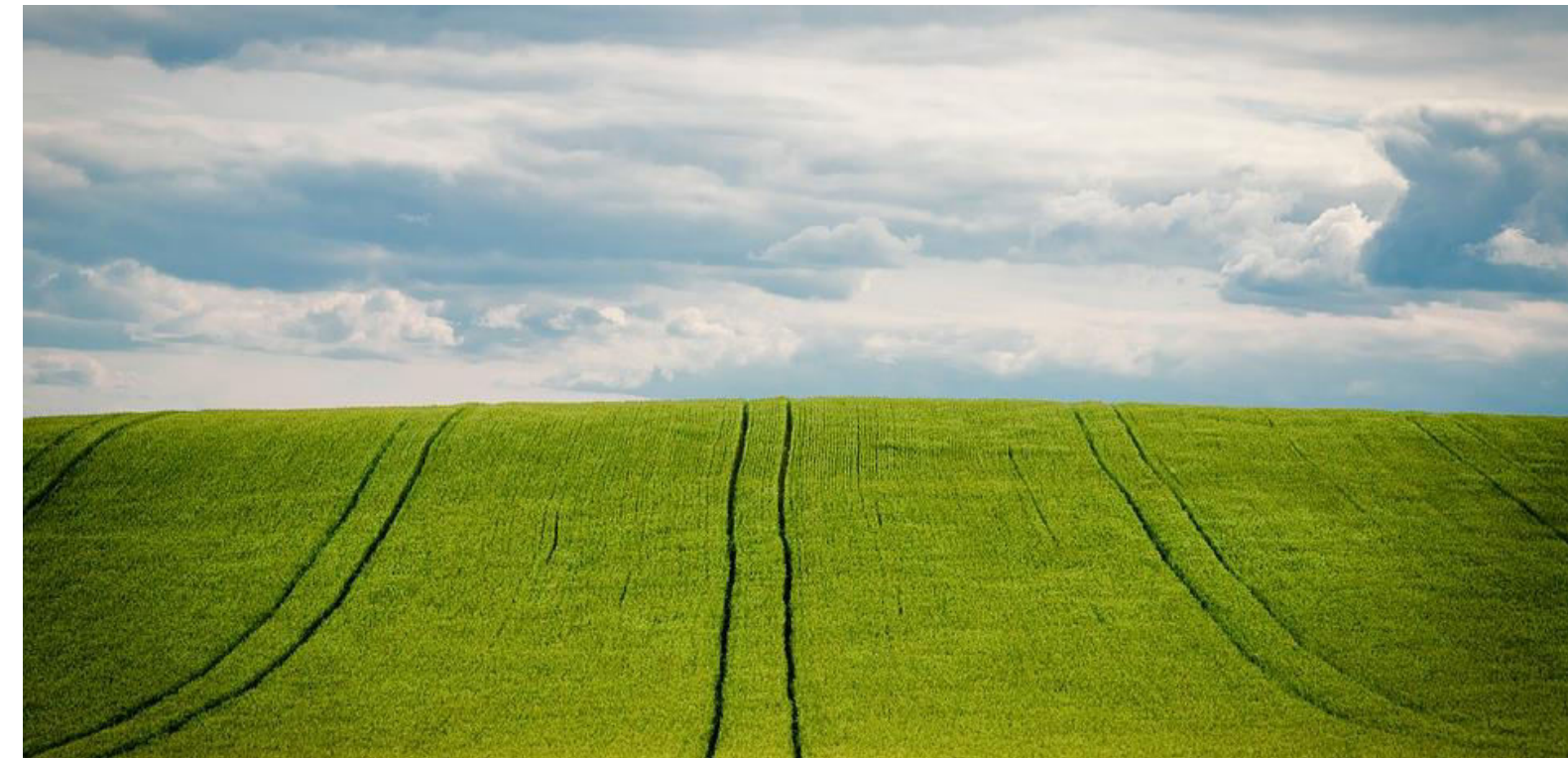
Indicator	Current year vs Prior Year	
	Absolute	%
CO2-equivalent Emission, Tonnes	89 806	<b>238%</b>
Total Production, Tonnes	3 192 295	<b>488%</b>
<b>CO2 Emission Intensity, Kg CO2/Tonne of output</b>	<b>-24.6</b>	<b>-43%</b>

Company CO2 emissions increased by 238% compared to the previous reporting year, with 89.8k MT of CO2 equivalent, from 37.8k to 127.k MT.

The main reason is the integration in the calculation and reporting system of 7 operations in **Moldova, Romania and Serbia**. These are 3 crushing plants in Moldova, Romania and Serbia, 2 port terminals with storage elevators, and 1 complex of storage facilities. Other reasons for increased CO2 equivalent emissions vs the previous year were increased throughput, processing and storage volumes.

Nevertheless, it is quite challenging to correlate energy resource usage with output volumes in agriculture due to plenty of factors that humans can control to a lesser extent. CO2 equivalent emissions increased only by 238% while the output volumes increased by 488%.

Hence, the "CO2 Emissions Intensity Rate, kg CO2/tonne product" has decreased by 43% compared to the previous reporting year, or **-24.6 kg of CO2** per tonne of output, from 57.8 to 33.2 Kg CO2/ ton of output.





# Resource utilization and processing (water, energy, waste management)

The Company is guided by the Environmental protection Policy in resource use management.

Trans-Oil has developed water, waste and energy reduction programs to mitigate the operations' environmental impact.

## Water management

**303-1, 303-2**

Water and soil pollution due to accidental oil/petrol drips/spills from vehicles and equipment or hazardous chemicals and wastewater generation are one of the Company's significant environmental impacts.

Oil extraction plants are the most significant water users in Group's business activity, ~ 96.7%. Also, a decent amount of water is used in operational processes at elevators (AGG, EKG, GX, LB and ZB).

