

A blurred red train moving from left to right, creating a sense of speed. The background features diagonal stripes in red and teal. The train's motion is captured with horizontal streaks, emphasizing its rapid movement.

 Globaltrans

Annual Report & Accounts 2023

Sustainability Report

We are delighted to share our 6th annual Sustainability Report, which showcases our ongoing commitment to ESG initiatives throughout the Group. The Report covers the progress we have made in those focus areas that are not only critical to our business but also of interest to our stakeholders. The reporting format aligns with GRI standards and TCFD recommendations, underlining our commitment to transparency and accountability.

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Climate-Related Financial Disclosure

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Sustainability

Our approach

The Sustainability Report, which is integrated into the 2023 Annual Report, has been prepared in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (“GRI”) and Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations.

The overall aim is to achieve high standards in the areas of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The structure and content of this Sustainability Report reflects the relevant GRI Standards Principles. The details within this Sustainability Report cover the key results and activities of Globaltrans Investment PLC and its subsidiaries in the field of sustainable development for the year ended 31 December 2023.

ESG Strategy

Globaltrans’ sustainability strategy is based on a set of key environmental, social and governance (“ESG”) priorities that serve as the guiding principles for all its operations and decisions. They are deeply embedded in the Group’s culture and values, shaping its actions and driving its impact on society and the environment. These ESG priorities include:

- delivering business efficiency and best-in-class services;
- creating long-term value and serving the needs of a vast group of stakeholders;
- keeping our employees safe, engaged, motivated and empowered;
- minimising our environmental footprint and promoting sustainability;
- making positive contributions to the communities where we operate.

ESG Oversight

Sustainable development has always been one of our top priorities, and we take it very seriously. Since 2018, the Group has made significant strides in integrating ESG factors into our daily business operations and developed a comprehensive ESG monitoring, management, and reporting programme. Leadership on ESG issues has always started with the Group’s CEO.

Over the past few years, we have enhanced our ESG governance structure – from proactively implementing sustainability commitments, policies and practices to hiring additional expertise and creating a new Board Committee.

The ESG Committee has overall responsibility for the Group’s sustainability strategy and is the Company’s top unit in charge of sustainable development issues. The Committee was established in January 2021 to support and direct the Group towards improving its sustainability-related practices and policies, and its reporting and transparency. Its creation reflects the Group’s conviction that behaving responsibly underpins our ability to deliver sustainable value for all our stakeholders. By assisting the Board with the oversight of ESG-related issues, the Committee supports the development of a practical Group-wide approach to sustainability and disclosure. The Committee’s efforts were bolstered by the adoption of a formal **ESG policy** in January 2021 that sets out formal ESG commitments and established lines of responsibility and accountability.

Materiality

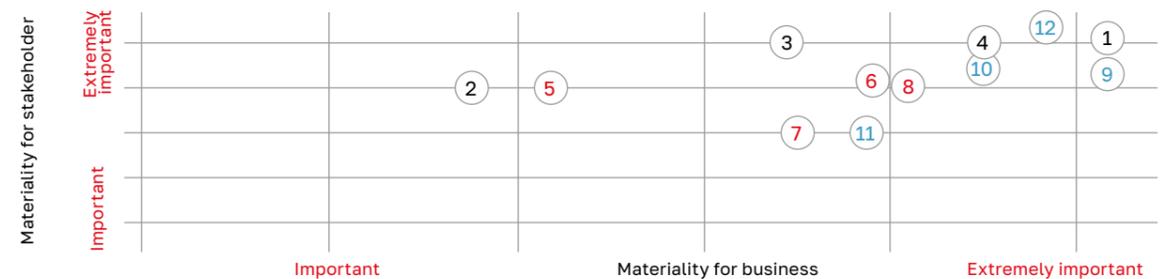
Globaltrans identifies its material sustainability issues through a materiality analysis. Materiality plays a significant role in the management of our sustainable development, making it possible to identify the Group’s key ESG issues.

In 2023, we conducted a double materiality assessment to identify and prioritise our sustainability topics, and applied the principles of double materiality from a business and social impact perspective. The most important sustainability topics were employee safety, economic performance, business ethics and compliance as well as the minimisation of environmental footprint. While these topics have helped us to determine our strategic priorities, they do not limit the scope of our ESG efforts. We intend to repeat this assessment periodically and collect feedback from our stakeholders on a regular basis.

How it works:

- Step 1 Identification of material topics** We identify material topics relevant to the Group’s business operation by carefully reviewing and analysing global sustainability trends, our sustainability performance, internal regulations and non-financial reports issued by peers.
- Step 2 Prioritisation of material topics** To develop a broader, deeper understanding of the materiality of the sustainability issues the Group faces, we seek input from a range of stakeholders (employees, shareholders, investors, clients, regulators and other authorities) on what matters to them.
- Step 3 Preparation of materiality matrix** We develop a materiality matrix to identify those topics that are deemed most important to the Group’s system of sustainability reporting.

Materiality matrix



Economic impact

1. Economic performance
2. Socioeconomic development of regions
3. Business ethics, risk management and anti-corruption
4. Customer satisfaction

Environmental impact

5. Risks and opportunities posed by climate change
6. Management of carbon footprint
7. Reduction of energy consumption
8. Compliance with environmental laws and regulations

Social impact

9. Employee education and development
10. Employee motivation
11. Diversity and equal opportunity
12. Occupational health and safety

Sustainability

Highlights of 2023

Overall staff turnover improved to

16%

(2022: 19%)

2%

year-on-year decrease in the Group's total emissions (Scope 1 and Scope 2)

First-time disclosure of waste management data

Ongoing analysis of climate-related risks and opportunities

52,184

total training hours recorded across the Group companies

Despite stringent safety regime Loss Time Injury Frequency Rate¹ (LTIFR) increased to

0.90

Gender pay gap at the non-managerial level stood at 1%, reflecting higher proportion of male employees

Continued external recognition through various ESG rankings

ESG Executive Summary

In 2023, despite the challenging global context, we remained committed to our purpose and values. We maintained our focus on operational efficiency while staying true to our principles of reliability, safety, ethics, and transparency. At Globaltrans, we recognise that sustainability is a journey that requires continual improvement. There is always more to do, and we constantly strive to improve our performance in order to drive positive change and foster long-term value creation.

We are delighted to share our 6th annual Sustainability Report, which showcases our ongoing commitment to ESG initiatives throughout the Group. The Report covers the progress we have made in those focus areas that are not only critical to our business but also of interest to our stakeholders. The reporting format aligns with GRI standards and TCFD recommendations, underlining our commitment to transparency and accountability.

We have observed a growing shift towards more stringent ESG disclosure expectations in recent times. In response, we are concentrating on strengthening our governance practices, improving our risk management framework and providing effective oversight of sustainability matters. And we are pleased with the way we have managed to instill a culture of accountability and responsibility across all levels of the Group, from the Board to the executive management and down to our operations.

As a responsible business, we remain committed to our environmental initiatives and have continued our efforts to limit our impact on the environment. As you may know, the Group has always emphasised the importance of efficient resource use. In 2022, we introduced the Green Office Initiative enabling us to collect, analyse and report data on our waste management practices annually. It is important to highlight that Globaltrans operates in a relatively "green" industry, and therefore, we do not generate significant amounts of waste. In fact, 99% of our waste is categorised as low-hazardous, and in circumstances where waste is unavoidable, we strive to reduce, recover, or reuse it.

We understand the importance of monitoring our carbon footprint, which is why we keep a close eye on our emissions. In 2023, we are pleased to report that the Group's total emissions (Scope 1 and Scope 2) decreased for the second consecutive year, with a 2% reduction year on year.

The people who work at the Group play a crucial role in our success and sustainable growth, and that is why taking care of them is our top priority. The Group is committed to providing equal opportunities to its employees, supporting their professional development and ensuring a safe and positive working environment. We continue to invest in developing an active learning culture across the Group, which resulted in over 50,000 training hours being logged across the Group's companies in 2023. We are also proud to report that our HR strategy has proved to be highly effective in reducing staff turnover at the Group, which stood at 16% in 2023 (2022: 19%).

On a separate note, we should point out that even though our Group companies adhere to a stringent health and safety regime, we did see a rise in our LTIFR in 2023, which increased from 0 (zero) to 0.90. The increase in our LTIFR was due to work-related injuries sustained by three of the Group's depot workers, but none of these involved fatalities or serious injury. It is worth noting that while disappointing, such occurrences are infrequent at Globaltrans, a business with a strong track record in Health and Safety. However, they do serve as a reminder that we must be even more proactive in anticipating future risks.

As part of its commitment to making a positive impact on society, the Group continued to support vulnerable groups in 2023 through its long-standing partnerships with various charitable organisations.

In 2023, Globaltrans was again recognised by various external ESG agencies for its sustainability practices, as reflected in various rankings. This recognition indicates that we are heading in the right direction and motivates us to keep pushing ahead. Moving forward, we will keep striving to bring about positive change and contribute to a better future.

¹ LTIFR is the number of lost time injuries multiplied by 1,000,000, divided by the employee total hours worked in the reporting period.

Sustainability

Our ESG journey

The timeline shows some key highlights and the progress we have made to date.

2018

- Publication of our first Sustainability Report in accordance with GRI standards
- First time reporting Scope 1 emissions
- **Privacy Policy** introduced

2020

- Introduction of various social policies such as **Human Rights, Diversity and Inclusion, and Freedom of Association Policies**
- **Environmental & Energy Policy** adopted
- **Suppliers' Code of Conduct** introduced
- Introduction of Group-wide LTIFR measure of employee health & safety
- Website relaunched with a separate sustainability section

2021

- ESG Committee formed
- **ESG Policy** adopted
- First time reporting Scope 2 emissions
- Publication of first climate-related report in accordance with TCFD recommendations
- Improvement in ESG ratings and ranking positions (Sustainalytics, Expert RA)

2022

- **Health and Safety Policy** adopted with LTIFR maintained at 0.
- Strengthening of HR practices. Employee engagement survey held
- **Green Office Initiative** introduced
- Further enhancement of climate-related disclosure: analysis of climate-related risks and opportunities

2023

- First time reporting waste management data with 99% of waste categorised as low-hazardous
- Further external recognition through various ESG rankings

Key ESG activities



Corporate governance

The objective of corporate governance is to support the Board in its efforts to provide effective, transparent and ethical oversight of the Group. Our governance framework is in line with the highest international standards supporting the Board to make decisions that are in the best long-term interests of the Group and its communities that will create value for all its stakeholders.



Employees

Creating and sustaining a safe workplace is the key role of a responsible employer. Our goal is to enable people to work with dignity and respect, to provide opportunities for growth and development and to create a just and rewarding work culture. We also ensure that we operate in full compliance with all applicable employment legislation.

KEY ESG ACTIVITIES



Environment

Employing more energy-efficient practices, reducing carbon emissions and promoting recycling are the means by which we work to minimise the adverse impact of Globaltrans' activities on the environment.



Communities

We are very conscious of the role we play in supporting our communities. We do this through our employees' interactions, the opportunities our businesses create, and the economic value that our Company generates. We also actively contribute to community initiatives and provide direct support to important community causes through charitable giving.

→ Globaltrans continuously strives to improve the way it controls, manages and mitigates the impact of non-financial risks, which include strategic, operational and compliance risks. This is not simply to satisfy regulatory obligations but also to meet the expectations of our stakeholders. For further information, please see the Risk Management section of this Annual Report.



Sustainability

Contributing to the Sustainable Development Goals

This year's Sustainability Report also referenced the United Nations Sustainability Development Goals ("SDGs") framework, as Globaltrans directly or indirectly contributes to some of the UN's 17 SDGs. These goals provide a roadmap for societies and businesses around the world to end poverty, protect the planet and achieve a better future for everyone by 2030.

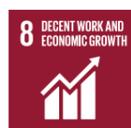


We focus on prioritising the wellbeing of our people and cultivating a zero-harm culture



We aspire to increase female representation at all levels within the Group

We focus on providing our employees with equal employment opportunities



We invest in learning and skill development of our staff to provide a safe and inclusive work environment



We constantly search for opportunities to optimise the use of resources and minimise waste



We are committed to minimising our carbon footprint

Stakeholder engagement

Effective stakeholder engagement is crucial for sustainable success and long-term value creation. Globaltrans recognises the significance of collaboration and actively promotes regular and transparent stakeholder engagement. Open and effective dialogue with our stakeholders allows us to be kept informed of their needs, expectations and concerns and enables us to receive valuable insights and create better outcomes for the business. It also helps us to identify and manage material issues as well as potential risks and opportunities.

We actively engage with our stakeholders throughout the year using various channels and processes to ensure accountability for our activities and deepen their understanding of our strategy, performance and initiatives.

In terms of our day-to-day operations, Globaltrans' stakeholders include employees, customers, investors, government and regulators, and local communities. At the Group level, we regularly engage with investors, shareholders, credit rating agencies, financial institutions and the media. The type of engagement varies depending on the stakeholder group.

In 2023, despite the challenging macro environment, the Group's stakeholder interactions have been maintained at the same level as previous years. We devoted considerable time and effort to address the concerns of our stakeholders and respond quickly to information requests. During the year, we maintained our use of digital communication for a large number of client engagements, investor meetings and events.

The corporate website is the main source of information on the Company: news releases, results presentations, webcasts, current and historical financial information, market statistics, and other important data can be found there. We have a separate section on sustainability, in light of our increased commitment and reporting on this important issue.

Stakeholder engagement mechanisms

Stakeholder group	Mechanisms of stakeholder engagement	Outcomes in 2023
 Employees	<ul style="list-style-type: none"> Intranet Labour-management consultations Staff surveys Corporate booklets, information boards Regular, direct communication between managers, teams and individuals Career development, training and performance reviews 	<ul style="list-style-type: none"> Improvement in overall staff turnover Over 50,000 training hours provided to support the employee development Provision of social benefits and guarantees, including medical insurance Improvement in employee benefit packages Improved colleague awareness of health and safety along with other ESG issues Diversity and equality issues in focus – number of employees with disabilities increased to 30 Enhancement of corporate culture by hosting various events
 Shareholders and investors	<ul style="list-style-type: none"> Open, effective and transparent communication Investor Relations website Dedicated Investor Relations team Annual/Extraordinary General Meetings Corporate reporting, webcasts Conference calls, investor events and roadshows Social media channels 	<ul style="list-style-type: none"> Information disclosure on a semi-annual basis Analyst and investor events and webcasts Non-deal roadshows with institutional investors Series of investor meetings with retail investors Publication of Annual Report and Sustainability Report along with the climate-related disclosure Completion of numerous ESG questionnaires received from investors, financial institutions and rating agencies Interaction with credit rating agencies
 Customers and business partners	<ul style="list-style-type: none"> Regular meetings, presentations, and formal consultations Customer analytics, customer evaluation system Industry conferences and forums Customer satisfaction surveys Transparent supply chain 	<ul style="list-style-type: none"> Maintenance of robust portfolio of Service Contracts contributing 61% of Net Revenue from Operation of Rolling Stock in 2023
 Government, regulators and professional authorities	<ul style="list-style-type: none"> Regular communication with regulators/policy makers on industry issues Industry and regulatory forums 	<ul style="list-style-type: none"> Participation in industry associations including the Council of Railway Operators and the Union of Transport Workers
 Local communities	<ul style="list-style-type: none"> Corporate philanthropy and charitable contributions Community investment 	<ul style="list-style-type: none"> Assistance to socioeconomic development of our communities Regular contributions to aid charitable projects (In 2023 the Group supported the Life Line Charity Fund, Road of Mercy Charity foundation and other organisations)
 Media	<ul style="list-style-type: none"> Communication with media representatives Transparent disclosure through various channels Dedicated media section on corporate website Dedicated media relations contacts Press conferences and exhibitions 	<ul style="list-style-type: none"> Distribution of news and information announcements Access to results webcasts with the management Responding to media queries Interviews with senior management, ad hoc commentary on industry issues, and responding to journalists' questions

Sustainability

Ethics and behaviour

Compliance and integrity are critical assets for any business, as they shape how a company is perceived by stakeholders and can have a significant impact on its long-term success. Globaltrans recognises the importance of upholding our values and ethics and is committed to doing the right thing and operating our business responsibly and with the highest levels of integrity. By acting with integrity, we gain the confidence and trust of our clients, investors and other stakeholders and create a positive societal impact. Our commitment is demonstrated through the Group's adherence to legal and regulatory requirements, continuous improvement of the governance framework and constant focus on risk management. Our values and principles are clearly communicated through a wide range of Group policies, which serve as the foundation of all our business activities. Each policy has been endorsed by the Board.

