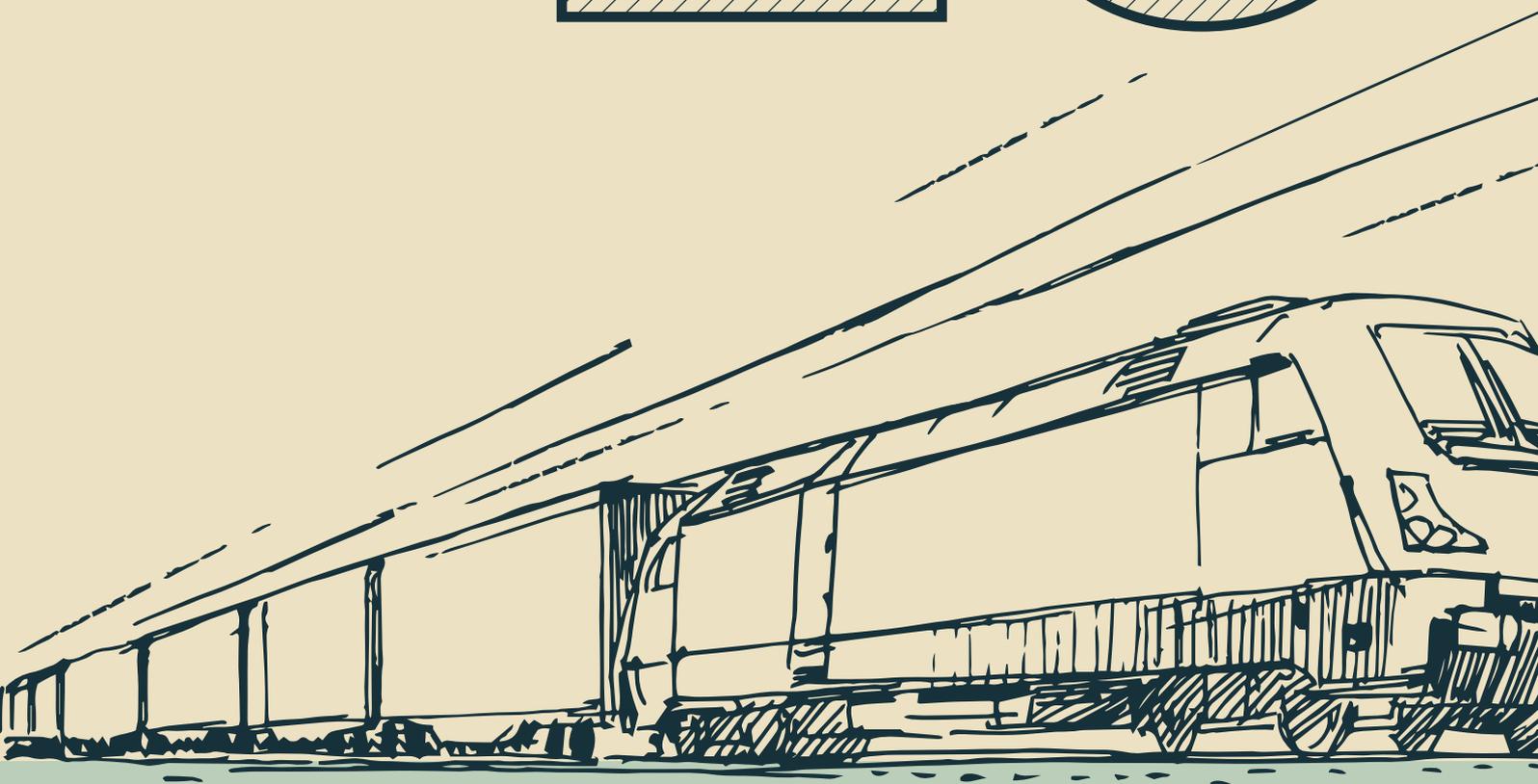


 **Globaltrans**  
Russia's leading freight rail group

20



20

**Annual Report  
& Accounts**



## STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is critical to the long-term success and sustained growth of any business. Globaltrans has always valued regular and high quality engagement with its stakeholders and is committed to engaging with them in an open and transparent manner in order to build strong and trusted relationships. Our goal is to keep our stakeholders up-to-date on developments and create a better understanding of our business, our strategy and our performance.

As part of our daily operations, we regularly engage with employees, customers, government and regulators and with our local communities while at Group level the emphasis is on maintaining an open dialogue with investors, shareholders, credit rating agencies, financial institutions and the media.

Although 2020 was an extremely difficult and unusual year, we were able to maintain a high degree of engagement with our stakeholders.

Although much of our communications became virtual as a result of the COVID-19 pandemic, it was more important than ever to keep these channels open. Globaltrans intensified its efforts to enhance communication around the impact of, and our response to, the COVID-19 pandemic that including with regard to the safety of our people, our business continuity and other ESG (environmental, social, and governance) issues. As is the case for many companies, business interactions, especially at Group level, have essentially become digital, including client communication, investor roadshows and conferences.

The corporate website remains the main source of information on the Company: results presentations, webcasts, current and historical financial information, news releases, market statistics, and other important data can be found there. Due to its importance to our communications strategy, the Globaltrans' website was revamped and relaunched in early 2020 to provide visitors with a better online experience. We have added a separate section on sustainability given our increasing commitment to this important issue.

### Stakeholder engagement mechanisms

#### EMPLOYEES



##### Mechanisms of stakeholder engagement

- Intranet
- Labour-management consultations
- Staff surveys
- Corporate booklets, information boards
- Regular, direct communication between managers, teams and individuals
- Career development, training and performance reviews

##### Outcomes in 2020

- No COVID-related redundancies
- COVID-19 related measures to protect health and safety of employees implemented
- Employee development maintained at a high level with 21,226 hours of training
- Senior management and our HR team maintained close communications with employees throughout lockdown
- Provision of social benefits and guarantees, including medical insurance

#### SHAREHOLDERS AND INVESTORS



##### Mechanisms of stakeholder engagement

- Open, effective and transparent communication
- Investor Relations website
- Dedicated Investor Relations team
- Annual General Meetings
- Corporate reporting, webcasts
- Broker-hosted investor events and roadshows, conference calls and Company-initiated roadshows

##### Outcomes in 2020

- Information disclosure on a semi-annual basis
- Analyst and investor conference calls and webcasts
- Virtual non-deal roadshows: around 260 meetings held with international investors in 2020
- Series of investor webinars with Russian retail investors following secondary-listing on the Moscow Exchange on 28 October 2020
- Share buyback programme launched
- Regular dividend payments<sup>1</sup>
- Publication of the Annual Report and the integrated Sustainability Report

#### CUSTOMERS AND BUSINESS PARTNERS



##### Mechanisms of stakeholder engagement

- Regular meetings, presentations and formal consultations
- Customer analytics, customer evaluation system
- Industry conferences and forums
- Customer satisfaction surveys
- Transparent supply chain

##### Outcomes in 2020

- Strong portfolio of service contracts with superior clients in metallurgical and oil products and oil segments maintained contributing 64% of Net Revenue from Operation of Rolling Stock in 2020
- Successful service contract extensions with three major long-term customers: MMK, Metalloinvest and Rosneft<sup>2</sup>
- Deepening relationships with other high-profile clients — significantly increased business volumes with EVRAZ

<sup>1</sup> Total dividends in respect of 2020 amounted to RUB 13.3 billion (including interim, final and special dividends).

<sup>2</sup> As announced on 26 April 2021.

#### GOVERNMENT, REGULATORS AND PROFESSIONAL AUTHORITIES



##### Mechanisms of stakeholder engagement

- Regular communication with regulators/policy makers on issues affecting the freight rail transportation industry
- Industry and regulatory forums

##### Outcomes in 2020

- Participation in industry associations including the Council of Railway Operators and the Russian Union of Transport Workers
- All applicable guidelines to manage the impact of COVID-19 implemented

#### LOCAL COMMUNITIES



##### Mechanisms of stakeholder engagement

- Corporate philanthropy and charitable contributions
- Community investment

##### Outcomes in 2020

- Assistance given to support socioeconomic development of our communities
- Regular contributions to aid various charitable projects

#### MEDIA



##### Mechanisms of stakeholder engagement

- Communication with media representatives
- Transparent disclosure through various channels
- Dedicated Media section on corporate website
- Dedicated media relations contacts
- Press conferences and exhibitions

##### Outcomes in 2020

- Distribution of news and information announcements
- Providing access to results calls with CEO and CFO
- Responding to media queries
- Interviews with the top management, ad hoc comments on various industry issues and answers to journalists' questions

## ETHICS AND BEHAVIOUR

At Globaltrans, we understand that our good name and reputation are of paramount importance, and could easily be lost by actual or suspected unethical behaviour. This is why we are committed to ensuring that in our business dealings, we behave openly and honestly and operate to the highest ethical and professional standards.

The way we conduct our business is guided by the Group's core values and principles that are formally enshrined in our **Code of Ethics and Conduct**. It sets out our ethical standards as an organisation and explains how we expect our people to act. The Code helps our employees to understand what is expected of them and our requirements regarding compliance with the Group's policies and all relevant laws and regulations. The Code also describes the Group's principles with respect to confidential information, anti-bribery, conflicts of interest and reporting concerns.

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

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

Globaltrans works closely with its suppliers and partners who play an integral part in delivering value-added solutions to its clients. The Group chooses to work with those who share its values and adhere to the same ethical standards.

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.

Globaltrans has consistently sought to deliver sustainable value to its stakeholders and embrace responsible business practices. With regard to managing ESG issues, we are continually improving our sustainability-related practices and policies and increasing transparency, recognising its long-term importance to our business. To strengthen this ongoing commitment, in January 2021 we established the **ESG Committee** that assists the Board in considering and overseeing environmental, social and governance issues relevant to the Group's business. The ESG Committee also oversees the development of the Group's sustainability approach and reviews and recommends ESG disclosures for Board approval. The ESG Committee consists of two Board members: Elia Nicolaou, Non-executive Director, who serves as the Chair, and John Carroll Colley, Independent Non-executive Director. This commitment at the highest level of the Group is further reinforced by the active participation of Valery Shpakov, CEO of Globaltrans, in all ESG-related processes and evaluations.

## OUR RESPONSE TO THE COVID-19 PANDEMIC

### Supporting our people

Globaltrans rose to the challenges presented by the COVID-19 pandemic, changing the way we carried out our daily work in order to keep our employees and other stakeholders safe while continuing to deliver best-in-class services for our customers.

As COVID-19 pandemic has shown us, businesses need to be well-prepared and willing to take swift, deliberate, and proactive measures to navigate successfully in the face of unprecedented change. As the safety of our people is a top priority, we moved swiftly to put in place measures to help minimise the risk from COVID-19 to our employees and their families. We shifted almost our entire office workforce to remote working, while those few office-based employees whose presence was deemed essential were allowed into the workplace and proper safety precautions were taken to protect them.

While the nature of the job meant that staff at our depots were required to be on-site more often, we tried to minimise their presence as much as possible and put in place safety protocols to protect them.