Therefore, to assess, manage and reduce the impact on water resources, the Company developed water reduction targets and initiatives, which are annually updated.

## Water withdrawal by source

**303-3, 303-4, 303-5**

Type of water by source	Volume of water, Megalitres (MI)	
	2020-2021	2021-2022**
Surface water	0	0
Groundwater	20.9	428.3
Third-party water	143.3	236.1

\*\* + Three crushing plants (1MD, 1RO, 1SR), 2 port terminals, 1 silo complex with 31 storage facilities and 1 office vs. 2020/21.

## Water discharge

Type of water by source	Volume of water, (MI)
Water discharge by destination:	
• Surface water	91.0
• Ground water	0
• Seawater	0
• Produced water	0
• Third-party water	174.4
<b>Total water discharge</b>	<b>265.4</b>
<b>Total treated water discharge</b>	<b>254.2</b>

## Water consumption

Type of water by source	Volume of water, (MI)
<b>Total water consumption</b>	<b>664.4</b>

Water consumption is provided from municipal net and underground wells.

Water from municipal net is used without accumulation. Water from deep underground wells usually is accumulated in water towers and from there is distributed.

Water storage is applicable for firefighting purposes in specially designated reservoirs.

# Waste management

## 306-1, 306-2

Trans-Oil uses a responsible approach to waste management based on the requirements of applicable laws and the international standard ISO 14001:2015.

The most prominent solid waste and wastewater effluent generators are crushing plants and refineries, with > 98%.

The Company has developed and documented a program for waste management.

## Waste generation by hazardous categories in 2021/22

### 306-1, 306-3

Type of waste, hazardous class	Waste generated, metric tonnes	Method of disposal
I Mercury and fluorescent lamps	0.4	Temporary storage / Authorised companies
I The batteries are exhausted	0	Temporary storage / Authorised companies
I Electronic waste	2.7	Temporary storage / Authorised companies
II Oiled sorbents	0	Storage
III Filter materials (filters), cleaning materials damaged, used or contaminated with oil, oiled rags	0.04	Storage
III Other identified waste (used metal containers, sand contaminated with oil products, car wash sludge, brake fluid waste)	4.2	-
III Waste laboratory chemicals	6.8	Delivered for recycling
II/III Transformer oil and motor and transmission lubricants	7.8	Reused / Delivered for reuse
I/II Accumulator batteries (used)	0.4	Delivered for recycling
IV Used protective clothing and shoes	0	-
IV Used vehicle tires	0	Delivered for recycling
IV Solid household waste and grain/seeds cleanings and soil	3 812	Landfills
<b>Total</b>	<b>3 834.4</b>	

## Waste diverted from disposal by recovery operation, in metric tonnes

Type of waste	Total weight
<b>Hazardous waste</b>	<b>22.4</b>
Preparation for reuse	0
Recycling	0
Other recovery operations	22.4
<b>Non-hazardous waste</b>	<b>190 951</b>
<b>Prepared for reuse:</b> used for energy recovery	59 787
<b>Recycled:</b> recycled into biofuel or sold for recycling/reuse	127 352
<b>Other recovery operations:</b> landfilled	3 812

The Company engaged contractors with a licence for waste processing and disposal according to applicable laws.

# Use of fuel resources

302-1

In the 2021-2022 reporting period, newly acquired companies from Romania and Serbia have been integrated into the reporting, including volumes of resources, energy, water waste, etc.

## Energy resource use, GJ

Type of resource	2020-2021	2021-2022
<b>Resources from non-renewable sources</b>		
Electricity	71 923	264 684
Natural gas (heating)	11 997	89 731
Gasoline/oil (stationary fuel)	48	130
Diesel fuel (stationary fuel)	335	33 743
Gas (stationary fuel)	222	780
Coal	0	231
<b>Fuel for Transport</b>		
Gasoline/oil (transport fuel)	4 313	7 973
Diesel fuel (transport fuel)	30 768	31 598
Gas (transport fuel)	454	895
<b>Resources from renewable sources</b>		
Biofuels/biomass	295 983	1 028 355
Solar	0	0
Wind	0	0
Hydroelectric	0	0
Geothermal power	0	0

## Energy use, GJ

Energy consumption, GJ	2020-2021	2021-2022
Energy Consumption without fuel for Transport	380 508	1 417 654
Total energy consumption including fuel for Transport	416 043	1 458 121



# 05 Social aspect

## In this section

- The Company's approach
- Key personnel indicators
- Human Rights principles
- Personnel management and development
- Recruitment process and migrant workers
- Employee remuneration and motivation
- Health and safety of employees and contractors
- Protection of personnel at workplaces, assistance to employees' sick with COVID-19
- Community engagement



People are the most valuable asset of Trans-Oil, and we are committed to ensuring that people are always treated with dignity and respect across our system. Respect for human rights is fundamental to the success and sustainability of Trans-Oil and the communities in which we operate.

We are a responsible and ethical business organization and respect internationally recognized human rights principles indicated in the Universal Declaration of Human Rights and the United Nations Global Compact.

**2,847** **Employees**  
**Works in Trans-Oil**

**3-3**

All human resource management questions are guided by collective bargaining agreements and corporate HR policies.

The Company does not practice personnel planning because there is practically no staff turnover in such departments as management and mid-level specialists, and the number of employees of simple professions is determined based on the current situation (availability of work).

Current personnel work is carried out following the norms of the current legislation.

Staff training activities are welcome and are carried out as needed. Measures are envisaged to solve social problems.

Motivational tools are being introduced for all employees.