Our **Code of Ethics and Conduct** defines the corporate values, the basic principles of business conduct, and the ethical commitments that the Group and its employees must put into practice on a daily basis. It describes the Group's principles with respect to confidential information, anti-bribery, conflicts of interest and reporting concerns. The Code is intended to help our employees become aware of the responsibilities that each one of them has and to understand what is expected of them to ensure compliance with our policies and all relevant laws and regulations.

We do not tolerate any violations of the Code. All employees are required to read and fully understand the Code and sign an acknowledgement to this effect.

We strongly believe that sustainability is about cooperation. Our partners are an integral part of our business, and how they behave also reflects

on us. Therefore, they must understand and commit to upholding the same ethical standards as we set for ourselves. Accordingly, in 2020 the Group formally adopted a **Supplier Code of Conduct**, based on the principles set out in the UN Global Compact, which describes what Globaltrans expects from its suppliers with regards to business ethics, human and labour rights, employee relations, health and safety and other related topics. By building on our shared values, Globaltrans and its suppliers can create stronger and more successful businesses. We are glad that nearly all our business partners adhere to the highest ESG standards, comply with all the environmental and social regulations and provide voluntary disclosures on sustainability matters.

Globaltrans has adopted formal Group-wide policies that address human rights, freedom of association, data protection, diversity and inclusion, and supplier conduct. These policies are subject to ongoing review and monitoring to ensure their relevance and compliance with legal requirements. The Group requires all employees to acknowledge that they understand and accept the relevant policies. All policy documents are publicly available and can be viewed on the Company's website.

The fundamental rights and freedoms of individuals are an important concern for Globaltrans in its relations with employees and partners. We are committed to maintaining strong human rights and labour practices not just in our own operations and business network, but within the broader community as well. We act to create a fair, equal, healthy, safe, and engaging work environment for all employees. That also means a commitment to respecting human rights.

Our **Human Rights Policy**, introduced in 2020, sets out the minimum human rights standards that everyone who works for, and with, Globaltrans must meet. To ensure that we are continually progressing on this front, we regularly review our conduct, policies and training and incorporate any required changes or learnings into our operations. Our approach is consistent with international human rights standards such as the UN Guiding Principles on Business and Human Rights. Our commitment to human rights is also clearly stated in our Code of Ethics and Conduct, Supplier Code of Conduct, and in our Diversity and Inclusion Policy.

A diverse and inclusive work environment is rewarding for our people and ultimately for our business. By treating everyone with dignity and respect, by providing equal opportunities regardless of ethnicity, gender, religious beliefs, nationality, age or any physical disability, we can create an environment where people can be themselves and excel in what they do. Our **Diversity and Inclusion Policy** details our commitment to creating an inclusive and welcoming environment. That commitment is supported at the highest levels within the Group and is reflected in our approach to new appointments and Board membership.

Alongside our commitment to inclusivity is our respect for all applicable labour laws and regulations and our recognition that it is a fundamental right of Globaltrans employees to form and join workers' organisations and to engage in collective bargaining¹. This is enshrined in our **Freedom of Association Policy**, adopted in 2020, which reflects the Group's commitment to respecting employees' choices and maintaining a regular and constructive dialogue with them and their designated representatives.

Globaltrans has a zero-tolerance approach to bribery and corruption in all its forms. While this is detailed in our **Anti-fraud Policy**, we have always endeavoured

to act ethically, professionally, fairly and with integrity in all our business activities and relationships. We are very clear on the standards of conduct that all employees must adhere to, and we provide guidance on how to avoid and recognise unacceptable behaviour. Our approach is consistent with all applicable regulations and we have established rules and procedures to deal with any alleged violations. We ensure that each employee understands the types of violations that can occur within their area of responsibility and closely monitor for any signs of potential non-compliance.

To support this, the Group maintains a **Whistleblowing Policy** which encourages the investigation and reporting of improper activities, including non-compliance with our Code of Ethics and Conduct, and helps fosters a culture based on honesty and good behaviour. We encourage employees to speak up and report any concerns that they may have. We provide confidential, safe and secure mechanisms for anonymous reporting of suspected violations, as well as safeguards and support for those who report such breaches.

Senior management meets regularly to discuss, inter alia, anti-fraud and anti-corruption measures. During 2023, no instances of alleged fraud, bribery or corruption were reported within the Group.

We are committed to protecting the personal data and respecting the privacy of our stakeholders. We comply with the EU General Data Protection regulation ("GDPR") which was adopted in April 2016. Data privacy and security are of the utmost importance to the Group and we have a dedicated **Privacy Policy** that can be accessed on the Group's website.

Tolerance	Impartiality	Respect	Equality for all	Safety
Understanding and respecting diverse cultures and people with different views	Acting objectively and professionally	Acknowledging people's abilities, qualities and achievements and complying with all applicable labour laws	Creating opportunities and a working environment that excludes any form of discrimination	Complying with required rules to create a safe and healthy workplace

¹ In 2023, there were no employees covered by collective bargaining agreements.

Sustainability

Employees

1,802

Total headcount

29%

Share of women in the workforce

52,184

Total training hours

16%

Employee turnover rate

1%

Gender pay gap (GPG) at non-managerial level

It is our people that play the greatest role in moving us forward. Our progress primarily relies on the contribution of our people. Their skills, knowledge and dedication are fundamental to our long-term success and sustainable growth. As a responsible employer, we are committed to prioritising the interests of our employees and taking good care of them through solid human resources practices. This people-centred approach is in line with our culture and the fundamental values of the commitments, policies, and initiatives of the Group. To retain the best professionals in our industry, Globaltrans must be a workplace where people choose to join and stay. Hence, we are dedicated to establishing the right conditions in which employees can work effectively and advance their careers. We also strive to maintain a positive, inclusive, and inspiring work environment in which everyone feels valued, respected, and supported.

Globaltrans has always valued its employees as individuals. We embrace diversity and inclusivity, recognising that each person brings unique perspectives and strengths to our team. We strive to ensure that all our employees have equal opportunities in their daily work. At Globaltrans, we offer fair remuneration that recognises individual performance. In doing so, we strive to encourage our people to realise their full potential by providing them with expertise, education and training opportunities.

We apply a zero-tolerance approach to all forms of discrimination, hostility, harassment or unprofessional behaviour.

We continue to prioritise our employees' wellbeing and safety and we are fully committed to fostering a culture of health and safety at both the individual and group levels. In recent years, we have made a stronger commitment to addressing health and safety issues and have developed robust policies and strategies to achieve this.

To maintain a positive and healthy work environment, clear communication, regular performance reviews, employee engagement surveys, and recognition programmes are essential. These initiatives help foster strong relationships between employees and employers, contributing to a positive work culture.

Our Company is committed to managing people issues effectively through a robust HR strategy and policies that define our philosophy and values. These policies cover areas such as human rights, health and safety, workplace relations, performance and development processes and non-discrimination.

Our core policies and guidance include:

- Anti-fraud Policy
- Code of Ethics and Conduct
- Compensation and Benefits Policy
- Diversity and Inclusion Policy
- Freedom of Association Policy
- Health and Safety Policy
- Human Rights Policy
- Internal Code of Labour Conduct
- Regulations on Contractual Work
- Regulations on Business Trips
- Regulations on Protection of Personal Data of Employees

All these policies are intended to ensure compliance with the appropriate labour and social standards as well as all local laws and regulations relating to compensation and benefits, recruitment, working practices, equal opportunities, diversity and discrimination. Should we become aware of any suspected violations or issues, we take immediate action to investigate and address them.

In 2023, we continued to improve our HR management procedures and activities at both the Group and subsidiary levels.

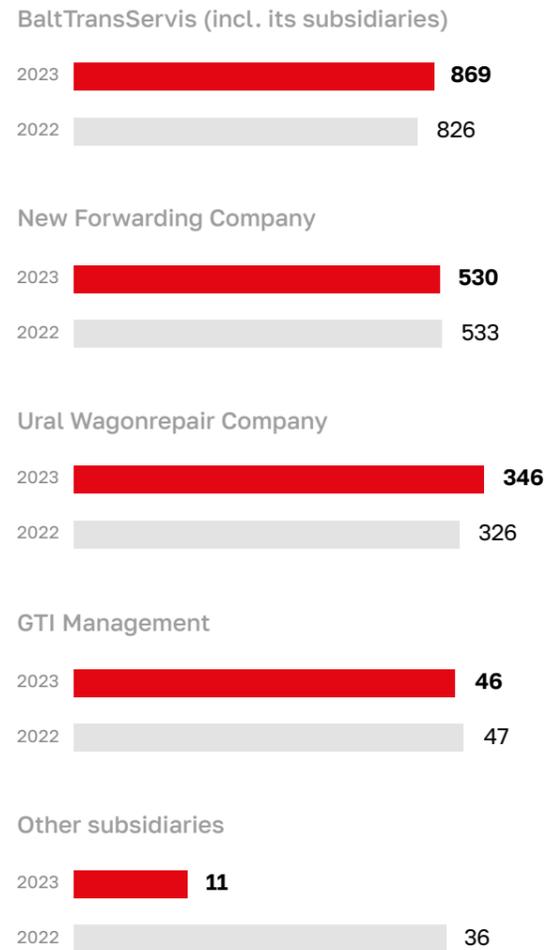
Workforce size and mix

In 2023, our average employee headcount decreased 1% year on year to 1,771 employees (2022: 1,781). Overall headcount, as at the year end, increased 2% compared to 2022 to 1,802 employees¹ (2022: 1,768). BaltTransServis ("BTS") continued to be the largest employer within the Group as a result of the continuing shift to employing in-house locomotive crews. Our workforce is predominantly male, with 71% male employees and 29% female employees. We have a young talent pool, with 64% of our employees aged between 30 and 50 years. Almost all our employees (99%) hold regular, full-time positions.

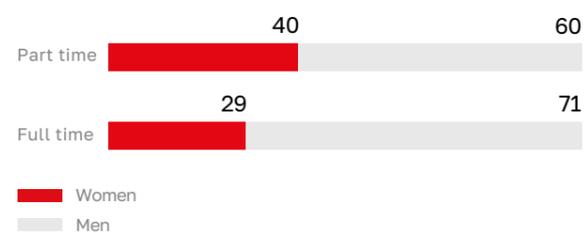
¹ The difference between the headcount and the average headcount is due to different calculation techniques. The headcount is presented as at the end of 2023, while the average headcount is calculated by summing up the number of employees on the list in each month of the reporting period and dividing this sum by the number of months.

Sustainability

Headcount by Group subsidiaries in 2023 and 2022, at year-end



Permanent contract in 2023, at year-end, %



Source: Globaltrans.

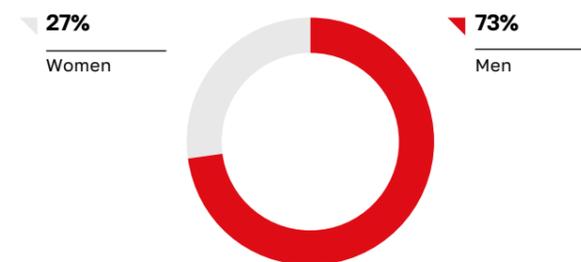
Headcount by gender in 2023, at year-end



Headcount by age in 2023, at year-end



Temporary contract in 2023, at year-end



Source: Globaltrans.

Diversity

We strongly believe that embracing diversity and inclusion within a company contributes to better business performance, decision-making processes and outcomes. At Globaltrans, we have always considered diversity as our strength and a competitive advantage and we strive to integrate it into our corporate culture and business strategy. Furthermore, prioritising diverse and unique perspectives, backgrounds and experiences translates into higher levels of employee satisfaction, retention, and performance. As a result, we can create a better work environment. Therefore, diversity and inclusion issues are an important focus area for the Group's HR function.

At Globaltrans, we are committed to creating an inclusive work culture where everyone is treated fairly and with respect, regardless of their gender, nationality, religion, sexual orientation, or physical ability. We value and celebrate our employees' individuality recognising their unique talents, contributions, and performance. Our commitment to equal opportunities and rights for all is at the core of our Company's philosophy.

We strive to eliminate all forms of discrimination by offering equitable employment to all our employees. The Group's approach to diversity issues is set out in the Diversity and Inclusion Policy adopted in 2020 and exists at all levels of the Group, including the Board of Directors and all subcommittees of the Board. The Diversity and Inclusion Policy covers all forms of diversity and inclusion, including without limitation aspects such as age, gender, education, professional background, ethnicity, sexual orientation, disability and socio-economic background. In line with the best practice and the Group's commitment to diversity, the Board does take into account DE&I aspects when making new Board appointments and considering the composition of the Board.

During the reporting period no incidence of discrimination was reported.

Globaltrans is committed to upholding the principles of diversity, equal opportunities and anti-discrimination in all of our activities. This commitment applies to recruitment, employee retention, promotions, compensation and benefits, career development and training, working conditions, and Board appointments.

The Group is actively working to promote greater fairness and equality within the organisation by ensuring equal compensation opportunities for both men and women. By conducting a comprehensive analysis and publishing our gender pay gap data¹, we aim to increase transparency and understanding of the challenges and opportunities for achieving gender equality in our workforce.

The gender pay gap relates to differences in average pay between men and women within an organisation; it does not compare the wages paid to men and women for doing identical or similar jobs (known as equal pay). In 2023, the average gender pay gap in our non-managerial workforce was 1%, indicating that the average hourly wage of male employees is higher than that of female employees. This gap reflects the fact that there are proportionally more men at the non-managerial level. Prior to that, for the previous three years, the Group has had a gender pay gap in favour of women.

We will continue to work on closing our gender pay gap and increasing the female representation in the Company.

¹ The gender pay gap at non-managerial level is the difference between the average hourly earnings of a company's male and female employees who are below management level. Calculating the mean gender pay gap involves adding the hourly rates for all male employees and then for all female employees in two groups and then dividing these totals by the number of male or female employees in each list. Then one needs to subtract the female hourly rate from the male hourly rate, divide the total by the male hourly rate, and multiply the figure by 100. This will give a percentage difference in pay.

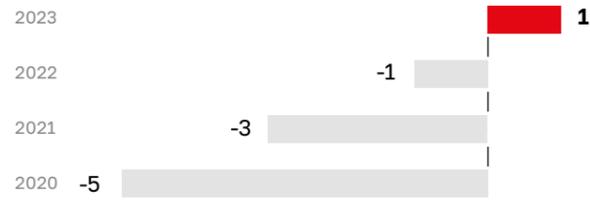
Sustainability

We are committed to building a more diverse workforce and a more inclusive workplace where everyone feels accepted, respected and empowered. Historically, the freight rail transportation has been an industry where women are under-represented. By concentrating on attracting more women into the workforce, we are progressively and successfully addressing the gender imbalance within our Group. As at year-end 2023, women comprised 29% of our workforce. At the Board level, women comprised 14% of the Board of Directors (two Board members).

Our second priority for managing diversity is to ensure the inclusion of employees with disabilities. We believe it is important not only to hire people with disabilities but also create an environment where they can easily work and build successful careers, regardless of any disabilities they may have.

There are currently 30 employees with disabilities (1.7% of the total workforce) whose daily contributions are helping the Group meet its business goals and achieve success.

