

# Holding on to the essence

ANNUAL REPORT **2022**  
GLOBAL PORTS  
INVESTMENTS PLC





**1. About Global Ports**

- 4 GLOBAL PORTS TODAY
- 6 KEY MILESTONES
- 8 ASSETS MAP

**3. Corporate Governance**

- 44 CORPORATE GOVERNANCE
- 56 RISK MANAGEMENT

**2. Strategic Report**

- 12 BOARD OF DIRECTORS' STATEMENT
- 16 MANAGEMENT STATEMENT
- 20 GLOBAL PORTS MISSION
- 21 STRATEGY
- 22 BUSINESS MODEL
- 26 SUSTAINABLE DEVELOPMENT

**6. Additional Information**

- 70 RESPONSIBILITY STATEMENT
- 71 DEFINITIONS
- 74 ADDITIONAL INFORMATION TO "SUSTAINABLE DEVELOPMENT" SECTION
- 84 GRI CONTENT INDEX
- 86 SHAREHOLDER INFORMATION AND KEY CONTACTS



Company's website





# Undisputed industry leader

1. ABOUT  
GLOBAL PORTS

**Global Ports** is No. 1 container terminal operator in Russia. The Group owns and operates unique network of marine container and multipurpose terminals in the Baltic and Far East basins.

## 2.8 mln TEU<sup>1</sup>

Capacity of Global Ports marine container terminals

## 3,000

Number of employees

## ruAA

Rating from RA Expert

<sup>1</sup> Management estimates based on yard capacity of 100% consolidated terminals as of 31.12.2022.



# Global Ports today

**Global Ports has proved that its business is fundamentally stable and sustainable, despite an extremely volatile operating environment and disruptions to local supply chains in 2022.**

In 2022, the Group managed to successfully retain its team of dedicated and skilled professionals, replace its container clients base, increase non-container cargo throughput, and secure future growth opportunities in the Russian Far East. The Group achieved the lowest level of leverage since 2012 with a Net Debt to Adjusted EBITDA ratio of 1.0x and is fully prepared for its Eurobond redemption in September 2023.

The Group strengthened its positions by becoming a part of the Delo Group, the largest Russian integrated container logistics operator.

## Key strenghts

**No. 1 container terminal operator in Russia**

**7 marine and multipurpose terminals in Russia and Finland**

**The only player with a network of terminals in Russia's key marine basins**

**Part of the Delo Group, a Russian transportation and logistics holding, which operates its own fleet and manages marine container terminals, a network of railway container terminals, a fleet of containers and flatcars**





# Key Milestones

## June

PLP started handling new regular container services connecting the Big Port of St. Petersburg with one of India's largest ports, Nhava Sheva. The new route is being serviced by MODUL, a Russian transport and forwarding company.

It is designed to deliver Russian export cargo, including paper, chemical products, and lumber, to India and countries of the Asia-Pacific region.



Last summer, after intensifying cooperation with shipping lines, VSC expanded its network of regular container services to the ports of Asia-Pacific countries, in particular China, South Korea, and Vietnam.

These services provide VSC customers with access to new markets and an opportunity to plan supply routes more efficiently.

This is a key advantage for exporters and importers that have faced difficulties after several lines withdrew from the Russian market.

## August

VSC set a new monthly record for container operations and handled 66,600 TEU. The previous high of 52,000 TEU was set in July 2021.

## September

Global Ports becomes part of Delo Group.

After a deal was completed to purchase shares from APMT, Delo Group became the controlling shareholder of Global Ports with a 61.5% stake, including 52.9% of the voting and 8.6% of the non-voting shares.



Global Ports and the Far East and Arctic Development Corporation (FEDC) signed an agreement to cooperate in a project to expand VSC's marine container terminal at the Vostochny Port in the Primorsky Territory.



VSC signed a contract to purchase four Rail-Mounted Gantry (RMG) cranes in 2022. In addition, VSC plans to purchase two more RMG and three RTG cranes by the first quarter of 2024.

Expanding the equipment fleet will speed up container handling, increase yard capacity, and ensure the more efficient use of storage areas due to a larger number of tiers in the stack.



Global Ports held a consent solicitation among holders of Eurobonds due to mature in 2023 in order to amend documentation and allow for the option of direct coupon payments.

## October

Global Ports acquired Spika LLC along with the long-term leasing rights to land plots adjacent to the VSC container terminal with a total area of 47 hectares.

Developing the land plots will significantly expand the capacity of VSC's berths, storage facilities, and advanced modern railway facilities and provide opportunities for the Group's long-term growth on the booming Far Eastern container market.

## November

Global Ports' northwest terminals have begun operating a new regular direct container service with China, providing customers with more opportunities to quickly adapt to market changes and ensure regular deliveries.

## December

VSC placed RUB 15 billion worth of non-convertible interest-bearing bonds with a five-year term and a fixed coupon rate of 11.25% per annum.



Global Ports purchased a portion of its Eurobonds due in 2023 on the open market as part of a new step towards improving the Group's debt maturity profile and decreasing its FX risk exposure.

As of the end of 2022, the outstanding principal amount of the Eurobonds was USD 82 million from the initial issue of USD 350 million.



Global Ports gained full control over its Russian terminals after concluding a cash-free share swap agreement with CMA Terminals S.A.S.

As a result, Global Ports consolidated Yanino Logistics Park and Moby Dik. The Group's share in the Finnish ports will decrease from 75% to 50%.





# NETWORK OF TERMINALS

in key marine gateways

## Baltic Sea Basin

26%

Baltic basin share of Russia's marine container traffic

The Baltic Sea Basin's container terminals are close to key transshipment hubs for Russia's inbound and outbound containers. Due to its economic development, access to Russia's most populous regions and cost effective transportation of containers to major Russian cities Baltic basin remains attractive for container business.

## Far East Basin

51%

Far East share of Russia's marine container traffic

The Far East Basin is the fastest route for transporting containers from Asia to the European part of Russia and many CIS countries and transit to the EU. The shorter transit time is a key advantage for customers shipping high-value and time-sensitive cargo.

Terminal	Location	Cargo handled	Container capacity	Land total	Ownership
1 First Container Terminal (FCT)	Saint Petersburg	Containers	0.9 mln TEU per year	88.6 ha	100%
2 Petrosport (PLP)	Saint Petersburg	Containers, Ro-Ro, bulk cargo	0.55 mln TEU per year	120.7 ha	100%
3 Vostochnaya Stevedorings Company (VSC)	Vrangel, Nakhodka	Containers, general cargo	0.7 mln TEU per year	124.4 ha	100%
4 UST-LUGA Container Terminal (ULCT)	Ust-Luga port cluster	Containers, bulk cargo	0.44 mln TEU per year	54.0 ha	80%
5 Moby Dik (MD)	Kronstadt, Saint Petersburg	Ro-Ro, bulk and general cargo	0.2 mln TEU per year	13.0 ha	75% <sup>1</sup>
6 Yanino (YLP)	Saint Petersburg	Containers, bulk cargo	0.2 mln TEU per year	51.3 ha	75%
7 MLT Kotka	Kotka, Finland	Containers, Ro-Ro, bulk cargo	0.15 mln TEU per year	4.3 ha	75% <sup>1</sup>
8 MLT Helsinki	Helsinki, Finland	Containers, Ro-Ro, bulk cargo	0.27 mln TEU per year	7.0 ha	75% <sup>1</sup>

<sup>1</sup> As of the end of 2022, Global Ports gained full control over terminals Yanino Logistics Park and Moby Dik by increasing its share to 100%. Since the date of deal closing, the terminals are fully consolidated in Global Ports financial information according to IFRS. The Group's share in the Finnish ports decreased to 50%.

**Russian Ports segment:** PLP, VSC, FCT, ULCT, Yanino, MD  
**Finnish Ports segment:** MLT Kotka and MLT Helsinki

**Our partners:**

**Terminals:** Moby Dik, Finnish Ports, Yanino<sup>1</sup>  
**Partner:** CMA Terminals S.A.S.  
**Share:** 25% in each  
**Entity:** ULCT  
**Partner:** Eurogate  
**Share:** 20%

Fully consolidated in IFRS

JV accounting<sup>1</sup>

Location Cargo handled Container capacity Land total Ownership



## 2. STRATEGIC REPORT

# Resilience in the face of challenges

2022 has been a year of reshaping of global logistics chains. **Global Ports** has not only been able to adapt to drastic changes in the market but also laid the foundation for further sustainable growth.

### +20.1%

Growth of VSC container handling – key Global Ports asset in the Far East basin

### +13.7%

Marine Bulk Throughput adjusted for VSC

### 1.0x

Net Debt / Adjusted EBITDA



# Board of Directors' Statement

In 2022, Global Ports faced unprecedented challenges and had to significantly transform its business. This period of change was not easy for the Company, but we believe that the Group was not only able to move through it confidently, but also laid a solid foundation for further growth. These results stemmed from the fact that the Company entered 2022 well prepared, with a high safety margin, a well-coordinated and professional team, and retained the flexibility and adaptability to a rapidly changing situation.



## Strategy

The positive results the Company achieved in 2022 were due to decisions taken earlier as part of Global Ports' long-term development strategy.

First, the high quality of the Group's assets and the geographic diversification of its business were factors in the Group's success. Over the previous year, we faced a situation where the entire container logistics industry in Northwest Russia was virtually paralysed, while the eastern direction, on the other hand, saw a boom in demand.

Second, our proven ability to switch quickly between different types of cargo has been an advantage. For many years, during periods of a downturn in container logistics, the Group handled non-container cargo at container terminals and with container equipment. Global Ports accumulated a wealth of experience, which it applied swiftly and successfully in 2022. With container carriers leaving the Baltic basin, the Group was able to attract a significant non-container cargo base, thereby keeping the terminals busy and retaining jobs.

Third, we have long believed in the high potential of the Far East and are actively working in this direction. Back in 2021, Global Ports gave up coal handling

at Vostochnaya Stevedoring Company. At the same time, the Group implemented a new TOS and terminal management IT system at VSC. In addition, the Group not only drafted a long-term development plan for the terminal but also began implementing it.

Finally, it is important to note that Global Ports entered 2022 with a low level of debt, thereby reducing risks and providing itself with the necessary financial flexibility. This is the result of systematic work: the Group has been reducing debt for several years, making it a priority of its financial policy.

## Transformation of business

Last year was one of profound transformation for Global Ports. In September 2022, the Delo Group and APM Terminals closed a deal to acquire a 30.75% stake in Global Ports. Thus, the Delo Group consolidated a 61.50% stake in Global Ports. From a joint venture between two strong shareholders, both foreign and Russian, the Company became part of the 'family' of the controlling shareholder, the Delo Group, which is the largest in Russia and rapidly growing logistics operator. The most important task now facing the Company's Board of Directors is to ensure that Global Ports is seamlessly integrated into the decision-making system and management of the Delo Group.

At the end of the year, Global Ports, through a share swap with CMA Terminals, gained full control of the Russian assets – Yanino Logistics Park and the Moby Dik terminal. This will provide the Group with the flexibility to seek growth opportunities in the rapidly changing Russian stevedoring market.

## Corporate governance

The changes in the environment could not help but result in changes to the composition and structure of Global Ports' Board of Directors. Following the closure of the transaction to sell APM Terminals' stake in Global Ports to the Delo Group, representatives of the overseas company withdrew from the Board. They were replaced by representatives of Rosatom as one of the shareholders in the Delo Group. To enable the Board to respond quickly to the dynamically changing external environment, we decided to reduce its size to nine members and include a management representative on the Board. Finally, due to foreign policy developments, all the independent directors who were on the Board at the beginning of 2022 left the Board. The Company found a way to promptly select strong candidates and welcome two new independent members to the Board. In a difficult environment, we have

been able to maintain the quality of corporate governance: the Board has Audit and Risk, Nomination and Remuneration, and Strategy Committees that are staffed by independent directors. The Board thus still has a great deal of flexibility and the ability to take decisions quickly, while at the same time retaining the quality of its decisions.

## Sustainability

Last year showed once again that the team is just as important a factor in the Company's success as the asset portfolio. Employees helped Global Ports through difficult times, but they also needed support themselves. In 2022, the Company launched a psychological help line for employees, a service that has proven to be popular among our colleagues. The key outcome of 2022 for Global Ports was that the Company was able to retain a working team of like-minded people. The Board of Directors will thank the Group's employees for helping it withstand unprecedented challenges and become even stronger.

We have no intention of stopping. Several new projects have been launched in 2023 to support the team. Since January, all Global Ports assets have employed a programme initiated by the Delo Group to increase the birth rate and support motherhood and

childhood. Thus, we have already started actively implementing the best practices of the controlling shareholder at the Company.

We believe it is extremely important that Global Ports has managed to keep the injury rate at a low level in recent years. This was difficult, given the high workload at VSC and the complete shift in the cargo base in Northwest Russia.

## Outlook

The market remains highly volatile, but this did not prevent the Company from setting basic development priorities and moving actively in this direction.

We realised long ago that the focus on the Far East is serious and for the long term. Global Ports set a strong foundation for the development of Vostochnaya Stevedoring Company in previous years, and in 2022 acquired a land plot to further develop the site. And while we will continue to actively expand the non-container business in the Northwest, the Company does not intend to lose its long-term potential as a container player in this region. We are seeing a gradual return of container logistics to the Northwest and will actively promote this.

We will further work to thoroughly integrate Global Ports' assets into the Delo Group structure, seeking to leverage the best practices of the controlling shareholder, while enriching it with our own know-how.

Global Ports plans to re-domicile from the Republic of Cyprus to the Russian Federation in 2023 and continue to operate as a legal entity in the Russian Federation in accordance with its laws. We no longer see the benefits of being outside of the Russian jurisdiction and believe that an asset as important to the country as Global Ports should be located in Russia. We have already implemented the preparatory procedures for such a transition and are preparing to turn a new page in the Company's history.

On behalf of the Board of Directors, we would like to thank the whole team for a successful year in a very challenging environment.



# Management statement

Despite the difficult market situation and complete disruption of established supply chains, our Company was able to demonstrate strong results in the reporting year. Global Ports went through a difficult period without losses, retained its main asset – the team, and entered the path of sustainable growth.



## Markets

Global Ports entered 2022 with optimistic expectations, which began to come true at the beginning of the year, with excellent business momentum in the first months. In February, however, events began to unfold under a different scenario: Global Ports, along with other market players, actually found itself in a perfect storm. The Company had been working for decades to build a long-term relationship of trust with its customers portfolio but in a matter of months lost most of its overseas customers. Almost all of the major container lines operating in Russia announced their withdrawal. Throughout the rest of the first and all of the second quarter, they were winding down their operations in the country, and as a result, by mid-summer the Northwest terminals had almost lost its container traffic. The logistics chains, which had seemed strong and reliable, were disrupted. Demand was shifted to the Far East, where terminals had already been operating at a high utilisation rate. Local players and Russian fleet operators who emerged to develop the shipping domain replaced the big customers that

had exited the market. A number of forwarders entered the shipping market by chartering vessels.

## Operational performance

The situation forced the Company and its entire team to react promptly, and today we can confidently say that we have met the challenges that Global Ports faced. First of all, we have attracted a significant non-container cargo base to support the workload of the Northwest terminals, partially replenishing lost container flows. The Northwest terminals today are busy handling fertilisers, chemical products, metals, coal, and other cargo.

There was a period when all personnel at the Company's Northwest assets, from senior management to operational staff, switched to a four-day work week. This forced measure helped the Company reduce losses during a difficult period and retain our team until a new cargo base was found for the Northwest terminals.

In contrast, our Far East asset, Vostochnaya Stevedoring Company, has long operated in

conditions where the workload far exceeds standard terminal capacity. The VSC team was able to manage the ambitious task at hand. Not only have we been able to efficiently handle the growing traffic, but we have grown our market share. We are working hard to improve productivity and efficiency in this area and have promptly redistributed some equipment there from the Northwest, as well as redeployed a talent pool to ensure we can handle the increased demand.

## Financial performance

With the international debt servicing infrastructure for Russian companies disrupted, it was important for us to ensure that we rigorously meet our obligations to our lenders. The Group successfully conducted a vote among Eurobond holders, amending the terms of the loan and then redeemed a significant portion of the dollar-denominated debt. We are pleased that our Eurobond holders supported Global Ports' proposal to amend the documentation. The Company also entered the rouble-denominated borrowings market, successfully placing

rouble-denominated five-year bonds worth RUB 15 billion in December, paving the way for the further comfortable refinancing of the debt portfolio. Thus, Global Ports has proactively mitigated currency risks for its business and solved the problem of a major currency redemption in September 2023 in advance.

It is important to note that the Company ended the year with a record low level of leverage. This is especially important now when the Company is facing big challenges for future investments in the Far East. At the end of 2022, the Company's Net Debt/ Adjusted EBITDA ratio stood at 1.0x, an excellent figure for Global Ports and a record low since 2012.

## Outlook

Global Ports remains committed to its strategic goals: we do business in Russia as a terminal operator. And while our priority is containers, we successfully operate with a broad cargo base. We focus on the quality of service and efficient communication with each of our partners and counterparties.

In the Far East, we see increased potential for development. Global Ports has approved a programme to increase the capacity of Vostochnaya Stevedoring Company to 1.7 million TEU in the first half of the 2030s. At the same time, we are confident that cargo traffic will gradually return to ports in the Northwest as well. Not only have we attracted non-container cargo to the region's ports, we have also retained the potential for container handling. And we are already handling regular direct vessel calls by new container lines from China. The container volumes are not yet comparable with 2021, but the bottom line has been passed and we are seeing positive dynamics.

We would like to thank the entire Global Ports team for the excellent results achieved in 2022 in such a challenging environment. Together we passed through the most difficult period and put the Company on a growth trajectory. With the addition of a controlling shareholder, Global Ports has received new momentum going forward, and our task now is to effectively integrate the Company's assets

into the Delo Group structure. We face new challenges, but we have everything we need to meet them: a well-thought-out strategy, a strong team, outstanding assets, and experience in overcoming crisis situations. We have a lot to do, but we have every reason to look to the future with confidence.



