



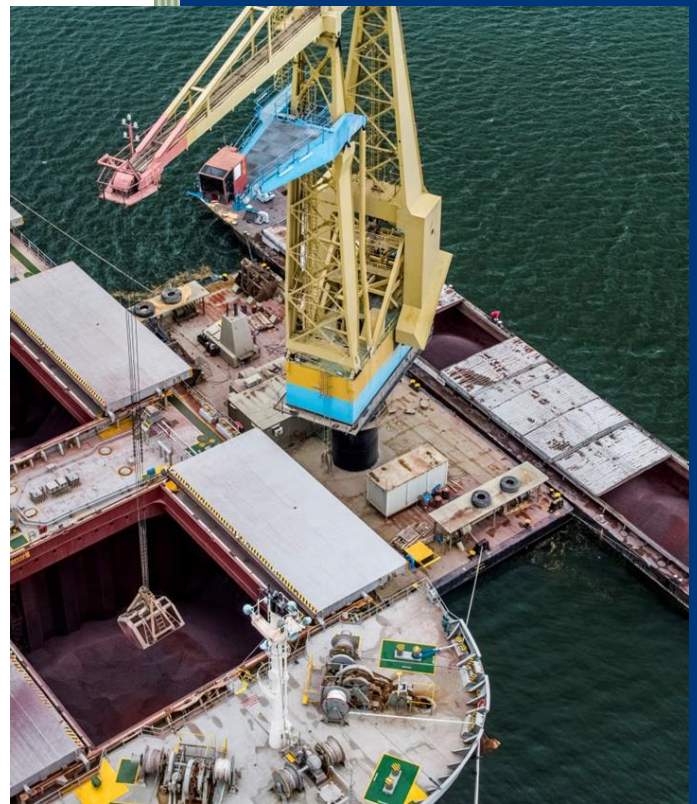
TTS (Transport Trade Services) S.A.

TTS – 2021

2021 Sustainability Report

TTS (Transport Trade Services) S.A.

[BSE \(BVB\): TTS](#)



Contents

STATEMENT OF THE BOARD OF DIRECTORS	3
1. ABOUT THE 2021 SUSTAINABILITY REPORT	4
2. REPORTING FRAMEWORK	4
2.1. REPORTING ENTITY	4
2.2. REPORTING STANDARDS.....	5
2.3. REPORTING PERIMETER.....	5
2.4. REPORTING PERIOD	7
2.5. EXTERNAL ASSURANCE	7
2.6. TOPICS WITH MATERIAL IMPACT	7
2.7. TOPICS WITHOUT MATERIAL IMPACT.....	8
3. 2021 REPORT CORRESPONDENCE INDEX - GRI STANDARDS	9
4. TTS GROUP DESCRIPTION	12
5. ECONOMIC DATA	15
5.1. DIRECT ECONOMIC VALUE	15
5.2. CLIMATE CHANGE - IMPLICATIONS, RISKS, AND OPPORTUNITIES	15
5.3. APPROACHING THE GROUP LEVEL FISCAL TREATMENT	16
6. CORPORATE GOVERNANCE	17
6.1. TTS CORPORATE GOVERNANCE STRUCTURE	17
6.2. BOARD OF DIRECTORS.....	17
6.2.1. <i>Structure and functioning of the Board of Directors</i>	17
6.2.2. <i>Composition of the Board of Directors</i>	18
6.2.3. <i>Remuneration of the Board of Directors</i>	19
6.3. TTS MANAGEMENT	20
6.4. CORPORATE GOVERNANCE AND INVESTOR RELATIONS DEPARTMENT	20
6.5. TTS INTERNAL REGULATORY FRAMEWORK	21
6.6. COMPLIANCE WITH LEGAL PROVISIONS AND INVOLVEMENT OF OTHER STAKEHOLDERS	22
7. HUMAN RESOURCES	22
7.1. WORKFORCE STRUCTURE.....	22
7.2. SALARY STATISTICS	23
7.3. LABOR RELATIONS	24
8. OCCUPATIONAL HEALTH AND SAFETY.....	24
9. ENVIRONMENT	24



TTS (Transport Trade Services) S.A.

Statement of the Board of Directors

[GRI 2-22]

Our first Sustainability Report highlights the TTS Group's commitment to adopting best environmental, social and governance (ESG) practices. We are proud to present for the first time as a listed company, the 2021 initiatives and actions on ESG practices, to detail the impact of the TTS Group's activity on EHS topics (environmental protection, safety, and health) and to present our sustainable development strategy.

For the next years, the company's strategy is focused on three pillars - organic growth, growth through acquisitions and performance in all aspects of ESG (environmental, social, and corporate governance), sustainability being a priority of the management and a central element of TTS's business strategy.

Our strategic objective is to maintain our market leader position, by maintaining sustainable economic growth, the long-term value of the organization, respectively the Group's investments and ensuring the resources to materialize the dividend policy assumed by the organization.

We address the challenges facing our industry in a sustainable way and aim to remain one of the lowest carbon dioxide polluters among the participants in the Danube transport and to continue investing in ports and fleet. The assets of the TTS fleet have a CO₂ emission level comparable to that of other European inland waterway operators, and we are prepared to successfully pass the test of including inland waterway transport in the emissions trading scheme resulting from the amendment of the EU Directive. ETS 2018/410 / 14.03.2018, as reflected in the [TTS Strategy for Sustainable Development](#).

The TTS Group's business segments with the greatest exposure to new legislative changes - river transport, the Group's largest carbon dioxide generator and the TTS Group's port aquarium operations, are also the segments we have focused our efforts on to reduce our consumption and emissions since 2012.