Mean (average) gender pay gap, % at non-managerial level



Source: Globaltrans.

Diversity matrix in 2023 (at year-end) – Gender

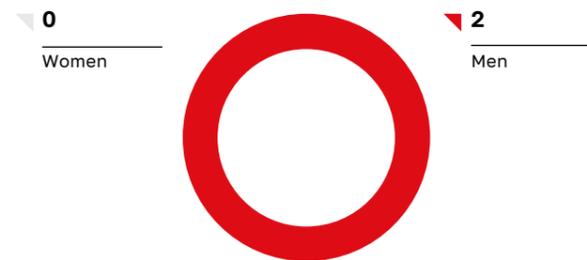
Number of Board members



Number in Executive management



Number of senior positions on the Board (Senior Independent Directors and Chair)



Diversity matrix in 2023 (at year-end) – Ethnicity

	Number of Board members	Percentage of Board members	Number of senior positions on the Board (Senior Independent Directors and Chair)	Number in Executive management	Percentage of Executive management
White British or other White (including minority-white groups)	14	100	2	9	100
Mixed / Multiple Ethnic Groups	-	-	-	-	-
Asian / Asian British	-	-	-	-	-
Black / African / Caribbean / Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified / prefer not to say	-	-	-	-	-

All the data in the tables was gathered voluntarily via self-reporting through questionnaires given to the relevant participants based on the criteria set out in the above tables. Although diversity, equality, and inclusion are important principles held throughout the Group, in 2023 we did not manage to meet the Board diversity targets in having at least 40% of the Board comprised of women, a director from a minority ethnic background or a woman in the role of chair, chief executive, senior independent director or chief financial officer.

In this regard, Globaltrans recognises that freight rail transportation industry historically has been male dominated and that in the regions where we operate and work, there are more limited opportunities for inclusion of numerous ethnic groups. Nevertheless, we consider that positive progress has been made to date in achieving greater diversity at all levels of the Group (including the Board) and we will continue to address these issues in the future and seek further opportunities to improve our diversity and achieve these targets.

Sustainability

Training and education

Continuous learning and professional development are as essential to the personal growth of our employees as they are to our business' sustained success and competitiveness. A learning culture is an integral part of our people strategy as it enables our team members to better tackle complex problems, be more adaptive to change and improve their skills. Thus, the Group actively invests in the progress and skill enhancement of its employees by providing them with appropriate opportunities and experiences that are tailored to meet their professional needs and career goals.

To help our people enhance their knowledge and performance, and become more future-ready, we regularly host training events, seminars and skills workshops tailored to individual work requirements. Many of the training and development courses we offer, including those that cover sustainability, social, strategic and personal development issues are available online through our intranet. By offering an array of training and development tools, we keep our employees engaged in their jobs and with the Company.

In 2023, we provided a total of 52,184 hours of training for our employees, which is lower than the previous year's figure (2022: 78,106). It was due to a decline in the amount of mandatory safety training required in the year. The learning and development activities focused on such areas as health and safety, accounting, business administration, environmental safety, information technology, financial management, and marketing. We also worked on the development of technical and soft skills. In 2023, the majority of learning activities remained digital, with 82% of all training and development happening online.

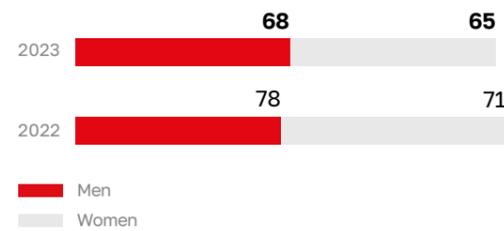
Number of employees participating in training



Average training hours per employee (participating in training)



Average training hours by gender



Source: Globaltrans.

Distribution of training among employees by employee categories in 2023



Main types of training formats in 2023



Source: Globaltrans.

Motivation

Passionate, engaged and motivated employees are an important part of what makes any business successful and efficient. As an employer, we strive to be an employer of choice, by demonstrating that we care about our people's quality of life and are committed to fostering a culture of appreciation. At Globaltrans, we are constantly improving our human resources practices to try to provide the best possible employee experience. Our goal is to inspire and motivate our people by providing them with a safe, creative and collaborative workplace. We keep in close touch with our colleagues, we listen to their needs and we work together to adapt to changing circumstances. We provide ongoing feedback to help them monitor their performance and achievements.

We are committed to maintaining a motivated and productive workforce that values being part of Globaltrans. To retain talent within the organisation, we must continually improve working conditions, provide career development opportunities, offer attractive compensation and benefits, and provide rewarding work and opportunities for learning and development. Our staff reward packages can vary for every subsidiary and include but are not limited to:

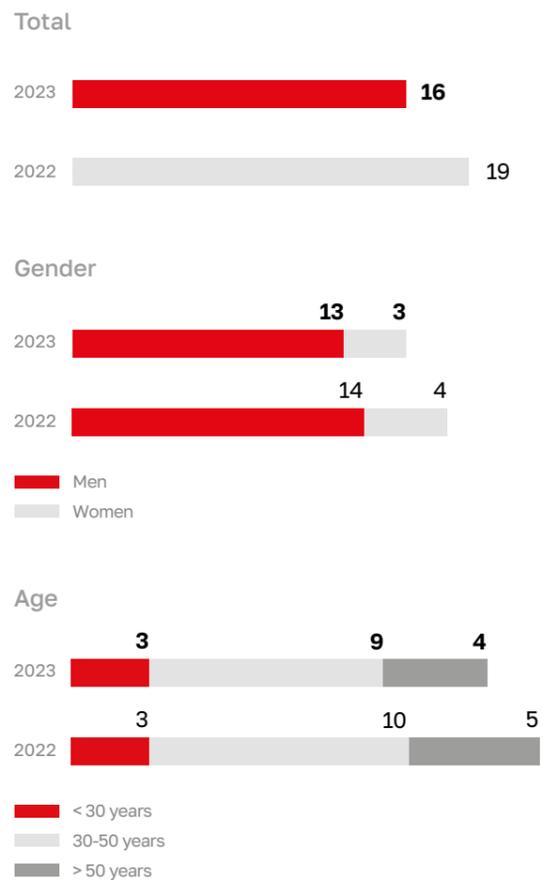
- Social insurance (compensation and paid leave in case of pregnancy, childbirth, and childcare);
- Medical coverage for employees and their families;
- Reimbursement of home-to-work transportation costs and fuel expenses;
- Gym membership;
- Education of employees' children and grandchildren.

In addition, the Group reviews different types of requests and provides financial assistance in challenging circumstances and on special occasions. Eligible employees can participate in various incentive schemes operated by the Group.

Sustainability

Retaining our people is one of our top priorities. We have consistently tracked staff turnover historically, as it provides valuable insights into areas for improvement and helps us better understand our employees' needs and engagement levels. In 2023, through our sustainable HR practices we have managed to improve our overall employee turnover rate to 16% (13% for men and 3% for women) (2022: 19%). This is a good achievement that reflects well on our efforts to create a positive and supportive work environment for all our employees.

Employee Turnover Rate based on gender and age, 2022–2023, %



Source: Globaltrans.

Corporate culture and internal communications

We place a high priority on our corporate culture at Globaltrans. We recognise that our people dedicate a substantial portion of their time to their job responsibilities. As such, we are committed to cultivating an environment that prioritises the well-being and satisfaction of our employees. Our Company's culture is built on respect, openness, and collaboration. We strive to uphold these values and create a thriving workplace that benefits both our employees and our organisation as a whole.

We listen to every employee's voice at Globaltrans because we believe that it is a powerful way to help our business grow and progress. That is why we prioritise, promote and practise open communication with our people. All employees are encouraged to raise any issues and concerns and provide feedback to improve the business. Our communication channels enable everyone to learn more about our performance, major events, and projects, and to connect with senior management. To understand our employees' needs and improve their experience, we conduct various surveys. Some of our Group subsidiaries also have employee intranet and helplines available.

Every two years we conduct a staff engagement survey to evaluate the effectiveness of our HR practices and policies, and to improve our approach to key issues like compensation, professional development, and staff communications. Our first staff engagement survey was conducted in 2022 and demonstrated an impressive 88% engagement score. Through this survey, we learned that our people positively evaluate their experience working at Globaltrans, support the Company's objectives and have confidence in the Group's future success. The next survey will be conducted in 2024.

To enhance our culture and boost employee engagement, we regularly host sports, cultural and recreational events for our employees and their families. In 2023, our employees actively participated in the tree planting trips and other ESG initiatives aimed at minimising our environmental footprint.

We will continue to look for ways to improve our engagement mechanisms and seek feedback from employees more frequently to keep our people engaged.

Health and safety

Ensuring that our people are safe and well is our highest priority and responsibility as an employer. It is also our duty to create a work environment that is free from incidents and safety hazards. The Group is committed to maintaining high standards of occupational safety and to complying with all health and safety regulations and legislation. Solid health and safety management is the basis of our culture.

Our Code of Ethics and Conduct and Human Rights Policy sets out our commitment to act in a socially responsible manner that protects our people, suppliers and partners, all of whom we expect to share that commitment. Globaltrans continuously reviews its health and safety procedures, practices and policies to ensure that all levels of the Group conform to the rules. Our Group companies are implementing the following policies:

- Fire-safety instructions;
- Instruction for carrying out health and safety briefings;
- Instruction on pre-medical first aid;
- Occupational safety regulations;
- Workplace safety guidance for PC users.

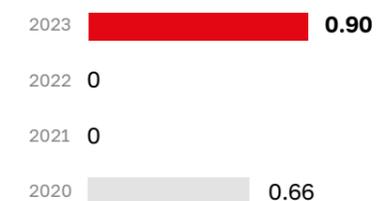
In response to the challenges brought about by the COVID-19 pandemic and a tragic event in 2020 that resulted in the loss of a colleague, the Group decided to re-evaluate and enhance its safety protocols and practices to achieve a higher standard of health and safety. Our primary goal was to implement stringent measures that would allow us to mitigate all potential risks. In 2022, the Group adopted its Health and Safety Policy that outlines our aim of achieving zero harm in occupational health and safety by eliminating any unsafe or unacceptable behaviour in the workplace. It also stresses the Group's dedication to cultivating a culture of zero harm and increasing risks awareness among employees through ongoing improvements to workplace safety programmes.

Safety is always a team effort. We encourage our employees to adopt good health and safety practices and to make the right decisions about their everyday wellbeing. As a responsible employer, we provide appropriate information and training opportunities to all employees to prevent future workplace incidents. We ensure that all employees undergo general safety awareness and training. Additionally, we provide job-specific training applicable to the area of work. Over the last few years, the number of training sessions on safety has increased significantly.

Our HR department and safety experts collaborate closely with our employees, employing a systematic approach to managing the work environment that involves analysing work-related risks, evaluating how applicable rules and policies are implemented, and identifying where there is scope for further optimisation. We conduct regular safety spot-checks to ensure that we continue to meet high standards. In 2023, the number of workplace safety audits decreased to 172 visits (2022: 526 visits) due to the fact that the results of such audits are usually valid for the 5-year period, which is in line with the local labour legislation of the Group's subsidiaries.

Most of our employees work in a low-risk environment. However, in recent years, some of our subsidiaries have hired more technical staff who are at higher risk of work-related incidents than office workers. Unfortunately, in 2023, despite our stringent safety measures, three minor work-related incidents (involving minor and moderate injuries) occurred in two of the Group subsidiaries. These incidents resulted in an increase in our Lost Time Injury Frequency Rate ("LTIFR"), an indicator used to assess safety performance within the organisation. In 2023, the Group's LTIFR stood at 0.90. It is important to note that all the incidents were assessed and thoroughly investigated on the days they occurred. We were able to determine the causes and develop remedial measures. Moving forward, we will continue to be proactive and work to restore our positive safety performance in future periods by learning from past mistakes, increasing the number of safety training sessions and implementing an incident prevention programme. There were no incidents that led to a fatal outcome in the reporting period.

Loss Time Injury Frequency Rate (LTIFR), 2020–2023



Sustainability

Communities

Rail transportation is essential in today’s society as it promotes economic growth, helps lower greenhouse gas emissions and generates employment opportunities. Globaltrans understands its socio-economic and environmental impact, and is committed to being a responsible corporate citizen that makes a meaningful impact on society. We recognise that our business can contribute to a sustainable future for our Company, our employees and our planet by investing in social interests, minimising its carbon footprint and acting with integrity and transparency.

As an employer and business partner, we have a responsibility to the communities where we operate and the people around us. We work hard to be a positive influence on society by creating shared value for all our stakeholders through our continued commitment to sustainability.

Our social commitments are embedded in our culture, business operations, client relationships, community involvement and charitable efforts.

Our business operations add value to society in various ways, including through direct and indirect employment, tax payments social activities, internships, and educational support. Our employees welcome the opportunity to engage with interns or take part in our pro bono social programmes to develop their capabilities and contribute more to society. By maintaining close links with our local communities, we can determine how best to provide the support – whether it be skills, time or financial assistance – that will deliver the best outcomes.

It is through our business success that we can provide this support and create opportunities for both current and future employees. Additionally, we are contributing directly to the broader economy through local and national taxes, licence payments and other fees and by using third-party services and suppliers.

The following table illustrates how our Company creates financial value for its stakeholders.

- ¹ Information in the table is derived from the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2023.
- ² Direct economic value generated includes “Revenue”.
- ³ Payments to providers of capital include “interest paid”, “dividends paid to owners of the Company” and “dividends paid to non-controlling interests in subsidiaries”.
- ⁴ Payments include “tax paid” and “taxes (other than income tax and value added taxes)”. The Company also pays Russian Value Added Tax (“VAT”). VAT related to sales and purchases is recognised in the balance sheet on a gross basis and disclosed separately as an asset and liability.

We want our employees and those we work with to feel valued and supported. We want them to know we provide a safe, fair and respectful work environment where diversity is valued, and where everyone can prosper, and contribute to the success of their communities and Globaltrans. By providing childcare support, health insurance, and offering part-time work options, we show our employees that they are valued and we improve the quality of life for them and their families.

Our long-term goal of giving back to communities through a range of social initiatives is a priority for the Group. In the past, we have invested in good causes that align with our own culture and values. We contribute directly to charitable organisations in the areas of health, welfare, culture and education. Our focus on diversity and inclusion demonstrates the Group’s commitment to support the vulnerable – children, seniors, disadvantaged families and the disabled.

In 2023, we continued to support our long-standing partner, the Life Line Fund, which provides vital assistance to children with life-threatening conditions. Additionally, the Group started working with the Road of Mercy Charity foundation, which helps children with autism.

We also encourage our employees to take an active role in the communities where they work, for example by participating in local volunteering activities. In 2023, Globaltrans further contributed to society by continuing its small environmental project aimed at minimising our carbon footprint by planting trees. We believe that this initiative benefits not only the local ecology, but also helps restore biodiversity.

Going forward, the Group will continue to increase its positive social impact and improve the daily lives of its people and broader communities through sustainable, inclusive and responsible practices and initiatives.

Direct economic value generated, distributed and retained¹

	2023
	RUB mln
Direct economic value generated²	104,748
Economic value distributed	74,853
Total cost of sales (excluding employee benefit expense)	54,518
Total selling, marketing and administrative expenses (Community investments and excluding employee benefit expense and taxes (other than income tax and value added tax))	1,035
Employee benefit expense	8,174
Payments to the providers of capital ³	2,846
Tax payments ⁴	8,281
Economic value retained	29,895

Source: Globaltrans.



Sustainability

Environment

No recorded violations of environmental legislation

First-time reporting waste management data

-2%
decrease in total GHG emissions

1.6
carbon intensity

Climate change is one of the greatest challenges of our time. Being a responsible environmental citizen has become an essential obligation for businesses all around the world. The freight rail industry plays a crucial role in contributing to a low carbon economy by providing a sustainable and environmentally friendly mode of transportation. Rail is known for its efficiency, reliability, and reduced greenhouse gas emissions compared to other modes of transport on land.