# GLOBAL PORTS MISSION

To increase long-term value for all our stakeholders by shaping and determining the trends in the container segment of the Russian transportation and logistics market, thereby driving international trade.

Strategically we remain focused on expanding our business through both organic growth and investment projects that offer tangible opportunities to the Group.

We will achieve our fundamental strategic goal by:

Providing the best services to our clients

Maintaining operational excellence

Using technology effectively

Attracting and retaining a workforce with the right skills

## Vision

To be the partner of choice for shipping lines and freight forwarders in our role as Russia's best-connected independent container terminal operator offering unparalleled access to international and domestic trade flows.

## Values



Professionalism



Respect



Cooperation

# STRATEGY

Our strategy aims to produce value growth for all our stakeholders by offering unparalleled access to international and domestic trade flows through our network of terminals sited at Russian key marine locations.

To succeed, we remain focused on:



Our key market:  
**Russia**

**Preferred port in every location, partner of choice for all parties involved**  
Our strong knowledge and ability to add value to the Russian container market sets us apart.

Our key services:  
**terminal operations**

**Assured healthy, safe and effective organisation**  
We provide our clients with first class port and related logistics services.

Our key clients:  
**shipping lines and freight forwarders**

**Integral part of import/export and transit logistics chains**  
By connecting and simplifying supply chains, we enable our customers to grow their businesses.

Our business focus:  
**containers**

**Solid business profile and prudent capital allocation**  
Our non-container operations diversify our revenues and increase our terminals' utilisation rates.

# BUSINESS MODEL



## Input

The only player with a network of terminals in key Russian marine basins

7

marine container and multipurpose terminals in Russia and Finland

Unique asset base

388 ha

total land of terminals

5 km

quay length

Extended port infrastructure and perfect multimodal hinterland connections

Team of almost

3,000

professionals<sup>1</sup>

- ▲ Stably high operational and financial results, Free Cash Flow, Adjusted EBITDA Margin
- ▲ Access to local and international capital markets
- ▲ Strong and experienced key shareholder: Delo Group, the major Russian transportation and logistics holding
- ▲ Advanced IT system

## How we create value

We create value

By providing our clients (shipping lines an freight forwarders) with first class port and related logistics services and ensuring efficient interaction with our partners.

Our port is a platform of efficient interaction between all parties

**1. Handling**  
Containerised | bulk | Ro-Ro cargoes

SHIPPING LINES

**2. Storage**  
Containerised | bulk | Ro-Ro cargoes

FREIGHT FORWARDERS CARGO OWNERS

**3. Additional services**  
Customs inspection, dispatch of container trains, depot of empty containers, tracking of cargo, cargo documentation, stuffing and unstuffing, container repair and other services

FEDERAL AUTHORITIES RUSSIAN RAILWAYS  
RAILWAY OPERATORS  
TRUCKERS

When providing

- services and interacting with clients we aim to be:
- ▲ a partner of choice in the Baltics and the Far East
  - ▲ healthy, safe and effective organisation

## Value

For clients

- ▲ Smart, swift, efficient logistics hub
- ▲ Efficient and effective services
- ▲ Infrastructure to facilitate import/export and transit flows

For employees

- ▲ Reliable and safe work environment
- ▲ Competitive salaries
- ▲ Opportunities for professional growth and development

For community

- ▲ One of the biggest employers in the region and sizeable contributor to local economy
- ▲ Satisfied customers and communities
- ▲ Sustainable business that limits environmental impact and delivers positive change

For shareholders

- ▲ Shareholder value
- ▲ Sustainable high cash flow generation

## Outcomes | Global Ports in 2022

-37.1%

Consolidated Marine Container Throughput

+20.1%

VSC Container Throughput

-15.8%

Consolidated Marine Bulk Throughput

+13.7%

Marine Bulk Throughput adjusted for VSC

USD 87.1 mln

paid to all employees in 2022

LTIFR 0.89

consistently low level

3,000

employees<sup>1</sup>

RUB 871 mln

of tax paid

1.0x

Net Debt / Adjusted EBITDA

1.0x

Decrease in Net Debt / Adjusted EBITDA

Minimum level since 2012

<sup>1</sup> As at 31 December 2022.

<sup>1</sup> As at 31 December 2022.





SUSTAINABLE DEVELOPMENT

# Responsible logistics

As an operator of critical national infrastructure, Global Port is aware of the high degree of its responsibility to society, therefore, it pays special attention to sustainable development practices.

**3,000**  
employees

**26%**  
Female employees

**0.89**  
Consistently low LTIFR





# Sustainable development

## Management statement

**We are pleased to present the Global Ports ESG Report 2022. In this document, we have collected information about the Company's activities in terms of a responsible attitude towards the environment, the implementation of social projects, enhancing the transparency of the Company's management, and compliance with business ethics.**

Global Ports considers adherence to the goals of sustainable development as one of its key priorities and an integral part of the Company's development strategy. The previous year was a difficult period, when some of our terminals experienced increased loads, while others were actively rebuilding their business. Despite this, Global Ports has not forgotten the need to do business responsibly and safely. We set the goal of not losing our achievements in matters concerning sustainable development, and we fulfilled it. The Company remains an attractive, responsible employer, is implementing a number of environmental initiatives, and has a transparent corporate governance system.

In 2022, not only the Company, but also its staff faced a stressful situation. We understand how crucial it is to support employees and their families, and it is not only about financial but also psychological support. In 2022, Global Ports launched a psychological helpline for employees. We saw that our colleagues needed this service and helped many of them get through a difficult period in their lives. Staff support and establishing comfortable working

conditions remain an important priority for our Company. We have retained a strong team, thus creating the potential for the dynamic growth of our business.

Global Ports has now entered a new stage of development. Having become part of the Delo Group, we have already begun adapting its best ESG practices. In particular, as of January 2023, Global Ports joined the Delo Group's programme to increase the birth rate and support motherhood and childhood. This was preceded by extensive preparatory work, which we carried out in 2022. The demographic project provides for progressive benefits and its rapid increase with the birth of a third child. Specifically, upon the birth of a third and subsequent children, employees receive a payment of RUB 1 million. In addition, employees with children

may receive additional payments during maternity leave, additional sick leave benefits during pregnancy, compensation for kindergarten and children's camp vouchers upon early return from maternity leave, expansion of the medical insurance programme, and other benefits. We also have a new 'social manager' position on our staff list. The social manager's responsibilities include supporting the corporate programme and informing our employees about the state benefits system.

Now the Company's task is to help our shareholder in implementing its ESG goals, combine our shareholder's extensive ESG experience with the expertise that Global Ports already has, and mutually enrich and develop the practices of both Global Ports and the Delo Group. This is what we see as our goal for 2023.

“Global Ports has now entered a new stage of development. Having become part of the Delo Group, we have already begun adapting its best ESG practices”.

## Environment

Marine terminals, like other logistics services sectors, are working to develop sustainable business practices that reduce their environmental impact. At Global Ports, environmental sustainability is an important part of the business strategy, which requires a strict balance between growth aspirations and sustainability commitments. Although our business – container and non-container cargo handling – does not have a significant negative impact on the environment, we pay close attention to integrating sustainable practices into our business operations, reducing our carbon footprint and emissions throughout the operational chain.

Our basic principle is strict compliance with environmental legislation. We are fully transparent and accountable when it comes to issues relating to the environment. Our environmental management system requires that all companies within the Group evaluate and manage their environmental impacts, enforce local environmental laws and regulations, and make continuous improvements.

All of the Group's terminals carry comprehensive sustainability plans, and these are embedded in all the Group's investment programmes. In 2022, the Company adopted and implemented a Supplier Code of Conduct

All of the Group's terminals have comprehensive sustainability plans

to ensure security throughout the supply chain. When selecting suppliers, the Company gives preference to those that strive to comply with the principles of sustainable development, taking into account the results of assessments on relevant indicators throughout the supply chain.

### Climate change

Climate change is one of the most significant challenges facing mankind. Global Ports is working hard to reduce emissions, improving energy efficiency and reducing the impact on the climate.

Compared to other modes of transport, maritime transport is one of the most energy-efficient ways of transporting goods, carrying 90% of the world's goods. As leaders in regional logistics infrastructure, our ports can play an important part in the drive to decarbonise and be part of the solution to addressing climate change. Because our container terminals are strategically located at key points where cargo flows in and out of Russia, they act as transport hubs linking the two most environmentally

friendly modes of transport, sea and rail. This enables us to build environmentally friendly economic value chains.

At the same time, port infrastructure faces increased risks from climate-related threats, such as rising sea levels or severe weather events, which will require port operators to strengthen our adaptation to climate change by upgrading our infrastructure and operations. Our approach to the problem of climate change, therefore, focuses on both adaptation and mitigation measures through cutting our greenhouse gas emissions, improving infrastructure resilience, and introducing innovations.

While the Group complies with all mandatory rules and regulations regarding greenhouse gas emissions, we understand that we need to increase our decarbonisation efforts. In order to improve energy conservation and efficiency, the Group is consistently implementing a number of measures, among them:

- › Modernisation of equipment
- › Use of energy-saving technologies, in particular, the replacement of mercury-containing lamps with LED ones
- › Reduction of electricity losses in electrical consumers and power supply systems
- › Regulation of equipment operation modes to improve the quality of power supply



Initiatives to reduce the impact on the climate include the installation of charging stations with electricity generated by clean technologies and the widespread use of port equipment on the electric drive. We stopped generating electricity using natural gas at one of our terminals.

In the meantime, we continue to collaborate closely with other parties involved in the logistics value chain to find solutions that will make logistics more eco-efficient. We are working with our shipping clients, suppliers, and freight rail and trucking companies to make changes in this area.

### Environmental protection and conservation

We are committed to preserving the environment where we operate. A key strategic focus is to minimise the impact of our ports' operations on local ecosystems. The land, waterways, and estuaries we manage and operate in are valuable natural assets, and we continually assess and adjust our activities to ensure that we act in an environmentally responsible way. At the heart of our approach is effective environmental management that aims to preserve, restore, and protect the natural habitats around our terminals, both offshore and onshore.

The Company's approach and principles are described in Global Ports Environmental Policy. The objectives of the Policy are to assess, manage, and reduce the negative impacts of the Company's operations on the natural environment.

To achieve this goal, the Global Ports Group undertakes the following obligations:

- › To minimise the risks of a negative impact on the environment in the course of operations by the companies we manage as well as the implementation of investment projects
- › To ensure that the environmental impact is monitored and the necessary corrective and preventive measures are taken

### No fines for violations of environmental legislation were imposed on the Company in 2022

- › To ensure compliance with the requirements of legislation concerning environmental protection as well as established norms and rules when handling hazardous substances
- › To monitor compliance with environmental standards by contractors performing work on the territories of the companies we manage
- › To prevent the pollution of water and air basins as well as the territory of the companies we manage
- › To continuously improve the environmental management system
- › To increase the level of expertise of personnel in charge of environmental protection
- › To implement programmes to conserve energy and resources and improve the energy efficiency of the companies we manage
- › To take measures to preserve biodiversity and natural complexes in the areas where the companies we manage operate
- › To strive to reduce waste generation and implement best waste disposal practices
- › To modernise existing operational equipment and introduce new equipment, taking into account the use of the best available environmental protection technologies
- › To conduct regular internal audits to ensure compliance with the stated goals of this Policy
- › To fund environmental protection measures
- › To inform and maintain an open dialogue with all stakeholders concerning environmental protection

Environmental safety specialists, the heads of Health, Safety and Environment (HSE) departments, managing directors of terminals, and the CEO are responsible for developing and implementing environmental protection measures at the Company.

In 2022, the Company implemented a number of measures to assess and reduce the environmental impact of its operations. These include:

- › For ambient air protection:
  - Ambient air laboratory studies
  - Control of the maximum permissible emissions
  - Control of emissions during unfavourable meteorological conditions
- › For wastewater collection and treatment:
  - Wastewater monitoring
  - Morphometric information on water bodies
- › For waste management issues:
  - Industrial waste and solid municipal waste removal
  - Recycling of motor tyres
  - Disposal of lamps
- › For the protection and rehabilitation of land, surface water, and groundwater:
  - Examination of natural water and bottom sediments
- › For environmental protection from noise:
  - Laboratory noise research

Expenses on environmental protection in 2022 amounted to RUB 29,994 million.

Due to the Company's efficient organisation of operations and focus on environmental protection, it did not record any leaks or accidental discharges of waste or pollution into the environment in 2022. In addition, no fines for violations of environmental legislation were imposed on the Company in 2022.

Sustainability is an important part of our port infrastructure capacity planning, as we prepare for future expansion. We continue to work closely with local and regional governments to ensure that any potential environmental impacts resulting from land reclamation, reconstruction, or development are properly quantified and addressed.

To reduce its environmental impact, the Company will continue work to reduce emissions of pollutants into the air by replacing obsolete handling equipment with modern equipment that meets environmental standards.

**RUB 30 mln**  
environment protection  
expenses in 2022





### Water usage

Global Ports is committed to actively managing its water resources, including being more efficient in how we use water. The Group does not withdraw water from surface water bodies. The main source of water is municipal and other water supply systems. The water we use is treated and discharged into surface water bodies. The terminals are actively working to improve the efficiency of wastewater treatment to ensure that clean water is discharged at all times.

We are also working to conserve water usage across the Group through the monitoring of water usage and installing more water-efficient equipment. All water consumers have been equipped with water flow meters, which ensures 100% leakage control and the monitoring of consumption at all times. Monitoring of water use is carried out monthly by taking readings from flow meters, which are equipped with discharge outlets to water bodies and metering units of tap water from suppliers. The data is submitted as part of reports to the Federal Agency for Water Resources.

We use recycled water to wash motor cars at one of our terminals.

### Waste management

Waste is a major global issue and we have a responsibility to minimise the impact of our operations. Solving the waste problem is an important component of the Group's environmental activities.

The challenge for Global Ports is to minimise the amount of waste sent to landfills. Priority is given to the recycling, treatment, and neutralisation of waste. Waste management is a constituent part of several of the Group's programmes.

Global Ports adheres to a culture of separate waste collection, which results in waste being divided into hazard classes and fractions. Each hazard class of waste has a defined place of accumulation in accordance with the requirements. At the same time, 97% of waste is low-hazard and virtually non-hazardous Class 4 and 5 waste. Hazard Class 3 waste is sent for neutralisation, while Hazard Class 4 and 5 waste is sold to third parties.

Global Ports adheres to a culture of separate waste collection

### Biodiversity conservation

Biodiversity conservation is critical to the life of the planet. Global Ports is committed to minimising the damage to biological resources caused by its operations.

The Group pays special attention to maintaining biodiversity in the water protection areas where it operates: the Yekateringofka River protected area, the marine area of the Gulf of Finland, and the Wrangel Bay located on the eastern coast of the Nakhodka Gulf between the Kamensky and Petrovsky capes.

In 2021–2022, the Group conducted research work to study changes in the condition of aquatic bioresources in the Wrangel Bay in the Nakhodka Gulf near VSC. The analysis did not reveal any degradation of aquatic biological resources. The fish feeding grounds were assessed as typical for coastal ecosystems, and the species composition corresponds to the composition of coastal areas of Peter the Great Gulf. As such, it was found that the economic activities of VSC did not lead to any deterioration in the habitat of aquatic biological resources.

## Social issues

As an operator of critical national infrastructure, Global Ports recognises its high degree of responsibility to society. Our Company makes a significant social impact through community support, social investment, employment and training, and development opportunities. As a responsible business, we recognise that the well-being of our employees and the communities directly affects the long-term prospects for the Group's development. We are committed to advancing our social agenda, which aims to provide safe working conditions, motivated employees, equal opportunities, and economic and social support for the regions where we operate. In 2022, with the emergence of a controlling shareholder, we began work to adapt Delo Group's best sustainable development practices at the Company. In particular, we carried out preparatory activities and launched a programme in 2023, which was initiated by the Delo Group, to improve the birth rate and support maternity and childhood at all the Company's divisions.

### Occupational safety

Our priority is the health and safety of everyone who works at Global Ports. We have a fundamental duty to ensure that our people are safe at all times and we are committed to placing occupational safety assurance at the core of our operations and corporate culture.

Global Ports' Occupational Health and Safety Management System (OHSMS) is implemented by complying with state occupational health and safety regulations, making commitments, and applying local documents in the implementation of the processes envisaged by the OHSMS.

We carried out preparatory activities and launched a programme in 2023, which was initiated by the Delo Group, to improve the birth rate and support maternity and childhood at all the Company's divisions

The objective of the OHSMS is to protect the life and health of employees during their work activities by preventing occupational accidents and diseases and reducing (eliminating) the exposure of employees to harmful and/or hazardous occupational factors.

The aim of the zero-harm strategy is to remove the risk of harm from all processes. To achieve the goal of zero harm, we focus on creating a sustainable safety culture among employees, contractors, and other terminal visitors, reducing the impact of occupational risk levels to which employees are exposed.

The OHSMS Regulation was approved by Order No. 62-MC "On the implementation of the Regulations on the Occupational Safety Management System" dated 15 July 2020.

The terminals have developed their own regulations that provide more details on safety management objectives and tools.

Our approach to developing a sustainable safety culture is based on three principles:

- › Providing a safe working environment
- › Providing comprehensive plans for the implementation of advanced safety and compliance standards
- › Offering comprehensive training focused on risk awareness and reduction

We constantly monitor health and safety risks to ensure that our risk controls and working practices are the safest they can be. We believe this approach leads to

better safety outcomes. Our health and safety management system aims to enforce safety standards to ensure accident-free working conditions based on:

- › Safety standards that are in line with industry best practices for occupational health and safety
- › Safety audits aimed at preventing injuries and incidents
- › Health and safety briefings and updates to our employees and contractors
- › Safety walk programmes as part of daily audits at each terminal
- › Regular pre-shift health and safety briefings for line management and employees
- › Health, safety, fire, and industrial safety training
- › Specialised training programmes for handling dangerous or hazardous cargoes
- › Monitoring the health and well-being of employees to improve their well-being and reduce work-related illnesses



## Occupational health and safety management

The Board of Directors has overall responsibility for health and safety matters and is committed to continuously improving safety culture and systems. The Board determines the Health and Safety policy, agrees on safety standards, and reviews performance.

