



CURRENT REPORT

according to Law no. 24/2017 on issuers of financial instruments and market operations and Regulation no. 5/2018 on issuers of financial instruments and market operations

Report date: April 25th 2023

Name of the issuing company: TTS (TRANSPORT TRADE SERVICES) S.A.

Registered office: 27 Vaselor street, district 2, Bucharest

Phone/fax number: +4 021/210.29.07, 021/210.35.43

Sole Registration Code with the Trade Register Office: 9089452

Order Number in the Trade Register: J40/296/1997

Share capital: RON 60.000.000

Regulated market on which the issued securities are traded: Bucharest Stock Exchange - Premium Tier
(market symbol: TTS)

Important events to be reported:

TTS informs shareholders and investors of the release of TTS's ESG risk analysis report by Morningstar Sustainalytics.

TTS' ESG Morningstar Sustainalytics risk score is 24.8 (average risk, 47th percentile across the entire universe of companies for which Sustainalytics calculates risk scores – 15,563 companies, 56th percentile on the transportation industry – 395 companies, and 62nd percentile below the shipping industry – 97 companies)

The [TTS Risk Report](#) has been published on the company's website in the [ESG Reports](#) section and is attached to this current report.

Gabriel-Andrei ȚECHERĂ

Director of Corporate Governance and Investor Relations

Transport Trade Services SA

Shipping Romania BSE:TTS

CORE FRAMEWORK

ESG Risk Rating

24.8

Updated Apr 13, 2023

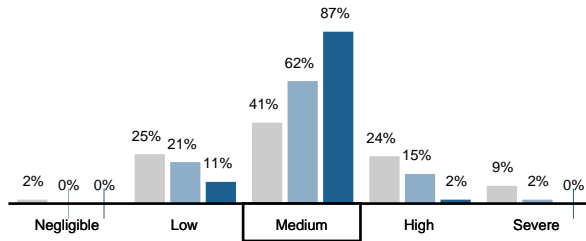
-3.5

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	7219/15563	47th
Transportation INDUSTRY	221/395	56th
Shipping SUBINDUSTRY	60/97	62nd

Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

	Exposure	Management	ESG Risk Rating
1. Naviera Armas SA	31.4 Low	24.8 Weak	24.5 Medium
2. Explorer II AS	31.4 Low	24.1 Weak	24.7 Medium
3. Transport Trade Services SA	35.3 Medium	33.8 Average	24.8 Medium
4. Ocean Laurel Co. Ltd.	31.4 Low	16.1 Weak	26.9 Medium
5. Mercator Ltd.	36.0 Medium	25.0 Weak	28.1 Medium

Transport Trade Services SA

Shipping Romania BSE:TTS

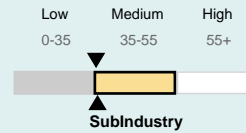
CORE FRAMEWORK

ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

35.3 **-0.7**
Medium Momentum



Companies in this subindustry typically face the highest risk exposure to the material ESG issues Emissions, Effluents and Waste, Carbon -Own Operations, and Occupational Health and Safety.

Exposure Analysis

Subindustry Exposure	36.0
Overall Beta	x 0.98
Company Exposure	35.3

Beta Indicators

Beta Signal

Accounting and Taxation	0.00
Anti-Competitive Practices	0.00
Bribery and Corruption	0.00
Business Ethics	0.00
Corporate Governance	0.00
Emissions, Effluents and Waste	0.00
Energy Use and GHG Emissions	0.00
Occupational Health and Safety	0.00
Intellectual Property	0.00
Labour Relations	0.00
Lobbying and Public Policy	0.00
Sanctions	0.00
Operating Performance	0.00
Solvency	0.00
Financial Flexibility	0.00
Asset Performance	0.00
Carbon Emissions	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	-0.02
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.02
Baseline	+1.00
Issue Beta	0.98

Transport Trade Services SA

Shipping Romania BSE:TTS

CORE FRAMEWORK

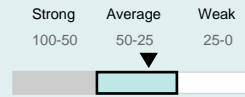
Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

33.8

+9.5

Average

Momentum


The company's disclosure is poor, signaling inadequate accountability to investors and the public. It has some initiatives to manage risks related to material ESG issues, however, the company lacks policies and programmes in key areas. Nevertheless, the company has not been implicated in any significant ESG-related controversies.