Trans-Oil employs about 2,847\* people throughout all agri-business functions. The breakdown per function is as follows:

- origination – 212 employees;
- silo storage services – more than 647 employees;
- oil seeds crushing plants, five production units with a total capacity of 1'600 mt – about 1485 employees;
- loading port facilities (3 units in Moldova, 2 in Ukraine and 2 in Serbia) – 503 employees.

Collective bargaining agreement covers such aspects:

- General provisions;
- Conclusion, amendment and termination of individual employment agreements;
- Basic requirements of employees and employer;
- Resolution of collective labour disputes;
- Working time and rest time;
- Organization and payment of work;
- Social assistance and occupational health and safety;
- Work of parent-workers / Work of young employees;
- Guarantees of trade union activities;
- Social and legal protection;
- Additional benefits;
- Final provisions.

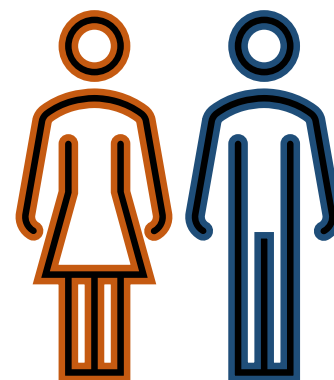
**59,1%** **Employees covered by the**  
**collective labour agreement**  
**in 2021/22**

\* the number of employees is indicated as of June 30, 2022, unless indicated otherwise

# Key personnel indicators

401-1, 401-2

The Company's personnel performs all work related to production activities. Contractors carry out construction work or, in the case of complex equipment supply, its installation is carried out by suppliers and contractors. Part-time employees have the same rights as full-time employees.



Men - 2058

Women - 789

Number of persons by categories

2021 - 2022

Male

Female

Administration

374

299

Workers

1 597

466

23,7%

Overall staff turnover in 2021/22

+2.1%

2021/22 vs. 2020/21

15,5%

Voluntary staff turnover in 2021/2022

We do not tolerate any form of discrimination against our employees based on race, colour, gender, language, religion, political or other opinions, national or social origin, association with a national minority, property, birth or another status, union affiliation, sexual orientation, age, disability, or other distinguishing characteristics.

During the reporting period, there were no discrimination cases in the Company.

Number of hired and dismissed persons

2021-2022 hired

2021-2022 dismissed

Male

Female

Male

Female

Under 30

105

40

70

32

30-50

403

173

209

63

Over 50

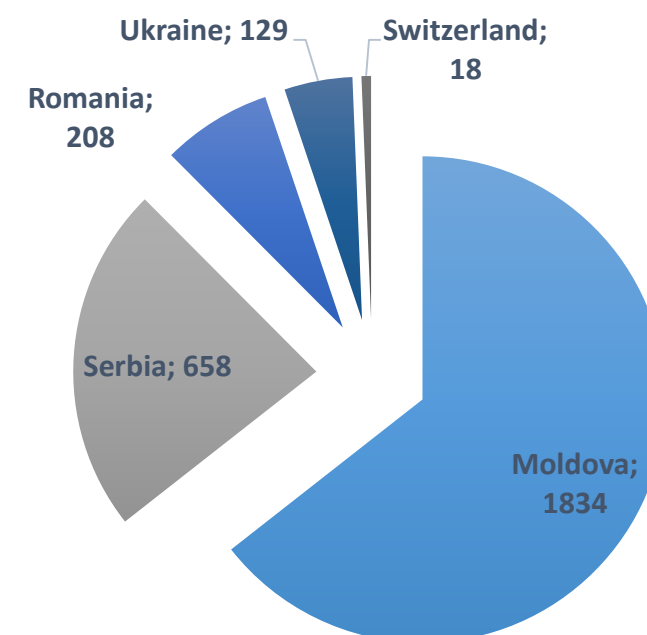
124

25

125

30

Regional breakdown of employees (dated June 30,2022)





## Trans-Oil Group of Companies Human Rights Policy comprises the following 8 principles:

### Children and Young Workers

As a fundamental principle, we do not employ children under 18 years of age or support the use of child labour.

### Freedom of Engagement, Forced and Compulsory Labour

We believe that people should work because they want or need to, not because they are forced to do so.

### Health and Safety

We aim to provide a safe and healthy workplace environment for our employees, comply with applicable laws and take adequate steps to prevent potential accidents and injury to workers' health.

### Freedom of Association

We recognise and respect the freedom of an individual to join, or refrain from joining, legally authorised associations or labour organisations.

### Non-Discrimination and Equality of Opportunity

We recognize, respect, and embrace the cultural and individual diversity while seeking to create a strong culture and competing team.

### Compensation and Benefits

We reward our employees fairly and competitively relative to industry standards, in full compliance with applicable national laws related to remuneration.

### Relationships with Indigenous People

Within the framework of our Values, we respect the cultures, customs and values of the people in communities where we operate and consider their needs, concerns and aspirations.

### Disciplinary Practices

We treat all employees with dignity and respect. We do not engage in or tolerate the use of corporal punishment, mental or physical coercion or any other form of illegal abuse or harassment.

The Human rights policy states that the Company recognizes and respects the freedom of an individual to join, or refrain from joining, legally authorized associations or labour organizations without any negative consequences, discrimination, harassment, intimidation or retaliation.

The regularity of meetings with Trade unions are different from site to site, from 2 to 5 or more meetings per year.

