

Sustainability

OUR APPROACH

The Sustainability Report which is integrated into the 2020 Annual Report has been prepared in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI) and in line with the non-financial and diversity disclosure information contained in the EU's 2014/95/EU Directive.

The overall aim is to achieve high standards in the areas of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The structure and content of this Sustainability Report reflects the relevant GRI Reporting Principles.

The details within this Sustainability Report cover the key results and activities of Globaltrans Investment PLC and its subsidiaries in the field of sustainable development for the year ended 31 December 2020.

How it works:

Step 1. Identification of material topics

We identified material topics relevant to the Group's business operation by carefully reviewing and analysing global sustainability trends, our sustainability performance, internal regulations and non-financial reports issued by peers.

Step 2. Prioritisation of material topics

To develop a broader, deeper understanding of the materiality of the sustainability issues the Group faces, we sought input from a range of stakeholders (employees, shareholders, investors, clients, regulators and other authorities) on what mattered to them.

Step 3. Preparation of materiality matrix

We developed a materiality matrix to identify those topics that are deemed most important/significant to the Group's system of sustainability reporting. A validity check was also conducted on identified material topics to ensure that all of them are disclosed in the Annual Report.

Materiality matrix



Economic impact

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

Environmental impact

- 5 Risks and opportunities posed by climate change
- 6 Responsible water use and reduction of water consumption
- 7 Reduction of energy consumption
- 8 Non-compliance with environmental laws and regulations

Social impact

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

HIGHLIGHTS OF 2020



Successful protection of employee health & safety while ensuring business continuity and a high level of client service

- Effective digital transformation to remote working model
- Ensured continued motivation and positive engagement of staff throughout the pandemic
- No COVID-related redundancies



ESG management strengthened including the introduction of new policies

- An ESG Board Committee created
- Diversity and Inclusion, Freedom of Association, Human Rights, Supplier Code of Conduct, Environmental and Energy and ESG policies adopted



Improved ESG disclosure

- First-time disclosure of Group-wide water consumption¹
- Introduction of Group-wide LTIFR measure of employee health & safety
- Website relaunched with a separate Sustainability section

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

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 payments¹
- 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 Rosneft²
- Deepening relationships with other high-profile clients — significantly increased business volumes with EVRAZ

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

² 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.

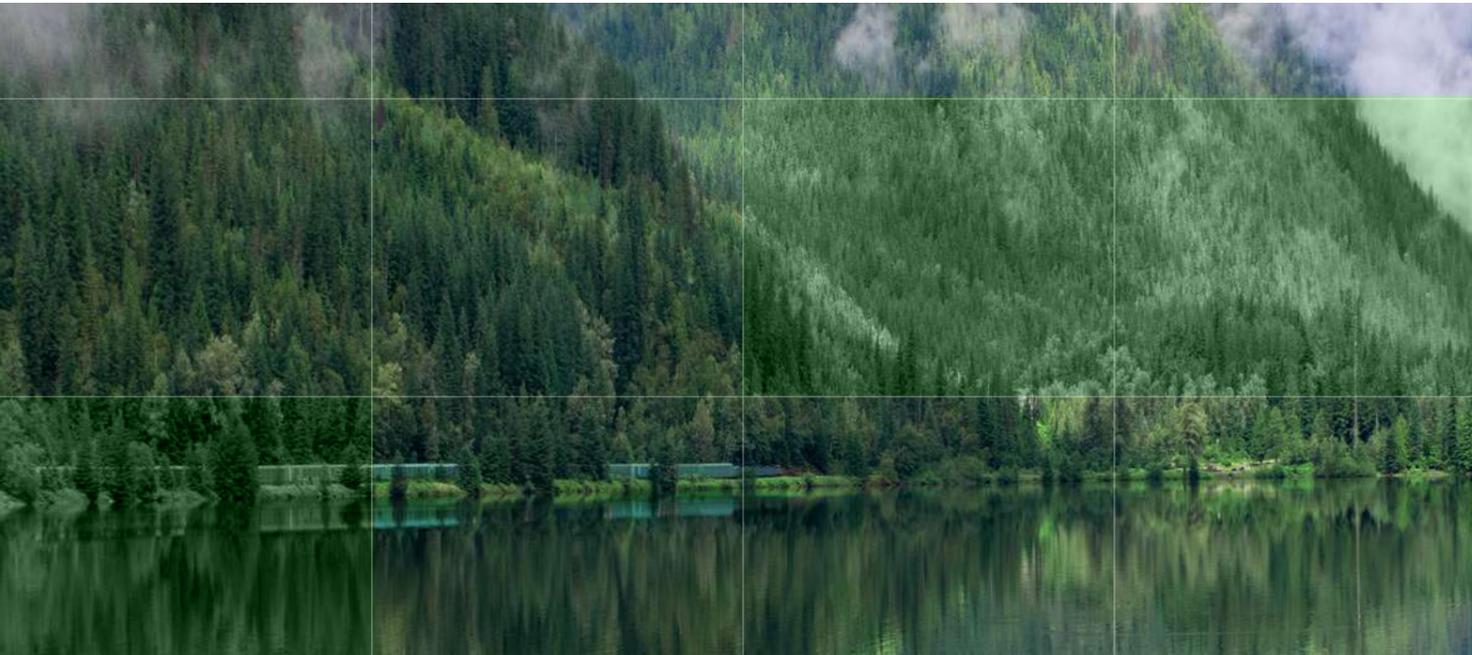
The Group requires that all employees acknowledge their understanding and acceptance of the relevant policies. All the documents are publicly available and can be viewed on the Company's website.