At Globaltrans, we have always taken our global environmental responsibilities very seriously. We recognise that our operations can impact the environment, particularly in the form of greenhouse gas emissions. As a responsible business, we are committed to minimising the environmental

impact of our activities, and protecting the environment for the communities we serve, our stakeholders and society as a whole. To this end, we focus not just on controlling emissions but also on energy efficiency, waste recycling, and water management.

The Group strictly adheres to the applicable environmental laws and industry regulations of all the markets where we operate. We continually seek to improve our environmental performance to stay compliant and reduce our environmental footprint.

Our overall environmental management approach is underpinned by the Group's formal **ESG and Environmental and Energy Policies and Green Office Initiative**. These policies define our commitment to conduct our activities in an environmentally responsible way. We ensure that all of our employees understand and act in a manner consistent with our policies. We are constantly exploring ways to improve our subsidiaries' environmental management and reporting systems, so that we can better monitor, measure and assess the environmental aspects of our activities.

To achieve our environmental objectives, we need the support of all our employees and suppliers. Therefore, we are actively promoting environmental awareness in the workplace and improving transparency for all our stakeholders. To this end, we disclose the Group's environmental performance on a number of metrics consistent with external reporting frameworks like the Global Reporting Initiative (GRI). We include annual data and information on monitoring and progress in our integrated sustainability reports, which are publicly available on the Group's website.

Our 2023 results are set out below. There were no recorded violations of environmental legislation or regulations during the reporting period.

⚡ Energy usage

Energy consumption is a significant environmental concern for Globaltrans. The Group is committed to using resources prudently and exploring opportunities for further optimisation of its energy consumption. We believe that energy efficiency is one of the most cost-effective ways to combat climate change.

By managing our energy consumption efficiently, we are in a position to reduce our greenhouse gas ("GHG") emissions. This goal is something that we are working to promote and improve at all levels of the organisation. The Group's operations use different forms of energy, including diesel and electricity. Most of the energy we use is electricity in our offices, which is needed for lighting, air conditioning and powering computers and communications devices.

In 2023, the Group was successful in reducing its overall energy consumption due to a number of factors. There was a 1% year-on-year decrease in electricity usage, primarily attributable to the implementation of the Green Office Initiative and efficient energy-saving measures in the offices of the Group companies. Additionally, diesel consumption was down 2% year on year, partially attributable to the changes in logistics. A decrease in the use of the Group's vehicles contributed to a 13% year-on-year decrease in petrol consumption.

Energy consumption is regularly monitored, and, together with our environmental experts, we are constantly looking for ways to improve energy efficiency and reduce our carbon footprint.

Total consumption of energy resources by type, 2022–2023

Electricity (KWh)



Diesel (litres)



Petroleum (litres)



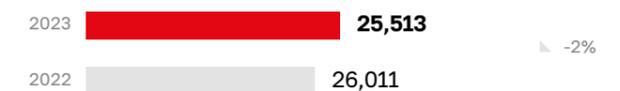
Source: Globaltrans.

Petrol and diesel consumption per employee, 2022–2023

Petrol



Diesel



Source: Globaltrans.

Sustainability

Use of water

Water is an essential natural resource for society and even though it is not an area where Globaltrans can make a meaningful impact, we are determined to use water responsibly as part of our commitment to environmental protection and resource conservation. All of our Group companies have managerial oversight on environmental matters that involve water use in our daily operations.

Since 2018, we have been steadily improving the monitoring, collection and processing of water usage data across the Group's subsidiaries. In 2020, we published our first annual water consumption results. In 2023, our water consumption increased 6% year on year to 17,603 m³ (2022: 16,654 m³)¹ due to the resumption of office-working for many employees. At Globaltrans, we are continually looking for ways to improve our water use and adopt practices that help our employees manage and use water more efficiently.

Paper Recycling

Paper has a significant environmental impact, due to the energy and raw materials required for its production, use and disposal. Therefore, we actively promote the importance of a green work environment and encourage our employees to reduce the frequency and volume of printing. In recent years, our focus has been on digitising business processes and employing electronic documentation. The COVID-19 pandemic has served to accelerate these trends.

In 2023, thanks to the effective implementation of the Green Office Initiative, the Group managed to lower its paper consumption per employee by 18% year on year.

Green Office Initiative

Besides minimising our environmental footprint through various different corporate sustainability initiatives, Globaltrans also takes proactive measures in daily office life to improve the efficiency of our processes and day-to-day activities. In 2022, we introduced our Green Office Initiative, which was designed to promote the adoption of the green office best practices across the Group and educate our staff to be more climate-aware. We believe our staff have a contribution to make in helping us transition to a greener world. We also strongly believe that our focus on environmental best practice is not only the right thing to do, but it can also deliver cost savings and help build strong stakeholder relationships.

Our goal is to improve the environmental efficiency of our offices by reducing our energy and natural resource consumption and waste generation. To save energy, we have begun replacing mercury-based lighting with energy-efficient LED lighting and have a plan to enhance the efficiency of our facilities' heating and cooling systems. Our waste management measures include using paperless communication methods, reducing the use of plastic, and opting for environmentally friendly waste collection and recycling. Wherever possible, our focus is on reducing, reusing and recycling.

As part of our Green Office Initiative, we encourage employees to participate and take responsibility for their day-to-day actions, as these will significantly influence the success of the project.

Paper consumption, kg per employee, 2022–2023



Source: Globaltrans.

Waste management

As stated in our Environmental and Energy Policy and Green Office Initiative, we strive to use resources and materials efficiently and to increase their reuse and recycling. We believe this approach not only benefits the environment but also encourages a sense of responsibility among our employees. Over the last few years, we have been working on collecting and harmonising waste management data from across all Group companies. As a result, in 2023 we were able to finally report on this important issue.

In 2023, the Group's generated 14,003 tonnes of waste. The largest portion of the waste generated in daily operations is classed as low-hazard waste (class IV and class V). Globaltrans is committed to managing these effectively to prevent and minimise adverse environmental impacts. Most of our waste is neutralised, disposed of and, where possible, recycled. These processes are handled by specialised waste processing professionals in compliance with environmental safety standards and legislation. We will continue to investigate ways to improve our waste management system and lower our impact on the environment.

Total waste volume, 2023

Waste type		Amount of generated and transferred waste, tonnes	Treatment Method
Hazard class I (extremely dangerous)	Mercury lamps, mercury-quartz, fluorescent lamps	0.13	Neutralisation / Disposal
Hazard class II (extremely dangerous)	Single galvanic cells (batteries)	0.02	Neutralisation / Disposal
Hazard class III (moderately hazardous)	Waste mineral motor oils, waste lubricating oil	185	Neutralisation / Disposal/ Burial
Hazard class IV (low hazard)	Office and household waste, waste (sediment) from cleaning operations containing petroleum, used tires, cartridges, computer and household appliances	420	Neutralisation / Disposal/ Burial
Hazard class V (practically non-hazardous)	Scrap metals and waste of steel products, ferrous metal shavings, paper and cardboard waste	13,398	Disposal/ Burial/ Processing/ Burial at a special landfill
Total		14,003	

¹ This excludes data from Spacecom (Globaltrans sold its shareholding in Spacecom in February 2023) and BTS (except for data from the BTS railcar repair depot in Ivanovo which is included).

Sustainability



Greenhouse gas management

We fully acknowledge the importance of climate change mitigation. Rail transportation is widely considered as the most efficient, safe, and environmentally-friendly modes of moving cargoes over land. Our industry is among the greenest and least-polluting from an energy and emissions perspective. Being the lowest contributor to overall transport carbon emissions, rail can play a significant role in addressing the global challenge of climate change.

Nevertheless, we recognise that our business activities do generate greenhouse gases, and their reduction is a priority for Globaltrans as we seek to minimise our environmental impact and mitigate the effects of climate change.

From a strategic perspective, Globaltrans' main operational and environmental objectives align perfectly: delivering efficient logistics and carefully managing assets are our top priorities. Since its inception, Globaltrans has focused on operational efficiency, specifically reducing the number of empty railcars transported as part of the Group's logistics movements. Not only does this help us achieve solid financial and business results, but it also helps us improve our environmental performance. For many years, we have led

the industry in operational efficiency, consistently delivering one of the sector's lowest gondola Empty Run Ratios, which speaks to our commitment. In 2023, the Group continued its efforts to improve its operational efficiency and achieved a significant improvement in its Empty Run Ratio for gondola cars, reaching a more than 10-year low of 36%.

In the freight rail industry, GHG emissions are directly linked to fuel consumption and, as such, locomotives are the primary source of emissions. Most locomotive traction is handled by the state-owned rail infrastructure provider. Globaltrans runs one of region's largest privately-owned locomotive fleets, providing a specialised service for its clients, primarily in the liquids segment. Consequently, we only measure, report and record emissions (Scope 1) that are directly attributable to our fleet of 66 mainline locomotives. Operating a modern and well-maintained fleet also helps reduce our environmental footprint. Of our locomotive fleet, 15% are fuel-efficient and cleaner diesel locomotives.

Since 2018, we have made substantial progress in measuring, managing and disclosing direct GHG emissions information in our operations, and this process is ongoing. In 2023, our direct GHG emissions decreased 2% to 136,865 tonnes of CO₂ equivalent¹ partially due to the changes in logistics (2022: 140,352 tonnes of CO₂ equivalent).

Understanding and reducing our carbon footprint is a significant step towards environmental sustainability. In recent years, we are constantly working to improve the quality and consistency of our data so that we learn more about our carbon footprint. In 2021 for the first time, we calculated the indirect GHG emissions generated by our energy purchases (Scope 2) using Scope 2 GHG Protocol guidelines. In 2023, the Group's indirect emissions were down 1% year on year and totalled 1,540 tonnes of CO₂ equivalent (2022: 1,560 tonnes of CO₂ equivalent). In total, the Group was responsible for 138,405 tonnes of CO₂ equivalent, 2% less than in 2022.

In 2023, the Group registered its lowest total GHG emissions since 2018. Furthermore, our carbon intensity indicator further declined to 1.6.

We believe that this is proof that our approach is working and we are moving in the right direction towards minimising our carbon footprint.

As a part of the Group's environmental response, BTS, which operates the bulk of our locomotive fleet, continued to invest in and develop its small tree-planting project in 2023. This initiative helps to offset part of our carbon footprint and make a positive impact on our communities and biodiversity.

Going forward, to ensure the business's resiliency against climate risks and their impact, we must continue to increase our energy efficiency, minimise our environmental impact and enhance transparency for both our internal and external shareholders.

GHG Emissions, 2018–2023

	2018	2019	2020	2021	2022	2023
Direct GHG emissions (Scope 1, tonnes of CO ₂ equivalent)	166,129	161,299	138,198	153,871 ²	140,352	136,865
Indirect GHG emissions from purchased electricity (Scope 2, tonnes of CO ₂ equivalent)	2,589	1,690	1,474	1,551 ³	1,560	1,540
Total GHG emissions (Scope 1 + Scope 2)	168,718	162,989	139,672	155,422	141,912	138,405

¹ The Group's greenhouse gas emissions were calculated per IPCC Guidelines for National Greenhouse Gas Inventories (2006).

² The data for Scope 1 emissions in 2021 was restated.

³ The data for Scope 2 emissions in 2021 was restated.

Climate-related Financial Disclosure (TCFD)

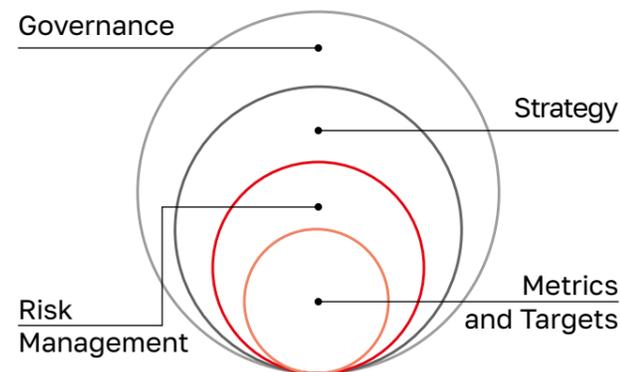
The Group's efforts to respond to climate change – implementing the recommendations of the TCFD

Globaltrans has long identified climate change as a material issue, and we incorporate the most relevant climate-related risks into the Group's risk management process. However, we understand that companies are increasingly expected to take more proactive measures to combat climate change. Therefore, in 2021 Globaltrans voluntarily committed to aligning its climate disclosure with the Taskforce on Climate-related Financial Disclosures ("TCFD") framework in order to ensure consistency, relevance and comparability for all our stakeholders within and outside our industry.

We believe that assessing climate risks and opportunities is an evolving process. As disclosure of climate-related information is now mandatory, we continue to deepen our understanding of potential climate-related risks and opportunities, embed responses to them into our strategy, planning and internal processes, and increase the level of climate-related disclosure. In line with the TCFD recommendations, this report addresses the four key areas: governance, strategy, risk management and metrics & targets.

As we move forward, we will continue to develop our climate analytics capabilities, further strengthen our climate resilience and be transparent about our progress on climate change issues. In the future, we intend to cooperate with industry experts on a high-level quantitative scenario analysis that will provide stakeholders with a better understanding of the potential financial impacts of climate change on our business and rail infrastructure in general.

Core Elements of Recommended Climate-Related Financial Disclosures



- Governance**
The organisation's governance around climate-related risks and opportunities
- Strategy**
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning
- Risk Management**
The processes used by the organisation to identify, assess, and manage climate-related risks
- Metrics and Targets**
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

The Board of Directors, through the work of its Audit and ESG committees, is accountable for the overall management of all risks, including climate-related risks. The ESG Committee ensures that all appropriate policies, mechanisms and processes are in place to allow the Board to effectively manage sustainability matters and address stakeholder needs. In turn, the Board has delegated responsibility for the efficient implementation and maintenance of the risk management system to the Group's CEO. The CEO is actively involved in all sustainability-related matters, including climate change, and closely monitors the Group's overall ecological performance. He receives updates from the Group's subsidiaries on their performance and planned initiatives. This careful monitoring of the Group's environmental activities allows the CEO to set the right tone and guide the development of Globaltrans' sustainability strategy.

Management of climate-related issues

- Responsibilities of the Board include:
- Overseeing the management of climate-related issues, risks and opportunities;
 - Monitoring and reviewing the effectiveness of the management approach (review of the policies, initiatives, metrics and action plans);
 - Overseeing the climate-related disclosures.
- Responsibilities of the management team include:
- Monitoring, managing and assessing climate-related issues, risks and opportunities;
 - Providing analyses, recommendations and updates for the Board or Board committees;
 - Maintaining effective data collection, including environmental and climate-related data;
 - Determining the allocation of costs and resources, such as personnel, and coordinating within the Group to identify, manage and mitigate environmental and climate-related issues.

Climate-related Financial Disclosure (TCFD)

Strategy

Material climate-related risks

Globaltrans' fleet, operations and financial results could be adversely affected by climate change and regulatory and legislative responses to climate change. Following the TCFD's methodology, we identify and consider both the transitional risks (those associated with the transition to a low-carbon society) and the physical risks of climate change. It is expected that the most significant effects of climate change are likely to emerge over the long term. Nevertheless, we consider the short, medium and long-term time horizons when assessing climate-related risks (short-term: 0–5 years, medium-term: 5–10 years, long-term: 10 years and above).

Physical

Acute and chronic physical risks

Time horizon: long-term

Description

Natural disasters, severe weather events and extreme temperatures pose a material risk to rail infrastructure in the regions where the Group operates and, therefore, to the Group's operations and rolling stock.

Delays, disruptions, derailments, infrastructure damage and other events may result in significant interruption to, or disruption of, the Group's business operations and damage to its rolling stock, which may negatively affect the Group's operations and performance. Moreover, disruptions to our clients' operations may also impact demand for the Group's services and affect its business and performance. Although the Group's rolling stock is fully insured, replacing damaged rolling stock may take a considerable amount of time.