# 22,6%

**Employees have joined  
Trade unions in 2021/22**

# Personnel management and development

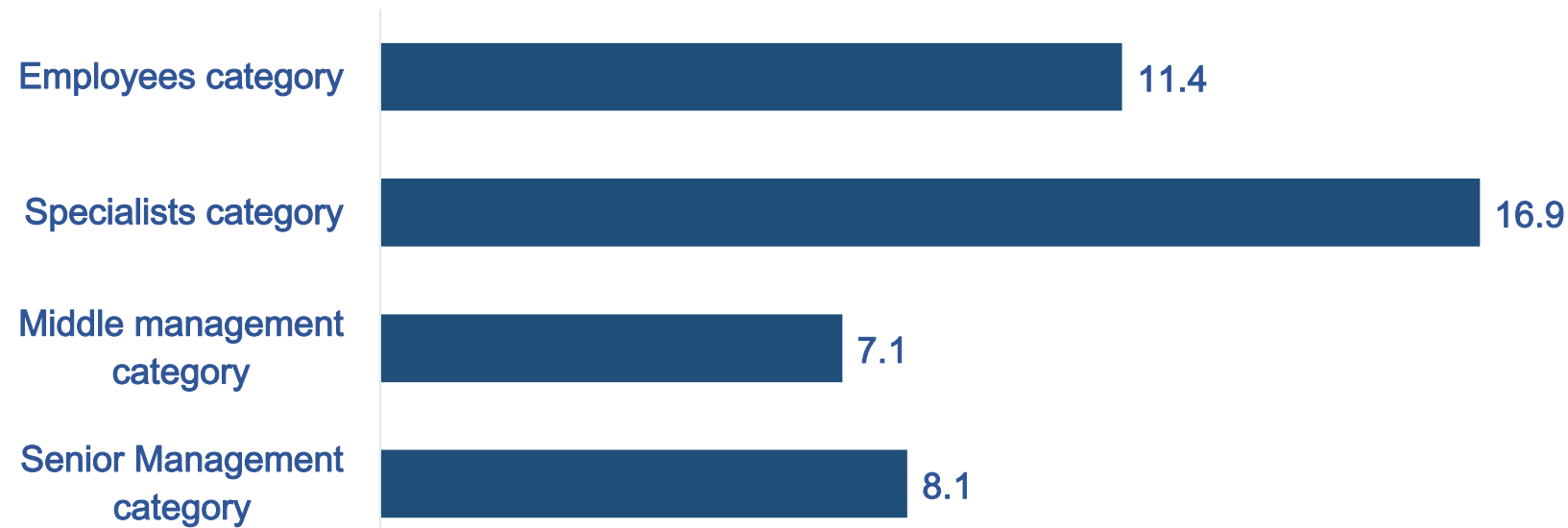
404-1, 404-2

Our employees participated in different trainings to increase their professional knowledge and skills.

## Next trainings were provided in 2021/22:

Type of training	Induction	On-the-job	Periodic	Industrial Safety	Formal Training	First Aid Provision	Firefighting	Emergency Preparedness	Hygiene	Environmental	Operational Control
Total training man-hours	5269	8429	4061	2201	2172	1590	3593	357	910	729	846

## Average hours of training per employee by category



**30 157**

The total number of hours of staff training during 2021/22

**2 606**

The total number of employees participated in training during 2021/22

**11,6**

Average hours of training per employee





# Recruitment process

## 401-1

When having a vacancy, the Company subsidiary, department or function drafts the employee job profile for the recruitment announcement.

The Company uses different methods to recruit new employees. The most used are:

- Through authorised recruitment agencies, the Company places vacancy job profiles/recruitment announcements or analyses the available posted CVs of job seekers for relevant candidates;
- Participation at periodic "employment fairs", where employers can meet potential employees face-to-face;
- Company web page, the section "Careers / Vacancies", where recruitment announcements are placed, especially for head office and subsidiaries specialists;
- Stakeholder networks, e.g., NGOs, associations, etc., the Company is a member of;
- Academia, universities;
- Social networks, such as LinkedIn and Facebook;
- Peers/peer groups to disseminate job profiles or employment announcements, etc.

Depending on the position and competencies searched for, Company uses the most suitable recruitment method or a mix of methods.

After collecting and analyzing the most relevant CVs, the potential employees are invited for interviews. Depending on the position level, necessary competencies, etc., 2-3 interviews may be organized with different Company functions, including HR.

After the selection process, the candidate receives the job offer. Then the employment contract and other employment documents are signed, and the induction process starts.

## Migrant workers

A few Company subsidiaries in Moldova have employed migrant workers. These employees work mainly in crushing plants, and most are coming from Ukraine.

After the war in Ukraine started and refugees came to Moldova, specialists and workers were hired at the crushing plants.

All migrant employees are registered at the Immigration Office to obtain residence and work permits. Then, the Company signs employment contracts, and these employees are treated like resident employees.

All eventual disputes are discussed, negotiated and solved, not allowing them to escalate to strikes or court cases.

The majority of directors and managers level positions falls under 30-50 years category. Employees are under 30-50 years category.

Number of persons by age and region	dated June 30, 2022		
	< 30 years	30-50	> 50
Moldova	142	833	859
Serbia	75	364	219
Romania	17	117	74
Ukraine	14	72	43
Switzerland	1	9	8

**2-7**

Breakdown of full-time and part-time employees and gender breakdown dated June 30, 2022.

	Male	Female
Full-time employees	2014	757
Part-time workers	43	33
Total number	2057	790

Clock, cards, timetables and logs strictly monitor working hours. Workplace supervisors/managers are responsible for monitoring and registering working hours.

## Employee remuneration and motivation

We provide a high remuneration package. It includes:

- Salary;
- Bonuses;
- Vacation;
- Medical insurance;
- Corporate trainings;
- Partial compensation of lunch.

During the peak season, there are circumstances when employees are required to work overtime or at weekends or holidays.

To avoid exceeding the authorised overtime, each subsidiary and department has an authorised monthly working timetable for all employees.

All worked overtime is registered by workplace supervisors, approved by subsidiary managers and paid within the salary.

A worker is authorised to work no more than 12 hours per day and 48 hours per week.

