



“IN A PERSON,
EVERYTHING MUST BE
BEAUTIFUL: FACE, DRESS,
SPIRIT, AND MIND...”

A.P. CHEKHOV



UTLC

Eurasian
Rail Alliance

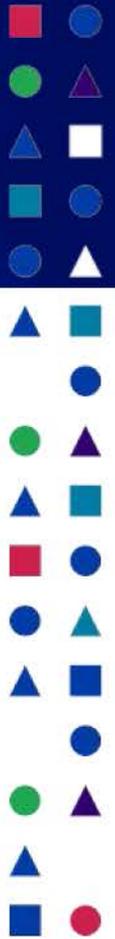


**JSC UTLC ERA
CORPORATE SOCIAL
RESPONSIBILITY
POLICY**



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About Policy

UTLC ERA Corporate Social Responsibility Policy (hereinafter the Policy) is a public document regulating activities of the Company pertaining to corporate social responsibility (hereinafter CSR).

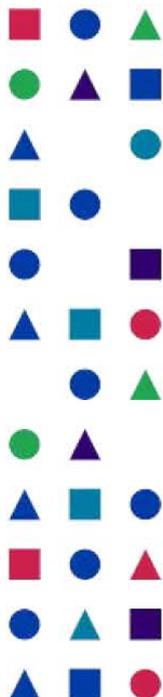
The Policy is approved by UTLC ERA Management Board.

UTLC ERA Director for Organizational Development is appointed responsible for the Policy's implementation.

All employees of the Company have read and understood the Policy and adhere to it in their CSR-related activities.

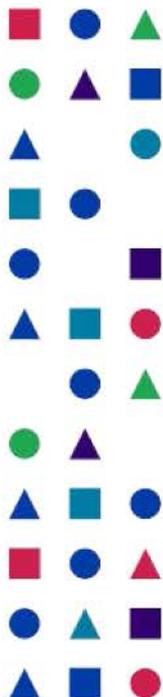
The Policy is made in three languages (Russian, English and Chinese) and published at the Company website: www.utlc.com.

Please address questions related to the Policy and UTLC ERA CSR in general to: csr@utlc.com



Policy Purposes and Objectives

CSR Policy has been developed on the basis of the Company's current vision of the additional contribution it can make to social development and environment protection, taking into account possible changes in the industry, countries of operation and the world.



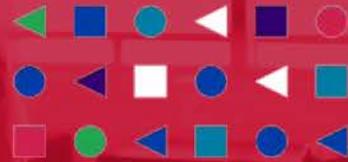
Purpose of the Policy

Operational management and formulating uniform approaches of UTLC ERA to CSR

CSR Policy objectives:

- Establishing CSR-related activities management system in the Company
- Outlining key CSR areas of the Company operations
- Determining key stakeholders and applicable interaction procedures
- Communicating the Company's CSR approaches to employees, clients, partners and other stakeholders

CSR Understanding



CSR-related activities for UTLC ERA are an intrinsic part of business, together with values and aspirations of the Company's shareholders and employees, including management.

UTLC ERA emergence, growth and development go along with CSR progress: systematization of processes, Company and stakeholders engagement improvement, increase of investment in CSR as the performance indicators continue to grow.

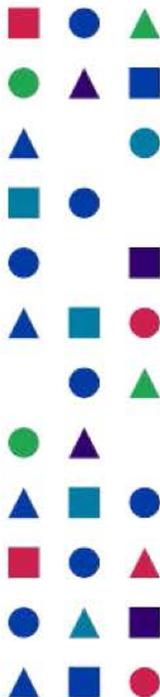
CSR UTLC ERA Principles:

- **Consistency:** building CSR-related activities in a consistent way, with a focus on long-term results and awareness of the key targets of each project and area of operations
- **Personnel engagement:** implementation of CSR-related programs and projects in close cooperation with the Company employees, with their active participation and taking into account their opinions
- **Partnership:** cooperation with partners (suppliers, non-profit organizations) and clients in the course of CSR function development
- **Ethics:** respect of stringent business and human codes of conduct and implementation of ethical standards inside the Company, throughout the supply chain and during implementation of CSR programs
- **Care about public good:** conscious intent to contribute to social development, support vulnerable populations, culture, science, and education
- **Respect of traditions:** support and development of national patronage and philanthropy traditions
- **Environmental friendliness:** aspiration to meet high environmental standards and help preserve the natural world
- **Transparency and integrity:** regular and exhaustive communication concerning CSR-related activities and performance to stakeholders

Interaction with Stakeholders

In shaping its business strategy and determining CSR priorities, the Company closely cooperates with the stakeholders and is committed to taking into account their needs and expectations.