At the same time, we started monitoring the indicators that constitute the environmental footprint of the organization, based on energy consumption in each business unit. And the results of our pro-active attitude towards lowering energy intensity and reducing carbon emissions are documented in the EHS annual reports, of which the [2021 EHS Report](#) is the first to be made public.

In terms of governance, joining listed companies has meant adapting the organization and internal processes to meet new legal and reporting requirements. We implemented corporate governance tools and best practices in the first months after listing with the aim of supporting investor transparency and easy access to information by adopting modern ways of accessing the General Meeting of Shareholders and via direct dialogue with analysts and investors through quarterly conference calls.

As we look to the future with optimism, we thank you on behalf of TTS team – our partner shareholders, clients, and colleagues, for your trust and continued support for the sustainable development of the company.

Alexandru Mircea - Mihăilescu
Chairman of the Board of Directors

1. About the 2021 Sustainability Report

The 2021 Sustainability Report (“2021 Report”) of TTS (Transport Trade Services) S.A. (“TTS” or “Company”) is based on GRI (Global Reporting Initiative) standards developed by “The Global Sustainability Standards Board (GSSB)”.

The 2021 report is the first TTS Sustainability Report drafted through the systematic application of a set of international standards, and is based on the following:

- TTS sustainable development strategy
- [EHS 2021 report](#), which covers the impact of the activity on EHS (Environment Health Safety) topics, published on the TTS website <https://tts-group.ro/>

The EHS report is part of the process of monitoring the impact of the activity of the main companies in the TTS Group from 2014 and covers the following topics relevant to the Sustainability Report for the companies included in the report:

- Adopted ISO certified management systems
- Occupational Health and Safety Energy consumption
- CO₂ emissions
- Residue and waste management

In carrying out the monitoring and EHS Reports, TTS is assisted by TQ Consultanță și Recrutare S.R.L Galați (<https://tqconsult.ro/>), a RENAR ISO 14065/2013 accredited company for the verification of greenhouse gas emission reports and tonne-kilometer data in accordance with the Commission Implementing Regulation (EU) 2018/2067.

2. Reporting framework

2.1. Reporting entity

[GRI 2-1]

Name:	TTS (Transport Trade Services) S.A. (“TTS”)
Legal form:	joint stock company
Nature of the property:	100% private
Headquarters:	Bucharest, Romania
Main activity:	Freight forwarding
Countries in which it operates:	Romania

TTS is listed on the Bucharest Stock Exchange ("BVB"). The shares issued by TTS are traded on the regulated market managed by BVB, in the Premium category, trading symbol: [TTS](#)

2.2. Reporting standards

[GRI 1]

By adopting GRI, TTS reports according to the following set of standards:

- *GRI 1: Foundation 2021* – universal standard, establishes the principles and steps of reporting
- *GRI 2: General Disclosures 2021* – universal standard, sets out topics of general interest that any reporting entity must cover in the sustainability report
- *GRI 3: Material Topics 2021* – universal standard, establishes the framework for determining the topics with significant impact
- Specific TTS standards for reporting impact topics:
 - GRI 201: Economic Performance 2016*
 - GRI 202: Market Presence 2016*
 - GRI 207: Tax 2019*
 - GRI 302: Energy 2016*
 - GRI 305: Emissions 2016*
 - GRI 306: Waste 2020*
 - GRI 401: Employment 2016*
 - GRI 403: Occupational Health and Safety 2018*
 - GRI 405: Diversity and Equal Opportunity 2016*

2.3. Reporting Perimeter

[GRI 2-2]

The Reporting Perimeter consists of TTS and the following subsidiaries:

Name	Legal form and nature of ownership	Main activities	Headquarters
<i>TTS Operator ("TTS Operator")</i>	<i>LLC (S.R.L.), 100% private</i>	<i>Direct transshipment of goods</i>	<i>Constanta (Romania)</i>
<i>TTS Porturi Fluviale ("TTS Fluvial")</i>	<i>LLC (S.R.L.), 100% private</i>	<i>Port operation</i>	<i>Galati (Romania)</i>
<i>Canopus Star ("Canopus")</i>	<i>LLC (S.R.L.), 100% private</i>	<i>Port operation</i>	<i>Constanta (Romania)</i>
<i>Agrimol Trade ("Agrimol")</i>	<i>LLC (S.R.L.), 100% private</i>	<i>Export of wood products</i>	<i>Bucharest (Romania)</i>
<i>CNFR Navrom ("Navrom")</i>	<i>Joint Stock Company (S.A.), 100% private</i>	<i>River transport</i>	<i>Galati (Romania)</i>

TTS (Transport Trade Services) S.A.

Name	Legal form and nature of ownership	Main activities	Headquarters
NAVROM Shipyard ("NVR Shipyard")	LLC (S.R.L.), 100% private	Ship repair and maintenance	Galati (Romania)
NAVROM BAC ("NVR BAC")	LLC (S.R.L.), 100% private	Passenger transport by ferry	Galati (Romania)
SUPERQUATRO Grup ("SUPERQUATRO")	LLC (S.R.L.), 100% private	Dredging and hydrotechnical works	Galati (Romania)
Bunker Trade Logistics ("BTL")	LLC (S.R.L.), 100% private	Ancillary activities to water transport	Constanta (Romania)
TTS (Transport Trade Services) ("TTS VIENA")	GmbH, 100% private	Freight forwarding	Vienna (Austria)
Plimsoll ("PLIMSOLL")	Zrt., 100% private	Freight forwarding	Budapest (Hungary)
Fluvius ("Fluvius")	Kft., 100% private	River transport	Budapest (Hungary)
Port of Fajsz ("Port Fajsz")	Kft., 100% private	Port operation	Fajsz (Hungary)

