

Press Release

VTG Rail Russia and ING Bank successfully close first “green” bank loan deal in Russian Transport Sector

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We are proud to announce that VTG Rail Russia has successfully closed the first “green” bank financing deal in Russia’s transport sector in collaboration with ING Bank, a recognized global market leader in sustainable finance.

“Green” loans must be invested in “green” assets which, going forward, will exclude all wagons that transport fossil fuels (oil, coal, natural gas and their derivatives) and petrochemical products. These assets are used in economic activities that help mitigate the negative effects of climate change as defined in the EU taxonomy (the official classification system for environmentally sustainable economic activities). Investments in freight railcars in particular fall under this remit.

Sustainability will be an important aspect of financial models in the very near future. Accordingly, EU and the CIS countries are currently realigning state financing policies with respect to green investments. Business lending may ultimately depend entirely on the borrower’s sustainability credentials.

VTG AG’s global strategy is likewise focused on sustainability: VTG AG has a strong sustainable development profile which, at the first time of assessment, scored 96 out of 100 points in the GRESB rankings. VTG’s development aims include actions to combat climate change, provide decent employment and support economic growth, innovation and infrastructure development. The Group’s subsidiary companies, including those in Russia, are in full compliance with these strict sustainability criteria.

Wagon hire – the core activity of VTG Rail Russia – contributes to reducing carbon emissions compared to other types of transportation. Both passenger and freight rail transportation are the most effective mode of transport in terms of greenhouse gas emissions. A single freight train can substitute for as many as 52 trucks on European roads and perhaps even more in Russia, due to varying train lengths.

Olga Yakimova, CEO of VTG Rail Russia: “Sustainability and ESG principles are increasingly becoming a factor in investment. Our European lenders are excited at the opportunities created by entering the Russian market with a new product in cooperation with VTG Rail Russia, because the business model we deploy and are developing complies fully with European environmental and sustainability criteria. This “green” bank loan will let us make the most of the benefits of a green financing, continue funding our own green assets and take our business to a whole new level.”

Mark Stevenson, CFO of VTG AG:

“VTG AG is a pioneer in the field of innovative and sustainable rail freight transport projects. So I am thrilled that we, together with ING Bank, have successfully arranged the first “green” financing deal in the Russian transport sector. This comes as proof that our investors deeply value the stability and resilience afforded by VTG’s business model. Our core business – hiring out rail freight wagons and organizing rail freight transports – substantially reduces CO₂ emissions compared to other modes of transport.”

About VTG:

Headquartered in Hamburg, VTG Aktiengesellschaft is a global asset owner and logistics company with a strong focus on rail. Besides hiring out rail freight wagons and tank containers, it also provides multimodal logistical services and integrated digital solutions. The company’s fleet includes around 88,500 rail freight wagons – mostly tank wagons, intermodal wagons, standard freight wagons and sliding-wall wagons – as well as about 5,000 tank

containers. VTG AG has started its Russian business in 2008 by establishing LLC VTG (VTG Rail Russia) and opening an office in Moscow. LLC VTG's core activity is wagon hire for Russian and international traffic. LLC VTG has partners among both major and small freight owners and rail operators. Currently Russian fleet consists of more than 4,600 freight cars of diverse modifications.

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