The Chief Technical Officer (CTO) is the manager responsible for the health and safety of the Global Ports Group's employees and monitors the efficiency of operations. The Chief Operating Officer (COO) systematically reviews the comments and performance reports submitted by individual divisions. Quarterly performance reports are submitted to the Board of Directors, which conducts regular reviews of the Group's safety performance and then discusses and agrees on the appropriate measures with senior management.

### Safety indicators

In 2022, as significant changes occurred in logistics and throughput, Global Ports maintained its commitment to workplace safety, with a strong focus on protecting the health and well-being of our employees, contractors, customers, and suppliers.

Ensuring the safety of operations remains a core focus of our business. The annual safety inspection schedule at the terminals has been rigorously adhered to. Management's focus on safety continues to contribute to a consistent reduction in the risk of incidents. We recognise the importance of leadership and responsible behaviour in creating a positive safety culture. The daily safety walk programme continues to deliver high levels of compliance.

We also understand the need to listen to the views and comments raised during regular meetings with our employees. The GP Alarm mobile app also continues to work effectively at the Company. Our health and safety awareness programmes and the creation of a strong safety culture have resulted in progress on the priorities we had planned for 2022.

In 2022, new areas of focus were selected as part of the Fatal 5 programme:

- 1) Compliance with industrial safety regulations
- 2) Work of technical services, including contractors, when maintaining equipment
- 3) Handling of hazardous cargo
- 4) Development of a safety culture
- 5) Work of contractors in the operational process

The Fatal 5 safety programme, which focuses on the development of five safety areas, resulted in the implementation of most of the planned measures and a reduction in risks in the work process.

› **Compliance with industrial safety regulations.** Inspections of compliance with industrial safety standards and regulations have been carried out at all of the Group's terminals. Plans to reduce risks at hazardous production facilities have been developed and implemented. Additional training for employees has been conducted.

› **Work of technical services, including contractors, when maintaining equipment.** Inspections of safe work practices during machinery maintenance have been carried out. 5S tools have been introduced at technical and ancillary services premises and workplaces to improve efficiency and achieve a high level of safety. We have

implemented a number of improvements to help our colleagues work safely. For example, additional lighting has been installed in workplaces. New samples of personal protective equipment have been tested and purchased.

› **Handling of hazardous cargo.**

For all our terminals, we use uniform standards for the handling of hazardous cargo. These standards are based on APM Terminals' recommendations (one of the Company shareholders in 2012–2022) and the requirements set out in the International Maritime Code for the Transport of Dangerous Goods (IMDG). We continue to train employees who are involved in the handling of hazardous cargo to take account the new requirements, along with further monitoring and additional inspections.

› **Development of a safety culture.**

Developing a safety culture is a broad area that includes developing safety standards, risk analysis, employee assessments, and organising events, training, and development programmes for personnel. The Company holds regular safety seminars to discuss areas of safety development at terminals, opportunities for employee engagement, and stories about incidents and their causes in other divisions, as well as to show videos of incidents and issue-related videos from various internet resources. Workers are told about the delayed consequences of working with hazardous substances. Seminars address topical issues of improving workplace safety and ensure a constructive dialogue with terminal management and the management company.

In addition, as part of its efforts to develop a safety culture, the Company is introducing a workplace risk assessment process. Training has been provided as part of safety culture workshops. Employees are getting involved in the process and paying attention to things that need to be urgently corrected in the workplace. Work has been started on systematic risk assessments of standard operations by operational teams. At this stage, the tasks that need to be performed include reducing the risk for high- and medium-risk jobs to a controlled risk level, developing checklists for safe work preparation, and implementing risk mitigation measures.

› **Work of contractors in the operational process.**

Our safety management system aims to protect all people who are located on our premises. At Global Ports Group, the safety

culture extends to all visitors to our terminals, including those working for other companies at our terminals. The safety of contractors' employees remained a priority area for development in 2022. The Company has introduced a process of quarterly audits of contractors' workplaces, meetings are held with managers where discrepancies are discussed in detail, and a mitigation plan is agreed. Our goal is to create a unified safety culture, where safety is an absolute priority.

In 2022, the Company managed to keep employee injury rates at a low level despite a significant change in the cargo mix, the introduction of new handling and storage technologies not previously used at the terminals, and the forced operation of the Company's Far East terminal at a higher-than-design utilisation rate. The Lost Time Injury Frequency

Rate (LTIFR) at Global Ports was 0.89, with no fatal or serious injuries to either the Company's personnel or contractors working at the Company's facilities.

The Company also makes efforts to detect and treat occupational diseases in a timely manner. In 2022, six employees were diagnosed with radiculopathy, a neuralgic syndrome resulting from the compression of spinal roots.

In order to prevent occupational injuries, the Company conducts regular safety training for its personnel. The training is regulated by Order No. 27-MC dated 29 March 2022 "On the approval of regulations on employee training". Training is conducted by external training organisations and internal committees. Expenditures on Occupational Health and Safety (OHS) training in 2022 amounted to RUB 3,188 million.

Responding to growing risks, the Company is increasing investments in occupational safety measures. In 2022, total expenditures on OHS activities amounted to RUB 111 million, more than double the expenditure level in 2021.

As part of its efforts to develop a safety culture, the Company is introducing a workplace risk assessment process



## Our people

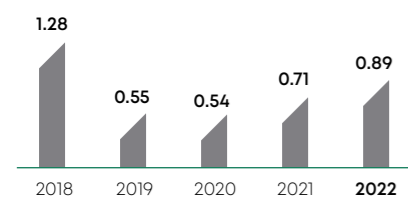
We are focused on building our reputation as a responsible and stable employer. We invest in our employees to improve the efficiency of work processes and help them realise their personal ambitions while achieving our operational goals. We pay particular attention to ensuring safety and enhancing our safety culture. We create an environment where employees can develop their skills on a daily basis, take advantage of the career opportunities available within the company, and be part of a culture that takes into account the characteristics of the individual and everyone can feel respected and supported.

As of 31 December 2022, our seven Global Ports terminals employed 2,961 people, with an average headcount of 2,917 in 2022. At the same time, the voluntary turnover rate was 11.5% (336 people left the Company on their own volition).

### Building a culture of engagement

Employee engagement and loyalty is a strategic area because our long-term success depends on a culture where our employees feel their involvement and value. The attitude of our employees to the Group is of paramount importance to the Group itself, so getting feedback from employees as part of project work is essential to building the foundations for the future.

### LTIFR Global Ports



**RUB 3,188 mln**  
expenditures on OHS training in 2022

We strive to create a continuity of generations culture within the Company. Global Ports has been cooperating with the Admiral Makarov State University of Maritime and Inland Shipping for many years. The university regularly hosts Global Ports Weeks, where our employees share their experience with students. University students can visit the Company's terminals as part of the Admiral Makarov State University of Maritime and Inland Shipping Weeks, which are also regularly held at Global Ports. In 2022, the Company opened a classroom at one of the terminals, where students are trained in the field.

We regularly communicate with our employees through various communication channels, ensuring effective and consistent informing and interaction. These channels include regular briefings, workshops, strategic sessions, surveys, and meetings to obtain feedback newspaper and Telegram channel. We believe that regular communication helps build a strong employee brand and supportive company culture. We conduct periodic employee surveys to give our employees an opportunity to say what they think about Global Ports' activities and what we can do to make it even better. Our latest survey showed a high level of satisfaction among our employees and a multi-fold increase in our loyalty ratio.

In 2022, we focused not only on retaining the team but also on integrating all employees into the overall corporate environment.

- › The overall staff satisfaction rate last year was 83% for administrative personnel and 82% for operational personnel, which is a good result
- › The ENPS rate for the Group more than doubled over the previous year, from 20% to 48%, which is a good signal for us
- › The engagement level (according to Gallup methodology) was 76%, which is a good level compared to market benchmarks

In 2022, we launched a project to involve N-2 level leaders in the strategic planning of the Group's activities through regular strategic sessions. During the year, we organised such meetings for the top-20 and top-80 employees in the North-West, and also held a separate meeting for the Far East team. The Group extended the project until 2023.

Global Ports regularly holds events for employees' children. For example, in 2022, the Company held a drawing contest among children called "Port of the Future through the Eyes of a Child". A children's day was organised on PLP for all employees of the Groups in the North-West with a tour for young visitors, a similar event was held at the VSC.

Also in 2022, Global Ports introduced corporate teams in various sports disciplines. Company representatives took part in the Luga Railway Half Marathon, Pushkin Run, AuroraSwim swim, and other events.



### Attracting and retaining talent

In order to recruit and retain qualified employees, we strive to create a competitive offer in the market that includes both salary levels, performance bonuses, and a set of social benefits. Compensation packages reward success, recognise individual contribution, and motivate our employees to achieve goals. Our performance management system is transparent and easy to understand and closely aligned with strategic objectives and operational effectiveness.

As a responsible employer, the Group strives to offer an attractive package of non-financial incentives for current and prospective employees. This package includes voluntary health insurance, holiday gifts,

### In 2022, Global Ports introduced corporate teams in various sports disciplines

financing of corporate events for employees and their children, teambuilding, and sports events organised by the Group's companies. Global Ports terminals provide bonuses for anniversaries, partial compensation for health resorts and children's camps, and financial assistance to employees in difficult life situations.

### Training and development

Training and development are important elements of the Group's overall people development strategy and are considered crucial to its future success. We value all our employees, and we are committed to providing them with opportunities both

to develop their talents and ensure we are developing the next generation of leaders.

We invest in a wide range of training and development opportunities to help employees build a career at Global Ports. In 2022, 843 employees of the Group underwent advanced training and training in development programmes in external and internal training formats. The Company's expenditures on external personnel training in 2022 amounted to RUB 10,927 million.



We paid particular attention to developing the leadership skills of all Group managers and developing soft skills, such as emotional intelligence and mental health in employees. In addition, we continued to work on improving the skills of our operational personnel, focusing on preparing employees for changing types of cargo and work technologies.

Succession planning and developing the next generation of leaders is a priority for the Group. In 2022, we continued to implement programmes to develop individual skills and teamwork, using facilitation, coaching, and mentoring techniques and management courses.

### Diversity, inclusion, and equality

Employees play an important role in our success, so it is vital that we create a workplace that is inclusive and increases diversity. In doing so, and creating a corporate culture that embraces diversity, we can access a wider talent pool and build a more resilient business. We do not discriminate against employees on the basis of race, religious, or political beliefs, marital status, age, gender, sexual orientation, or disability.

**843** employees  
of the Group were trained  
in 2022

Our approach is enshrined in our Code of Ethics, which all employees must observe. All forms of discrimination are prohibited and all allegations of harassment, including sexual and racial harassment, are taken seriously and investigated thoroughly. We continue to promote diversity and equal opportunities through staff communication and training.

Traditionally, the logistics industry has employed more men than women. Female representation within the industry has been always low. At the year-end, females made up 29% of our total employees at the Group, including 25% of operational staff and 62% of administrative staff. On the Board of Directors, 11% of the members are women.



### In 2022, the Company launched a programme to train women for crane operator positions

In 2022, the Company launched a programme to train women for crane operator positions. This programme has been a development opportunity for many female employees at Global Ports, providing them with interesting and rewarding jobs.

#### Human rights

At Global Ports, we recognise the civil, political, economic, and social human rights and freedoms of every individual, and we strive to build on them in our business activities. Our Code of Ethics incorporates our commitment to human rights, which is strictly in accordance with Russian and international laws. Our human rights approach is aligned with the UN Guiding Principles on Business and Human Rights. The policy in this regard establishes minimum thresholds with regard to human rights that employees and those who work with the Group must meet.

#### Plans for human resource development

The Company will continue to implement practices for the development and improvement of personnel efficiency in 2023, in particular we will focus on the following measures:

- › Implementation of development programmes for managers

- › Creation of a talent pool for line managers and key terminal experts
- › Development, promotion, and preservation of a compelling employer brand
- › Support of well-being programme that aims to maintain the physical and mental health of employees
- › A corporate sports programme
- › Improvements to employee satisfaction with working conditions
- › Improvements to the remuneration systems and the implementation of a grading system
- › Development of a system for internal communications and informing employees

#### Our communities

Global Ports is committed to supporting local communities in the regions where it operates. As a major employer, investor, and consumer of goods and services, we make a significant contribution to the economy. We are proud to be an integral part of the communities where we operate. Our port terminals are more than just employment opportunities for local people; they are part of the social fabric and play an important role in the daily life of communities. We are committed to supporting our employees and their communities and improving their quality of life.

### Social investment

As a Group, we aim to help the community through our social investment programme. Our goal is to bring about positive social change and have a lasting impact on people and communities. Our approach is based on supporting our communities through targeted social investment and staff volunteering. We are a significant employer in our communities and encourage our employees to participate in and support social investment programmes.

The Atmosfera Public Initiative Support Fund, established by VSC, continues to operate successfully. The Fund contributes to the implementation of the environmental, social, and cultural programmes of the Nakhodka urban district and Wrangel settlement. From the moment it was founded until present, the Fund has allocated about RUB 84 million to various charitable projects in education, healthcare, and culture. These include improvements to the Ecological Square, assistance to medical institutions and kindergartens, and support for creative teams.

For many years, Global Ports has cooperated with the Liniya Zhizni Charitable Foundation, which helps to treat and rehabilitate sick children. The Company also provides targeted assistance to seriously ill children.

### Holidays for children from the Albatross Rehabilitation Centre

In December 2022, the Atmospha Public Initiative Support Fund organised two New Year's performances for the children of the Albatross children's social rehabilitation centre in Nakhodka. The idea to hold the New Year's performance, which had never been held at the centre before, was suggested by the employees of VSC. More than 80 young spectators attended performances with fairy-tale characters at two departments of the centre. The children were greeted by characters from their favourite cartoons, and Ded Moroz and Snegurochka handed out sweets.

### Renovation of the Albatross Rehabilitation Centre

The Atmospha and Nakhodka Charitable Foundations helped the Albatross Nakhodka Social Rehabilitation Centre for Children and Teenagers renovate the premises of the junior group Zvezdochka. With the funds' support, the play area, sleeping room, classroom, halls, and lavatory were renovated. Walls, floors, and ceilings were repaired, and sanitary equipment was replaced. The charitable organisations donated a total of RUB 1.5 million

### Hand-to-hand combat festival

With support from Atmospha, young athletes from the Kings Martial Arts Club were able to take part in a martial arts festival and a championship of the Far Eastern Federal District. The Fund covered the travel and living expenses of athletes and coaches during the competition, which was held in Khabarovsk. The athletes won seven gold, one silver, and two bronze medals and a special prize 'For Willingness to Win'.

### Reconstruction of Ecological Square in the Wrangel Micro-district

In 2022, with the involvement of the Atmospha Foundation, reconstruction work began on the Ecological Park in the Wrangel Micro-district near Nakhodka. Swings and a pergola are being renovated, and a playground and benches are being repaired in the square. The area at the intersection of Babkina Street and Primorsky Avenue had previously been empty. The landscaping of the square was a gift to the neighbourhood from VSC at the end of 2019.

### Restoration of the Monument to Fallen Sailors

Global Ports helped to restore a cast-iron anchor at the Monument to Fallen Sailors in the village of Pakhomovka in the Vistinsky rural settlement of the Leningrad Region. The monument was erected at Soykinskoye Cemetery in the Kingisepp District in memory of the crew of a dredge boat, who tragically died during a storm in the Gulf of Finland on 8 October 1935. The crew consisted of 32 people. During the storm, the sailors reportedly carried out dredging work to create a new naval base of the Baltic Fleet in Luga Bay, which was being built in the 1930s. The anchor on the monument was lost a few years ago. In May 2022, Global Ports presented a new anchor for the monument and restored it together with Mineral Engineering.



## Corporate governance<sup>1</sup>

In 2022, we continued to improve the Group's performance in line with high standards of corporate governance.

### Business ethics

Proper governance and ethical behaviour are the cornerstones of our business and the foundation of our operations. As a business, we are committed to complying with all relevant laws and regulations while upholding the highest standards of ethics. We expect everyone who works with us, from our employees to contractors and suppliers, to share our values and behave in an ethical and responsible way.

Our Code of Ethics establishes the governance framework for how we conduct business. The principles set out in the Code are detailed in separate policy documents that address specific aspects of business

ethics, including anti-corruption, whistleblowing, human rights, and supplier relations.

The purpose of the Code is to clearly articulate our ethical standards and provide employees with a guide to what is expected of them in their behaviour and business activities. It provides information on how they can get help, as well as guidance on their duty to report concerns when they are identified, basic ethical and legal responsibilities, and issues relating to employees, customers, shareholders, and the community. New employees are required to review the Code when they start work and sign the acknowledgement form to confirm that they have read and understood it.

All employees receive up-to-date information on the Group's management policy. We conduct ongoing training to get familiar with any policy changes.

### Anti-bribery and corruption

We are committed to maintaining the highest ethical standards and will not tolerate bribery or corruption in any form. Our approach is reflected in the Group's Code of Ethics, which sets out the standards of conduct expected.

Our Anti-Bribery and Corruption Policy ensures that all our business is conducted in an honest and ethical manner and in compliance with the law. The policy applies to all Global Ports employees as well as those working on our behalf in any capacity.

<sup>1</sup> For detailed information about the Company's corporate governance structure and bodies as well as risk management, please see the Corporate Governance section on page 42 of this Annual Report.



### Hotline for reporting violations

Global Ports encourages its employees, clients, and other stakeholders to report any potentially unethical, unlawful, or suspicious conduct or practices.