The companies that are part of the TTS financial consolidation perimeter ([IFRS consolidated financial statements as of December 31, 2021](https://tts-group.ro/) published on the TTS website <https://tts-group.ro/>) but which are **NOT** included in the reporting perimeter, are as follows:

Name	Explanation
Cernavodă Shipyard S.R.L. Cernavodă	Merger by acquisition by NVR Shipyard (Q4 2021)
Navrom River S.R.L. Galați	Merger by acquisition by NAVROM (Q1 2021)
TRANSTERMINAL-S S.R.L. Chișinău	Minority interest
NAVROM Port Service S.R.L. Galați	Minority interest
MANAGEMENT NFR S.A. București	Minority interest, company in liquidation procedure
GIF LEASING IFN S.R.L. București	Minority interest, company in liquidation procedure

The Reporting Perimeter for **GRI 2-25: Processes to remediate negative impacts**, **GRI 2-27: Compliance with laws and regulations**, **GRI 302: Energy 2016**, **GRI 305: Emissions 2016**, **GRI 306: Waste 2020** and **GRI 403: Occupational Health and Safety 2018** is identical to the Reporting Perimeter of the EHS 2021 Report which includes the following companies:

Name	Main activities	Main and secondary offices
TTS (Transport Trade Services) S.A.	Freight forwarding	Bucharest, Giurgiu, Oltenita, Bechet
CNFR Navrom S.A.	Danube river transport	Galati, Drobeta-Turnu Severin, Constanta
TTS Operator S.R.L.	Direct transshipment of bulk and packaged goods	Constanta
TTS Porturi Fluviale S.R.L.	Port operation	Galati, Braila, Drobeta-Turnu Severin
Canopus Star S.R.L.	Grain port terminal operation	Constanta

TTS (Transport Trade Services) S.A.

Name	Main activities	Main and secondary offices
<i>Cernavodă Shipyard S.R.L.¹</i>	<i>Ship repairs</i>	<i>Cernavoda</i>

TTS holds, directly or indirectly, the position of majority shareholder in all companies included in the Reporting Perimeter.

The 2021 report did not take into account adjustments for minority positions held by other shareholders in the companies included in the Reporting Perimeter.

2.4. Reporting period

[GRI 2-3, GRI 2-4]

The reporting period for sustainability reports is the calendar year.

The frequency of reports is annual.

Both the reporting period and the frequency of reporting are the same as of the annual financial reporting.

In the case of the 2021 Report, the reporting period is January 1st, 2021 - December 31st, 2021.

As the 2021 Report is the first Sustainability Report of TTS, there are no restatements of data and of information published in previous sustainability reports.

2.5. External assurance

[GRI 2-5]

The 2021 report was not externally assured.

2.6. Topics with material impact

[GRI 3]

Topics with material impact for the 2021 Report are covered by the following standards:

GRI 201: Economic Performance 2016

GRI 202: Market Presence 2016

GRI 207: Tax 2019

GRI 302: Energy 2016

GRI 305: Emissions 2016

GRI 306: Waste 2020

GRI 401: Employment 2016

GRI 403: Occupational Health and Safety 2018

GRI 405: Diversity and Equal Opportunity 2016

¹ Cernavoda Shipyard S.R.L. was absorbed by merger by NAVROM Shipyard S.R.L. in Q42021 and will be replaced in the EHS Reporting Perimeter by Navrom Shipyard starting with 2022.

Topics with material impact were established internally by TTS, without consulting other stakeholders, starting from the topics covered by the annual EHS monitoring conducted since 2014.

TTS intends that, starting in 2022, the list of topics with material impact to be updated in consultation with other stakeholders.

2.7. Topics without material impact

[GRI 3]

Topics without material impact for the 2021 Report are covered by the following standards:

GRI 203: Indirect Economic Impacts 2016, GRI 204: Procurement Practices 2016, GRI 205: Anti-corruption 2016, GRI 206: Anti-competitive Behavior 2016

GRI 301: Materials 2016, GRI 303: Water and Effluents 2018, GRI 304: Biodiversity 2016, GRI 308: Supplier Environmental Assessment 2016

GRI 402: Labor/Management Relations 2016, GRI 404: Training and Education 2016, GRI 406: Non-discrimination 2016, GRI 407: Freedom of Association and Collective Bargaining 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, GRI 410: Security Practices 2016, GRI 411: Rights of Indigenous Peoples 2016, GRI 413: Local Communities 2016, GRI 414: Supplier Social Assessment 2016, GRI 415: Public Policy 2016, GRI 416: Customer Health and Safety 2016, GRI 417: Marketing and Labeling 2016, GRI 418: Customer Privacy 2016

3. 2021 Report Correspondence Index - GRI standards

[GRI 1]

Reporting standard	References
<i>GRI 1: Foundation 2021</i>	2.2. Reporting standards 3. 2021 Report Correspondence Index - GRI standards
<i>GRI 2-1: Organizational details</i>	2.1. Reporting entity
<i>GRI 2-2: Entities included in the organization's sustainability reporting</i>	2.3. Reporting Perimeter
<i>GRI 2-3: Reporting period, frequency, and contact point</i> <i>GRI 2-4: Restatements of information</i>	2.4. Reporting period
<i>GRI 2-5: External assurance</i>	2.5. External assurance
<i>GRI 2-6: Activities, value chain and other business relationships</i>	4. TTS Group description
<i>GRI 2-7: Employees</i> <i>GRI 2-8: Workers who are not employees</i>	7.1. Workforce structure
<i>GRI 2-9: Governance structure and composition</i> <i>GRI 2-10: Nomination and selection of the highest governance body</i> <i>GRI 2-11: Chair of the highest governance body</i> <i>GRI 2-12: Role of the highest governance body in overseeing the management of impacts</i>	6.1. TTS corporate governance structure 6.2.1. Structure and functioning of the Board of Directors 6.2.2. Composition of the Board of Directors 6.3. TTS management 6.4. Corporate Governance and Investor Relations Department
<i>GRI 2-13: Delegation of responsibility for managing impacts</i>	6.2.1. Structure and functioning of the Board of Directors 6.3. TTS management 6.4. Corporate Governance and Investor Relations Department
<i>GRI 2-14: Role of the highest governance body in sustainability reporting</i> <i>GRI 2-15: Conflicts of interest</i> <i>GRI 2-16: Communication of critical concerns</i>	6.2.1. Structure and functioning of the Board of Directors
<i>GRI 2-17: Collective knowledge of the highest governance body</i>	6.2.2. Composition of the Board of Directors