The Group formally reinforced its ESG approach in January 2021 with the adoption of a specific **ESG Policy**. This policy defines the significance of ESG factors for the Group's business as well as our commitments to employees, investors and other stakeholders. It also clarifies the lines of responsibility and accountability for achieving these policy commitments.

Globaltrans has adopted a number of formal Group-wide policies which address Human Rights, Freedom of Association, Data protection, Diversity and Inclusion, and Supplier Conduct. These documents are continually reviewed and monitored to ensure their relevance and compliance with legal requirements.

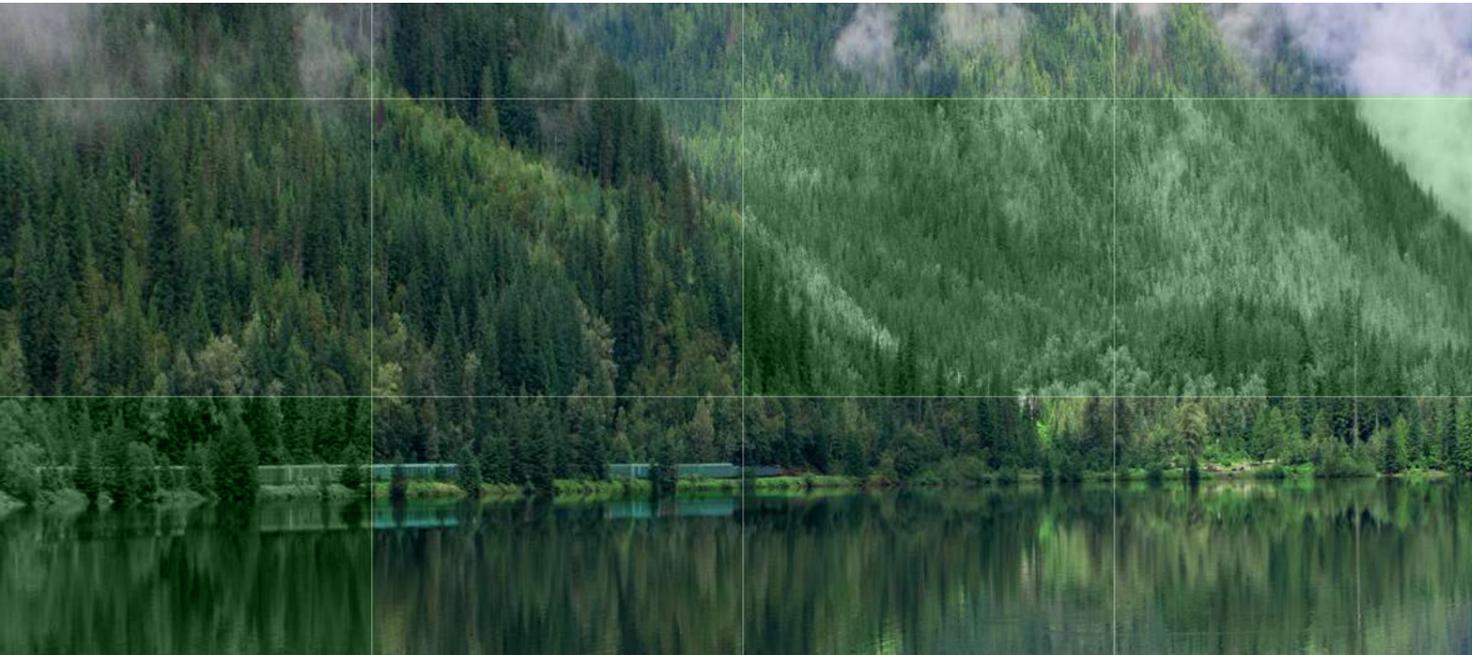
The Group requires that all employees acknowledge their understanding and acceptance of the relevant policies. All the documents are publicly available and can be viewed on the Company's website.

### Business continuity

We understood that switching to remote working could affect the Group's operations, internal processes, and, above all, our people and clients. One of the key reasons that enabled us to transition smoothly and maintain service continuity was our state of readiness for digital transformation. As a result, we were able to move efficiently to remote working while ensuring that all our regular business processes were unaffected. Simultaneously, Globaltrans moved quickly to equip its employees with the right hardware and software and provide its customers with effective remote tools so that everyone stayed connected and engaged.

Maintaining clear communication is another critical element of successful remote working. We all had to find new ways to work together and each department within the Group had its own specific requirements. Our ability to keep in touch and respond quickly to the immediate needs of our employees and clients enabled us to remain fully operational during this challenging period. We provided daily communications with regular updates on the evolving COVID-19 pandemic, its impact on our business and our response.

We value people and respect their fundamental rights and freedoms. As an employer, business partner and member of the wider community, we have the power to do good. We are committed to supporting and abiding by human rights and labour practices throughout our business. In 2020, we introduced our **Human Rights Policy**, which sets out minimum requirements that all those working for and with Globaltrans must meet on all human rights issues. Our approach conforms to international human rights standards such as the UN Guiding Principles on Business and Human Rights. Our commitment to human rights is further made clear in our Code of Ethics and Conduct and our Supplier Code of Conduct and in our Diversity and Inclusion Policy. To promote acceptance of our human rights policies internally, in line with our values, and to ensure compliance, we regularly review human rights issues, conduct any required training, and integrate the results into our operations.



Globaltrans aspires to be a diverse and inclusive work environment in which our people can be themselves and feel at ease. Our **Diversity and Inclusion Policy** commits us to treating everyone with dignity and respect and to providing our people with equal opportunities regardless of ethnicity, gender, religious beliefs, nationality, age or any physical disability. Diversity and inclusion are prioritised and applied at the highest levels of the Group, including at Board level. The Board recognises that diversity can strengthen its performance and takes into account these aspects when making new appointments and considering the composition of the Board.

Globaltrans strives to promote a positive employment environment and ensure compliance with all applicable labour laws and regulations. We recognise the fundamental rights of Globaltrans employees to form and join workers' organisations and to engage in collective bargaining. Our formal **Freedom of Association Policy**, adopted in 2020, strengthens the Group's commitment. We respect the choices made by our employees in the matter and are committed to maintaining a regular and constructive dialogue with them and their designated representatives.

At Globaltrans, we have a zero-tolerance approach to bribery and corruption in all its forms and we are committed to acting ethically and with professionalism, fairness and integrity in all our business activities and relationships. Our **Anti-fraud Policy** is consistent with all applicable legislation, and defines the standards of acceptable behaviours to which all employees must adhere. It also provides guidance on how to avoid, recognise and tackle any such issues.

We have established rules and procedures for handling alleged violations, supervised by an internal team responsible for internal controls and investigations. Each employee is required to understand the types of violations that may occur within their area of responsibility and to closely monitor for any signs of potential non-compliance.

The Group's **Whistleblowing Policy** fosters a culture of honest behaviour and encourages the investigation and reporting of improper activities, including non-compliance with our Code of Ethics and Conduct. Employees are actively encouraged to speak up and to report any concerns that they may have with workplace issues. We provide confidential, safe and secure mechanisms for anonymous reporting of suspected violations of Group standards. And importantly, we ensure that whoever reports suspected breaches is protected and supported.

Executive management meets regularly to discuss, inter alia, anti-fraud and anti-corruption measures. During 2020, no instances of alleged fraud, bribery or corruption were reported within the Group.

We respect and protect the confidentiality and security of our stakeholders' personal information. 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** which can be accessed on the Group's website.

## Key ESG activities:

1

### Corporate governance



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

2

### 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 relevant employment legislation.

3

### Environment



Focusing on employing more energy-efficient practices, reducing our carbon emissions and emphasising the importance of recycling are some of the ways in which we work to minimise the adverse impact of Globaltrans' activities on the environment.

4

### Communities



We are very conscious of the role we can play in supporting our communities. We do this through the interactions of our employees, the opportunities our businesses create and the economic value generated by our Company. We also actively participate in 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 just to satisfy regulatory obligations but also to meet the expectations of our stakeholders.



Further details on Globaltrans' **Risk Management** are set out on pages [56](#) to [65](#).

# EMPLOYEES

The wellbeing, respect and commitment of our people are what define us. At Globaltrans, we do our utmost to be the type of company that people want to work for, where people know they can grow professionally and personally. We strive for an environment in which our employees are safe, healthy, engaged, valued and rewarded. As an employer, we have a responsibility to offer fair remuneration, to provide training opportunities for career development and to create a supportive and respectful workplace and culture.

We do our utmost to ensure the safety and well-being of all our employees wherever they work. The extraordinary challenges of the pandemic have reinforced our commitment to employee health and safety. We maintain well-run and safe workplaces and apply a zero-tolerance approach to all forms of hostility, harassment or unprofessional behaviour.

We want our people to feel supported and connected to our values and principles through the implementation of clear human resources policies and guidelines regarding 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;
- Human Rights Policy;
- Internal Code of Labour Conduct;
- Job Descriptions;
- Regulations on Business Trips;
- Regulations on Contractual Work;
- Regulations on Protection of Personal Data of Employees.

Average employee headcount in 2020 increased 6% year on year to 1,664 (2019: 1,569) employees. Overall headcount at the end of the year rose 3% compared to 2019 to 1,697<sup>1</sup> (2019: 1,640). The increase in the headcount was mostly attributable to the shift to the in-house locomotive crews. BaltTransServis and New Forwarding Company continued to employ the most people within the Group.

## Diversity

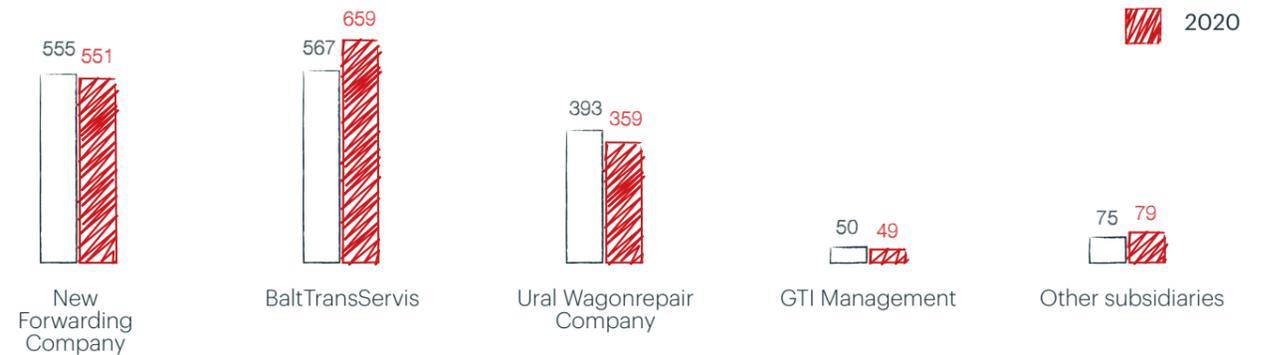
We value and appreciate the individuality of our employees and respect them for their performance, skills and contributions regardless of age, disability, ethnicity, nationality, gender, race, colour, religion or sexual orientation. We ensure that our employees are treated fairly and equally, creating a supportive and engaging work environment where people at all levels enjoy respect and have dignity. The Group has zero tolerance for any form of discrimination. Our approach to diversity is outlined in our Diversity and Inclusion Policy, the breaches of which are grounds for disciplinary action.

