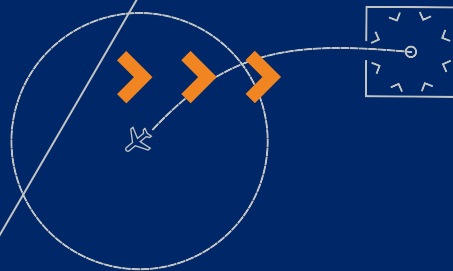


ШЕРЕМЕТЬЕВО



# ANNUAL REPORT

2020 ✈️

МОСКВА



**SHEREMETYEVO**  
INTERNATIONAL AIRPORT



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## TECHNICAL INFORMATION ABOUT THE REPORT

This Annual Report contains information concerning the activities of the Sheremetyevo International Airport Joint Stock Company (hereinafter – SIA JSC, Sheremetyevo International Airport, Sheremetyevo Airport, Sheremetyevo, the Company, or the Entity), including its subsidiaries, during the period from January 1 to December 31, 2020.

Sheremetyevo International Airport is not a public company. The Company is publishing this Report for general public on a voluntary basis.

The Report contains disclosures of financial and nonfinancial results of the Company's activities, information on the implementation of the Company's long- and mid-term strategies, and a description of the corporate management system. In the Report, substantial attention is focused on the Company's social responsibility activities.

The Report is based on the Management Statements of Sheremetyevo International Airport, taking into account the Consolidated Financial Statements of SIA JSC for 2020 prepared in accordance with the International Financial Reporting Standards (IFRS). The Consolidated Financial Statements of SIA JSC for 2020 have been audited in accordance with IFRS by Ernst & Young LLC. Social responsibility information has been prepared using the GRI Sustainability Reporting Standards (GRI SRS).

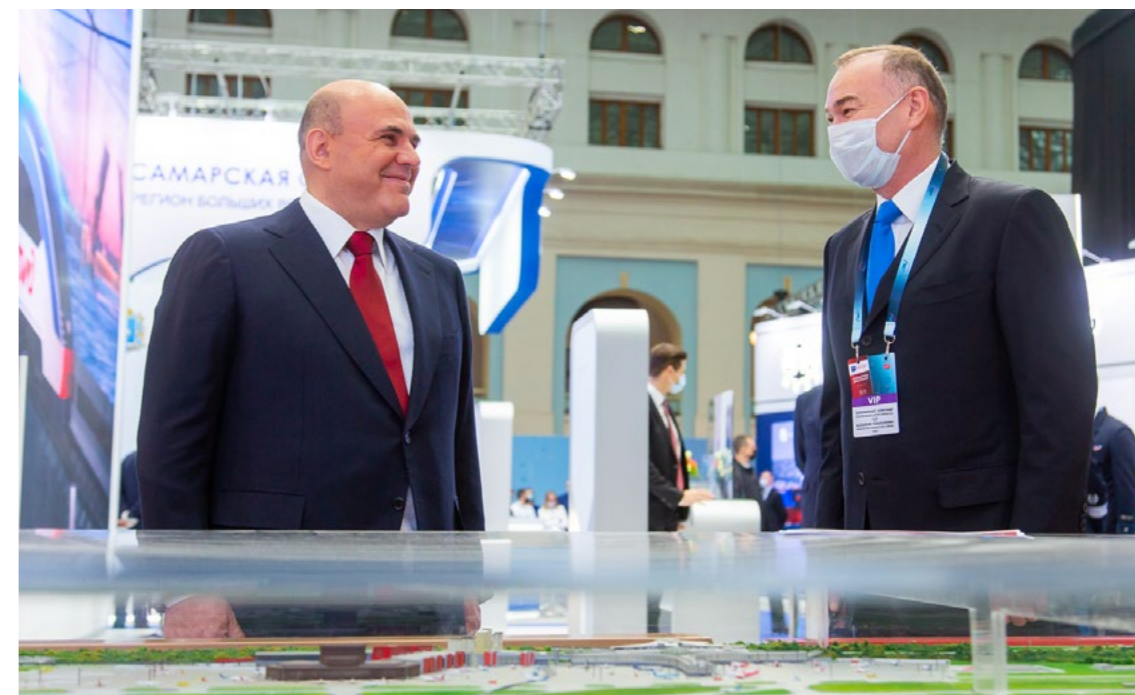
Unless otherwise specified in this Report, quantitative performance indicators refer to SIA JSC and its subsidiaries. Insignificant discrepancies in some quantitative indicators that may arise due to the form of data representation (text, table, figure, etc.) used in the Report result from rounding off.

The Report is based on the information available to the Company as of the moment of its preparation, including the information obtained from third parties. The Company believes this information to be complete and accurate as of the publication of this Report. However, the Company neither claims nor guarantees that such information will never be subsequently adjusted, revised, or otherwise altered.

The Report contains estimates and forecasts concerning operational, financial, economic, social, and other performance indicators describing the development of SIA JSC. The Company neither claims nor guarantees that the performance indicators presented in the forecasts will be achieved. The Company is not responsible for losses that individuals or legal entities acting on the basis of such forecasts may incur.

The Report is published separately in Russian and English, in print and electronic forms. The Company's annual Consolidated Financial Statements for 2020 and previous years are also available on the Company's official web-site y <https://www.svo.aero/ru/about/investors>.





November 18, 2020, XIV International Forum and Exhibition "Transport of Russia"

«I am positive that Sheremetyevo, which is a well-known global brand, will continue to grow and prosper. I want to thank you for your work. The situation today is quite difficult, but by keeping up with the investments and plans outlined before the pandemic, you were able to deliver on those plans».

**Mikhail Mishustin**, Prime Minister of Russia





## ADDRESS OF CHAIRMAN OF THE BOARD OF DIRECTORS, SIA JSC

In 2020, amid a sharp decline in traffic caused by the coronavirus pandemic, Sheremetyevo International Airport, like all major airports in the world, faced serious challenges. Suffice it to say that passenger traffic through Sheremetyevo in 2020 amounted to about 20 million passengers, while a year earlier the airport served almost 50 million. The number of takeoff and landing operations fell by half.

Presenting the next annual report of SVO JSC, I would like to highlight the priorities that guided us in our strategic management during this special year.

Firstly, we proceeded from the assumption that, despite the difficulties associated with the epidemic, investment programs for infrastructure development, designed for the long term, should be supported as much as possible.

In the reporting year 2020, following the Long-Term Airport Development Program, we commissioned a number of large infrastructure facilities designed to increase the airport's capacity to 110 million passengers per year in the future. Thus, in January, the international Terminal C, designed for 20 million passengers annually, was put into operation, while in December, the first runway (RWY-1) was put into operation after a record 10-month reconstruction works. A new apron of Terminal C and a hangar complex for servicing Aeroflot aircrafts were also opened last year.

We have kept in the investment program the project to modernize the luggage handling system. We are increasing the capacity of the luggage systems as the share of transfer passengers will objectively grow. As a result, this luggage system will be able to handle 80 million passengers per year.



Environmental protection is the most important condition for the sustainable development policy of the Group of Companies. In 2020, the Main Directorate of RF State Expert Review approved the design specifications and estimates with the adjustment of decisions on the construction and reconstruction of part of the surface wastewater treatment facilities at the airport. And we are also carrying out these works in accordance with the adopted Roadmap.

The company's ability to consistently continue strategic investments in infrastructure, despite a significant reduction in production activities due to the pandemic, was further confirmed in December 2020, when JSC SVO was included in the top five Russian companies in the investment activity and efficiency rating prepared jointly by the National Credit Ratings Agency and the Agency for Social Analysis and Forecasting.

Secondly, in the context of the redistribution of traffic volumes, we were looking for additional market opportunities, minimally affected by the impact of the pandemic. Effective interaction with cargo air carriers and successful attraction

of new airlines operating cargo charter flights to cooperation allowed the subsidiary of Moscow Cargo Airport to retain the leading positions of the largest cargo aviation hub in Russia, and Sheremetyevo airport - to increase the share of the handled cargo in the Moscow air hub market from 68% up to 71%.

To create the most comfortable conditions for cargo air carriers, Moscow Cargo received an international certificate RA3 - a Regulated Agent 3rd country - which greatly simplifies the transportation of cargo and mail to EU countries for Sheremetyevo partner airlines.

In the context of the pandemic, Sheremetyevo took over the role of the largest Russian air hub for servicing medical goods: personal protective equipment, medical equipment, medicines, disinfectants, and later - vaccines against coronavirus. Since November 2020, the Moscow Cargo terminal has been successfully cooperating with the Russian Direct Investment Fund (RDIF), providing services and regular shipment of goods with the first Russian Sputnik V vaccine both in Russia and abroad (Argentina, Serbia, Mexico, Hungary, and other countries).

Thirdly, in the context of the overall difficult situation for the industry, we tried to stay ahead of forecasts and effectively use all available opportunities to restore production activities.

Summing up the results of 2020, we can state that we have managed to implement key infrastructure projects, strengthen relations with partners and support them, achieve growth in certain areas of our core business and retain the company's many thousands of professional staff.

An important contribution to the stabilization of the industry, in general, and to the operation of Sheremetyevo Airport in special circumstances, was made by the Government of the Russian Federation and our financial counterparties. In this regard, I would like to express special gratitude to the Government of the Russian Federation for their support and providing

subsidies to JSC SVO and a number of other airports in the country as per Resolution No. 813 of June 3, 2020, as well as to Sberbank of Russia, which restructured loans for infrastructure development, due to which the debt load of 2020 was evenly redistributed for future periods.

**JSC SVO WAS INCLUDED IN THE TOP FIVE RUSSIAN COMPANIES IN THE INVESTMENT ACTIVITY AND EFFICIENCY**

In conclusion, I would like to state that we have preserved production resources and are fully prepared for the prompt resumption of full-scale operational activities, taking into account the prospects of lifting restrictions for international travel and restoring the intensity of domestic and international flights. In 2021, we are targeting a 40% increase in traffic volumes compared to 2020. And then, if a favorable forecast comes true, we expect passenger traffic to return to pre-pandemic levels in 2022-2023.

**Alexander A. Ponomarenko,  
Chairman of the Board of Directors,  
SIA JSC**





## ADDRESS OF DIRECTOR GENERAL, SIA JSC

I present to your attention the report on the work of the Sheremetyevo International Airport Joint Stock Company for 2020. In the current circumstances, we proceed from the assumption that any new challenges, no matter how complex they are, should become the basis for a prompt response, subsequent development and improvement of the quality of our activities.

Realizing how important the role of the airport is in preventing the spread of the coronavirus infection in Russia and abroad, the airport management, in cooperation with the responsible state services and doctors, jointly developed and promptly implemented a large-scale set of preventive measures designed to ensure the maximum system of control and screening of arriving passengers, ensuring sanitary and epidemiological safety in terminals and at production facilities of the airport.

Sheremetyevo Airport has become a hub for receiving emergency flights upon the return of citizens of Russia and the CIS countries from abroad. During the period from March to September 2020, Sheremetyevo received 236 flights, which returned 50 thousand citizens to Russia. Since these were non-scheduled flights, the airport was directly involved in their planning and arrangements. The same applies to special flights organized for groups of medical personnel and cargo for helping the most affected by the epidemic areas of the country and abroad.

Among the unique measures taken by the airport in anticipation of the resumption of regular international flights - Sheremetyevo, together with RDIF, was the first among the



world's airports to launch a rapid testing service for COVID-19, and with the advent of a domestic vaccine, a publicly available COVID-19 vaccination was organized at the airport.

To ensure uninterrupted regular operation and retain the airport staff in the new conditions, a set of anti-crisis measures was developed in all areas of the Sheremetyevo Group of Companies. All non-production expenses have been significantly reduced, production resources have been redistributed and technological processes have been optimized; pending a corresponding recovery in the volume of traffic and the intensity of takeoff and landing operations, three of the five passenger terminals and runway-3 were temporarily closed.

The key task of the operational management of SVO JSC in 2020 was the maximum preservation of jobs and social safety nets. By optimizing staff work schedules and suspending the

recruitment of new employees, we were able to avoid massive layoffs. In 2020, SVO JSC not only fulfilled in full all the social safety net obligations to employees provided for by the collective agreement, but also took additional measures to support those who were directly affected by the epidemic.

Special conditions for cooperation were offered to our tenants: rental payments were revised in accordance with the current passenger traffic, and the fixed rental rate was temporarily canceled. This allowed us to retain the existing tenants and avoid the growth of accounts receivable.

In this difficult situation, we managed to keep the quality of services at a high level. Based on quarterly assessments of the Airport Service Quality (ASQ) system for 2020, Sheremetyevo Airport was recognized by the Airports Council International (ACI) as the best in terms of quality of services in the category of the largest airports in Europe - for the third consecutive year. At the end of the reporting year, Sheremetyevo Airport also made the Voice of the Customer list of the Airports Council International, which includes 140 airports in the world that are most active in the implementation of the ASQ program in the context of the pandemic. It should also be noted that Sheremetyevo maintains the highest rates of punctuality in flight operations.

The effectiveness of our actions in this situation was largely ensured by the fact that the safety of services and flights are the most important priorities of Sheremetyevo Airport. During the pandemic, this work was supplemented with anti-epidemic measures introduced by the airport in a logical and systematic way, relying on high responsibility and qualifications of personnel, existing organizational and technical capabilities.

Anti-epidemic measures were implemented at Sheremetyevo Airport taking into account the requirements and recommendations of state authorities, international organizations, and

healthcare institutions. They are temporary in nature and, we hope, will be canceled at the end of the epidemic. At the same time, the acquired experience will be generalized and reflected in the regulations and SOPs of the airport in case a new global pandemic emerges.

**THE KEY TASK OF THE OPERATIONAL MANAGEMENT OF SVO JSC IN 2020 WAS THE MAXIMUM PRESERVATION OF JOBS AND SOCIAL SAFETY NETS.**

Having retained a highly qualified and motivated airport staff, maintaining a high level of service quality, the trust of passengers and our partners, we believe Sheremetyevo will remain one of the flagships of the domestic transportation industry in the future, a leader among the largest airports in the world, a priority choice for customers, and a reliable foothold in solving important for the country tasks.

**Mikhail M. Vasilenko,  
Director General, SIA JSC**





## SHEREMETYEVO AIRPORT AND THE CORONAVIRUS PANDEMIC.

# THE FLAGSHIP NAVIGATING THE STORM

### Early Days: Reaction and Strategy

Companies in the aviation industry, including airports, have become the hubs where the medical and economic consequences of the pandemic have not only come together, but have also been most acutely expressed. In fact, airports have been at the forefront in the fight against the spread of the epidemic, solving problems of national importance.

International air traffic with Russia began to gradually decline starting February 1. The restrictions were introduced in several phases: First, flights to China, South Korea and several other countries were limited; shortly thereafter, the limits were placed on flights to Spain, Italy, Germany, and France, and a few days later to all of Europe. The most ambitious restriction was introduced on March 23, when the ban on flights extended to 95 countries.

Finally, on March 27, Russia closed the country to international flights completely. Up to this point, the restriction allowed for the possibility of flights exclusively from Sheremetyevo to the capital of one or another “closed” country, but after that day, international flights needed special permission.

In February-March, Sheremetyevo International Airport faced two completely new tasks simultaneously.



On the one hand was an extremely operational medical task: to prevent the spread of the infection to other parts of the country and to ensure the maximum epidemiological safety of passengers and employees. On the other hand, an economic task at the strategic level: to predict the development of an unprecedented situation and devise appropriate organizational and infrastructural solutions for the period of a pandemic.

### Operational measures: a triple barrier against the virus



In its actions, Sheremetyevo strictly followed the guidelines and recommendations of the Russian Government, which was the operational headquarters for preventing the spread of a new coronavirus infection in the Russian Federation. The airport, which in February-March was actually the only aviation "gateway" to our country, joined with Rospotrebnadzor and medical organizations to launch a set of unprecedented measures to prevent the spread of the virus.

All flights from other countries were transferred to Terminal F, and all domestic flights to Terminal B. The operation of Terminals E and

C was temporarily suspended. This decision made it possible not only to "align" the flow of passengers and take them under sanitary control, but also to reduce the costs of operating the terminals, the load on which had dropped sharply. For the same reason, the third runway was "mothballed".

For Terminal F, an unprecedented triple check-and screening-system for arrivals was instituted. The first "line of defense" was checking the passengers' temperatures using portable thermovision cameras on board the aircraft. This was followed by a total temperature reading with the help of stationary thermovision cameras in the arrival area. And a final check of passengers followed after baggage claim.

All these measures were carried out by the specialists of Rospotrebnadzor with the participation of the personnel of the medical and sanitary unit of the airport.

More than **270** medical professionals work in the medical unit and health centers of Sheremetyevo Airport. In the first half of 2020, more than **11 600** patients were admitted to the airport health centers

All public and production areas of terminals, parking lots and adjacent grounds were marked with the rules for observing social distance, regularly treated with disinfectants and specially ventilated.

In the terminals, a full-scale program for informing passengers about preventing the spread of the infection was put in place: Public announcements on preventing the coronavirus and on the examination procedures for the disease at the airport were broadcast regularly. In the baggage claim areas of all terminals, passengers were notified about contact-free thermometry at the airport. Information

desks and monitors in the airport terminals contained information with Rospotrebnadzor recommendations on countering the coronavirus infection. Special measures were implemented for airport employees. All personnel involved in servicing passengers were provided with personal protective equipment such as medical masks and gloves and were informed daily about the rules of conduct in restricted areas.



More than **2 000 000** units of protective face masks were purchased

Dispensers with hand sanitizing liquid were placed in the service areas. The employees' body temperature was regularly measured using stationary, portable thermal cameras in terminals, health centers and the clinic of the Medical and Sanitary Unit of SVO JSC. (Passengers were also tested at the health centers.) Employees even slightly suspected of being infected with the disease were not allowed to work and were immediately sent to self-isolation, sick leave, and quarantine. Restrictions on holding mass and public events were introduced for the entire airport, and workshops were moved online.

The effectiveness of the main anti-epidemic measures implemented at the airport was confirmed during inspection tours and audits by the leadership of the Ministry of Transportation of the Russian Federation, the Federal Air Transportation Agency, Rospotrebnadzor and the leadership of Moscow Region.



### Economy: the main task is to preserve relations

Sanitary measures were not the only key anti-crisis decisions taken in the first weeks. At the strategic level, in particular, maximum management efforts were directed toward preserving jobs and supporting partners. The focus of the airport management's concerns quickly turned to its own employees, the airlines and tenant companies.

Staff work schedules were optimized. Under the existing legislation, some of the employees were given a shorter work week, some were sent on paid vacations, and some were retrained and placed into new specialties. These measures for employees were intended not only to avoid redundancies but were also aimed at reducing the risk of illness. By reducing the recruitment of new employees, the airport managed to retain almost all of its staff.



The tenants' contractual obligations were also revised: JSC SIA eased their obligation to pay the minimum guaranteed payment to the airport and completely switched over to the terms of the concession. The airport retained the lease rights for those tenants who were forced to suspend their work, and JSC SIA took over negotiations with the leasing banks of tenants in some cases in order to synchronize actions and help tenants to survive the crisis. All these measures allowed the airport to maintain a pool of existing partners and avoid the growth of past-due receivables.

"This year's Airport Service Quality - ASQ recognizes those airports that have listened to their customers and adapted their services and experiences to meet changing needs and expectations in very difficult circumstances," said Luis Felipe de Oliveira, CEO of Airports Council International (ACI) World. "Today, air transport industry representatives around the world are combining their efforts to address the challenges posed by the COVID-19 pandemic, and it is this focus on customer needs that will help us find the fastest way to overcome these challenges."

The airlines presented a different challenge.

"This year's Airport Service Quality - ASQ recognizes those airports that have listened to their customers and adapted their services and experiences to meet changing needs and expectations in very difficult circumstances," said Luis Felipe de Oliveira, CEO of Airports Council International (ACI) World. "Today, air transport industry representatives around the world are combining their efforts to address the challenges posed by the COVID-19 pandemic, and it is this focus on customer needs that will help us find the fastest way to overcome these challenges."

In the context of the ban on international flights, the airport could only help the airline by maintaining constant readiness for the earliest possible resumption of activities. For example, the project for the first runway reconstruction, which was commissioned in December 2020, was not interrupted for a minute and was completed a month ahead of schedule.

**Record terms of runway 1 reconstruction during the pandemic restrictions - 10 months**

The terminals taken out of service were maintained in full readiness, as well as the third runway, which, if necessary, would have taken only one hour to "launch". The construction of a new hangar complex for servicing Aeroflot aircraft, which was opened in September of the reporting year, also continued.

**A matter of national importance: the return of compatriots**

On behalf of the Operational Headquarters for the interaction of relevant executive agencies and the specially created Commission of the Ministry of Foreign Affairs of the Russian Federation, Sheremetyevo International Airport took over the reception and maintenance of aircraft that were bringing our citizens home. First from epidemiologically unfavorable countries, and then from everywhere, where Russians were held hostage by local "lockdowns" and wanted to return home.



The first "returning home" flight from Tashkent landed at Sheremetyevo Airport on March 18. This was followed by flights from New York, Paris, Frankfurt, Tel Aviv and other cities.

**236 emergency flights from/ to Sheremetyevo returned over 50 000 Russian citizens**

Royal Flight RL9912, organized by the Russian Foreign Ministry and Sheremetyevo Airport with the participation of the Russian Union of Industrialists and Entrepreneurs, which gathered passengers from seven countries, shows how difficult and unusual these flights were. On July 20, it brought 197 citizens of Russia, Ukraine and Kazakhstan to Sheremetyevo from Tanzania, Liberia, Ghana, Cameroon, Uganda, Kenya and Jordan. A Boeing 767-300 with a reinforced crew traveled for a total of 100 hours. Passengers underwent triple medical control directly at Terminal F.

The employees of the Ministry of Foreign Affairs, the air carriers and the airport did a significant amount of groundwork to ensure safety during

the evacuation of our compatriots, that included cooperation with embassies and migration services and coordination with destination airports, intermediate landings and foreign air traffic control authorities. Let's not forget that the vast majority of "evacuation" flights were not just unscheduled, but took place under conditions of widespread restrictions on flights, and therefore required special approvals. The organizers also had to work with the crews of special flights, who may not have been familiar with Sheremetyevo airspace.

**Special assignments: flights for medical teams**

Evacuation flights were not the only unique flights provided by the airport during the pandemic. On May 27, the first special medical flights sent by the Moscow Government to help the regions of the Russian Federation fight coronavirus infection in the republics of North Ossetia-Alania, Ingushetia, Dagestan and the Trans-Baikal Territory departed from Sheremetyevo.



**March 27, 2020**

*Russia completely stopped international flights*



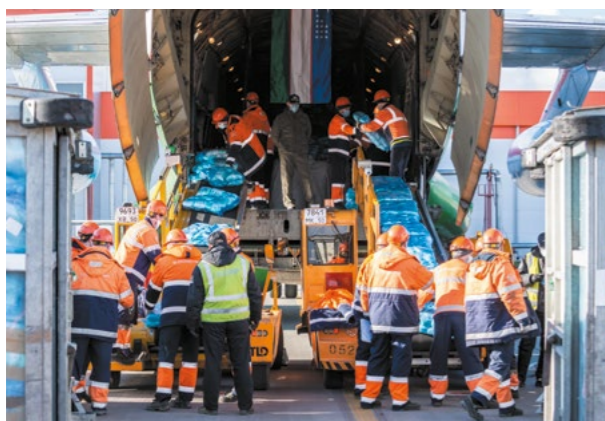
*The apron of the ASTC after reconstruction with new parking lots became a temporary home for more than a dozen wide-body airliners of Rossiya Airlines - the mighty Boeing 747 & 777.*





Multidisciplinary medical teams were aboard of each of these flights. They included highly qualified doctors and nurses who had fought COVID-19 for several months, as well as pulmonologists, infectious disease specialists, anesthesiologists-resuscitators, radiologists and ICU nurses. Each team was headed by a surgeon with experience in converting hospitals for treating the coronavirus and organizing direct care.

Each of the medical flights from Moscow to the regions also carried a load of medical equipment.



The first four flights from Sheremetyevo carried more than **7 000** protective suits, respirators, high shoe covers, almost **45 000** medical gloves, **16 000** medical masks, more than **2300** medical gowns and more than **1200** pairs of reusable safety glasses

Serving flights with such a mixed load means performing a number of additional handling operations. In particular, if goods are placed in the aircraft cabin as well as the luggage compartment, all surfaces of the aircraft cabin must be carefully covered with a protective film, and the cargo must be securely fastened. In this case, all loading and unloading of the cabin are done manually.

Doctors from the capital city worked in the regions for about two weeks, after which there was a rotation of medical personnel. More than 40 highly qualified medical personnel from leading hospitals in Moscow were sent to North Ossetia-Alania, Ingushetia, Zabaikalsky Krai and Dagestan to replace doctors who had completed their mission and returned on special flights. This rotation continued, and the airport continued to provide operational services for medical teams, including the processing and loading of medicines, personal protective equipment and medical equipment.

### Medical cargo: Russian vaccine is flying

Throughout 2020, the main cargo operator of Sheremetyevo Airport, Moscow Cargo specialized in handling medical cargo for international airlines, including protective equipment, artificial-lung ventilation devices and other medical equipment, and medicines.



Needless to say, medical cargo always requires special handling, either compliance with temperature and humidity conditions or exceptional care when moving because of fragility, and the vast majority - especially during

the pandemic - are intended for immediate delivery.

About **20 000** tons of international medical cargo was received and shipped in 2020 by Moscow Cargo LLC > **70%** more than a year earlier.

Moreover, during the pandemic, airlines increasingly used so-called cargo-only flights for the transportation of medical cargo. These are cargo flights on passenger aircraft carrying no passengers and with cargo carried in passenger cabins as well as the luggage compartments. This creates additional difficulties for cargo handling at the airport, including the need to load and unload the cargo manually, develop individual weight distribution schemes for each aircraft and adopt special methods of securing the cargo in the plane. About 35% of medical cargo handled at the Moscow Cargo terminal were delivered by cargo-only flights and loaded and unloaded manually by the terminal workers.



Since November 2020, Moscow Cargo has provided services and shipment of the first Russian vaccine against coronavirus Sputnik V on a regular basis both within Russia and abroad - to Algeria, Argentina, Bahrain, Hungary, azakhstan, Mexico, Moldova, Serbia,

In 2020, Moscow Cargo LLC shipped abroad **9,7** tons about **19 400 000** doses of the **Sputnik V** vaccine

and Slovakia. The vaccine is packaged in special containers that maintain a constant temperature ranging from -18 to -20 ° C. In the overwhelming majority of cases, these are cargo-only flights, the most difficult to handle.

### For the future: airport as part of the healthcare system

Taking into account the prospects for lifting restrictions for international traffic and restoring the intensity of flights, Sheremetyevo Airport introduced a number of relevant medical services, including rapid-testing services for COVID-19 and the opening of a publicly available COVID-19 vaccination center.



Sheremetyevo Airport was the first in the world to offer rapid testing for coronavirus. It was introduced on July 20, 2020. Diagnostics are carried out using a test system manufactured by Evotech-Mirai Genomics and created with financial support from the Russian Direct Investment Fund. Two round-the-clock COVID-19 testing sites were opened at the airport, and two more were quickly added due to the strong demand for the service. The number of check-in counters for rapid tests was also increased, from 2 to 17.



**166 000** PCR coronavirus tests were performed for passengers in 2020

The successfully implemented technology of registration and online payment for the test allows visitors to go to the health center for the test immediately upon arrival at the airport. This made it possible to achieve a significant reduction of waiting time for the results. The paperwork and testing take about 25 minutes, and the results are available in 60 minutes' time or less.

From August to the end of 2020, there were about **2 000** coronavirus tests taken directly at the airport terminals for every **10 000** people arriving in Sheremetyevo on international flights.

Free vaccination against coronavirus infection became available on February 3, 2021 at Sheremetyevo International Airport. Passengers and guests of Sheremetyevo who are citizens of the Russian Federation, as well as employees of partnering organizations and companies operating at the airport, can get vaccinated. Vaccination is administered at the first-aid post of Terminal E (1st floor) using a combined vector vaccine "Sputnik V" ("Gam-COVID-Vac").

The demand for new medical services at Sheremetyevo raises the question of whether these services can be included in the number of non-aviation services typical for airports in the future, along with catering, banking, communication services and the sale of goods in duty-free shops.

### Results:

In general, the operation of the airport under the difficult conditions of the pandemic showed that Sheremetyevo has a significant margin of safety. This asset is due to the qualifications, discipline and loyalty of employees, the trust of corporate clients like airlines and lessees, and partnerships with authorities and departments, for which the airport continued to be the main air gateway and performed previously unheard-of national tasks.

"Our key priorities today are maintaining a safe environment for the health of our passengers and employees and continuing the progressive development of infrastructure to potentially increase passenger traffic and ensure high quality services," said **Mikhail Vasilenko**, Director General of JSC SIA. "The implementation of these goals will allow Sheremetyevo to quickly and fully resume its operation after the lifting of restrictions on international air transportation."

Sheremetyevo not only withstood the crisis with honor, but also largely turned the "non-flying" months to its advantage. It completed the reconstruction of a number of important facilities ahead of schedule, made significant progress in the development of cargo traffic, took several very large steps in automation and digitalization and strengthened security at all levels. It took advantage of the opportunity the decline in air traffic presented to make many useful improvements to the algorithms governing the management and organization of its work. Today, the substantially renewed Sheremetyevo airport is looking forward to a full-scale resumption of international air traffic so that all these changes will bear fruit.