**759 USD** Average monthly salary per employee (full-time employees only) 2021/22

+ 20.4% vs. previous period

**27 709 685 USD** Remuneration fund\* of the Company, including taxes 2021/22

+ 39.7% vs. previous period

\*Remuneration fund includes basic salary fund, additional salary fund, other incentive and compensation payments

People are our most valuable asset. Providing a safe and healthy working environment is one of our primary responsibilities and is fundamental to our success. We are committed to providing safe working places and conditions in compliance with relevant legal legislation and in line with international standards and best practices.

## Our approach to safety

403-1, 3-3

### Principles of OH&S management

- Conduct all activities in compliance with OH&S applicable legal requirements and with other requirements to which the Company subscribes;
- Implement and maintain an OH&S management system in compliance with the internationally recognised OH&S management standard ISO 45001 in all subsidiaries to ensure accountability and foster continuous improvement of OH&S performance;
- Audit the management system, procedures and processes to assess performance against internal and external applicable OH&S standards and requirements.

Considering the level of work-related safety culture in the countries we operate; we need to pay special attention to occupational health and safety and make great efforts to prevent any work-related incidents. To manage this, we have assigned roles and responsibilities for health and safety at the Group level and within each Company subsidiary.

## ISO 45001 certified

Victoria Oil d.o.o.  
Granexport d.o.o.  
Zito-Backa Kula d.o.o.

- Set annual OH&S measurable objectives for all subsidiaries and at the Group level, measure results and review performance regularly, and take appropriate actions to ensure continuous improvement and compliance with all applicable standards and requirements;
- Identify, evaluate and address risks associated with workplace processes and working environment through the implementation of effective control measures;
- Provide a framework to prevent fatalities, injuries and ill health;
- Investigate the root causes of work-related injuries and ill health, and take action to prevent recurrence;
- Manage OH&S incidents in a manner that protects its assets, employees, contractors, customers and the public, as well as the image of the Company;
- Collaborate, as appropriate, with internal and external stakeholders through communication and sharing lessons learned and best practices to leverage the Company's ability to reduce workplace risks.

# OH&S Management System performance assessment

403-1, 403-8

- The Company conducts regular internal inspections and evaluates compliance with ISO 45001 and legislation requirements. We have documented and maintained an integrated management system with policies, programs, safety instructions and work aids. The safety risk assessment was performed for all our operations and activities, including contractors and visitors.
- We permanently aim to change our people's mindset and make them aware of safety through daily safety meetings, safety induction and periodic training, daily or weekly safety inspections, near-miss reporting and investigation, different case studies with accident circumstances, consequences and root cause investigation.

Our OH&S Management System is an inherent part of our Integrated Management System and applies to all employees of the Company.

It is implemented following the requirements of the national legislation, the principles of ISO 45001 and the risk-oriented approach.

**486 813 USD**

**Was spent on OH&S  
measures in 2021/22**

## Managing health and safety risks

403-2

As per legal requirements, OHS Officers that have passed the OHS training course are authorised to conduct OHS hazards identification and risk assessment. Hazards with medium and high risks are managed with administrative and technical control measures to eliminate, reduce or control the risks within acceptable limits.

A general OHS risk assessment and control measures plan has been developed for some Companies' activities and workplaces.

Subsidiaries from Serbia that have implemented and certified following ISO 45001 have their methodology to assess and control risks, per the legal regulations.

## Compliance with laws and regulations

419-1, 2-27

State control bodies perform planned and unplanned (unannounced) inspection visits of the Company's subsidiaries for different areas of activity, including Occupational Health and Safety (OHS) and social and labour performance.

- The frequency of planned visits depends on the risk level and can vary from annual visits to once every three years. The Company's subsidiaries are usually visited once in 2-3 years. During the last year, the Company's subsidiaries had 10 visits from control bodies for OHS and 6 visits for social and labour performance.
- Unplanned inspection visits could be performed if a work-related accident occurred or somebody from employees submitted unofficial complaints.
- In 2021-2022, 3 inspections out of 16 on OHS and labour performance resulted in notices of violation. The NOV's have been resolved within an agreed timeframe.
- No fines or non-monetary sanctions have been applied to any Trans-Oil Group company or responsible function.

# Workplace accident prevention

403-6, 403-7

We have a documented procedure and a form to record and investigate near-misses and accidents.

All accidents must be reported immediately to state authorities as well. Accidents are investigated by an external team from competent state authorities or by an internal team that depends on their severity.

An accident investigation report will be filled-in and presented to authorities, including a complete description of the accident, the causes, those responsible for the accident and corrective and preventive measures.

The Company's sites are not used to reporting near-misses (NM) and formally investigating them, although targets have been set for a minimum number of NM per year, depending on the size of the site, the number of processes and working employees.

In 2021-2022, 11 work-related accidents were registered at three Company subsidiaries in Moldova (2), Ukraine (1) and Serbia (8).

All accidents have been registered, reported and investigated in the established manner, by internal commissions or by external labour inspectors.

- 10 out of 11 accidents have resulted in Lost Time Accidents with temporary disability due to minor or moderate injuries like bone fractures, concussions and amputation of the fingertip; and
- one accident has resulted in a permanent disability due to the loss of an arm.

No fatalities have happened in the reporting period.

After spending some time on medical leave, all employees have returned to their workplaces and responsibilities. Only the employee is awaiting the degree of disability when the return will be offered another workplace as an Operator in the electronic weighing room for raw material.

No grievances related to injuries have been register through the Communication and Grievance Mechanism. Employees are permanently consulted and asked to provide feedback at each daily or weekly safety meeting.

403-4, 403-5

Employee safety training and awareness is the primary way to tackle employee behaviour and establish a safe and preventive culture. All new employees have to follow an internal safety induction training at employment provided by OHS Officers. During safety induction training, employees are screened, and only those that understand and commit to safety are hired.