Globaltrans' commitment to diversity extends to all our business activities including hiring, employee retention, promotions, compensation and benefits, career development and training, work arrangements and Board appointments. The Group aims to offer equal pay opportunities for both women and men.

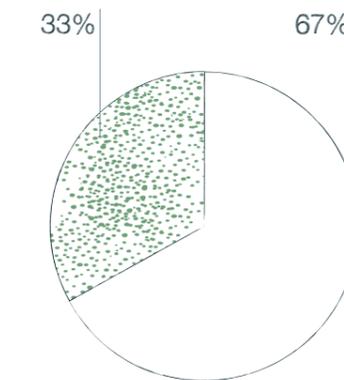
The freight rail transportation industry has traditionally been a male-dominated environment. We are gradually and successfully addressing this gender imbalance within our Group by focusing on attracting more women into the workforce. As at year-end 2020, women comprised 33% of our workforce. At Board level, women represented 13% of the Board of Directors (two Board members).



## HEADCOUNT BY SUBSIDIARY, 2019-2020 (AT YEAR-END)

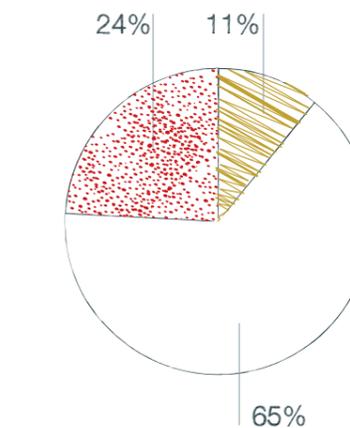


## HEADCOUNT BY GENDER IN 2020 (AT YEAR-END)



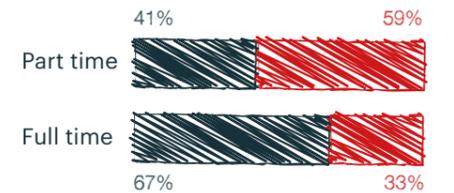
Men  
Women

## HEADCOUNT BY AGE IN 2020 (AT YEAR-END)



< 30 years  
30-50 years  
> 50 years

## PERMANENT CONTRACT

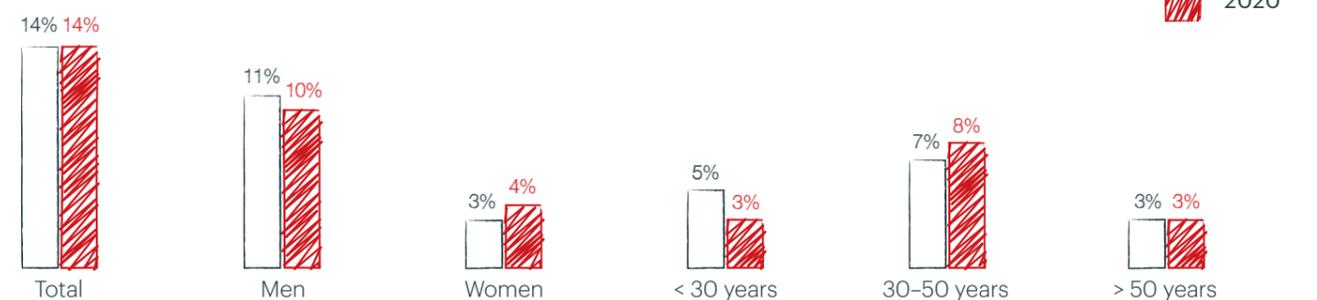


## TEMPORARY CONTRACT



Men  
Women

## EMPLOYEE TURNOVER RATE BASED ON GENDER AND AGE, 2019-2020



<sup>1</sup> The difference between the headcount and the average headcount is due to different calculation techniques. The headcount is presented as at the end of 2020, 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.

## Training and education

We are committed to investing in talent development and education to sustain the success of our people and business. Providing opportunities for our employees to grow and remain competitive and effective in a rapidly-changing world is essential. At Globaltrans, we provide a range of learning and development programmes including training, workshops and seminars that are tailored to individual work requirements and current needs. In 2020, due to the coronavirus pandemic, we rapidly shifted to offering our employees more digital learning programmes. As a result, 71% of all training and development was carried out via distance learning compared to 25% in the previous year. Technology is a vital element in so many processes, and understanding it is arguably now a necessity, not an option. That is why we have been focusing on improving the digital literacy of all our employees. Along with equipping employees with the equipment and software tools needed to do their jobs efficiently, we have provided them with a variety of online resources including webinars, to support their development.

During 2020, 336 employees attended training programmes and despite the disruption caused by COVID-19 the Group still delivered a total of 21,226 hours of training and development (2019: 28,447). During the year, training was provided in various areas including accounting, business administration, environmental safety, information security, health and safety, financial management and marketing.

## Motivation

We recognise that one of our major strengths is our people and that nothing can be achieved without engaging them. Their success is our success. Therefore it is our responsibility to keep our people motivated about what they do and what they can achieve. We are committed to actively engaging with our colleagues and responding to their needs. We can best serve our people by listening carefully and being adaptive.

Our support for our employees is ongoing and essential, even more so during times of crisis. Through the COVID-19 pandemic, Globaltrans kept all its people employed and, importantly, maintained salaries at the pre-COVID level.

While managing a remote workforce, it is important to keep communication channels open. For this reason, throughout last year we focused on maintaining frequent dialogue with our workforce, providing regular updates and check-ins to ensure they had the right level of advice and support needed to adjust to the new working environment and to perform at the highest levels.

We strive to continuously improve working conditions for our people. We want them to work in a supportive and considerate environment, enjoy opportunities for career progression and receive competitive reward packages and benefits. Our staff reward packages include health insurance, childcare support, additional holidays as well as other benefits. Eligible employees can participate in the various incentive schemes that the Group operates. We are committed to maintaining a motivated and productive workforce that values being part of Globaltrans. We believe that our low staff turnover rate (14% overall: 10% for men and 4% for women) reflects this and is an important indicator of workforce stability and satisfaction.

## Corporate culture and internal communications

Interaction, collaboration and teamwork are essential parts of the Globaltrans culture. We strongly believe that they improve productivity, lead to proper and prudent business decisions, underpin a trusting and supportive work environment and enable us to deliver a better result in everything we do. We want every employee's voice to be heard and every idea to be shared openly. All employees are encouraged to raise any issues and concerns and to provide suggestions and feedback for improving the business. Our communication channels enable everyone to learn more about our performance, important events and projects and connect with senior management. To understand our employees' needs and improve their experience, we conduct various surveys and some Group subsidiaries have employee helplines.

To encourage a sense of community and promote better teamwork, we also regularly host sports, cultural and recreational events for our employees and their families.

We understand that with so many people working virtually, it takes extra effort to keep everyone feeling cared for, connected and engaged. To provide a platform for healthy debate and interaction, we communicate regularly with our employees via reports and updates, management calls, webinars, and formal and informal virtual meetings.

## Health and safety

The safety and wellbeing of our people has always been Globaltrans' number one priority. It is paramount to our corporate culture and ultimately to the success of our business. The extraordinary events of 2020 with the spread of the COVID-19 pandemic, have resulted in a whole new level of concern for employee wellbeing in companies around the world. Globaltrans acted quickly to protect its employees, taking immediate action to improve health and safety measures throughout the Group. We swiftly adapted to the new work environment, strictly following the advice of government and medical organisations, and moving our office-based staff to remote working. For our on-site (repair depot) employees, we revised our work procedures to ensure their safety, implementing various precautions including workplace disinfection, shift rotations, social distancing and the use of masks, temperature scans and hand sanitisers.

As set out in our Code of Conduct and Human Rights Policy, we are committed to acting in a socially responsible manner that protects our people, suppliers and partners, all of whom we expect to share that commitment.

Globaltrans has health and safety procedures, practices and policies that comply with all applicable regulations, laws and other requirements. We strive 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 our efforts to maintain a safe workplace, we actively promote a culture of a zero-harm and risk awareness among our people, and provide appropriate health and safety education, training, instruction and supervision. 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 wellbeing on a daily basis.

We also perform regular spot-checks at our operations to ensure that they continue to meet high safety standards. In 2020, because of the pandemic and the move to remote working, we reduced the number of workplace safety checks to 341 visits (2019: 769 visits), focusing on providing online occupational health and safety training instead.

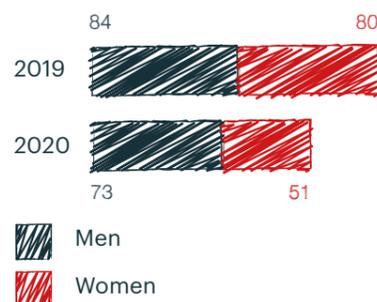
Our occupational health and safety performance has always been positive. The nature of our business means that our employees typically work in a low-risk environment. So it is with deep sadness and regret that the Group recorded its first-ever workforce fatality at one of its repair depots in 2020. The Group immediately investigated the incident and took corrective action, putting in place preventive training for its depot personnel. We investigate and analyse each incident and share the findings across the Group in order to prevent similar incidents at other locations. All incidents are reported and discussed at the Board level.

The Group remains committed to ensuring such incidents are eliminated and do not reoccur. To make our reporting processes more transparent, from now on we will implement the Lost Time Injury Frequency Rate (LTIFR), a leading benchmark for measuring safety and health performance. In 2020, the LTIFR<sup>1</sup> (per million hours worked) performance of the Group stood at 0.66.

In 2021, we will continue to put greater emphasis on safety, risk awareness and accountability in order to strengthen the safety culture of the Group.

<sup>1</sup> LTIFR (Lost-Time Injury Frequency Rate) is the number of lost time injuries multiplied by 1,000,000, divided by the employee total hours worked in the reporting period.

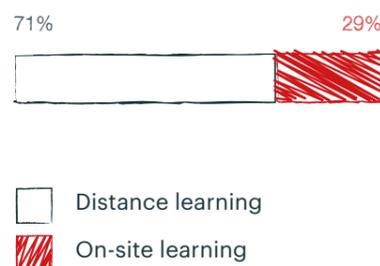
AVERAGE TRAINING HOURS BY GENDER, 2019-2020



DISTRIBUTION OF TRAINING AMONG EMPLOYEES BY EMPLOYEE CATEGORY IN 2020



MAIN TYPES OF TRAINING FORMATS IN 2020



# ENVIRONMENT

Rail is considered to be one of the greenest modes of transport, with its limited impact on the natural world, mainly linked to lower greenhouse gas emissions. The Group is nonetheless committed to minimising its environmental footprint, recognising the importance that our stakeholders and the wider community attach to this issue as well as the Group's own responsibility to protect the environment for the benefit of everyone. To this end, we focus not only on controlling emissions but also on other areas such as energy efficiency, optimising water management and reducing paper consumption.

