

The primary goal of claim handling is to resolve any disputes in a prompt and efficient manner by either acknowledging or reasonably declining the respective claims.

The Company constantly analyses the quality of claim handling using the information from reports, statements and customer grievances addressed to the executive office, as well as judicial and audit documents, including those related to the monthly ad-hoc audits conducted by the executive office.

Audits of the Quality Management System in 2018

Audit Type	Audited Target	Purpose	Outcome
The first supervisory audit of the quality management system	The executive office and the South Eastern, North Caucasus and Kuybyshev branch offices of TransContainer	Setting to the new standard, assessment of the quality management system performance	The system's compliance with ISO 9001:2015 confirmed

The effectiveness of the comprehensive quality management system stems from the uniform principles outlined in the Company's Quality Management Policy and applied across the production chain. The quality management issues fall under the remit of Director of Organizational Development and Human Resources.

The said uniform principles are underpinned by a set of core values guiding the Company's employees in their workplace pursuits. In particular, TransContainer focuses on creating new value (transportation services) for clients, fully understanding and anticipating their needs and expectations as regards cargo transportation services.

TransContainer offers high-quality transportation and forwarding services, which includes providing prompt, safe and comprehensive cargo transportation solutions to clients.

TransContainer provides services to its business units, partners and external customers in line with clearly defined standards. The Company's legal function includes a request and feedback handling system, which ensures prompt adjustment of management processes and procedures following an in-depth analysis of information received from customers, partners and regulatory authorities.

TransContainer welcomes new ideas from both within and outside of the Company and establishes the channels required to communicate these ideas. It encourages business culture development and innovations across all areas of activity.

Extension of the Range of Transport and Logistics Services

In 2018, TransContainer's Moscow Branch launched a regular train following the route Moscow – Yakutsk via the Berkakit Station of the Far Eastern Railway with departure once a week. This service allowed cargo delivery to the Republic of Sakha (Yakutia) in the shortest possible time.

The assessment of the quality management system performance also implies annual process audits and internal system checks at the executive and branch offices of TransContainer, with the identified gaps addressed through a corrective action plan.

In the reporting year, TransContainer's Northern Branch organised export traffic of the Plywood cargo and therefore launched a regular train between Kostroma and Novaya-Avtovo (exp.) and further for export. This service provided for faster cargo delivery and brought in additional transportation volume for PJSC TransContainer.

The Ustyansky Timber Industry Complex LLC (the Arkhangelsk Region) started up production of the Pellets cargo and selected TransContainer as a product transportation organisation. On 6 August 2018, the October Railway organised and launched the first container train following the route Kostylevo – Ust-Luga. From now on, container trains depart regularly, in particular, 4–5 container trains per month.

In 2018, the Company actively promoted its services in China. For that purpose, a subsidiary – Transcontainer Freight Forwarding (Shanghai) Co., Ltd. was established. Freight forwarding services contracts were signed with main logistics platforms consolidating the freight volumes in the eastern, southern and central provinces of China. TCFF's container trains regularly depart from Yiwu, Changsha, Guangzhou, Nanjing, Chengdu, Chungking and other cities going via Zabaikalsk and Zamin-Uud border-crossing points in Russia and Belarus. TCFF also organised shipment of sawn timber products from Irkutsk, Krasnoyarsk, Lesosibirsk, and Novosibirsk to China. Moreover, contracts were signed with Chinese service subcontractors on the provision of railroad and road transportation services, container storage services, harbour services, etc.

In 2018, TCFF transportation volume totalled 12,922 TEUs, thus, TransContainer's adjusted revenue amounted to RUB 444,190 mln. The basic routes are those for import transportation from China. In October 2018, two transit container trains went from Chengdu to Hamburg via Mongolia. Currently, the expansion of transit transportation is being worked out.

Transportation Volume by Traffic Type

Period	Total	Export	Import	Transit
2018	12,922	3,084	9,696	164