The Group has a confidential whistleblowing service open 24/7, which offers a variety of ways to report concerns:

- › Via a dedicated email address
- › Via an anonymous call to a toll-free number
- › Via a face-to-face meeting with a senior member of the Group's Internal Audit Department responsible for managing the whistleblowing service

Details of the whistleblowing service are available on the Group's website, as well as on information boards located in the offices and in prominent places at the Group's terminals.

The service is run by the Internal Audit Department, which operates independently of management and reports directly to the Board's Audit and Risk Committee. The chairman of the Audit and Risk Committee is informed of all enquiries received and recommended follow-up actions.



### Hotline for Reporting Violations

### Key topics of the enquiries



- ▲ 10% (1 out of 10) Poor service
- ▲ 60% (6 out of 10) Operational issues
- ▲ 30% (3 out of 10) Other

All referrals are immediately logged by the Internal Audit Department, which manages the service. The appeals are then evaluated to decide whether further investigation is required by the Internal Audit Department or by management at the appropriate level.

Regardless of how concerns are raised, all reports are treated confidentially and investigated thoroughly and impartially, while always ensuring the complainants' anonymity and protection against retaliation.

The Head of the Internal Audit Department presents all investigation findings and follow-up actions to the Board's Audit and Risk Committee.

In 2022, we received 10 calls to our corporate hotline. All enquiries were investigated and the results were communicated to the Audit and Risk Committee and senior management with the appropriate follow-up action.

None of the calls received by the hotline contained allegations of fraud, corruption, wrongdoing, or misconduct.

### Responsible procurement

We aim to develop strong supplier relationships, working together to maintain the highest ethical standards. This is an important part of our sustainability approach and risk management system. We expect suppliers to comply with the Group's high ethical standards and behaviour, which are set out in the Group's Code of Ethics. The Group's procurement policy prescribes the fundamental principles of working with suppliers.

When carrying out procurement for the Group's terminals, the procurement department of Global Ports Management adheres to the following principles:

- › Full compliance with the legislation of the Russian Federation
- › Competitiveness and transparency
- › Supplier selection based on price, quality, and the promptness of delivery
- › Total operating costs

All procurement information is posted on the electronic trading platforms [www.etprf.ru](http://www.etprf.ru) and [www.fabrikant.ru](http://www.fabrikant.ru), as well as on the website of the electronic information system [zakupki.gov.ru](http://zakupki.gov.ru).

In 2022, Global Ports developed and implemented the Supplier Code of Conduct

To ensure fairness and transparency in the bidding process, all requests for bids are published on the websites listed above. The Group conducts periodic reviews and audits of its suppliers to ensure compliance. The procurement department continues to monitor the development of responsible procurement practices.

In 2022, Global Ports developed and implemented the Supplier Code of Conduct to inform current and potential counterparties of the basic principles of Global Ports and the companies it manages. The document states that the Company considers sustainable development an important condition for doing business due to such corporate values as team unity, professionalism, and safety. When

selecting suppliers, the Company gives preference to those that are committed to sustainable development, taking into account the results of assessments on relevant indicators throughout the supply chain as a tool to ensure it. In accordance with the United Nations Global Contract, a sustainable supply chain involves responsible interaction with suppliers and management about the environmental, social, and economic impacts of business decisions throughout the entire lifecycle of goods and services. The Company highlights the following areas for creating a responsible supply chain:

- › Environmental impact
- › Waste reduction
- › Human rights
- › Increasing the transparency of the supplier base
- › Procurement

- › Operational and product innovations
- › Logistics and distribution
- › Facility management

MC Global Ports maintains equal business relationships with suppliers and encourages them to work in compliance with the principles specified in this Code.



### Global Ports Supplier Code of Conduct





### 3. CORPORATE GOVERNANCE

# Transparency as a priority

Global Ports believes that **transparency of corporate governance is essential** for its effective functioning.

9

Members of the Board of Directors

2

Independent Directors

3

Committees



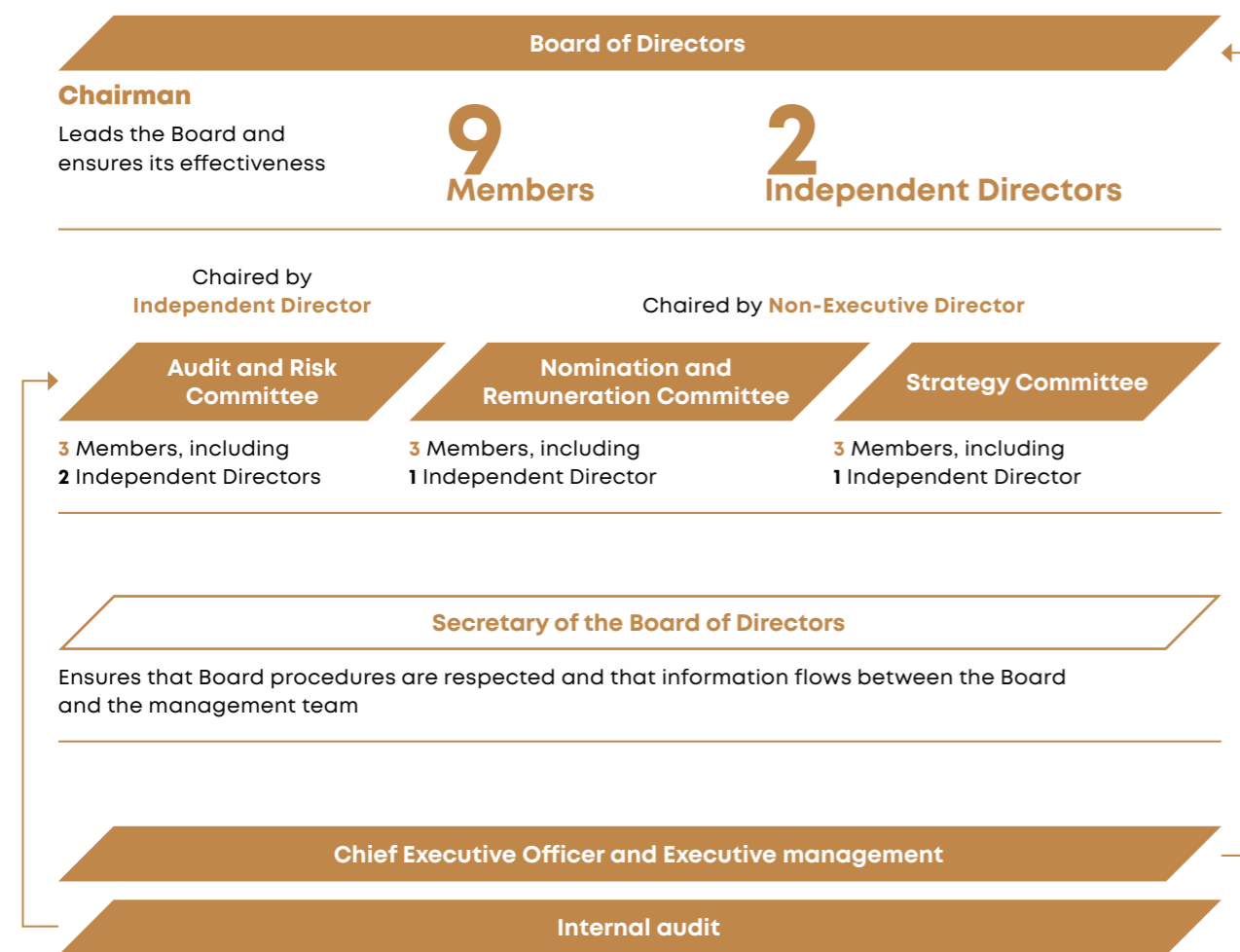


# Corporate governance

**Global Ports is developing and improving its corporate governance system with a commitment to complying with the best international and Russian standards.**

Global Ports' corporate governance system consists of a set of principles and rules that aim to ensure the Company's efficient management and safeguard the rights and legitimate interests of shareholders and other stakeholders.

## Corporate Governance Structure<sup>1</sup>



<sup>1</sup> As at 31 December 2022.

# Board of Directors

The Company is governed by its Board of Directors (the Board), which is collectively responsible to shareholders for the Group's short- and long-term sustainable success, generating value for shareholders, and contributing to the broader society as a whole. Its responsibility is to promote adherence to best corporate governance practices.

The Board's role is to provide entrepreneurial leadership for the Group by establishing its goals, values, and strategy, identifying corporate governance standards, aligning these standards and the Group's culture, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives, and reviewing management performance.

The Group seeks directors with strong track records and a deep understanding of the industry. The Board identifies the Group's values and standards and ensures all obligations to shareholders are understood and met.

**9 Members of the Board of Directors**

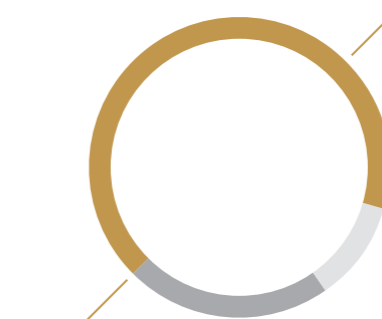
**2 Independent Directors**

**3 Committees**

**50 years**  
Board average age

**24 years**  
Board age range

**Board independence, %**



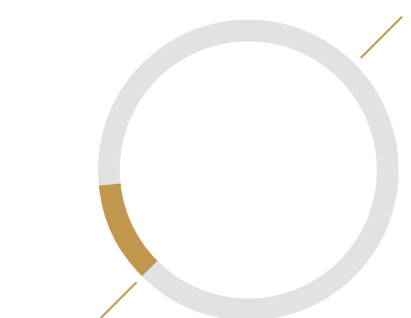
**Tenure of the Board, %**



**Directors' superior mix of knowledge and experience**



**Board's gender ratio, %**



The Board ensures that the Group establishes a framework of prudent and effective controls, which enables risks to be assessed and managed, and maintains a sound system of internal control, corporate compliance, and enterprise risk management to safeguard the Group's assets and shareholders' investments in the Group.

The roles and responsibilities of the Chairman, senior independent director, Board, and committee members are set out in writing in the terms of reference of the Board and its committees. The latest version of the terms of reference of the Board of Directors was approved by shareholders on 18 June 2019 and is available on the Company's website.



**Terms of reference of the Board of Directors**

## Code of ethics and conduct

The Code of Ethics was approved by the Board of Directors on 8 December 2016 and was introduced at the Group's companies throughout 2017. The third version of the Code of Ethics was adopted by the Board on 18 August 2020 and aims to simplify and update the Group's mission, values, and standards of corporate engagement.

everyone at Global Ports is accountable for their own decisions and conduct. In addition to general standards of behaviour, the code covers fraud, corruption, ethics, and conflicts of interest with reference to detailed policies. Employees and external parties are encouraged to report any suspected violations via various channels, including a dedicated hotline.

The Board is updated on a regular basis about any violations of various policies with a specific focus on fraud incidents and actions taken, although significant violations have to be reported to the Board immediately.



**Code of Ethics on Global Ports' website**

Global Ports' code of ethics and conduct outlines the general business ethics and acceptable standards of professional behaviour that we expect of all our directors, employees, and contractors. This code, which is given to all new staff as part of their induction, means that

The code is available to all staff on Global Ports' website (in the Corporate Governance section) and at the HR department at every operating facility. We also have other more detailed rules concerning our anti-fraud and whistleblowing policies.

## Members of the Board of Directors

The Board of Directors leads the process of making new Board member appointments and makes recommendations about appointments to shareholders. In accordance with the Board's terms of reference, all directors are elected by shareholders at the first Annual General Meeting after their appointment, and re-elected for intervals of no more than one year. Any term beyond six years for a non-executive director is subject to a particularly rigorous review, and takes into account the need to update the Board on a regular basis.

The Board currently has nine members.

There were no significant changes in the responsibilities of the directors in 2022 except for committee membership.

There is no provision in the Company's Articles of Association for the retirement of directors by rotation. However, in accordance

with the Board's terms of reference and the resolutions adopted by shareholders at the Annual General Meeting on 10 June 2022, all current directors will be re-elected at the next Annual General Meeting of the Company's shareholders, which will take place in 2023.

The Company has O&D insurance for Board members.

**The Company has O&D insurance for Board members**

## Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for ensuring that Board meetings are held when necessary, leading the directors, ensuring their effectiveness, and reviewing the agenda of Board meetings. Together with the secretary of the Board, the Chairman reviews Board materials before they are presented to the Board and ensures that Board members are provided with accurate, timely, and clear information. The members of the management team who have

prepared the papers or who can provide additional insights into the issues being discussed are invited to present papers or attend Board meetings at the relevant time. Board members regularly hold meetings with the Group's management to discuss their work and evaluate their performance.

The Chairman monitors communications and relations between the Group and its shareholders, the Board and management, and independent

and non-independent directors, with a view to encouraging dialogue and constructive relations. The Chairman must demonstrate objective judgement and promote a culture of openness and debate. In addition, the Chairman ensures constructive Board relations and the effective contribution of all non-executive directors.

The Group separates the positions of the Chairman and CEO to ensure an appropriate separation of roles and duties.



## Board committees

Starting in December 2008, the Board of Directors had three committees: the Audit and Risk Committee, Nomination Committee, and Remuneration Committee. The Board reorganised the committees in June 2019: the Nomination Committee and Remuneration Committee were merged into a single committee, and a new Strategy Committee was established.

### Audit and Risk Committee

The Audit and Risk Committee consists of three non-executive directors, two of whom are independent, and meets at least four times a year.

The committee is responsible for:

- › Monitoring the integrity of the Company's financial statements and any formal announcements concerning its financial performance and assessing whether appropriate accounting policies have been adopted and whether management has made appropriate estimates and judgments
- › Reviewing the Company's internal financial controls as well as its internal control and risk management systems
- › Monitoring and reviewing the effectiveness of the Company's internal audit function and approving the annual work plan
- › Making recommendations to the Board about the appointment,

- reappointment, and removal of the external auditor, and giving recommendations concerning remuneration and the external auditor's terms of engagement for audit and non-audit services
- › Reviewing and monitoring the external auditor's independence and objectivity
- › Reviewing the effectiveness of the external audit process
- › Reporting to the Board on how it has performed its responsibilities

In 2022, the Audit and Risk Committee met nine times (12 times in 2021) to consider and discuss, inter alia, the following significant issues and matters, including those listed above, among others:

- › Meetings with internal auditors to discuss the results of their audits and ad-hoc reviews, working plans, and progress in monitoring the execution of internal audit recommendations
- › Meetings with external auditors to discuss matters related to their audit work and any issues arising from their audits and reviews
- › Discussion of the level of clarity and completeness of disclosures in financial statements with the management and external auditors and making the appropriate recommendations to the Board
- › Assessment of the external auditor's effectiveness by discussing the audit approach and audit plan, monitoring compliance with the plan, receiving feedback from

- members of the management team involved in the audit process, assessing the internal resources allocated by the external auditor and the key risks identified during the audit process and their mitigation measures, review of the auditor's management letter, and consideration of the level and quality of communication between the external auditor and the committee during the audit process
- › Consideration of key issues and areas of judgement with a particular focus on impairment models and the impact of new IFRS standards on the Company's financial statements. The committee is tasked with considering impairment models with a comparison of short-, medium- and long-term forecasts and understanding what impact the new standards would have on financial statements and the Group's compliance with covenants
- › Review of public materials containing financial information to determine whether they are consistent with financial statements, disclosure and transparency requirements, and the Board's view on the Group's medium- and long-term development
- › Consideration of various reports from management
- › Review and discussion of major risks. The committee had meetings with the Risk Management of GPM to discuss the preparation of key risks and risk and internal controls matrices
- › Review updates on GDPR and sanctions compliance requirements
- › Review of IT risks
- › Review of the centralisation of the Group's functions

- › Receive updates on tax-related matters
- › Review charitable activities in 2022 and the budget for 2023
- › Review various other compliance-related matters
- › Consideration of the external auditors' performance and recommendations to the Board to propose KPMG Limited as the Company's auditor for the 2022 fiscal year
- › Consideration and recommendations to the Board of Directors to approve the amended and restated terms of reference of the Audit and Risk Committee and the amended and restated Authority Matrix

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors assists the Board in performing its corporate governance responsibilities with respect to the nomination, appointment, and remuneration of all Board directors and the Chairman as well as the senior executive management of the Company and its subsidiaries and joint venture companies, oversees the development of a diverse pipeline for succession, and evaluates the performance of the Board, its committees, the Board Chairman, and individual directors. The committee's main objective is to determine the framework and policy for the nomination and remuneration of independent non-executive directors, executive directors, and senior company executives, ensuring consistency with the Company's talent strategy, remuneration policy, market trends, and commitment to diversity and inclusion.

The Nomination and Remuneration Committee consists of three directors, one of whom is independent

The committee handles onboarding for new directors, identifies the framework for succession planning and talent management, and manages the annual Board performance evaluation process to ensure its increased effectiveness.

The Nomination and Remuneration Committee, as of the date of this report, consists of three directors, one of whom is independent.

The Committee meets at least once each year.

In 2022, the Nomination and Remuneration Committee met 14 times (13 times in 2021):

- › To discuss and recommend candidates for the Board and its committees, including candidates to be elected as new independent non-executive directors
- › To discuss and recommend candidates to be elected as the new chairman of the Board
- › To discuss management succession and the talent development programme
- › To discuss the long- and mid-term incentive plans as a component of executive compensation
- › To discuss and recommend to the Board:
  - Appointment of a new chief commercial officer of Global Ports Management LLC, the chief human resources officer of Global Ports Management LLC, and the managing director of Petrolport JSC and First Container Terminal Inc.

- Remuneration payable to Board members
- New compensation payable to the Group's senior management team and key management team members of the Group's companies. In determining the level of compensation for the Group's key senior management, the Committee considers the level of skills and expertise, the position and scope of work and responsibilities, and the market levels for similar positions
- Approval of management's proposal for optimising the work schedule
- Approval of management's proposal for changes to the key rules for awarding and payment of the Global Ports Group's performance-based bonuses

In 2022, the Nomination and Remuneration Committee paid critical attention to the long- and mid-term incentive plans as a component of executive compensation, talent management, remuneration for Board members and changes to the key rules for awarding and payment of the Global Ports Group's performance-based bonuses.