UTLC ERA shareholders are located in three countries (Russia, Belarus, Kazakhstan), which makes interaction with stakeholders country-specific, based on the basic principles of interaction.



The Company also interacts with stakeholders in all its territories of presence: in Europe and Asia.

UTLC ERA accounts for special aspects, mentality, existing traditions of relations, and treats all stakeholders with equal attention and respect.

Basic principles of interaction with stakeholders:

- Respect of interests and rights of all stakeholders, without jeopardizing the Company's interests
- Pursuit of open, productive dialogue and partnership
- Transparency and timely communication of the Company's activities

Interaction with Stakeholders

UTLC ERA key stakeholders:

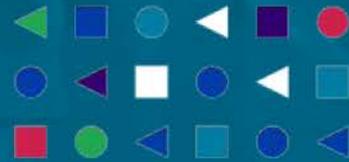
- shareholders
- personnel
- partners
- clients
- state authorities
- local communities
- public organizations
(non-profit organizations)
- academic and industry communities,
industry's subject matter experts
- culture and sports organizations
- mass media

Actual relations with the stakeholders are the responsibility of the Company's structural units and specialists in charge of areas where certain groups of stakeholders operate.

In shaping CSR strategy and development plans, the Company mostly draws on the opinions and expectations of five stakeholder groups: shareholders, personnel, partners, clients and local communities, including Company charity recipients.



Personnel Engagement



Consistent CSR activities of the Company logically spring from the traditional social contribution UTLC ERA made and continues to make in favor of local communities in its territories of presence.

For UTLC ERA, the key driver of CSR function development is growing proactivity and engagement of employees, united by the idea of public good and sharing the Company's commitment to fulfill and consistently increase its social responsibility.

UTLC ERA fosters a corporate culture where social responsibility is an important inspiring and team-building force. The Company encourages social and environmental initiatives coming from employees, supports their projects organizationally and financially, stimulates responsible consumption behavior and team spirit, and helps personnel in obtaining knowledge and skills necessary for CSR-related activities.

UTLC ERA employees are encouraged by the management to create a working environment where CSR-related activities, social development contribution, and actions for public good become as important for the Company as operational and financial performance. For our team members, working in a Company is not simply a means of career fulfilment, but also an opportunity to show human attitude and embody their ideas, consistently and with the employer's support.

The Company welcomes participation of employees in CSR-related activities in such forms as:

- CSR agenda development
- initiation of charitable, environmental and any other CSR projects
- volunteering
- creating task groups and employee meetings for discussion of CSR-related issues

Key Implementation Areas



UTLC ERA implements a variety of CSR programs on permanent basis and assumes voluntary obligations in the following areas:

- Charity and Sponsorship
- Personnel Care
- Education Development
- Environment Protection
- Industry Veterans Support

Such CSR areas are traditional for the Company and have become its priority; at the same time, UTLC ERA is open to any new, non-standard projects, present-day challenges or other ways to exercise social responsibility.

The key prerequisite for implementation of any initiative is the possibility to make a substantial contribution and provide tangible support.

Charity and Sponsorship

UTLC ERA supports various groups of beneficiaries, both directly and through cooperation with long-standing partners (non-profit organizations, charity funds of Russia, Belarus and Kazakhstan).

The Company builds its charity activities on such important prerequisites as consistency and targeted approach. UTLC ERA regularly supports children in need of help (medical or other), children's institutions, people in difficult life circumstances (e.g. economically disadvantaged), people with disabilities.

The Company does not limit its charity to certain categories of beneficiaries, but attempts to streamline this activity in order to achieve maximum effect.

Through sponsorship, the Company aims to facilitate development of culture, art, science, medicine, and sports.

Key Implementation Areas



Apart from strengthening the Company's brand and reputation, sponsorship helps UTLC ERA participate in the life of local communities.

Personnel Care

The Company's HR policy is based on full adherence to labor law.

UTLC ERA guarantees respectable remuneration, and on top of it, provides its employees with maximum social support and opportunities for training and development.