Globaltrans is fully compliant with all applicable environmental laws, industry regulations and requirements and we strive to continually improve our environmental performance over time to stay compliant. Our approach to the management of environmental

factors is reinforced through the Group's formal ESG Policy and Environmental and Energy Policy, which set out our commitment to carry out our activities in an environmentally responsible way. We make sure that all of our employees understand and act in a manner that is consistent with our policies.

Guided by these policies, we are constantly monitoring and finding ways to improve our subsidiaries environmental management and reporting systems in order to better monitor, measure and assess the environmental aspects of our activities.

We also focus on raising our employees' and suppliers' awareness of the environment and improving transparency for our investors. To support this, we report the Group's performance on a number of environmental metrics consistent with external reporting frameworks

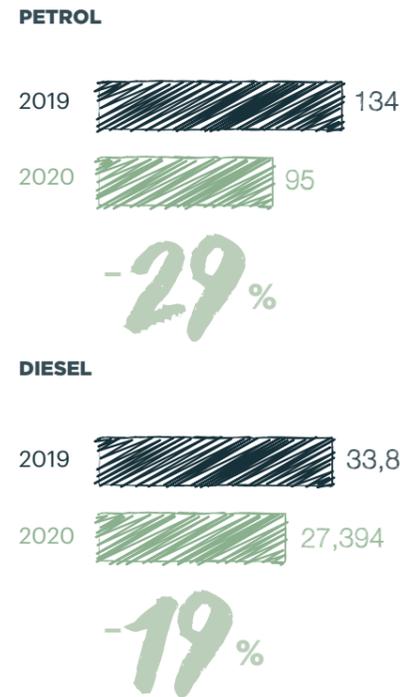
such as the Global Reporting Initiative (GRI). Annual data and information on monitoring and progress are contained in our integrated sustainability reports that are publicly available on the Group's website.

The results for 2020 are set out below. There were no instances of non-compliance with environmental laws and regulations during the reporting period.

## Energy usage

At Globaltrans, we are determined to use energy prudently and to be climate neutral. It is something that we are working towards promoting and improving at all levels of the Group. The Group's operations consume various forms of energy, including electricity, oil and gas, and we are constantly working on ways to improve the Group's energy efficiency and reduce our carbon footprint.

## PETROL AND DIESEL CONSUMPTION PER EMPLOYEE, 2019-2020, LITRES



In 2020, we again decreased our energy consumption in three key areas as shown below. Various factors contributed to this, including the consolidation of a number of offices to a single office location, the impact of COVID-19 lockdowns on our operations and the move to remote working.

## Use of water

As part of our commitment to conserve resources, we monitor water usage in an effort to optimise its use and consumption. While Globaltrans is not a significant water user, we recognise that it is a vital resource for society and are committed to acting responsibly. Our internal management systems and practices ensure transparency and effective governance of water use in our day-to-day work. Since 2018, we have been developing and improving our monitoring, collection and processing of water usage data across the Group's subsidiaries. We are now in a position to release our first annual figures for water consumption, which in 2020 totalled 16,627 m<sup>3</sup><sup>1</sup>.

While clearly the incidence of remote working due to the pandemic had a positive impact on the Group's annual water consumption, Globaltrans continues to seek opportunities to improve water use and adopt practices that would help its employees to manage and use water efficiently.

## Paper recycling

The issue of office waste is something we are very familiar with since the Group consumes relatively large amounts of paper. Consequently, we actively promote the merits of a green workplace and encourage employees to reduce the frequency and volume of printing. We have been focused on digitising business processes and using electronic documentation for a number of years, but the events of 2020 have accelerated these trends. In 2020, we registered 42% reduction in paper consumption by employees, as the Group's office activities went essentially 'virtual'. We will continue to develop office waste recycling initiatives as we revert to a more normal working environment.

## TOTAL CONSUMPTION OF ENERGY RESOURCES BY TYPE, 2019-2020

Energy type	2019	2020	Change
Electricity (KWh)	4,795,686	4,182,373	-13%
Diesel (litres)	53,184,738	45,584,067	-14%
Petroleum (litres)	210,715	158,816	-25%

## PAPER CONSUMPTION (KG PER EMPLOYEE), 2019-2020

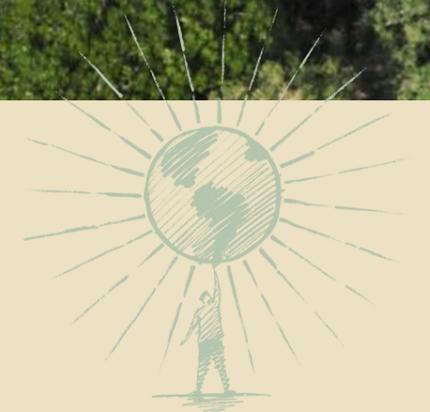


<sup>1</sup> This excludes data from AS Spacecom and BaltTransServis (except for data from the BTS railcar repair depot in Ivanovo which is included).



# ENVIRONMENT

## Greenhouse gas management



Globaltrans operates in one of the greenest and most eco-friendly industries based on its relatively low greenhouse gas (GHG) emissions. Rail remains the most fuel-efficient mode of transport, as just one litre of fuel is sufficient to transport one tonne of freight over a distance of approximately 200 kilometres. Nevertheless, we recognise that we can contribute to minimising emissions through efficient logistics and careful management of our assets. Since its creation, Globaltrans has focused on operational efficiency, in particular on reducing the number of empty railcars transported as part of the Group's logistics movements. This not only helps us achieve solid financial and business results but also helps improve our environmental performance. We have led the industry for many years in terms of efficiency, and we consistently deliver one of the lowest gondola Empty Run ratios in the sector, which speaks to our commitment.

In the freight rail transportation sector locomotives are the biggest contributors to GHG emissions. In Russia the vast majority of locomotive traction for loaded and empty trips, as well as the ownership of railway infrastructure itself belongs to RZD. Due to industry regulations, freight rail operators including Globaltrans have to outsource locomotive traction and infrastructure services from this provider.

Nevertheless, the Group has a competitive advantage, as it runs one of the largest privately-owned locomotive fleets in Russia and provides a unique service solution for its clients in the oil products and oil segment. We therefore measure, report and account for only those emissions (Scope 1) that are directly attributable to our fleet of 74 locomotives.

Operating a modern, well-maintained fleet also contributes to minimising our environmental footprint. In 2019, we further improved fleet efficiency with the purchase of 10 new, more energy-efficient and cleaner diesel locomotives. Since 2018 we have made significant progress in measuring, managing and disclosing GHG emission information in our operations, and this process is still ongoing. In 2020, due to a combination of reduced fuel consumption resulting from the impact of the COVID-19 pandemic and sustainability measures taken by the Group including the use of the new, cleaner locomotives, GHG emissions from the Group's locomotive fleet across all its subsidiaries were 138,198 tonnes of CO<sub>2</sub> equivalent<sup>1</sup>, 14% lower than in 2019 (2019: 161,299 tonnes of CO<sub>2</sub> equivalent).

While we continue to promote the environmental benefits of rail, we are committed to continuously improving our energy efficiency and exploring appropriate options and proposals to reduce our GHG emissions.

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

# COMMUNITIES

Since its founding, Globaltrans has recognised the importance of having a direct positive impact on the communities where it operates. We strive to serve our communities responsibly as an organisation, an employer and a business partner. This sense of responsibility to our communities can also be seen in our legislative compliance, the transparency of our financial and non-financial reporting and our commitment to improving our environmental footprint.

Our solid financial performance, essential to our long-term business success and sustainability strategy, enables us to benefit society in a variety of ways. We contribute to Russia's economic and social development and add value through our business operations, direct and indirect employment, tax payments, social activities and charitable contributions.

The Group works closely with its communities, through its support for community groups and charities, the work of its volunteer staff, and through the provision of internships and educational support. We work with our local communities to identify how best to contribute whether through contributions of time, skills or financial assistance. By establishing internships and pro bono social programmes, we can help our employees add to their capabilities and contribute more to society. Our business success not only creates opportunities for current and prospective employees, but it also means we are making a direct financial contribution to the broader economy through local and national taxes, the payment

of license and other fees and the use of third party services and suppliers.

We recognise the value that diversity and respect bring to any environment. We have created a fair, safe and respectful work environment so that our employees and those we work with can prosper. To contribute fully to the success of Globaltrans and society as a whole, people need to feel valued and supported. To that end, we provide health insurance, childcare support and part-time job options to improve the quality of life for our employees and their families. We encourage our businesses and people to extend their support beyond our operations by participating in community initiatives, charities and sports activities. We believe that this strengthens their sense of well-being while helping to instil our values of respect and cooperation more broadly. By improving the lives of those living in the communities where we operate and creating valuable opportunities, Globaltrans is making a positive difference to society as a whole. Also, we contribute directly to charitable efforts in our communities in the areas of health and well-being, sports, culture, education and in support for vulnerable groups like the disabled and elderly. Despite challenging economic environment in 2020, we ensured continued support for those organisations we have been working with for many years. One such example is the Life Line Fund which provides vital assistance to children facing life-threatening illnesses and which Globaltrans has supported since 2011.

We fundamentally believe that having valued, healthy, prosperous employees, families and communities sets the strongest foundations for their success, our success and that of our stakeholders.



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

#### DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED<sup>1</sup>

	2020, RUB mln
<b>Direct economic value generated<sup>2</sup></b>	<b>68,367</b>
<b>Economic value distributed</b>	<b>75,136</b>
Total cost of sales (excluding Employee benefit expense)	45,548
Total selling, marketing and administrative expenses (Community investments and excluding Employee benefit expense and Taxes (other than income tax and value added tax))	938
Employee benefit expense	4,154
Payments to the providers of capital <sup>3</sup>	21,419
Payments to the government <sup>4</sup>	3,077
<b>Economic value retained</b>	<b>(6,769)</b>

<sup>1</sup> Information in the table is derived from the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2020.