Reporting standard	References
<i>GRI 2-18: Evaluation of the performance of the highest governance body</i>	6.2.1. Structure and functioning of the Board of Directors
<i>GRI 2-19: Remuneration policies</i> <i>GRI 2-20: Process to determine remuneration</i>	6.2.3. Remuneration of the Board of Directors
<i>GRI 2-21: Annual total compensation ratio</i>	7.2. Salary statistics
<i>GRI 2-22: Statement on sustainable development strategy</i>	Statement of the Board of Directors
<i>GRI 2-23: Policy commitments</i>	6.5. TTS internal regulatory framework
<i>GRI 2-24: Embedding policy commitments</i>	6.5. TTS internal regulatory framework
<i>GRI 2-25: Processes to remediate negative impacts</i> <i>GRI 2-26: Mechanisms for seeking advice and raising concerns</i> <i>GRI 2-27: Compliance with laws and regulations</i> <i>GRI 2-28: Membership associations</i> <i>GRI 2-29: Approach to stakeholder engagement</i>	6.6. Compliance with legal provisions and involvement of other stakeholders
<i>GRI 2-30: Collective bargaining agreements</i>	7.3. Labor relations
<i>GRI 3: Material Topics 2021</i>	2.6. Topics with material impact 2.7. Topics without material impact
<i>GRI 201-1: Direct economic value generated and distributed</i>	5.1. Direct economic value
<i>GRI 201-2: Financial implications and other risks and opportunities due to climate change</i>	5.2. Climate change - implications, risks, and opportunities
<i>GRI 201-3: Defined benefit plan obligations and other retirement plans</i>	7.3. Labor relations
<i>GRI 201-4: Financial assistance received from government</i>	5.1. Direct economic value
<i>GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage</i>	7.2. Salary statistics 7.3. Labor relations

Reporting standard	References
<i>GRI 202-2: Proportion of senior management hired from the local community</i>	7.3. Labor relations
<i>GRI 302: Energy 2016</i>	9. Environment
<i>GRI 305: Emissions 2016</i>	
<i>GRI 306: Waste 2020</i>	9. Environment
<i>GRI 401: Employment 2016</i>	7.1. Workforce structure
<i>GRI 403: Occupational Health and Safety 2018</i>	8. Occupational Health and Safety
<i>GRI 405: Diversity and Equal Opportunity 2016</i>	6.2.2. Composition of the Board of Directors
<i>GRI 405-1: Diversity of governance bodies and employees</i>	7.1. Workforce structure
<i>GRI 405-2: Ratio of basic salary and remuneration of women to men</i>	8.2. Salary statistics

4. TTS Group description

[GRI 2-6]

The Transport Trade Services Group of Companies ("TTS Group" or "Group") is one of the largest inland waterway freight transporters in the Danube basin and is composed of 16 companies:

- TTS
- 13 companies in which TTS holds, directly or indirectly, the majority shareholder position
- 2 companies in which TTS holds minority shareholder positions.

The three core business segments of the Group are:

International Freight Forwarding: TTS (Transport Trade Services) S.A. Bucharest,
TTS (Transport Trade Services) GmbH. Vienna,
Plimsoll Zrt. Budapest,
Transterminal – S S.R.L. Chişinău

River transport: CNFR NAVROM S.A. Galați,
Navrom Bac S.R.L. Galați,
Fluvius Kft. Budapest

Port operation: Canopus Star S.R.L. Constanta,
TTS Operator S.R.L. Constanta,
TTS Porturi Fluviale S.R.L. Galați,
Port of Fajsz Kft. Fajsz (Hungary)