The Audit and Risk Committee consists of three non-executive directors, two of whom are independent

## Strategy Committee

Per its Terms of Reference, the committee meets at least once each year. As of the date of this report, the Strategy Committee consists of three directors, one of whom is independent. The Strategy Committee's Terms of References were updated at the end of 2021.

The committee assists the Board in performing its corporate governance responsibilities in terms of identifying and overseeing the Global Ports Group's strategy and strategic initiatives, which must be approved by the Board as necessary, and in providing oversight on the implementation and development of the strategy and strategic initiatives by executive management. The committee was formed to foster a cooperative and interactive strategic planning process between the Board and executive management.

The Strategy Committee consists of three directors, one of whom is independent

In 2022, the Strategy Committee met eight times (13 times in 2021) to consider and give recommendations to the Board for the approval of:

- › Various investment proposals, including the acquisition of SPIKA LLC (land plot located next to VSC)
- › Updated and restated capex budget for 2022
- › Cash-free swap deal with CMA Terminals S.A.S. as a part of the further optimisation of the Group's structure
- › Conversion of the Company's share premium into retained earnings
- › Terms of issuance of new rouble-denominated bonds by VSC to refinance the GPF-2023 Eurobonds

In addition, the Strategy Committee reviewed and discussed strategic priorities and strategic targets, the competitive environment and the Group's reaction to it, strategic risks and ways to mitigate them, functional strategies and action plans for their execution, various strategic projects in the pipeline, and the development of the ESG Strategy.

## Non-executive and independent directors

Independent directors have no relationship with the Group, its affiliated companies, or their officers. This means they can exercise objective judgment on corporate affairs independently of management.

Although all directors have equal responsibility for the Group's operations, the role of

independent non-executive directors is particularly important in ensuring that the management's strategies are constructively challenged. In addition to ensuring the Group's strategies are fully discussed and examined, they must take into account the long-term interests, not only of major shareholders but also of GDR holders, bondholders, other

lenders, employees, customers, suppliers, and the communities in which the Group does business.

Non-executive directors should meet without the Chairman present at least once a year to assess the Chairman's performance and on other occasions as necessary.

## Board performance

The Board meets at least five times a year. Regular meetings are scheduled at the start of each year. Ad hoc meetings are called when there are pressing matters that require the Board's consideration and decisions in between the scheduled meetings.

In 2022, the Board formally met 16 times (12 times in 2021) to review its current performance and discuss and approve important business decisions.

In 2022, the Board met to discuss and approve important business decisions, which, inter alia, included:

- › FY2021 financial statements, 1H 2022 interim financial statements and the Annual Report
- › Review of the financial and operational performance of segments
- › Consideration of the 2023 financial budget, major risks, uncertainties, commercial strategy, corporate social responsibility, and the internal control framework

- › Changes in the Group's management and the Board
- › Revision and adoption of various Group-wide policies and regulations, namely the amended and restated the Group's corporate accounting policy guidelines, the amended and restated terms of reference of the Audit and Risk Committee, the amended and restated authority matrix, and the key rules for awarding and payment of the Global Ports Group's performance-based bonuses
- › Consideration of various compliance matters
- › Consideration and approval of the revision of external and internal financing arrangements and organisational restructurings
- › Consideration and approval of new financing arrangements, e.g., the issuance of VSC bonds to refinance the Eurobonds 2023, and the approval of the Eurobonds 2023 refinancing step-plan
- › Consideration and approval of major capital expenditures and investment projects

- › Consideration and approval of various resolutions related to the operations of the Company's subsidiaries and joint ventures

The activities of the Board, its committees, and individual directors are subject to regular evaluation. The performance of the Board and individual directors may be evaluated through a self-assessment, cross-assessment, or by an external third party. The non-executive directors, led by the senior independent director, are responsible for the performance evaluation of the Board Chairman. The Board did not hire any external advisors to evaluate its performance in 2021 and 2022.

In 2022, the Board did not conduct a self-assessment.

**16 meetings**  
of the Board in 2022



## Board diversity policy

The Company does not have a formal Board diversity policy with regards to such matters as age, gender, or educational and professional backgrounds, but the Board is fully committed to diversity within the Group. Following best practices, these aspects are taken into account when making new appointments and considering the current members of the Board of Directors.

As of the publication date of these financial statements, the Board had one female representing 11% of the total number of directors. The average age of the directors is 50 years with a range from 38 to 62 years. The Board has the necessary balance of skills and expertise to run the Company

and the Group. The Board members have the following educational backgrounds: port and transportation industry, accounting and financial, banking sector, and legal. Three nationalities are represented on the Board. The Board members reside in three countries.

— The Board is fully committed to diversity within the Group

## Board and management remuneration

Non-executive directors serve on the Board pursuant to their letters of appointment. Such letters of appointment specify the terms of appointment and the remuneration of non-executive directors. Only independent non-executive directors receive remuneration.

The levels of remuneration for independent non-executive directors reflect their time commitment, responsibilities of their role, and membership in the respective Board committees. Directors are also reimbursed for expenses associated with the performance of their duties. Directors are not eligible for bonuses, retirement benefits, or to participate in any incentive plans offered by the Group. Additional remuneration is paid to independent

non-executive directors for their membership in and chairmanship of the committees.

The Company's shareholders approved remuneration for Board members on 29 June 2018, 30 December 2019, 16 April 2020, 29 May 2020, 22 October 2021, 10 June 2022, and 29 July 2022.

Neither Board members, nor management has long-term incentive plans. However, the performance-based part of the remuneration of senior management is aligned with the strategic goals and initiatives approved by the Board.

The performance-based part of the remuneration of key management is based on the key rules for awarding and

payment of the Global Ports Group's performance-based bonuses adopted by the Board on 15 June 2016 and is regularly updated, with the last update made on 15 December 2022. The Nomination and Remuneration Committee monitors the efficiency of the rules and makes recommendations to the Board on their amendment and revision.

## Managing director

The Board empowered the managing director to conduct all affairs associated with the Company's business within the managing director's purview. It has also authorised the managing director to carry out other

management duties associated with the Company's ordinary activities, including representing the Company before any government or public authority. The decisions for all other matters are reserved for the Board.

## Company secretary

The Group has a secretary, who is responsible for safeguarding the rights and interests of shareholders, including the establishment of effective and transparent arrangements for securing the rights of shareholders.

Team Nominees Limited has served as the Company's secretary since the Group's incorporation in February 2008.

The secretary's responsibilities include ensuring compliance by the Group, its management bodies, and officers with the law and the Group's charter and internal documents. The secretary organises the communication process between the parties involved in corporate relations, including the preparation and holding of general meetings, the storage, maintenance, and

dissemination of information about the Group, and the review of communications from shareholders.

## Internal audit

The internal audit function is carried out by Group's Internal Audit Service (IAS). It is responsible for analysing the systems of risk management, internal control procedures, and the corporate governance process for the Group with a view to obtaining a reasonable assurance that:

- › Risks are appropriately identified, assessed, responded to, and managed
- › Interaction with various governance groups occurs as needed
- › Significant financial, managerial, and operating information is accurate, reliable, and timely
- › Employee's actions comply with policies, standards, procedures, and applicable laws and regulations

- › Resources are acquired economically, used efficiently, and adequately protected
- › Programmes, plans, and objectives are achieved
- › Quality and continuous improvement are fostered in the Group's control process
- › Significant legislative or regulatory issues impacting the Group are recognised and addressed properly

The internal audit function is implemented through the Internal Audit Department of Global Ports Management Company. The Internal Audit Department head functionally reports to the Audit Committee of the Company's Board of Directors. In its work, the Internal Audit Department is guided by the provisions of the

International Professional Practices Framework of Internal Audit, which was developed by the International Institute of Internal Auditors. The work of the Internal Audit Department is governed by the Regulations on the Internal Audit Department and the Regulations on the Audit Committee of the Company's Board of Directors.

An external quality assessment review was conducted for Global Ports' internal audit function in 2021 by one of the Big Four companies. The assessment concluded that "internal audit generally conforms"<sup>1</sup> with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The rating "generally conforms" means that the internal audit function has

<sup>1</sup> "Generally conforms" is the best possible rating that can be awarded as the result of an external quality assessment suggested by the Standard 1320 – Reporting on the Quality Assurance and Improvement Program of the International Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors.

a charter, policies, and processes, which are judged to be in conformance with the standards. Recommendations for enhancing the function have been provided and are being implemented.

The company has a hotline for reporting violations. Operational support for the hotline operation is provided by the Internal Audit Department of Global Ports.

**More about the hotline for reporting violations on p. 40**

## External audit

An external auditor is appointed to review the integrity of the Group's financial statements based on a proposal by the Audit and Risk Committee of the Board of Directors at Global Ports' Annual General Meeting of Shareholders. The selection of the external auditor is subject to the requirements of the Company's Policy on Assessing the Independence and Impartiality of the External Auditor.

The policy establishes requirements for an auditor's independence and objectivity as well as the rotation of the auditor and key members

of the audit team in line with the recommendations of the International Ethics Standards Board for Accountants (IESBA). The policy also sets out a list of non-audit services that the external auditor may not provide to the Group's companies in order to ensure audit independence.

KPMG Limited was appointed as the Company's auditor at the Annual General Meeting held in 2022. The appointment of the Company's auditor for 2023 audit reporting will be considered at the Annual General Meeting in 2023.

The external auditor did not provide any non-audit services to the Group's companies in 2022. Remuneration paid to the auditor amounted to USD 685,000.

## Shareholder engagement

The main principles of the Group's disclosure approach are the regularity, efficiency, availability, reliability, completeness, balance, integrity, and safety of information resources. Global Ports ensures the transparency of corporate procedures and informs shareholders in a timely manner about events that may affect the Company's business.

At an Extraordinary General Meeting, Global Ports shareholders approved a decision on the Company's re-domiciliation, a change in the legal regime of its country of incorporation to the Russian Federation, and the Company's continued operation as a legal entity in the Russian Federation in accordance with the laws of the Russian Federation. Since the majority of the Group's terminals and all of its cash generating assets are located in Russia, the continuation of the Company as a legal entity through re-domiciliation will simplify Global Ports' governance structure and cash flow management within the Group.

With the change in the legal regime of the Company's country of incorporation to the Russian Federation and its continuation as a legal entity in the Russian Federation under Russian law, Global Ports will become a Russian company and will be required to terminate its global depositary receipts (GDR) programme in order to comply with Russian law. These provisions prohibit the circulation of depositary receipts for shares in Russian companies outside Russia and require the termination of existing depositary receipt programmes.

In February 2023, the Group submitted a request to the Financial Conduct Authority to delist the Company's GDR and also submitted an application to the London Stock Exchange (LSE) to cancel the admission of the Company's GDR to trading on the LSE's main listed securities

market as of 8 a.m. (London time) on 11 April 2023. The Company has also submitted notice to the depositary bank of the GDR programme, JP Morgan Chase Bank, N.A., on the termination of the GDR Deposit Agreement dated 28 June 2011 with effect from 11 April 2023.

To enable more holders to cancel their GDRs, the Company has submitted a new notice to the depositary bank about its decision to change the deposit agreement termination date to 12 June 2023.

The Company intends to ensure that the rights and legitimate interests of its shareholders are respected regardless of whether they intend to remain shareholders or withdraw from the Company's share capital.

At an Extraordinary General Meeting, Global Ports shareholders approved a decision on the Company's re-domiciliation



# Risk management

In organising its Risk Management System (RMS), the Group is guided by the methods outlined in GOST R ISO 31000 'Risk Management. Principles and Guidelines'.

The organisational structure of the Company's RMS ensures the following vertical and horizontal information flow:

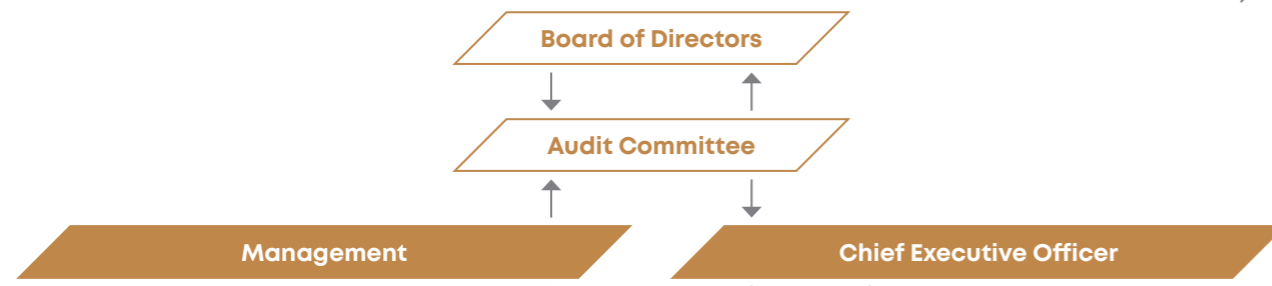
- Information coming vertically from the bottom up provides the Company's Board of Directors and management with data on day-to-day operations and risks taken in the course of operations, how to assess and monitor them, response methods, and the level of risk management

- Top-down decisions ensure that the goals, strategies, and objectives are communicated to the Company and the Group's companies through the decisions of the Board of Directors and management, as well as the approval of documents on risk management at the Company
- The horizontal transfer of information implies interaction between the Company's structural units and its companies that are responsible for risk management activities

The Company conducted an internal maturity assessment of the Risk Management System in 2021. It was assessed as Monitored. This rating was confirmed in 2022. In the future, Global Ports plans to develop and improve its risk management and internal control system.

## Risk management structure

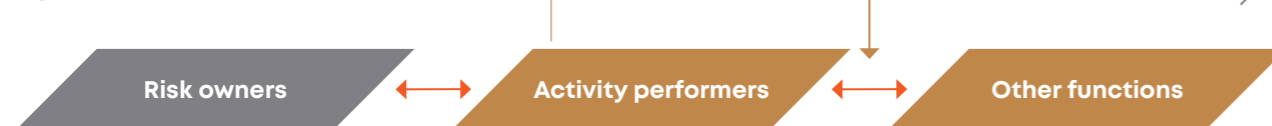
### Strategic level



### Coordination level



### Operational level



#### 3 main directions of information flows:

- Risk information, risk mitigation measures, monitoring results, incident information, reporting
- Decisions and requests to update risks in case of inconsistencies in information, approval of key risk management actions
- Cross-functional communication: information exchange between functions within the risk management process

## Key risks and measures to manage them

Global Ports is exposed to a variety of risks and opportunities that can have commercial, financial, operational, and compliance impacts on its business performance, reputation, and operating licence. The Board recognises that creating shareholder value involves accepting risk. Effective risk management is thus critical to achieving the corporate objective of delivering long-term growth and added value to our shareholders.

Global Ports bases its risk management activities on a series of well-defined risk management principles that are derived from experience, best practices, and

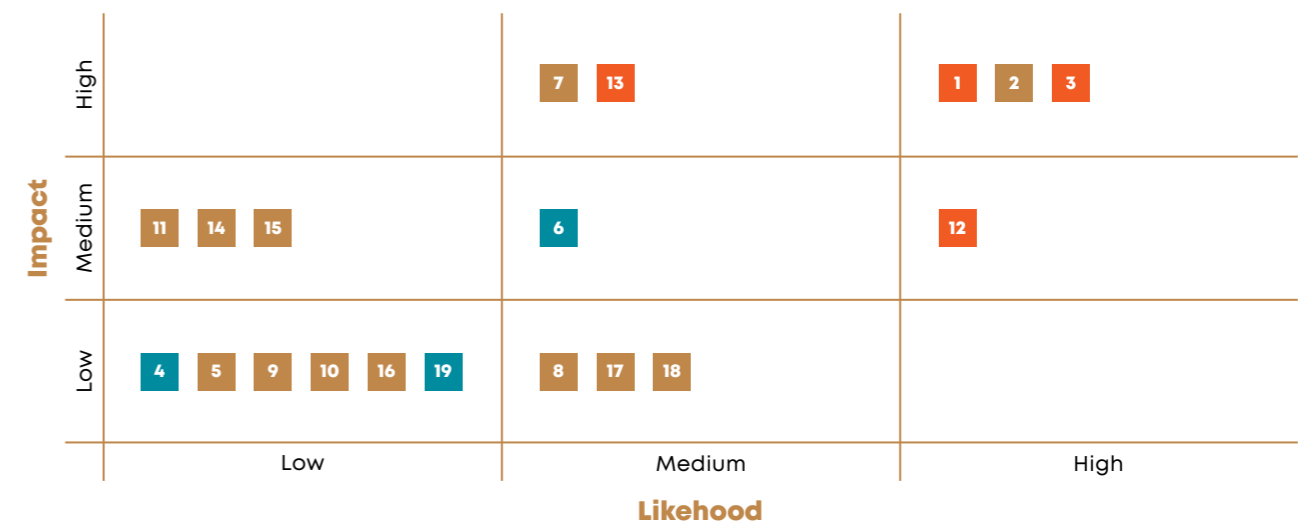
corporate governance. The Group's enterprise risk management (ERM) processes are designed to identify, assess, respond to, monitor, and, where possible, mitigate or eliminate threats to the business caused by changes in the business, financial, regulatory, and operating environment.

The Board has overall oversight responsibility for GPI's risk management and establishing a framework of prudent and effective controls. As such, it systematically monitors and assesses the risks inherent in the Group's performance and the delivery of the GPI strategy. When a risk has been identified and assessed,

the Group selects the most appropriate risk measure available in order to reduce the likelihood of its occurrence and mitigate any potential adverse impact.

The Board delegates the responsibility for effectively implementing and maintaining the risk management system to the Chief Executive Officer of Global Ports Management LLC. Day-to-day responsibility for risk management lies with the management team. The Audit and Risk Committee is authorised by the Board to monitor, review, and report on the organisation, functionality, and effectiveness of the Group's ERM system.

