

## PARTNERSHIP WITH STATE TRETYAKOV GALLERY

In 2022, FESCO continued to develop its strategic partnership with the State Tretyakov Gallery launched one year earlier. In the reporting period, the Company entered into a landmark agreement with the cultural institution, committing to provide financing and premises for the State Tretyakov Gallery to open its branch in Vladivostok.

A memorandum to that end was signed on the sidelines of the Eastern Economic Forum by Andrey Severilov, the Chairman of FESCO's Board of Directors, and Zelfira Tregulova, Head of the Tretyakov Gallery.



“ We believe that by creating ties like that and providing a platform for communication, we help unlock huge human potential in both the Primorye Territory and Russia in general”.

**Andrey Severilov**

A temporary representative office of the Tretyakov Gallery is slated to open in the historical building of Far-Eastern Shipping Company located at 15 Aleutskaya Street. The new civic space will host exhibitions, workshops, lectures, film screenings, and other public events. Apart from that, visitors will be able to work and study here, as the Gallery's representative office will feature a small library with books on painting and fine arts, several fully equipped workplaces, and a lounge area.

The cultural centre will work while we are building a large museum and theatre facility on the Eagle's Nest hill where the Vladivostok branch of the Tretyakov Gallery will move once it is completed.

Also, the master's programme in museum studies launched in 2021 at the Far Eastern Federal University with FESCO's support continued operating in 2022. As part of it, students develop skills for working in museums, while the State Tretyakov Gallery employees and the Far Eastern Federal University professors participate in classes on fundraising, exhibitions, hands-on course on writing about arts, digital environment and museum PR.

## FESCO FOR THE KIDS PROGRAMME

In 2022, the Company continued implementing its FESCO for the Kids programme launched in 2021. Its ambition is to create a children's support system in the Primorye Territory to make sure each and every kid in the region is able to fully unlock his or her potential. FESCO for the Kids includes a number of initiatives.

### PROGRAMME TO SUPPORT CHILDREN'S AND FAMILY READING

Run since autumn 2021, the programme helps solidify children's natural love of learning, strengthen family ties and create new forms of leisure that are good for the kids. As part of the programme, FESCO provides financing to publish high-quality children's books (new editions of pre-Revolutionary and Soviet books for kids, and new books written specifically for the programme), and to hold a variety of events nurturing love for reading in children. In 2022, dozens of children's facilities in Vladivostok received more than 250 thousand copies of nine books, and hundreds of training sessions with kids were held.

### PARTNERSHIP WITH THE TEACHER FOR RUSSIA PROGRAMME

The programme has been run by the New Teacher Foundation since 2015. The programme is designed to fight inequalities in educational opportunities for kids by developing school education in Russian regions. With this programme, professionals from different areas and sectors spend two years working as teachers in ordinary schools across Russia. This will help to create a community of talented professionals capable of giving an impetus to the Russian system of school education for it to upgrade and evolve.

With financial and administrative support from FESCO, it was launched in the Primorye Territory in 2021. In September 2022, 14 teachers commenced their work in seven schools of Vladivostok. In less than four full months of work, the teachers initiated important changes in respective schools. School No.

32 launched a mediation service teaching children how to settle conflicts and disputes through a dialogue. The same school formed a KVN team, which has played its first game in the city's school league, while the school's cinema club has held its first meetings. The Vector educational centre opened a club of tabletop games and organised several school events. School No. 68 created a theatre studio for fifth and sixth-graders, with the first theatrical performance staged at the end of December as part of the school's New Year festivities. In 2022, two participants of the programme qualified for the final round of the Young Professional of the Year contest sponsored by Vladivostok's Education Department.

### SUPPORT FOR SEVERELY ILL CHILDREN OF PRIMORYE

The programme is run for the third consecutive year together with Rusfond, Russia's largest charity foundation. The goal is to create a system of swift and effective targeted assistance to severely ill children that for various reasons are unable to get treatment for their conditions under mandatory health insurance. In 2022, high-tech medical care under the programme was provided to 16 children.