Management Indicators	Raw Score	Weight	Weighted Score
Environmental Policy	25	8.4%	2.1
Environmental Management System	100	0.5%	0.5
EMS Certification	50	0.5%	0.2
Green Logistics Programmes	25	3.2%	0.8
Carbon Intensity	20	1.8%	0.4
Carbon Intensity Trend	20	9.2%	1.8
Freedom of Association Policy	0	0.8%	0.0
Working Hours Policy	20	3.8%	0.8
Diversity Programmes	25	1.9%	0.5
Employee Turnover Rate	0	3.2%	0.0
Human Capital Development	0	10.2%	0.0
Health & Safety Certifications	60	12.4%	7.4
LTIR Trend	40	7.7%	3.1
Scope of Social Supplier Standards	0	1.8%	0.0
Bribery & Corruption Policy	0	2.0%	0.0
Whistleblower Programmes	0	5.3%	0.0
Global Compact Signatory	0	0.5%	0.0
ESG Reporting Standards	25	3.0%	0.7
Verification of ESG Reporting	0	0.5%	0.0
ESG Governance	40	5.2%	2.1
Board Diversity	60	1.0%	0.6
Board Independence	80	8.5%	6.8
Lobbying and Political Expenses	50	5.5%	2.8

Transport Trade Services SA

Shipping Romania BSE:TTS

CORE FRAMEWORK

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

Management Indicators	Raw Score	Weight	Weighted Score
 Accounting and Taxation	Category 0	0.0%	0.0
 Anti-Competitive Practices	Category 0	0.0%	0.0
 Bribery and Corruption	Category 0	0.0%	0.0
 Business Ethics	Category 0	0.0%	0.0
 Corporate Governance	Category 0	0.0%	0.0
 Emissions, Effluents and Waste	Category 0	0.0%	0.0
 Energy Use and GHG Emissions	Category 0	0.0%	0.0
 Intellectual Property	Category 0	0.0%	0.0
 Labour Relations	Category 0	0.0%	0.0
 Lobbying and Public Policy	Category 0	0.0%	0.0
 Occupational Health and Safety	Category 0	0.0%	0.0
 Sanctions	Category 0	0.0%	0.0
Constant*		3.3 %	3.3
Weighted Sum			33.8

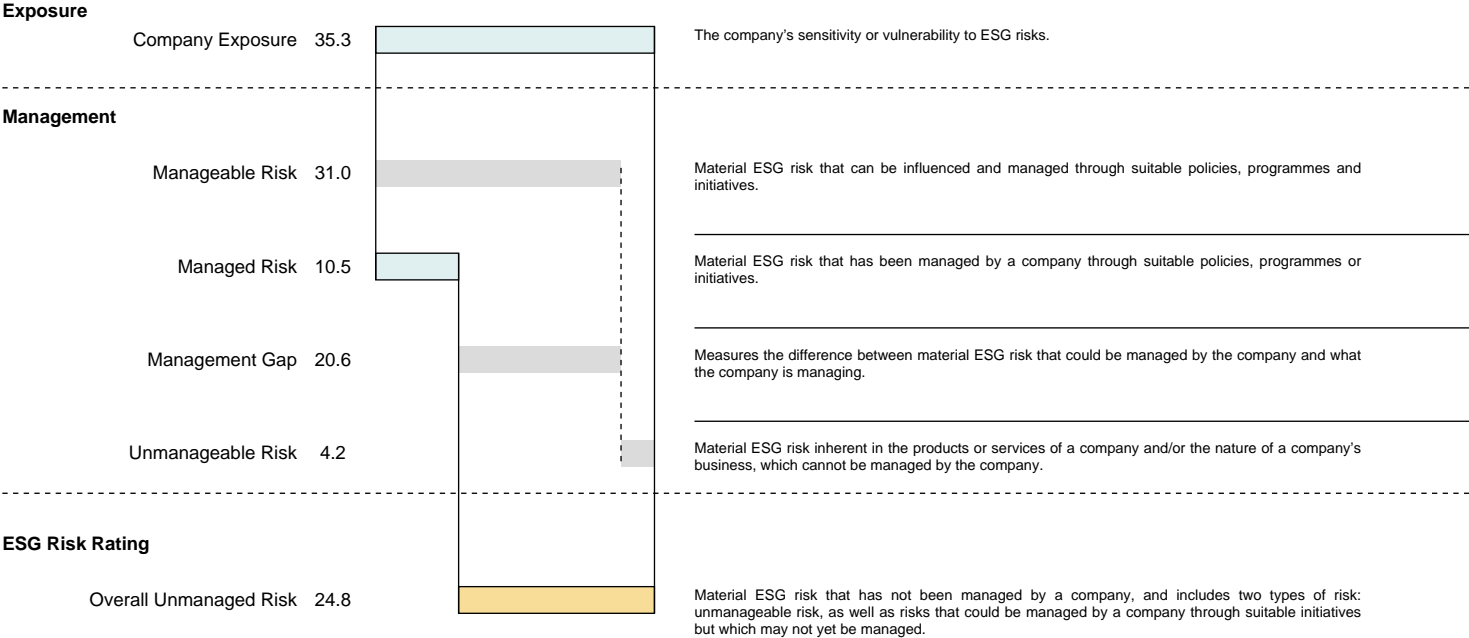
* Sustainalytics measures management performance on a focused set of indicators for core companies and applies a constant value to the management score to account for the contribution to management score that would be expected from indicators that are not in use.