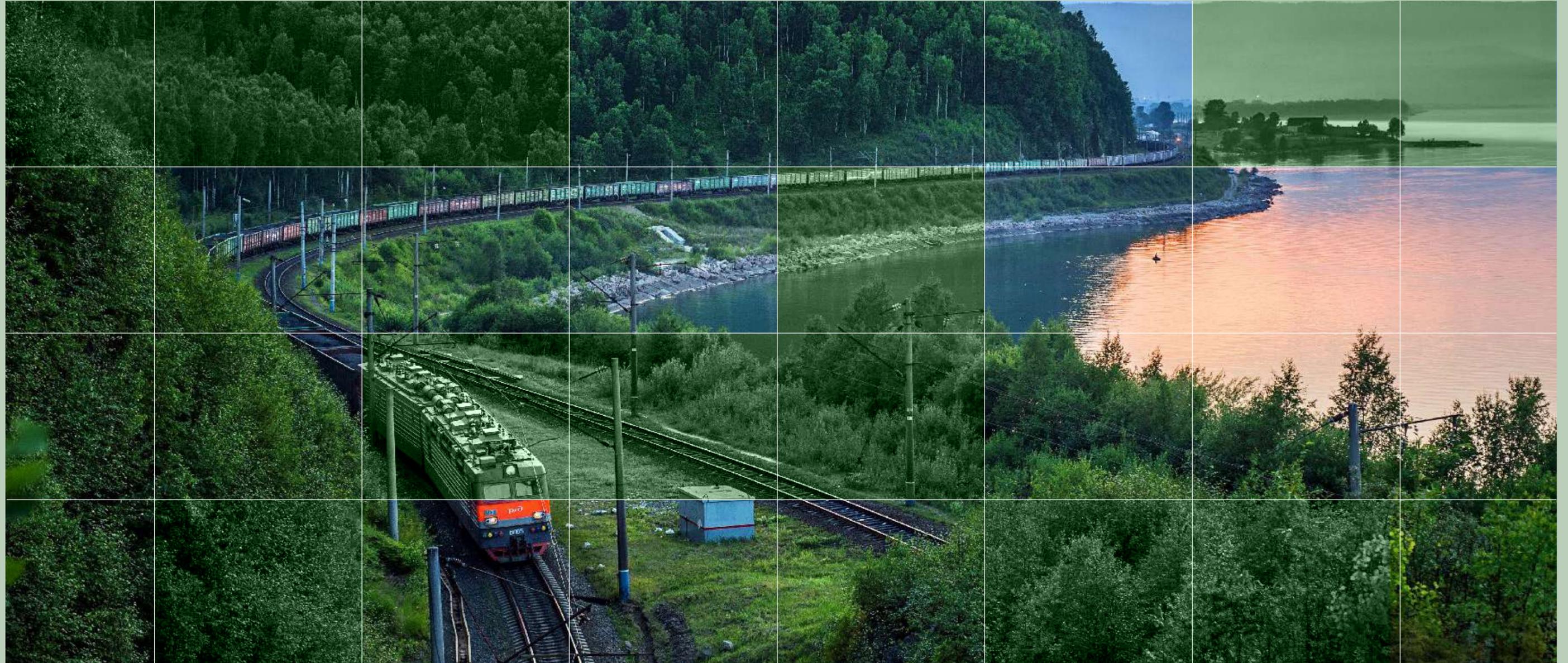
<sup>2</sup> Direct economic value generated includes "Revenue".

<sup>3</sup> Payments to providers of capital include "Interest paid", "Dividends paid to owners of the Company" and "Dividends paid to non-controlling interests in subsidiaries".

<sup>4</sup> Payments to the government 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. Purchases of property, plant and equipment are shown net of VAT. Related input VAT is included in movement in changes of working capital, within trade and other receivables.

# Corporate Governance

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# Board of Directors

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 composed of highly experienced directors, equipped with the diverse skills, expertise and commercial experience required to lead the Group effectively and provide support for the executive management.

Board of Directors

15

Members

4

Independent  
Non-executive  
Directors



**Sergey Maltsev**

**Chairman of the Board, Executive Director, Chief Strategy Officer, Co-founder and shareholder of Globaltrans**

**Appointment:** Mr. Maltsev was elected Chairman of the Board of Directors in April 2018 and has served as Chief Strategy Officer since August 2017.

**Skills and experience:** Mr. Maltsev was instrumental in the development of the freight rail market in Russia and has worked in the industry for over 30 years. He co-founded Globaltrans and served as Chief Executive Officer from 2008 until 2015 when he left the Group. At that point he served as Senior Vice President for strategy and corporate governance at JSC Russian Railways until his return to Globaltrans as Chief Strategy Officer in 2017.

Mr. Maltsev was a founding member and Chairman of the non-profit partnership "Council of Railway Operators". In recognition of his services to the rail industry, Mr. Maltsev received the "Honoured Railwayman of Russia" award. He has a degree in railway engineering.



**John Carroll Colley**

**Independent Non-executive Director, Chairman of the Audit Committee**

**Appointment:** Mr. Colley was appointed to the Board as an Independent Non-executive Director in April 2013.

**Committee membership:** Mr. Colley is Chairman of the Audit Committee and a member of the Nomination and Remuneration committees. In 2021 Mr. Colley became a member of the 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 a variety of 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.



**Dr. Johann Franz Durrer**

**Senior Independent Non-executive Director, Chairman of the Remuneration and Nomination committees**

**Appointment:** Dr. Durrer was appointed to the Board as an Independent Non-executive Director in March 2008.

**Committee membership:** Dr. Durrer is Chairman of the Remuneration and Nomination committees.

**Skills and experience:** Dr. Durrer began his career at Union Bank of Switzerland and in 1970 founded Fidura Treuhand AG, which provides bookkeeping, auditing and financial services.

Dr. Durrer graduated from the University of Zurich with a doctorate in Economics and is a member of the Swiss Fiduciary Association.



**Vasilis Hadjivassiliou**

**Independent Non-executive Director**

**Appointment:** Mr. Hadjivassiliou was appointed to the Board as an Independent Non-executive Director in September 2019.

**Committee membership:** In 2021 Mr. Hadjivassiliou became a member of the Audit Committee.

**Skills and experience:** Mr. Hadjivassiliou was a partner in Assurance and Advisory services in 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 several companies affiliated with his family and is also a Board member in a number of other private companies.



**George Papaioannou**

Independent Non-executive Director

**Appointment:** Mr. Papaioannou joined the Board as an Independent Non-executive Director in April 2013.

**Committee membership:** Mr. Papaioannou is a member of the Audit Committee.

**Skills and experience:** Mr. Papaioannou has an experience of 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.



**Alexander Eliseev**

Non-executive Director, Co-founder of Globaltrans

**Appointment:** Mr. Eliseev joined the Board in 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 Russian freight rail transportation market. He has spent more than 17 years in senior management positions, mostly within the rail sector, and sits on the boards of two Globaltrans subsidiaries, New Forwarding Company and BaltTransServis.

Mr. Eliseev is a graduate of the Russian State Medical University, where he studied biophysics.

**Other appointments:** Mr. Eliseev is Chairman of the Board of Globaltruck, a leading freight trucking operator in Russia, listed on the Moscow Exchange.



**Andrey Gomon**

Non-executive Director

**Appointment:** Mr. Gomon served as a member of the Board of the Company from 2013 to 2016 and rejoined the Board in April 2017.

**Skills and experience:** Mr. Gomon has over 13 years management experience in the railway industry. From 2006 to 2012 he was CEO of Transoil, one of the largest oil rail transportation companies in Russia, having previously served as CFO between 2003 and 2006. He sits on the boards of two Globaltrans subsidiaries, New Forwarding Company and BaltTransServis.

Mr. Gomon studied economics at St Petersburg State University and holds an MBA from INSEAD.



**Elia Nicolaou**

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

**Appointment:** Ms. Nicolaou joined the Board as a Non-executive Director in March 2008. She is the Company Secretary.

**Committee membership:** Ms. Nicolaou was a member of the Audit Committee in 2020. In 2021, Ms. Nicolaou stepped down as a member of the Audit Committee and became a member and Chair of the ESG Committee.

**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 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.



**Melina Pyrgou**

Non-executive Director

**Appointment:** Ms. Pyrgou was appointed to the Board as a Non-executive Director in 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 currently 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

**Appointment:** Mr. Shirokov was appointed to the Board as an Executive Director in March 2008 and heads Globaltrans' internal audit function.

**Skills and experience:** Mr. Shirokov has over 12 years' 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 Finance Academy under the Russian government and studied business management at Oxford Brookes University.



**Alexander Storozhev**

Executive Director,  
Chief Procurement Officer

**Appointment:** Mr. Storozhev joined the Board as an Executive Director in April 2013.

**Skills and experience:** 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 is chairman of a number of Globaltrans subsidiary boards, including AS Spacecom, AS Spacecom Trans, GTI Management and BaltTransServis and serves on the boards of other Globaltrans' subsidiaries including New Forwarding Company and Ural Wagonrepair Company. Since February 2015, he has been Director of Investments and Business Development at New Forwarding Company. Mr. Storozhev is a recipient of the "Honoured Transport Worker of CIS" Award.

Mr. Storozhev 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.



**Alexander Tarasov**

Non-executive Director

**Appointment:** Alexander Tarasov joined the Board in April 2013.

**Skills and experience:** Mr. Tarasov served as a deputy director general in Sevttekhnotrans, a Globaltrans subsidiary that subsequently merged with Ferrotrans. He has held management positions at a number of leading Russian companies across different sectors, with a focus on financial management and analysis.

Mr. Tarasov graduated from the Bauman Moscow State Technical University with a degree in Engineering and holds a degree in Economics from the Moscow State University of Commerce.



**Michael Thomaidis**

Non-executive Director

**Appointment:** Mr. Thomaidis was appointed to the Board as a Non-executive Director in April 2014.

**Skills and experience:** Mr. Thomaidis 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. Thomaidis graduated from London Southbank University with a BSc degree in Consumer Product Management.



**Marios Tofaros**

Non-executive Director

**Appointment:** Mr. Tofaros was appointed to the Board as a Non-executive Director in 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.



**Sergey Tolmachev**

Executive Director, Managing Director

**Appointment:** Mr. Tolmachev was appointed to the Board as a Non-executive Director in April 2013 and as an 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 also serves on Globaltrans subsidiary boards, including AS Spacecom and AS Spacecom Trans. 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.

# 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 individuals responsible for the 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. He is a recipient of the "Honoured Railwayman of Russia" award.



**Sergey Maltsev**

**Chief Strategy Officer, Chairman of the Board, Executive Director, Co-founder and shareholder**

Mr. Maltsev has served as Chief Strategy Officer of the Group since August 2017 and was elected as Chairman of the Board of Directors of Globaltrans in April 2018.

Mr. Maltsev has worked in the rail sector for more than 30 years and was instrumental in the development of the private freight rail market in Russia. Mr. Maltsev was a founding member and Chairman of the non-profit partnership "Council of Railway Operators". Having co-founded Globaltrans, he served as the Company's CEO and member of the Board for over a decade before stepping down in 2015. Subsequently, he worked as the Senior Vice President for strategy and corporate governance at JSC Russian Railways. He is a recipient of the "Honoured Railwayman of Russia" award.



**Alexander Shenets**

**Chief Financial Officer**

Mr. Shenets has been CFO of Globaltrans since the Group's establishment and has more than 15 years of experience in senior finance positions, mostly in the rail sector. He is a member of the boards of GTI Management, New Forwarding Company, BaltTransServis, AS Spacecom, AS Spacecom Trans and Ural Wagonrepair Company, all Globaltrans subsidiaries.

He holds an MBA from Lomonosov Moscow State University.



**Vyacheslav Stanislavsky**

**Deputy Chief Executive Officer, Head of Operations**

Mr. Stanislavsky 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.

He has more than 30 years of experience in the rail industry and is a recipient of the "Honoured Railwayman of Russia" award.