# SVO COVID TIMELINE

## January 21

The first "signs" of coronavirus appear: sanitary control on flights from China are tightened at Sheremetyevo Airport

## January 31

All flights to and from China are transferred from Terminals D and E to Terminal F

## February 1

Introduction of restrictions on flights between Russia and some countries: China, South Korea, Spain, Italy, Germany, France, other European countries

## February 15

An additional system for remote body temperature monitoring of arriving passengers is installed in the arrivals area of Terminal F, with 23 stationary thermal cameras.

## March 13

The Russian Federation introduces a temporary restriction of passenger air traffic is to Italy, Germany, France and Spain. All flights to destinations in these countries begin to operate only from Terminal F of Sheremetyevo International Airport.

## March 18

The first flight with Russian citizens returning from Tashkent lands at Sheremetyevo

## March 20

Terminals C and E are temporarily closed, and all international flights are transferred exclusively to Terminal F, where a triple health-monitoring system for arriving passengers is arranged

## March 27

Russia cuts off all international air traffic

## April 1

Terminal D is temporarily closed. All domestic flights using Terminal D are transferred to Terminal B, international charters to Terminal F

## April 18

The first batch of humanitarian aid sent by the Republic of Uzbekistan as part of the fight against the spread of COVID-19 arrives at Sheremetyevo. The cargo includes medical masks

## April 30

The Board of Directors of SVO JSC approves a comprehensive anti-crisis program

## May 16

Sheremetyevo passing an inspection to evaluate compliance with epidemiological

safety measures carried out under the leadership of the Minister of Transport of the Russian Federation, E.I. Dietrich

## May 20

Vietnam Airlines donates 12,000 medical masks to the employees of Sheremetyevo International Airport

## May 22

Sheremetyevo announces that its cargo operator, "Moscow Cargo" handled more than 4 thousand tons of imported medical cargo arriving via international air route in April

## May 27

Special medical teams sent by the Moscow Government to help the regions in the fight against coronavirus infection depart from Sheremetyevo

## June 3

The Sheremetyevo Medical Unit rolls out PCR tests to diagnose coronavirus infection in the health centers of Terminals B and C. At the time this was the standard diagnostic tool, with results provided in 3 days. A rapid test that uses the EMG systems was introduced in July

## June 6

A unique flight organized by Royal Flight for returning Russian citizens from Cuba and South American countries arrives at Sheremetyevo. The Boeing 777-300ER airliner flies Moscow - Havana - Sao Paulo

- Buenos Aires - Santiago - Havana - Moscow. More than 160 citizens of Cuba, Brazil, Argentina, and Chile fly from the Russian capital to their homelands

## June 11

Sheremetyevo greets the teams of capital city doctors returning from the anti-epidemic mission in the Russian regions. On the same day, new teams of Moscow doctors are sent to North Ossetia, Ingushetia, Trans-Baikal Territory, Dagestan, Vladimir and Pskov

## June 19

Sheremetyevo holds an award ceremony for the medical staff of the airport on the eve of the Day of the Medical Worker as part of the #Thankstomedics campaign organized by the All-Russian public movement Volunteers-Doctors and the Ministry of Health of the Russian Federation

## June 22

Rossiya Airlines transfers flights to Sheremetyevo, organized in partnership with the tour operator Biblio-Globus, to serve popular seasonal resorts in Sochi, Simferopol, Anapa, and Kaliningrad

## July 15

Another unique Royal Flight Airline flight departs from Sheremetyevo and later returns 197 passengers to Moscow after 100 hours of flight covering seven countries

## July 20

Sheremetyevo, together with RDIF, is the first airport to introduce rapid test services with the option of receiving results in 60 minutes. Diagnostic points are deployed in Terminal B and, beginning July 27, in Terminal D

## August 1

Due to the gradual removal of restrictions for domestic and international passenger traffic and the gradual restoration of flights, the full-scale operation of Terminal D is resumed

## August 11

As part of the phased restoration of international air traffic, flights from Sheremetyevo to popular tourist destinations in Turkey were opened

## August 17

Sheremetyevo joins the online campaign "Breathe, Please!" in support of Russian doctors and volunteers

## September 29

Due to growing demand, an additional rapid-testing site for coronavirus opens in Terminal E

## October 1

The resumption of international flights begins. Air traffic to Belarus, Serbia, UAE, Switzerland, Cuba, Maldives is restored in October

## October 13

Sheremetyevo passes the next "anti-coronavirus" inspection of the commission headed by the Vice-governor for Moscow Region, I.B. Treskov, and the Mayor of Khimki, D.V. Voloshin

## November 19

The first international shipment of the Russian anti-COVID-19 vaccine Sputnik V is shipped from Sheremetyevo Airport

## December 3

A consignment of Sputnik V is delivered from Moscow to Serbia





## RECOGNITION IN THE COUNTRY AND WORLD, AWARDS



The best in quality of services in the category of the largest airports in Europe with a passenger traffic of more than 40 million passengers per year according to the ASQ ACI program.



National Aviation Award "Wings of Russia": Airport of the Year - 1st place



Sheremetyevo made the list of the Airports Council International as the most active in the implementation of the ASQ ACI program Voice of the Customer in the context of the COVID-19 pandemic



Business Traveler Russia and CIS Awards: Sheremetyevo Airport is the "Best Airport in Russia and the CIS".



World leader in punctuality in the Mega Airports category according to the rating of the research company OAG and Cirium (based on the results for 2019; in 2020 the ratings were not updated)



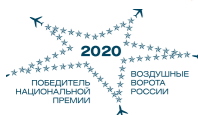
SAP Value Award 2020: "People's Choice Award" for the successful implementation of the "Tax Monitoring" project.



World's Best Airports by Passenger Numbers 2020 according to Skytrax rating: Top 10 best airports in the world in the category of 40 to 50 million passengers per year.



"Transportation Security of Russia-2020": "The best transportation infrastructure as it has implemented the requirements of transportation security."



Laureate of the "Russian Air Gateway-2021" National Award in the "Best Airport - Meeting Challenges 2020" nomination. The Sheremetyevo victory was awarded in two categories: "Prompt provision of safety requirements for passengers and personnel" and "Continuation of the implementation of infrastructure and renovation projects"



National award for transportation and transportation infrastructure "Formula of motion": "Best PR-activity of the current year" - for coverage of comprehensive preventive measures at Sheremetyevo Airport in order to prevent the spread of COVID-19 in the Russian Federation.



Included in the TOP-10 of the best Russian organizations in the field of corporate communications and corporate relations according to the results of the VII All-Russian rating of directors and departments for corporate communications and corporate relations TOP-COMM.



Anna Zakharenkova, Public Relations Director of SVO JSC, was ranked second in the "Transportation" category in the rating of the "Director of Public and Corporate Relations (by industry). Top-100".



Sheremetyevo International Airport (SVO) placed fifth in the rating of investment activities and efficiency of Russian companies prepared by the National Credit Ratings Agency (NCR, part of the RBC Group) together with the Agency for Social Analysis and Forecasting (ASAF) for the first time.



The executive managers of Sheremetyevo International Airport were rated high in the 21st annual rating of Top-1000 Russian Managers, prepared by the Association of Managers and Publishing House Kommersant.

Alexander Ponomarenko, Chairman of the Board of Directors of SVO JSC, was included in the list of business leaders of Russia.



Director General of SVO JSC Mikhail Vasilenko was placed the first among top managers in the "Transportation" category in the rating "Top managers. Top-250".





# AIRPORT SHEREMETYEVO IN 2020



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Main facilities of 2020 30

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Partner Airlines 48

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Cargo turnover 52

SIA Group 55

Membership in Non-profit Associations and Certification 56

2020 Calendar of Major Events 60





# 2020 IN NUMBERS



## GROWTH

**+27%**  
by 2019



growth of terminal capacity up to 80 million passengers per year

**+25,3%**  
by 2019



an increase in the cargo turnover of Moscow Cargo LLC on international routes

**+22%**  
by 2019



an increase of terminal capacity up to 110 TLO per hour

**+7,2%**  
by 2019



an increase in flight take-off punctuality to 88.9%



## LEADERSHIP

**19,8**



million air passengers in 2020

**52,6%**



of MAH's<sup>1</sup> international air traffic (in terms of passenger traffic)

**71,15%**



of MAH's<sup>1</sup> cargo traffic

**202**



airlines were served in 2020 (+19 vs 2019)



## QUALITY

**Nº1**



in Europe in the quality of passenger services<sup>2</sup>

**4,52**



(out of 5 points) - ASQ<sup>3</sup> rating in 2020 (an increase of 0.07 points vs 2019)

**Nº1**



in the world for punctuality in its category<sup>4</sup>

**Nº1**



in the world for tourist services<sup>5</sup>



**110**



million passengers per year - the capacity of the airfield infrastructure

**5+3**



5 + 3 passenger terminals (5 for regular flights, 3 for business aviation)

**14 276**



parking spaces

**570**



sq. m - the area of the airport complex

**3**



runways (the only one in Russia)

**208**



permanent spaces for aircraft maintenance

**380**



tons of cargo per year - capacity of the cargo complex

**3**



refueling complexes



## RESPONSIBILITIES

**18 159**



employees (including subsidiaries; + 0.6% vs 2019)

**50**



thousand citizens evacuated from abroad, 236 emergency flights

**71 314**



passengers with disabilities served

**166**



thousand PCR tests for coronavirus were carried out



## FINANCES

**214,05**



billion rubles assets of JSC "SVO" (+ 17.7% vs 2019)<sup>6</sup>

**24,4**



billion rubles in aviation proceeds

**Nº5**



among all Russian companies in the rating of investment activities and efficiency<sup>7</sup>

<sup>1</sup> Moscow Air Hub: SVO, DME, VKO

<sup>2</sup> In the category of the largest airports in Europe according to the Airport Service Quality (ASQ) survey of the Airports Council International (ACI) in 2020

<sup>3</sup> Airport Service Quality - assessment of the quality of services by Airports Council International

<sup>4</sup> In the category of mega-airports with an annual passenger traffic of over 30 million people, OAG data, see <https://www.oag.com/punctuality-league-2020-report>

<sup>5</sup> A comprehensive study by Stasher, see: <https://stasher.com/the-worlds-best-airports/>

<sup>6</sup> RAS

<sup>7</sup> The first rating of the National Credit Ratings Agency in conjunction with the Agency for Social Analysis and Forecasting

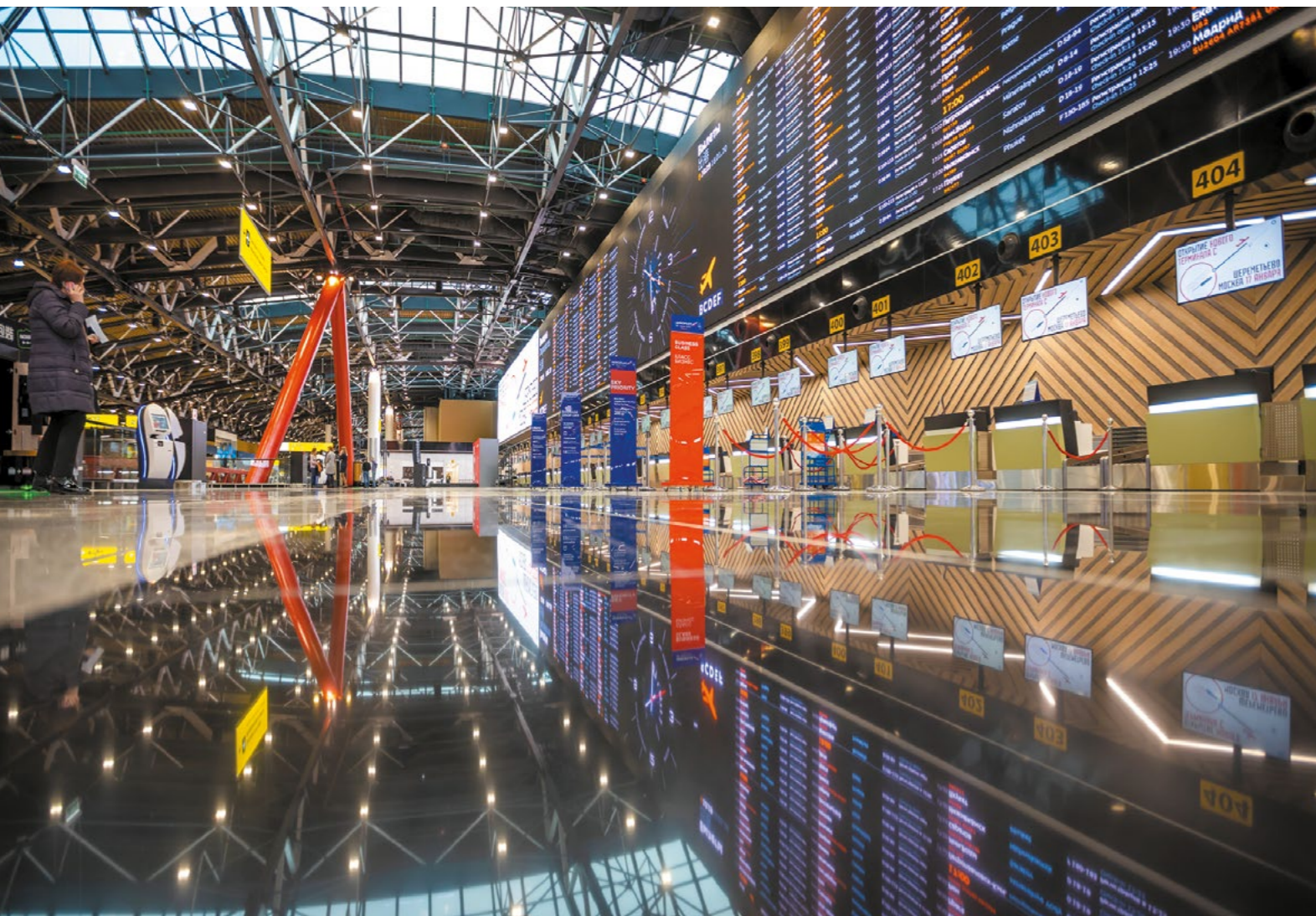


## MAIN FACILITIES OF 2020

### INTERNATIONAL TERMINAL C

On January 17, 2020, Terminal C, the new international passenger terminal, received its first flight. The terminal was commissioned at the end of 2019, and in 2020 the outfitting of the apron with 19 aircraft parking spaces and the construction of a car park were completed.

The first flight was from Helsinki and marked the official opening of the terminal. Built as part of the Long-Term Development Program of SVO, it is part of the Northern Terminal Complex and is intended for international airlines.



investment amount

**494**  
million \$

area of the apron of Terminal C

**261 371**  
square meters

parking integrated into a single complex with Terminal B

**2 500**  
parking spaces

more than passport control booths

**120+**

escalators and travelators

**25**

multimedia screens

**78**

total area of the building

**127 375**  
square meters

capacity

**20**  
million passengers per year

check-in counters

**84**

bridges

**19**

elevators

**65**





Terminal C is connected with Terminal B. Connecting buildings "under one roof" have become one of the most difficult construction features. Because it is one facility, it allows passengers to use the services and technical capabilities of two terminals at once and allows transfer passengers to move between terminals through the transit zone in a very short time.



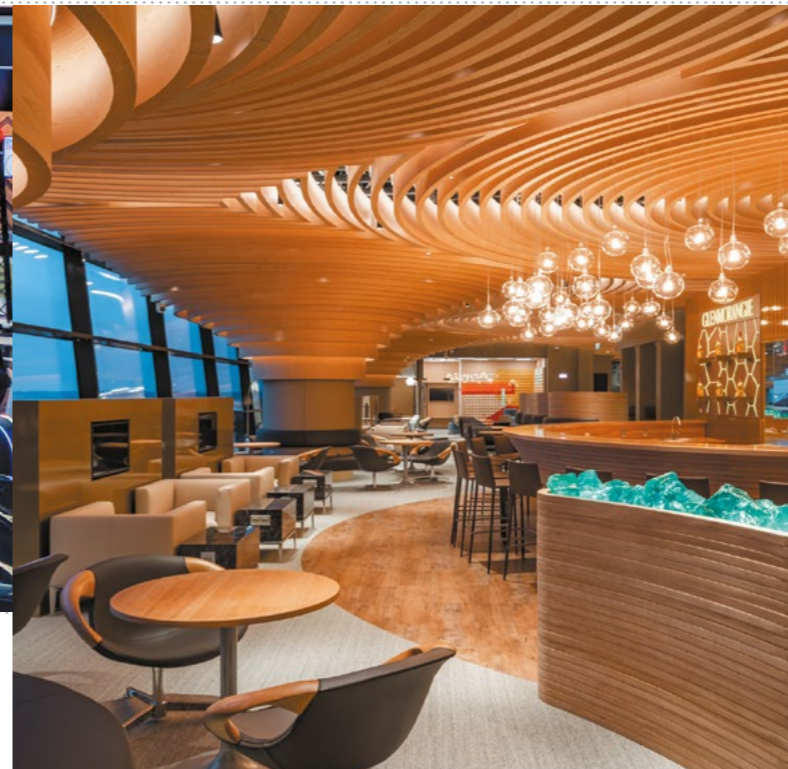
The new terminal is equipped with 19 jetways, including those fitted for servicing the A-380 Airbus, as well as 25 escalators and travelators and 65 elevators.



The new terminal has more than 120 passport control booths, including 10 automated booths. Plus 8 boarding pass readers and 8 crew checkpoints.



There are 84 check-in counters in the new terminal: 62 in the general departure hall, 4 in the customs area (red corridor) and 18 in the transfer area. The most comfortable conditions have been created to allow passengers with disabilities to feel confident and safe.

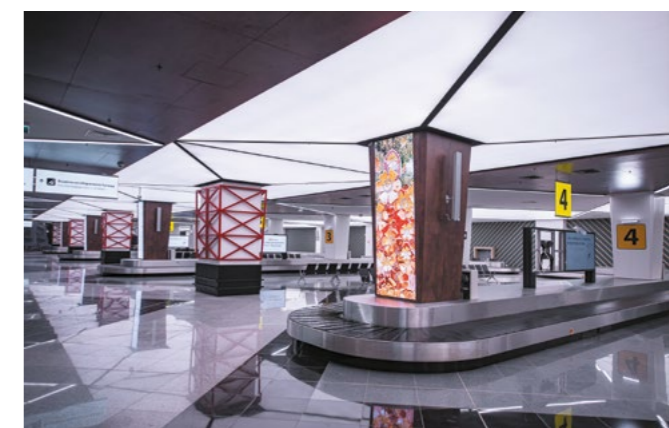


Constructivist ideas in the interior of the new terminal are also interpreted by modern media installations: The atmosphere in the new terminal is supported by 78 multimedia screens, which allow guests of the capital to understand Russia as a country with a rich historical and cultural heritage and outstanding scientific and technological achievements.





1



The modern terminal was built for transfer traffic to be the best European hub, with the capacity to service up to 55% of all transfer passengers.





## RECONSTRUCTION OF RUNWAY 1

On December 24, 2020, the first runway at Sheremetyevo airport was reopened for operation. The massive renovation, completed in a record 10 months, included the dismantling and re-construction of a full-fledged concrete runway.



Reconstruction of RWY-1 was a priority infrastructure project of the year as part of the Long-Term Airport Development Program, and the project is unique for the international aviation industry in terms of its technological complexity and short implementation time. The reconstruction was carried out at the company's expense. The investments made under the terms of the concession agreement will be repaid from the investment component of the aircraft take-off and landing tariff.

investment amount	<b>114</b> million \$	Increased capacity up to	<b>135</b> takeoff and landing operations per hour
length	<b>3 550</b> m	Complies with ICAO	<b>IIIA</b> category
width	<b>60</b> m	Takeoff and landing of aircraft in any weather conditions	<b>ALL TYPES</b>
increased capacity up to	<b>110</b> million passengers annually	record-breaking short construction time	<b>10</b> months





The new airspace facility and the operation of a complex of three runways at Sheremetyevo Airport will improve the fuel efficiency of airlines, as well as safety and punctuality of flights.

The grand opening of Runway-1 was broadcast for the first time online for tens of thousands of airport passengers in Sheremetyevo's terminals, as well as on the official social media accounts of SVO, PJSC Aeroflot and the Ministry of Transportation of the Russian Federation. The famous sports journalist Dmitry Guberniev commented on the event.



The grand opening of the reconstructed Runway-1 by Minister of Transportation of the Russian Federation V.G. Savelyev, Head of the Federal Air Transport Agency A.V. Neradko, First Deputy Minister of Economic Development of the Russian Federation M.V. Babich, Deputy Head of the Office of the President of the Russian Federation for Supporting the Activities of the State Council of the Russian Federation A.A. Yurchik, Director General of PJSC Aeroflot M.I. Poluboyarinov and other officials.



Rosaviatsia issued a new certificate of conformity for the aerodrome to Sheremetyevo Airport.



At the opening of the reconstructed Runway-1 at Sheremetyevo, Minister of Transportation of Russia V.G. Saveliev noted, "The runway was completed in the shortest possible time. I would like to add that this is not just 10 months, this is 10 months of work during the pandemic. A truly unique work has been done."





## HANGAR COMPLEX OF AEROFLOT GROUP

On September 15, 2020, the official opening of the new hangar complex for aviation maintenance of Aeroflot Group aircraft, built in a record 12 months, took place at Sheremetyevo International Airport.

investment amount

**57**  
million \$

Simultaneous servicing

**5**  
aircraft

total area

**16 760**  
square meters

Built and commissioned in record time

**12**  
months

Maintenance of aircraft

**ALL TYPES**

*The complex is outfitted with modern engineering equipment for a comprehensive check of the technical condition of aircraft, which is performed once a month or every 500 flight hours.*

*The new technical complex services Boeing 747-400 airliners of Rossiya Airlines (a subsidiary of Aeroflot), which is the world leader in the number of operated passenger airliners of this type. There are 9 such aircraft in its fleet. The complex also services Boeing-777 and Boeing-737 jets.*



*The complex includes a hangar section for aircraft maintenance with a 5-story industrial annex and a 2-story annex for handling explosives, a compressor station, a fire-extinguishing pumping station with tanks for a water supply, and a transformer substation with a diesel generator set. The complex also includes a pre-hangar area for parking and transporting aircraft to the hangar with roads and technological platforms for the passage and maneuvering of special equipment.*

*Much attention is paid to compliance with environmental standards during production processes. Local treatment facilities for industrial effluents are installed at the complex.*





## BUSINESS CENTER MOSCOW CARGO

On March 18, 2020, the modern Moscow Cargo business center was opened at Sheremetyevo International Airport. The five-story building is intended for both company operations and tenants. The office center project has been developed in accordance with the most modern requirements for capital construction projects.

floors

**5**

built and launched into operation for record short timing

**12** months

total area

**10 797** square meters

rooms and equipped conference room

**✓**

parking - more than

**200** places

24-hour reception

**✓**

offices ranging from

**25-700** square meters

café

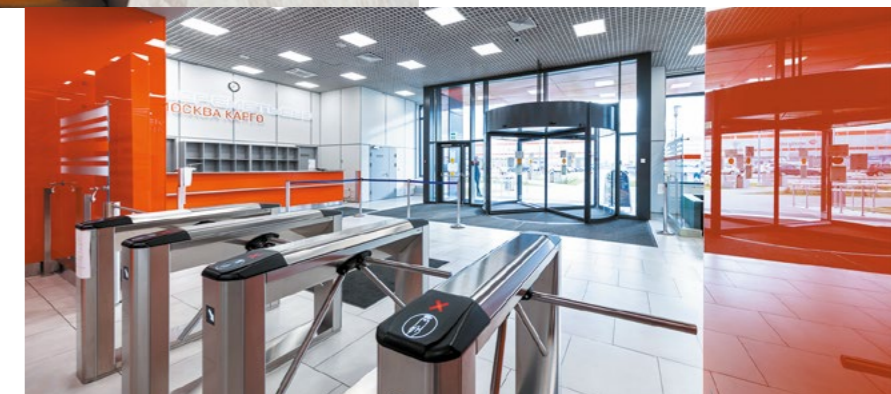
**✓**



The tenants now can move from poorly adapted hotel rooms and container-type offices to a modern business center without losing the convenience of being in the immediate vicinity of the Moscow Cargo terminal and Sheremetyevo Customs. The same building houses the offices of the administration of Moscow Cargo LLC and representative offices of airlines.

The modern B+ class complex offers a full range of services that can satisfy the most demanding customers: bright spacious offices ranging from 25 to 700 square meters with high ceilings and high-quality interior decoration, comfortable meeting rooms and an equipped conference room, 24-hour reception and a cozy cafe, as well as ground-level parking for 214 cars.

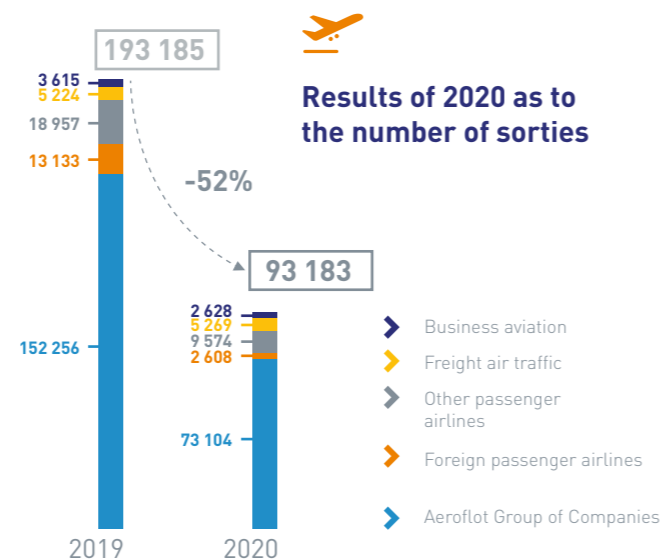
Moscow Cargo LLC handles 72.5% of the cargo and postal traffic of Sheremetyevo Airport. The Moscow Cargo cargo terminal, with a total area of 42,300 square meters and designed to handle 380 thousand tons of cargo per year, is the largest in Russia, the CIS and Eastern Europe. It has no analogues in Russia in terms of technical equipment.





## THE MAIN PRODUCTION RESULTS OF 2020

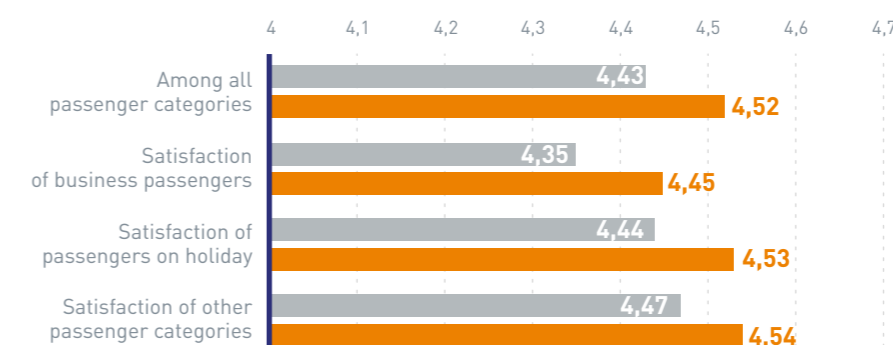
In 2020, in connection with air traffic reduction caused by COVID-19 pandemic, the number of sorties reduced by 52% as compared to 2019 and amounted to 93,183. For passenger airlines the reduction was 54%, for business aviation 27%. However for cargo airlines there was a 1% growth.



## 5★ 2020 Results as per the Monitoring by the Airports Council International (ACI) of Sheremetyevo Passenger Satisfaction Evaluation

(Airport Service Quality methodology, five-point scale)

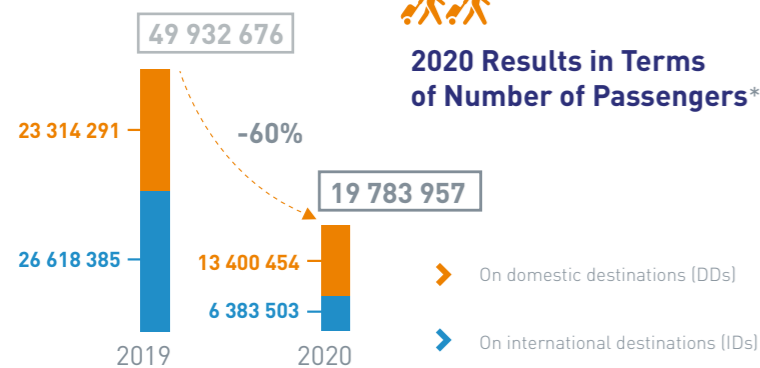
➤ 2019 ➤ 2020



1



## 2020 Results in Terms of Number of Passengers\*

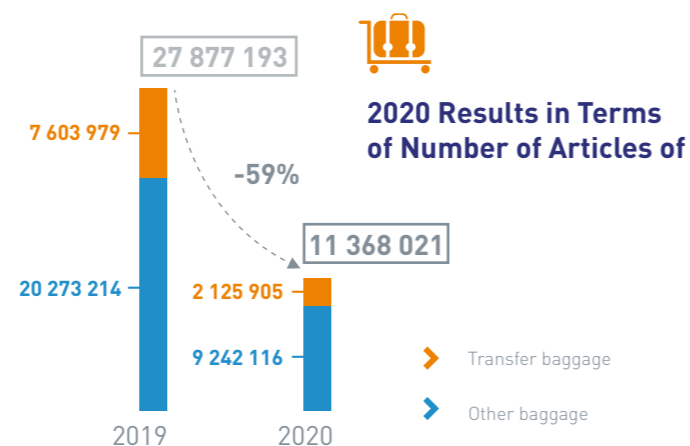


In 2020 the airport passenger traffic decreased by 60% as compared to 2019 and amounted to 19.8 million of passengers. The passenger traffic decreased by 76% on international destinations (IDs) and by 43% on domestic destinations (DDs).