Transport Trade Services SA

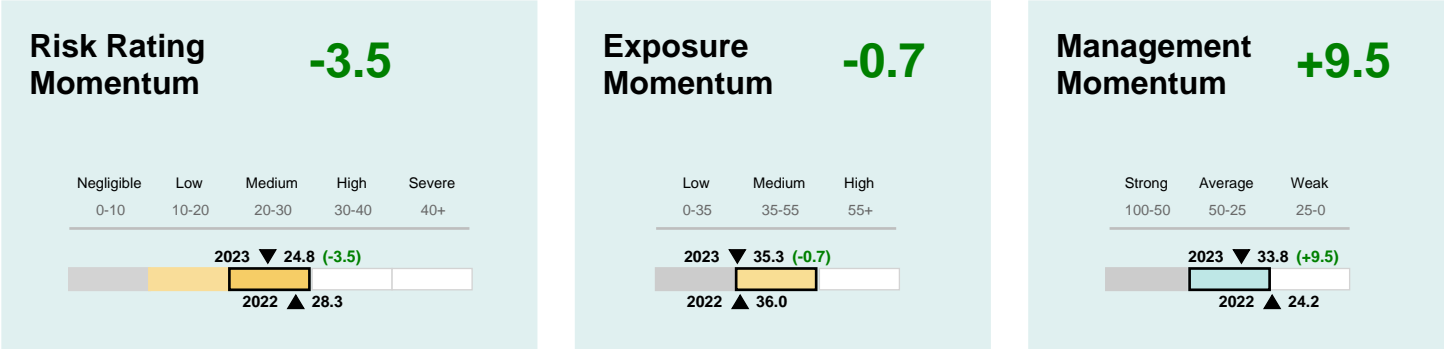
Shipping Romania BSE:TTS

CORE FRAMEWORK

Risk Decomposition



Momentum Details



Appendix



Exposure Details

INDICATORS DETAILS

EA.E.2.1 - Accounting and Taxation

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.4.1 - Anti-Competitive Practices

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.6.1 - Bribery and Corruption

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.7.1 - Business Ethics

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.13.1 - Corporate Governance

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.14.1 - Emissions, Effluents and Waste

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.15.1 - Energy Use and GHG Emissions

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.20.1 - Occupational Health and Safety

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.21.1 - Intellectual Property

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.22.1 - Labour Relations

0.00

Beta Signal

The company is not involved in any controversies of this type.

Appendix



Exposure Details

EA.E.23.1 - Lobbying and Public Policy

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.E.30.1 - Sanctions

0.00

Beta Signal

The company is not involved in any controversies of this type.

EA.F.1.1 - Operating Performance

0.00

Beta Signal

Data for this company is not yet available.

EA.F.2.1 - Solvency

0.00

Beta Signal

Data for this company is not yet available.

EA.F.3.1 - Financial Flexibility

0.00

Beta Signal

Data for this company is not yet available.

EA.F.4.1 - Asset Performance

0.00

Beta Signal

Data for this company is not yet available.

EA.P.1.1 - Carbon Emissions

0.00

Beta Signal

Disclosure on carbon emissions is insufficient to determine performance relative to peers

EA.S.1.1 - Qualitative Overlay

0.00

Beta Signal

The analyst did not apply a qualitative overlay.

EA.S.2.1 - Subindustry Correction Factor

- 0.02

Beta Signal

A decrease to the beta for each company in this subindustry is applied in order to ensure a subindustry average beta of 1.