Controls and mitigating factors

In addition to implementing its business continuity policy, the Group plans to refine its analysis of potential physical risks and mitigation plans. The Group intends to conduct

future climate assessments with potential involvement of external industry experts and adopt strategies to enhance its business resilience.

Transition

Policy/regulation

Time horizon: medium to long-term

Description

As a fuel-intensive industry, the rail freight sector is exposed to the risk of increased regulation related to carbon emissions and the use of fossil fuels (higher carbon prices) which may lead to:

- Increased fuel and energy costs, as well as spare parts and rolling stock due higher prices for iron and steel;
- Problems operating diesel locomotives if one is unable to address increased regulations;
- Increases in the cost of cleaner, more fuel-efficient locomotives;
- Higher costs related to the introduction of carbon taxes, increased carbon offset costs and carbon footprint reduction solutions;
- Early asset write-downs/impairment due to new and stricter energy standards.

Controls and mitigating factors

In response to these types of transitional risks, the Group will continue to improve its operational efficiency and reduce its energy consumption and environmental footprint. Furthermore, Globaltrans will continue to proactively monitor the carbon emissions associated with the operation of the Group's locomotive fleet to identify and evaluate operational

improvements and technological advances in fuel efficiency. We believe that annual emissions testing will help us better prepare for any future changes to the regulatory environment.

Market

Time horizon: medium to long-term

Description

Market risks include potential declines in demand for certain types of freight transported by rail due to increased climate change regulations and shifts in consumer preferences (for example, coal demand is affected by energy policy and GHG emission regulations). This may negatively impact demand for the Group's services, cause increased competition and affect the Group's operations and performance.

Controls and mitigating factors

The Group has always focused on maintaining a balanced fleet that better positions its operations to face the consequences of increased regulation and evolving market demand. By operating a fleet balanced between universal gondola cars that can carry a variety of bulk cargoes, and tank cars that just transport liquid cargoes, the Group reduces its dependence on any one cargo flow. It also means it can adjust quickly to changing market conditions.

Reputation

Time horizon: short to long-term

Description

Increased expectations among stakeholders of more aggressive environmental measures and climate change actions may lead to greater scrutiny from investors and other stakeholders. If this happens and the Group fails to meet these expectations and/or it fails to mitigate changes in climate change regulations, it may lead to a drop in investment, rising funding costs and a potential loss of clients.

Controls and mitigating factors

The Group will continue to engage with stakeholders and improve transparency around all ESG topics material to our business, including climate change, to meet stakeholder expectations.

Climate-related opportunities

The TCFD framework recognises that climate change, and the transition to a net zero economy may also present opportunities for businesses. Due to the nature of our business, Globaltrans considers the following climate-related opportunities:

Market

Time horizon: medium to long-term

Globaltrans regards transition climate risks, together with increased environmental awareness and further decarbonisation of the economy, as an opportunity to further promote the environmental benefits of freight rail transportation. As carbon pricing regulation becomes ever more likely and demand for lower carbon transport continues to grow, we may face a potential increase in our business operations, improved financial results and expansion of our client base over the medium and long term.

Resource efficiency

Time horizon: medium to long-term

Transition risks can also be regarded as an opportunity to promote and improve the Group's energy efficiency and enhance its environmental performance. Thus, efficient use of resources (energy, water) may reduce the Group's environmental footprint and operating costs. The Group will also continue to investigate and implement fuel-saving measures.

Reputation

Time horizon: short to long-term

Climate-related Financial Disclosure (TCFD)

Risk management

Globaltrans believes there is a potential opportunity to enhance its competitiveness and reputation by improving its environmental performance, further developing our climate awareness and resilience and ensuring high quality climate reporting for all stakeholders.

The resilience of Globaltrans' strategy, taking into consideration different climate-related scenarios

As stated earlier, at this stage the Group is not yet prepared to provide detailed information on climate-related scenario analysis and calculate the projected financial impact from climate change. Nevertheless, we believe that our strategy is designed to be resilient and that the 1.5–2 degree scenario would result in minimal business impact on the Company's operations.

In the 2 degree scenario, we expect there would be an increase in carbon taxes and energy costs (which would adversely affect the Group's financial position) as well as a shift of clients from other means of transportation (which would be beneficial for the Group's revenue). We anticipate that under the 4 degree scenario, there could be more frequent natural disasters brought on by climate change, which could potentially cause damage to the Group's assets and railway infrastructure. We also anticipate that there would be higher maintenance costs and a decline in revenue due to the potential disruption of the Group's operations.

Responsible decision-making, risk management and early action have always been part of what we do as they ensure the successful longevity of our business. From the outset, Globaltrans established a system to monitor and control the uncertainties and risks it faces. This system is overseen by a dedicated risk management function responsible for systematically identifying, assessing and managing opportunities and risks, including those related to climate change. Many elements, such as extreme weather, have long been recognised as a material issue and are captured within the Group's existing risk framework. However, the TCFD recommendations and our willingness to contribute to positive climate action have led us to add both physical and transition risks to our risk watchlist. We also recognise that climate-related risks are interconnected and can trigger other types of risks (operational, financial and reputational). Nevertheless, each group of risks requires a tailored management approach.

With regard to climate risk management, we are continuously building up our expertise and enhancing the methodology and tools to better assess climate-related risks and opportunities. At some point Globaltrans intends to conduct climate scenario analyses in collaboration with industry experts to help quantify the potential financial impacts and assess the resilience of the business.

To mitigate the effects of climate change, the Group is committed to a variety of environmentally responsible practices. We constantly monitor changes in the external environment and review laws and regulations. We also prepare and conduct a detailed analysis of the Group's energy consumption and emissions on a semi-annual basis.

→ For further information on our processes for identifying and assessing risks and opportunities, please see the Risk management section of this Annual Report.

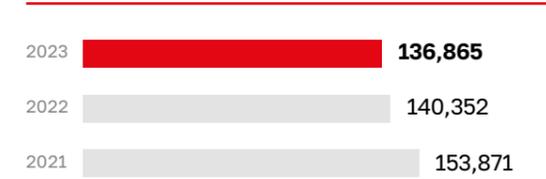
Metrics & Targets

Globaltrans is committed to openness and transparency. Since 2018, we have reported annually on our key environmental performance metrics. We measure, monitor and report on our carbon emissions relating to the operations of our locomotive fleet, energy usage, and water consumption. We have for some time disclosed our Scope 1 GHG emissions that the Group makes directly. In 2021, for the first time we also provided data on our Scope 2 GHG indirect emissions. These metrics are further detailed in earlier section of this Sustainability Report.

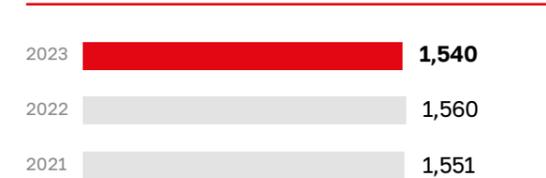
At this stage, Globaltrans is not yet ready to set time-bound emission reduction targets. Nevertheless, over the recent years we have focused on driving our carbon reduction initiatives and enhancing our operational efficiency. As a result, our Empty Run Ratio for gondola cars has improved significantly despite the challenging operational context and remains one of the lowest in the industry. A few years ago, we purchased 10 new, cleaner and more fuel-efficient locomotives. In 2022, Globaltrans launched a small environmental project that is gradually expanding. We also aim to offset the Group's environmental footprint through tree-planting. In 2022, we also took steps to further increase environmental awareness among our employees and promote green policies in our day-to-day office activities by introducing the Green Office Initiative in all Group companies. As a result, in 2023 we managed to quantify, harmonise and disclose our waste management data.

Going forward, the Group will work to demonstrate its progress in addressing climate change through our sustainability reports. We will continue to identify mitigation measures to minimise climate-related risks and improve reporting transparency.

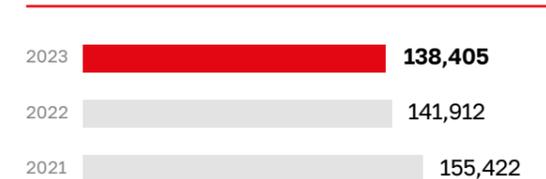
Scope 1 GHG emissions, tonnes of CO₂ equivalent



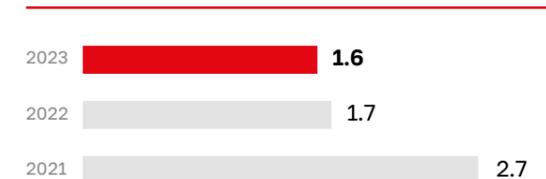
Scope 2 GHG emissions, tonnes of CO₂ equivalent



Total GHG emissions (Scope 1 + Scope 2), tonnes of CO₂ equivalent



Carbon intensity¹



¹ Carbon intensity is calculated as the sum of Scope 1 and Scope 2 emissions for the current baseline year, expressed in tonnes of CO₂ equivalent per Adjusted Revenue for the same baseline year.



Governance

During 2023, Globaltrans' corporate affairs were governed by the memorandum and articles of association of the Company and the provisions of applicable Cyprus law. Although the Company was not subject to any mandatory corporate governance code in its home jurisdiction of Cyprus, nor required to observe the UK Corporate Governance Code (formerly the Combined Code), it has implemented various corporate governance measures and practices. Globaltrans' Board of Directors has adopted and updated the Company's Code of Corporate Governance (the "Code"), guaranteeing that the interests of all shareholders are given due consideration. The Code comprises the various policies in relation to corporate governance which have been adopted by the Company.

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Board of Directors

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Corporate Governance Report

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Corporate Structure

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Board of Directors

Effective to 26 February 2024

The Board of Globaltrans is responsible for providing effective leadership for the Group, establishing its values and culture, overseeing its governance, and promoting the success of the Group for the benefit of all stakeholders. The Board is comprised of highly experienced directors with the diverse skills, expertise and commercial experience required to lead the Group effectively and provide support for, and constructive challenge to, the executive management.

The composition of the Board of Directors presented below was approved by shareholders at the Annual General Meeting on 21 April 2023 and continued to perform its function until 26 February 2024, being the effective date of the Company's re-domiciliation from Cyprus to the Abu Dhabi Global Market, when the new composition of the Board of Directors, which was approved by shareholders at the Extraordinary General Meeting held on 16 August 2023, took effect.

Sergey V. Maltsev
Chairman of the Board, Executive Director

Appointed: April 2018, Chairman

Mr. Maltsev was instrumental in the development of the freight rail market and has worked in the industry for over 30 years. He co-founded Globaltrans and served as Chief Executive Officer from 2008 until 2015, as Chairman of the Board from 2018 to the beginning of 2024 and as Chief Strategy Officer from 2017 until the beginning of 2024. Mr. Maltsev was a founding member and Chairman of the non-profit partnership "Council of Railway Operators". He has a degree in railway engineering.

John Carroll Colley
Senior Independent Non-executive Director

Appointed: April 2013

Committee Memberships: Audit Committee (Chairman), Nomination Committee (Chairman), Remuneration Committee (Chairman), ESG Committee

Skills and experience: Mr. Colley has extensive experience in international trade and risk management both in the public and private sectors. From 2007 to 2010, Mr. Colley served as country manager for Russia at Noble Resources SA. Prior to that, he held various positions in the public sector, including at the office of the US Trade Representative and the US Department of Commerce in Washington, DC. He worked for Linkful Ltd and Noble Resources SA in Moscow from 1992 to 1999. Mr. Colley, a fluent Russian speaker, holds an MA in History and a BA in International Affairs and Russian Studies from the University of Virginia.

Other appointments: Mr. Colley is currently the principal of Highgate Consulting LLC, a global advisory consulting company.

Vasilis Hadjivassiliou
Independent Non-executive Director

Appointed: September 2019

Committee Memberships: Audit Committee

Skills and experience: Mr. Hadjivassiliou was a partner in Assurance and Advisory services at PricewaterhouseCoopers (PwC), Cyprus, from 1990 until 2018 when he retired. During this time, he held various leadership positions with PwC including as an elected member of the Executive Board, Head of the Limassol office as well as a number of other offices in Cyprus and was a leading figure in business development. He has extensive experience in auditing, International Financial Reporting Standards and business advisory services having advised major local and international groups including companies publicly listed on the London Stock Exchange as well as in Cyprus. Mr. Hadjivassiliou is a graduate of the University of Manchester and a Fellow of the Institute of Chartered Accountants of England and Wales.

Other appointments: Mr. Hadjivassiliou holds directorships in a number of companies affiliated with his family and is also a Board member of a number of other private companies.

Alexander Eliseev
Non-executive Director

Appointed: March 2008

Skills and experience: Mr. Eliseev co-founded Globaltrans in 2004 and has played a leading role in introducing market-based reforms to the freight rail transportation market. He has spent more than 20 years in senior management positions, mostly within the rail sector. Mr. Eliseev is a graduate of the Russian State Medical University where he studied biophysics.

George Papaioannou
Independent Non-executive Director

Appointed: April 2013

Committee Memberships: Audit Committee, Nomination Committee, Remuneration Committee

Skills and experience: Mr. Papaioannou has more than 20 years in financial reporting, risk management, auditing, financial performance analysis and taxation. In 2004, he founded G. Papaioannou Auditors Ltd, which provides accounting, audit, tax and consulting services. From 2002 to 2004, he worked at Grant Thornton in Cyprus and before that for PricewaterhouseCoopers in Cyprus. Mr. Papaioannou holds a degree in Accounting and Financial Management from the University of Essex. He is a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales.

Other appointments: Mr. Papaioannou holds directorships in several family-owned companies and other private companies.

Sergey Foliforov
Non-executive Director

Appointed: June 2022

Skills and experience: Mr. Foliforov has served on the several Globaltrans' subsidiary boards since 2018. Sergey Foliforov has more than 18 years of management experience working at different companies focusing on financial management and analysis. He graduated from Lomonosov Moscow State University and has a Master of Science degree in Physics. He also holds an MBA from the MIRBIS Business School in Moscow.

Board of Directors

Effective to 26 February 2024

Andrey Gomon
Non-executive Director

Appointed: From 2013 to 2016 and rejoined in April 2017

Skills and experience: Mr. Gomon has over 13 years of management experience in the railway industry. From 2006 to 2012 he was CEO of Transoil, one of Russia's largest rail transportation companies, having previously served as CFO between 2003 and 2006. He sits on the boards of two Globaltrans subsidiaries. Mr. Gomon studied economics at St. Petersburg State University and holds an MBA from INSEAD.

Michael Thomaides
Non-executive Director

Appointed: April 2014

Skills and experience: Mr. Thomaides served as a director at Globaltrans from 2004 to 2008 and sat on the Board of Global Ports Investments PLC, Russia's leading container port operator. He has been a director at Leverret Holding Ltd (Cyprus) since 2007. Mr. Thomaides graduated from London Southbank University with a BSc degree in Consumer Product Management.

Marios Tofaros
Non-executive Director

Appointed: April 2013

Skills and experience: Mr. Tofaros is a director of the Client Accounting department at Amicorp (Cyprus) Ltd. He was a financial accountant at Depfa Investment Bank Ltd from 2004 to 2008 and a finance officer at Louis Catering Ltd from 2003 to 2004. He has held various positions in the Audit department at KPMG Cyprus. Mr. Tofaros has a degree in Accounting, Finance and Economics and a Master's degree in Business Studies, both from the University of Kent. He holds a chartered certified accountant (FCCA) diploma and is a member of the Institute of Certified Public Accountants of Cyprus.

Alexander Storozhev
Executive Director, Chief Procurement Officer

Appointed: April 2013

Mr. Storozhev has held senior management roles throughout a 20-year career in the rail industry and has been with Globaltrans since it was established. He sits on the boards of all Group subsidiaries. He graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He holds a diploma from the MIRBIS Business School in Moscow and a Master's degree in Business Administration and Finance.