## Risk heat map in 2022 and 2023



▲ Risk level is growing    ▲ Risk level is stable    ▲ Risk level is reducing

- |   |   |                                   |
|---|---|-----------------------------------|
| 1. Market conditions  | 7. Reliance on third parties            | 16. Legal and tax risks           |
| 2. Competition  | 8. Tariff regulation                    | 17. Currency risks                |
| 3. Political, geopolitical, military conflicts, and economic and social instability | 9. HR management                        | 18. Credit risk                   |
| 4. Coronavirus (COVID-19)   | 10. Occupational safety and health      | 19. Debt, leverage, and liquidity |
| 5. Land lease for terminals operations  | 11. Environment                         |                                   |
| 6. Customer profile and concentration   | 12. Information technology and security |                                   |
|   | 13. Regulatory compliance               |                                   |
|   | 14. Changes in regulations              |                                   |
|   | 15. Conflict of interest                |                                   |

Global Ports is exposed to a variety of risks, which are listed below. The order in which these risks are presented is not intended to be an indication of the probability of their occurrence or the magnitude of their potential effects.

Not all of these risks are within the Group's control, and the list cannot be regarded as exhaustive, since other risks and uncertainties may emerge in the changing external and internal environment, which could have a material adverse

effect on the Group's ability to achieve its business objectives and deliver its overall strategy.

Risk factor	Risk management approach
<b>Strategic risks</b>	
<p><b>Market conditions</b> Global Ports' operations are dependent on the global macroeconomic environment and resulting trade flows, including container volumes in particular.</p> <p>Container market throughput is closely correlated to the volume of imported goods, which is driven by domestic consumer demand and influenced by Rouble currency fluctuations against the US dollar/Euro, and exported goods, which in turn correlate with fluctuations in the Russian rouble exchange rate and trends on global commodity markets.</p> <p>The Group remains exposed to the risk of contraction in the Russian and world economy, which, if it were to occur, could further dampen consumer demand and lead to a disruption in the container market, which could have an adverse impact on the Group.</p> <p>As part of Russian and world logistics chains, the Group's terminals are exposed and feel the impact of the disruptions and disbalances in these logistics chains caused by COVID-19 and such cases like the Ever Given accident.</p>	<p>The Group has responded to throughput volatility on the container market by:</p> <ul style="list-style-type: none"> <li>• Focusing on quality and value-driven services (getting closer to the customer)</li> <li>• Placing a greater focus on balancing export and import container flows as well as the cargo mix</li> <li>• Offering operational flexibility to all clients via operational excellence</li> <li>• Investing in infrastructure development and equipment</li> <li>• Terminating of coal handling operations at VSC to optimise container holding</li> <li>• Applying effective cost containment</li> <li>• Developing IT solutions</li> <li>• Adopting new revenue streams and attracting new cargoes</li> </ul>

Risk factor	Risk management approach
<p><b>Competition</b> Barriers to entry are typically high in the container terminal industry due to the capital-intensive nature of the business. However, challenging market trading conditions mean that competition from other container terminals continues to be a significant factor, which is also supported by the existing excess capacity in the market, i.e., in northwest Russia. Further consolidation between container terminal operators and container shipping companies, the creation of new strategic alliances, the introduction of new/upgraded capacity, and carrier consolidation could result in greater price competition, a lower utilisation rate, and potential deterioration in profitability.</p> <p>Strategic international investors may develop or acquire stakes in existing competitor container terminals in Russia, which could bring new expertise into the market and divert clients and cargoes away from the Group.</p> <p>Also, beneficial cargo owners may optimise their logistics chains and decide to control them, which may lead to changes in the competitive environment.</p> <p>Given the historically high margins in the Russian container handling industry, this trend may continue, which is demonstrated by growing competition in the Russian Far East, where a number of new projects were announced at the Far Eastern Economic Forum in September 2021. Though we do not expect the market to have new major capacities in the next 3–4 years, the conversion of some of the existing terminals into the container handling facilities has already started.</p>	<p>The Group actively monitors the competitive landscape and adjusts its strategy accordingly, i.e., the Group prioritises building close long-term strategic relationships with its leading customers (locally, regionally, and with headquarters).</p> <p>The Group's focus on service quality is a key differentiator from its competitors, and the Group believes this is one of its key competitive advantages.</p> <p>The Group continues to invest in its terminals and infrastructure to ensure competitive levels of service. It takes a long-term approach to managing its network of terminals, which represent core infrastructure assets in Russia with an expected operating lifespan of 10 to 20 years and beyond. The Group owns a significant land bank, which gives it flexibility should market conditions require it. The Group has a capital expenditure level that is in line with the requirements needed to maintain the effective development of its existing capacity. The Group has developed long-term operating master plans for each of its terminals, which enable it to react quickly in the event of additional market demands being placed on its facilities' infrastructure and equipment. The Group's healthy cash flow generation and decreasing leverage allow for financial flexibility in terms of the timing and size of the required capital expenditure programme.</p>



Risk factor	Risk management approach
<p><b>Political, geopolitical, military conflicts, and economic and social instability</b></p> <p>Geopolitical instability may cause a turbulence in the Russian Economy. Therefore, an uncertain operating environment resulting from social and political instability could affect the Group's profitability and ability to sell its services due to significant economic and political risks.</p> <p>Certain government policies or the selective and arbitrary enforcement of such policies could make it more difficult for the Group to compete effectively and/or impact its profitability.</p> <p>The current geopolitical situation and conflict surrounding Russia and Ukraine will adversely affect the Group's operations, i.e., the Group's management is aware that some shipping lines have announced that they have temporarily suspend shipments to and from the Russian Federation. It is possible that other shipping lines will follow with similar restrictions. The Group may also be adversely indirectly affected by sanctions from US, EU, UK, and other jurisdictions against Russian business/companies – measures that have had and may continue to have an adverse effect on the Russian economy and demand for goods, commodities, and services as well as on the supply of equipment and spare parts, interest rates, and the RUB/USD exchange rate. Ongoing sanctions could also slow down or make it very challenging to process settlements with clients and suppliers and to deal with certain persons and entities in Russia or in other countries.</p> <p>Following the sanctions that have already been imposed on the Bank of Russia, its restrictions for capital movements outside the Russian Federation, and other developments in the Russia-Ukraine confrontation, there is uncertainty about the availability of refinancing options in 2023, when the principal payments of the Eurobonds 2023 come due. The situation is largely dependent on the actions of the Russian government and Bank of Russia, which are difficult to foresee.</p>	<p>In light of the geopolitical and macroeconomic challenges that the ports industry has faced in recent years, the Group has focused on improving its resilience, in particular its ability to withstand short-term economic fluctuations in Russia, as well as the broader regional and global environment. This has included a strong focus on cost containment measures and on strengthening its financial position by refinancing its debt, switching to longer maturities at fixed rates, executing investment programmes ahead of time, and enhancing the resilience of its treasury operations. In addition, the Group has developed a growth strategy to embrace exports and new revenue streams to counteract the impact of any decline in consumer sentiment or any macro-economic downturn.</p> <p>The Group has strengthened its system to monitor compliance with restrictions imposed by international sanctions and fend off the risk of secondary sanctions.</p> <p>The Group continues to maintain an international base of shareholders, bondholders, and business partners.</p> <p>The Group's management is closely monitoring events in Russia and Ukraine, as well as the possible imposition of further sanctions in connection with the escalating confrontation and any growing tensions that Russia has with the US, UK, and/or the EU. Management understands what needs to be done in the current circumstances and believes that it has the necessary resources to lead the Group through these difficult times.</p> <p>The Group has a strong track record in promptly meeting all its debt obligations, successful refinancing, and deleveraging and enjoys a high level of credibility in local and international banking and capital markets that we expect should support the Group in its efforts to refinance in September 2023 or earlier.</p> <p>The Group is not aware of any specific sanctions related to its investments or operations.</p>

Risk factor	Risk management approach
<p><b>Coronavirus (COVID-19)</b></p> <p>In 2022, COVID-19 did not significantly affect the operations of Global Ports as it did in the first year of the pandemic, but new varieties and strains of the virus continue to appear.</p> <p>Despite the introduction of vaccination programmes, as well as revaccination and preventive and anti-epidemic measures, the risk of future outbreaks and disruptions in business processes remains. Risks include:</p> <ul style="list-style-type: none"> <li>• Non-compliance with security measures to counteract the spread of infection</li> <li>• Lack of control over the health of employees</li> <li>• Lack of staff due to illness associated with COVID-19 and other respiratory infections</li> <li>• Introduction of restrictive measures by the federal and regional authorities</li> </ul>	<p>The Group's risk mitigation measures are grouped into four main priorities:</p> <ul style="list-style-type: none"> <li>• Protecting all employees (operational and administrative) and communities: the implementation of antiviral preventive measures recommended by the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing and adopted by the GNR; social distancing; the scheduled disinfection of premises; the use of personal protective equipment; and maintaining a remote work mode for certain staff members</li> <li>• Offering customer support: 24/7 uninterrupted operation (pier, yard, and gate), supporting and protecting customer supply chains in Russia, and increasing commercial and operational flexibility</li> <li>• Strengthening online channels, including the maximum digitalisation of documentation and integration with clients, further development of online solutions to reduce the need for a client to be present at the terminal, and an increase in the resilience of IT systems to external shocks and cyberattacks</li> <li>• Ensuring the financial stability and safety of funds, including the proactive management of costs and receivables, the ability to effectively adapt to the crisis and its consequences, stress testing of financial performance and liquidity, and the revision of financial plans</li> </ul> <p>All of these measures have ensured that the Group's terminals (pier, yard, and gate) remain 100% operational for ship/cargo handling, and the Group's call and service centres operate without interruption.</p>
<p><b>Operational risks</b></p> <p><b>Leases of terminal land</b></p> <p>The Group leases a significant amount of the land and quays required to operate its terminals from government agencies and to a lesser extent from private entities. Any revision or alteration to the terms of these leases, the termination of these leases, or changes to the underlying property rights under these leases could adversely affect the Group's business.</p> <p><b>Customer profile and concentration</b></p> <p>The Group is dependent on a relatively limited number of major customers (shipping lines, freight forwarders, etc.) for a significant portion of its business.</p> <p>These customers are affected by market conditions that could result in contractual changes and renegotiations, as well as spending constraints, and this is further exacerbated by carrier consolidation.</p>	<p>The Group believes it currently has a stable situation regarding its land leases, and its terminals have been in operation for a number of years. The Group owns a freehold on 66% of the total land of its terminals and 70% of the land of its container and inland terminals in Russia. The remainder is held under short and long-term leases that are routinely renewable at immaterial costs.</p> <p>The Group engages in an extensive and regular dialogue with key customers and actively monitors changes that might affect our customers' demand for our services.</p> <p>The Group has a clear strategy to reduce its dependence on its major customers by targeting new customers, increasing the share of business from other existing global customers, and new cargo segments.</p> <p>The Group also relies on the contribution from non-container revenue by building its presence in marine bulk cargoes, such as coal and scrap metal (the share of non-container revenue was 22% and 17% in 2020 and 2021, respectively).</p>

Risk factor	Risk management approach
<p><b>Reliance on third parties</b> The Group is dependent on services by third parties that are outside its control, including all other participants in the logistics chain, such as customs inspectors, the supervisory authorities, Russian Railways, rolling stock operators, and others, and security procedures carried out at other port facilities and by its shipping line customers.</p>	<p>The Group strives to maintain a continuous dialogue and cooperation with third parties across the supply chain. In addition, its geographic diversification provides it with some flexibility in its logistics, should bottlenecks develop in one area.</p>
<p><b>Tariff regulation</b> Tariffs for certain services at some of the Group's terminals have in the past been regulated by the Russian Federal Antimonopoly Service (FAS). As a result, the tariffs charged for such services were and may potentially in the future be subject to a maximum tariff rate and/or fixed in Russian roubles, since PLP, VSC, and FCT, like many other Russian seaport operators, are classified as natural monopolies under Russian law.</p>	<p>All tariffs are set in Russian roubles. To the best of the knowledge of the Group's management, the Group is in full compliance with tariff legislation.</p> <p>The Group continues to monitor any legislative proposals and regulatory actions that could lead to changes in the existing tariff regulations and its natural monopoly status. It is committed to a proactive dialogue with the relevant Russian federal authorities. It believes it is as well placed as any market participant to adapt to any future changes in tariff regulation.</p>
<p><b>Human resources management</b> The Group's competitive position and prospects depend on the expertise and experience of its key management team and its ability to continue to attract, retain, and motivate skilled personnel.</p> <p>A lack of skilled workers on the market and active competitions could lead to a shortage of human resources.</p> <p>Industrial actions or adverse labour relations could disrupt the Group's operating activities and have an adverse effect on performance results.</p> <p>Changes in work conditions as well as growing competition on the labour market could lead to higher staff turnover.</p>	<p>The Group annually reviews labour market trends and aligns employee salaries and benefits at all levels to foster and retain skilled labour.</p> <p>The Group invests in the professional development of its staff at all levels, including the introduction of international best practices and internal development/training programmes.</p> <p>The Group engages in socially responsible business practices and supports local communities.</p> <p>The Group regularly reviews employees' satisfaction and loyalty and implements measures to maintain these metrics at a sufficient level.</p> <p>The Group strives to maintain a positive working relationship with labour unions at its facilities. Moreover, it pursues overall labour policies that are designed to provide a salary and COVID support benefit package in line with our employees' expectations.</p>

Risk factor	Risk management approach
<p><b>Health and safety</b> Accidents involving the handling of hazardous materials at the Group's terminals could disrupt its business and operations and/or subject the Group to environmental and other liability.</p> <p>The risk of safety incidents is inherent in the Group's businesses.</p> <p>The Group's operations could be adversely affected by terrorist attacks, natural disasters, or other catastrophic events beyond its control.</p>	<p>The Group has introduced clear safety policies that are designed based on international best practices and benchmarks using such measures as Global Minimum Requirements.</p> <p>Safety is one of the Group's top priorities. A safety strategy and annual action plans have been developed and are being implemented to build a sustainable safety culture across the whole Group. The detailed roadmap is designed to ensure the sustainable implementation of a safety culture over the medium term.</p> <p>The Group is constantly improving its safety practices by involving employees in identifying and mitigating potential safety risks.</p> <p>Similarly, Global Ports works with all its stakeholders to maintain a high level of physical security around port facilities and vessel operations to minimise the risk of terrorist attacks.</p>
<p><b>Environment</b> The degradation of the environment and the consequences from stringent environmental regulations and investors' sustainability expectations could influence the profitability of the business.</p>	<p>The Group constantly monitors changes in environmental legislation and expectations, and has responded by developing ESG targets that will be aligned with its business strategy, governance, and risk management processes.</p> <p>In 2021, coal handling operations ceased at one of the Company's subsidiaries.</p>
<p><b>Information technology and security</b> Any IT failure or incident could lead to major disruptions in complex logistics supply chains. This could materially affect the Group's ability to provide services to customers, resulting in reputational damage, the disruption of business operations, or the failure to fulfil its contractual obligations.</p> <p>Information security risks are associated with the potential use of asset vulnerabilities by specific threats, damages, or disruptions in the performance of the Group's companies. The main information security risks have been identified and described, and measures to manage these risks have been identified.</p> <p>The information security division identifies, assesses, and predicts the sources of IT security threats. It controls and evaluates the effectiveness of the measures and means of protection that have been taken and applied.</p>	<p>We regularly review, update, and evaluate all software, applications, systems, infrastructure, and security. In 2022, a project was launched for the import substitution of key software: an alternative to Microsoft cloud services was found and the process of transitioning to new services, server, and client operating systems, virtualisation systems, and application software was completed with the implementation of the main stage scheduled for 2023. Arrangements have been made for the purchase of server equipment from alternative vendors that left the Russian market.</p> <p>All software and systems are updated or upgraded regularly to minimise vulnerabilities.</p> <p>Each of our business units has an IT disaster recovery plan.</p> <p>Our security policies and infrastructure tools are regularly updated or replaced to keep pace with changing and growing threats.</p> <p>Our security infrastructure is updated regularly and uses multiple layers of defence.</p> <p>Connections to our partner systems are monitored and logged.</p>



Risk factor	Risk management approach
<b>Regulatory and compliance risks</b>	
<p><b>Regulatory compliance</b> The Group is subject to a wide variety of regulations, standards, and requirements and may face substantial liability if it fails to comply with existing regulations applicable to its businesses.</p> <p>The Group's terminal operations are subject to extensive laws and regulations governing, among other things, the loading, unloading, and storage of hazardous materials, environmental protection, and health and safety.</p>	<p>The Group strives to be in compliance at all times with all regulations governing its activities and devotes considerable management and financial resources to ensure compliance.</p>
<p><b>Changes in regulations</b> Changes to existing regulations or the introduction of new regulations, procedures, or licensing requirements are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any expansion in the scope of the regulations governing the Group's environmental obligations, in particular, would likely involve substantial additional costs, including costs related to maintenance and inspection, the development and introduction of emergency procedures, insurance coverage, or other financial assurances of its ability to address environmental incidents or external threats.</p>	<p>The Group maintains a constructive dialogue with the relevant federal, regional, and local authorities regarding existing and planned regulations. The Group does not have the power to block any or all regulations it may judge to be harmful, but this dialogue should ensure it has time to react to changes in the regulatory environment.</p>
<p><b>Conflict of interests</b> The Group's controlling beneficial shareholders may have interests that conflict with those of the holders of GDRs or notes.</p> <p>The major implications of this risk are that (i) co-controlling shareholders pursue other businesses not related to GPI and hence may not be deeply involved with developing GPI and (ii) one of the major shareholders is also a major customer of the Group.</p> <p>The Group's employees may have interests in companies that may or potentially may do business with the Group.</p>	<p>The Group's corporate governance system is designed to maximise the company's value for all shareholders and ensure that the interests of all stakeholders are taken into account. The Group's LSE listing ensures our compliance with the highest international standards. In addition, the Board consists of highly experienced individuals, including strong independent directors.</p> <p>The Group is constantly improving compliance control. In 2022, it partially automated its processes in order to increase the efficiency of work to prevent conflicts of interest and the timely identification of such conflicts.</p>
<p><b>Legal and tax risks</b> The adverse determination of pending and potential legal actions involving the Group's subsidiaries could have an adverse effect on the Group's business, revenue, and cash flows and the price of its GDRs. Weaknesses relating to the Russian legal and tax system and appropriate Russian law create an uncertain environment for investment and business activities, and legislation may not adequately protect against expropriation and nationalisation. The lack of independence of certain members of the judiciary, the difficulty of enforcing court decisions, and governmental discretion claims could prevent the Group from obtaining effective redress in court proceedings.</p>	<p>The Group has a strong and professional legal function that is designed to monitor legal risks, avoid legal actions where possible, and carefully oversee any changes in applicable legislation that may occur.</p> <p>The Group performs ongoing monitoring of changes in the relevant tax legislation and court practices in the countries where its companies are located and develops the Group's legal and tax position accordingly.</p>