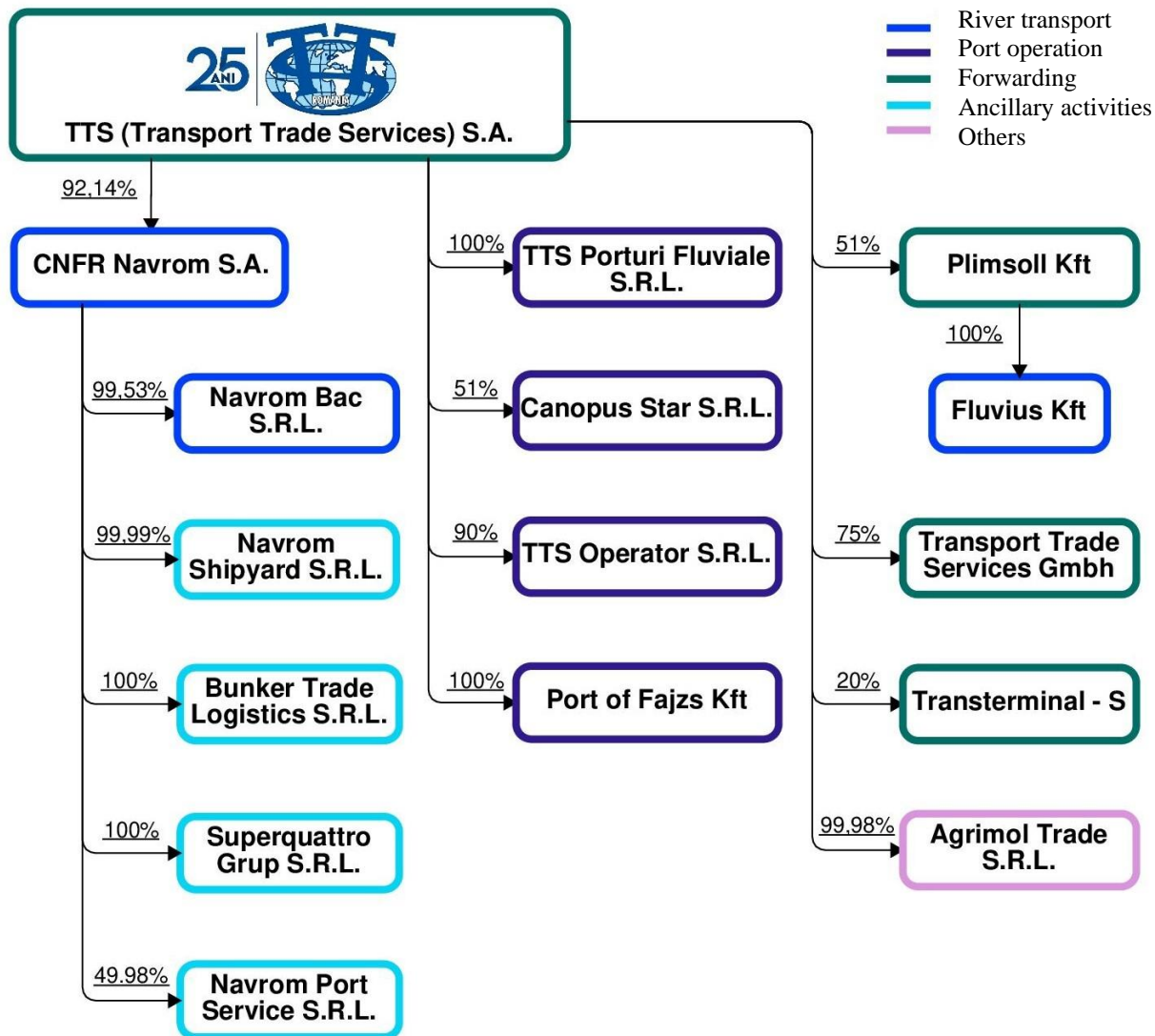
Three companies in the Group are ancillary service providers:

- Ship repairs: Navrom Shipyard S.A. Galați
- Dredging and hydrotechnical works: SUPERQUATTRO Grup S.R.L. Galați
- Tank barge operation for the supply of fuel of the fleet: Bunker Trade Logistics S.R.L. Constanța

AGRIMOL TRADE S.R.L. Bucharest is a foreign trade company specialized in the export of wooden products.

TTS GROUP STRUCTURE

(31.12.2021)



The main goods transported and operated in ports are:

- mineral products (raw materials for the steel industry and laminates),
- agricultural products (grains, oleaginous and fodder)
- chemicals (phosphate rock and finished products of the chemical fertilizer industry).

The TTS Group has the largest river fleet in the Danube basin, with a capacity of almost 800 thousand tons, 8 floating cranes, as well as port terminals in Constanta and in 7 Danube river ports.

The Group offers integrated logistics services consisting of transport (river, rail, road), transshipment (between transport units, from warehouses, silos, etc.), storage (warehouses, silos, warehouse type river units, etc.), agency (production of specific documents) and any other services specific to the management of the supply chain.

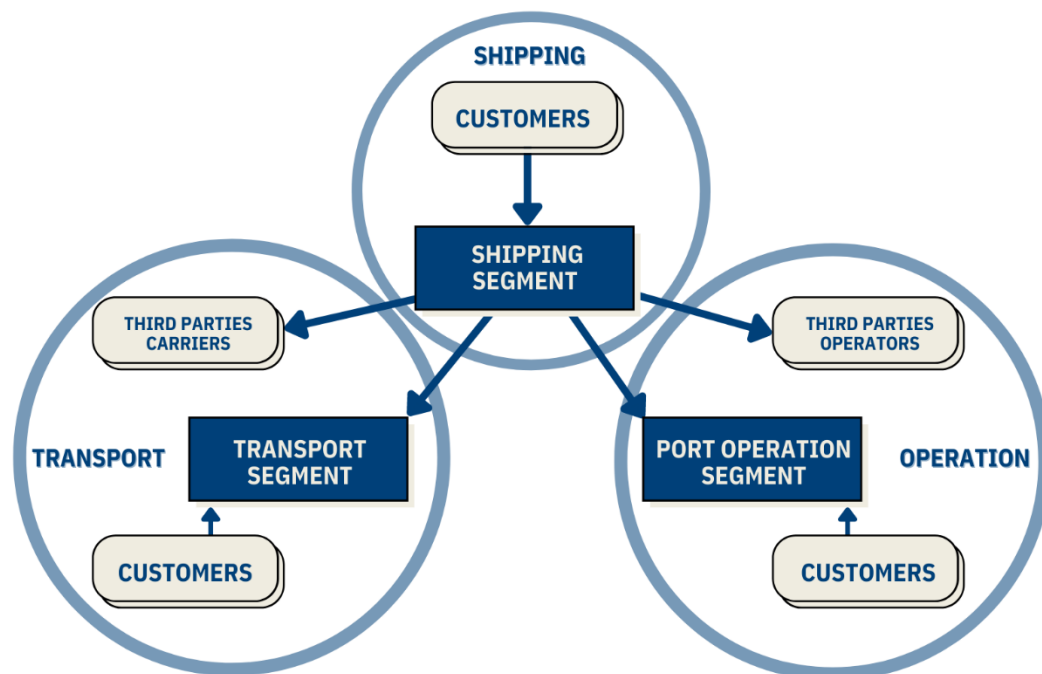
The Group provides services for the markets on the Danube riverside, on the entire navigable route.