Elia Nicolaou
Non-executive Director, Company Secretary, Secretary to the Board

Appointed: March 2008

Committee Memberships: ESG Committee (Chair)

Skills and experience: Ms. Nicolaou has extensive experience in commercial, corporate and funds law. She is currently the Managing Director of Amicorp (Cyprus) Ltd. Previously, she was head of the Corporate Legal department at Polakis Sarris LLC and also worked at C. Patsalides LLC. Ms. Nicolaou is a member of the Board of CIFA and WICCI, the Chair of Cyprus South East Asia Business Association, participates in various associations of the Cyprus Chamber of Commerce and sits on the boards of a number of listed and private companies. Ms. Nicolaou graduated with an LLB in Law from the University of Nottingham and holds an LLM in Commercial and Corporate Law from University College London. She has an advanced diploma in Business Administration from the Cyprus International Institute of Management. She was admitted to the Bar in Cyprus in 2003.

Melina Pyrgou
Non-executive Director

Appointed: April 2013

Skills and experience: Ms. Pyrgou is a barrister and registered insolvency practitioner and has practised corporate law for over 25 years. She is Managing Director of Pyrgou Vakis Law Firm, a Cyprus-based corporate and commercial law practice. Previously, she was Director of Legal Services at PricewaterhouseCoopers in Cyprus. Ms. Pyrgou served as the Chairman of EuropeFides Association, a European network of accounting, audit, tax and legal firms, from 2015 to 2016 and is a member of various business associations. Ms. Pyrgou graduated from the University of Keele with a degree in Law and Sociology and holds a diploma in Environmental Law from the University of Geneva. She was called to the bar in Cyprus in 1992 and in London (Grays Inn) in 1995.

Other appointments: Ms. Pyrgou currently serves as a member of the Cyprus Investments Promotion Agency (CIPA). She also sits on the Disciplinary Committee of the Institute of Certified Public Accountants of Cyprus (ICPAC). Ms. Pyrgou is also a Board member of the Health Insurance Organisation.

Konstantin Shirokov
Executive Director, Head of Internal Audit

Appointed: March 2008

Skills and experience: Mr. Shirokov has over 12 years of senior international management experience. Prior to joining Globaltrans, he worked in senior finance roles at Mechel and as an economist at Glencore International. He served as a non-executive member on the Board of Global Ports Investments PLC between 2008 and April 2018, where he was a member of the Audit and Risk committee. Mr. Shirokov graduated from the Financial University under the Government of the Russian Federation and studied business management at Oxford Brookes University.

Sergey V. Tolmachev
Executive Director, Managing Director

Appointed: Non-executive Director in April 2013 and Executive Director in October 2013

Skills and experience: Mr. Tolmachev became the Group's Managing Director in October 2013. He joined N-Trans Group in 2001 and has held various management positions focused on corporate finance and treasury. He has extensive experience in financial analysis and modelling. Mr. Tolmachev graduated from Lomonosov Moscow State University with a degree in Mechanics and Applied Mathematics.

Board of Directors

Effective from 26 February 2024 to 4 April 2024

The composition of the Board of Directors presented below was approved by shareholders at the Extraordinary General Meeting held on 16 August 2023 and become effective on 26 February 2024 being the effective date of the Company's re-domiciliation from Cyprus to the Abu Dhabi Global Market.

On 4 April 2024 shareholders at the Extraordinary General Meeting approved the new composition of the Board (which is presented on pages 108 to 111 of this Annual Report).

Michael Thomaides
Chairman of the Board, Non-executive Director

Appointed: April 2014; Chairman from February 2024

Skills and experience: Mr. Thomaides served as a director at Globaltrans from 2004 to 2008 and sat on the Board of Global Ports Investments PLC, Russia's leading container port operator. He has been a director at Leverret Holding Ltd (Cyprus) since 2007.

Mr. Thomaides graduated from London Southbank University with a BSc degree in Consumer Product Management.

George Papaioannou
Independent Non-executive Director

Appointed: April 2013

Committee Memberships: Audit Committee, Nomination Committee, Remuneration Committee.

Skills and experience: Mr. Papaioannou has more than 20 years in financial reporting, risk management, auditing, financial performance analysis and taxation. In 2004, he founded G. Papaioannou Auditors Ltd, which provides accounting, audit, tax and consulting services. From 2002 to 2004, he worked at Grant Thornton in Cyprus and before that for PricewaterhouseCoopers in Cyprus. Mr. Papaioannou holds a degree in Accounting and Financial Management from the University of Essex. He is a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales.

Other appointments: Mr. Papaioannou holds directorships in several family-owned companies and in a very limited number of other private companies.

John Carroll Colley
Senior Independent Non-executive Director

Appointed: April 2013

Committee Memberships: Audit Committee (Chairman), Nomination Committee (Chairman), Remuneration Committee (Chairman), ESG Committee.

Skills and experience: Mr. Colley has extensive experience in international trade and risk management both in the public and private sectors. From 2007 to 2010, Mr. Colley served as country manager for Russia at Noble Resources SA. Prior to that, he held various positions in the public sector, including at the office of the US Trade Representative and the US Department of Commerce in Washington, DC. He worked for Linkful Ltd and Noble Resources SA in Moscow from 1992 to 1999. Mr. Colley, a fluent Russian speaker, holds an MA in History and a BA in International Affairs and Russian Studies from the University of Virginia.

Other appointments: Mr. Colley is currently the principal of Highgate Consulting LLC, a global advisory consulting company.

Yousef Abu Laban
Non-executive Director

Appointed: February 2024

Yousef Abu Laban is Co-founder and Managing Partner of Synergate LLC, a boutique financial services company principally focused on countries in the Gulf Cooperation Council. He has over 10 years' experience in company formation, business development and start-up advisory services.

A specialist in Computer Science and Information Technology, Mr. Abu Laban graduated from the World Islamic Sciences & Education University (W.I.S.E) where he majored in Computer Network Systems.

Thomas Karsten Beute
Non-executive Director

Appointed: February 2024

Thomas Karsten Beute has a Master's degree in International Tax Law and has provided legal and financial services solutions to clients for over 15 years. He started his career at PricewaterhouseCoopers and Ernst & Young, focused on tax advising principally related to international real estate products. Mr. Beute then went on to work extensively in the areas of investment, asset management, consultancy and financing across international markets for businesses such as global management and financial services provider Amicorp and private Swiss bank Julius Baer. He is Director and Owner of both KCT Capital Ltd, which provides licensed asset management and fund services, and Doral Group LLC, an independent private financial services and investment firm, both based in Dubai.

Alexander Lemzakov
Non-executive Director

Appointed: February 2024

Alexander Lemzakov has a proven track record in the IT industry, specialising in automotive, mobility and AI. Based in Dubai, over the past decade he has developed expertise in successfully identifying and developing market opportunities, delivering innovative approaches to drive business growth and creating important relationships with strategic partners, governments and regulators, and industry bodies.

Currently, he is Co-founder and Chief Executive Officer of Wize, an IT platform company targeting the automotive sector. As well as previous experience as an Executive Board Member and Strategic Officer at car-sharing company Green Crab, Mr. Lemzakov has held senior management positions in a number of technology focused businesses. He holds a Master's degree in Information Technology.

Stefan Henrich
Non-executive Director

Appointed: February 2024

Stefan Henrich has more than 20 years' experience in finance and business law with top tier financial institutions across Europe, the Middle East and Asia. In his role as a senior investment professional, multi-jurisdictional transaction and asset management lawyer and general counsel, he obtained a deep understanding of asset and fund management, M&A, FinTech, trade finance, venture capital and capital markets across the global financial services industry.

As such, Mr. Henrich serves on a number of advisory, supervisory and company boards and is approved by the Dubai Financial Services Authority (DFSA), the Financial Conduct Authority, UK (FCA) and the Monetary Authority of Singapore (MAS). He is a Member of the Bar Associations in the UK and Germany and holds a Master of Laws (LL.M.) in International Business and Finance Law from Queen Mary University of London.

Mikhail Loganov
Non-executive Director

Appointed: February 2024

Mikhail Loganov has extensive experience in corporate finance, risk management, audit and business administration. Throughout his career he has held senior positions in the transportation and logistics industry including as Chief Financial Officer and then Chief Executive Officer at London-listed Global Ports Investments PLC from 2013 until 2018, having been on the Board since 2008. Mr. Loganov served as Managing Director and Executive member of the Board of Directors of Globaltrans Investment PLC for the five years following its listing on the London Stock Exchange in 2008 with responsibility for financial and reporting activities as well as having oversight of capital markets and M&A transactions. Currently he is based in Dubai and acts as Chief Operating Officer and Head of Finance at HeadOffice, a global multi family office firm.

Mr. Loganov started his career as a Financial Analyst at American Express (Europe) having graduated with honours from the UK's University of Brighton with a degree in Business Administration with Finance.

Board of Directors

Effective from 26 February 2024 to 4 April 2024

Elia Nicolaou Non-executive Director

Appointed: March 2008

Committee Memberships: ESG Committee (Chair)

Skills and experience: Ms. Nicolaou has extensive experience in commercial, corporate and funds law. She is currently the Managing Director of Amicorp (Cyprus) Ltd.

Previously, she was head of the Corporate Legal department at Polakis Sarris LLC and also worked at C. Patsalides LLC. Ms. Nicolaou is a member of the Board of CIFA and WICCI, the Chair of CyprusSouth East Asia Business Association,

participates in various associations of the Cyprus Chamber of Commerce and sits on the boards of other listed and private companies. Ms. Nicolaou graduated with an LLB in Law from the University of Nottingham and holds an LLM in Commercial and Corporate Law from University College London. She has an advanced diploma in Business Administration from the Cyprus International Institute of Management. She was admitted to the Bar in Cyprus in 2003.

Andrei Ryan Non-executive Director

Appointed: February 2024

Andrei Ryan works as the Chief of Staff at Conundrum, a UK based AI company that develops software for the digital transformation of manufacturing, and serves as the General Manager for their UAE business. Having started his career in Finance at Canada's Department of Foreign Affairs and International Trade, Mr. Ryan spent five years at international management consultancy firm McKinsey, gaining extensive experience in advising global companies on driving investment decisions, strategy development

and implementation of transformational change. From 2018 to 2022 he served in senior executive roles at Yandex including as Head of Strategy for their E-commerce business unit.

Mr. Ryan holds an MBA degree from INSEAD, a Master's in International Management degree from Vienna University of Business and Economics and an Honours Bachelor of Commerce (Finance) degree, from the University of Ottawa.

Anastasia van Rooijen Non-executive Director

Appointed: February 2024

With her broad language base and deep understanding of diverse cultures, Anastasia van Rooijen has held various roles in multinational companies, strengthening their communication structures and change management processes. Specialising in employee and organisational development, her business experience over 20 years has spanned multiple industries including oil & gas, maritime, beverages and consulting.

Mrs. van Rooijen has recently served as Organisational Development Manager (2008–2022) at a residential property development company Bonava (formerly NCC AB), where she was responsible for the optimisation of Human Resources processes, practices and program initiatives. Having started her career as an interpreter, she gained extensive experience holding various positions in HEINEKEN, Det Norske Veritas and Deloitte.

Mrs. van Rooijen graduated from Saint Petersburg State University where she majored in Linguistics.

Evgeny Yakushkin Non-executive Director

Appointed: February 2024

Evgeny Yakushkin has over 15 years of experience in management consulting and e-commerce, with deep knowledge of e-commerce logistics operations. For five years Mr. Yakushkin developed Alibaba's retail business in CIS (AliExpress) as Director of Strategy and Business Development and was responsible for the operations, building partnerships and M&A principally in retail and logistics. Prior to that, he worked for McKinsey & Company in strategy and service operations and has

designed and implemented transformation programmes for clients in numerous sectors including banking, financial services, telecom, energy, education, and logistics, as well as for Sovereign Wealth Funds and non-governmental organisations. Prior to joining McKinsey, he worked in product marketing for Procter & Gamble, Sony and Microsoft.

Mr. Yakushkin graduated from the department of Economics and then Graduate School of Business at Lomonosov Moscow State University. He also holds an MBA from INSEAD.

Board of Directors

Effective from 4 April 2024

The composition of the Board of Directors presented below was approved by shareholders at the Extraordinary General Meeting held on 4 April 2024.

Yerzhan Niyazaliyev

Chairman of the Board, Executive Director

Appointed: April 2024

Yerzhan Niyazaliyev has extensive experience in management, development and consulting across the pharmaceutical, hospitality, and food and beverage sectors. An entrepreneur by background, since 2018 he has held key senior positions at AQNIET Capital, a multi-format investment company domiciled in Kazakhstan with a portfolio of brands in retail, distribution, logistics and agriculture. He first served as its CEO before moving to the Supervisory Board in 2023. Mr. Niyazaliyev is also co-founder and

Chairman of Pana, a company focused on the hotel, restaurant and catering industry with significant business presence in Kazakhstan as well as Russia, the USA and Turkey.

Mr. Niyazaliyev graduated from M. Auezov South Kazakstan University with a Bachelor of Science degree in history and holds an LLB (Bachelor of Laws) degree from Maqsut Narikbayev University and an LLM (Master of Laws) degree from the Regional Social and Innovation University.

Jaafar Borhan

Senior Independent Non-executive Director

Appointed: April 2024

Committee Memberships: Nomination Committee (Chairman), Remuneration Committee (Chairman), ESG Committee.

Jaafar Borhan Jaafar has over 13 years of experience in the fields of relationship management, investment consultancy, and government and corporate services. Since early 2023, he has been CEO of Business Hub, a corporate services provider in Abu Dhabi. Prior to that, Mr. Jaafar

was Commercial Director – SME & Business Development for KEZAD Group (the Khalifa Economic Zone Abu Dhabi) and has held senior managerial positions at RAKEZ (the Ras Al Khaimah Economic Zone) as well as in various UAE companies such as OnTime Government Services, UAE Exchange Centre, and Emirates NBD.

He holds a Bachelor’s Degree in Business Administration and Finance from Beirut Arab University.

Abdulla Belobaida

Independent Non-executive Director

Appointed: April 2024

Committee Memberships: Audit Committee, Nomination Committee, Remuneration Committee.

Abdulla Belobaida has a wealth of entrepreneurial experience gained in various sectors including trading, real estate and the construction industry. He is a business

partner and board member of Engineering Contracting Co, a well-established contracting firm providing engineering and construction services in the UAE, as well as sitting on the board of Prime Metal Industries, a leader in the provision of steel and aluminum metalworks in the region. Mr. Belobaida also manages a portfolio of properties across the UAE handling legal and compliance related issues.

Jouslin Khairallah

Independent Non-executive Director

Appointed: April 2024

Committee Memberships: Audit Committee (Chair), ESG Committee (Chair).

Jouslin Khairallah is a professional litigator and legal advisor having practiced law for over 18 years and is the founder and Managing Director of Khairallah Advocates and Legal Consultants, a law firm based in Dubai. Mrs. Khairallah has extensive experience in both the public and private sectors

and has represented large Middle East and multinational corporate entities and individuals to resolve complex and high value disputes. In 2022, she became a member of the International Association of Lawyers and is also a member of the Emirates Human Rights Association and the Dubai Business Women Council.

Mrs. Khairallah holds a Bachelor of Law from Beirut Al Arabia University.

Yousef Abu Laban

Non-executive Director

Appointed: February 2024

Yousef Abu Laban is Co-founder and Managing Partner of Synergate LLC, a boutique financial services company principally focused on countries in the Gulf Cooperation Council. He has over 10 years’ experience in company

formation, business development and start-up advisory services. A specialist in Computer Science and Information Technology, Mr. Abu Laban graduated from the World Islamic Sciences & Education University (W.I.S.E) where he majored in Computer Network Systems.