**Alexander Storozhev**

Chief Procurement Officer, member of the Board, Executive Director

Mr. Storozhev joined the Board as an Executive Director in April 2013. He has held a series of senior management roles over a 20-year career in the rail industry. He has been with Globaltrans since the company was established and is Chairman of a number of Globaltrans subsidiary boards, including AS Spacecom, AS Spacecom Trans, GTI Management and BaltTransServis. He also serves on the boards of New Forwarding Company and Ural Wagonrepair Company, both Globaltrans subsidiaries. Mr. Storozhev is a recipient of the "Honoured Transport Worker of CIS" award.

He graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He also holds a diploma from the Mirbis Business School in Moscow and a Master's degree in Business Administration and Finance.



**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 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 15 years of management experience.

He has an MBA from the Moscow International School of Business.



**Sergey Avseykov**

Business Development Officer

Mr. Avseykov is in charge of business development for the Group. He joined New Forwarding Company, a Globaltrans subsidiary, in 2011 as Head of the Marketing and Development Division. Between 2017 and 2018, Mr. Avseykov served as acting Head of Business Project Management at JSC Russian Railways before rejoining Globaltrans in 2018.

Mr. Avseykov graduated from Tomsk State University and holds a PhD in political science from the Russian Presidential Academy of National Economics.



**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. She has worked with government departments including the Russian Transport, Finance and Railway Ministries. 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.



**Artem Gabestro**

General Counsel, Corporate Governance Advisor to CEO

Artem Gabestro joined the Group in 2007 as a lawyer before becoming general counsel of Globaltrans two years later. He is a member of the Audit Committee of Globaltrans' subsidiary New Forwarding Company and in January 2020 was appointed as an advisor to Globaltrans' CEO on issues of corporate governance.

Mr. Gabestro is a graduate of Moscow State University of International Affairs and holds a Master's degree in law.

# Corporate Governance Report

Dear shareholders,

On behalf of the Board, I am pleased to introduce the Group's Governance Report for 2020, which provides an overview of how the Board maintained its governance focus in the challenging circumstances we faced last year due to the COVID-19 pandemic.

The Board views good governance, transparency and accountability as essential building blocks in supporting Globaltrans' long-term success and sustainability. In this context, the impact of the COVID-19 pandemic was not only an examination of our strategy and business model, but it was also a real-life test of the Group's governance and in particular the Board's ability to exercise effective leadership and governance oversight during a period when the business was under extreme stress. It is very gratifying to report that the Board of Directors rose to the challenge of leading the Group with great pragmatism, urgency, and commitment.



I would like to thank all of the directors for their input, commitment, and unwavering support during this unprecedented period.

The Board, working closely with the management, took decisive action to mitigate the impact of COVID-19 and to ensure that the business continued to remain fully operational. This included the introduction of measures to protect the health and safety of our employees, to improve costs, to optimise capital allocation (for instance by cancelling all non-essential expansion CAPEX) to protect free cash flows, to safeguard dividend payments, and to maintain a dialogue with the stakeholders. Board and Committee meetings continued as scheduled but as virtual meetings, with all directors participating via remote meeting technology.

As a result, the Board was able to continue to engage with and to provide constructive feedback to the executive team without our governance oversight suffering.

Whilst responding to the impact of the pandemic inevitably took up a lot of the Board's time last year, we nonetheless continued to make progress against our strategic governance priorities. In recognition of stakeholders' growing focus on environmental and social issues, the Board announced in January 2021 the formation of the ESG Committee to oversee the Group's integration of ESG into our strategy and business processes and ensure that our governance continues to evolve in line with international best practice.

The secondary listing of the Company's GDRs on the Moscow Exchange was another important step in increasing the Group's profile with Russian investors, especially with the growing retail base of investors, illustrating again our firm commitment to open and proactive engagement with our stakeholders.

2020 was a very challenging period and I would like to thank the Board and the executive team for their commitment and enthusiasm during this time.

**Sergey Maltsev**  
Chairman  
Chief Strategy Officer  
Co-founder and shareholder

# Corporate Governance Report

## Corporate governance framework

### Corporate governance policies

Globaltrans' corporate governance policies and practices are designed to ensure that the Group upholds its responsibilities to shareholders and other stakeholders. This key principle is promoted and applied across all levels of the Group in order to establish effective and transparent corporate governance. To that end, Globaltrans' Board of Directors has adopted the Company's Code of Corporate Governance (based on the principles of the UK Corporate Governance Code), guaranteeing that the interests of all shareholders are given due consideration.



Globaltrans' policies include, inter alia:

#### Corporate documents and policies

- Articles of Association
- Appointment Policy for the Board of Directors and its committees
- Audit Committee — terms of reference
- Board of Directors — terms of reference
- Dividend Policy
- ESG (Environmental, Social and Governance) Committee — terms of reference
- Nomination Committee — terms of reference
- Policy on assessment of independence and objectivity of external auditor
- Remuneration Committee — terms of reference

#### Business ethics

- Anti-Fraud Policy
- Business Continuity Policy
- Code of Ethics and Conduct
- Corporate Diversity and Inclusion Policy
- Environmental and Energy Policy
- ESG Policy
- Freedom of Association Policy
- Human Rights Policy
- Policy on reporting and investigating allegations of suspected improper activities (Whistleblowing Policy)
- Supplier Code of Conduct

#### Disclosure, transparency and market abuse regulation

- Continuing Obligations Policy
- Corporate policy on the treatment of the rights of minority shareholders
- Disclosure Policy
- Internal control rules for insider information
- List of insider information
- Securities Dealing Code and the PDMR Securities Dealing Code

#### Privacy

- Privacy Policy



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

## The Board 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 the Board 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.

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 scale, complexity and strategic positioning of the business. Non-executive Directors are drawn from a wide range of industries and backgrounds including 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 the free-float shareholders are represented and that the interests of all stakeholders are taken into account.

The Board comprises 15 members, eleven of whom are Non-executive Directors. Four of the Non-executive Directors are independent. Globaltrans separates the positions of Chairperson and CEO to ensure appropriate segregation of roles and a clear division of responsibilities.

In 2020, members of the Board of Directors held 16,326,121 shares and GDRs in Globaltrans.

### Diversity

The Board does not operate a formal diversity policy concerning age, gender or educational and professional backgrounds. However, in line with best practice, the Board does take into account these aspects when making new Board appointments and considering the composition of the Board.

There are 2 female members on the Board, equivalent to about 13% of the Board. The Board ranges in age from 40 to over 70 years old, with the average age being 52.5 years. Board members have experience across the following areas: the transportation and port industry, audit, accounting, economics and finance, the banking sector and legal, engineering and mechanics, biophysics and mathematics, history, international affairs and risk management.

### Membership

The process for Board appointments is led by the Nomination Committee and members of the Board are elected at the General Meeting.

# Corporate Governance Report

## Induction and professional development

The Chairman is responsible for ensuring that there is a properly constructed and timely induction for new directors upon joining the Board. 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 when there are pressing matters requiring the Board's consideration in between the scheduled meetings.

### The Board met

**18** times

during 2020 and considered 79 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.
- Approval of the interim dividend of the Company.

#### Ad hoc meetings

- Approval of change of the GDR depository bank and transfer of GDR Programme.
- Approval of material borrowings and pledges by subsidiaries.
- Approval of the contracts of the Company.
- Approval of Company policies.
- 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.
- Approval of the buyback of the Company's GDRs from the market.
- Approval for the listing of the Company's GDRs on MOEX.
- Changes in the responsibilities of Board members and other matters.

## THE BOARD AND THE BOARD COMMITTEES MEETINGS IN 2020 AND THE ATTENDANCE OF DIRECTORS

	Board of Directors		Nomination Committee		Remuneration Committee		Audit Committee	
	E	A	E	A	E	A	E	A
Sergey Maltsev (Chairman)	18	18						
John Carroll Colley	18	18	1	1	3	3	4	4
Dr. Johann Franz Durrer	18	18	1	1	3	3		
Alexander Eliseev	18	17						
Andrey Gomon	18	18						
Vasilis Hadjivassiliou	18	18						
Elia Nicolaou	18	18					4	4
George Papaioannou	18	18					4	4
Melina Pyrgou	18	18						
Konstantin Shirokov	18	18						
Alexander Storozhev	18	18						
Alexander Tarasov	18	18						
Michael Thomaidis	18	17						
Marios Tofaros	18	18						
Sergey Tolmachev	18	18						

E Eligible

A Attended

## Remuneration of the Board and the 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 2020 at the Annual General Meeting held on 30 April 2020. For details of the remuneration paid to the Board and key executives in 2020, please refer to Note 35a of the Group's Consolidated Management Report and Consolidated Financial Statements included in the Financial Statements section of this Annual Report.

The total gross remuneration of the members of the Board of Directors paid by the Group in 2020 amounted to RUB 433 mln.

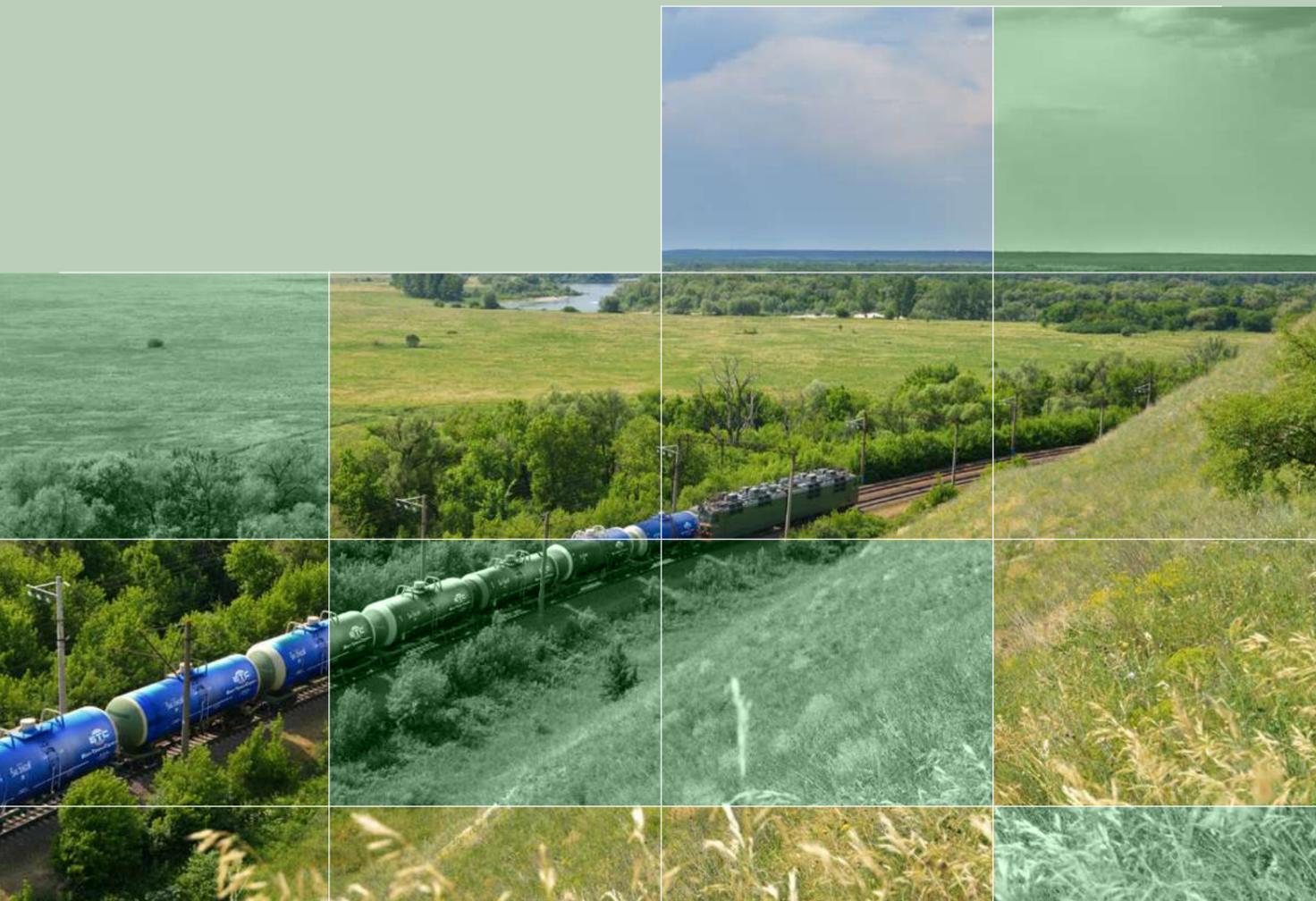
# Corporate Governance Report

## Board committees

In 2020, in order to assist the Board and ensure transparency and impartiality in specific areas, Globaltrans had 3 Board committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Chairperson of each committee is an Independent Director. In January 2021, the Group also established the ESG Committee.