\* - Including infants aged 0-2.



The number of articles of baggage processed in 2020 decreased by 59% as compared to 2019 and amounted to approximately 11.4 million articles of baggage, including a 72% decrease in the number of processed transfer baggage.



The flight punctuality index as per the 2020 results for departures increased by 7.2% as compared to 2019 and reached 88.9% flights that departed from the airport on time. The index of punctuality of arrival of flights, that is influenced not only by Sheremetyevo's readiness to accept the flight but - in the first turn - by the punctuality of its departure from the other airport, decreased by 11.3% as compared to 2019 and amounted to 51.9%.

The average revenue load of one flight in 2020 was decreased by 14.4% and amounted to 116 persons per one flight as compared to 135 persons for a similar period in the previous year.

Passenger satisfaction index (ACI ASQ) increased by 2% as compared to 2019 and amounted to 4.52 (of the maximum 5 possible points).





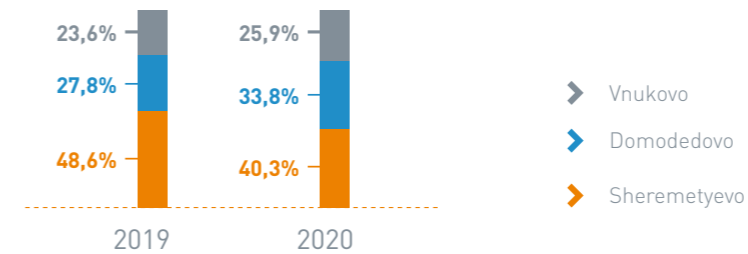
## SHEREMETYEVO AS THE LEADER OF THE MOSCOW AIR HUB

### PASSENGER TRANSPORTATION

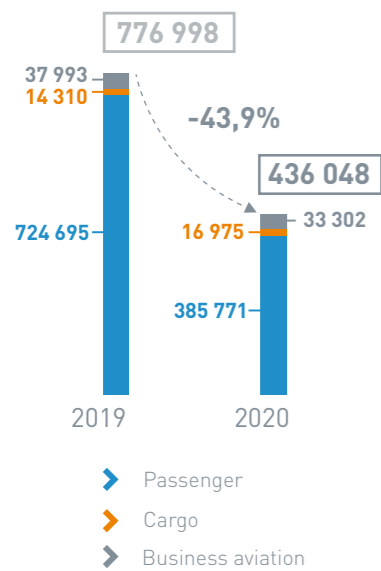
In 2020 Sheremetyevo International Airport retained its leading positions in the air transportation market of the Moscow Air Hub (MAH). However the MAH passenger traffic decreased by 52.3% in general, from 101.7 to 48.5 million passengers. In 2020, 436 thousand airfield operations (AFO) were performed via the MAH airports, against 777 thousand a year earlier (-43.9%).



### MAH Airports Share in the Passenger Traffic of All Types

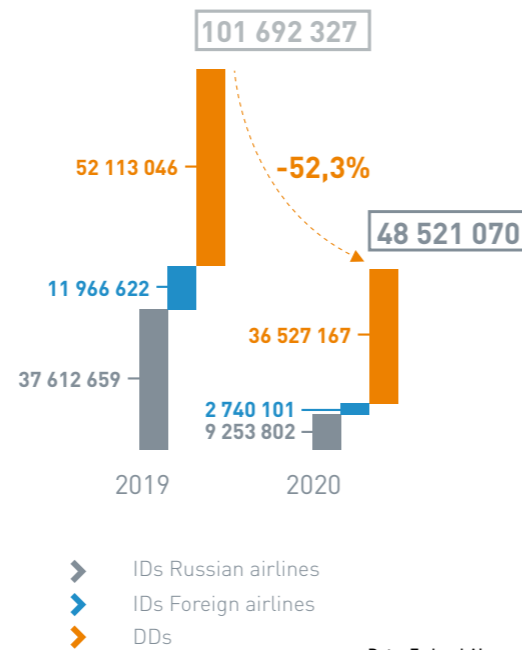


### Airfield operations in the MAH



Data: Federal Air Transport Agency

### MAH passenger traffic (by number of passengers)



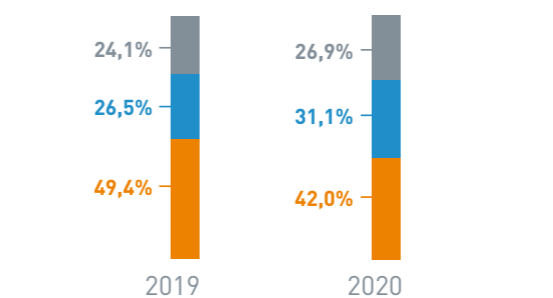
Data: Federal Air Transport Agency

As international air transportation was the first to suffer from the pandemic, Sheremetyevo's share among the MAH airports decreased in 2020, in respect of the number of passengers from 48.6% (in the previous year) to 40.3%, and in respect of airfield operations from 49.4% (in 2019) to 42%. Nevertheless, in 2020 Sheremetyevo still accounted for over half (52.6%) of the MAH passenger traffic on international lines remaining the main airgate of Russia.

### AIR FREIGHT AND MAIL TRANSPORTATION

Notwithstanding the extremely complicated year for all global civil aviation, Sheremetyevo managed not only to preserve the status of uncontested leader in cargo and mail transportation market of the MAH but also to increase its share by 1.3 percent, from %66.6 in 2019 to %67.9 in 2020.

### MAH Airports Share in terms of Airfield Operations Number



➤ Vnukovo ➤ Domodedovo ➤ Sheremetyevo

Data: Federal Air Transport Agency





## PARTNER AIRLINES

Sheremetyevo Airport provides advantageous terms and quality service to airlines and passengers allowing to attract new carriers and expand destination network. Sheremetyevo International Airport is Russia's largest airport in terms of passenger and freight traffic and is among the TOP-5 airport hubs in Europe. In 2020 Sheremetyevo Airport was awarded a number of high-prestige awards and won leading positions in the ratings in the sphere of infrastructural development, operational activities and service quality for all passenger and customer categories.

In 2020 40 Russian airlines performed flights in Sheremetyevo, including business aviation, freight and passenger airlines. Of these, 33 companies have concluded service contracts and 14 were performing regular flights. Russian air carriers account for 94.4% of the flights performed and 97.3% of passengers carried.

The largest air carrier - the basic airport partner - is Aeroflot airlines. Aeroflot has one of the "youngest" aircraft fleet in Europe (230 aircraft). Most of them are Airbus A320, Boeing-737 and Sukhoi SuperJet 100 family jets. The airline's destination network of the Sheremetyevo company has 156 regular destinations.



### Number of airfield operations in 2020 as per air carriers categories and changes as compared to 2019

Index	
<b>Sorties per transportation category, TOTAL</b>	<b>93 183</b>
<b>Growth rate by 2019, %</b>	<b>- 51,8%</b>
<b>Passenger airlines</b>	<b>85 286</b>
<b>Airlines of the Russian Federation</b>	<b>82 678</b>
Aeroflot Group	73 104
Other airlines	9 574
<b>Foreign airlines</b>	<b>2 608</b>
<b>Growth rate by 2019, %</b>	<b>- 53,7%</b>
for Russian airlines, %	- 51,7%
for foreign airlines, %	- 80,1%
<b>Cargo airlines</b>	<b>5 269</b>
<b>Growth rate by 2019, %</b>	<b>1%</b>
for Russian airlines, %	-4%
for foreign airlines, %	30%
<b>Business aviation</b>	<b>2 628</b>
<b>Growth rate by 2019, %</b>	<b>- 27,3%</b>
for Russian airlines, %	- 11,3%
for foreign airlines, %	- 35,1%

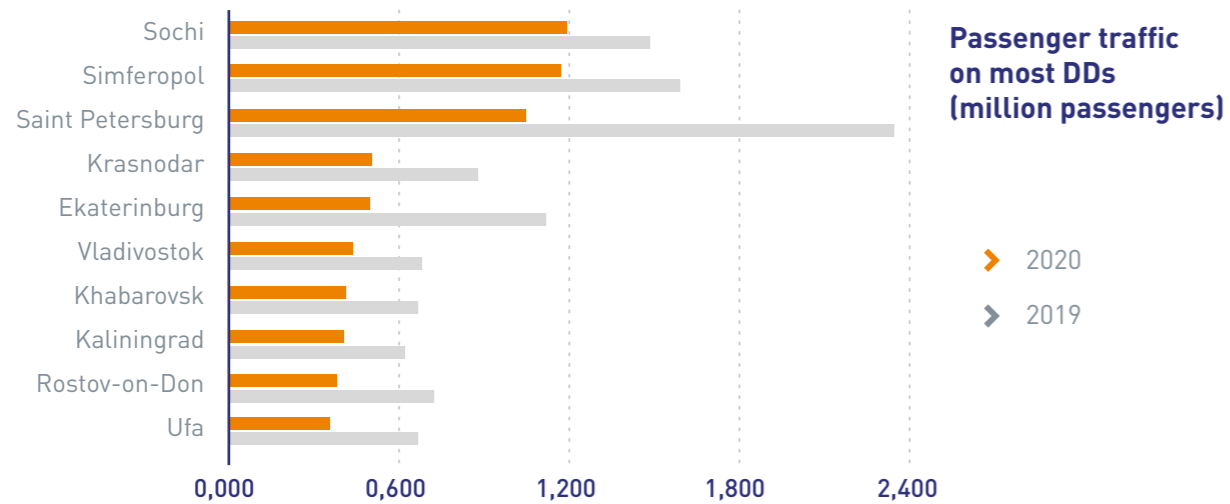




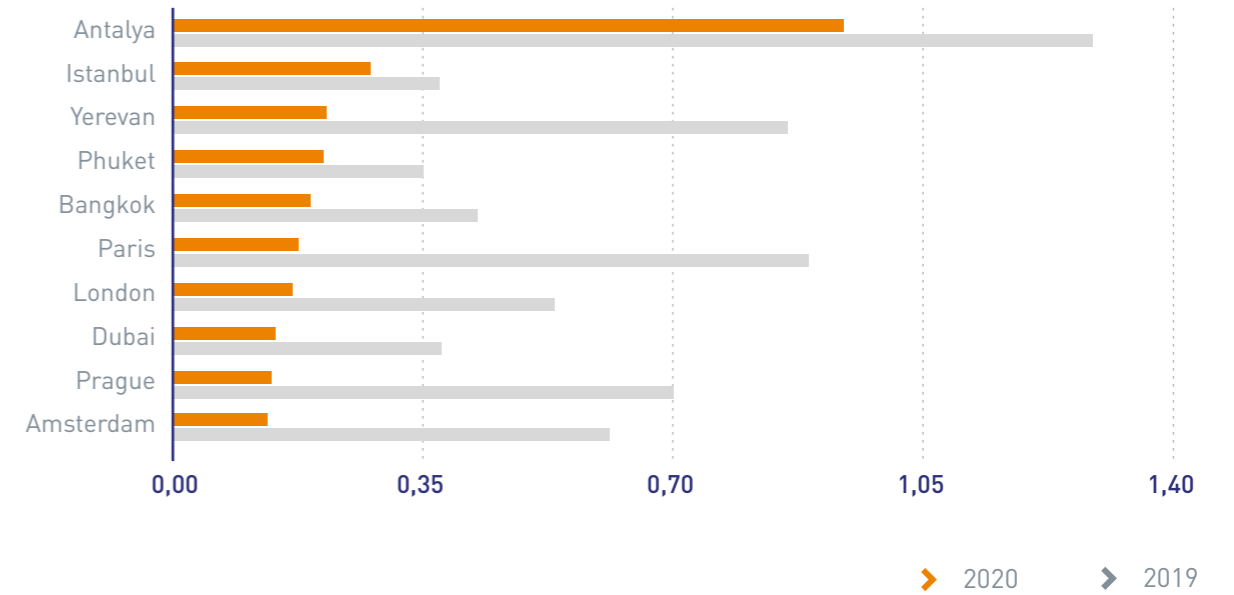
## DESTINATION NETWORK

Sheremetyevo Airport is the largest Russian airport servicing domestic and international flights. Its destination network has over 200 destinations, 6 of which were opened in 2020.

The following federal destinations were highly demanded by air passengers in 2020: Sochi, Simferopol, Saint Petersburg, Krasnodar, Ekaterinburg, Vladivostok, Khabarovsk, Kaliningrad, Rostov-on-Don, Ufa.



## Passenger traffic on most IDs (million passengers)



1



The main foreign destinations in 2020 were Antalya, Istanbul, Yerevan, Phuket, Bangkok, Paris, London, Dubai, Prague, Amsterdam.

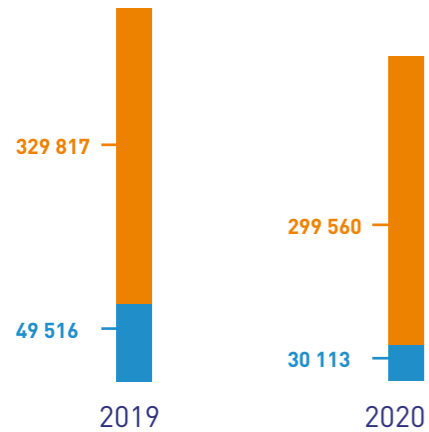




## CARGO TURNOVER



### 2020 Results in Cargo and Mail Handling (tons)



- Cargo and mail handled by Moscow Cargo LLC
- Mail and mail handled by JSC Sheremetyevo Cargo

Servicing of cargo traffic in Sheremetyevo International Airport in 2020 was performed by two operators: Moscow Cargo LLC and JSC Sheremetyevo Cargo. The total airport cargo terminals area is 70,300 sq.m, of these, the "Moscow Cargo" terminal with the total area of 42,300 sq.m and the "Sheremetyevo Cargo" terminal with the total area of 28,000 sq. m.

Cargo turnover was also slightly decreased due to general flight connection reduction. The total volume of the cargoes handled in Sheremetyevo Airport decreased by 9% as compared to 2019 and amounted to 299,560 tons. About 70% of Sheremetyevo cargo traffic was handled by the enterprise within MASH GC - Moscow Cargo LLC - a hi-tech air cargo terminal commissioned at the end of 2017 and having no analogues in Russia as regards the technical equipment level.



Moscow Cargo LLC is the largest air terminal complex and a company specializing in ground servicing of air freight and mail transportations in Russia. The company is located in the territory of Sheremetyevo airport and provides services to all aircraft types of Russian and foreign make during transportation of cargoes and mail. The main partners of Moscow Cargo LLC are the companies Aeroflot, Russia, Air Bridge Cargo, Volga-Dnepr, Atran, CargoLogicAir, China Eastern Air Holding, Emirates, Aviastar-TU, Nordwind, Pegas Fly.

The last year once again proved the correctness of the strategic program implemented by the airport that is equally focused on successful development of passenger and freight transportation. Thanks to the wide specter of aviation services, modern large-scale investments into the airport infrastructure as well as quickly taken management decisions and efficient interaction among its subsidiaries and associates, MASH Group of Companies was able to promptly react to the industry challenges and its customers' requirements.

In the pandemic conditions Sheremetyevo Airport assumed the role of the largest Russian air hub for servicing medical goods: personal protective equipment, medical equipment, medicines, disinfectants, and later vaccines against coronavirus. During 2020, Moscow Cargo LLC processed about 20 thousand tons of IDs medical cargoes, that is almost by 70% more than during 2019.

Starting from November 2020, the "Moscow Cargo" cargo terminal has successfully cooperated with the Russian Direct Investment Fund (RDIF) providing for service and regular shipment of the first Russian vaccine against coronavirus, Sputnik V, both to Russia and abroad - to Hungary, Serbia, Kazakhstan, Argentina, Egypt, Algeria, Slovakia, Bahrain, Moldova, Mexico, etc.

Apart from the medical goods that are in high

demand during the pandemic, e-commerce goods received an additional impetus during the pandemic and became one of the key drivers of the global air traffic growth in 2020. Thanks to the successful development of the SVKh Express Project, initiated by Moscow Cargo LLC in 2018 with the aim to attract express carriers, the volume of cross-border e-commerce shipments processed by the terminal increased by 158% in the previous year and reached the amount of 11.3 thous. tons.

Moscow Cargo Terminal was also one of the first to service the new "cargo-only" flights format, freight charters performed on passenger aircraft when cargo is placed not only in the baggage and cargo compartments but also in the aircraft cabin. Existence of modern cargo infrastructure and comprehensive approach to satisfying air carriers' demand allowed Moscow Cargo to effectively adapt to the quickly changing market conditions and attract new companies for cooperation. In 2020 the companies Nordwind, Pegas Fly, Mahan Air, Uzbekistan Airways, China Eastern, Emirates, iFly, Bamboo Airways, Cubana de Aviación, Aerolíneas Argentinas, Royal Flight, Azur Air, Aviastar-TU became Moscow Cargo partners,

Despite the complicated planning in the conditions of a large number of chartered flights as well as a more laborious process of servicing cargo-only flights, Moscow Cargo LLC has fully complied with its obligations to the Sheremetyevo airport strategic partners - PJSC Aeroflot and AirBridge Cargo Airline LLC - as to the service regulatory standards, providing for keeping KPIs at the levels of 95% and 99.71% respectively.

Efficient interaction with air freight carriers and successful involvement of new companies into the cooperation allowed Moscow Cargo to compensate for decreasing cargo traffic caused by significant reduction of destination networks and passenger airlines flights. On IDs flights the volume of imports handled by the terminal





increased by 28%, of exports – by 16,7% (and in general on IDs – by 25,3%); the cargo traffic volume on domestic lines increased by almost 7% amounting to the record 85 thousand tons. Thanks to these results, the decrease in the airport cargo turnover amounted only to 13%, which is in compliance with the general global indices in the industry (-12% as per the IATA forecast). And that is notwithstanding the drastic reduction of transfer cargoes volume (by 54%) that amounted to about 30% of Sheremetyevo’s traffic as well as the postal transportations volume (by 39%).

The development program of Moscow Cargo LLC includes not only cargo infrastructure modernization and service quality improvement but also implementation of projects aimed to create maximally comfortable conditions for the company’s partners. Within the framework of this objective, Moscow Cargo LLC, jointly with Sheremetyevo Security have undergone audit and validation of the terminal in the status of RA3 (Regulated Agent 3rd country). Availability of RA3 International Certificate significantly facilitates cargo and mail transportation to EU countries for Sheremetyevo partner airlines.

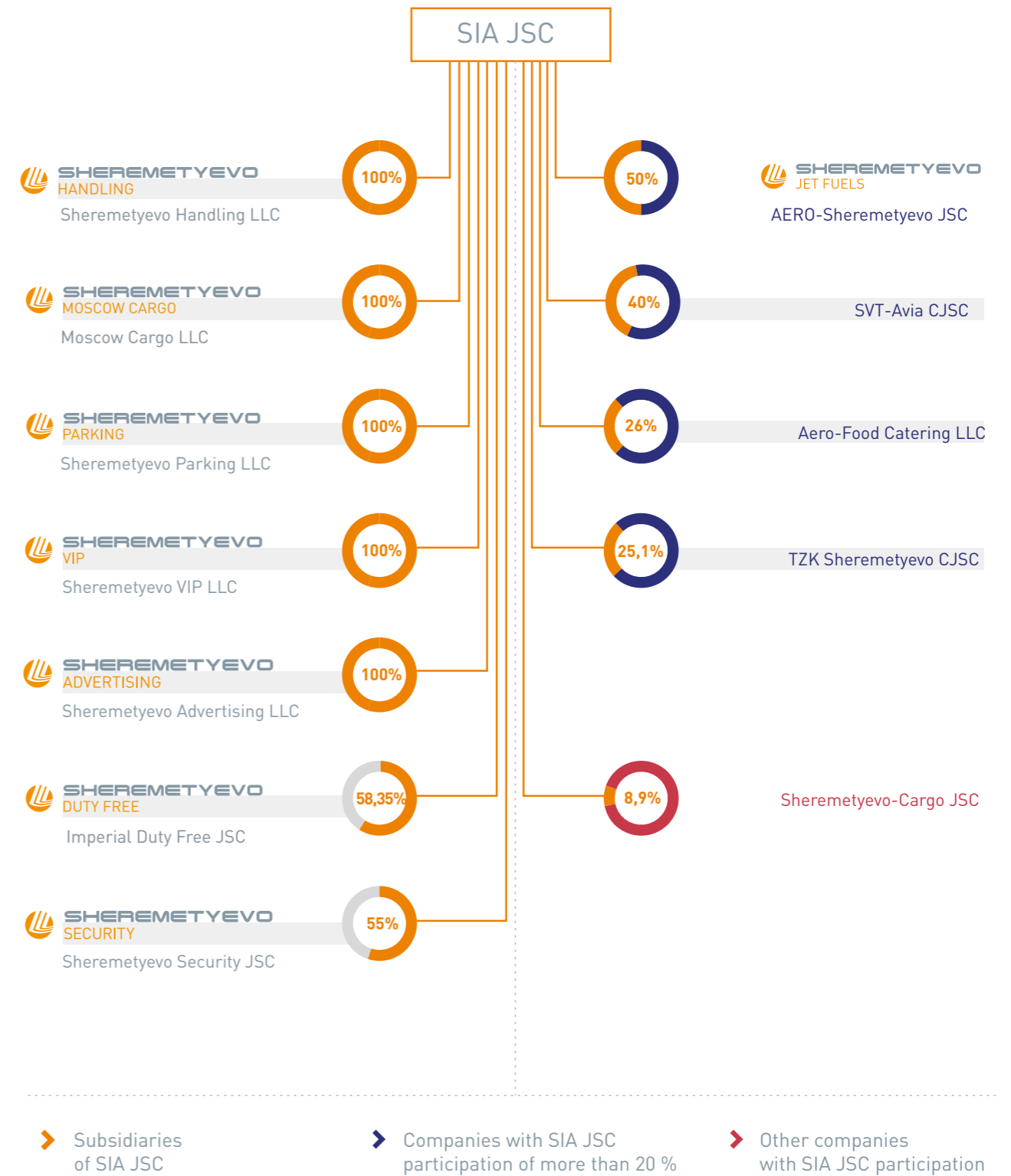
Digitalization of the enterprise internal technology processes and development of electronic services for customers and airlines, including transfer to electronic airwaybills

(e-AWB) remains one of the company’s priority activities. In particular, Moscow Cargo LLC, jointly with PJSC Aeroflot, is actively working on introducing e-AWB on DDs flights.



## SIA GROUP

### SIA Group Structure





## MEMBERSHIP IN NON-PROFIT ASSOCIATIONS AND CERTIFICATION

### MEMBERSHIP IN PROFESSIONAL ASSOCIATIONS



#### INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA), CANADA

Purpose of participation: maintaining the quality and safety of ground handling operations at the level of world standards and obtaining the appropriate certification



#### AIRPORTS COUNCIL INTERNATIONAL – EUROPE, BRUSSELS

Purpose of participation: benchmarking in international ratings (ACI ASQ program “Quality of Services at Airports”), access to up-to-date information, best practices and standards of airport business.

Form of participation: voluntary with annual membership fees.

SVO JSC is a member of the organization, cooperates with its members, participates in joint research on issues affecting the aviation industry with the aim of promoting a safe, environmentally compatible and efficient air transportation system in the interests of the public, shippers and for economic development at the national and international levels.



#### THE AMERICAN CHAMBER OF COMMERCE IN RUSSIA (AMCHAM RUSSIA)

Purpose of participation: establishing business relations with members of the Chamber - the largest American corporations, Russian companies, as well as leading business entities of Europe and Asia; participation in the work of special commissions and committees as an industry leader in Russia; introduction to the most modern world practices in the development of corporate culture, IT, jurisprudence, taxation and marketing; representing the interests of the air transportation industry in a reputable international organization.

The form of participation is voluntary with annual membership fees.



#### RUSSIAN UNION OF INDUSTRIALISTS AND ENTREPRENEURS, RUSSIA

Purpose of participation: uniting employers to ensure their participation in the system of social partnership; creating a favorable business climate for the successful development of a market economy, increasing the competitiveness of Russian business, strengthening the positive reputation of industrialists and entrepreneurs; participating in social partnership bodies, development of relationships between employers, employee

representatives and government bodies; participating at the federal level in negotiations and preparation of agreements regulating social and labor relations as well as associated economic relations.



#### INTERNATIONAL AIRPORTS ASSOCIATION (IAA), RUSSIA

Purpose of participation: assistance in the development of common positions on issues of common interest, and their protection in the international arena; promoting the development of civil airports for the benefit of air transportation.

Form of participation: full member in the Association.

### PROFESSIONAL AND INDUSTRY CERTIFICATES



#### CERTIFICATES OF CONFORMITY INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO), SWITZERLAND.

**CERTIFICATE** of compliance of the quality management system with the international standard ISO 9001: 2015.

**CERTIFICATE** of compliance of the environmental management system with the international standard ISO 14001: 2015.

**CERTIFICATE** of compliance of the management

system in industrial safety and labor protection with the international standard OHSAS 18001: 2007.

The certification was carried out by the Certification Association “Russian Register”, which is a member of the International Association of Certification Bodies IQNet. Compliance with certification requirements is confirmed annually by passing inspection.



#### CERTIFICATES OF AN INDEPENDENT AUDIT OF THE QUALITY OF AIRPORT SERVICES OF THE SKYTRAX CONSULTING COMPANY, UK

**CERTIFICATE** of conformity of the quality of airport services in Terminal B of Sheremetyevo Airport to the highest rating of “5 stars” under the Skytrax program.

Skytrax is the only airport service quality assessment program using an independent peer-reviewed secret shopper audit.

The purpose of the participation of SVO JSC: reviewing the compliance of airport terminals with the “5 stars” rating, as well as access to up-to-date information, best practices and standards of airports in the world.



#### AIRFIELD SERVICE QUALITY CERTIFICATES OF THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (SAFETY AUDIT FOR GROUND OPERATIONS FOR INTERNATIONAL AIR TRANSPORT ASSOCIATION, ISAGO IATA), CANADA



Sheremetyevo Handling, LLC has:

**CERTIFICATE** of compliance with ISAGO IATA ground handling safety procedures;

**CERTIFICATE** of DAQCP IATA for De-icing & Anti-icing Quality Control Pool

CERTIFICATE RA3 - THIRD COUNTRY REGULATED AGENT.

EUROPEAN AVIATION SAFETY AGENCY - EASA.

The certificate greatly simplifies for airlines for the transport of goods and mail from Sheremetyevo to EU countries, as well as call - sends to the terminal's partner airlines, relying on "Moscow Cargo", how to act - agent RA3, in a simplified manner get certified and get ACC3 status (Air Cargo or Mail Carrier operating into the Union from a Third Country Airport)



## RA3

Regulated Agent in 3rd Country

### CERTIFICATE RA3 - THIRD COUNTRY REGULATED AGENT. EUROPEAN AVIATION SAFETY AGENCY - EASA

The certificate greatly simplifies the transportation of cargo and mail from Sheremetyevo to EU countries, and also allows the terminal's partner airlines that rely on Moscow Cargo as an acting RA3 agent to undergo simplified certification and receive ACC3 status. (Air Cargo or Mail Carrier operating into the Union from a Third Country Airport).





## 2020 CALENDAR OF MAJOR EVENTS

### JANUARY



According to the results of 2019, Sheremetyevo International Airport is the most punctual airport in the world according to the rating of the Aviation Agency for Statistics and Analysis of Flight Data the world leader in punctuality in the category of the largest airports in the world according to the British research company OAG.

The new international passenger Terminal C was put into commercial operation and received the first flight from Helsinki. Terminal with an area of 127,375 sq. m was built as part of the Northern Terminal Complex while being a part of the Long-term Development Program of SVO.

Runway 06C / 24C (Runway-1) is closed for a year for reconstruction, which provides for dismantling and new construction of a full-fledged cement-concrete runway 3550 meters long and 60 meters wide.

Due to the declared danger of the spread of the coronavirus infection, starting January 21, Sheremetyevo Airport has upgraded sanitary monitoring of flights from China, and starting

January 31, as part of the implementation of measures to prevent the spread of coronavirus, all flights to / from China have been transferred from Terminals D and E to Terminal F.

### FEBRUARY



A delegation of managers and specialists of Sheremetyevo Airport took part in the business part of the VII National Exhibition of Civil Aviation Infrastructure NAIS-2020. The participants of the conference "Effective Strategies for the Development and Management of Airports" were presented with a detailed report on "Modern Infrastructure and Prospects for the Development of SVO".

Sheremetyevo became a laureate of the Russian Air Gateway 2020 National Award in the nomination categories for the Best Airport according to the journalists' vote, and the Discovery of the Year for the commissioning of the third independent runway.

Sheremetyevo Airport is the winner of the prestigious Business Traveler Russia and CIS Awards in the category "Best Airport in Russia and the CIS". The Moscow Business Lounge was recognized as the Best Business Lounge in Russia and the CIS.

### MARCH



Sheremetyevo Duty Free Heinemann, operator of the duty-free market at Sheremetyevo Airport, has joined the international loyalty program Heinemann & Me. Loyalty program members who shop in Heinemann stores now



Sheremetyevo Airport is the first domestic base airport for the new generation of Airbus A-350 900, on which Aeroflot began flights on the Moscow - St. Petersburg route.

Sheremetyevo was recognized as the best for the quality of services in the category of the largest airports in Europe according to the global monitoring of the Airport Service Quality (ASQ) of the Airports Council International (ACI) in 2019.