The main clients of the Group are traders in agricultural products, traders in chemical fertilizers and raw materials for chemical fertilizers, steel, and metallurgical plants on the Danube riverside.

The Group's business model is centered on TTS, which provides clients with integrated forwarding / river transport / port operations services and coordinates the Group's operations.

The transport and port operation services are further subcontracted mainly to the Group companies, but also to third parties (especially in the port operation segment).

At the same time, the Group's companies that are active in the river transport and port operations segments may contract services directly from their own clients, in addition to the orders received from the Group companies that are active in the forwarding segment.



5. Economic data

5.1. Direct economic value

[GRI 201-1, GRI 201-4]

The consolidated direct economic value generated and distributed in 2021 are:

Economic value generated and distributed (consolidated) - EVG&D		FY 2021 [RON]
Economic value generated		605.293.218
Net sales		598.812.024
Income from financial investments		
	Interest	212.000
	Dividends	343.220
Asset sales		5.925.974
Distributed economic value		(504.133.229)
Operating expenses		(371.644.475)
Salaries and assimilated		(98.489.703)
Payments to capital providers		
	Interest	(1.493.689)
	Dividends	(16.200.000)
Payments to the state		(15.464.163)
Community investments		(841.199)
Retained economic value		101.159.989

The amounts are taken from the [IFRS consolidated financial statements December 31, 2021](#). The breakdown by articles complies with the specifications of "GRI 201-1 Direct economic value generated and distributed".

In 2021, the TTS Group did not receive subsidies or other payments from the governments of the countries in which it operates.

5.2. Climate change - implications, risks, and opportunities

[GRI 201-2]

The implications of climate change on the activity of the TTS Group are addressed in the [Sustainable Development Strategy](#) published on the TTS website <https://tts-group.ro/>

5.3. Approaching the Group level fiscal treatment

[GRI 207]

There is no fiscal strategy or other form of fiscal optimization at Group level or at the level of the companies in the Group. Each company in the Group manages its own tax obligations and is individually responsible for tax compliance. The control function is provided individually by each company.

The companies included in the reporting scope have activities in three fiscal jurisdictions, Romania, Hungary, and Austria, as follows:

	Romania	Hungary	Austria
Resident companies	<i>TTS, Navrom, TTS Operator, TTS Fluvial, Canopus, Agrimol, NVR Shipyard, NVR BAC, SUPERQUATRO, BTL</i>	<i>PLIMSOLL, Fluvius, Port Fajsz</i>	<i>TTS VIENA</i>
Activities carried out	<i>Freight forwarding, River transport, Port operations, Direct transshipment, Passenger ferry transport, Ship repairs and maintenance, Dredging and hydrotechnical works, Ancillary water transport activities, Export of wood products</i>	<i>Freight forwarding, River transport, Port operation</i>	<i>Freight forwarding</i>
Average number of employees	1.352	22	3

Relevant financial data for the assessment of fiscal consolidated conduct (FY 2021, RON) selected in accordance with the specifications *GRI 207: Tax 2019*:

	Romania	Hungary	Austria
Revenue from sales to third parties	557.075.958	33.350.269	8.385.798
Income from intra-group transactions from another jurisdiction	335.807.711	2.988.513	6.694.322
Profit / loss	79.635.751	(1.217.990)	463.670
Tangible assets, except cash and cash equivalents	689.051.020	31.355.697	854.675
Income tax (treasury accounting)	12.594.032	111.083	37.858
Income tax (accrual accounting)	(266.668)	0	0
Total salaries	92.110.881	1.424.731	1.098.861
Taxes and contributions paid on behalf of employees (withholding)	36.374.350	0	0
Fees collected from customers on behalf of a fiscal authority	130.509.121	12.198.030	1.570.166
Other taxes and duties paid to the state	3.232.937	56.725	0
Intra-group liability balance	10.300.000	1.989.426	0

6. Corporate governance

6.1. TTS corporate governance structure

[GRI 2-9]

TTS is administered in a unitary system by a Board of Directors according to the provisions of Art. 137 and the following from Section III of Chapter IV of Title III of Law no. 31/1990 on companies ("Law 31/1990") and the provisions of the [Articles of Incorporation](#) of the Company.

The management of TTS is delegated by the [Articles of Incorporation](#) to the Directors of the company based on the provisions of Art. 143 of Law 31/1990.

The Board of Directors retains its powers to represent the Company in relation to third parties and in court.

The internal audit function is outsourced. The internal auditor of TTS is the company MBA EXPERT CONSULTING SERVICES S.R.L. Bucharest, an independent third-party company.

As a result, the corporate governance structure of TTS is organized on three levels:

- Board of Directors
- Directors (delegated management)
- Corporate Governance and Investor Relations Department

6.2. Board of Directors

6.2.1. Structure and functioning of the Board of Directors

[GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-15, GRI 2-16, GRI 2-18]

As of August 26th, 2021 as a result of the entry into force of the new Articles of Incorporation of the company, TTS is administered by a Board of five members, of which one member is executive and three members are independent.

The Board is chaired by a President appointed by the Board Decision no. 1 / 30.08.2021.

By the Board Decision no. 1 / 30.09.2021, the Board of Directors set up two advisory committees:

- The Remuneration and Nomination Committee consists of three non-executive members, of which two are independent members.

TTS (Transport Trade Services) S.A.

- An audit committee consisting of three non-executive members, including two independent members, chaired by an independent non-executive member.