EA.S.3.1 - Exceptional Event Adjustment

0.00

Beta Signal

The company has not experienced any controversies of Category 4 or higher within this issue.

Appendix



Management Details

INDICATORS DETAILS

E.1.1 - Environmental Policy

25	8.4%	2.1
Raw Score	Weight	Weighted Score

The company has a weak policy

Criteria

- Approved by senior management or the board of directors
- Commitment to consult with stakeholders on environmental issues
- Commitment to create environmental awareness
- Commitment to environmental protection
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance
- Commitment to reduce emissions, releases and waste
- Commitment to report regularly on environmental issues
- Commitment to use natural resources or energy more efficiently

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

E.1.2 - Environmental Management System

100	0.5%	0.5
Raw Score	Weight	Weighted Score

The company has a very strong EMS

Criteria

- Assigned roles and responsibilities
- Compliance with environmental regulation
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- External environmental audits
- Identification of products, activities and services that have significant impacts on the environment
- Internal and external communications on environmental management issues
- Internal environmental audits
- Managerial or board level responsibility for environmental issues
- Monitoring and measurement
- Objectives, targets and deadlines
- Training and awareness programmes for employees

Sources

Transport Trade Services SA EHS Report, released July 2022

Transport Trade Services SA Sustainability Report 2021 (FY2021)

E.1.3 - EMS Certification

50	0.5%	0.2
Raw Score	Weight	Weighted Score

Between 50% and 75% of the company's activities have received external certification

Sources

Transport Trade Services SA EHS Report, released July 2022

E.1.7.1 - Green Logistics Programmes

25	3.2%	0.8
Raw Score	Weight	Weighted Score

The company has some activities to improve the environmental performance of its logistics and its fleet management

Sources

Transport Trade Services SA EHS Report, released July 2022

Appendix



Management Details

E.1.9 - Carbon Intensity

20	1.8%	0.4
Raw Score	Weight	Weighted Score

Disclosure on carbon emissions is insufficient to determine performance relative to peers

E.1.10 - Carbon Intensity Trend

20	9.2%	1.8
Raw Score	Weight	Weighted Score

Disclosure is insufficient to calculate the company's carbon intensity trend over the last 3 years

S.1.1 - Freedom of Association Policy

0	0.8%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a policy on freedom of association

S.1.1.1 - Working Hours Policy

20	3.8%	0.8
Raw Score	Weight	Weighted Score

There is no evidence of a formal policy but the company has a general statement addressing this issue

S.1.3 - Diversity Programmes

25	1.9%	0.5
Raw Score	Weight	Weighted Score

The company has a weak programme

Criteria

- Diversity monitoring or audits
- Employee affinity groups, diversity councils, or networking groups
- Initiatives supporting a diverse workforce
- Initiatives to recruit from diverse talent
- Managerial or board level responsibility for diversity initiatives
- Mentorship programmes
- The company has a programme that applies to less than 50% of operations
- Training and guidance regarding diversity

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

S.1.5 - Employee Turnover Rate

0	3.2%	0.0
Raw Score	Weight	Weighted Score

The company's employee turnover rate is high

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

Appendix



Management Details

S.1.5.2 - Human Capital Development

0	10.2%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a programme

Criteria

- Formal mechanisms to promote an open feedback culture
- Initiatives for talent development
- Initiatives for talent recruitment
- Initiatives for talent retention
- Quantitative targets related to human capital development
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics
- Reporting on human capital risk assessment

S.1.6.4 - Health & Safety Certifications

60	12.4%	7.4
Raw Score	Weight	Weighted Score

50-74% of the company's facilities have received external certification

Sources

Transport Trade Services SA EHS Report, released July 2022

S.1.6.5 - LTIR Trend

40	7.7%	3.1
Raw Score	Weight	Weighted Score

The company provides data on its lost-time incident rate, but disclosure is insufficient to calculate a trend

Sources

Transport Trade Services SA EHS Report, released July 2022

S.2.1 - Scope of Social Supplier Standards

0	1.8%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have social supply chain standards

Criteria

- Addresses acceptable living conditions
- Addresses child labour
- Addresses corporal punishment/disciplinary practices
- Addresses forced labour
- Addresses freedom of association and the right to collective bargaining
- Addresses health and safety
- Addresses maximum working hours
- Addresses minimum living wages
- Addresses non-discrimination