At Sheremetyevo Airport, a second sleep and relaxation hall was opened with an area of 180 sq.

m in the public departure zone of Terminal D, with 15 rooms of various types.



At Sheremetyevo Airport a new office center of Moscow Cargo LLC was opened - a five-story building with an area of 10,797 sq. m. A modern "B+" class complex, designed for 1,018 workplaces, is intended for both company employees and tenants.

New routes from Sheremetyevo were opened in cooperation with airlines: Vietnam Airlines - to the resort of Nha Trang, and Severstal - to Ukhta.



All international flights are consistently transferred to service exclusively at Terminal F, which has a triple health monitoring system for arriving passengers.





A decision was made to transfer all domestic flights from Terminal D to Terminal B. Flights of Rossiya, Ikar, North Wind, Severstal, and Ural Airlines are being reassigned here.

On March 18, the first evacuation flight with Russian citizens from Tashkent landed in Sheremetyevo Airport. Over the next five months, Sheremetyevo received 236 flights with more than 50 thousand passengers returning home from New York, Paris, Frankfurt, Tel Aviv and other cities.

Since March 20, Terminals C and E have been temporarily decommissioned until the corresponding recovery in the volume of passenger traffic and the intensity of takeoff and landing operations.

Starting 00:00 a.m. on March 20, 27, regular and charter flights from the airports of Russian cities to the airports of foreign countries will be terminated.

## APRIL

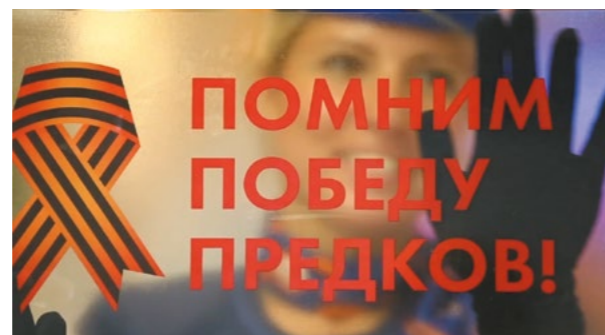


Sheremetyevo International Airport was once again recognized as the winner of the Wings of Russia national aviation award named after E.Ye. Chibirev in the "Airport of the Year" category. Sheremetyevo and the A.S. Pushkin State Institute launched a joint educational online project about Russian culture.

## MAY

Sheremetyevo International Airport joined the large-scale All-Russian event "Windows of Victory", dedicated to the 75th anniversary of the Victory in the Great Patriotic War.

Sheremetyevo was among top ten in the World's Best Airports by Passenger Numbers 2020 rating in the category of airports with a passenger traffic of 40 to 50 million people per year according to the survey of passengers conducted by the international agency Skytrax.



For six consecutive seasons, Sheremetyevo took part in the national event "Night of Museums": in 2020, the airport offered more than twenty different thematic events in an online format.

An inspection tour was held at Sheremetyevo Airport with the participation of the Minister of Transportation of the Russian Federation E.I. Dietrich, during which the readiness of the largest aviation hub in the country was checked for operation in compliance with the necessary safety measures when intensive passenger traffic resumes.



## JUNE



Sheremetyevo International Airport organized for passengers, guests and employees of third-party organizations the opportunity to be tested for the coronavirus infection in the terminals.

On Sheremetyevo's social media accounts, an online literary marathon "Pushkin is His Own to Each" organized by the airport and is being held in honor of the classic's birthday: artists, writers and TV anchors read their favorite works of the great poet.

SVO JSC was included in the Top-10 of the best Russian organizations in the field of corporate communications and corporate relations according to the results of the VII All-Russian rating of directors and departments of corporate communication and corporate relations TOP-COMM.

In Sheremetyevo, on the eve of the Day of the Medical Worker, an award ceremony was held

for the medical staff of the airport as part of the #Thanks to medics' campaign, organized by the All-Russian Public Movement "Medical Volunteers" and the RF Ministry of Health.

Rossiya Airlines transferred flights to Sheremetyevo, organized in partnership with the Biblio-Globus tour operator, to popular seasonal resorts in Sochi, Simferopol, Anapa and Kaliningrad.



## JULY

The operation of Terminal D was resumed, as well as round-the-clock train traffic of the inter-terminal passage.

Sheremetyevo, together with RDIF, was the first airport in the world to introduce a rapid test for coronavirus with results available in 60 minutes.



Sheremetyevo Airport, Royal Flight Airlines and the Russian Union of Industrialists and



Entrepreneurs, by order of the Russian Foreign Ministry, organized a unique evacuation flight with 197 citizens of the Russian Federation, Ukraine and Kazakhstan on board from six countries in Africa and Jordan.

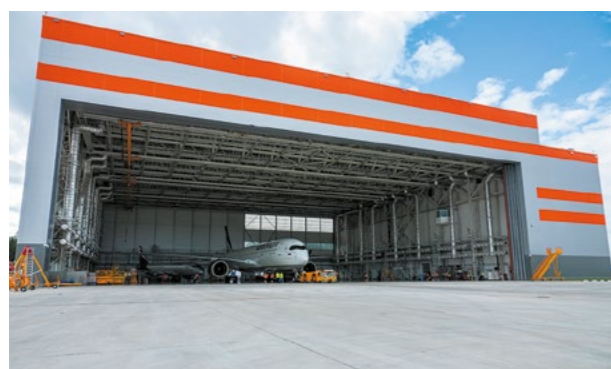
## AUGUST



Flights to popular tourist destinations in Turkey have been opened from Sheremetyevo as part of the phased restoration of international air traffic.

15 employees of Sheremetyevo Airport received departmental awards from the Ministry of Transportation of Russia for their labor success and many years of conscientious work in transportation.

## SEPTEMBER



A new hangar complex built in a record 12 months with a total area of 16,760 sq. m has been

opened in Sheremetyevo for the maintenance of the Aeroflot Group's aircrafts.

Sheremetyevo International Airport conducted special tactical exercises for the personnel of SVO JSC, handling operators and interacting organizations on actions in unusual and emergency situations or failures.

## OCTOBER

On the eve of the 70th anniversary of the United Nations Agency for Refugees (UNHCR), an exposition dedicated to the agency's activities was opened at Sheremetyevo Airport.



A reporting and election conference of the trade union organization was held at Sheremetyevo International Airport, where, in particular, a positive assessment was given of the employer's activities to protect the interests of employees during the pandemic.

Sheremetyevo International Airport won the audience award for the SAP Value Award 2020 based on the voting results of the business and expert community for the successful implementation of the Tax Monitoring project.

Main Directorate of RF State Expert Review issued positive opinions on the project for the construction and reconstruction of surface wastewater treatment facilities at the airport.



## NOVEMBER

In Sheremetyevo, with the participation of prominent people of culture and art, the grand opening and presentation of the all-Russian photo exhibition "Russia. Flight through the centuries", timed to coincide with the Day of National Unity took place.

Chairman of the Board of Directors of SVO JSC A.A. Ponomarenko presented to the Chairman of the Government of the Russian Federation M.V. Mishustin the most important achievements and infrastructure facilities of Sheremetyevo International Airport at the XIV International Forum and Exhibition "Transportation in Russia". Based on the report's summary, M.V. Mishustin thanked the management of SVO JSC for the work well done.

Sheremetyevo Airport became the winner of the National Award "Transport Security of Russia-2020" in the nomination category "The best transportation infrastructure with implemented requirements for transportation security."



Sheremetyevo Airport was awarded "Formula of Motion" for achievements in the field of transportation and transportation infrastructure in the "Best PR-activity" category for effective media activities during the pandemic.



On November 19, the international shipment of the first batch of Sputnik V vaccine to Hungary was flown from Sheremetyevo Airport.

## DECEMBER

Joint event under the auspices of the Year of Germany in Russia 2020/21 with the support of the German Embassy: Beethoven Day: fragments of the composer's works in the airport terminals and the exhibition Ludwig van Beethoven - Ode to Joy.

Sheremetyevo Airport was among Top-5 Russian companies in investment activities and efficiency, rated by the National Credit Ratings Agency and the Agency for Social Analysis and Forecasting for the first time.

After a large-scale reconstruction Runway-1 was put into operation a month ahead of schedule. The official opening took place with the participation of the Minister of Transportation of the Russian Federation V.G. Savelyev and other officials. For the first time in the history of Russian civil aviation, a parade



of airfield equipment took place on the runway.



# DEVELOPMENT STRATEGY

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## COMPETITIVE ENVIRONMENT

### COMPETITION WITHIN THE MOSCOW AIR HUB

**Sheremetyevo International Airport** is the key airport hub in Russia, the leader of the Russian airport services market. These services constitute the enterprise's principal activities.

Sheremetyevo International Airport has been servicing passenger and freight flights since 1959 (during 61 years). Sheremetyevo's main competitors are the Moscow Air Hub airports Domodedovo and Vnukovo as well as Zhukovsky airport located in the Ramensky District of the Moscow Region that, according to the documents of the Federal Air Transport Agency, is a regional one and has no relation to the Moscow Air Hub.

As per the 2020 performance, the share of Sheremetyevo passenger traffic in the structure of the total MAH airports passenger traffic decreased by 8 percentage points as compared to 2019 and amounted to 40% (passenger traffic not including children under 2 years of age).

As per the 2020 performance, Sheremetyevo airport provided services to 19.6 million persons, which amounted to 40.3% of all passengers carried among the MAH airports. In 2020, Sheremetyevo also became the leader in the number of airfield operations ("AFOs"), their share among the MAH airports being 42%.

Starting from December 2020, Sheremetyevo introduced the new air area structure that allowed to increase the handling capacity from 90 to 110 per hour, thereby increasing the total

handling capacity by 22% as compared to 2019.

Against the absolute decrease of international passenger traffic in Sheremetyevo by 20.1 million passengers (-76%), its share in the MAH remained at the level of 53%. The decrease is due to flights restrictions and prohibition on entry/departure of Russian and foreign nationals.

Absolute dropping of Sheremetyevo passenger traffic in domestic airlines, as per the 2020 performance, was 9.8 million persons (-43%) with decreasing of its share in the MAH from 44% to 36%. Such dropping was due to closing of some Russian cities, decreasing passengers' purchasing power - refocusing on low-budget and low cost carriers as well as to dropping of IDs-DDs transfer passenger traffic.

Within the framework of the actions for protection of life and health of Russian nationals residing abroad, Sheremetyevo Airport provided for servicing repatriation evacuation flights performed both by the airport's existing partners and airlines that had earlier performed flights from other MAH airports.

The target punctuality indices for flights departure were 85%, for flights takeoff - 90%, which exceeds the set target 2020 value by 10% and 5% and exceeds the flight performance punctuality indices in 2019 by 7.2%.

Sheremetyevo Airport was recognized the best in terms of the service quality in the category of Europe's largest airports with passenger traffic of over 40 million persons as per the results of the global program of Airports Council International for monitoring the service quality level in airports (Airport Service Quality, ASQ) for 2020. In 2Q 2020 Sheremetyevo remained the only airport in Europe with a passenger traffic of over 40 million persons, that suggested taking part in the ASQ ACI survey program. The evaluation indices for ASQ for 2020 grew by 0.09 unit as compared to 2019: the final evaluation

index of satisfaction with the airport amounted to 4.52.

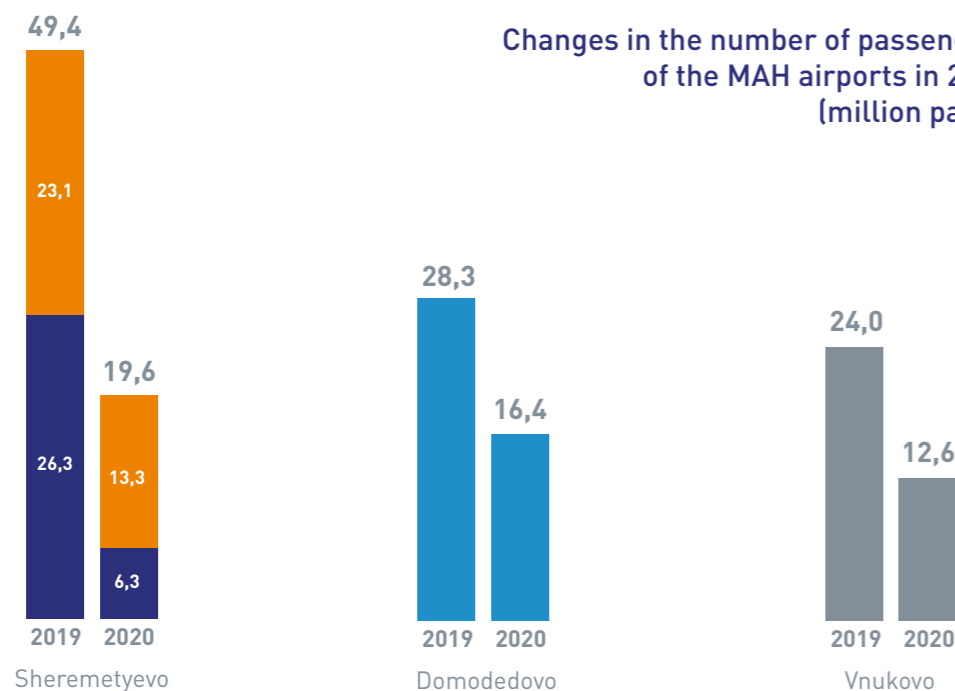
All Sheremetyevo terminals have undergone voluntary certification of accessibility of facilities and services and have accessibility certificates for disabled passengers and other persons with physical limitations. The time schedule for improvement of the barrier-free environment in the airport terminals has been developed and approved.

**Moscow Domodedovo Airport** is a large Russian airport accounting for 34% (+6 pp as per 2020 performance) of the total passenger traffic volume in the MAH. In 2020 the airport services were used by 16.4 million passengers that is 42% less than in the previous year.

Domodedovo airport was chosen for flights to Moscow by members of the aviation alliances Oneworld (with the Russian partner - S7 Group) and Star Alliance. Domodedovo passenger traffic on international destinations decreased by 9.0 million passengers to 2.9 million (-76%; the market share remained at the previous year level of 24%). The COVID-19 pandemic has had a negative impact (flights restrictions and prohibition on entry/departure of Russian and foreign nationals). Domestic destinations demonstrate decrease of passenger traffic by 2.9 million passengers (-18%, the final value is 13.5 million) with significant increase of the MAH market share (market share of 37% against 32% in 2019). The increasing share is conditioned by redistribution of capacities from IDs to DDs by the basic airlines S7, Ural Airlines, Red Wings and Smartavia with the said companies' using aggressive pricing policies.

The share of **Moscow Vnukovo Airport** in 2020 amounted to 26% (+2 pp). Vnukovo passenger traffic was 12.6 million passengers (-48% as compared to the previous year). The main carriers are UTair, Pobeda and Turkish Airlines. Vnukovo passenger traffic on international destinations dropped by 8.5 million passengers and reached

Changes in the number of passenger traffic of the MAH airports in 2019-2020 (million passengers)



➤ On domestic destinations (DDs)

➤ On international destinations (IDs)



2.8 million (-75%; the market share remained at the previous year level of 23%). The dropping is related to the COVID-19 pandemic (flights restrictions and prohibition on entry/departure of Russian and foreign nationals). Passenger traffic on domestic destinations has decreased by 23% and amounted to 9.8 million passengers (-2.9 million, the market share 27% against 24% in 2019).

**Zhukovsky Airport** continues to actively work on attracting freight and low-budget carriers. International flights from Zhukovsky are not part of flights from the Moscow Air Hub and consequently do not fall within the scope of the restriction of the inter-government air connection agreements. Ural Airlines are most actively using the airport's regional status, they have opened flights to Kyrgyzstan and Tajikistan, inaccessible for performance from the MAH due to absence of quotas.

## PRIME ADVANTAGES

The key advantages of Sheremetyevo over its main competitors when attracting new airlines and expanding existing partnerships are:

### Specifics of the geographic location and growth in demand for flights from Asia to Europe.

The geographical position and economy of Moscow contribute to the formation of a hub to support transfer passenger traffic between the East (Japan, China, the countries of Southeast Asia), Europe and Russian cities. In terms of transfer passenger traffic in 2019, the airport ranked 5th in Europe and 1st, excluding the Beijing Airport, in terms of the number of transfer passengers on flights from and to China.

### Modern infrastructure, supporting the growth of passenger traffic.

Sheremetyevo Airport implements the largest development program infrastructure: in 2020-2019 launched two new terminals (B and C) were put into operation, the third was built and the first was reconstructed runways, erected numerous infrastructure facilities. The total airport capacity in the reporting year increased to 80 million passengers.

### A unique complex of services for cargo transportation.

The cargo terminal of Moscow Cargo LLC, commissioned in 2017, is the largest aviation cargo complex in Russia, with a throughput capacity of 380 thousand tons per year, with a total area of over 42 thousand square meters. m, equipped with 29 loading and unloading docks and 10 parking areas for cargo aircraft. In 2020, Sheremetyevo actively developed the sector of international air cargo transportation, which allowed Moscow Cargo LLC on international airlines to increase import turnover by 28%, and export turnover by 16.7% compared to 2019, including not only for due to the transportation of medical products, but also due to the multiple increase in the volume of cross-border shipments (e-commerce cargo). For accelerated handling of this category of goods.

### High quality of passenger service.

According to the results of the ACI Airport Service Quality (ASQ) ACI global airport service quality (ASQ) program, Sheremetyevo International Airport has occupied a leading position since 2012 and was recognized as the best airport in Europe in terms of the quality of passenger service. In 2019, Terminal B of Sheremetyevo Airport received a certificate of compliance with the quality of airport services to the maximum level of 5 stars from Skytrax. The parameters that determined the high marks received by Sheremetyevo Airport in 2020 are not only the high punctuality of flights, but also the

general atmosphere at the airport, the courtesy and efficiency of the staff, the convenience of service and navigation, the comfort of business lounges, waiting rooms and boarding rooms.

### Punctuality of flights as an indicator of the quality of ground services and air traffic coordination.

At the end of 2019, Sheremetyevo was recognized as the world leader in punctuality in the Mega Airports category according to the rating of the British research company OAG. The punctuality rate for arrival and departure was 87%. Sheremetyevo is also recognized as the most punctual airport in the world in the categories of Global Airports and Large Airports, the aviation statistics and analysis of flight data Cirium - in 2019, 95% of flights departed on schedule;

### Convenient location of the airport in Moscow Region.

According to a study by the Boston Consulting Group (2017), the proximity of Sheremetyevo to the center of Moscow and its transport accessibility create a competitive advantage influencing the choice of an airline for 46% of citizens of Moscow and Moscow Region, office employees and tourists.





## BUSINESS STRATEGY

### SPECIFICS OF STRATEGIC PLANNING OF SIA

The airport Long-Term Development Program (LDP) and the Master Plan, being an integral part thereof, have a pivotal role in strategic planning of Sheremetyevo Airport activities. These documents are now based on errand of the President of the Russian Federation No. Pr-3086 of December 27, 2013, Decree of the President of the Russian Federation of 07.05.2018 "On National Objectives and Strategic Goals of Development of the Russian Federation for the Period till 2024" and Resolutions of the Government of the Russian Federation No. DM-P-13-4513 of 21.07.2018 and No. 276-P13 of 17.01.2019.

The main areas of Sheremetyevo Airport prospective development were first approved by the Board of Directors of JSC in August 2005 (Section III § 8 of Minutes No. 75 of 15.08.2005). The executive bodies' proposals submitted for consideration by the Board of Directors concerned defining the main strategic goals and priority areas of the Company activities, Sheremetyevo Airport development concept.

In 2008, the Master Plan of Sheremetyevo Airport development for the period till 2030 was elaborated involving the consulting company Scott Wilson Ltd (U.K.). The Master Plan was examined at the meeting of the Company Board of Directors (Section III § 1 of Minutes No. 100), approved by the Strategic Committee for cooperation of the Airport and Aeroflot airlines. When the Master Plan was being prepared, the existing condition of Sheremetyevo Airport was analyzed and the main areas of the Company's development were defined.

The Master Plan confirms the feasibility of creation of the second Sheremetyevo maneuvering area with construction of a new RW-3 suitable for acceptance of all aircraft types.

In 2012 the advisors - developers of the Master Plan prepared a short expert opinion on options and stages of development of the Northern and Southern terminal areas of the airport, taking into consideration the existing restrictions and the new Aeroflot development strategy, including updating of the basic passenger traffic forecast as per the Master Plan till 2025. The advisors' report confirmed the feasibility of development of the Northern terminal complex of the airport from the point of view of efficient strategic development of the airport.

In 2012, the Federal Air Transport Agency issued the permit for construction of RW-3 of Sheremetyevo International Airport. The construction was effected using funds from the federal budget within the framework of the federal target program "Development of the Transport System of Russia (2010-2021)", the facility was commissioned in September 2019, and, as a specific infrastructure feature, there was constructed the first bridge in the country crossing a motor road, 17 meters high, for all aircraft types with the aim to connect RW-3 to the terminal complex.

**Additionally, large-scale construction and reconstruction of airport facilities, funded within the framework of the Concession Agreement, has been implemented and is continued at the present moment at Sheremetyevo Airport, including but not limited to the following facilities:**

- reconstruction of the central and eastern part of the new high-speed taxiway (HST);
- reconstruction of artificial RW-1;
- construction of connecting taxiways (including high speed ones);
- reconstruction of the II and III stages of the central apron of Sheremetyevo-1 sector;
- construction and reconstruction of air traffic management facilities;
- technical reequipping of Terminal F.

**In September 2013 the airport chose a strategic investor with whom the development of the Northern Terminal Zone of Sheremetyevo is effected. Starting from 2014, the following prospective projects related to the airport terminal complex development were implemented:**

- construction of the new airport terminal complex with indicative reception capacity of 20 million passengers per year. The new terminal is situated at the location of the old Terminal B (commissioned in May 2018);
- construction of inter-terminal connection facility between the Northern and Southern terminal complexes (an underground tunnel under the Runways systems, commissioned in May 2018);
- construction of a new cargo terminal with related infrastructure, with indicative capacity of 380 thous. tons per year (the first stage was commissioned in September 2017);
- construction of new alternative bulk fuel installations in the territory of Sheremetyevo Airport (commissioned in July 2018);
- reconstruction of Terminal C (Stage I) with indicative reception capacity 20 million passengers per year. The new Terminal C (Stage I) united with Terminal B became part of the Northern Terminal Complex (NTC) of Sheremetyevo (the Terminal was opened on January 17, 2020).

In August 2019 the General Board of State Expert Review of Russia issued a positive opinion to the design documentation providing for construction of new facilities and reconstruction of existing facilities of



the airfield infrastructure at the western apron of Sheremetyevo-1 sector, namely: two parts of the new HST and taxiways adjacent thereto, reconstruction of the central apron of the domestic flights servicing sector of Sheremetyevo-1, sewage treatment facilities and drainage system, equipping the western part of the apron and its adjacent taxiways with signal lamp equipment.

In 2019, within the framework of the investment program of JSC RZD, there was initiated the construction of a new railway line and railway Aeroexpress station for direct connection between the Northern Terminal Complex (NTC) and Moscow. The new railway will reach Terminal B and Terminal C that make part of the NTC. Implementation of the project is planned by the end of 2021.

On September 15, 2020 presentation of a new hangar complex for aviation and technical service of Aeroflot Group aircraft took place in Sheremetyevo. Its construction took only 12 months, which is a record figure as regards construction of complicated technical facilities of such type in Russia. The commissioning of the hangar complex with modern engineering equipment for comprehensive checking of aircraft technical condition, allowing servicing any aircraft types operated within Aeroflot Group is one of the stages of implementation of the airport Long-Term Development Program.

In October 2020 experts from the General Board of State Expert Review of Russia examined the design and cost estimate documentation repeatedly submitted by FGUP AGA(A) with adjustment of solutions for construction and reconstruction of sewage treatment facilities for surface water run-offs in the territory of the airport. A positive opinion was issued based on the state expert examination results. In the course of the project implementation it is planned to build a RP-67A distribution substation and TP-OVI-16A transformation substation, to reconstruct the surface water run-offs sewage treatment facilities with inlet and outlet collectors. Besides, taxiways of Sheremetyevo-2 sector will be equipped by transitional waiting places.

In the course of adjustment of the design documentation for which a new positive opinion of the General Board of State Expert Review was obtained, in connection with changing of the routes based on updated land surveying, amendments were made to the decisions on construction of inlet and outlet collectors to the sewage treatment facilities and on making external electric 10kV cable lines, the surface water run-offs sewage treatment facilities reconstruction decisions were reviewed. Moreover, an updated urban construction plan of the land plot was presented, works for changing over of communication and control cables and construction of one of the parts of the collector were excluded from the project.

The total amount of state and own investments in implementation of the key Sheremetyevo Airport development projects from 2016 to 2020 exceeded USD 2.04 billion (without VAT), allowing the airport to reach the terminal complex reception capacity of over 80 million passengers, and the airfield reception capacity of 110 million passengers annually.

## THE LONG-TERM DEVELOPMENT PROGRAM TODAY

In 2019, Sheremetyevo International Airport, with involvement of Boston Consulting Group, developed the new SIA Group of Companies' Long-Term Development Program for 2019 - 2025. It was approved by the Board of Directors of SIA JSC (Minutes No. 279 of 27.11.2019).

### The Long-Term Development Program provides for the following strategic goals to be reached by the end of 2025:

- to become one of the top three airports of the Europe in terms of quality of service;
- to become an airport carrying annually 69 million passengers and 530 thousand tons of cargoes;
- to ensure punctuality of flights to/from the TOP-5 airports of the world;
- to achieve at least 50% profitability as per EBITDA;
- to become an airport with modern infrastructure;
- to become an airport conducting efficient operations, guaranteeing providing safe labor conditions, saving life and health of each worker;
- to minimize the level of negative impact on the environment and increase the level of rational use of nature resources and energy resources.

The Long-Term Program provides for development of modern Sheremetyevo Airport infrastructure, further development of the Northern Terminal Complex, development of the eastern apron of the Southern Terminal Complex.

### The main business model of SIA Group of Companies according to the Program is:

- servicing of airlines (providing airport infrastructure, ground service of passenger transportation, providing airlines' aircraft with jet fuel);
- servicing of passengers (management of commercial areas in the terminals, VIP and business lounge services, duty free trade and travel retail, parking, advertisements placing);
- handling cargoes (terminal processing of cargoes, warehousing services, transfer cargoes, mail);
- ensuring aviation safety.

### The Company Long-Term Financial Model, valid as of the date of preparation of this Annual Report, has been developed for the period till 2032 and approved by the Board of Directors of SIA JSC on February 24, 2021. The forecast for 2032:

- increasing reception capacity of the Sheremetyevo International Airport terminal complex to the level of over 100 million passengers per year, the main contribution



to increasing the reception capacity is expected due to implementation of the second stage of reconstruction of international Terminal C;

- operating income growth - for aviation activities: in proportion to the passenger traffic growth taking into consideration indexation of tariffs for the forecast inflation level; for non-aviation activities: in proportion to the growth of leased areas per respective businesses of the tenants, taking into consideration indexation of lease rates for the forecast inflation level. Expected structure of the Company's operating income by 2032: 65% - income from aviation activities; 35% - income from non-aviation activities;
- increasing the Company's earning capacity in terms of net profit due to implementation of the positive effect of the scale and repayment of the existing interest-bearing liabilities.

The main contents of the adjusted Long-Term Development Program till 2025 are constituted by a number of measures necessary for achievement of the set goals. Some part of these measures have already been implemented, some of them are being conducted in accordance with the plan and some will be possibly moved to other dates. On the whole, as of the moment of preparation of this report, the core of the Sheremetyevo Airport Long-Term Development Program till 2025 looks as follows:

#### Aviation Activities:

- providing for services to Aeroflot passenger traffic;
- further increasing of passenger services quality;
- plan of joint activities with Aeroflot to realize the potential for transit growth.

#### Non-Aviation Activities:

- increasing freight transport volume;
- increasing business efficiency.

#### Infrastructure Development:

- development a new cargo complex;
- construction of the third bulk fuel installations (BFI) and the centralized fueling system in the apron of the Northern Terminal Complex;
- reconstruction of Terminal C (Stage 2);
- reconstruction of RW-1;
- investment programs for keeping the existing airport airfield complex in working condition;
- technical reequipment of Terminal F;
- construction of a new railway Aeroexpress station and railway connection line to

the NTC.

#### Operating Performance:

- maintaining a leading position in punctuality;
- increasing of productiveness and quality of operations;
- decreasing unit costs for passenger traffic.

#### Financial Data:

- provision of financing for infrastructure facilities included in the concession agreement.

#### Digitalization and introduction of new technologies:

- digitalization to improve customer (passenger) experience;
- implementation of new technologies for interaction with counterparties;
- introduction of new technologies to improve the efficiency of business processes.

In 2015 - 2020 those Long-Term Development Program measures were performed that constituted the major prerequisites for its success in general. In the first turn, it concerns forming a viable structure: as the result of the reorganization, a consolidated group of companies engaged both into aviation and non-aviation activities was created in Sheremetyevo: VIP-lounges, duty free shops, parking areas, advertising, bulk fuel installations and cargo handling system.

In the same years, the major prerequisites were created in the financial sector: based on the President's Decree No. 443 of 28.08.2015, Dispositions of the Government of the Russian Federation No. 1865-r of 22.09.2015 and No. 201-r of 11.02.2016 the next stage of SIA JSC privatization was exercised, resulting in decreasing of the federal property share to 30.46%. Additionally, in 2018 an agreement valid for 49 years was signed between the Federal Air Transport Agency and SIA JSC for transfer of state property (it includes, for example, the airfield and a number of other property objects) for concession to SIA JSC. Efficient public/private interaction was created due to changes in the ownership structure. Within the framework of this cooperation, capital investments of non-state funds from various non-budget sources into the airport infrastructure development program will amount to about USD 2.5 billion, including RUB 61 billion within the framework of liabilities as per the concession agreement terms and conditions.