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 1,697¹ (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

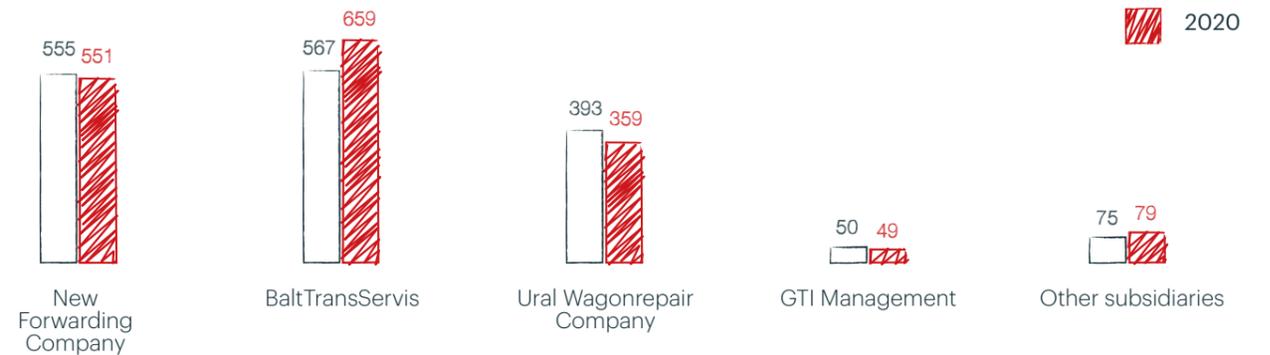
We value and appreciate the individuality of our employees and respect them for their performance, skills and contributions regardless of age, disability, ethnicity, nationality, gender, race, colour, religion or sexual orientation. We ensure that our employees are treated fairly and equally, creating 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.

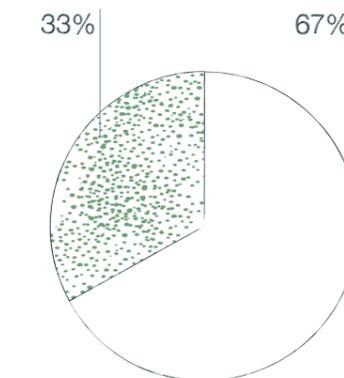
The freight rail transportation industry has traditionally been a male-dominated environment. We are gradually and successfully addressing this gender imbalance within our Group by focusing on attracting more women into the workforce. As at year-end 2020, women comprised 33% of our workforce. At Board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



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

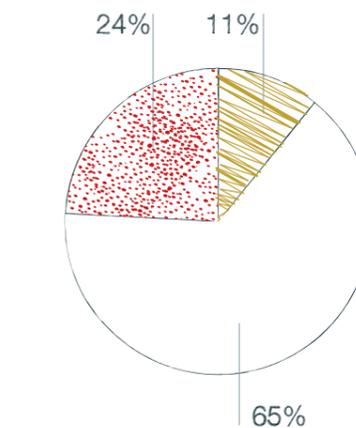


HEADCOUNT BY GENDER IN 2020 (AT YEAR-END)



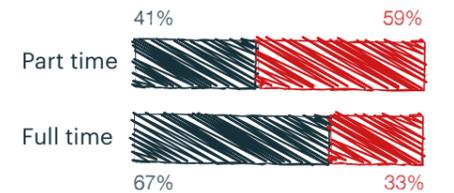
Men
Women

HEADCOUNT BY AGE IN 2020 (AT YEAR-END)