Risk factor	Risk management approach
<b>Financial risks</b>	
<p><b>Foreign exchange risks</b> The Group is subject to foreign-exchange risk arising from the exposure to various currencies, primarily the Russian rouble and the US dollar. Foreign exchange risk is the risk of fluctuations in the Group's profits and cash flows arising from the movement of foreign exchange rates. Risk also arises from the revaluation of assets and liabilities denominated in foreign currency.</p>	<p>As of 2022, all the Group's tariffs are denominated in Russian roubles, and part of the Group's debt is denominated in US dollars. Most of the Group's operating expenses, on the other hand, are and will continue to be denominated and settled in Russian roubles.</p> <p>In order to mitigate the possibility of foreign exchange risks arising from a significant mismatch between the currency of revenue and the currency of debt ('open FX position'), the Group is converting part of its existing USD debt into RUB, the currency of revenue. In 2018-2022, the Group bought back and/or redeemed part of its USD-denominated Eurobonds, and at present ~77% of the total outstanding Eurobonds have been bought back and/or fully redeemed.</p> <p>New debt in 2022 was attracted/raised only in Russian rouble, i.e., VSC bonds in the amount of RUB 15.0 billion with the USD equivalent of USD 213.26 million.</p> <p>In addition, the Group has negotiated with some of its customers on the right to change its Russian rouble tariffs in conjunction with fluctuations in the RUB/USD exchange rate within a range of +/-15% each time when the average RUB/USD exchange rate for a given month is 5% more than the base exchange rate used for converting original USD tariffs to RUB. However, the risk above the levels of these currency moves remains.</p>
<p><b>Credit risk</b> The Group may be subject to credit risk arising primarily from trade and other receivables, loans receivable, cash and its equivalents, and derivative financial instruments.</p> <p>The Group's business is also dependent on several large key customers.</p>	<p>The Group closely tracks its accounts receivable overall and the creditworthiness of key customers and suppliers.</p>

Risk factor	Risk management approach
<p><b>Debt, leverage, and liquidity</b> The Group's indebtedness or the enforcement of certain provisions of its financing arrangements could affect its business or growth prospects.</p> <p>Failure to promptly monitor and forecast compliance with loan covenants both at the Group and individual terminal levels may result in covenant breaches and technical defaults.</p> <p>If the Group is unable to access funds (liquidity), it may be unable to meet financial obligations when they come due, or on an ongoing basis, to borrow funds on the market at an acceptable price to fund its commitments.</p>	<p>The Group has been able to reduce its total debt level. As of the end of 2022, the Group's Net debt/ EBITDA ratio reached 1.0x. Debt reduction beyond the minimum repayment requirements remains a priority of management in 2023.</p> <p>Liquidity risk is carefully monitored, with regular forecasts prepared for the Group and its operating entities.</p> <p>Liquidity risk has been significantly reduced via extensions of debt maturities through public debt issuance in 2022:</p> <p>VSC issued Russian rouble bonds for a total of RUB 15.0 billion, or the USD equivalent of USD 213.26 million, which is a part of VSC's rouble-denominated Bond Programme with the Moscow Exchange and provides VSC with the potential to issue additional bonds of RUB 72.5 billion, or the USD equivalent of USD 1.031 billion, over an unlimited period of time with a maturity of up to 10 years. FCT has a similar Bond Programme for RUB 50 billion, or the USD equivalent of USD 710.86 million. In addition, the Group is in discussions with its bankers to make over USD 300 million in credit line available to its facilities, which combined with VSC and FCT bonds, could provide financial flexibility, diversify the Group's debt portfolio, refinance the Group's existing debt and ensure that all the Group's obligations that come due in the next 12 months are met. The Group regularly conducts stress tests scenarios to identify different negative trends that could affect cash flows. The liquidity position is carefully monitored in the event of the further deterioration of its financial performance.</p>

## Internal control

The Group's Internal Control System operates according to a 'three lines of defence' model:

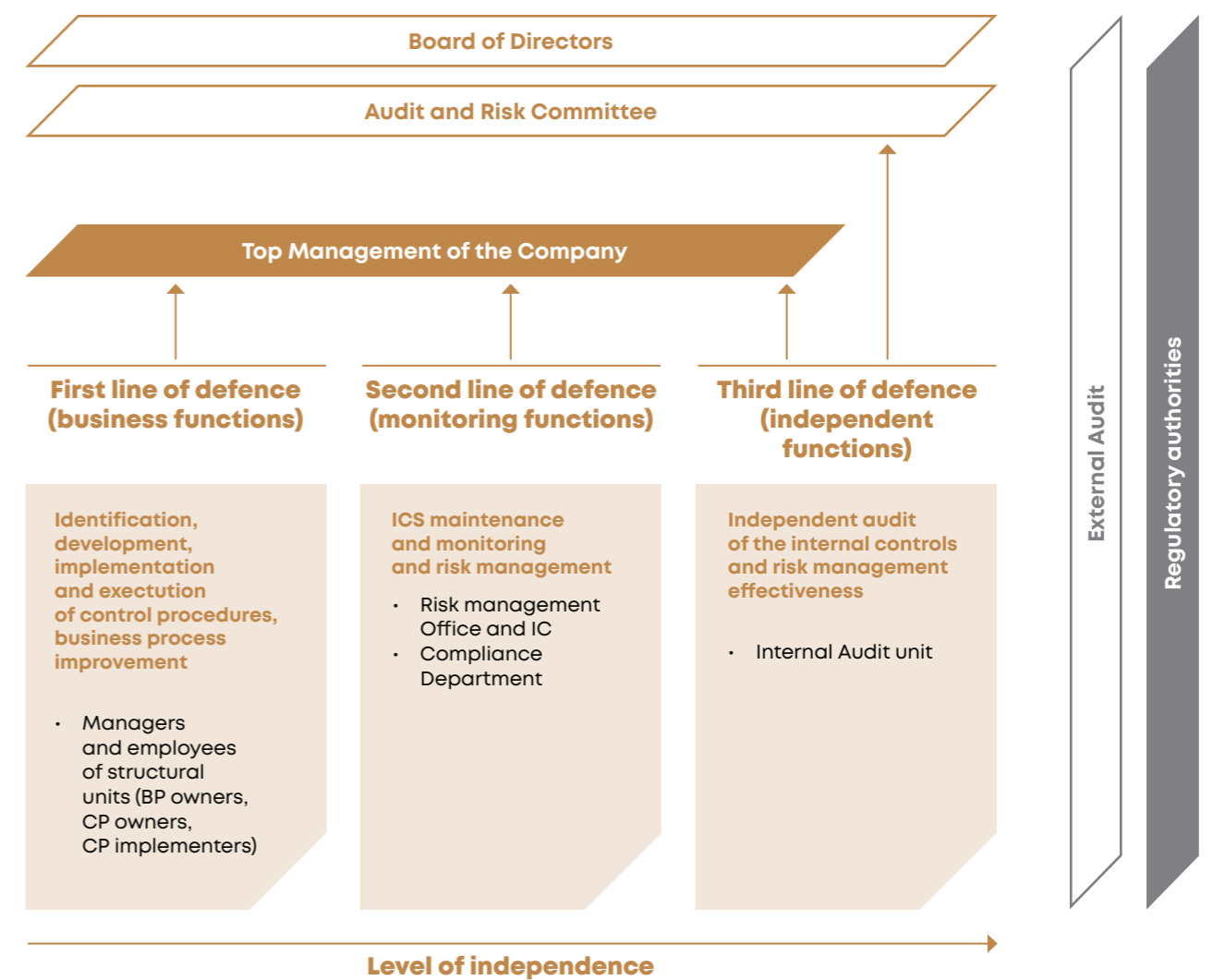
- **First line of defence: owners and other participants in business processes (BP) (employees and heads of business units).** Employees perform functions in accordance the Policy on internal control system management, implemented in the Company, seek to avoid any deviations in ICS in the course of their activities, and perform self-assessments of the control procedures (CP) efficiency in accordance with

the methodology defined by the Risk Management and Internal Control Department. The heads of structural units ensure the implementation of control procedures in order to prevent or detect such deviations, monitor the risks levels, and control efficiency. The Company's CEO is responsible for the overall functioning of the ICS and sets the 'tone from the top' at all management levels by formalising the Group's ethical behaviour and values in the internal documents required for the functioning of the ICS.

- **Second line of defence: Risk Management and Internal Control Office.** The office is responsible for methodological support in implementing policies and procedures, developing the ICS Evaluation Methodology, assisting business process owners in implementing control procedures, executing and monitoring the implementation of control procedures, ensuring the continuous monitoring of the development and operation of control procedures, and proactively interacting with the first line of defence.

- **Third line of defence: Internal Audit Department and the Audit and Risk Committee of the Board of Directors.** The Internal Audit Department is separate from the Risk Management and Internal Control Office and is responsible for the ICS objective and independent assessment and implementation of internal audit procedures in accordance with recognised international auditing standards. The Internal Audit Department functionally reports to the Audit and Risk Committee of the Board of Directors of the Company's Sole Participant, which, in turn, monitors the effectiveness of the Internal Audit Department.
- In 2021, the Company conducted an internal assessment of the maturity of the ICS. It is rated as corresponding to the Standardised (Formalised) level. Based on the assessment, an action plan was prepared to increase the system maturity level. In 2022, the Company met its objectives and, based on a follow-up assessment, the Internal Control System fully advanced to a new level of maturity – Monitored. The Group will continue to enhance its Internal Control System, guided by best practices.

### Internal Control System structure







# Additional information

## Responsibility Statement

We confirm that to the best of our knowledge:

This Annual Report includes a fair, balanced, and understandable review of the development and performance of the business and the Group's position, as well as the undertakings included in consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

### Board of Directors of Global Ports Investments PLC

# Definitions

Terms that require definitions are marked with capital letters in this announcement and their definitions are provided below in alphabetical order. The non-IFRS financial measures defined below are presented as supplemental measures of the Group's operating performance, which the Group uses as key performance indicators of its business and to provide a supplemental tool to assist in evaluating current business performance. The Group believes these indicators are frequently used by securities analysts, investors, and other interested parties in evaluating companies on the Russian market and global ports sector. These non-IFRS financial indicators are measures of the Group's operating performance that are not required by or prepared in accordance with IFRS. All of these non-IFRS financial measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, as a substitute for the analysis of the Group's operating results as reported under IFRS and should not be considered as alternatives to revenues, profit, operating profit, or any other measures of performance derived in accordance with IFRS or as alternatives to cash flow from operating activities or as measures of the Group's liquidity. In particular, the non-IFRS financial measures should not be considered as measures of discretionary cash available to the Group's businesses.

**Adjusted EBITDA** (a non-IFRS financial measure) for Global Ports Group is defined as profit for the period before income tax expenses, finance income/(costs)—net, depreciation, the write-off and impairment of property, plant, and equipment, the depreciation and impairment of right-of-use assets, amortisation, write-off, and the impairment of intangible assets, share of profit/(loss) of joint ventures accounted for using the equity method, other net gains/(losses).

**Adjusted EBITDA Margin** (a non-IFRS financial measure) is calculated as Adjusted EBITDA divided by revenue and expressed as a percentage.

**ASOP** is the Association of Sea Commercial Ports ([www.morport.com](http://www.morport.com)).

**Baltic Sea Basin** is the geographic region of northwest Russia, Estonia, and Finland surrounding the Gulf of Finland on the eastern Baltic Sea, including St. Petersburg, Ust-Luga, Tallinn, Helsinki, and Kotka.

**Cash Administrative, Selling, and Marketing Expenses** (a non-IFRS financial measure) is defined as administrative, selling, and marketing expenses adjusted for depreciation, the write-off and impairment of property, plant, and equipment, the depreciation and impairment of right-of-use assets, amortisation, write-off, and the impairment of intangible assets.

**Cash Cost of Sales** (a non-IFRS financial measure) is defined as the cost of sales adjusted for depreciation, the write-off and impairment of property, plant, and equipment, the depreciation and impairment of right-of-use assets, amortisation, write-off, and the impairment of intangible assets.

**CD Holding Group** consists of Yanino Logistics Park (an inland terminal in the vicinity of St. Petersburg) and CD Holding Oy. The results of CD Holding Group were accounted for in Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below Adjusted EBITDA) prior to 28 December 2022, after which CD Holding Group became a subsidiary and is fully consolidated.

**Consolidated Container Revenue** is defined as revenue generated from containerised cargo services.

**Consolidated Marine Bulk Throughput** is defined as combined marine bulk throughput by consolidated terminals: PLP, VSC, FCT, and ULCT.

**Consolidated Marine Container Throughput** is defined as combined marine container throughput by consolidated marine terminals: PLP, VSC, FCT, and ULCT.

**Consolidated Non-Container Revenue** is defined as the difference between total revenue and Consolidated Container Revenue.



**Container Throughput in the Russian Federation Ports** is defined as the total container throughput of ports located in the Russian Federation, excluding half of cabotage cargo volumes. The respective information is sourced from the ASOP (Association of Sea Commercial Ports, [www.morport.com](http://www.morport.com)).

**Far East Basin** is the geographic region of southeast Russia surrounding the Peter the Great Gulf, including Vladivostok and the Nakhodka Gulf, including Nakhodka on the Sea of Japan.

**First Container Terminal (FCT)** is located in the St. Petersburg harbour, Russia's primary gateway for container cargo, and is one of the first specialised container terminals to be established in the country. Global Ports Group owns a 100% effective ownership interest in FCT. The results of FCT are fully consolidated.

**Finnish Ports segment** consists of two terminals in Finland, MLT Kotka and MLT Helsinki (in the port of Vuosaari), in each of which CMA Terminals currently has a 50% effective ownership interest. The results of the Finnish Ports segment are accounted for in Global Ports' financial information using the equity method of accounting (proportionate share of net profit shown below EBITDA).

**Free Cash Flow** (a non-IFRS financial measure) is calculated as net cash from operating activities less net cash used in investing activities and interest paid on borrowings and lease liabilities.

**Functional Currency** is defined as the currency of the primary economic environment in which an entity operates. The functional currency of the Company and certain other entities within Global Ports Group is US dollars. The functional currency of Global Ports Group's operating companies for the years under review was (a) the Russian Rouble for the Russian Ports segment and (b) the Euro for the Finnish Ports segment.

**Gross Container Throughput** represents the total container throughput of the Group's terminal or the Group's operating segment shown on a 100% basis. For the Russian Ports segment, it excludes the container throughput of the Group's inland container terminal – Yanino.

**Gross Profit Adjusted for Impairment** (a non-IFRS financial measure) for Global Ports Group is defined as gross profit before the impairment of right-of-use assets, property, plant, and equipment, and goodwill.

**High-and-Heavy Ro-Ro, roll on-roll off** is cargo that can be driven into the belly of a ship rather than lifted aboard. It includes cars, buses, trucks, and other vehicles.

**MLT Group** consists of Moby Dik (a terminal in the vicinity of St. Petersburg) and MLT-Ireland. Prior to 28 December 2022, MLT Group also included Multi-Link Terminals Oy (a terminal operator in Vuosaari (near Helsinki, Finland) and Kotka, Finland). The results of MLT Group were accounted for in Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA) prior to 28 December 2022, after which MLT Group became a subsidiary and is fully consolidated.

**Moby Dik (MD)** is located on the St. Petersburg ring road, approximately 30 kilometres from St. Petersburg, at the entry point of the St. Petersburg channel. It is the only container terminal in Kronstadt. Global Ports Group owns a 100% effective ownership interest in MD and it is fully consolidated in Global Ports' financial information since 28 December 2022. Before that date, the results of MD were accounted for in Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

**Net Debt** (a non-IFRS financial measure) is defined as the sum of current borrowings, non-current borrowings, current and non-current lease liabilities (following the adoption of IFRS 16) and swap derivatives less cash and cash equivalents, and bank deposits with maturity over 90 days.

**Petrolesport (PLP)** is located in the St. Petersburg harbour, Russia's primary gateway for container cargo. The Group owns a 100% effective ownership interest in PLP. The results of PLP are fully consolidated.

**Russian Ports segment** consists of Global Ports Group's interests in PLP (100%), VSC (100%), FCT (100%), ULCT (80%) (in which Eurogate currently has a 20% effective ownership interest), Moby Dik (100%), Yanino (100%), as well as certain other entities. Since December 2022, YLP and MD are fully consolidated in Global Ports financial information as the Group gained full control over it after a deal with CMA Terminals. Before that, the results of YLP and MD were accounted for using the equity method.

**TEU** is defined as twenty-foot equivalent unit, which is the standard container used worldwide as the uniform measure of container capacity; a TEU is 20 feet (6.06 metres) long and eight feet (2.44 metres) wide and tall.

**Total Debt** (a non-IFRS financial measure) is defined as the sum of current borrowings, non-current borrowings, current and non-current lease liabilities (following the adoption of IFRS 16), and swap derivatives.

**Total Operating Cash Costs** (a non-IFRS financial measure) is defined as Global Ports Group's cost of sales, administrative, selling, and marketing expenses, less depreciation, the write-off and impairment of property, plant, and equipment, less the depreciation and impairment of right-of-use assets, less amortisation and the write-off and impairment of intangible assets.