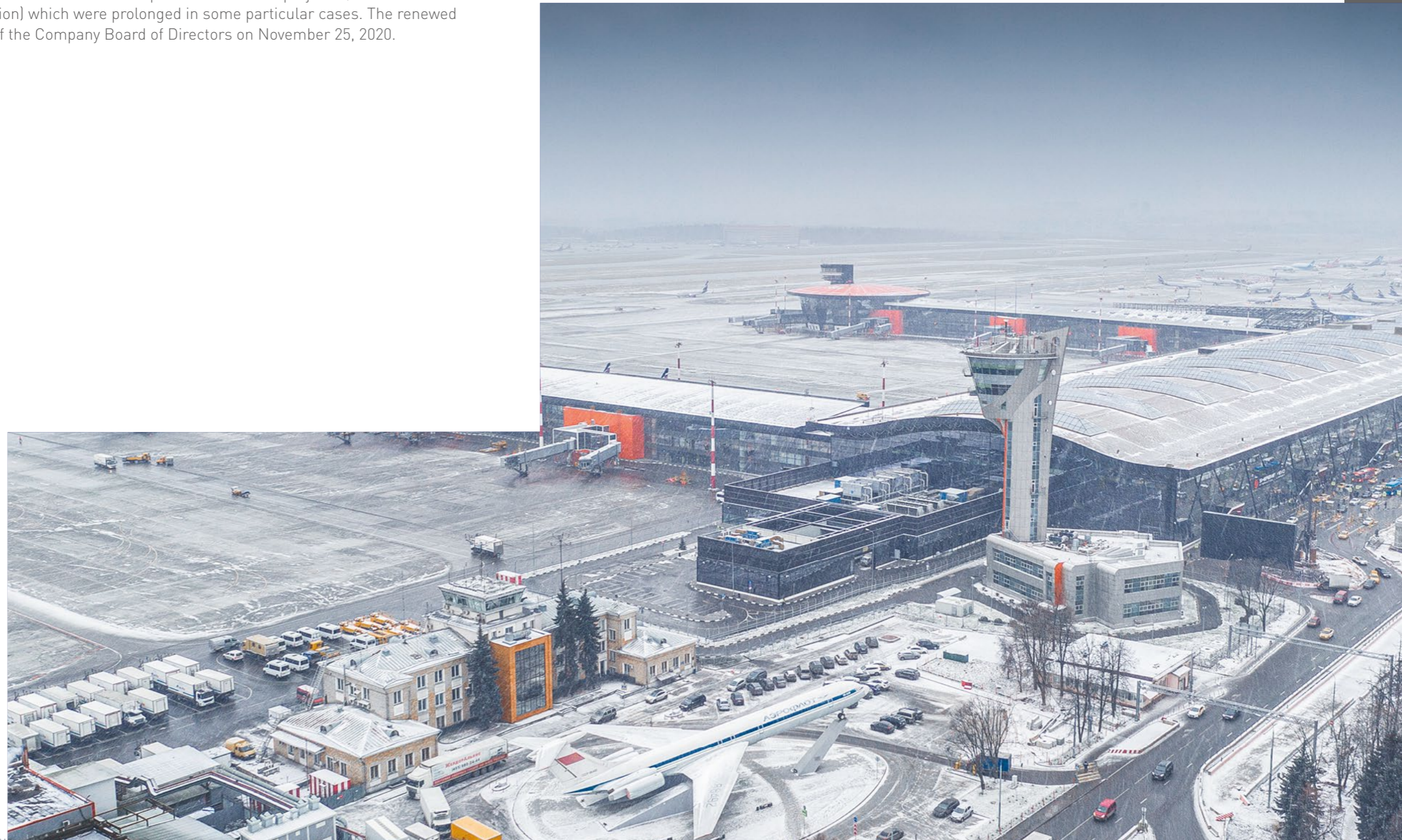
In 2017 - 2020 many Long-Term Program measures in the infrastructure development sector were implemented as well: the new cargo complex, Terminal B, inter-terminal passage, the third BFI, the independent RW-3 Runway were commissioned (including completion of infrastructure facilities such as a passage bridge), the first stager of Terminal C reconstruction was completed (commissioned in January 2020) allowing to reach the airport reception capacity of 80 million passengers per year; after the large-scale reconstruction the first Runway (RW-1) was commissioned on December 24, 2020, presentation of the new hangar complex for Aeroflot Group took place on September 15, 2020.

Besides, the new command and dispatcher center was commissioned in Sheremetyevo Airport in



2020. It has the most advanced specialized equipment allowing to effect management of ground movement of aircraft in the aprons of the NTC including new areas for de-icing with started engines. The baggage handling system modernization concept has been developed that provides for increasing the airport reception capacity up to 100 million passengers per year.

In 2020 Sheremetyevo International Airport developed the renewed Long-Term Development Program for 2020-2031, taking into consideration the impact of the coronavirus pandemic consequences on the investment opportunities of SIA JSC. The changes concern, in the first turn, the time periods for implementation of large-scale infrastructure development investment projects (see further the "Infrastructure Development" section) which were prolonged in some particular cases. The renewed LTDP is approved by the decision of the Company Board of Directors on November 25, 2020.



## KPI OF THE LONG-TERM DEVELOPMENT PROGRAM BASED ON 2020 PERFORMANCE

In December 2019, in view of the goals defined within the framework of the Long-Term Development Program, the Board of Directors of SIA JSC approved the Standard "Evaluation of Implementation of the Long-Term Development Program of Sheremetyevo International Airport (SIA) Group of Companies and Achievement of the Key Performance Indicators" (Minutes No. 280 of December 25, 2019). The table below contains the KPIs for SIA Group of Companies in compliance with the calculations made in 2019 together with Boston Consulting Group.

### Key Performance Indicators for SIA Group of Companies for the Long-Term Development Program

KPI	Weight	2019	2020	2021	2022	2023	2024	2025
<b>Financial and economic KPIs (total weight 50%)</b>								
Total Group revenue, RUB billion	20%	75,8	78,7	86,7	95,1	104,5	112,2	120,5
Cost efficiency per EBITDA, %	10%	47%	46%	48%	50%	51%	52%	50%
Net Group profit, RUB billion	10%	18,5	19,1	21,0	23,3	25,8	28,0	30,4
Net debt to EBITDA	10%	Not more than 4.0						
<b>KPI taking into consideration the industry specifics (total weight 50%)</b>								
Annual passenger traffic, million passengers	20%	50,3	52,4	56,0	59,7	63,6	66,3	69,1
Passenger service quality (ASQ), points	10%	Not lower than 4,4			Not lower than 4,5			>4,6
Cargo turnover including mail thous. tons	10%	297	351	422	467	489	513	532
Labor efficiency, RUB million/staffing position	10%	4,1	3,8	4,0	4,3	4,5	4,7	4,9

Apart from the long-term plan, SIA JSC annually develops and implements short-term objectives and reviews KPI target values, being guided by the enterprise's strategic goals. Annual goals and airport performance indicators are an integral part of the key performance indicators of the Company activities and also take into consideration the Company budget data. Forming (developing) its goals for each current year, the Company proceeds from the need to achieve the long-term target data of SIA JSC performance. Thus, in particular, at the end of 2019 the target values of some KPIs for 2020 were changed as compared to the long-term plan taking into consideration the outperforming growth rates achieved by 2019. The table below contains information on the scope of the achieved actual short-term KPIs of 2020 as per its performance.

### Achievement of target KPIs per plans for 2020

KPI	PLAN	FACT
<b>Financial and economic KPIs (total weight %50)</b>		
Total Group revenue, RUB billion	96,552*	48,760
Cost efficiency per EBITDA adj. as per IFRS, %	46%	25%
Net Group profit, RUB billion	18,654*	21,0
Net debt to EBITDA adj	1,4*	5,7
<b>KPI taking into consideration the industry specifics (total weight %50)</b>		
Annual passenger traffic, million passengers	52,4	19,7
Passenger service quality (ASQ), points	Not lower than 4,4	4,53
Cargo turnover including mail, thous. tons	351	268
Labor efficiency, RUB million/staffing position	4,7*	2,7

\* Planned values for 2020, additionally adjusted in 2019

The audit of the Long-Term Development Program implementation is effected by SIA JSC on an annual basis by way of execution of the List of errands of the President of the Russian Federation No. Pr-3086 of 27.12.2013 (§ 1 §§ 32 and 33) and No. Pr-1474 of 05.07.2013 (§ 4), errand of the Government of the Russian Federation No. DM-P13-9589 of 31.12.2013, as well as the decisions taken at the sessions of the Government of the Russian Federation (Minutes No. 3 of 30.01.2014 and No. ISh-P13-98pr of 03.10.2013) for the purposes of increasing the efficiency of activities of joint stock companies with state participation, included in the special list approved by disposition of the Government of the Russian Federation No. 91-r of January 23, 2003, for improvement of the system of management thereof by the shareholder - the Russian Federation.

In May 2020, the Board of Directors by its decision approved the report on the results of the audit of the SIA Group of Companies' Long-Term Development Program till 2025 (Minutes No. 287 of May 27, 2020). As the result of the procedures conducted, the independent auditor (Limited Liability Company Financial and Accounting Advisors) concluded that the existing internal control and risk management system of SIA Group of Companies could be considered generally efficient and providing for the possibility of preparation of reliable information on the results of implementation of the SIA Group of Companies' Long-Term Development Program for 2019-2025 for 2019, that the report on implementation of the SIA Group of Companies' Long-Term Development Program till 2025 based on 2019 performance is reliable in all material aspects, and, among other things, it does not contain any distortions significantly influencing the reliability of the Program data.

The audit of the Long-Term Development Program of the SIA Group of Companies for the reporting period will be completed in May 2021.





## DEVELOPMENT INFRASTRUCTURE

### INFRASTRUCTURE AND ITS OPERATORS

Currently, Sheremetyevo International Airport Joint Stock Company (JSC SIA) operates using a complex of three runways (RWY) providing for 110 takeoff and landing operations per hour, which is 22% more than in 2019's total of 90 takeoff and landing operations per hour. The increase in the capacity of the runway complex is due to the new airspace facility of the Moscow Zone of the Unified Air Traffic Management System of the Russian Federation, which has been operational since December 2020.

Sheremetyevo Airport has 8 terminals, of which 5 are passenger terminals (3 in the southern and 2 in the northern terminal complex) and 3 are business aviation terminals (Avia Group LLC, Lukoil-Avia LLC, AeroVokzalny Complex Premier Avia Group LLC). The passenger terminals of Sheremetyevo Airport have a capacity of 80 million passengers per year, which is 27% more than 2019's capacity of 59 million passengers per year. The increase in the capacity of terminal complexes is due to the commissioning of a new passenger Terminal C (stage 1) in January 2020.

The southern and northern terminal complexes of the airport (hereinafter referred to as NTC and STC) are connected by an inter-terminal passage in the form of two metro tunnels for automated transport of passengers and luggage, a system that is unique in Russia. The tunnels are laid under RWY-1 and RWY-2, and have a capacity of 11 million passengers per year, which facilitates the rapid transfer of traffic between NTC and STC.

There are 208 parking spaces intended for commercial and maintenance of aircraft on the aprons of Sheremetyevo Airport, and 71

temporary aircraft installation sites were marked to accommodate the fleets of base carriers during the COVID-19 restrictions.

There are also 4 commercial-aviation hangars for the maintenance and repair of aircraft, of which 3 are used by Aeroflot PJSC and 1 by JSC SIA.

A single parking system with a flexible rate structure allows airport visitors to choose the space for parking their car. It comprises 12 parking lots for 14,276 cars. Six parking lots for 6,602 cars are operated in the north terminal complex of the airport, and 6 parking lots for 7,674 cars are in the southern terminal complex.

The infrastructure of Sheremetyevo Airport is managed by various operating companies, both members of the SVO Group and independents. The following worked at Sheremetyevo in 2020:

- Three ground-handling operators: Sheremetyevo Handling LLC, Aeroflot PJSC and Avia Group LLC;
- Four aircraft-maintenance operators: Aeroflot PJSC, A-Technics LLC, Volga-Dnepr Technics Moscow LLC, and Nord Wind Technic LLC;
- Three operators of refueling complexes for aircraft: TZK Sheremetyevo PJSC, AERO-Sheremetyevo JSC and Gazpromneft-Aero Sheremetyevo LLC;
- Two handlers of cargo and mail: Moscow Cargo LLC and Sheremetyevo-Cargo JSC;
- The exclusive operator of VIP and business lounges Sheremetyevo VIP LLC, whose services are available in terminals B, D, E, F and C for all domestic and international flights.

### INFRASTRUCTURE DEVELOPMENT PLANS AND MAJOR FACILITIES

Infrastructure development plans are an integral part of the Long-term Development Plan of JSC SIA. The most important are:

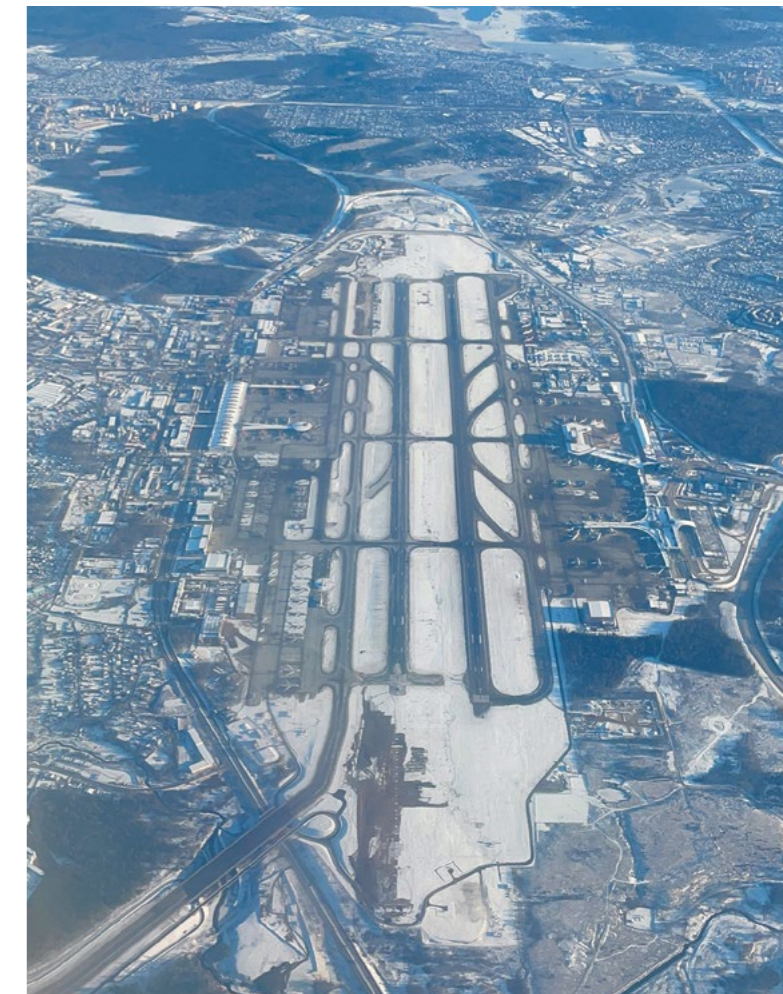
- Commissioning of Terminal C (stage I was put into operation in January 2020; stage II is planned for 2025);
- Reconstruction of Runway-1 (commissioned in December 2020);
- Technical re-equipment of Terminal F;
- Commissioning of a railway station in NTC.

Aeroflot Group has updated its long-term goals and plans to strengthen the specialization of its companies with a focus on the low-price segment and further improvement of Aeroflot's products. In accordance with its Development Strategy for 2028, Aeroflot Group will serve 130 million passengers. Taking into account that Aeroflot PJSC is the primary carrier at Sheremetyevo International Airport, the revision of the strategy toward increasing passenger traffic will have a direct impact on the achievement of the strategic goals of Sheremetyevo. Therefore, in the development of infrastructure, the airport also takes into account the need to create conditions for the implementation of the strategy of the Aeroflot Group of Companies, first of all:

- Development of infrastructure for servicing transit passenger traffic;
- Creation of new aircraft parking areas.

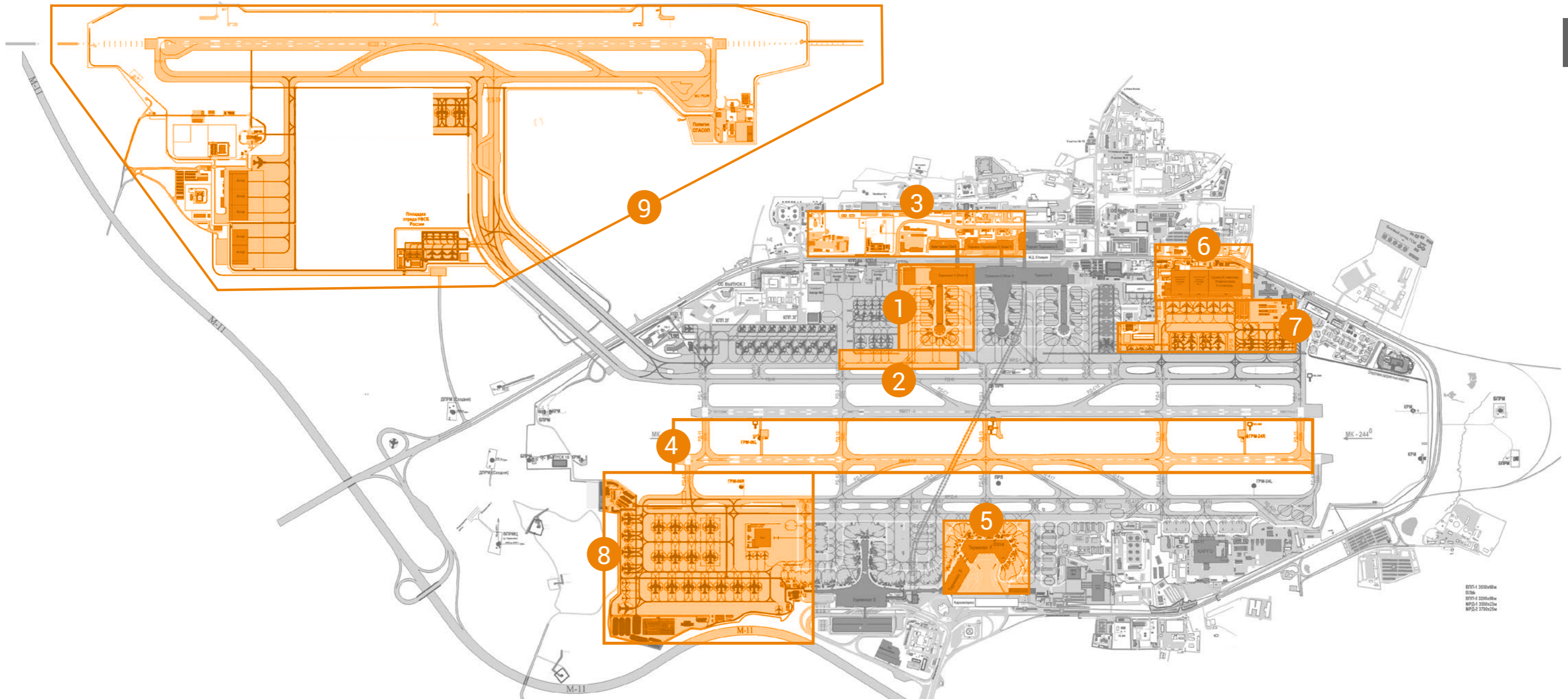
JSC SIA is developing and planning to develop the airport infrastructure in cooperation with

other operators as a partner, including minority stakeholders. Key joint projects: construction of a cargo terminal, development of NTC, a railway terminal and parking areas. .



## Master plan for the development of infrastructure of Sheremetyevo Airport for 2031

taking into account the changes approved by the Board of Directors on November 25, 2020; only facilities directly related to the airport infrastructure are shown



**1.** Reconstruction of Terminal C, stage II (implementation period 2025) and apron

**2.** Construction of new sections of the central apron (2024)

**3.** Development of the station area of the northern terminal complex (2022)

**4.** Taxiways RD-12 (G2), RD-13 (G3) and RD-14 (G4) (2021)

**5.** Technical re-equipment of Terminal F (2021-2022)

**6.** Further development of the cargo complex (2022-2024)

**7.** Reconstruction of the eastern platform Ш-1 (2022-2024)

**8.** Construction of the apron of the southern terminal complex (2024-2028)

**9.** Further development of the third runway complex (2026 -2029)



## YEAR 2021

### Aeroexpress. Northern terminal complex

As part of the construction of a connecting railway line to Sheremetyevo Airport's Northern Terminal Complex, a new Aeroexpress passenger terminal is being built over Sheremetyevskoye Highway between Terminal B and a multi-level parking lot. The planned commissioning date is the end of 2021.

- 10.1 million people - passenger traffic
- 6,080 people - passenger traffic during rush hour
- 10.79 km - the length of the projected railway tracks
- 2 passenger platforms with awnings (each 275 m)
- 14.7 square meters - the total area of the terminal building
- 3 floors

### Taxiways

Taxiways RD-12 (G2), RD-13 (G3) and RD-14 (G4) will be reconstructed, and the reconstruction of Runway-1 will be completed:

- 12.9 thousand square meters - area of reconstructed cement concrete pavements
- 8.8 thousand square meters - area of reconstructed asphalt pavement.

## YEAR 2022

### Reconstruction of the eastern platform.

The reconstruction of the eastern platform of the North Terminal Complex will be carried out in two stages. The first stage of the reconstruction, encompassing sites for de-icing aircraft, will be commissioned in 2022.

### Expansion of the station area and construction of an alternate route to Aviation Street

The forecourt of the Northern Terminal Complex will be built in 2022 with an increase in the number of entrances and exits and the organization of additional access locks, and an alternate route to Aviation Street will be opened for the convenience of vehicles leaving parking lots.

### Technical re-equipment of Terminal F

To meet the airport's growing needs, a technical re-equipment of Terminal F is planned in 2022 that will allow passengers of international and domestic flights to be served in one terminal. Implementation period is 2022.

- Modernization of 6 jetways
- New carry-on luggage screening system
- New baggage handling system
- Updated interior

## YEAR 2024

### Construction of a cargo complex at NTC

Construction of the second stage of the new cargo terminal, with associated infrastructure and an estimated capacity of 380,000 tons per year will begin in 2024, with an implementation period of 2024-2030. The first stage was commissioned in September 2017.

- At least 250,000 tons/ year - annual export and import tonnage
- 44,603 square meters - the total area of the building
- 288 per hour – Unit Load Device processing power
- TX-LIFT & RUN - the technology of the automatic storage and processing system of the packaging equipment IHP 6720 pcs. - storage capacity of internal system pallets
- Lödige - the main supplier of warehouse equipment and automated control systems
- Cool - CEIV certified area
- Integrated post office
- Equipment for handling heavy and oversized cargo.

### Reconstruction of the eastern platform (second stage)

The master plan for the development of the airport envisages the construction of new sections of the apron and the expansion of the main taxiway (MRD-1). Commissioning date – 2024.

### Construction of new sections of the central apron

New sections of the Sh-1 apron will be built in order to maintain the minimum connection time and reduce the number of aircraft re-towing from the North Terminal Complex to the South Terminal. The commissioning period is 2024.

### Construction of the platform for the Southern Terminal Complex.

The main change in the development program is to forgo plans to place the apron on the third runway (RWY-3) and instead construct the apron of the Southern Terminal Complex. This is because aircraft of the base airlines Aeroflot PJSC and Pobeda Airline need to be accommodated in the immediate vicinity of the terminal complexes in order to maintain the standard connecting time, reduce taxiing time, deplane passengers and baggage, and reduce the time for conducting servicing operations. The apron is intended for maneuvering and parking of commercial and maintenance aircraft and will be equipped with an anti-icing fluid treatment area and an engine runup area. Construction will be carried out in stages. Implementation period is 2024-2028.

## YEAR 2025

### Reconstruction of Terminal C (stage II).

The airport infrastructure development program provides for the construction of the second stage of the Terminal, Terminal C parking (Stage II) and Terminal C apron (Stage II). This construction will increase the passenger traffic capacity of NTC to 60 million passengers per year. Commissioning date is 2025.

- 20 million passengers per year - design capacity
- 86 check-in counters (including 16 self-check-in counters)
- 148 passport control booths (including 20 automatic booths)
- 23 boarding gates (including 19 via boarding jetways)
- 19 jetways

## YEAR 2026

### Further development of the third runway complex

The facility falls under the concession agreement. In order to develop the infrastructure of the third runway, a site for de-icing aircraft will be built and taxiways will be reconstructed. Implementation period is 2026 -2029.

## 2030-2031

The master plan for the development of Sheremetyevo International Airport in the years 2030-2031, includes plans to build a **hangar complex** for the third runway, reconstruct the **airport central administration building** and complete the second phase of the second stage of a **cargo terminal** in the North Terminal Complex.

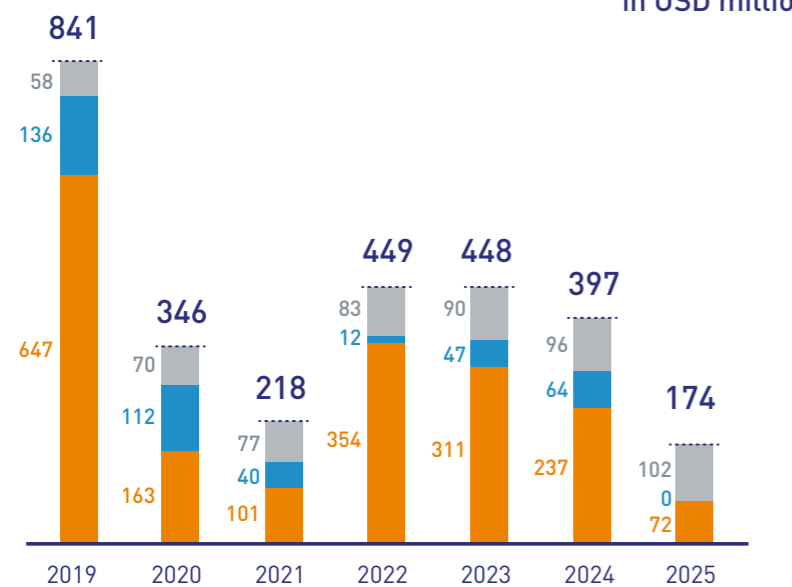


## INVESTMENT IN INFRASTRUCTURE DEVELOPMENT

After the consolidation of assets with the arrival of new owners, \$2.04 billion (excluding VAT) was invested over a period of 6 years in:

- Air terminal complex - \$ 1.13 billion
- Airfield complex concession agreement - \$ 284 million
- Special machinery and special equipment - \$ 235 million
- Industrial buildings, networks and facilities - \$ 159 million
- Fuel filling complex - \$ 150 million
- Cargo complex - \$ 85 million.

Amounts and sources of financing for the implementation of the SVO investment program, in USD million



➤ Investment component    
 ➤ Attraction of borrowed funds    
 ➤ Own funds





## CONCESSION AGREEMENT IMPLEMENTATION

Pursuant to Federal Law No. 115-FZ of July 21, 2005 "On Concession Agreements" and order of the Government of the Russian Federation No. 856-R of May 04, 2018 "On Conclusion of a Concession Agreement in Respect of Sheremetyevo Airport with JSC Sheremetyevo International Airport", Concession Agreement in respect of Sheremetyevo Airport No. C-217-14 of 25.12.2018 was concluded between the Russian Federation in the person of the Federal Air Transport Agency and JSC Sheremetyevo International Airport,

The subject of the Concession Agreement is creation and reconstruction by JSC 'MASH' of Sheremetyevo Airport assets the title to which belongs or will belong to the Russian Federation and conducting the activities of the airport operator, using the fixed assets items obtained within the framework of the Concession Agreement.

Pursuant to this Agreement, the Company received movable and immovable property items within Sheremetyevo Airport included in the following groups:

**Group A** Items. Property items in respect of which the Company undertakes the obligation of their creation, with indication of the planned technical and economic performance as of the day of their commissioning: taxiways, sewage treatment works.

**Group B** Items. Property items in respect of which the Company undertakes the obligation of their reconstruction, with indication of the actual technical and economic performance as of the day of their transfer to the Company and the planned technical and economic performance as of the day of their commissioning: RW-1, RW-2, high speed taxiways, taxiways, sewage treatment works, central control buildings, lighting reflected light poles, etc.;

Other property forming integral whole with the subject of the Agreement and/or intended for using by the Company for the purposes of creation of conditions for conducting the activities:

**Group B Property.** The property (part of the property), including the property leased by the Company under a lease contract, that does not constitute Group B items: fire truck station for 4 trucks, parking ramps, utility systems, drainage facilities, control tower building fencing, aircraft parking apron, aircraft de-icing platform, etc.;

**Group D Property.** The federal property items in respect of which the Federal State Unitary Enterprise Civil Airports (Airfields) Administration effects construction and refurbishment based on state programs of the Russian Federation and which, after completion of their construction and refurbishment, must be transferred to the Company within other property: RD-A23 taxiway (RD-A23), aircraft de-icing platform, lighting poles, light signaling equipment, communication cables, power networks, etc.

The general depreciation value of the infrastructure facilities obtained by the Company within the framework of the Concession Agreement during 2020 and reflected in the "Fixed Assets" line amounted to RUB 22,706,290 thousand (including the initial cost of RUB 22,858,032 thousand and the



accumulated amortization by the moment of the transfer amounting to RUB 151,742 thousand).