< 30 years
30-50 years
> 50 years

PERMANENT CONTRACT

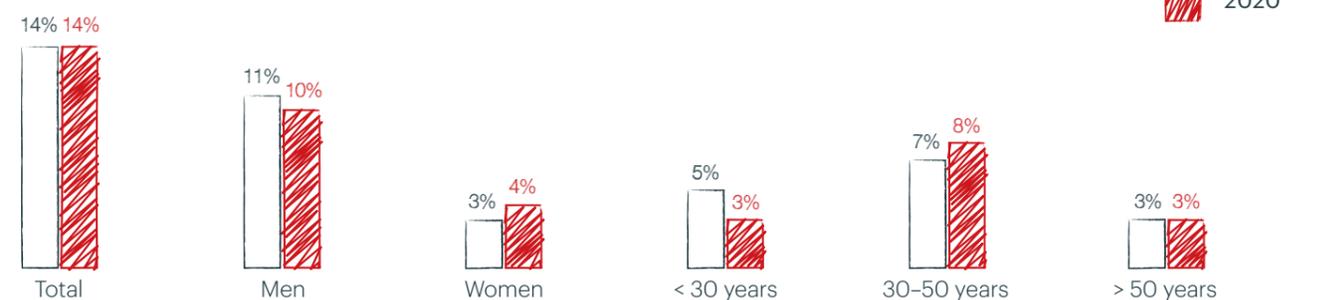


TEMPORARY CONTRACT



Men
Women

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



¹ The difference between the headcount and the average headcount is due to different calculation techniques. The headcount is presented as at the end of 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.

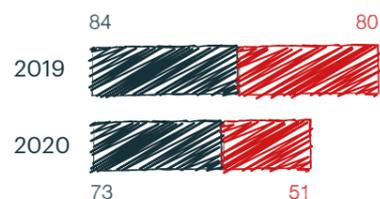
Our occupational health and safety performance has always been positive. The nature of our business means that our employees typically work in a low-risk environment. So it is with deep sadness and regret that the Group recorded its first-ever workforce fatality at one of its repair depots in 2020. The 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 LTIFR¹ (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.

¹ 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



Men
Women

DISTRIBUTION OF TRAINING AMONG EMPLOYEES BY EMPLOYEE CATEGORY IN 2020



Employees
Managers

MAIN TYPES OF TRAINING FORMATS IN 2020



Distance learning
On-site learning

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

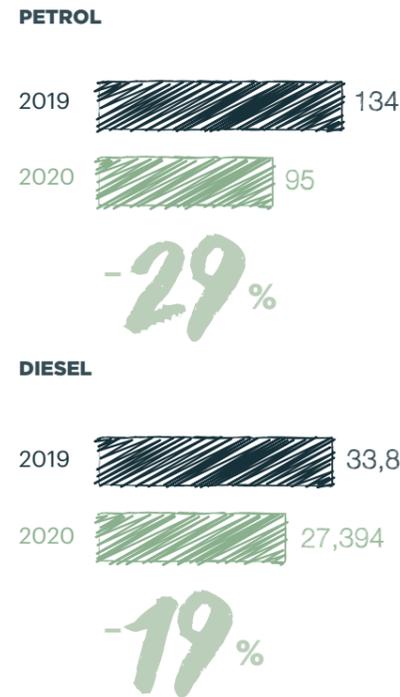
such as the Global Reporting Initiative (GRI). Annual data and information on monitoring and progress are contained in our integrated sustainability reports that are publicly available on the Group's website.

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 m³¹.

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

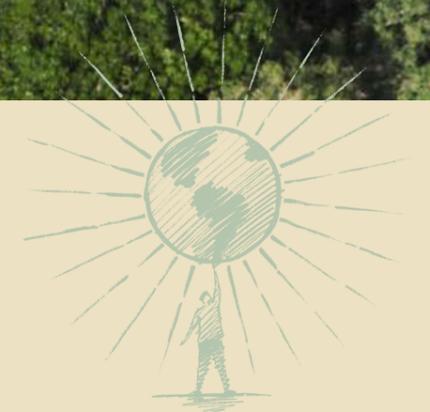


¹ This excludes data from AS Spacecom and BaltTransServis (except for data from the BTS railcar repair depot in Ivanovo which is included).



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 CO₂ equivalent¹, 14% lower than in 2019 (2019: 161,299 tonnes of CO₂ 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.

¹ 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 RETAINED¹

	2020, RUB mln
Direct economic value generated²	68,367
Economic value distributed	75,136
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 ³	21,419
Payments to the government ⁴	3,077
Economic value retained	(6,769)

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

² Direct economic value generated includes "Revenue".

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

⁴ Payments 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.