## PROCUREMENT

FESCO Group's procurement function has its own specifics, as the operations of the Port Division companies are governed by Federal Law No. 223-FZ On Procurement of Goods, Works and Services by Certain Types of Legal

## SUPPORT FOR SPORTS AND OTHER INITIATIVES

In 2022, FESCO continued its support for a number of Primorye-based sports organisations, most notably the Hockey Club Admiral. Also, targeted support was made available to dozens of social care facilities in FESCO's regions of operation, with priority help provided to the most vulnerable children's facilities and healthcare providers in Primorye. On top of that, Port Vladivostok completed several urban improvement projects, including the construction of playgrounds for children.

### GOLDEN TURTLE WILDLIFE FESTIVAL

In 2022, FESCO became a title partner of the Golden Turtle wildlife festival. Thanks to the Company's sponsorship this year, the festival spanned two venues at once. In September, the residents of Vladivostok had a chance to see the best works of the festival's history, while from October to November the 16th edition of the festival took place in Moscow, with attendance rates exceeding 33 thousand people.

Entities dated 18 July 2011, while procurement operations of the other companies are governed by the Group's internal documents.

## FESCO GROUP'S DOCUMENTS RELATED TO PROCUREMENT:

- Regulations on the Procurement of Goods, Works and Services for the Needs of PJSC Commercial Port of Vladivostok and its Subsidiaries<sup>1</sup> available on the official website of the Unified Information System in Public Procurement (<https://zakupki.gov.ru/>);
- Uniform Procurement Standard for FESCO and Controlled Entities of FESCO;
- internal regulations that set out the procedure for interaction when carrying out procurement and contractual work.

<sup>1</sup> Applicable to the Port Division companies only.

**BASIC PRINCIPLES IN ORGANISING AND CONDUCTING PROCUREMENT:**



**PROCUREMENT MANAGEMENT AND CONTROL**

Key procurement management and control bodies:

- Central Procurement Commission;
- procurement commissions of FESCO Group companies;
- FESCO's Procurement Directorate.

Decisions on the selection of suppliers, contractors and service providers are taken by the relevant procurement commissions.

FESCO establishes procurement commissions by line of business rather than by company:

- information technologies;
- liner logistics;
- technical operation of marine vessels.

In 2022, to improve the efficiency of the procurement process, FESCO Service Centre served as the basis for a new vertical procurement and supply management structure of FESCO Group, which includes:

- Procurement Division;
- Supply Division;
- Far East Region Procurement Division;
- Far East Region Supply Division;
- Procurement and Supply Process Analysis and Development Team.

To ensure the transparency of FESCO Group's procurement, promote competition and empower procurement participants, FESCO's procurement showcases were created on the RTS-Tender e-commerce platform in 2022:

- commercial procurement (<https://fesco.rts-tender.ru/>);
- procurement under Federal Law No. 223-FZ dated 18 July 2011 (<https://fesco223.rts-tender.ru/>).

**DIGITAL SUPPLY SYSTEM PROJECT**

As part of the procurement process digitalisation, a uniform comprehensive information solution was created on the basis of 1C: Holding Management software for the automation of procurement

management functions of FESCO Group companies. In 2022, all Group companies resident in the Russian Federation were connected to the system.

**PROCUREMENT FROM SMALL AND MEDIUM BUSINESSES**

FESCO Group companies whose procurement activities are governed by Federal Law No. 223-FZ dated 18 July 2011 comply with the requirements for procurement from **small and medium-sized enterprises** (SMEs) established by the Russian Government's Resolution No. 1352 dated 11 December 2014 On the Specifics of Small and Medium-Sized

Enterprises' Participation in Procurement of Goods, Works and Services by Certain Types of Legal Entities.

In 2022, procurement from SMEs calculated in accordance with the above resolution (in terms of payments) totalled RUB 1.861 billion, or 57.6%, with a quota of at least 25%.

**2022 RESULTS**

The Company carried out 10,513 procurement procedures totalling RUB 52.6 billion (net of VAT).

**PROCUREMENT IN 2021 AND 2022 (RESULTS)**

Activity	Procurement procedures in 2021	Procurement procedures in 2022	Amount of procurement record in 2021, RUB, net of VAT	Amount of procurement record in 2022, RUB, net of VAT
Investing activities	308	532	32,979,221,607.61	24,775,866,710.78
Day-to-day operations	5,823	9,978	27,323,245,910.07	27,719,301,136.71
Financial operations	3	3	166,888,383.75	96,957,019.26
<b>Total</b>	<b>6,134</b>	<b>10,513</b>	<b>60,469,355,901.43</b>	<b>52,592,124,866.75</b>