The obtained infrastructure facilities were mostly classified by the Company as buildings. The amortization of such fixed assets items, reflected by the Company within its financial performance for 2020, was RUB 795,978 thousand.

As of December 31, 2020, the book value of the property recorded within the Concession Agreement framework amounted to RUB 53,636,018 thousand (as of December 31, 2019 - RUB 12,914,253 thousand). The general depreciation value of the Company infrastructure facilities created and reconstructed within the framework of the Concession Agreement during 2020 and reflected in the "Fixed Assets" line amounted to RUB 18,811,453 thousand (including the initial cost of RUB 18,976,346 thousand and the accumulated amortization of RUB 164,893 thousand).

During the reporting period the Company incurred the expenses for creation and reconstruction of the Concession Agreement facilities in the amount of RUB 11,624,762 thousand (in 2019: RUB 9,789,199 thousand). The revenue from conducting the activities provided for by the Concession Agreement amounted to RUB 2,689,914 thousand in 2020 (RUB 3,707,418 thousand in 2019).

There is no outstanding payments effected by the Company to the concedent during the period of use (operation) of the Concession Agreement subject.





## DEVELOPMENT OF AVIATION ACTIVITIES

JSC SIA has developed a long-term model for the growth of passenger traffic at Sheremetyevo Airport to 2032, approved by the Board of Directors of JSC SIA in October 2020 (Minutes No. 294 dated October 28, 2020). When developing the model, key factors and trends that can have a significant impact on passenger traffic, both in Russia and Moscow Air Cluster, were taken into account:

- Negative trends in Russian demographics: The population is expected to remain at the 2019 level over the entire planning horizon, with the natural population decline being offset by the influx of labor migrants.
- The emergence of a tendency toward a slowdown in population growth in the Moscow region due to a change in attitudes toward remote work on the part of employers and employees, the rapid development of cheaper technology and equipment for organizing remote workplaces, and the emergence of more effective methods of control over the labor activity of employees. This will lead to a decrease in potential demand for business travel;
- The potential for growth in the population's "aviation mobility": The aviation mobility ratio (the ratio of the number of passengers carried to the country's population) in Russia was slightly more than 1 at the end of 2019, while aviation mobility in France and Germany is about 1.2, and in USA - more than 2. Given the considerable distances in the Russian Federation, the mobility ratio is projected to reach 2 in 2031.
- The trend toward a decrease in the Moscow Air Cluster's share of the Russian airport services market in favor of developing regional hub airports. The structure of air transportation in Russia is expected to approach those of the United States and Canada in 2032.
- The impact of low-cost carriers ("low-cost airlines") on the redistribution and growth of passenger traffic.

In developing the model for the development of passenger traffic at Sheremetyevo, planners considered the updated strategy of Aeroflot Group until 2028. The long-term forecast takes into account the prospects of both the existing domestic and international destinations from Moscow and a number of promising new routes that are not available for airlines at the moment due to low profitability, lack of demand and restrictions due to agreements on air services.

According to the model, the average annual growth rate (CAGR) of the Moscow Air Cluster's passenger traffic in 2019-2032 will reach 4.4%. At the same time, Sheremetyevo Airport's growth rate of will 5.7% allows Sheremetyevo to increase its share of the Moscow Air Cluster market from 49% in 2019 to 56% in 2032. This increase will be facilitated by a developed modern infrastructure with high capacity; streamlined technological and business processes; a favorable geographical location for direct flights to Europe and the USA and transit flights from Asia; the attraction of new air carriers; and the current high-quality portfolio of Russian and foreign airlines, including Aeroflot Group, the largest air carrier in Russia.



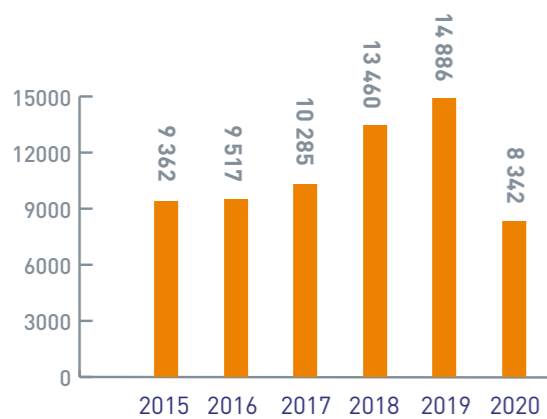


## DEVELOPMENT OF NON-AVIATION SERVICES

Increasing revenues from non-aviation services is a global trend in the development of large airports, which are increasingly transforming from transportation hubs into integrated centers where passengers can usefully spend their free time. Non-aviation revenues usually come from such sources as leasing of retail space, paid services (for example, visiting VIP and business lounges, parking, etc.) and advertising on media owned by the airport.

Non-aviation income amounted to about 43.6% of JSC SIA's revenue in 2020. Revenue from non-aviation activities in 2020 decreased by 43.9% compared to 2019 due to a significant drop in passenger traffic associated with the COVID-19 pandemic and the imposed restrictions on flights, as well as the ban on entry and exit of Russian and foreign citizens.

**Non-aviation revenue of JSC SIA, in million rubles:**



In the reporting year, a wide range of services was developed and implemented at Sheremetyevo International Airport, many for the first time

in Russia. Sheremetyevo Airport's commercial strategy for non-aviation services is based on consumer behavior research, which allows us to continually improve the quality of services and create the most comfortable environment for all categories of guests.

In particular, the concept of developing a catering system at the airport is based on a variety of service point formats while reducing menu items in each of them. Today Sheremetyevo offers passengers a wide range of catering establishments at all price ranges. The gastronomic concept of catering establishments in Sheremetyevo is based on a simple principle - maximum variety. Passengers have the opportunity to visit both standard international-format establishments such as coffee shops, bars, fast food outlets, and restaurants of various world cuisines. To speed up services, menus offer fewer items compared to food outlets in the city. All menus are translated into English and illustrated with photographs, and some establishments provide menus in Chinese. In addition, all travelers can use the service of online ordering and delivery to the gates of in-flight meals from Novikov Group restaurants. In the VIP and business lounges, there is an option that allows you to order food using the à la carte system (from a special menu) or from the nearest restaurant.

In 2020, the introduction of services for passengers based on mobile applications and electronic document management continued at Sheremetyevo Airport. Modern digital passenger information devices DBA (digital boarding assistant) were installed and put into operation, located in the "sterile" zones of domestic and international departure areas of Terminals D, E and F. Motorists have the opportunity to pay for parking in Sheremetyevo through the airport's official website and by mobile application, which allows quick and timely service without the need to leave the car.

Also, in 2020, work continued to improve the level of comfort for passengers. A second comfortable sleep and relaxation hall was opened in the public departure area of Terminal D. In a well-designed hall, passengers can comfortably spend time while waiting for a flight or relax in the event of a long stay. The hall, with a total area of 180 square meters, has 15 rooms of various formats. Visitors can choose from among equipped slip-boxes, cozy single and double rooms or a comfortable spacious suite. A new Malevich business hall, with a total area of about 3,200 square meters, has opened in Terminal C, designed for 654 seats with a beautiful view of the apron, and is located on the 4th floor of the international flights' departure area. There is a separate Orion lounge designed for passengers with disabilities and located in the departure area on the 3rd floor. For passengers there is also a two-storied VIP-hall with an area of 2,700 square meters and designed for 181 guests; it has a sleeping and relaxation hall with an area of 262 square meters consisting of 11 rooms of various categories of comfort with hourly pay.

Sheremetyevo Duty Free Heinemann, operator of the duty-free market at Sheremetyevo International Airport, joined the Heinemann & Me loyalty program on March 03, 2020. All program members who make purchases in Heinemann stores have exclusive privileges: special offers from partners, lucrative discounts and gifts, and exclusive offers from partners. Members of the program can take advantage of discounts in cafes and restaurants and save on car rentals and room reservations in hotels around the world.

For the convenience of passengers, a rapid COVID-19 test has been available at Sheremetyevo Airport since June 2020 and can be taken at the health centers of Terminals B,

D and E. The growth in demand for this service is due to the introduction of new rules for citizens arriving in the Russian Federation from abroad by air, in accordance with the Decree of the Chief State Sanitary Doctor of the Russian Federation. According to this Decree, Russian citizens must get a laboratory PCR COVID-19 test within three calendar days after the date of arrival in the Russian Federation and post the results on the Unified Portal of Public Services.

A number of measures are planned to improve interaction with commercial space tenant companies in order to improve the quality of passenger services and maximize income from non-aviation activities by 2024. In addition, there are plans to introduce new products and services for passengers in line with world practices, including loyalty programs, pre-order and delivery of goods in stores in the clean departure and arrival areas, Meet & Assist services, and the creation of an electronic sales system.





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## DEVELOPMENT OF INNOVATIONS AND INFORMATION TECHNOLOGIES

### INNOVATIONS

The assessment of the implementation of innovative measures is carried out on the basis of the approved Plan of Innovative Measures for 2020 (Minutes of the Management Board of JSC SIA No. 45 dated 03.11.2020). In the reporting year, the main innovations in key areas of activity (in addition to the development of info-communication systems, which are described in detail in a separate subsection) were:

#### Implementation of measures in the areas of innovative development in the field of efficiency of production systems and processes:

- Automation of the process of admitting transfer passengers to the additional restrictions zone;
- Optimization of the luggage handling process;
- Introduction of more efficient and less costly inspection technologies, equipment and techniques;
- Modernization of storage and cargo handling systems;
- Introduction of an integrated system for monitoring the work of digital advertising spaces.

#### In the development of new services (approaches to operational activities) in the aviation and non-aviation areas:

- Optimization of MCT1, including with the aim of maximizing operational non-aviation revenues;
- Rollout of the Heinemann & Me loyalty program;
- Development of the Autoparking service and its inclusion in card products.

In order to develop innovative activities, JSC SIA has been holding an External Innovation Competition SVO's Own Idea since 2012, under which innovative proposals from passengers aimed at improving the quality of services at the airport are accepted, considered and implemented. In the course of the competition, the airport has successfully implemented a number of such proposals and ideas. In particular, for little passengers in the waiting rooms, play areas with educational games, computer equipment, and the services of animators during promotions were opened. A mobile application for gadgets has been introduced, as well as passenger information support channels in WhatsApp and Viber messengers. As part of the development of a barrier-free environment, special labels have been installed on the floor tiles that visually impaired travelers can use to get to the airport map, which is available for reading in Braille. The airport's internal navigation has been improved: signposts with pedestrian distances to key terminal facilities have been installed, the time of passengers' travel to the gates is indicated on the monitors, Aeroexpress train schedules and official taxi numbers are posted in the baggage claim and arrival halls.

In 2020, a competition was held in two categories: "Development of the IT Infrastructure" and "Improving the Quality of Passenger Services." The winner in the IT Infrastructure Development category was Alexander Goloburdin, who offered a number of new functions for the Sheremetyevo mobile application (ordering goods and services, subscribing to push notifications, sending one's own location at the airport via messengers). The second place in this category was awarded to Svetlana Makievskaya, who offered a mobile application that allows passengers to make online purchases while at the terminals in the departure area, including a meal order that can be taken on board the aircraft. Also, this application will allow passengers to keep abreast of current promotions and accumulate points. The author of the most interesting innovative proposal in the category "Improving the Quality of Passenger Service" was Alexander Krikunov, who proposed to visually diversify the jetways by placing colorful aviation theme photographs.

In addition, as part of the competition, a full-fledged SVO Winter Garden was created for passengers in Terminal C in 2020 (in the form of flower beds and islands in various zones of the airport). Another implemented idea was to give Sheremetyevo Airport a "company mascot". Passenger proposals in this regard coincided with the official assignment of the name of Pushkin to the airport, and many forms of presentation of the great poet as the "main character" of the airport were suggested by the passengers in their submissions. They included branded signs at the entrance groups of passenger terminals, welcome banners on the airport squares, video content with characters from the works and fairy tales of A.S. Pushkin on media systems inside the terminals, electronic text and audio versions of Pushkin's works in the languages of the world, which can be downloaded free of charge to your electronic device and taken with you on the flight, a special section on the website and in the mobile application, boarding passes, etc.

In addition to the program of "planned" innovations, Sheremetyevo actively uses the approach of so-called "open innovations", when ideas and initial developments are produced by the users themselves. The annual Secret Passenger program has become a feedback channel from passengers and one of the ways to monitor the quality of services. Thanks to this feedback, airport management can make operational decisions to improve the quality of services. Over the past five years, the Secret Passenger program has become an important tool for improving the quality of service at Sheremetyevo Airport. Dozens of specific comments and suggestions on airport services were received from secret passengers. In 2020, 553 secret passengers from Russia, Kazakhstan, Belarus, Canada, Germany and other countries took part in the program. As a result of the program, nine finalists were identified, five of whom will receive certificates for free services in the business lounges of Sheremetyevo Airport for the next calendar year, and the rest of the finalists will receive branded souvenirs.



## DEVELOPMENT OF INFO-COMMUNICATION TECHNOLOGIES

In 2020, the development of info-communication technologies and systems has become not only a priority, but also the most important opportunity for the development of the airport in the context of a decrease in operating load caused by the pandemic. This made it possible in the reporting year to implement in the IT sector the largest development and implementation program in recent years, which, in particular, included:

### In the field of improving the efficiency of production management business processes:

- Implementation of a runway slot exchange module to optimize slot use;
- Implementation of the “Calculation of the aircraft de-icing time taking into account the degree of snowiness” functionality to improve the accuracy of calculating the taxi time from aircraft parking to take-off and the estimated take-off and departure times;
- Development and implementation of a transfer input management module in the RMS system, which ensures uniform load on transfer inputs and lowering the load on inter-terminal tunnel for organizing the timely delivery of transfer baggage to the departure terminal;
- Implementation of a number of measures to significantly increase the fault tolerance of key industrial IT systems - Synchron, RMS, Baggage handling systems, etc.;
- Development of the eLUR software module - an electronic spreadsheet for recording the work on the aircraft to ensure the flight with automatic data transmission;
- Improvement of the internal automation control system (automatic correction of incidents) and reporting of abnormal situations, which reduced the time for correcting an incident and made it possible to automate control over the operation of the relevant systems;
- Introduction of a trunking system of intra-port technological radio communication using DMR Tier III technology, to serve more than 3,000 subscribers, improve the coverage and quality of the radio communication network, including the rollout of communication services in the professional radio communication network to airlines;
- Putting into operation a system for processing airlines’ requests to automate the process of receiving and processing requests from airlines about the quality of services at JSC SIA, which includes a personal account of airlines on the svo.aero website and a software module for processing airline requests;
- The introduction into operation an automated module for analyzing the workload of passport control booths, which resulted in the automation of reporting on the waiting time of passengers at passport control and at the entrance to the pre-flight inspection area of Terminal B, as well as on the number of open passport control booths and automated turnstiles.

### In the field of financial and management reporting automation:

- Putting into operation a tax monitoring system, which allows the interaction between business processes and tax authorities - the tax monitoring regime giving tax inspectors through the so-called Data mart access to tax registers and settlements used for tax reporting, and can receive information about primary documents or leave a request for additional supporting documents;
- Putting into operation an automated system for the consolidation of management and financial reporting, as a result of which the transparency of reporting was achieved at all stages from data collection to the reporting forms and the number of errors due to the human factor was reduced;
- Putting into operation a system for processing requests from users of infrastructure systems for registering incidents and service requests related to the operation of air terminal complexes and airport engineering systems based on the 1C: ITIL Enterprise Information Technology Management system.

### In the area of passenger services:

- Rollout of the official Telegram-bot of Sheremetyevo International Airport (@svoaerobot) for quick view of information about the flight, as well as to subscribe to notifications about changes in flight status;
- Commissioning of the boarding pass scanning functionality for mobile application and on the svo.aero website, showing the passengers full information about their flight to improve the processes of informing passengers and managing lines in inter terminal tunnel and the inspection area;
- Rollout of the PaxControl system in the border control zone of Terminal D, which reduces the time for passengers to pass into the zone of additional restrictions;
- Implementation of the functionality of automated display on FIDS monitors of the activity status of the inspectors of Sheremetyevo Security JSC located in before the pre-flight inspection zone, which resulted in a reduction of time required to perform an operation to display the status of workplaces on FIDS monitors and provide convenience for passengers during pre-flight processes.

In October 2020, Sheremetyevo International Airport won the Audience Award for the SAP Value Award 2020 based on the voting results of the business and expert community for the successful implementation of the Tax Monitoring project when JSC SIA switched to tax control in the form of continuous monitoring. The project was developed and implemented based on SAP software. When operating in the tax monitoring mode, the company provides tax authorities with real-time access to accounting and tax data, receiving in turn specialized consulting support. The transition to the tax monitoring mode at JSC SIA made it possible to reduce labor costs for interacting with the Federal Tax Service through a convenient and fully functional interface. In addition, the deadlines for closing the reporting period of the company were reduced, and the company’s document management system was optimized.



### In 2021 - 2025, further implementation of info-communication technologies is planned, in particular, in the development of operation IT systems:

- Development of the concept for modernization of the IT architecture of the complex of production management information systems to improve reliability and ensure the functional development of operation systems;
- Introduction of a modern ESB for data exchange for IT systems and transition to a microservice architecture;
- Transfer of the Synchron CADB and a number of other systems to a modern technological stack;
- Implementation of the platform and methods of continuous development of CI/CD to improve the quality and speed of implementation of proprietary software solutions;
- Rollout of a production reporting system based on Data Warehouse/ Data Lake technologies;
- Development and implementation of a "top-level" baggage handling control system;
- Implementation of a GIS system for managing airport production processes;
- Implementation of the SLA monitoring system when working with partners, including airlines;
- Rollout of a new visual aircraft parking system ADB Safegate.

### In the area of automation of production processes, the following is planned:

- Implementation of the Vega aircraft position control system;
- Rollout of a geoinformation management system for production activities in terms of the development of an interactive control system for artificial aerodrome pavements (ICSAEP);
- Modernization of the resource management system (RMS) in terms of automation of the control of the de-icing process;
- Introduction of a centralized system for monitoring transportation and controlling the actions of drivers on the territory of the airport using video analytics;
- Introduction of a system of electronic medical examinations of production personnel;
- Development of the personnel working hours recording system.

### In the area of information security, it is planned to:

- Conducting an audit of business continuity management of production systems and implementation of a business continuity management system;
- Building protection systems for critical information infrastructure facilities;
- Organizing safe storage of biometric and personal data of passengers;
- Introducing two-factor authentication when accessing core systems and services.

### In the area of infrastructure development of the Data Processing Center (DPC):

- In 2022, it is planned to complete the modernization of the data center to the Tier III level according to the UpTime Institute, and obtain the corresponding certificates;
- Also, in 2022 it is planned to introduce a high availability platform based on vSAN VMWare hyperconvergence technologies for critical production IT systems;
- Introduction of continuous service monitoring of IT systems;
- Implementation of cloud infrastructure as a service (IaaS) for subsidiaries and other customers based on vRealize Automation from VMWare.

### In the area of communication services, the following is planned:

- Provision of broadband wireless communications based on LTE/ 5G technologies;
- Transition to digital systems of professional radio communication based on MCPTT technologies.

### In the area of passenger services:

- Development of passenger self-service systems: including self-service check-in counters, baggage drop-off counters, boarding pass reprints;
- Introduction of an automatic system for passing transfer passengers;
- Introduction of an indoor navigation system in airport terminals allowing interaction with the passengers and providing the necessary and advertising information;
- Launch of innovative services of the Digital Customer Experience class.

### In the development of non-aviation activities, the following is planned:

- Introduction of an integrated system of interaction with tenants and analysis of the effectiveness of non-aeronautical commercial activities;
- Development of an e-commerce platform (marketplace for the sale of goods and services of the airport and tenants) on the official website [www.svo.aero](http://www.svo.aero);
- Development of a user data platform with the collection of information and analysis of purchases, preferences and passenger movement. Creation of a loyalty program for airport passengers.

### In terms of the development of end-to-end digital technologies, the following is planned:

- Application of the technology for biometric identification of passengers through the Unified Biometric System EGIS to ensure that a passenger enters the sterile zone and boarding an aircraft using biometric data, without presenting a passport and boarding pass;

- Introduction of biometric identification of passengers' elements for the provision of services;
- Introduction of intelligent systems for recognizing speech information of various channels;
- Implementation of a distributed machine vision system for detecting incidents on SVO's escalators and travelators based on artificial intelligence;
- Control of passenger lines in terminal areas, control of baggage congestion in baggage systems based on machine vision;
- Introduction of virtual and augmented reality technologies for training employees servicing aircraft;
- Monitoring of the engineering infrastructure of the airport, the state of engineering networks using Internet of Things (IoT) technologies.

## DIGITAL PRODUCTION SIMULATION SYSTEM

In 2020, Sheremetyevo Airport made a significant step forward in the implementation of production modeling technologies, that is, a mathematical description of the processes of its activities. Mathematical models make it possible to deeply and comprehensively understand the course of each process and with a high probability to predict the results depending on their initial conditions. This, on the one hand, allows you to optimize processes, eliminate unnecessary links and, accordingly, expenses, and, on the other hand, reduce risks and significantly improve the management of these processes: reduce the response time to deviations, more fully take into account the actions and needs of all participants in the process, provide the most prompt information, visualize the processes themselves.

**Consistent mathematical modeling of production processes solves the problem of forming a unified digital model of the airport operation, which will appear in full in the medium term. In the reporting year, mathematical modeling covered, in particular, the following processes:**

- Maintenance of aircrafts on the apron (both passenger and cargo),
- Luggage handling in an automatic system,
- Procedures for ensuring aviation security.

The total effect from the implementation of the model has already exceeded 1 billion rubles. Simulation also made it possible to reduce the number of flight delays, reduce lines for passengers, reduce the amount of lost luggage and arrange work shifts optimally in terms of balancing the interests of employees and production needs.

**According to the plan, the following processes will be digitized in 2021:**

- Determination of aircrafts' location and runway load modeling (that is, in fact, optimization of the entire movement of aircraft along the aerodrome),
- Check-in of passengers at the counters in the terminals,
- Services for passengers with disabilities, and others.

The success of the Sheremetyevo analytical team in mathematical modeling in 2020 is due to the fact that machine learning technologies began to be used to take these factors into account. Now the factors are identified not based on analysts' hypotheses, but based on significant accumulated data (Big Data), the mutual dependencies between which are determined by artificial intelligence technologies. Thus, it was possible to increase the accuracy of forecast by more than 5 times.

As a result, the digital model of the airport operation in the existing parameters allows making accurate forecasts of production activities and opens up new opportunities for both financial and management planning. Already, the results of modeling are used in budgeting, planning of capital expenditures (including for the construction of infrastructure), planning of hiring and training of personnel, and more recently, on attracting certain airlines.

In the short term, the digital model will automatically optimize the flight schedule taking into account the infrastructure capacity, weather, aircraft delays at other airports, minimize taxi time for the comfort of passengers, create recruitment plans, staff training, determine the most effective work shifts, determine needs and plans for procurement of equipment.

It is also planned to introduce a system of recommendations to coordinate the schedule, a management system and coordination of guidelines (production standards), as well as to develop tools for various departments to increase the transparency of decisions.

In general, a unified digital model of the airport is being built in such a way that in the future it will take on such fundamental management tasks as monitoring and control of the airfield (including visualization, traffic control, etc.), automation of services (baggage, check-in, inter-terminal transfer, passport control, security, etc.), operational management of the airport in real time (coordination of decisions by divisions, interaction with airlines, etc.), resource management (from fuel and de-icing fluid to utilities and budgets), personnel management, and also forecasting and planning. This holistic, comprehensive approach distinguishes the digital production model of JSC SIA from other digitalization programs in the industry. In most other airports today, solutions aimed primarily at calculating resource requirements are being implemented, while failing to develop a single interconnected system that would include production, personnel and budget processes, ensuring their optimization.







## BASIC RISKS

In the process of its business operations, the Company is exposed to industrial, legal and other internal and external factors (material conditions, events, situations and actions). Various risks capable of materially influencing the financial position and profit and loss indicators of the Company arise out of these factors.

### The Company distinguishes the following major risk groups it may run:

- operational (including environmental);
- financial;
- strategic (reputational).

The Company's Management oversees risk management in order to mitigate possible negative consequences affecting the financial position and profit and loss indicators of the Company.

Risks are assessed and analyzed in accordance with the risk management policies approved in the Company.

The Company's Management regards risk management as an integral part of the corporate governance system and makes provisions for end-to-end business processes and for the active participation of business units in risk mitigation activities.

Depending on the possible extent of risk mitigation, as well as on the cost of controls, different methods of risk minimization/elimination apply.

## OPERATIONAL RISKS

The Company regards extraordinary shutdown of technological systems and equipment, as well as the failure of power supply systems to be its major operational risks.

In order to mitigate the risk of the extraordinary shutdown of systems, their technical condition is insured with the involvement of maintenance services of manufacturers. SIA JSC ensures timely testing and technical inspection of equipment used at hazardous operating facilities, the repair and inspection of control and measuring equipment, and the fulfillment of industrial safety requirements prescribed by law. Moreover, the Company ensures proper insurance protection of the operation of its facilities against third-party liability.

To mitigate risks, the Company analyzes the industrial safety situation, including by means of holding relevant expert assessments; coordinates activities aimed to the prevention of emergencies and/or the destruction, failure or damage of structures or technical equipment; monitors, eliminates and prevents deviations from operating conditions and violations of requirements established by legislation and technical standards in the field of industrial safety; and ensures preparedness for the localization and elimination of consequences.

The Company is a strategic transportation infrastructure facility bearing aggravated risks (including the risks of terror attacks and acts of sabotage). In this regard, an insurance protection system has been developed in addition to the internal control system in the fields of aviation and physical security. Insurance limits are calculated on the basis of the results of engineering reports and research and cover possible financial losses from damage to the Company's property and the Company's liability to third parties.

Airport activities are of a specific nature and involve operation of expensive equipment of partners (including aircraft). To cover the risks of damage to and/or loss of such property, the civil liability of the Company to third parties arising out of its operations is insured. The limits established under the insurance program cover the main possible scenarios (including scenarios involving damage to passengers' property and health).

A mandatory requirement for the insurance protection of the Company's interests against major risks is the reinsurance of such risks on the international reinsurance market. Requirements for the quality of reinsurance have been developed; among other things, if the Company's third party liability arising during the operation of the airport is insured, a mandatory requirement is the reinsurance of insured risks on the international reinsurance market for the entire duration of the respective insurance contract.

The Company maintains all types of mandatory insurance, including the insurance of third-party liability.

The real estate and movable property owned or operated by SIA JSC is insured by insurance companies selected through a system of open tenders and a closed request for proposals.

## FINANCIAL RISKS

The Company is a strategic object of transport infrastructure that carries an increased level of risks (including as a result of terrorist acts and sabotage). In this regard, in addition to the system of internal control of aviation and physical security, an insurance protection program has been developed. Insurance limits are calculated taking into account the results of engineering reports, research and cover possible financial losses from damage to the property of the Company and its liability to third parties.

Airport activities are specific in nature and are associated with the exploitation of expensive property of partners (including aircraft). In order to cover the risks associated with damage and / or loss of this property, the Company's civil liability to third parties as a result of production activities is provided with insurance coverage. The limits set under the insurance program cover the main possible scenarios (including taking into account damage to property and health of passengers).

Reinsurance of risks in the international reinsurance market is a mandatory requirement for insurance protection of the Company's interests in the main types of insurance. Requirements for the quality of reinsurance have been developed, including for the insurance of the Company's civil liability to third parties during the operation of the airport, a prerequisite is the reinsurance of risks accepted for



insurance in the international reinsurance market for the entire duration of the insurance contract.

The company carries out all types of compulsory insurance, including liability to third parties.

Movable and immovable property owned and operated by MASH JSC is insured by insurance companies. The selection of insurance companies for the conclusion of insurance contracts is carried out on a competitive basis in accordance with the methodology of tender procedures.

## MARKET RISK

**Market risk** is a risk that the Company may face negative consequences if certain market parameters change. These market parameters include the following types of risk: interest rate risk, FX rate risk, goods price risk, price index risk and other price risks, e.g. equity instrument risk.

To reduce the risks affecting revenue, the Company has entered into long-term contracts with airlines and tenants. One of key risks in this regard is target passenger transportation delivery. Successful implementation of these plans defines the income base of aviation activities and meeting the non-aviation income targets. The main source of risks and, at the same time, a guarantor of the Company's sustainable development is the fulfillment of flight placement obligations by PJSC "Aeroflot – Russian Airlines", which is a key client of the airport. The fulfillment by PJSC "Aeroflot – Russian Airlines" of its obligations and the meeting of the said targets will make it possible to reduce other financial risks (primarily, liquidity risk) and hence to mitigate the loan default risk. The joint work performed by the Company in cooperation with the operational program performance unit of PJSC "Aeroflot – Russian Airlines" is aimed at ensuring a distinguished level of passenger and airline service quality.

The risks of falling of demand for services caused by sanctions, as well as political and economic instability, largely resulted in the transformation of consumer preferences and redistribution of the passenger traffic structure. The Company has managed to reduce the impact of these risks and to ensure that the economic and operational budget targets are met. The measures taken by the Management made it possible to maintain the indicators within the planned range. As the negative factors affecting demand are not eliminated, the transportation traffic risk remains high. The efforts to mitigate the consequences of non-aviation activities volume risk taken in 2019 have proved highly effective. Since negative factors affecting demand and consumer solvency continue to exist, the risk of tenant's activity remains high.