The incorporation, organization and functioning of the Committees is regulated by the [Board Regulations](#) published on the TTS website <https://tts-group.ro/>

The election of the members of the Board of Directors is the attribute of the General Meeting of Shareholders of the Company. The selection of the directors is made by the shareholders based on the list published by the Board of Directors, according to the procedural provisions provided in the [GMS Regulation](#) published on the TTS website <https://tts-group.ro/>, corroborated with the provisions of Art. 117 and Art. 117¹ of Law 31/1990 and with those of the FSA Regulation no. 5/2018 on issuers of financial instruments and market operations.

The policy regarding the prevention of conflict of interest situations is provided in the [Board of Directors Regulation](#) published on the TTS website <https://ro.tts-group.ro/>.

TTS has not implemented a procedure for evaluating the performance of the Board of Directors.

The Board of Directors approves the annual Sustainability Report and the list of topics with material impact. The management of the process of monitoring, data collection and preparation of sustainability reports and EHS reports is delegated to the Directors based on the general delegation of the Company's management.

6.2.2. Composition of the Board of Directors

[GRI 2-9, GRI 2-17, GRI 405]

The current composition of the Board of Directors was approved by the OGMS Decision no. 1 / 26.08.2021 and has the following structure.

	Gender F	Gender M	Total
Independent	2	1	3
Non-independent	0	2 ²	2
Total	2	3	5

The composition of the Board of Directors in 2021 was as follows:

Name and surname	Status in the Board	Period in office
Alexandru-Mircea MIHĂILESCU	Chairman of the Board of Directors, Chairman of the Remuneration and Nomination Committee, member of the	Jan. 1 st , 2021 – Dec. 31 st , 2021

² An executive member and a non-executive member

Name and surname	Status in the Board	Period in office
	Audit Committee	
Ion STANCIU	Executive member	Jan. 1 st , 2021 – Dec. 31 st , 2021
Elena BUTNARIU	Independent member, Chairman of the Audit Committee, member of the Remuneration and Nomination Committee	Aug. 26 th , 2021 – Dec. 31 st , 2021
Ana-Barbara BOBIRCĂ	Independent member, member of the Audit Committee	Aug. 26 th , 2021 – Dec. 31 st , 2021
Dorin-Alexandru BADEA	Independent member, member of the Remuneration and Nomination Committee	Aug. 26 th , 2021 – Dec. 31 st , 2021
Ștefan SEVASTIAN	Member	Jan. 1 st , 2021 – Aug. 25 th , 2021

[The CVs of the members of the Board of Directors](https://tts-group.ro/) are published on the website <https://tts-group.ro/>.

The Board of Directors has at collective level the experience and knowledge necessary to address all sustainability issues.

6.2.3. Remuneration of the Board of Directors

[GRI 2-19, GRI 2-20]

The remuneration of the members of the Board of Directors and of the company's management is regulated by the [Remuneration Policy](https://tts-group.ro/) published on the TTS website <https://tts-group.ro/>.

The remuneration amounts received by the members of the Board of Directors in 2021 are presented in the [2021 Remuneration Report](https://ro.tts-group.ro/) subject to the consultative vote of the shareholders in the General Meeting of Shareholders of 29.04.2022, published on the TTS website <https://ro.tts-group.ro/>.

The monthly director's allowance is fixed, without a variable component, and is the same for all board members, regardless of the position held in the board, the number of advisory committees of which each director is a member of, or the number of board meetings in which a director participates in each month.

The level of remuneration of the members of the Board of Directors, including the benefits, approved by the OGMS Decision no. 1 / 26.08.2021, is as follows:

Name and surname	Monthly compensation [RON]	Professional liability insurance	Health insurance	Car in use
Alexandru-Mircea MIHĂILESCU	27,500	YES	YES	YES
Ion STANCIU	27,500	YES	YES	NO
Elena BUTNARIU	27,500	YES	YES	NO
Ana-Barbara BOBIRCĂ	27,500	YES	YES	NO
Dorin-Alexandru BADEA	27,500	YES	YES	NO

6.3. TTS management

[GRI 2-9, GRI 2-13]

The management of TTS is delegated by the Board of Directors to the Directors through the provisions of the Articles of Incorporation of the Company.

The executive management is provided by the General Manager of the Company, by the Financial Director and by the Deputy General Manager / Operational.

The composition of the executive management of TTS during 2021 was as follows:

Name and surname	Statute in the executive management
Petru ȘTEFĂNUȚ	CEO
Ion STANCIU	Deputy CEO / COO (since 15.06.2021)
Nicoleta FLORESCU	CFO

The remuneration of the Directors is regulated by the [Remuneration Policy](#) is published on the TTS website <https://tts-group.ro/>.

The level of remuneration received by the Directors in 2021 is presented in the [2021 Remuneration Report](#) subject to the consultative vote of the shareholders in the General Meeting of Shareholders of 29.04.2022, published on the TTS website <https://tts-group.ro/>.

6.4. Corporate Governance and Investor Relations Department

[GRI 2-9, GRI 2-13]

The Corporate Governance and Investor Relations Department coordinates the corporate governance and sustainability activities.

Starting with June 2022, the department also manages the activity of monitoring the subjects with material impact and prepares the annual EHS reports and the annual Sustainability Reports.