Periodic safety training is provided for different categories of employees: external training for management and specialists; and internal for the rest of the employees.

Authorised training centres provide external training, and internal training is provided by OHS Officers and other competent management and specialists, depending on the subject. External training is delivered every year, every three years or once. Internal safety training can be organised once in 3 months, 6 months or 12 months.

In the reporting period, Group company employees have participated in **1649 training sessions**, internal and external, with a total number of **30157 training person-hours**.

Besides planned training that is mandatory from the legal point of view or per Company requirements, OHS awareness training based on different accidents in the Company, sector, country or region is delivered periodically from Head Office. As many as 24 awareness and training case studies with OHS safety instructions have been shared with Company subsidiaries and offices for training and awareness purposes in the reporting period.

# Trans-Oil's Incident Pyramid

403-9, 403-10

In 2021-2022, 11 work-related accidents were registered, and all employees returned to their workplaces after medical leave. No employee was diagnosed with occupational diseases. The proactive approach to safety is widely and intensively promoted among all Company subsidiaries: Preventing vs Correcting. The Birds' Accident Triangle is used in the Company EOHS IMS approach to OHS incidents.

The Company's approach to injury prevention promotes a safety culture for each employee and is implemented through safety awareness, training and management leadership.

Operational control procedures have been developed to reduce and control OHS risks, among them:

- Contractor and Visitor Management;
- Grain and Seeds Storage Safety;
- Vegetable Oil Production Safety;
- Compressed Gas Management;
- Permit to Work;
- Welding / Hot Work;
- Confined Space;
- Fall Protection;
- Electrical Safety;
- Fire and/or Explosion Control;
- First Aid;
- Flammable Liquids;
- Occupational / Industrial Medicine;
- Hazardous Energy Control;
- Personal Protective Equipment;
- and others.

## H&S KPI's 2021/22

The Company has defined and monitors a set of OHS performance indicators, among them:

- number of work-related accidents and type;
- accident incidence and severity rate;
- cost of accidents;
- number of days from the last accident;
- number of near-miss reports;
- occupational disease incidence rate.

Periodic reports with performance are drafted and presented to all subsidiary management for analysis, awareness, and corrective and preventive actions.

"Life-Saving Rules" have been developed and spread to all Subsidiaries to be used and handed out to all existing and new employees, including contractors, as a short, easy and always accessible safety awareness guide.

To involve and promote Company and subsidiaries' top management awareness and leadership for occupational health and safety aspects, a compact Guide with main OHS rules and requirements has been elaborated. It was disseminated to all Company and subsidiaries management to be used for internal periodic "walk the talk" inspections and feedback during site visits.

# Protection of personnel at workplaces, assistance to employees' sick with COVID-19

2-6, 2-23



**1 mln MDL**

**Donation to the Ministry of Health for acquisition of missing and necessary medical supplies and safety equipment**

Starting in March 2020, the Company had to operate in another reality and cope with the new challenge of the COVID-19 pandemic. In countries where the Company has its operations and offices just overnight, the Marshall Law was declared, followed by many new rules and restrictions, including isolation, movement restrictions, switching from office to work at home, etc.

To cope with all these, a cross-functional COVID-19 committee has been formed from Head Office and subsidiaries representatives to coordinate the activity of all Company subsidiaries and all employees. The aim of this was to put in place new safety and hygiene measures and help create new work methods and behaviours so that the activity of Company subsidiaries not be affected, and employees be safe at the workplace and their families. All subsidiaries have been provided with clear COVID-19 instructions, record forms, training, hygiene materials and equipment. Ongoing monitoring of all employees' health status and absenteeism has been implemented.

When there was a suspicion of infection, subsidiaries performed employee testing at the Company's expense to react promptly to protect the employees and the community from the possibly infected people. Employees were also provided with significant assistance to identify, treat and address the consequences of infection. Many of the Company employees, in the offices and at its subsidiaries, have gotten vaccinated for their protection and the protection of those around us. Vaccination has been voluntary without anybody being pressed to do so.

In the first weeks of the COVID-19 outbreak in Moldova, Trans-Oil Group donated 1 million MDL (more than 55 thousand USD) to the Ministry of Health to acquire missing and necessary medical supplies and safety equipment. During the COVID-19 outbreak, the Company has paid more times for COVID tests for its employees to ensure a safe and continuous activity of its main assets, processes and head office.

# Community engagement

203-2, 413-1

## Public meetings with local communities

- Public meetings with local communities and other stakeholders are conducted in case of new projects to inform communities about the project's environmental and social aspects.
- Periodic engagement with primary stakeholders, including communities, is performed to identify their concerns and material topics for further ES disclosures in annual public reports.

One grievance was registered by a community member neighbouring one of the Company's sites in Moldova regarding dust emissions from the facilities.

The cause of the grievance was the households established on the territory of the sanitary protection area of this site.

The Inspection for Environment Protection has visited the site and inspected the storage of commodities, processing equipment, production processes and the sanitary protection area of the site. As a result, the presence of dust on the territory of the site and some dust on the territory of the sanitary protection area, but no dust outside the sanitary protection area was confirmed.

## Grievance handling

All concerns and potential grievances are discussed and solved locally, at the site level, with the Site Manager and HR Manager.

Most employees' concerns are related to salaries, benefits and work conditions, which are considered during planning engagement activities with internal stakeholders.





# Community engagement

203-2, 413-1

## Main projects 2021/22

- Organising public events for children;
- ~\$110m invested in the local asset infrastructure since June 2012;
- Pre-crop loan facility with limit of \$43m supporting Moldovan farmers;
- Tree planting, antilitter activities, public roads repair.