Board of Directors

Effective from 4 April 2024

Albina Amangeldinova

Non-executive Director

Appointed: April 2024

Albina Amangeldinova has more than 25 years of experience in finance, freight rail transportation and logistics and since 2011 has been Director General of DAR Company-2008, a Kazakh business focused on providing support services to the rail transportation sector. She spent more than a decade at National Company Kazakhstan Temir Zholy, a leading logistics and transportation holding company with the largest fleet of locomotives, freight and passenger railcars in Kazakhstan, holding several key positions during her time there.

Mrs. Amangeldinova has a degree in Economics from the Almaty Institute of National Economy and also studied law at Kazakh Humanitarian-Legal University.

Anton Gazizov

Executive Director, Managing Director

Appointed: April 2024

Anton Gazizov has over 20 years of experience in the finance and banking sectors most recently with a focus on private equity, mezzanine financing and venture capital investments. Currently he serves as Portfolio Manager at AQNIET Capital, a multi-format investment company domiciled in Kazakhstan and with a portfolio of brands in retail, distribution, logistics and agriculture. He is also CEO of Sky Light Invest in the UAE, a family office. Mr. Gazizov's international career comprises positions at prominent institutions such as Deutsche Bank, Goldman Sachs, and US hedge fund QVT. He holds a first-class degree in Economics from Cambridge University, an executive MBA from the London Business School and is a Chartered Financial Analyst.

Kairat Itemgenov

Executive Director, Chief Strategy Officer, shareholder

Appointed: April 2024

Kairat Itemgenov is a successful entrepreneur and owner of AQNIET Capital, a multi-format investment company domiciled and with major business interests in Kazakhstan. Over the past 25 years he developed sizable businesses across several sectors which include (i) a leading Kazakh pharmacy chain Europharma, (ii) several hotels and lodging properties, (iii) logistics company Satti Logistics which operates its own truck and van fleets as well as (iv) KBI Energy, an experienced player in the repair and instalment of large-scale power generating equipment. In January 2024, AQNIET Capital became a key shareholder of Globaltrans.

Prior to embarking on a business development path in 2006, Mr. Itemgenov practiced law for ten years. He graduated from Kazakh State National University where he majored in jurisprudence.

Viacheslav Stanislavskiy

Executive Director, Head of Operations

Appointed: April 2024

Mr. Stanislavsky has more than 30 years of experience in the rail industry. He joined New Forwarding Company, a Globaltrans subsidiary, as Deputy General Director for Operations and Commerce in March 2010 and became First Deputy General Director in April 2011. Prior to that, he had held various senior positions in a number of transportation companies. Mr. Stanislavsky graduated from Irkutsk National Research Technical University. He also has a degree in railway engineering.

Dr. Abdultaiyab Bahrainwala

Non-executive Director

Appointed: April 2024

Dr. Abdultaiyab Bahrainwala has more than 14 years' experience in corporate law and has advised across a wide range of areas including real estate, company formation, intellectual property, employment and commercial transactions. He is a Partner at Dubai law firm Khairallah Advocates & Legal Consultants where he heads their Corporate Department. Dr. Bahrainwala has practiced law in the United Arab Emirates for over a decade and built an excellent reputation in the legal landscape of the region.

He holds a Law Doctorate from the European University Institute in Paris, an LLM in International Business Law from National University of Singapore, and a Bachelor of Arts and Laws from the Maharaja Sayajirao University of Baroda, India.

Stefan Henrich

Non-executive Director

Appointed: April 2024

Stefan Henrich has more than 20 years' experience in finance and business law with top tier financial institutions across Europe, the Middle East and Asia. In his role as a senior investment professional, multi-jurisdictional transaction and asset management lawyer and general counsel, he obtained a deep understanding of asset and fund management, M&A, FinTech, trade finance, venture capital and capital markets across the global financial services industry.

As such, Mr. Henrich serves on a number of advisory, supervisory and company boards and is approved by the Dubai Financial Services Authority (DFSA), the Financial Conduct Authority, UK (FCA) and the Monetary Authority of Singapore (MAS). He is a Member of the Bar Associations in the UK and Germany and holds a Master of Laws (LL.M.) in International Business and Finance Law from Queen Mary University of London.

Ruslan Izatov

Non-executive Director

Appointed: April 2024

Ruslan Izatov has extensive experience in finance and accounting across business including construction, hospitality and metals. In 2023, he was named Director General of AQNIET Capital, a multi-format investment company domiciled in Kazakhstan with a portfolio of brands in retail, distribution, logistics and agriculture. He has held a number of senior financial roles and is currently Chief Financial Officer of two Kazakh companies. Mr. Izatov has also worked in education as a senior lecturer in the Department of Economics at Kazakh Economic University.

Mr. Izatov graduated with honours from Taraz State University where he majored in economics.

Alexander Storozhev

Executive Director, Chief Procurement Officer

Appointed: From April 2013 to February 2024 and rejoined in April 2024

Mr. Storozhev has held senior management roles throughout a 20-year career in the rail industry and has been with Globaltrans since it was established. He sits on the boards of all Group subsidiaries. He graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He holds a diploma from the MIRBIS Business School in Moscow and a Master's degree in Business Administration and Finance.

Executive Management

The executive leadership has responsibility for managing the Group's day-to-day business operations and support functions. The senior management team comprises the executive

directors along with the heads of key subsidiaries and Group functions. Senior management is, in turn, supported by a team of highly skilled and competent line managers.

Valery Shpakov
Chief Executive Officer

Mr. Shpakov became CEO in March 2016, having served as interim CEO since November 2015. He joined New Forwarding Company, a Globaltrans subsidiary, in 2003 and has been its CEO since 2007. He is an experienced manager with a track record of over 30 years in the rail industry. He began his career in the private sector in 1999 and has held managerial positions at various companies in the transport sector.

Vyacheslav Stanislavsky
Deputy Chief Executive Officer, Head of Operations, member of the Board of Globaltrans, Executive Director

Mr. Stanislavsky has more than 30 years of experience in the rail industry. He joined New Forwarding Company, a Globaltrans subsidiary, as Deputy General Director for Operations and Commerce in March 2010 and became First Deputy General Director in April 2011. Prior to that, he had held various senior positions in a number of transportation companies. Mr. Stanislavsky graduated from Irkutsk National Research Technical University. He also has a degree in railway engineering.

Kirill Prokofiev
CEO of BaltTransServis

Mr. Prokofiev was appointed CEO of BaltTransServis, a Globaltrans subsidiary, in February 2017. Prior to his appointment, he spent more than seven years working in senior executive roles in the rail sector. He graduated from the Saint Petersburg State University of Economics where he majored in economics. He also holds an MBA in Strategic Management from Moscow's Higher School of Economics.

Roman Goncharov
Head of Treasury

Mr. Goncharov has served as CFO of New Forwarding Company, a Globaltrans subsidiary, since 2005 and has over 20 years of management experience. He has an MBA from the Moscow International School of Business.

Dmitry Frolov
Chief Financial Officer

Dmitry Frolov was appointed CFO in December 2023¹. He has been with the Group since 2012 and has had responsibility for business development, M&A transactions and other areas of corporate finance. He is a member of a number of Globaltrans subsidiary boards. Mr. Frolov has more than 15 years' experience in finance in the transportation and logistics industry. He graduated from the Moscow State Institute of International Relations, where he majored in economics and finance.

Alexander Storozhev
Chief Procurement Officer, member of the Board of Globaltrans, Executive Director

Mr. Storozhev has held senior management roles throughout a 20-year career in the rail industry and has been with Globaltrans since it was established. He sits on the boards of all Group subsidiaries. He graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He holds a diploma from the MIRBIS Business School in Moscow and a Master's degree in Business Administration and Finance.

Svetlana Brokar
Government Relations Officer

Ms. Brokar joined as Government Relations Officer in December 2018. She is an attorney with significant expertise in civil, tax, commercial, corporate, finance and railway transport matters. From 2009 to 2013, Ms. Brokar was a member of the Board of New Forwarding Company, a Globaltrans subsidiary, and since 2014 has acted as its in-house legal counsel or provided it with legal services. She also previously worked with the non-profit partnership "Council of Railway Operators". Ms. Brokar graduated with a law degree from Kaliningrad State University.

¹ Dmitry Frolov succeeded Alexander Shenets who had served as Group CFO since 2008.

Corporate Governance Report

Corporate governance statement

During 2023, Globaltrans' corporate affairs were governed by the memorandum and articles of association of the Company and the provisions of applicable Cyprus law. Although the Company was not subject to any mandatory corporate governance code in its home jurisdiction of Cyprus, nor required to observe the UK Corporate Governance Code (formerly the Combined Code), it has implemented various corporate governance measures and practices, which are detailed below in this section. Globaltrans continues to review its corporate governance practices in line with international best practice.

Globaltrans' Board of Directors has adopted and updated the Company's Code of Corporate Governance (the "Code"), guaranteeing that the interests of all shareholders are given due consideration. The Code comprises the various policies in relation to corporate governance which have been adopted by the Company. Although the Code is based on principles recommended by the UK Corporate Governance Code, this does not constitute voluntary compliance with such governance code.

In January 2010, the Board supplemented its Code of Corporate Governance with a corporate policy on the treatment of the rights of its non-controlling shareholders; this aims to ensure fair treatment of the rights of non-controlling shareholders of the Company.

This section provides an overview of our corporate governance practices. For further information, please see the Financial Statements section of this Annual Report.

Corporate governance policies

Globaltrans' corporate governance policies and practices are designed to ensure that the Group upholds its responsibilities to shareholders and other stakeholders. The Group promotes and applies this principle across all levels of its organisation, supported by clear and effective governance structures.

Globaltrans' policies include, inter alia:

Corporate documents and policies

- Articles of Association
- Appointment Policy for the Board of Directors and Committees
- Audit Committee – terms of reference
- Board of Directors – terms of reference
- Corporate Secretary – terms of reference
- Dividend Policy
- ESG Committee – terms of reference
- Internal Audit Charter
- Nomination Committee – terms of reference
- Policy on Assessment of Independence and Objectivity of External Auditor
- Remuneration Committee – terms of reference
- Risk Management Policy
- Risk Management Standard

Business ethics

- Anti-fraud Policy
- Business Continuity Policy
- The Code of Ethics and Conduct
- ESG Policy
- Green Office Initiative
- Policy on Reporting and Investigating Allegations of Suspected Improper Activities (Whistleblowing Policy)
- Corporate Diversity and Inclusion Policy
- Environmental and Energy Policy
- Freedom of Association Policy
- Health and Safety Policy
- Human Rights Policy
- Supplier Code of Conduct

Disclosure, transparency and market abuse regulation

- Corporate Policy on the Treatment of the Rights of Minority Shareholders
- Continuing Obligations Policy
- Disclosure Policy
- Internal Control Rules for Insider Information
- List of Insider Information
- Securities Dealing Code and PDMR Securities Dealing Code

Privacy

- Privacy Policy

→ For the Group's corporate governance documents and policies, please visit our corporate website at: <https://www.globaltrans.com/governance/corporate-documents>

Board's responsibilities and activities

Globaltrans' Board of Directors is accountable to the Company's shareholders for standards of governance across the Group's activities. The Board is committed to providing effective, transparent and ethical oversight of the Group so that it can take decisions which it believes benefit all its stakeholders and communities and create value for the Group.

Responsibilities

- Providing leadership, setting the overall strategy and ensuring that the necessary components are in place for the Group to meet its objectives
- Setting Group values and standards, and ensuring that obligations to all stakeholders are understood and met
- Monitoring and reviewing the performance of the Group and its management
- Maintaining an effective system of internal control and risk management to safeguard shareholders' rights and interests and the Group's assets
- Ensuring an effective governance framework and compliance with relevant regulations
- Assessing from time to time whether the Independent Non-executive Directors continue to demonstrate independence

Membership

The Nomination Committee leads the process for Board appointments, and members of the Board are elected at the General Meeting. Board members are nominated based on their industry knowledge, expertise and experience in areas such as accounting, finance, business management and strategic planning. In selecting candidates for the Board, the Group seeks to create an effective and complementary Board whose capability is appropriate for the business' scale, complexity and strategic positioning. Non-executive Directors are drawn from a wide range of industries and backgrounds including

Corporate Governance Report

infrastructure, transport, audit and financial services, and have appropriate experience working with and for large international organisations. In addition, the Group selects Independent Directors intending to ensure that the views of free-float shareholders are represented and that the interests of all stakeholders are taken into account.

As of 31 December 2023, the Board comprises 14 members, ten of whom are Non-executive Directors. Three of the Non-executive Directors are independent. Globaltrans separates the positions of Chairman and CEO to ensure appropriate segregation of roles and a clear division of responsibilities. As of 31 December 2023, members of the Board of Directors held 14,555,939 shares and GDRs in Globaltrans.

Diversity

Globaltrans values differences and is committed to diversity, equality and inclusion (“DE&I”). The Board does not operate a separate diversity policy. The Group’s approach to diversity issues is set out in the Diversity and Inclusion Policy adopted in 2020 and exists at all levels of the Group, including the Board of Directors. In line with the best practice and the Group’s commitment to diversity, the Board does take into account DE&I aspects when making new Board appointments and considering the composition of the Board. As of 31 December 2023, there are two female members on the Board, equivalent to about 14% of the Board. The average age of the Board is 53 years and ranges in age from 44 to over 60 years old. Board members are from a range of different socio-economic and ethnic backgrounds and have experience across the following areas: the transportation and ports industry, audit, accounting, economics, finance and banking, law, engineering, international trade and risk management.

→ Please refer to the Sustainability Report for further details on certain diversity metrics in relation to the Board.

Induction and professional development

The Chair is responsible for ensuring that the induction process for new directors joining the Board is well constructed and timely. Directors have full access to a regular supply of financial, operational, strategic and regulatory information to help them discharge their responsibilities.

Performance evaluation

The Board’s performance is assessed annually and the evaluation process is conducted through a combination of self-assessment and annual appraisals. The Chairman’s performance is evaluated by the Non-executive Directors.

Activities

The Board meets at least four times a year. Fixed meetings are scheduled at the end of each quarter, while ad hoc meetings are called whenever the Board needs to discuss pressing matters in between the scheduled meetings.

The Board met 24 times during 2023 and considered 105 items including the following:

Regular meetings

- Review of the Group’s financial and operational performance
- Approval of the annual budget
- Review of the Group’s performance against the approved annual budget
- Approval of the annual and semi-annual financial statements and the respective regulatory announcements
- Review of the results of risk assessments
- Approval of the Annual General Meeting agenda, including dividend proposals and Board reappointments
- Approval of appointments to the Board of Directors of subsidiaries

Ad hoc meetings

- Approval of material borrowings and pledges by the Company and its subsidiaries
- Approval of the contracts of the Company
- Approval of the remuneration of key management and executive directors
- Appointment of the key management of the Group
- Approval of dividend distribution by subsidiaries
- Review and consideration of various business development opportunities and major transactions
- Consideration of M&A transactions

The Board and the Board Committees meetings in 2023 and the attendance of Directors

	Board of Directors		Nomination committee		Remuneration committee		Audit committee		ESG committee	
	E	A	E	A	E	A	E	A	E	A
Sergey V. Maltsev (Chairman)	24	24								
John Carroll Colley	24	24	5	5	5	5	5	5	2	2
Alexander Eliseev	24	23								
Sergey Foliforov	24	24								
Andrey Gomon	24	24								
Vasilis Hadjivassiliou	24	24					5	5		
Elia Nicolaou	24	24							2	2
George Papaioannou	24	24	5	5	5	5	5	5		
Melina Pyrgou	24	24								
Konstantin Shirokov	24	23								
Alexander Storozhev	24	24								
Michael Thomaidis	24	24								
Marios Tofaros	24	24								
Sergey V. Tolmachev	24	24								

E – Eligible A – Attended

Remuneration of the Board and management

Directors serve on the Board under letters of appointment which specify their terms of appointment and remuneration. Appointments are effective until the following Annual General Meeting. Remuneration levels for Non-executive Directors reflect their expertise, time commitment, responsibilities and membership of any Board Committees. Directors are also reimbursed for expenses associated with the discharge of their duties.