6.5. TTS internal regulatory framework

[GRI 2-23, GRI 2-24]

In view of the standards of corporate governance applicable to companies listed in the Premium category on the main market of BSE (BVB), TTS created the basis for the internal corporate governance system by adopting the following documents:

- Regulations of the Board of Directors.
It was approved by the Board Decision no. 1 / 03.08.2021
The constitutive provisions and operating rules of the Audit Committee and the Remuneration and Nomination Committee are included in the BoD Regulations
- GMS Regulations
It was approved by the Board Decision no. 1 / 30.09.2021
The regulation mainly contains provisions on how shareholders can exercise their legal rights as well as organizational provisions regarding the conduct of the GMS.
The GMS regulations are published on the TTS website.
- Internal audit regulations
It was approved by the BoD Decision no. 4 / 14.03.2022
- Remuneration policy
It was approved by the OGMS Decision no. 1 / 26.08.2021
The remuneration policy is published on the TTS website.
- Dividend policy
It was approved by the BoD Decision no. 1 / 30.09.2021
The dividend policy is published on the TTS website.
- Forecast policy
It was approved by the BoD Decision no. 1 / 29.10.2021
The forecast policy is published on the TTS website.
- Confidential information policy
It was approved by the BoD Decision no. 1 / 12.11.2021

TTS has not implemented sustainability-related policies.

6.6. Compliance with legal provisions and involvement of other stakeholders

[GRI 2-25, GRI 2-26, GRI 2-27, GRI 2-28, GRI 2-29]

The [EHS 2021 Report](#) includes the situations in which the control authorities found violations of legal regulations following the inspections carried out in 2021 at the companies in the Reporting Perimeter as well as the measures to remedy their impact.

The companies in the Reporting Perimeter are in relations with the following stakeholders on the topics qualified as having a material impact:

- Employees
- Local and central authorities
- Control authorities

At the Reporting Perimeter level, a formalized system of consulting them is not implemented.

Reporting companies do not play a significant role in employers' organizations or other advocacy structures.

7. Human resources

7.1. Workforce structure

[GRI 2-7, GRI 2-8, GRI 401, GRI 405-1]

The labor force employed by the companies in the Reporting Perimeter in 2021 consisted of 1,360 employees and 299 employees without an employment contract.

The structure of the employed workforce, reported according to GRI specifications, is as follows:

Average number of employees 2021	Romania		Hungary		Austria		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Total	209	1128	11	9	0	3	220	1140
Indefinite period	200	1040	11	9	0	3	211	1052
Fixed term	9	88	0	0	0	0	9	88
Full time	198	1104	6	8	0	3	204	1115
Part time	11	24	5	1	0	0	16	25

The structure of the staff without an employment contract (mostly seafarers, employed by personnel leasing companies or equivalent) is as follows:

	Romania	Hungary	Austria	Total
Average number of employees without an employment contract 2021	265	34	0	299

Average number		under 30 years	between 30 and 50 years	over 50 years
Board Members / Administrators	Women	0	1	2
	Men	0	2	12
Top management	Women	0	4	7
	Men	0	6	17
Middle Management	Women	1	7	4
	Men	0	19	24
TESA	Women	8	58	77
	Men	11	68	68
Directly productive	Women	9	21	24
	Men	79	369	479

The structure of staff changes in 2021 was as follows:

		Romania		Hungary		Austria		Total	
		Women	Men	Women	Men	Women	Men	Women	Men
Employment contracts concluded in 2021	under 30 years	11	61	0	0	0	0	11	61
	between 30 and 50 years	11	161	0	0	0	0	11	161
	over 50 years	11	162	0	0	0	1	11	163
Employment contracts terminated in 2021	under 30 years	9	39	0	0	0	0	9	39
	between 30 and 50 years	9	82	1	0	0	0	10	82
	over 50 years	20	121	0	1	0	0	20	122

In 2021, six employees (4 women, 2 men) went on parental leave.

7.2. Salary statistics

[GRI 2-21, GRI 202-1, GRI 405-2]

The ratios between the average salaries of women / men broken down by job category are:

Board members, administrators	1,59
Top management	0,89
Middle Management	0,98
TESA	1,12
Directly productive	1,23

At the level of the most significant³ location for the Group's operations, respectively the city of Galati, all salaries are higher than the minimum wage in the economy.

At the level of TTS in 2021, the highest salary income was 3.5 times higher than the average salary.

At the level of the Reporting Perimeter in 2021, the highest salary income was 9.6 times higher than the average salary.

7.3. Labor relations

[GRI 2-30, GRI 201-3, GRI 202-1, GRI 202-2]

At the level of the Reporting Perimeter:

- no collective labor agreements have been concluded,
- no pension plans have been implemented,
- all members of senior management are employed locally.

8. Occupational Health and Safety

[GRI 403]

Topics on Occupational Health and Safety are presented in the [EHS 2021 Report](#).

9. Environment

[GRI 302, GRI 305, GRI 306]

Topics on energy consumption and efficiency, CO₂ emissions and residue and waste management are presented in the [EHS 2021 Report](#).

In terms of liquid fuel consumption, energy intensity and unitary CO₂ emissions the EHS Report focuses on the NAVROM fleet, the largest consumer in the Reporting Perimeter. For this reason, the report presents statistics starting with 2015, thus allowing the assessment of the evolution of NAVROM over a period of 7 years.

Fleet efficiency indicators are presented in two versions:

- In relation to the physical course performed [thousand tonnes * km]
- In relation to the work performed [kilot]

³ Based on GRI 201-2, the comparison with the minimum wage is limited to the most significant location for the reporting entity. For the TTS Group, the city of Galati is the most significant location as it is the headquarters of the NAVROM fleet and most of the staff is employed by the four companies based in Galati



TTS (Transport Trade Services) S.A.

The work performed by a propelled vessel is a quantity derived from the physical course which, in addition to the distances traveled and the quantities carried, takes into account the mass of the pusher and the barges that make up the convoy and the conditions of navigation, namely:

- direction of travel: upstream or downstream
- the degree of difficulty of navigation on each section of water that the convoy crosses

For clarity, the statistics also include the values of the physical courses performed, and the work performed by the NAVROM fleet in each of the seven years.