## INTEREST RATE

**Interest rate** risk is the risk that fair value and future cash flows from assets and liabilities of the Company will fluctuate due to changes in market interest rates. Market interest rate risk primarily touches upon borrowings with a variable interest rate. The Company's assets and liabilities have fixed interest rates. Hence, the Management believes that the Company is not exposed to interest rate risk with respect to its assets and liabilities.

## CURRENCY RISK

**Currency risk** is the risk that negative consequences will arise in case of FX rate changes. Exposure to FX rate risk primarily depends on the existence of obligations under USD loans. In order to reduce FX transaction risks in 2018, the Company continued to form an FX reserve to fulfill its loan obligations and to perform settlements under contracts of supply of specialized machinery and equipment manufactured abroad. The Company has determined the volume of monetary reserves sufficient for making payments under loan liabilities. In the course of its operations, the Company purchases works, services, fixed assets, and inventories mainly for rubles, that's why it is less exposed to currency risk.

## CREDIT RISK AND ACCOUNTS RECEIVABLE

**Credit risk** is the risk that the Company will face financial losses because contractors will fail to fulfill their obligations with regard to the loans and credits provided thereto (including those provided in the form of bond purchases, promissory notes, deferral, and payment in installments for the goods sold, works performed or services rendered). The Company is exposed to credit risk associated with its operational (primarily with regard to its trade receivables) and financial activities, including deposits with banks and financial institutions.

The management of credit risk related to buyers is conducted in accordance with the policy, procedures, and controls established in the Company with respect to credit risk management associated with contractors.

The Company monitors contractors' payment discipline on a weekly basis in accordance with the Regulation on Accounts Receivable Management. The Management defines risk concentration as a ratio of the debt of particular customers to the total debt amount.

### The Company has mapped out an action plan in the key areas of buyer relations:

- monitoring the payment discipline of airlines, retailers, and other counterparties, with special focus on the receipt of foreign currency payments;
- temporarily fixing the FX rate in order to reduce FX rate risk;
- monitoring the deviation of operational and financial indicators in order to respond in a timely manner to retain key accounts and/or to preserve the passenger traffic;
- monitoring the international market of aviation service rendered both by Russian and foreign airlines, in order to promptly introduce changes to the implementation of the airline attraction plan;
- monitoring the commercial real estate market in order to promptly introduce changes to the marketing policy.

Throughout 2019, regular monitoring of payment discipline was conducted and a flexible approach to pricing aimed at the mitigation of losses in rental income was implemented in order to efficiently

manage client solvency risk. The Company actively used bank guarantees and monetary deposits as financial security.

The Company manages credit risk resulting from balances on accounts with banks and financial institutions in accordance with its policy. Surplus funds are invested solely in deposits with approved financial institutions and under credit limits established for each institution. The limits set in order to minimize risk concentration and thus to reduce financial losses arising out of the possible insolvency of a financial institution.

## LIQUIDITY RISK

Liquidity risk touches upon the Company's ability to promptly and fully repay its financial liabilities existing as of the reporting date: accounts payable to suppliers and contractors and debt to lenders under credit facilities and loans received.

The Company manages liquidity risk through the achievement of an optimal ratio of equity to borrowed capital in accordance with the plans of the Management. Such an approach allows the Company to maintain the required level of liquidity and funding resources in order to minimize expenses for borrowings and to optimize the structure of indebtedness and its maturity. The Company has analyzed the concentration of this risk with regard to the refinancing of its indebtedness and come to the conclusion that the concentration is low. Currently, the Company believes that it has sufficient access to funding sources, and that some of the credit contracts it has previously entered into have undrawn limits that will enable it to meet expected needs for borrowings.

## CAPITAL MANAGEMENT

The main objective of the Company in terms of capital management is ensuring stable creditworthiness and a level of capital adequate for the Company's activities and the maximization of shareholders' income.

The Company manages the structure of its capital and changes it to meet changes in economic conditions. In order to preserve or to change the structure of its capital, the Company can regulate the amounts of dividend payments, refund capital to shareholders or issue new shares.

## REPUTATIONAL RISKS

The Company's Management believe that, currently, there exist no factors that could result in a material decrease in the number of its buyers (customers) as a result of a negative idea of the quality of the works and services performed/rendered by the Company, the Company's observance of deadlines for performing/rendering its works and services, or the Company's participation in any price collusion. In the presence of a strategic priority of increasing the service quality by all the Company's contractors, the Company assesses its reputational risk as immaterial.





# SAFETY

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## EPIDEMIOLOGICAL SAFETY



In 2020, in connection to the coronavirus pandemic the objectives of ensuring epidemiological safety in the airport came to the fore as to its importance. These objectives were implemented by a number of comprehensive measures.

**In the first turn, passenger traffic was reorganized:** flights from epidemiologically unsafe countries were concentrated in Terminal F while all domestic flights - in Terminal B. This decision allowed to take passenger traffic under sanitary control.

**Second, a triple system of control and checking of newly arrived passengers was organized in Terminal F:** the first check of passengers' condition using portable thermal imagers was effected directly on board of aircraft, followed by temperature control by fixed thermal imagers in the arrivals area premises and, finally, there was an additional passengers' check in the baggage claim area. All these measures were implemented by specialists of Rospotrebnadzor (Russian Federal State Agency for Health and Consumer Rights) with participation of personnel of the airport medical unit.

**Third, all common areas and working areas of terminals, parking areas and adjacent territories were marked in accordance with the rules of social distance keeping** and were more often regularly treated with disinfectants, and staff were provided with protection devices (the airport purchased two million pieces of face masks) and were daily informed about the rules of behaviour under restrictions conditions.

**Fourth, in July 2020 Sheremetyevo Airport launched the service of express testing for coronavirus using test systems** manufactured by Evotech-Mirai Genomics, created with financial support of RDIF (Russian Direct Investment Fund).

**And, finally, free vaccination against the coronavirus infection was organized in Sheremetyevo airport starting from February 3, 2021.** Any passengers and guests of Sheremetyevo who are Russian nationals, as well as employees of cooperating entities and companies conducting their activities in the airport may undergo vaccination.

Completeness and reliability of epidemiological protection in Sheremetyevo was repeatedly subjected to the strictest inspection. **Thus, in the beginning of May, the readiness of the country's largest airport hub to work with observation of the necessary safety measures in case of resumption of high passenger traffic was checked by a commission headed by the Minister of Transport of Russia Evgeny Ditrikh.**

In mid-October of the reporting year Sheremetyevo Airport was inspected by a Moscow Region commission headed by Vice Governor Igor Treskov and Khimki city district mayor Dmitry Voloshin. In the course of this inspection implementation of measures for prevention spreading of COVID-19 in Sheremetyevo was assessed and compliance of the airport passengers and guests with the orders and recommendations of state authorities was checked. Among other things, based on the commission's decision, 200 volunteers were involved for additional control of compliance with face mask requirements in the airport, who reminded the passengers about the need to comply with epidemiological rules and controlled such compliance.

**Based on its performance, on February 9, 2021 Sheremetyevo International Airport was declared the winner of the National Award "Russia Air Gate 2021". Sheremetyevo won in two categories: "Efficient Provision of Safety Requirements for Passengers and Staff" and "Continuing Implementation of Infrastructure and Renovation Projects".** The award ceremony took place within the framework of the business programme of the VIII National Civil Aviation Infrastructure Exhibition NAIS-2021 and was timed to celebration of the Day of Russian Civil Aviation Worker. Thus, Sheremetyevo was recognized the most efficient Russian airport in terms of implementation of investment projects and protection of passengers' and personnel's health during the pandemic.

More detailed information about the actions of SIA JSC within the framework of support of passengers' and personnel's health in 2020 is provided in the respective sections of "Social Responsibility" chapter.





## TRANSPORT SAFETY

The AIRPORT Aviation and Ground Transport Security Directorate and JSC Sheremetyevo Security (55% belongs to SIA JSC and 45% - to PJSC Aeroflot) are in charge of ensuring transport safety at Sheremetyevo International Airport.

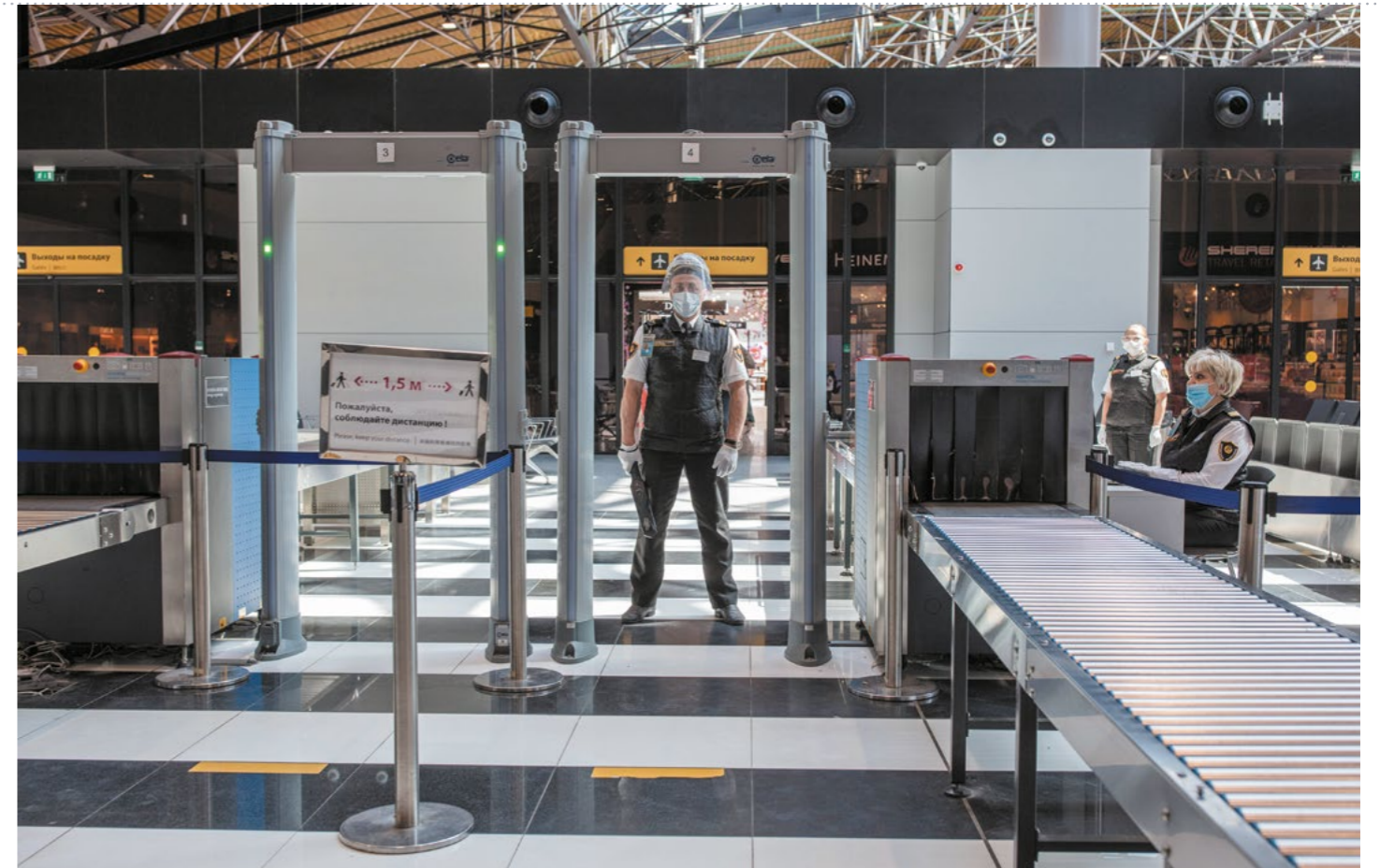
### The functions of the AIRPORT Aviation and Ground Transport Security Directorate are:

- organization and ensuring transport (airport) safety/security;
- maintenance ready forces and means for localization and prevention of acts of unlawful interference;
- taking additional security measures in the period of enhanced threat to air transport or extraordinary circumstances;
- managing the whole process of ensuring transport (airport) safety/security via transport safety control points;
- organization of access control procedure and internal security policy;
- organization and providing for guarding the airport territory (effected together with the Federal State Unitary Enterprise UVO (Extradepartmental Protection Directorate) of the Ministry of Transport of Russia, involved on paid basis) as well as airport infrastructure facilities;
- development of documents regulating actions for ensuring transport (airport) safety/security;
- quality control in respect of measures for ensuring transport (airport) safety/security;
- management of risks related to ensuring transport (airport) safety/security.

### The competencies of JSC Sheremetyevo Security include:

- ensuring transport (airport) safety/security;
- ensuring access control procedure for aviation security zone;
- conducting inspections of passengers and other day-to-day operational functions.

In November 2020, Sheremetyevo International Airport became the winner of the National Award "Transport Security of Russia-2020" in the nomination "The Best Transport Infrastructure Subject That Has Implemented Requirements in the Sphere of Ensuring Transport Safety". This recognition is based on implementation in Sheremetyevo of the three most important transport safety/security



innovations in the reporting year.

**First** of all, in the new Terminal C that was commissioned in January 2020, for the first time in Russia, inspection equipment was integrated with the automated system of sorting hand luggage and return of trays. In the process of the system's work, trays with passenger's personal belongings are automatically sorted into two parallel lines, the "clean" one and the line for manual inspection. Analysis of hand luggage images transmitted from introsopes is effected by computer and inspectors in a separate operations hall; as the result, influence of the human factor on the inspection procedure quality is decreased and inspection of suspicious hand luggage is effected without suspending the principal inspection line.

**Second**, the system of centralized control and monitoring of work of metal detectors has been put into operation. This technical solution allows to manage equipment settings in all airport terminals in remote access mode and receive reliable information about the load of each checkpoint, that in its turn giving the opportunity of more accurate and effective planning of the work of employees involved in inspection.

**Third**, and last, in 2020 the integrated NEST information platform was put into operation in Sheremetyevo. It allows prompt transmission of information about the work of all active systems



to the control points for ensuring transport safety/security of the Southern and Northern airport terminal complexes.

A significant part of equipment and solutions in the safety/security systems at Sheremetyevo Airport is provided by domestic developers and manufactures. This concerns first of all the video surveillance systems, access control systems, warning and calling alarm systems, top level software solutions as well as the airport perimeter security systems.

As of today, Sheremetyevo International Airport uses over 680 units of inspection equipment (both fixed and portable ones) including one and two projection X-ray television introsopes, high speed television introscope with the function of automatic detection of explosives, body scanners, fixed and hand metal detectors, gas sensors, microwave scanners.

Apart from using technical means, Sheremetyevo airport employs other security measures: it has an active police dog service system, patrolling in terminals and at terminal adjacent squares, profiler inspectors work with passenger traffic, a set of measures for security of aircraft and airport facilities is implemented, including with implementation of new technical and technological solutions such as, for example, facial recognition.

The security system in Sheremetyevo Airport is continuously improving and allows to very effectively detect and prevent carrying of hazardous objects and substances to aircraft, to terminals as well as to react to disturbing events as promptly as possible. This is achieved, among other things, in close cooperation with the State Defence Committee and airlines security services.

Based on the results of 2020, over 13,060 attempts of carrying hazardous objects and substances on board of aircraft were suppressed during inspection of passengers, hand luggage and baggage as well as cargo and postal items at Sheremetyevo Airport. 1,601 units of all types of weapons and special means were detected and seized, including: 2 units of firearms, 67 units of bladed weapons, 21 units of other weapons, 1,511 units of special means, 854 units of bladed articles. There were 4,407 call-outs of task forces for identification of explosives and explosive devices. There were 264 threats to air transport (oral, anonymous, telephone and written communications regarding threats of committing acts of unlawful interference).

In 2020, the procedure of confirming compliance of SIA JSC to the requirements of the Federal Air Rules was completed, as confirmed by Certificate No. FAVT.AB.315 dated September 04, 2020.

In 2020, JSC Sheremetyevo International Airport jointly with JSC Sheremetyevo Security took part

in preparation of documentation and undergoing an audit for the procedure of validation of Moscow Cargo LLC terminal in RA3 status. In December 2020, RA3 Certificate (registration number RU/RA3/00005-01) was issued to Moscow Cargo LLC by the German National Civil Aviation Authority (Luftfahrt- Bundesamt), that conducts, among other things, inspection and certification of airports and airlines on behalf of the European Aviation Safety Authority (EASA). RA3 certificate confirms that Moscow Cargo LLC terminal is in full compliance with the aviation safety requirements established by the European Union in respect of cargoes and mail designed for or transported via the European Union countries from the territory of non-EU countries (Implementation Regulation EU 2015/1998). During the inspection, the auditors especially focused on implementation by Moscow Cargo LLC of the security ensuring program including measures taken by the handling operator to protect cargo and ensure its integrity during the whole production cycle prior to its handing over to the airline. All cargo processing operations, from the moment of its acceptance for shipment and to the moment of its delivery on board of aircraft are conducted in the security identification display area (SIDA) thereby excluding unauthorized access to the cargo in the process of its servicing on the ground.

During the whole year in 2020 theory and practical training events were held in Sheremetyevo jointly with state controlling and law enforcement authorities, aimed at keeping ready forces and means for counteraction and liquidation of consequences related to acts of unlawful interference with civil aviation activities. Within the framework of those events, theory knowledge and practical skills of employees of the AIRPORT Aviation and Ground Transport Security Directorate and employees of JSC Sheremetyevo Security were checked.

Thus, for example, in the course of special tactical training exercises in December 2020 interaction of JSC Sheremetyevo International Airport Aviation and Ground Transport Security Directorate, JSC Sheremetyevo Security with law enforcement agencies and PJSC Aeroflot security services in case of threat of aircraft explosion while the aircraft is on the ground, as well as simultaneous implementation of additional security measures in various working activities areas were elaborated. 45 employees of JSC Sheremetyevo International Airport and JSC Sheremetyevo Security, as well as officers of the Line Division of the Ministry of Internal Affairs of Russia in Sheremetyevo International Airport, including its service dog division and the service dog division of PJSC Aeroflot, took part in those training exercises. High professional training of all participants was noted based on the training exercises' results.



## FLIGHTS SECURITY

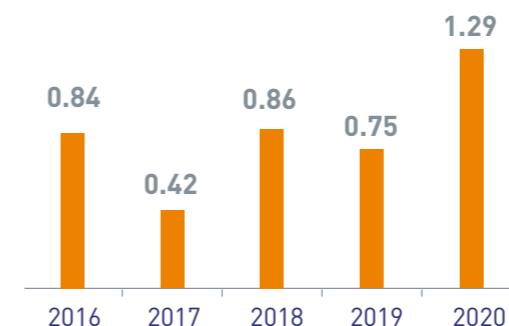
Ensuring security at the airfield has a priority among SIA JSC activities in the airport. The main objectives of the functioning of the Flight Security Management System are:

- constant increasing of the level of flight security ensuring efficiency;
- facilitating the forming and maintenance of positive flight security ensuring culture in the organization;
- compliance with all applicable legislative and regulatory requirements;
- providing the necessary resources for provision of safe products or services;
- guarantee that ensuring flight security is the top priority for all managers;
- provide for, at all organization levels, understanding, implementation and compliance with the policy in the area of ensuring flight security.

In 2020, decrease in the number of aviation accidents was recorded; it is mostly connected to decreasing working processes volume and number of airfield operations due to the introduced restrictions on air transportations that entailed significant decrease of passenger traffic.

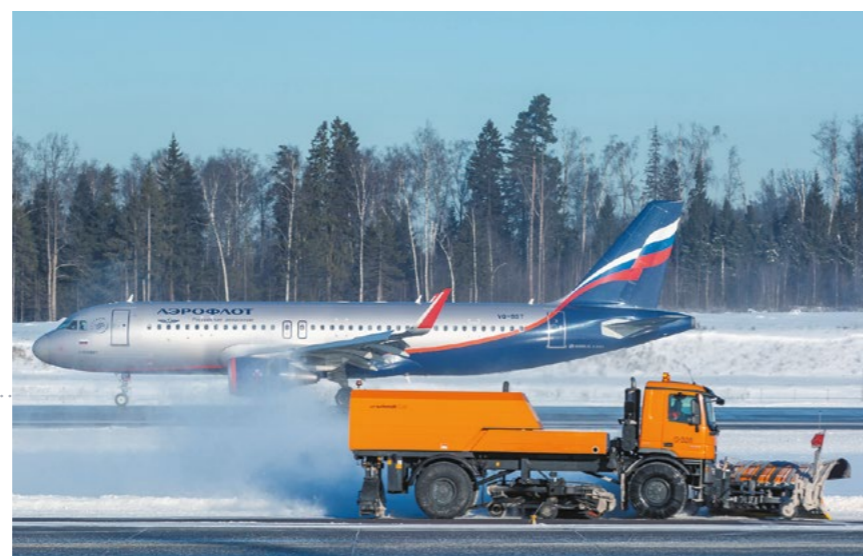
On the whole, the level of the airport's work aimed at ensuring flight safety is characterized by the relative index of damage to aircraft (DtA), calculated as the number of accidents per 10 thousand of airfield operations. Respectively, the lesser number of flights (and that was what happened in all airports of the world) the greater is the "weight" of each accident in forming the DtA index value. That is why, despite decreasing of the absolute number of aviation accidents at Sheremetyevo airfield, the DtA coefficient in 2020 slightly increased as compared to the period of 2016 - 2019.

### DtA Index Dynamics at Sheremetyevo Airport



In 2020 SIA JSC concentrated its main efforts on involvement of subsidiary dependent companies and external organizations in the process of functioning of the Flight Security Management System as well as on equipment of air transport with onboard monitoring systems including drivers' condition control and excluding any unauthorized driving into the aircraft maneuvering area.

Dynamic changes in the airfield infrastructure, related restrictions and changes in airfield and road traffic may be listed among the specific features of the Flight Security Management System of SIA JSC in 2020. The following should be noted among the factors influencing flight security in the reporting period: failure to comply with the instructions and teaching on the part of the staff servicing air transportation at Sheremetyevo Airport; rotation of ground service operators staff in connection to decreased transportation volume and little work experience of the staff.





## RESPONSIBILITY OF EMPLOYEES TO ENSURE SAFETY

In compliance with the requirements of the International Civil Aviation Organization (ICAO), Decree of the Government of the Russian Federation No. 1215 "On the Procedure for Developing and Applying Aircraft Safety Control Systems, as well as Collecting and Analyzing Data on Hazard and Risk Factors that Create a Threat to the Security of Civil Aircraft, Storing and Exchanging these Data" dated 18.11.2014 and Order of the Ministry of Transport of the Russian Federation No. 262 "On Approval of Federal Aviation Regulations – Requirements for Aerodromes Intended for Take-off, Landing and Taxiing and Parking of Civil Aircraft" (FAP-262) dated 25.08.2015, there is a Flight Safety Control System (FSCS) operating at Sheremetyevo International Airport with the participation of representatives of key airlines and aircraft maintenance operators.

The FSCS is implemented in order to identify the risks to the security of service operations, to ensure the implementation of corrective measures for security risk management, to perform continuous monitoring and evaluation of flight safety activities, and to enable continuous security improvements in the course of service operations.

FSCS work is guided by the analysis of information on the status of flight safety, quantitative and qualitative assessment of the impact of various factors on the level of flight safety, development and adoption of the measures to prevent risk factors or to reduce their impact on flight safety, assessment of preventive measures.

### In accordance with ICAO recommendations, the FSCS provides for the following:

- availability of the Flight Safety Policy of the Sheremetyevo International Airport Joint-Stock Company to be approved by the order of SIA JSC;
- appointment of persons responsible for flight safety in the respective area of activities;
- performance of works to identify risk factors, possible errors and violations on the part of personnel, organization of preventive actions;
- participation in the investigation of aviation and other events that affect flight safety;
- monitoring the implementation of recommendations of commissions on aviation events investigation, generation of reports on their implementation and assessment of preventive measures efficiency;
- informing the divisions and S&A of the events occurred at the aerodrome and their causes;
- monitoring the compliance by the personnel with the requirements of organizational and administrative documents of SIA JSC on flight safety;
- training and professional development of the personnel;
- availability of an emergency plan.

The flight safety policy of SIA JSC is a statement of the principles, procedures and methods of the FSCS used to achieve the intended safety level. This policy shall be approved by the order of SIA JSC and confirms commitment of SIA JSC top management to implement and to constantly improve the safety principles in all aspects of its activities. Top management shall develop measurable and achievable goals of safety, which must be implemented across SIA JSC.

SIA JSC shall keep records of all aviation events and violations committed by personnel, monitors the implementation of recommendations of reports (acts) following the results of investigations of aviation and other events, as well as violations affecting FS. The results of FS management and control shall be recorded in quarterly and annual reports on FS.

The security status depends on the performance of each structural division, all airlines and organizations operating at the aerodrome, and is achieved by joint efforts and professional work of the Management of SIA JSC and its divisions, by the actions of all personnel in cooperation with airlines, organizations and administrations of local executive authorities.

### The Management of SIA JSC shall organize control over the activities of employees and the application of resources for the rendering of airport services and ensures the mitigation of the corresponding risk factors. For this purpose, the Management shall:

- define the organizational structure of SIA JSC and the functions of structural divisions;
- define the procedure of airport operation;
- organize hiring and training of employees;
- provide divisions with the equipment necessary for the service rendering;
- allocate the necessary resources.

The Management of SIA JSC shall ensure the elaboration of organizational and administrative and local regulatory documentation of SIA JSC related to flight safety, as well as process documentation for all types of works, control over the compliance with the rules and regulations set out in these documentation, and maintenance of technical means and equipment in operational condition.

The responsibility for flight safety is an integral part of the official duties of each manager of the enterprise. Since flight safety management is one of the main functions of their professional duties, each manager is in some way involved in ensuring such control.

### The Company exploits a multi-level system of the delegation of authority, rights and responsibilities in flight safety issues, including the following levels:

- Director General;
- Deputy Director General for Flight Safety and Aerodrome Support;



- head of a structural division;
- persons responsible for the implementation of the FSCS in the division and ensuring FS.

The Management of SIA JSC admits the possibility of mistakes to be made by aviation personnel, if these mistakes are unintentional, if their causes are understood and they are not the result of lack of personal discipline, if the corresponding lessons have been learned, preventive measures developed and implemented to eliminate the causes and to prevent similar violations in the future. The punishment of an employee who committed an unintentional error or omission is optional. In this case, other corrective measures apply, such as advanced training, incentivization for the better performance of duties, etc.

In order to ensure the effective functioning of the FSCS, the Flight Safety Committee was established by the order of SIA JSC. The Committee's activities are determined by the Regulations on the Flight Safety Committee of the Sheremetyevo International Airport Joint-Stock Company approved by the Management Board of SIA JSC. The Committee consists of Deputy Director General for Flight Safety and Ground Support, heads of structural divisions that are responsible for flight safety, representatives of major airlines and operators for aircraft maintenance and air traffic, as well as the Secretary.

Besides, there are working groups established in operational divisions. They are headed by the officials responsible for FS in the corresponding division and intended to identify risk factors in such areas of activity as: aircraft maintenance, airdrome maintenance, technological processes, maintenance and repair of technical equipment, training etc.

One of functional element of the FSCS is the voluntary reporting system (hereinafter – the "VRS"). The purpose of VRS at SIA JSC is information collection, identification of hidden risks and/or inconsistencies in the activities of air staff ensuring air transportation that adversely affect flight safety. In 2020, the activity of employees in identifying hazards has significantly increased: through the Voluntary Reporting System operating at SIA JSC, the Flight Safety Inspectorate has taken into account, processed and sent for action in the organization and subdivision 2,580 voluntary messages, for which responses and the applicants were informed (in 2019, there were 295 such communications).