All committees are advisory bodies. While these committees have the authority to examine particular issues and report back with recommendations, the ultimate decision-making responsibility for all matters lies with the full Board. Each committee has written terms of reference, approved by the Board, that summarise the committee's role and responsibilities.

**4**  
Board committees<sup>1</sup>



## 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 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 3 members 2 independent	<b>John Carroll Colley</b> , Independent Non-executive Director (Chairman)  <b>Elia Nicolaou</b> , Non-executive Director  <b>George Papaioannou</b> , Independent Non-executive Director	4	4

- Responsibilities**
- 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 2020**
- Review of the Group's Consolidated Financial Statements for 2019 and interim financial results for the six months ended 30 June 2020.
  - Review of the external auditor's report to the Audit Committee following its full-year audit for 2019 and review for the six months ended 30 June 2020.
  - Review of the Group's external auditor and terms of reappointment for 2020. 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 30 April 2020.
  - Review of the report of the external auditor on the audit strategy for 2020.
  - Review of regulatory announcements by the Group.
  - Review of internal controls and risk management processes.
  - Approval of non-audit services to be provided to the Group by the external auditor.
  - Review of the internal audit function and reports on its activities, and on the internal audit model and plan.

### THE AUDIT COMMITTEE MEETINGS IN 2020

	Eligible	Attended
John Carroll Colley	4	4
Elia Nicolaou	4	4
George Papaioannou	4	4

<sup>1</sup> Including an ESG Committee established in January 2021.

# Corporate Governance Report

## Nomination Committee

The role of the Nomination Committee is to monitor and review the composition and balance of the Board and its committees 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 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 2 members 2 independent	<b>Johann Franz Durrer</b> , Senior Independent Non-executive Director (Chairman)  <b>John Carroll Colley</b> , Independent Non-executive Director	1	1
Responsibilities	<ul style="list-style-type: none"> <li>Preparation of selection criteria and appointment procedures for Board members.</li> <li>Regular review of the Board's structure, size and composition.</li> <li>Future Board appointments.</li> <li>Recommendations regarding the membership of the Audit and Remuneration Committees.</li> </ul>			
Issues considered in 2020	<ul style="list-style-type: none"> <li>Advice to the Annual General Meeting on the appointment of Board members.</li> <li>Recommendation on appointment of a Director to the Board of the Company.</li> </ul>			

### THE NOMINATION COMMITTEE MEETINGS IN 2020

	Eligible	Attended
Dr. Johann Franz Durrer	1	1
John Carroll Colley	1	1

## 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 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 2 members 2 independent	<b>Johann Franz Durrer</b> , Senior Independent Non-executive Director (Chairman)  <b>John Carroll Colley</b> , Independent Non-executive Director	1	3
Responsibilities	<ul style="list-style-type: none"> <li>Remuneration of Executive Directors (Chairman and Executive Directors determine the remuneration for independent members).</li> <li>Review of the Group's Remuneration Policy.</li> </ul>			
Issues considered in 2020	<ul style="list-style-type: none"> <li>Approval of bonuses to the Chief Strategy Officer and the Chief Financial Officer.</li> </ul>			

### THE REMUNERATION COMMITTEE MEETINGS IN 2020

	Eligible	Attended
Dr. Johann Franz Durrer	3	3
John Carroll Colley	3	3

# Corporate Governance Report

## Establishment of the ESG Committee

The Board's strategy and business model aims to deliver sustainable growth for all stakeholders and the consideration of environmental, social and governance (ESG) issues has a central role to play. Companies increasingly are expected by stakeholders to explain how their business impacts on the environment, society and the people in it. The coronavirus pandemic has only served to intensify debate around sustainability and increase calls for greater transparency.

The Group takes its ESG responsibilities seriously and in January 2021 the Board established an ESG Committee to lead its thinking on ESG matters and ensure that ESG issues are integrated into the Group's long-term strategy.

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

The ESG Committee is comprised of 2 Board members: Elia Nicolaou, Non-executive Director, who will serve as the Chair, and John Carroll Colley, Independent Non-executive Director.

The ESG Committee will meet at least 2 times a year. As the Committee was established at the start of 2021, further information about its activities will be published in the Group's Annual Report for 2021.

## 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. The CEO and CFO meet regularly with the Group's institutional investors to hear their views and provide updates on the Group's strategy and business performance. The Group has a dedicated Investor Relations team that acts as the primary point of contact with the investor community.

Management undertakes a regular schedule of meetings, presentations, conference calls and webcasts with institutional investors and sell-side analysts.

The Group's commitment to open and constructive communication has been particularly important in the last year in light of the coronavirus pandemic. The Board and management worked hard to maintain open channels of communications, maintaining a full investor relations contact programme using remote communications tools to interact with investors. The Group's new website was also launched in 2020, providing easy-to-navigate access and an enhanced investor relations experience.

In connection with the Group's secondary listing on MOEX, the Company arranged 7 interactive events and seminars for Russian retail investors to introduce them to the Company, and set out the investment case. These events were well supported by retail investors in Russia.

There are currently 11 sell-side analysts who monitor Globaltrans. Corporate information, including annual reports, Company announcements and presentations is available on the corporate website at [www.globaltrans.com/investors](http://www.globaltrans.com/investors).



## 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.

## 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 of 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 on 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 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 reappointment of PricewaterhouseCoopers as the Group's external auditor for 2020 and 2021. The appointment for 2020 was approved by the Group's shareholders at the Annual General Meeting on 30 April 2020.



In 2020, Globaltrans' Investor Relations team held

**260 meetings**  
with investors  
and shareholders,

participated in

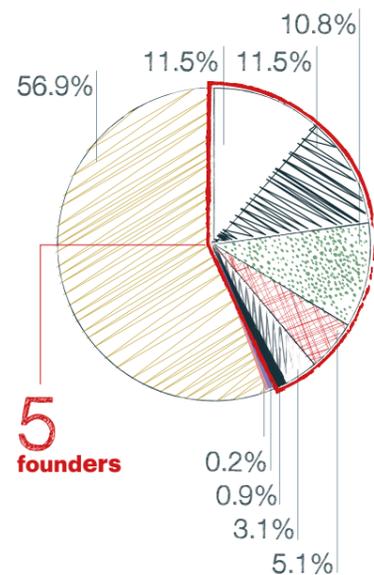
**7 investor conferences,**

arranged

**3 roadshows**

# Share Capital

## OWNERSHIP STRUCTURE, AS OF 30 MARCH 2021



- Marigold Investments Ltd <sup>2</sup>
- Onyx Investments Ltd <sup>2</sup>
- Maple Valley Investments Ltd <sup>2</sup>
- Litten Investments Ltd <sup>3</sup>
- Goldriver Resources Ltd <sup>4</sup>
- Transportation Investments Management Ltd <sup>5</sup>
- Directors and management
- Treasury shares
- Free float <sup>1</sup>

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 region.

Those founders continue to be shareholders today with a combined stake of about 43% in total and their entrepreneurial spirit remains at the heart of the Group's culture and approach. In addition, other directors and management of Globaltrans are shareholders in the Company representing about 0.2% of the issued share capital.

In 2008, Globaltrans' founders recognised the benefits of an international listing and undertook an Initial Public Offering on the London Stock Exchange, becoming the first freight rail company serving Russian cargo flows to be listed internationally. In October 2020 Globaltrans' GDRs were admitted to trading on the Moscow Exchange.

Today, the majority of the Company's shares are in the hands of the public with Globaltrans' free float amounting to approximately 56.9%<sup>1</sup> of the issued share capital.

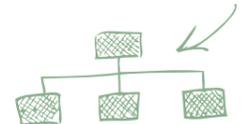
The issued share capital of Globaltrans consists of 178,740,916 ordinary shares with a nominal value of USD 0.10 each, a certain portion of which is held in the form of Global Depository Receipts ("GDRs"). The GDRs represent one ordinary share each and have been traded on the Main Market of LSE (ticker symbol: GLTR) since May 2008 and on the Level One quotation list of MOEX since October 2020 (ticker symbol: GLTR). Citibank N.A. is the depository bank for the GDR programme of Globaltrans.

<sup>1</sup> For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.  
<sup>2</sup> A. Filatov, N. Mishin and K. Nikolaev are co-founders of Globaltrans and are beneficiaries with regard to 11.5%, 11.5%, 10.8% respectively of Globaltrans' ordinary share capital each through their respective SPVs (Marigold Investments Ltd, Onyx Investments Ltd and Maple Valley Investments Ltd).  
<sup>3</sup> Beneficially owned by Alexander Eliseev, Non-executive Director and co-founder of Globaltrans.  
<sup>4</sup> Beneficially owned by Sergey Maltsev, Chairman of the Board of Directors, Chief Strategy Officer and co-founder of Globaltrans.  
<sup>5</sup> Beneficially owned by Andrey Filatov, Nikita Mishin and Konstantin Nikolaev, co-founders of Globaltrans.