**348 827 USD**

Sponsorship to communities' development in 2021/22



# 06 Supply chain and business partnership

## In this section

- Third-party engagement principles
- Procurement practices and transparency
- Supply chain control

# Third-party engagement principles

2-6, 3-3

Company subsidiaries use contractors/subcontractors mainly for:

- construction/reconstruction works;
- equipment installation;
- repair and adjustment;
- transportation services.

All contractors shall be authorised and hold all legal permits for the works they have to perform, including their specialists and equipment shall be tested and certified.

All contractor employees shall be legally employed, comply with employment age and be competent and trained for the works to be done, including OHS training. A self-assessment ES checklist is provided to be filled in before contract signing.

Upon services contract signing, the selected contractor shall sign the “Contractor Code of Conduct” with different ES requirements and provisions that contractors shall obey to.

## Following Company`s principles

Site Managers and OHS Officers are responsible for gathering all necessary documents, performing the induction training of all contractor employees and monitoring their activity. During the contractor's activity, the following performance indicators are constantly monitored:

- Access to the site for only authorised contractor employees;
- Allowance to work on-site only for OHS-trained employees;
- All contractor employees are appropriately identified;
- All contractor employees are appropriately equipped with PPE and collective protective equipment (CPE);
- For hazardous works, if it's the case, the contractor's working area is appropriately marked and guarded;
- For works that must be authorized based on a Permit to Work system (PTW), if it's the case, there is an available and valid PTW in the working area;
- When relevant, the contractor employee work is based on a security plan;
- Contractor employees use adequate equipment and hand tools;
- The equipment and tools are used correctly from the OHS point of view and as per their destination;
- The chemicals and/or compressed gas cylinders are appropriately handled and stored;
- In the working area, there are readily available fire prevention and fighting means;
- The activities performed by contractor employees are correct, safe and in compliance with EOHS requirements;
- Waste is adequately managed (storage, handling, evacuation) with minimum impact on the environment;
- Smoking is allowed only in specially designated and organized places.

# Procurement practices and transparency

2-6, 3-3

Trans-Oil Group of Companies is committed to ensure that products and services purchased or contracted for will conform to the goals of our Company's Social, Environmental and Occupational Health & Safety Policies. We will strive, where feasible and economic reasonable, to purchase safe and environmentally preferable products and services that meet the Company's needs.

At Trans-Oil, sustainability is becoming an integral and key aspect of our sourcing process. Responsible sourcing has become an essential aspect of Trans-Oil Group that helps to eliminate sustainability risks in the supply chain.

The Company implemented a step-by-step approach for proper supply chain management processes:

1. Risk assessment / Pre-check
2. Supplier onboarding
3. Self-assessment or audit
4. Analysis
5. Corrective actions
6. Re-assessment / Re-audits

Supplier management, including assessment/re-assessment, analysis and monitoring activities, is an ongoing process. The list of accepted suppliers is dynamic, with new suppliers coming in and suppliers being excluded, to promote and improve sustainability in the supply chain.

## Our purchasing decisions favor:

- Products and commodities that have been produced with observance of labour legislation requirements and other applicable requirements related to human rights, particularly the use of child labour, forced and compulsory labour, freedom of association, OHS practices and workplace conditions, discrimination, working hours and remuneration;
- Commodities that have been produced with the implementation of conservation agriculture technologies, Good Agricultural Practices, Integrated Pest Management and/or under any other organic, sustainability and carbon certification scheme;
- Commodities that originate from farms, countries or regions that were not engaged in nor subjected to significant conversion of natural and/or critical habitats (e.g., deforestation, landscape changes, species extinction) and were not made responsible for any involuntary resettlement and/or economic displacement of people and communities;
- Products and equipment that contribute to the reduction of greenhouse gas emissions and overall carbon footprint;
- Products, tools and equipment that have better occupational health and safety performances (e.g., lower noise emissions, lower vibration, higher protection factor) and hold a national or a European Conformity Certification (CE) or other similar recognised safety certification;
- Products that are made with renewable energy and/or from recycled materials;
- Chemicals and materials that are less hazardous to the environment, employees and public health;
- Products that are reusable, recyclable or compostable;
- Suppliers who strive to improve their environmental and social performance, provide environmentally preferable products and services, and can demonstrate their efforts.

# Supply Chain Control

414-1

## Monitoring supply chain for EHS compliance

The commercial department maintains a documental procedure to prove suppliers are legal entities with all legal permits. Among other documents that the suppliers shall provide is a signed Supplier Code of Conduct with ESG principles and requirements that the Company encourage and expect each supplier to comply with.

Periodically, the Sustainability Manager performs a comprehensive EHS screening and risk assessment of the supply chain, including the risk of Child labour, Forced labour, OHS risks, Freedom of association, Discrimination, Physical abuse and harassment, Working time and rest time, Contract and salary payment, Environmental risks.

The Company developed an EHS accountability self-assessment questionnaire to be implemented, and it is expected to receive feedback from most suppliers related to their EHS performance before starting the collaboration.

The Company's Sustainability goal in supply chain management is to perform independent EHS audits of suppliers. The target is to monitor at least 10% of suppliers annually, based on an EHS accountability inspection checklist.

Group companies mainly use contractor services for new facilities building, new equipment installation and adjustment, buildings and equipment repair, and site security. For contractor safety, Company has developed a Contractor Safety Management program to be followed by contractors with different controls in place, such as:

- Hazards identification and risk assessment of works to be performed;
- Contractor qualification and competences assessment;
- Signing the contractual agreement;
- Signing the Code of Contractor Conduct with safety rules and requirements.

After authorising the contractor, before starting and during the work:

- Contractor employees access control;
- Training and hazards communication;
- Tool and equipment control;
- Permit to work system, where applicable and required;
- Incident reporting;
- Inspection and control on sites;
- Contractor performance monitoring;
- Meeting and improvement.