UTLC ERA guarantees personnel support in the following areas:

- Fostering and maintaining a mature corporate culture and recreation for the team: contests, challenges, celebrations, entertainment and sports events, corporate library
- Social support: benefits, bonuses timed to important events and anniversary dates, financial help in difficult life situations

- Medical support: voluntary medical insurance programs
- Health resort treatment: health resort packages with compensation of major part of the cost
- Training and development: providing professional education and trainings
- Professional trainee programs: providing young employees with an opportunity to participate in a trainee program with UTLC ERA partner companies
- Non-financial recognition: certificates of merit, letters of appreciation, gifts etc.

Education Development

UTLC ERA is interested in growing education level and talent in the transportation industry; therefore, support of educational institutions and programs is one of the key areas of the Company's CSR efforts.

UTLC ERA supports educational institutions in the field of transport, creates collaborative programs with the educational institutions, invites students and young specialists to participate in trainee programs of the Company, and is open to any other education development formats.

Key Implementation Areas



Environment Protection

In its activities, UTLC ERA does not inflict direct significant damage on the environment and operates in conformity with environmental regulations of its countries of presence. Moreover, railway transport is regarded as the most eco-friendly mode of cargo shipment. However, the Company acts under the common prudence principle, which suggests accounting for environmental risks in the business strategy and refusal from any projects that can be potentially dangerous for nature before the “go” decision is taken.

The Company and its employees support environmental projects and initiatives related to protection of natural world, preservation of animals including rare, vulnerable or threatened species.

UTLC ERA supports its employees in implementation of various initiatives related to the green office concept: separate waste collection, lean use of paper (transition to electronic paperwork) etc.

UTLC ERA is committed to spreading the environmental responsibility ideas among its stakeholders and promotion of careful attitude to nature. The Company showcases eco-friendly stands at its events for partners.

Industry Veterans Support

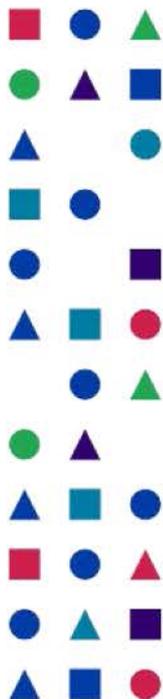
Support of railway industry veterans is a traditional form of social responsibility for CIS countries. The Company cooperates with non-profit organizations and associations (foundations, trade unions etc.) of Russia, Belarus, and Kazakhstan to offer comprehensive and targeted support to veterans and retirees. UTLC ERA sponsors entertainment events, engages veterans and retirees in collective volunteering and charity activities.

CSR Concept Deployment and Promotion

The Company shares the concept of social responsibility and acts in its spirit, spreading CSR ideas among its clients, partners and other stakeholders, and implementing CSR principles throughout the supply chain, aiming to extend its impact to the entire industry.

UTLC ERA assigns a high priority to CSR-related events in implementation of its marketing strategy: the Company builds a connection between its clients and partners and creates a single space for interaction via One Million Club, the brand which unites initiatives in art, music, sports, and ecology.

The Company fosters a relationship with clients and partners where CSR-based common values act as the foundation and stimulus for development of the industry in all territories of UTLC ERA presence (Europe and Asia).



Communication of CSR-related activities

The Company is aware of the need for regular and exhaustive communication of CSR-related activities to stakeholders.

UTLC ERA basic approaches to CSR are discussed in this Corporate Social Responsibility Policy. Information concerning charity and sponsorship activities is disclosed in the Sponsorship and Charity Policy. Ethical principles and anti-corruption measures are set forth in the Anti-Corruption Policy.

UTLC ERA CSR performance is disclosed in the Company's annual report available on its web site in the public domain.

The annual report is intended for all stakeholders and responds to their expectations concerning comprehensive disclosure of information about the Company's activities, including CSR. The annual report reflects the progress of the Company CSR Policy implementation in all activity areas.

The Company is open to other ways of communicating its CSR-related activities: via publications in mass media, social networks, and other internet platforms; via printed messages on information boards during events, and through dialogues with stakeholders.



Glossary

UTLC ERA, the Company — Joint Stock Company United Transport and Logistics Company – Eurasian Rail Alliance (JSC UTLC ERA).

Corporate Social Responsibility (CSR) — business framework suggesting that the company assumes voluntary responsibility, apart from the statutory minimum, to improve social life (for employees, local communities) and environment protection.

Stakeholders — organizations, communities and people who can influence the Company and/or be exposed to the Company's influence.

Local communities — groups of people inhabiting territories where the Company operates.

Territories of presence — countries, cities or other inhabited areas where the Company operates.

Beneficiaries — end recipients of charity or other support.

Annual report — annual report of Joint Stock Company United Transport and Logistics Company – Eurasian Rail Alliance