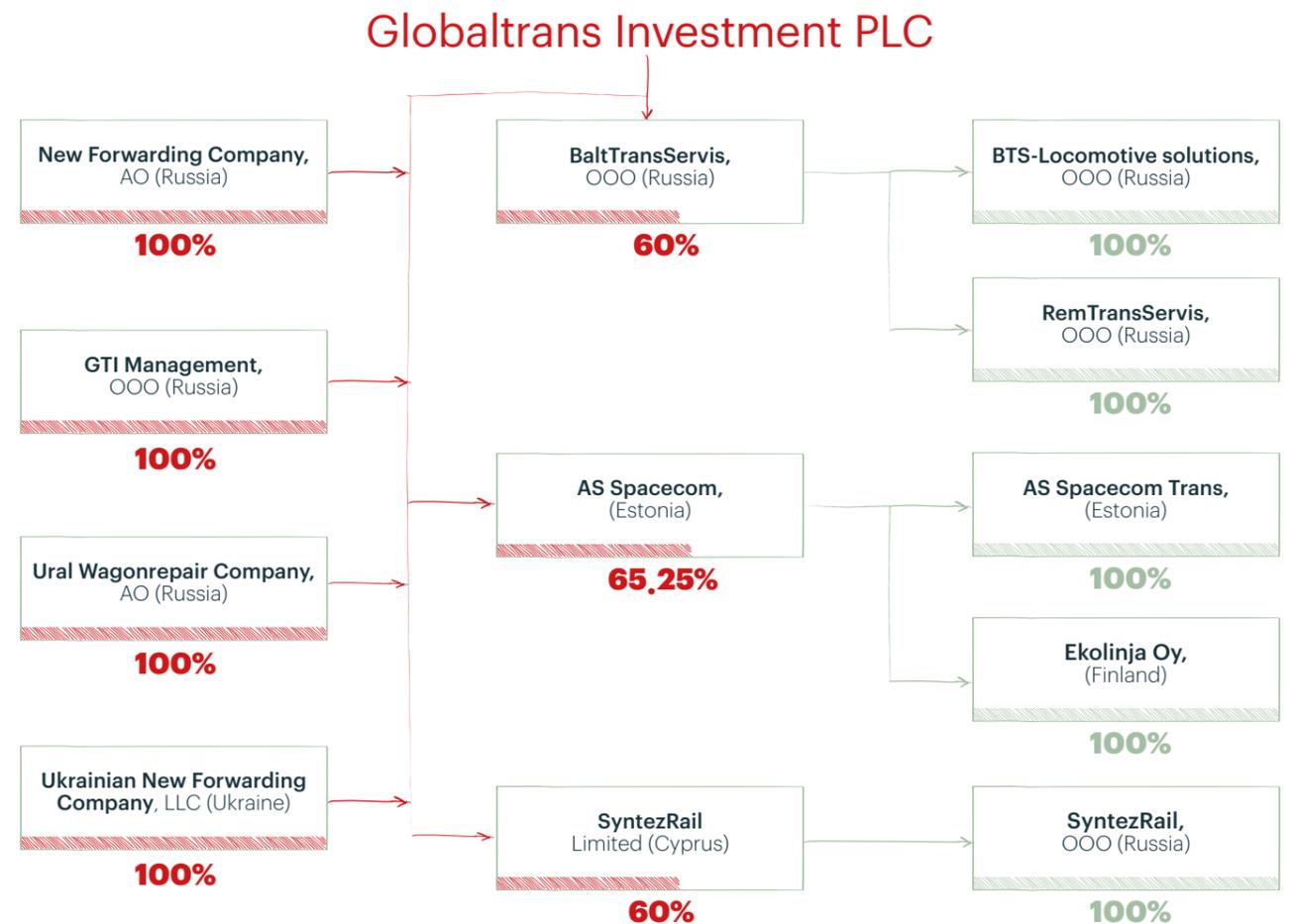
# Corporate Structure

Globaltrans provides freight rail transportation, railcar leasing and other ancillary services to clients in Russia, the CIS and Baltic countries through its subsidiaries – New Forwarding Company, BaltTransServis, GTI Management, SyntezRail, Spacecom, Spacecom Trans and Ukrainian New Forwarding Company.

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



## CORPORATE STRUCTURE, AS OF 31 DECEMBER 2020



Source: Globaltrans

# GRI Content Index

Indicator	Definition	Report section / Notes	Annual Report page
<b>General disclosures</b>			
102-1	Name of the organisation	Corporate Structure	p. <a href="#">109</a>
102-2	Activities, brands, products, and services	At a Glance Financial and Operational Review	p. <a href="#">8</a> p. <a href="#">38-39</a>
102-3	Location of headquarters	Key Contacts	p. <a href="#">374</a>
102-4	Location of operations Number of countries where the organisation operates	Corporate Structure Market Review Our Industry	p. <a href="#">109</a> p. <a href="#">32-35</a> p. <a href="#">16-17</a>
102-5	Ownership and legal form	Corporate Structure	p. <a href="#">109</a>
102-6	Markets served	Our Industry	p. <a href="#">16-17</a>
102-7	Scale of the organisation	Financial and Operational Review	p. <a href="#">36-39</a>
102-8	Information on employees and other workers	Sustainability Report	p. <a href="#">74-77</a>
102-9	Supply chain	Financial and Operational Review	p. <a href="#">36-39</a>
102-10	Significant changes to the organisation and its supply chain	No significant changes in the supply chain.	
102-11	Precautionary Principle or approach	The Group does not explicitly use the precautionary principle.	
102-12	External initiatives. A list of externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	The Group does not have membership in external initiatives.	
102-13	Membership of associations. A list of the main memberships of industry or other associations, and national or international advocacy organisations	Sustainability Report Union of Railway Transport Operators - SOZHT (AO New Forwarding Company) Council of Russian Transport Workers – STR (AO New Forwarding Company) Railway Engineering Association – OPZHT (AO Ural Wagonrepair Company) Estonian Chamber of Commerce and Industry (AS Spacecom (Estonia) and AS Spacecom Trans (Estonia)	p. <a href="#">66-83</a>

Indicator	Definition	Report section / Notes	Annual Report page
102-14	Statement from senior decision-maker	Chairman's Statement CEO Review	p. <a href="#">20</a> p. <a href="#">28</a>
102-15	Key impacts, risks opportunities	Risk Management Sustainability Report	p. <a href="#">56</a> p. <a href="#">66</a>
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report	p. <a href="#">70-73</a>
102-18	Governance structure	Corporate Governance Report	p. <a href="#">85</a>
102-35	Remuneration policies	Corporate Governance Report - Remuneration of the Board of Directors and Management	p. <a href="#">101</a>
102-40	List of stakeholder groups	Sustainability Report	p. <a href="#">68-69</a>
102-41	Collective bargaining agreements	As at 31.12.2020, 39% of total employees in OOO BaltTransServis were covered by collective bargaining agreements. In other Group subsidiaries there were no collective bargaining agreements.	
102-42	Identifying and selecting stakeholders with whom to engage	Sustainability Report	p. <a href="#">68-69</a>
102-43	The organisation's approach to stakeholder engagement	Sustainability Report	p. <a href="#">68-69</a>
102-44	Key topics and concerns that have been raised through stakeholder engagement	Sustainability Report	p. <a href="#">68-69</a>
102-45	Entities included in the consolidated financial statements	Notes to the Consolidated Financial Statements	p. <a href="#">224-225</a>
102-46	Defining report content and topic boundaries	Sustainability Report	p. <a href="#">66</a>
102-47	List of the material topics	Sustainability Report	p. <a href="#">67</a>
102-48	Restatements of information given in previous reports	No restatements of information given in the previous report were made.	
102-49	Significant changes from previous reporting periods in the list of material topics and topic boundaries	No significant changes.	
102-50	Reporting period	Calendar year 2020	
102-51	Date of most recent report	April 2020	
102-52	Reporting cycle	Annual	

## GRI Content Index

Indicator	Definition	Report section / Notes	Annual Report page
102-53	Contact point for questions regarding the report	Investor Relations Phone: +357 25 328 860 Email: irteam@globaltrans.com	
102-54	Claims of reporting in accordance with the GRI standards	The Report was prepared in accordance with the GRI Standards – Core option.	
102-55	GRI content index	GRI Content Index	p. <a href="#">370</a>
102-56	External assurance	External assurance for the Group's Sustainability Report was not conducted in the reporting period.	
<b>Management</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Report	p. <a href="#">66-83</a>
103-2	The management approach and its components	Sustainability Report	p. <a href="#">66-83</a>
103-3	Evaluation of the management approach	Sustainability Report	p. <a href="#">66-83</a>
<b>Economic impact</b>			
<b>Economic performance</b>			
201-1	Direct economic value generated and distributed	Financial and Operational Review Sustainability Report	p. <a href="#">36-37</a> p. <a href="#">83</a>
<b>Indirect economic impacts</b>			
203-2	Significant indirect economic impacts	Sustainability Report	p. <a href="#">66-83</a>
<b>Anti-corruption</b>			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report	p. <a href="#">72</a>
<b>Environmental impact</b>			
<b>Materials</b>			
301-1	Materials used by weigh or volume	Sustainability Report	p. <a href="#">78</a>
301-2	Recycled input materials used	Sustainability Report	p. <a href="#">79</a>
<b>Energy</b>			
302-1	Energy consumption within the organisation	Sustainability Report	p. <a href="#">79</a>
<b>Water and effluents<sup>1</sup></b>			
303-5	Water consumption	Sustainability Report	p. <a href="#">79</a>
<b>Emissions</b>			
305-2	Direct (Scope 1) GHG emissions	Sustainability Report	p. <a href="#">81</a>

Indicator	Definition	Report section / Notes	Annual Report page
<b>Environmental compliance</b>			
307-1	Non-compliance with environmental laws and regulations	Sustainability Report <i>No incidents of non-compliance with environmental laws and regulations occurred in the reporting period</i>	p. 78
<b>Social impact</b>			
<b>Employment</b>			
401-1	New employee hires and employee turnover	Sustainability Report	p. <a href="#">75</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report Notes to the Consolidated Financial Statement	p. <a href="#">76</a> p. <a href="#">210</a>
<b>Occupational health and safety</b>			
403-1	Occupational health and safety management system	Sustainability Report	p. <a href="#">77</a>
403-5	Worker training on occupational health and safety	Sustainability Report	p. <a href="#">77</a>
403-9	Work-related injuries	Sustainability Report	p. <a href="#">77</a>
<b>Training and education</b>			
404-1	Average hours of training per year per employee by gender and employee category	Sustainability Report	p. <a href="#">76</a>
<b>Diversity and equal opportunity</b>			
405-1	Diversity of governance bodies and employees	Sustainability Report Corporate Governance Report Consolidated Management Report Management Report	p. <a href="#">74</a> p. <a href="#">99</a> p. <a href="#">130</a> p. <a href="#">273</a>

<sup>1</sup> This excludes data from AS Spacecom and BaltTransServis (except for data from the BTS railcar repair depot in Ivanovo which is included).

# Contacts

## General contacts

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Phone: +1 212 723 5435 / +44 207 500 2030

Email: [citiadr@citi.com](mailto:citiadr@citi.com)

Website: [www.citi.com/adr](http://www.citi.com/adr)

## Stock Exchange

### London Stock Exchange plc

10 Paternoster Square, London EC4M 7LS, UK

Phone: +44 20 7797 1000

Website: [www.londonstockexchange.com](http://www.londonstockexchange.com)

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125009 Moscow, Vozdvizhenka Str, 4/7, Bld 1

Phone: +7 (495) 363-3232, +7 (495) 232-3363

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