**The forced and child labour risk in the supply chain has been assessed as minor since the production of commodities (grains and seeds) is highly mechanised and not manual labour intensive.**

**Using child labour and/or forced labour is a disqualifying criterion during supplier screening or assessment.**

## Report assurance

2-5

The Company did not have an independency assurance for this Report. It has been reviewed for consistency with other Company's reports and presentations. The Company also received specialist advisory support to present and report this information.

## Report audience

This Report is provided for a wide range of stakeholders, among them:

- Investors (current and potential);
- Government and regulators;
- Suppliers and contractors;
- Employees and labour unions (current and potential);
- Non-governmental organizations (including agricultural and food unions and associations);
- Mass media;
- ESG analysts and rating agencies;
- Local communities and their representatives;
- Local and state authorities.

## Feedback and contacting details

2-3

Trans-Oil will provide feedback from interested stakeholders about the information contained within this Report. Feedback can be submitted via the contact details (below) and on the Company's website.

Contacts for feedback:

Trans-Oil Group of Companies

Tel: +373 22 889 300

Fax: +373 22 889 301

E-mail: [office@transoilcorp.com](mailto:office@transoilcorp.com)

Address: 27 Lev Tolstoi str. MD-2001,  
Chisinau, Republic of Moldova

Vitalie Bivol,

Sustainability Manager of Trans-Oil

e-mail: [vitalie.bivol@transoilcorp.com](mailto:vitalie.bivol@transoilcorp.com)



# GRI Content Index

GRI Standard	Disclosure	Description/Reference
2-1	Organizational details	Trans-Oil Group of Companies, p.7; p.54 and official website page with contacting information <a href="#">Primary Contacts</a> ; p.13; Aragvi Holding International Ltd is the majority shareholder of TOGC, domiciled in Cyprus. It was formed on 21 June 2012. The controlling shareholder is Vaja Jhashi, who is also TOGC's Chief Executive Officer. He owns 87.5% of the shares of Aragvi Holding International Ltd. Other 12,5% of shares are owned by Oaktree Capital Management LLP entity which joined TOGC in June 2019 as a minority shareholder. TOGC has issued a 144A/Reg S \$500 million 2026 8.45% notes listed on the Irish Stock Exchange since April 2021.
2-2	Entities included in the organization's sustainability reporting	p.8
2-3	Reporting period, frequency and contact point	p.8; p.54
2-5	External assurance	p.54
2-6	Activities, value chain and other business relationships	p. 12-13, additionally refer to the <a href="#">Trans-Oil Investor Presentation</a> and official website page " <a href="#">About Trans-Oil Group of Companies</a> ". Refer to <a href="#">Trans-Oil Investor Presentation</a> (Diversified geographical reach in core markets). Trans-Oil is a leading agro-industrial holding in Center and Eastern Europe (CEE) and number one originator, processor and exporter of agro-commodities in the Republic of Moldova. The Company was founded in the Republic of Moldova and has extended its operations to Ukraine, Romania, Serbia and other CEE countries. All Company's activities are coordinated from head offices in Moldova, Switzerland, Romania and Serbia. Trans-Oil is a vertically-integrated business with control over the entire value chain, engaging in a wide range of activities, including oil seeds and grain handling and storage, grain flour production, oil seeds crushing, vegetable oil refining and meal production. The Company operates 46 silos for oil seeds and grain storage, 5 crushing and refining plants with a crushing capacity of 4.2k MT/day and 4 port terminals on the Danube river in Serbia, Ukraine and Moldova; p.45, additionally refer to <a href="#">Trans-Oil Investor Presentation</a> (Impact of Russia-Ukraine conflict on Trans-Oil operations); p.51-52
2-7	Employees	p.37-41
2-9	Governance structure and composition	p.17, additionally refer to <a href="#">Trans-Oil Investor Presentation</a> (High corporate governance standards, Strong international management team)
2-12	Role of the highest governance body in overseeing the management of impacts	p.16; p.17
2-13	Delegation of responsibility for managing impacts	p.17
2-22	Statement on sustainable development strategy	p.4
2-23	Policy commitments	Refer to <a href="#">Trans-Oil Investor Presentation</a> (Origination & marketing: Diversified operations address key risks), Risk assessment p.16, p.29, p.45; p.24-26
2-27	Compliance with laws and regulations	p.28, p.44

# GRI Content Index

GRI Standard	Disclosure	Description/Reference
2-28	Membership associations	p.21
2-29	Approach to stakeholder engagement	p.9
Material topics		
3-1	Process to determine material topics	p.10-11
3-2	List of material topics	p.10-11
3-3	Management of material topics	p.15, 24, 28-32,37,43,51-52
Economic performance		
201-1	Direct economic value generated and distributed	p.14-16, additionally refer to <a href="#">Trans-Oil Investor Presentation</a> (Key financial indicators)
203-2	Significant indirect economic impacts	p.14-15, 49
207-1	Approach to tax	p.15
Environmental performance		
302-1	Energy consumption within the organization	p.35
303-1	Interactions with water as a shared resource	p.33
303-2	Management of water discharge-related impacts	p.33
303-3	Water withdrawal	p.33
303-4	Water discharge	p.33
303-5	Water consumption	p.33
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p.29
304-2	Significant impacts of activities, products, and services on biodiversity	p.29
304-3	Habitats protected or restored	p.29
305-1	Direct (Scope 1) GHG emissions	p.31-32
305-2	Energy indirect (Scope 2) GHG emissions	p.31
306-1	Waste generation and significant waste-related impacts	p.34
306-2	Management of significant waste-related impacts	p.34
306-3	Waste generated	p.34



# GRI Content Index

GRI Standard	Disclosure	Description/Reference
307-1	Non-compliance with environmental laws and regulations	p.28
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