Non-executive Directors are not eligible for bonuses, retirement benefits or participation in any incentive plans operated by the Group. The Group’s shareholders approved the remuneration of Board members for 2023 at the Annual General Meeting held on 21 April 2023.

→ For further information on the remuneration paid to the Board and key executives in 2023, please see Note 35a of the Group’s Consolidated Management Report and Consolidated Financial Statements included in the Financial Statements section of this Annual Report.

Corporate Governance Report

Board committees

Globaltrans has four principal committees that advise the Board: the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee.

These committees oversee, review and monitor key areas on behalf of the Board and while they have the authority to make recommendations, ultimate

decision-making responsibility for all matters lies with the full Board. Each committee has written terms of reference, approved by the Board, that summarises the committee's role and responsibilities.

Audit Committee

The role of the Audit Committee is to ensure the integrity of the Group's published financial information and the effectiveness of the internal

audit function and the systems for internal control and risk management, as well as the external audit process.

	Number of members	Members as at 31 December 2023	Minimum meetings a year	Number of meetings in 2023
 Members and meetings	3 members all independent	John Carroll Colley Independent Non-executive Director (Chairman) Vasilis Hadjivassiliou Independent Non-executive Director George Papaioannou Independent Non-executive Director	4	5
 Responsibilities	<ul style="list-style-type: none"> Integrity of the Group's financial statements Effectiveness of the Group's internal control and risk management systems Relationship with the Group's external auditors, including the audit process and reports Terms of the auditor's appointment and remuneration Implementation of codes of conduct Assessment of the Chairman of the Board's performance 			
 Issues considered in 2023	<ul style="list-style-type: none"> Review of the Group's Consolidated Financial Statements for 2022 and interim financial results for the six months ended 30 June 2023 Review of the external auditor's report to the Audit Committee following its full-year audit for 2022 and review for the six months ended 30 June 2023 Review of the Group's external auditor and terms of reappointment for 2023 The Committee recommended reappointment of the external auditors to the Board which, in turn, proposed their reappointment at the Annual General Meeting of the Group held on 21 April 2023 Review of the report of the external auditor on the audit strategy for the audit of 2023 financial statements Review of regulatory announcements by the Group Review of internal controls and risk management processes Review of the internal audit function and reports on its activities and on the internal audit model and plan 			

The Audit Committee meetings in 2023

	Eligible	Attended
John Carroll Colley	5	5
Vasilis Hadjivassiliou	5	5
George Papaioannou	5	5

Nomination Committee

The role of the Nomination Committee is to monitor and review the size, composition and balance of the Board and its committees and to ensure

Globaltrans has the right structure, skills and diversity for the effective management of the Group.

	Number of members	Members as at 31 December 2023	Minimum meetings a year	Number of meetings in 2023
 Members and meetings	2 members 2 independent	John Carroll Colley Independent Non-executive Director (Chairman) George Papaioannou Independent Non-executive Director	1	5
 Responsibilities	<ul style="list-style-type: none"> Preparation of selection criteria and appointment procedures for Board members Regular review of the Board's structure, size and composition Future Board appointments Recommendations regarding the membership of the Audit and Remuneration committees 			
 Issues considered in 2023	<ul style="list-style-type: none"> Advice to the Annual General Meeting on the appointment of Board members Termination of employment of CFO and appointment of new CFO 			

The Nomination Committee meetings in 2023

	Eligible	Attended
John Carroll Colley	5	5
George Papaioannou	5	5

Corporate Governance Report

Remuneration Committee

The role of the Remuneration Committee is to ensure that executive remuneration aligns appropriately with the business strategy and that the remuneration policy remains appropriate.

	Number of members	Members as at 31 December 2023	Minimum meetings a year	Number of meetings in 2023
 Members and meetings	2 members 2 independent	John Carroll Colley Independent Non-executive Director (Chairman) George Papaioannou Independent Non-executive Director	1	5
 Responsibilities	<ul style="list-style-type: none"> Remuneration of Executive Directors (Chairman and Executive Directors determine the remuneration for independent members) Review of the Group's remuneration policies 			
 Issues considered in 2023	<ul style="list-style-type: none"> Approval of bonuses to the Chief Strategy Officer, General Counsel, Chief Financial Officer and Managing Director 			

The Remuneration Committee meetings in 2023

	Eligible	Attended
John Carroll Colley	5	5
George Papaioannou	5	5

ESG Committee

The role of the ESG Committee is to monitor the development of the Group's sustainability strategy, review and recommend ESG disclosures for Board approval and approve the Group's sustainability reports.

	Number of members	Members as at 31 December 2023	Minimum meetings a year	Number of meetings in 2023
 Members and meetings	2 members 1 independent	Elia Nicolaou Non-executive Director (Chair) John Carroll Colley Independent Non-executive Director	2	2
 Responsibilities	<ul style="list-style-type: none"> Monitoring of the development of the Group's sustainability strategy (issues, policies, initiatives related to ESG) Oversight of ESG disclosures Approval of annual sustainability report Review of the ESG activities of the Group Review of key performance indicators 			
 Issues considered in 2023	<ul style="list-style-type: none"> Review of the latest sustainability trends and developments Review of the Group's ESG activities and key performance indicators in 2022 and in the six months ended 30 June 2023 Approval of the Group's annual Sustainability Report for 2022 Approval of the Group's ESG workplan and the activity of the ESG Committee in 2023-2024 			

The ESG Committee meetings in 2023

	Eligible	Attended
Elia Nicolaou	2	2
John Carroll Colley	2	2

Corporate Governance Report

Shareholder engagement

The Board places great importance on its relationships with the Company's shareholders. It continually strives to provide high levels of transparency and build trust, recognising that engaging with shareholders is key to creating long-term, sustainable shareholder value.

The Board engages with shareholders in a variety of ways. Management undertakes a regular schedule of meetings, presentations, conference calls and webcasts with investors and sell-side analysts. The Group has a dedicated Investor Relations team that acts as the primary point of contact with the investor community.

External auditor

The Audit Committee manages the relationship with the external auditor on behalf of the Board. Each year it considers the reappointment of the external auditor, reviews requirements on the rotation of the audit partner and the audit firm when applicable, as well as its remuneration and other terms of engagement, and makes a recommendation to the Board. Shareholders are then asked to approve the appointment at the Annual General Meeting. The Group has a formal policy for assessing the independence and objectivity of the external auditor. It regulates the terms of appointment of the external auditor and the nature of audit and permitted non-audit services provided to the Group.

External auditors periodically (at least annually) provide written confirmation to the Audit Committee that, in their professional judgement, they are independent of the Group. The Committee is satisfied that the independence and objectivity of the external auditors is not impaired and that the external audit process remains effective.

The Audit Committee recommended the appointment of GAC Auditors Ltd as the Group's external auditor in respect of the audit of the financial year ending 2023. The appointment was approved by the Group's shareholders at the Annual General Meeting on 21 April 2023.

Internal control and audit

The Board is primarily responsible for establishing a framework of prudent and effective internal controls and risk management in relation to the financial reporting process for the undertakings included in the Group consolidation that enables risks to be assessed and managed and financial reports to be prepared. The Audit Committee reviews and assesses the Group's internal control and risk management processes. The system of controls is designed to manage rather than eliminate the risks relevant to the Group's operations and, therefore, can only provide reasonable, and not absolute, assurance against material errors, losses, fraud or breaches of laws and regulations. At Globaltrans, the body responsible for internal audit is the Internal Audit Service ("IAS").

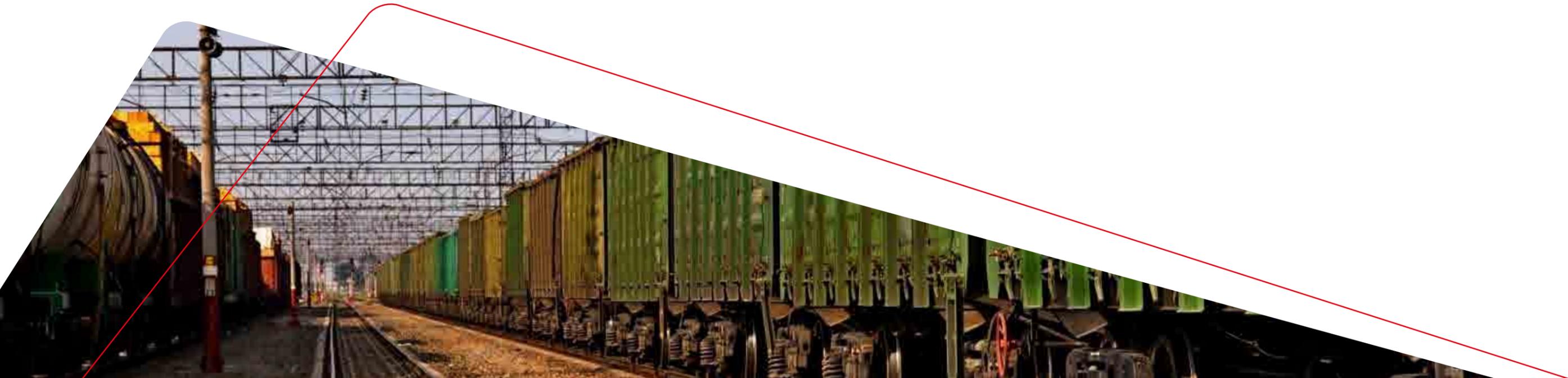
It tests the Group's systems of risk management, internal control and corporate governance to obtain reasonable assurance that:

- The risk management system functions efficiently.
- Material financial, management and operating information is accurate, reliable and up-to-date.

- The actions of employees and management bodies comply with the Group's policies, standards and procedures and applicable laws.
- Resources are procured reasonably and used efficiently and their safekeeping is fully guaranteed.
- Group companies conduct their business in compliance with applicable laws.

Every year, the Audit Committee approves an internal audit plan, which is developed by identifying the audit universe, performing a risk analysis and obtaining input from management relative to risks, controls and governance processes. The internal auditor regularly reports to the Audit Committee on the progress of planned audits. If any material internal control deficiencies are identified, they are immediately communicated to the Audit Committee and consequently to the Board.

- Please refer to the Financial Statements section of this Annual Report for further details on our internal control and risk management systems in relation to the financial reporting process.



Share Capital

Public company driven by entrepreneurial spirit

Globaltrans was formed in 2004 when a group of like-minded entrepreneurs brought their freight rail businesses together to form the Company, giving it the scale, governance and focus to become one of the leading players in the CIS.

In 2008, Globaltrans successfully undertook an Initial Public Offering on the London Stock Exchange (“LSE”), becoming the first freight rail group servicing CIS cargo flows to be listed internationally. In 2020, Globaltrans’ GDRs were admitted to trading on the Moscow Exchange (“MOEX”).

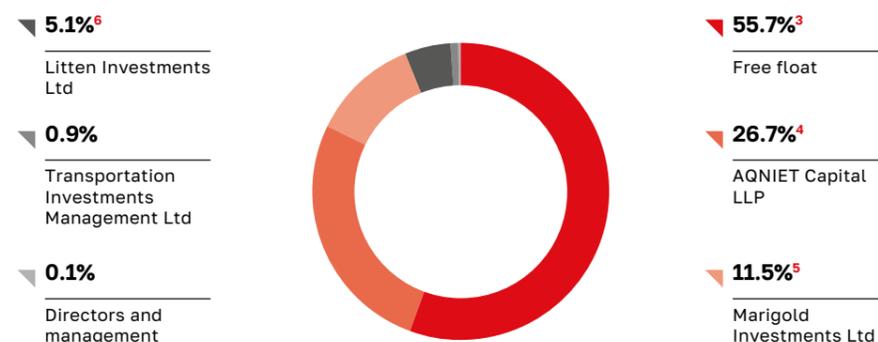
Today, the majority of the Company’s shares are in public hands with Globaltrans’ free float amounting to 55.7% of the issued share capital.

AQNIET Capital LLP (“AQNIET”), an investment company domiciled and with major business interests in Kazakhstan is the largest single shareholder of Globaltrans. AQNIET is beneficially owned by Kairat Itemgenov, a Kazakh entrepreneur who has successfully developed sizeable businesses across several sectors over the past 25 years.

The issued share capital of Globaltrans consists of 178,318,259 ordinary shares with a nominal value of USD 0.10 each, a certain portion of which is held in the form of GDRs. The GDRs represent one ordinary share each and have been listed on the Main Market of the LSE (ticker symbol: GLTR) since May 2008¹ and on the Level One quotation list of MOEX (ticker symbol: GLTR) since October 2020. Citibank N.A. is the depositary bank for the GDR programme of Globaltrans.

- ¹ Imposed suspension of GDRs trading on the LSE since 3 March 2022 continued as of the date of publication.
- ² The information in this section is based upon notifications and other information received by the Company with respect to beneficial ownership as of 5 February 2024.
- ³ For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.
- ⁴ Directly or indirectly owned. AQNIET Capital LLP is beneficially owned by Kairat Itemgenov.
- ⁵ Beneficially owned by Andrey Filatov, co-founder of Globaltrans.
- ⁶ Beneficially owned by Alexander Eliseev, co-founder of Globaltrans. This shareholding is subject to the signed binding agreement to sell to AQNIET Capital LLP. The completion of the transaction is expected not later than the second half of 2024.

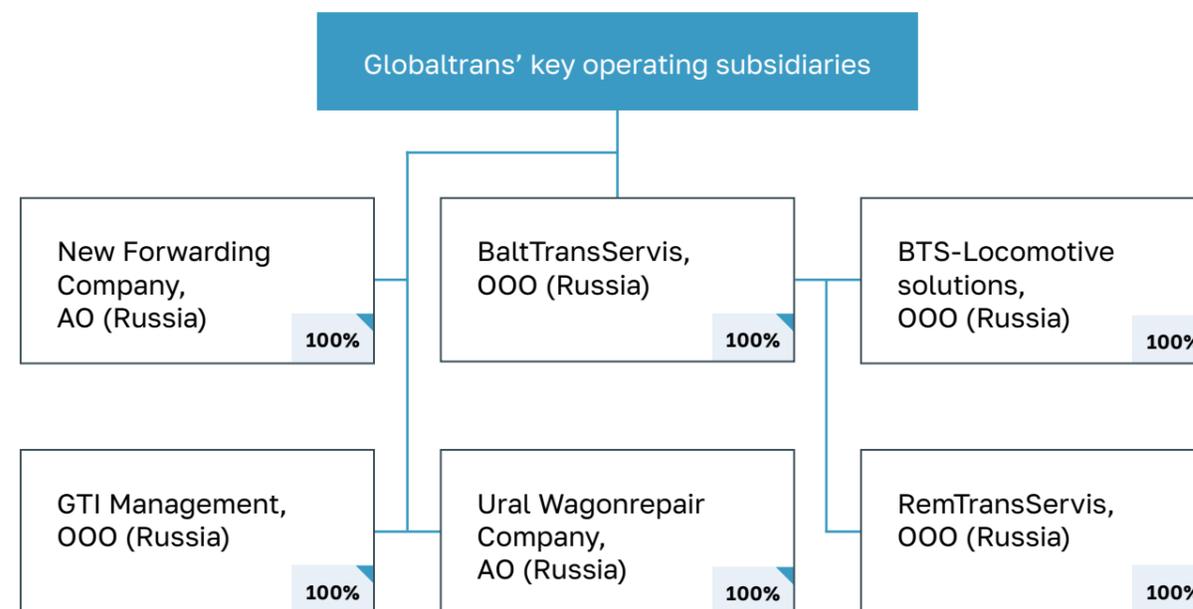
Shareholder structure²



Corporate Structure

Globaltrans provides freight rail transportation, railcar leasing and other ancillary services to clients through its 100% owned subsidiaries (see chart below).

The Group’s corporate structure ensures effective asset management and operational control while creating logical business segments.



Source: Globaltrans; as of 31 December 2023.

Contacts

General contacts

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