Appendix



Management Details

G.1.1 - Bribery & Corruption Policy

0	2.0%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company has neither a policy nor a general statement that addresses the issue

Criteria

- Definition and prohibition of facilitation payments
- Definition of bribery or corruption
- Definition of conflicts of interest and commitment to minimize these
- Guidelines of what is considered acceptable behaviour
- Prohibition of bribery
- There is no evidence of a formal policy but the company has a general statement addressing the issue

G.1.2 - Whistleblower Programmes

0	5.3%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a programme

Criteria

- An independent, reporting hotline available 24/7
- Available in local languages
- Available to suppliers, customers and other third parties
- Disclosure on the number of reports received, the types of misconduct and measures taken
- Non-retaliation policy
- Possibility for anonymous reporting and reports are treated confidentially
- Proactively communicated to employees
- Structures in place to process whistleblower reports

G.1.3 - Global Compact Signatory

0	0.5%	0.0
Raw Score	Weight	Weighted Score

The company is not a signatory to the UN Global Compact

Sources

United Nations Global Compact, www.unglobalcompact.org; accessed 14 July 2022

G.2.1 - ESG Reporting Standards

25	3.0%	0.7
Raw Score	Weight	Weighted Score

The company's ESG reporting is weak

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

G.2.2 - Verification of ESG Reporting

0	0.5%	0.0
Raw Score	Weight	Weighted Score

The CSR report was not externally verified.

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

G.2.5 - ESG Governance

40	5.2%	2.1
Raw Score	Weight	Weighted Score

A committee is responsible for overseeing ESG issues but its composition and/or degree of authority is not disclosed

Sources

Transport Trade Services SA Sustainability Report 2021 (FY2021)

Appendix



Management Details

G.2.7.1 - Board Diversity

60	1.0%	0.6
Raw Score	Weight	Weighted Score

The company's board diversity is slightly above average

Criteria

- 1.1 There are no women on the board.
- 1.2 There is only one woman on the board.
- 1.3 Two or more women serve on the board, but less than one-third of the board is female.
- 1.4 Women constitute one-third or more of the board's membership.
- 3.1 The company has disclosed a robust diversity policy including specific commitments and targets to increase the diversity of board membership.
- 3.2 The company has disclosed a formulaic or non-material diversity policy for its board membership.
- 3.3 The company has no disclosed diversity policy or has affirmatively disclosed the absence of a policy for its board membership.
- 4.1 There are no female senior executives disclosed.

G.2.9.1 - Board Independence

80	8.5%	6.8
Raw Score	Weight	Weighted Score

The company's level of board independence is strong

Criteria

- 1.1 The board lacks any independent representation.
- 1.2 The board lacks an independent majority.
- 1.3 The board has an independent majority, but less than two thirds of the board members are independent.
- 1.4 Two thirds or more of the board members are independent.
- 1.5 There is insufficient information to determine the board's level of independence.
- 2.1 The company has a controlling shareholder.
- 3.1 The board is one-tiered with executive representation.
- 3.2 The board is two-tiered with a supervisory board composed of non-executives.
- 3.3 There is an audit or other monitoring board in addition to the board of directors.
- 4.1 There are more than two executives on the board of directors.
- 8.1 The level of board independence exceeds market practice.
- 8.2 The level of board independence meets market practice.
- 8.3 The level of board independence lags market practice.
- 9.1 No nominally independent directors are affiliated with the company/controlling shareholder/ the CEO or other insiders.
- 9.2 Nominally independent directors are affiliated with the company/controlling shareholder/ the CEO or other insiders.

G.3.2 - Lobbying and Political Expenses

50	5.5%	2.8
Raw Score	Weight	Weighted Score

Based on available evidence, the company made less than USD 0.5 million in political contributions or political spending in the last three years

Sources

European Commission & European Parliament Transparency Register, www.ec.europa.eu; accessed 14 July 2022

Transport Trade Services SA

Shipping Romania BSE:TTS

CORE FRAMEWORK

GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Constant

A value applied to the management score within the Core methodology to account for the contribution to management score that would be expected from indicators that are not in the Core framework's focused indicator set but are used in the Comprehensive framework.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

- Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
- Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
- Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
- High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
- Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Manageable Risk

Material ESG risk that can be influenced and managed through policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

Transport Trade Services SA

Shipping Romania BSE:TTS

CORE FRAMEWORK

DISCLAIMER

Copyright © 2023 Sustainalytics. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third parties suppliers (Third Party Data), intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness.

These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.