**Ust-Luga Container Terminal (ULCT)** is located in the large multi-purpose Ust-Luga port cluster on the Baltic Sea, approximately 100 kilometres west of the St. Petersburg city ring road. ULCT began operations in December 2011. Global Ports Group owns an 80% effective ownership interest in ULCT, and Eurogate, the international container terminal operator, currently has a 20% effective ownership interest. The results of ULCT are fully consolidated.

**Vostochnaya Stevedoring Company (VSC)** is located in the deep-water port of Vostochny near Nakhodka on the Russian Pacific coast, approximately eight kilometres from the Nakhodka-Vostochnaya railway station, which is connected to the Trans-Siberian Railway. The Group owns a 100% effective ownership interest in VSC. The results of VSC are fully consolidated.

**Yanino Logistics Park (YLP)** is the first terminal in the Group's inland terminal business and is one of only a few multi-purpose container logistics complexes in Russia that provide a comprehensive range of container and logistics services

at one location. It is located approximately 70 kilometres from the Moby Dik terminal in Kronstadt and approximately 50 kilometres from PLP. Global Ports Group owns a 100% effective ownership interest in YLP and it has been fully consolidated in Global Ports' financial information since 28 December 2022. Before that date, the results of YLP were accounted for in Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

# Additional information to “Sustainable development” section

## Number of employees by type of employment, gender, and region GRI 2-7

	North-West	Far East	2022 Total
<b>Total number of employees at the end of the reporting period</b>	<b>1,988</b>	<b>973</b>	<b>2,961</b>
• Male	1,384	721	<b>2,105</b>
• Female	604	252	<b>856</b>
Number of employees with short-term contracts	12	2	<b>14</b>
Number of employees with permanent contracts	1,976	971	<b>2,947</b>
Number of full-time employees	1,921	955	<b>2,876</b>
Number of part-time employees	55	16	<b>71</b>

## Percentage of senior executives hired from among the local population GRI 202-2

	2022
Total senior executives	<b>13</b>
Senior executives hired from the local community	<b>13</b>
Percentage of senior executives in regions of operations hired from the local community	<b>100%</b>

## Energy consumption GRI 302-1

	2020	2021	2022
Electricity consumption, kW/h	39,790,290	43,922,486	<b>32,532,025</b>
Fuel consumption, litre	10,582,445	10,580,638	<b>8,567,526</b>

## Energy capacity GRI 302-3

	2020	2021	2022
Electricity consumption per tonne of cargo handled, kW/h	1.6	1.8	<b>2.1</b>
Fuel consumption per tonne of cargo handled, litre	0.4	0.4	<b>0.5</b>

## Data on employees hired and staff turnover GRI 401-1

	2022
<b>Data on full-time employees hired during the reporting period</b>	<b>631</b>
• Men	<b>479</b>
• Women	<b>152</b>
Under 25 years old	<b>131</b>
From 26 to 35 years old	<b>218</b>
From 36 to 55 years old	<b>262</b>
Over 56 years old	<b>20</b>
<b>Total staff turnover</b>	<b>15.5%</b>
• Men	<b>15.0%</b>
• Women	<b>16.7%</b>
Under 25 years old	<b>40.0%</b>
From 26 to 35 years old	<b>19.8%</b>
From 36 to 55 years old	<b>9.1%</b>
Over 56 years old	<b>14.6%</b>

<sup>1</sup> The term "senior executives" includes the CEO and his/her direct subordinates. Local employees refer to employees who are citizens of the Russian Federation.



**Maternity and paternity leave**  
GRI 401-3

	2022
<b>Number of employees eligible for maternity/paternity leave during the reporting period</b>	<b>474</b>
• Men	359
• Women	115
<b>Number of employees who took maternity/paternity leave during the reporting period</b>	<b>33</b>
• Men	1
• Women	32
<b>Number of employees who were due to return to work in the reporting period at the end of maternity/paternity leave</b>	<b>15</b>
• Men	1
• Women	14
<b>Number of employees who returned to work during the reporting period at the end of maternity/paternity leave</b>	<b>15</b>
• Men	1
• Women	14
<b>Number of employees who returned to work at the end of maternity/paternity leave and who continued to work within 12 months upon returning to work</b>	<b>15</b>
• Men	1
• Women	14
Return-to-work rate (percentage of employees who returned to work after maternity/paternity leave) <sup>1</sup>	100%
• Men	100%
• Women	100%

**Average number of training hours per employee per year**  
GRI 404-1

	Men	Women
Senior executives	36.5	-
Functional managers	44.3	44.1
Experts	45.4	45.3
Workers	45.4	44.8

<sup>1</sup> Return to work rate = Total number of employees who returned to work at the end of maternity (and/or paternity) leave / Total number of employees who were due to return to work at the end of maternity (and/or paternity) leave.

**Data on employees who have undergone periodic performance and career development reviews**  
GRI 404-3

	2022
<b>Employees that have undergone formal performance evaluation</b>	<b>334</b>
<b>% of total number of employees</b>	<b>10%</b>
<b>Including by employee category:</b>	
Managers	122
• % of total number of managers	55%
Experts and office workers	209
• % of total number of experts	20%
Workers	3
• % of total number of workers	0.2%
<b>Including by gender:</b>	
Men	147
• % of total number of men	6%
Women	187
• % of total number of women	20%
Percentage of employees with performance appraisal goals	10%

**Age structure of employees**

	2022
<b>Administrative personnel</b>	<b>328</b>
Under 25 years old	8
From 25 to 35 years old	94
From 36 to 45 years old	124
From 46 to 55 (women) or 60 (men) years old	82
Over 56 (women) / 61 (men)	20
<b>Operational personnel</b>	<b>2,633</b>
Under 25 years old	157
From 25 to 35 years old	622
From 36 to 45 years old	768
From 46 to 55 (women) or 60 (men) years old	935
Over 56 (women) / 61 (men)	151

Additional information

	Units	2020	2021	2022
<b>Environment</b>				
Electricity Used	Thousand MWh	39.8	43.9	<b>32.5</b>
Fuel Used (diesel, petrol)	Mln litre	10.6	10.6	<b>8.6</b>
Electricity consumption per 1 tonne of cargo handled by Russian Ports' marine terminals	kWh	1.69	1.87	<b>2.17</b>
Fuel consumption per 1 tonne of cargo handled by Russian Ports' marine terminals	l/t	0.44	0.44	<b>0.55</b>
<b>Social</b>				
Diversity of staff				
• male	%	70%	71%	<b>71%</b>
• female	%	30%	29%	<b>29%</b>
Administration staff				
• male	%	34%	32%	<b>38%</b>
• female	%	66%	68%	<b>62%</b>
Production staff				
• male	%	74%	75%	<b>75%</b>
• female	%	26%	25%	<b>25%</b>
Executive management				
• male	%	100%	100%	<b>100%</b>
• female	%	0%	0%	<b>0%</b>
<b>Health and Safety</b>				
LTIFR	number	0.54	0.71	<b>0.89</b>
Fatalities	number	0	0	<b>0</b>
Fatalities / Thousand employees	number	0	0	<b>0</b>
<b>Sustainability Governance</b>				
Length of service (years)				
• Less than 5 years	%	44%	50%	<b>52%</b>

	Units	2020	2021	2022
• 5–10 years	%	18%	14%	<b>12%</b>
• 11–20 years	%	31%	29%	<b>28%</b>
• More than 20 year	%	7%	7%	<b>8%</b>
Number of Sites	number	7	7	<b>7</b>
Political Donations	number	0	0	<b>0</b>
Business Ethics Policy	yes / no	yes	yes	<b>yes</b>
Anti-Bribery Ethics Policy	yes / no	yes	yes	<b>yes</b>
Number of Employees	number	2,797	2,929	<b>2,961</b>
Number of Part-Time Employees	number	52	37	<b>71</b>
Employee Turnover %	%	14%	16%	<b>15%</b>
Employee Voluntary Turnover %	%	8%	10%	<b>11%</b>
Employee Involuntary Turnover %	%	5%	6%	<b>4%</b>
Employee Training Cost	mIn USD	0.1	0.1	<b>0.2</b>
Employee Average Age	number	43.3	43.6	<b>43.2</b>
<b>Board of Directors</b>				
Board of Directors size	number	11	11	<b>9</b>
Number of Independent Directors	number	3	3	<b>2</b>
% Independent Directors	%	27%	27%	<b>22%</b>
Number of Executive Directors	number	0	0	<b>1</b>
Number of Non-Executive Directors	number	11	11	<b>8</b>
Percentage of Non-Executive Directors on Board	%	100.0%	100.0%	<b>88.9%</b>
Tenure of Board				
• < 1 year	%	9%	27%	<b>44%</b>
• 1-4 year	%	91%	64%	<b>44%</b>
• > 4 years	%	0%	9%	<b>11%</b>



	Units	2020	2021	2022
Number of Board Meetings for the Year	number	13	12	<b>16</b>
Board Meeting Attendance	%	100.0%	97.7%	<b>98.7%</b>
Num of Directors Attending less than 75% of Mtg	number	0	0	<b>0</b>
Independent Directors Board Meeting Attendance	%	100.00%	100.00%	<b>100.00%</b>
Board Members Serving > 10 Years	number	0	0	<b>0</b>
Board Members Serving > 5 Years	number	0	0	<b>1</b>
Independent Chairperson	yes / no	no	no	<b>no</b>
Number of Board of Director Changes During FY	number	2	3	<b>6</b>
CEO on the Board	yes / no	no	no	<b>no</b>
CEO Duality	yes / no	no	no	<b>no</b>
Board Positions CEO Holds	number	0	0	<b>0</b>
Executive Chair	yes / no	no	no	<b>no</b>
Former CEO or its Equivalent on Board	yes / no	no	yes	<b>yes</b>
Board Duration (Years)	number	3	3	<b>3</b>
Non Employee Board Members Holding Shares	%	18.18%	18.18%	<b>22.22%</b>
CEO Promoted from Within	yes / no	yes	yes	<b>yes</b>
Chief Executive Officer Age	number	39	40	<b>41</b>
Board diversity				
• male	%	73%	73%	<b>89%</b>
• female	%	27%	27%	<b>11%</b>
Independent Directors Diversity				
• male	%	33%	33%	<b>100%</b>
• female	%	67%	67%	<b>0%</b>

	Units	2020	2021	2022
Number of Women on Board	number	3	3	<b>1</b>
Age of the Youngest Director	number	32	33	<b>38</b>
Age of the Oldest Director	number	62	62	<b>62</b>
Board of Directors Age Range	number	30	29	<b>24</b>
Board Average Age	number	50	51	<b>50</b>
Female Chief Executive Officer or Equivalent	yes / no	no	no	<b>no</b>
Female Chairperson or Equivalent	yes / no	no	no	<b>no</b>
Board has at Least One Female Director	yes / no	yes	yes	<b>yes</b>
Number of Board Committees	number	3	3	<b>3</b>
Strategy Committee	yes / no	yes	yes	<b>yes</b>
CSR/Sustainability Committee	yes / no	no	no	<b>no</b>
<b>Audit and Risk Committee</b>				
Audit and Risk Committee size	number	5	5	<b>3</b>
Number of Independent Directors in Committee	number	3	3	<b>2</b>
Per cent of Independent Directors on Audit and Risk Committee	%	60%	60%	<b>67%</b>
Independent Audit and Risk Committee Chairperson	yes / no	yes	yes	<b>yes</b>
Number of Non-Executive Directors on Audit and Risk Committee	number	5	5	<b>3</b>
Non Executive Directors on Audit and Risk Committee	%	100%	100%	<b>100%</b>
Number of Audit and Risk Committee Meetings	number	10	12	<b>9</b>
Audit and Risk Committee Meeting Attendance Percentage	%	100%	100%	<b>98%</b>

	Units	2020	2021	2022
<b>Nomination and Remuneration Committee</b>				
Nomination and Remuneration Committee size	number	3	3	<b>3</b>
Number of Independent Directors in Committee	number	1	1	<b>1</b>
Percent of Independent Directors on Nomination and Remuneration Committee	%	33%	33%	<b>33%</b>
Independent Nomination and Remuneration Committee Chairperson	yes / no	yes	yes	<b>no</b>
Number of Non-Executive Directors on Nomination and Remuneration Committee	number	3	3	<b>3</b>
Non Executive Directors on Nomination and Remuneration Committee	%	100%	100%	<b>100%</b>
Number of Nomination and Remuneration Committee Meetings	number	16	13	<b>14</b>
Nomination and Remuneration Committee Meeting Attendance Percentage	%	100%	100%	<b>98%</b>
<b>Strategy Committee</b>				
Strategy Committee size	number	5	5	<b>3</b>
Number of Independent Directors in Committee	number	1	1	<b>1</b>
Per cent of Independent Directors on Strategy Committee	%	20%	20%	<b>33%</b>
Independent Strategy Committee Chairperson	yes / no	no	no	<b>no</b>
Number of Non-Executive Directors on Strategy Committee	number	5	5	<b>3</b>
Non Executive Directors on Strategy Committee	%	100%	100%	<b>100%</b>
Number of Strategy Committee Meetings	number	8	13	<b>8</b>

	Units	2020	2021	2022
Strategy Committee Meeting Attendance %	%	100%	98%	<b>94%</b>
<b>Investor Relations</b>				
IR Title		1. Head of IR and Capital Markets 2. IR Analyst	1. Head of IR and Capital Markets 2. IR Analyst	1. <b>Head of IR and Capital Markets</b> 2. <b>IR Analyst</b>
IR Phone Number		1. +357 25 313 475 / +7 916 991 73 96 2. +7 812 677 15 57	1. +357 25 313 475 / +7 916 991 73 96 2. +7 812 677 15 57	1. <b>+357 25 313 475 / +7 916 991 73 96</b> 2. <b>+7 812 677 15 57</b>
IR Tenure		1. 9 years 2. 3 years	1. 10 years 2. 4 years	1. <b>11 years</b> 2. <b>5 years</b>
IR Email Address		ir@globalports.com	ir@globalports.com	ir@globalports.com
<b>Other</b>				
<b>Total Board of Director Compensation Paid</b>	<b>USD '000</b>	<b>245</b>	<b>278</b>	<b>210</b>
<b>Total Salaries and Bonuses Paid to Executives</b>	<b>USD '000</b>	<b>3,743</b>	<b>6,142</b>	<b>6,969</b>
Auditor Ratification	yes / no	yes	yes	<b>yes</b>

Source: Company data



# GRI content index

<b>Statement of use</b>	Global Ports Investments PLC has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the following GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standards	Disclosure	Notes	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Global Ports Investments PLC Legal address Omirou 20, Agios Nikolaos, 3095, Limassol, Cyprus Countries of operation: Russia, Finland	P. 86
	2-2 Entities included in the organization's sustainability reporting	Fully consolidated entities according to IFRS	P. 8–9
	2-3 Reporting period, frequency and contact point	1 January 2022 to 31 December 2022, on an annual basis <a href="mailto:ir@globalports.com">ir@globalports.com</a>	P. 86
	2-6 Activities, value chain and other business relationships	Business model	P. 22–23
	2-7 Employees	Additional ESG data	P. 74
	2-9 Governance structure and composition	Corporate governance	P. 44
	2-10 Nomination and selection of the highest governance body	Corporate governance	P. 49
	2-11 Chair of the highest governance body	Chairman and chief executive officer roles are separated	-
	2-26 Mechanisms for seeking advice and raising concerns	Sustainable development	P. 40
	2-30 Collective bargaining agreements	75% of employees are covered by collective bargaining agreements	-
<b>GRI 202: Market Presence 2016</b>	202-2 Proportion of senior management hired from the local community	Additional ESG data	P. 74
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Sustainable development (Our communities and Social investments)	P. 37
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Additional ESG data	P. 74
	302-3 Energy intensity	Additional ESG data	P. 75

GRI Standards	Disclosure	Notes	Location
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Sustainable development (Water usage)	P. 30
<b>GRI 304: Biodiversity 2016</b>	304-3 Habitats protected or restored	Sustainable development (Biodiversity conservation)	P. 30
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Additional ESG data	P. 75
	401-3 Parental leave	Additional ESG data	P. 76
<b>GRI 402: Labour/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	8 weeks, as stipulated by the collective agreement	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Sustainable development (Occupational safety)	P. 31
	403-5 Worker training on occupational health and safety	Sustainable development (safety Indicators )	P. 32
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable development (Occupational safety)	P. 31
	403-9 Work-related injuries	Sustainable development (Safety indicators )	P. 32
	403-10 Work-related ill health	Sustainable development (Safety indicators )	P. 32
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Additional ESG data	P. 76
	404-3 Percentage of employees receiving regular performance and career development reviews	Additional ESG data	P. 77
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Additional ESG data Corporate governance	P. 45
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	The Group does not make political contributions	-

# Shareholder information and key contacts

## Global Ports Investments PLC

### Legal address

Omirou 20, Agios Nikolaos, 3095, Limassol, Cyprus

### Postal address

Christodoulides Business Centre, office 31, 3rd floor,  
8 Alassias Street, 3095, Limassol, Cyprus

### Investor Relations

Tel: +7 812 459 42 42  
Mob: +7 916 991 73 96  
[ir@globalports.com](mailto:ir@globalports.com)

### Media Relations

Tel: +7 499 550 18 70  
Mob: +7 921 963 54 27  
Email: [media@globalports.com](mailto:media@globalports.com)

### Independent Auditors

KPMG Limited  
11, 16th June 1943 Str., 3022, Limassol, Cyprus  
Tel: +357 25 86 90 00  
Fax: +357 25 36 38 42

### Customer Service Department

Service Call Centre  
Tel: +7 812 335 77 77  
8 800 201 24 24  
Email: [customer\\_service@globalports.com](mailto:customer_service@globalports.com)

### Client portal

[www.globalports.com](http://www.globalports.com)

### Mobile app for clients



 Google Play



 App Store