# FINANCIAL REVIEW

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Profit Margin and Revenue Structure of SIA Group **134**



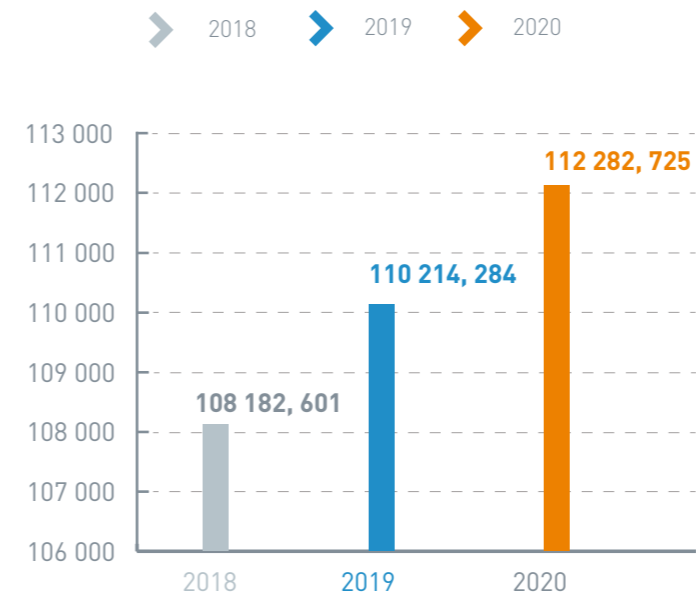


## KEY FINANCIAL INDICATORS OF SIA JSC

Comparative analysis of income, expenses and SIA JSC profit or loss indicators achieved based on RAS, according to SIA JSC accounting (financial) statements under RAS (RUB ths)

Indicator	2020	2019	(+/-) YoY	% YoY
<b>INCOME</b>				
Revenue	19 106 948	39 239 056	(20 132 108)	(51,31%)
Interest receivable	313 889	402 572	(88 683)	(22,03%)
Income from shareholdings	720 816	2 005 152	(1 284 336)	(64,05%)
Other income	2 644 417	4 597 624	(1 953 207)	(42,48%)
<b>Total:</b>	<b>22 786 070</b>	<b>46 244 404</b>	<b>(23 458 334)</b>	<b>(50,73%)</b>
<b>EXPENSES</b>				
Cost	(15 408 550)	(12 962 120)	(2 446 430)	18,87%
Selling and marketing expenses	(48 374)	(43 501)	(4 873)	11,20%
Administrative expenses	(4 012 326)	(3 852 728)	(159 598)	4,14%
Interest payable	(3 058 469)	(3 194 041)	135 572	(4,24%)
Other expenses	(5 327 524)	(831 194)	(4 496 330)	540,95%
<b>Total:</b>	<b>(27 855 243)</b>	<b>(20 883 584)</b>	<b>(6 971 659)</b>	<b>33,38%</b>
<b>PROFIT AND LOSS</b>				
Gross profit	3 698 398	26 276 936	(22 578 538)	(85,93%)
Profit (loss) from sales	(362 302)	22 380 707	(22 743 009)	(101,62%)
Profit (loss) before taxation	(5 069 173)	25 360 820	(30 429 993)	(119,99%)
Income tax	4 881 712	(3 300 572)	8 182 284	(247,91%)
<b>including</b>				
current income tax	-	(3 616 513)	3 616 513	(100,00%)
deferred tax	4 881 712	315 941	4 565 771	1445,13%
Other	(10)	(41 254)	41 244	(99,98%)
<b>Net profit</b>	<b>(187 471)</b>	<b>22 018 994</b>	<b>(22 206 465)</b>	<b>(100,85%)</b>

Net assets of SIA JSC, RUB mln, as of December 31, 2018, 2019 and 2020

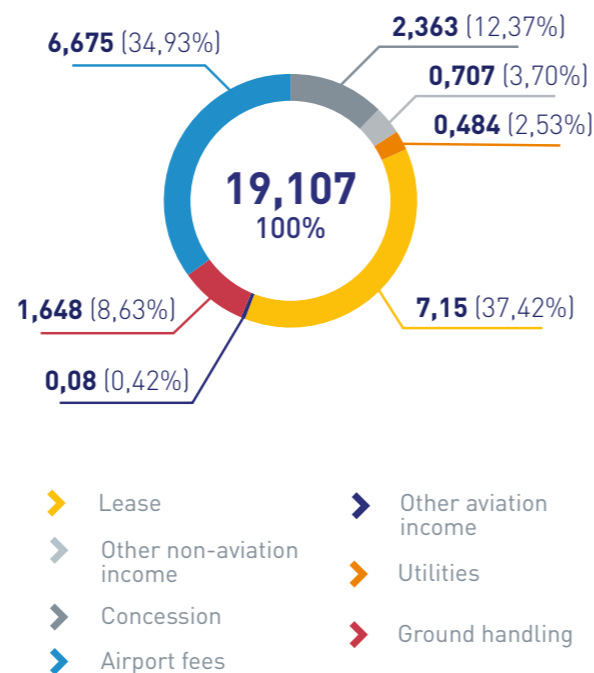




## PROFIT MARGIN AND REVENUE STRUCTURE OF SIA JSC

In 2020 the company suffered losses, for the first time since 2015. Net loss amounted to RUB 0.187 bln. Revenue decreased by 51% as compared to the last year, to RUB 19.107 bln. Aviation activities constituted 44% in the company income structure. In 2020 revenue from aviation activities amounted to RUB 8.402 bln including airport fees RUB 6.675 bln, ground servicing RUB 1.648 bln, other aviation gains RUB 0.08 bln. Non-aviation activities constituted 44% in the company income structure. In 2020 revenue from non-aviation activities amounted to RUB 8.342 bln including lease payments RUB 7.15 bln, utility services RUB 0.484 bln, other non-aviation gains RUB 0.707 bln. Concession accounts for 12%, or RUB 2.363 bln in the company income structure.

Revenue structure of SIA JSC in 2020



## PROFIT MARGIN AND REVENUE STRUCTURE OF SIA GROUP

In 2020, in connection to the start of the coronavirus pandemic, passenger traffic considerably decreased due to suspension of international air connectivity to most international destination and decreasing domestic service volumes. Air traffic development plans were also affected by the coronavirus pandemic - the time periods for beginning of new carriers' flights were shifted, opening of new directions suspended. As evidenced by the 2020 performance, the number of serviced passengers decreased by 60% as compared to 2019 and amounted to 19,784 thousand. The number of takeoff and landing operations for 2020 decreased by 52% and amounted to 186,366 operations. Notwithstanding this, the Company remains Russia's largest airport in terms of passenger traffic.

The SIA Group of Companies Management implements measures aimed to mitigate the impact from decreased passenger traffic: it has effected optimization and reduction of expenses, formed a set of support measures for tenants and airlines, is working on reception and servicing of passenger flights carrying cargoes, it has also obtained property tax deferral, effected restructuring of its debts and enhanced control over its counterparties' payment discipline compliance.

In 2020 SIA Group of Companies obtained state subsidies for the total amount of RUB 2,758 mln from the Government of the Russian Federation as additional liquidity support. These subsidies are reflected in the reporting period in the amount of RUB 2,758 mln within other operating income in the consolidated profit & loss and other comprehensive income statement, and within the cash flow from operating activity within the consolidated cash flow statement for the year ended on December 31, 2020.

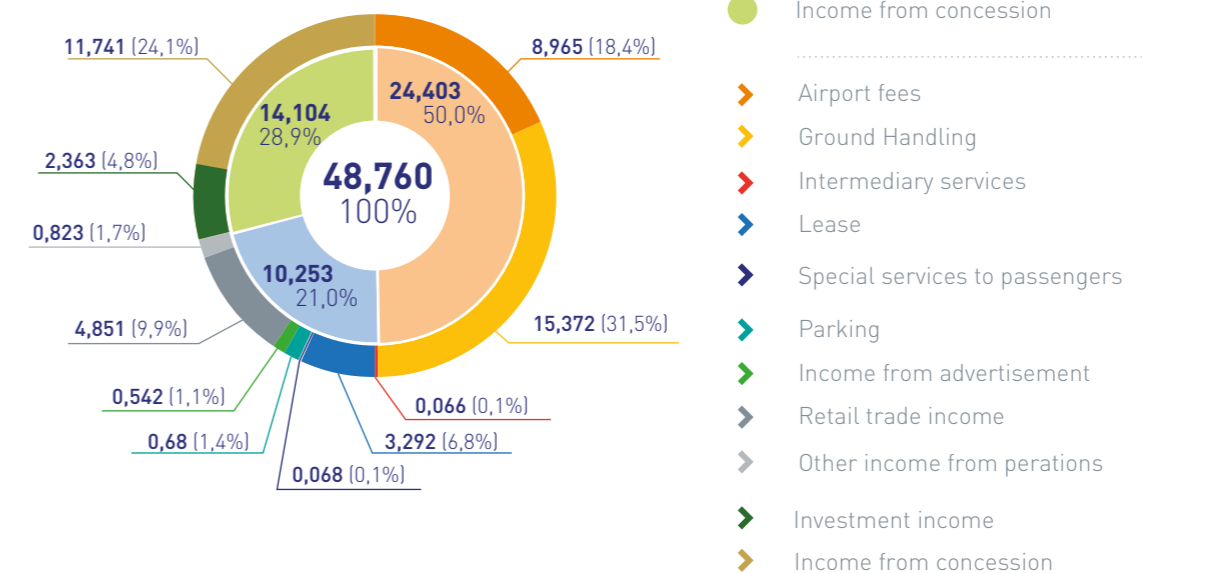
Notwithstanding domestic flights resumption and partial resumption of international air connectivity between the Russian Federation and some countries in mid-2020, restrictions connected to the coronavirus pandemic, including the requirements to observe quarantine on arrival to some foreign state, the coronaviral restrictions introduced in such states, as well as the concerns expressed by the

passengers themselves continued to effect a negative impact on the passenger traffic level.

It appears impossible to reliably assess further restoration pace, so various development scenarios for quick adaptation to the changing demand are being considered. The measures taken are meant to allow SIA Group of Companies comply with their financial obligations. In such circumstances, the consolidated financial statements of SIA JSC for 2020 have been prepared based on the assumption of its existence as a going concern. However, taking into consideration the unpredictability and scope of COVID-19 pandemic, its actual influence

on future efficiency, SIA Group of Companies' financial position and cash flows may differ from current valuations and the Management's assumptions.

Structure consolidated revenue of SIA Group (RUB bln)



Key consolidated financial indicators of SIA Group with IFRS

Indicator (RUB bln)	2020 r.	2019 r.	% YoY
Revenue	48,76	82,088	(40,6%)
Operational expenses	(52,547)	(55,001)	(4,46%)
Operational income	(3,787)	27,087	(113,98%)
(Loss)/profit for the year	(8,831)	22,341	(139,53%)
EBITDA adjusted	9,36	36,909	(74,64%)
EBITDA margin adjusted	25,30%	49,30%	(48,68%)





# CORPORATE MANAGEMENT

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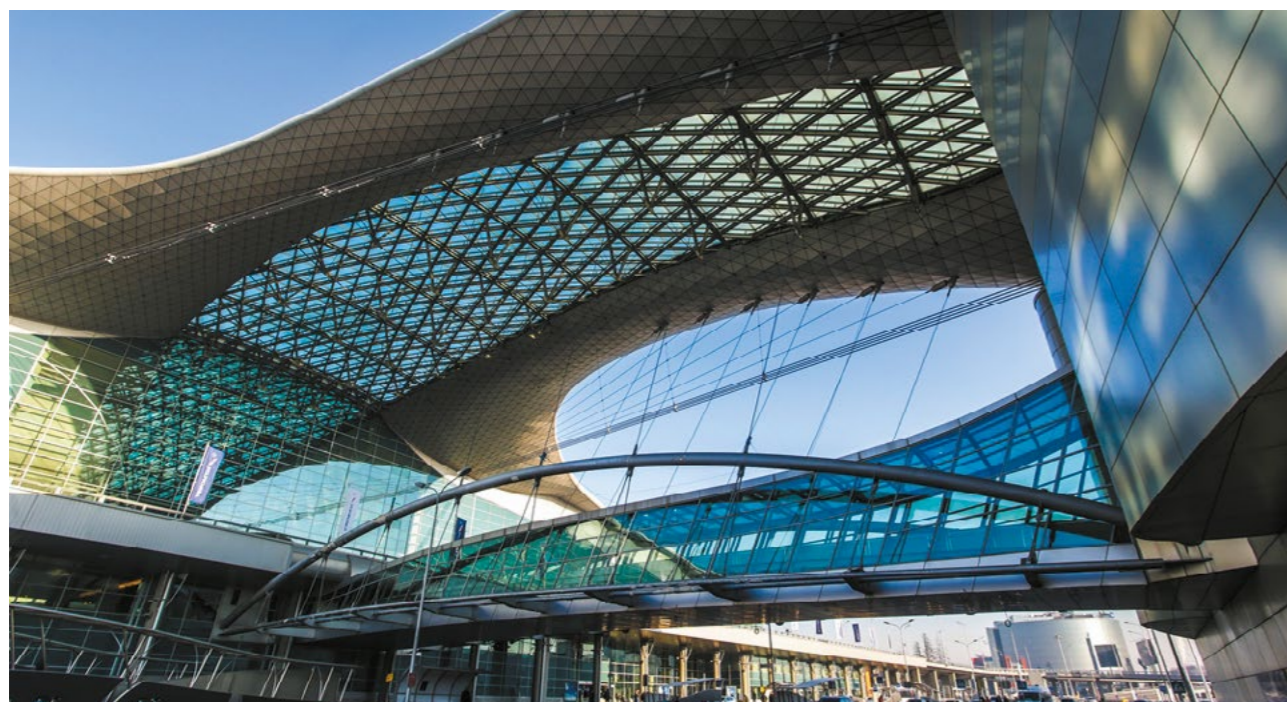


## CONSOLIDATED SIA GROUP

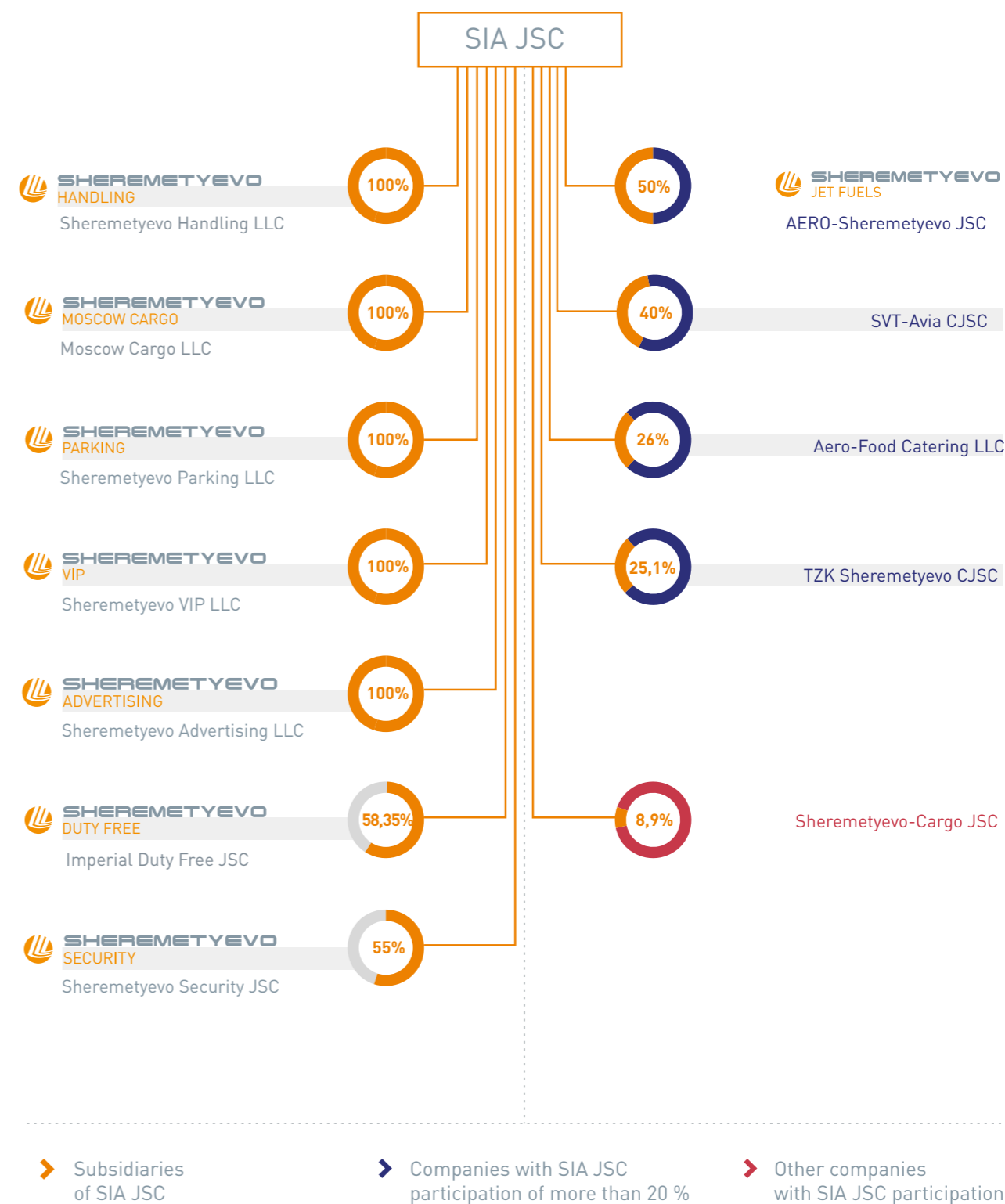
SIA JSC should be construed as a large holding in the services market, which in 2020 was a participant in 7 subsidiaries with a share of more aviation than 50% and 5 companies with a share of less than 50%. The total amount of the contribution to the authorized capital of these organizations as of January 01, 2020 was RUB 37 603,87 mln.

The subsidiaries partially owned by SIA JSC are organizations that operate primarily on the territory of the airport and provide services related to passenger, cargo and general transportation services. Most of the companies with the participation of SIA JSC utilize the airport property, either owned or leased.

During the reporting year 2020, changes in the SIA Group of Companies related to the latter's participation in business entities did not enter into contracts for the purchase and sale of shares, shares, shares in business partnerships and companies.



## SIA GROUP SIA Group Structure



**BASIC DETAILS ON THE SUBSIDIARIES ACCORDING TO THE ACCOUNTING**  
 (financial) statements prepared under RAS (RUB ths)

	Key areas of activities	2019		2020	
		Revenue	Net profit	Revenue	Net profit
 <b>SHEREMETYEVO</b> VIP	Organization of air passenger service, including through the design and operation of official delegation lounges, first and business class passenger lounges, maintenance of lounges and rest rooms for air passengers	5 747 118	884 349	2 527 099	(408 870)
 <b>ШЕРЕМЕТЬЕВО</b> HANDLING	Aircraft and passenger services, including support activities related to air transport	12 130 524	-233 450	7 046 474	(1 982 229)
 <b>ШЕРЕМЕТЬЕВО</b> MOSCOW CARGO	Cargo handling	5 203 757	1 092 109	4 786 958	352 105
 <b>ШЕРЕМЕТЬЕВО</b> PARKING	Lease and management of owned or rented real estate	1 101 762	(24 585)	633 448	(174 253)
 <b>ШЕРЕМЕТЬЕВО</b> ADVERTISING	Advertising activities (mainly by utilizing the advertising space of the airport territory)	1 415 988	192 186	559 973	(78 607)
 <b>SHEREMETYEVO</b> DUTY FREE	Duty Free and Duty Paid stores management at Sheremetyevo International Airport	14 814 757	1 935 093	4 820 243	(631 825)
 <b>ШЕРЕМЕТЬЕВО</b> SECURITY	Organization and arrangement of transport and aviation security of transport infrastructure facilities and vehicles	5 057 364	300 221	2 382 352	(321 044)
 <b>ШЕРЕМЕТЬЕВО</b> JET FUELS	Organization and implementation of aircraft refueling, purchase and sale of aviation fuel and special fluids	25 883 031	363 508	11 539 184	(307 324)
SVT-Avia CJSC	Transport and forwarding services for Russian and foreign legal entities and individuals	6 892	(4 567)	6 452	(6 155)
Aero-Food Catering LLC	In-flight catering production	562 845	134 933	66 292	(55 892)
TZK Sheremetyevo CJSC	Organization, provision and implementation of refueling with lubricants and special fluids for aircraft, aviation and ground equipment and vehicles	4 059 990	313 225	1 486 548	(497 746)
Sheremetyevo-Cargo JSC	Airport activities for handling cargo and mail in domestic and international air transportation, handling and storage services for cargo and mail	2 649 676	238 822	2 685 624	194 503



## BASIC DETAILS ON SIA JSC

Full company name – Sheremetyevo International Airport Joint-Stock Company. Certificate of Registration No. 005.283 dated July 09, 1996, issued by the Governmental Establishment Moscow Registration Chamber, OGRN No. 1027739374750 assigned by Moscow Interdistrict Inspectorate of the Ministry for Taxes and Levies of Russia No. 39 on October 14, 2002.

The Company is registered in the Moscow region. Location: Sheremetyevo Airport territory, Khimki, Moscow Region, 141400, Russian Federation. Contact number: +7(495) 578-01-11; fax: +7(495) 578-78-83; 737-53-91; e-mail: svo@svo.aero.

The main activity of the Company is airport activities (OKVED 52.23.11), including servicing of aircraft, passengers and cargo of Russian and foreign airlines, as well as leasing and management of owned and rented non-residential real estate (OKVED 68.20.2), provision of non-aviation services to enterprises and organizations operating on the territory of the airport and in the surrounding area, to passengers of the airport.

SIA JSC was registered under No. 227 in the "List of joint-stock companies with the federal participation which ensures strategic interests, defense and security of the state, protection of morality, health, rights and legitimate interests of citizens of the Russian Federation", approved by Decree of the President of the Russian Federation No. 1009 dated August 4, 2004. SIA JSC is also entered under No. 267 into the "List of strategic organizations, as well as federal executive bodies that ensure the implementation of a unified state policy in their respective sectors of the economy", approved by Order of the Government of the Russian Federation No. 1226-p dated August 20, 2009.

The number of staff members of JSC "SIA" amounted to 4,896 staff members. The average number of employees of the Company as of December 31, 2020 amounted to 4,690 people. The number in relation to 2019 increased by 0.6%.

The size of the authorized capital of the Company is 8 490 982 707 (eight billion four hundred ninety million nine hundred eighty two thousand seven hundred and seven) rubles.

The total number of the company's shares: 8 490 982 707 (eight billion four hundred ninety million nine hundred eighty two thousand seven hundred and seven) shares.

Number of ordinary shares: 8 490 982 707. Their par value is 1 (one) ruble each. The issue of these shares was registered by the Federal Financial Markets Service of Russia on 04/06/2010 under the state registration number 1-01-04511-A.

The Company has no preference shares.

There are no shares at the disposal of the Company, as well as shares of the Company owned by legal entities controlled by the Company.

There is no special right for the participation of the Russian Federation in the management of the Company ("golden share").

## SIA JSC OWNERSHIP STRUCTURE

As of December 31, 2020, the shareholders of SIA JSC, whose share in the authorized capital of the Company is more than 2 percent, were: Sheremetyevo Holding LLC - 5,609,417,123 shares (66.0632% of the total number of outstanding shares of SIA JSC); The Russian Federation represented by

the Federal Property Management Agency (Rosimushchestvo) - 2,586,564,391 shares (30.4625% of the total number of outstanding shares of SIA JSC); Aeroflot PJSC - 206,119,068 shares (2.4275% of the total number of outstanding shares of SIA JSC). The Company's registrar is VTB Registrar Joint-Stock Company (23 Pravdy Str., Moscow, 127015).

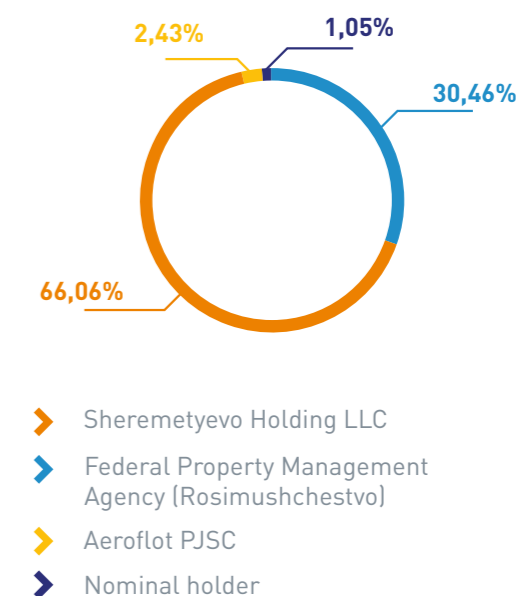
## GENERAL SHAREHOLDER MEETING

The highest management body of JSC Sheremetyevo International Airport is the General Meeting of Shareholders.

The competence of the General Meeting of Shareholders is defined in Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies" and the Charter of SIA JSC

In the reporting year, pursuant to Article 66.3 of the Civil Code of the Russian Federation, based on the shareholders' unanimous decision, the following provisions were not included in the Charter of SIA JSC; on submission for consideration by the Board of Directors or the Managing Board of issues referred by the law to the competence of the General Meeting of the Company's Shareholders; on full or partial assigning of the Managing Board's functions to the Board of Directors or on refusal from creation of the Managing Board; on vesting the functions of the Managing Board with the General Director; on absence of an audit commission in the Company or on establishment thereof solely in the cases provided for by the Charter of SIA JSC; on requirements different from those established by laws and other regulations in respect of members, formation procedure and conducting meetings of the Board of Directors or the Managing Board; on the procedure different from the procedure of convocation, preparation and conducting the

Ownership of SIA JSC as at 31.12.2020





General Meeting of Shareholders established by laws and other regulations; on the procedure of exercising the preemption right of acquisition of shares of SIA JSC or securities converted into its shares, placed by SIA JSC; on referral to the competence of the General Meeting of Shareholders any issues not related to it pursuant to the Civil Code of the Russian Federation or Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies".

In 2020, two General Meetings of Shareholders were held: the annual one on September 30, 2020 and the extraordinary one on November 05, 2020.

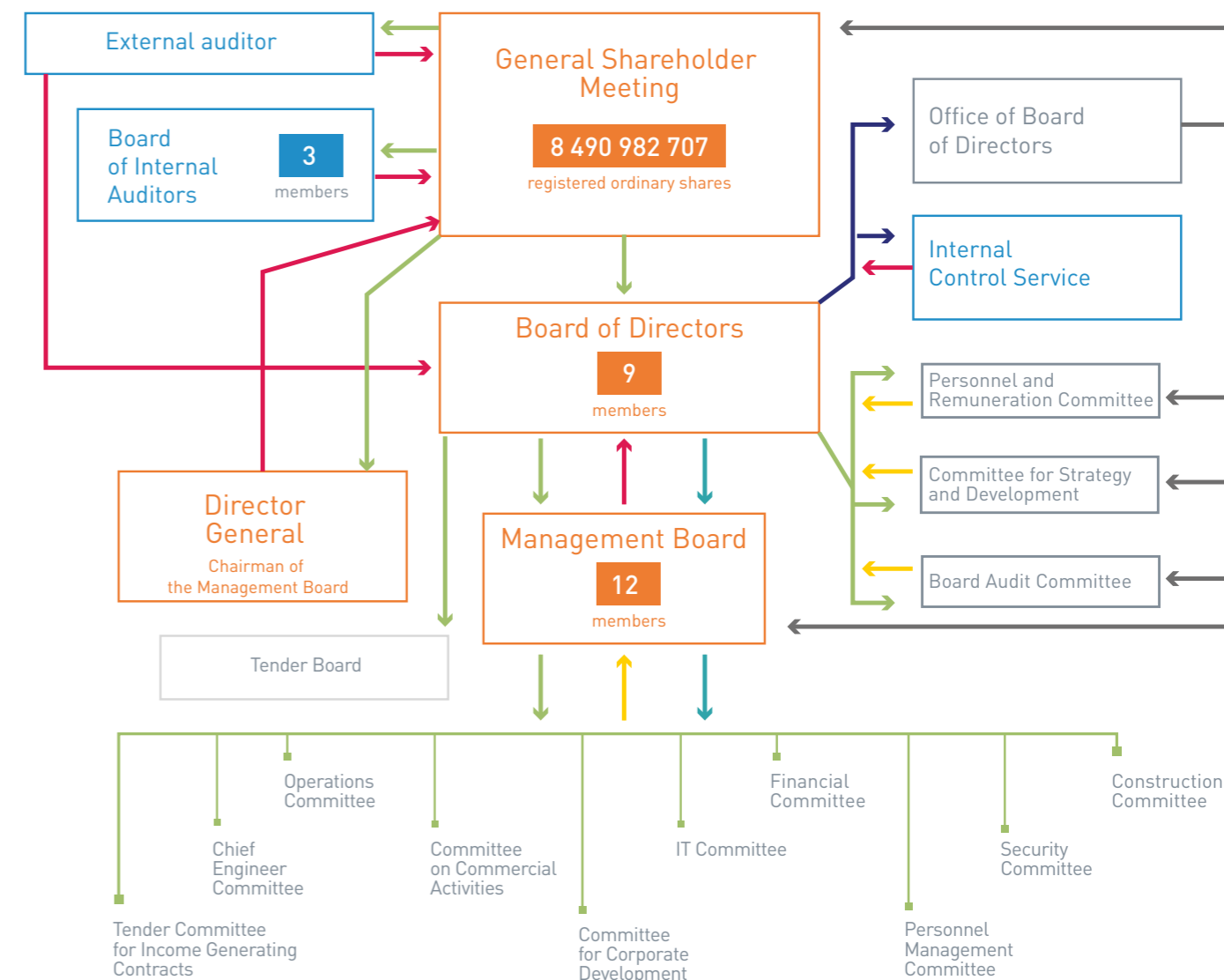
Pursuant to Article 12 § 4 of Federal Law No. 115-FZ of 07.04.2020 "On Amendments to Certain Laws of the Russian Federation in the Part Concerning Unification of Contents of Annual Reports of State Corporations (Companies), Public-Law Companies as Well as in the Part Concerning Establishment of Regulation of Corporate Relations in 2020 and Suspension of Provisions of Certain Laws of the Russian Federation", based on the decision of the Company Board of Directors, the annual General Meeting of the Shareholders of SIA JSC in 2020 was convened and held in September 2020 (not later than 9 months after the reporting year end).

The annual General Meeting of the Shareholders of JSC Sheremetyevo International Airport was held on September 30, 2020 (Minutes No. 28 of September 30, 2020). It approved the annual report of SIA JSC for 2019 and the annual

accounting (financial) statements of SIA JSC, approved the distribution of profits of SIA JSC based on its performance in 2019, considered the issues regarding the size of dividends, the time periods and form of their payments based on the results of the 2019 performance and defining the date on which persons entitled to dividends shall be determined, approved the payment of remuneration the work in the Board of Directors to the members of the Board who are not civil servants, in the amount established by the internal documents of SIA JSC, approved the payment of remuneration for the work in the Audit Commission to those members of the Audit Commission who are not civil servants, in the amount established by the internal documents of SIA JSC. Additionally, the annual meeting elected the members of the Board of Directors of SIA JSC, the members of the audit commission of SIA JSC and approved the auditor of SIA JSC.

The extraordinary General Meeting of the shareholders of SIA JSC was held on November 05, 2020 (Minutes No. 29 of November 05, 2020). It approved the new version of the Charter of JSC Sheremetyevo International Airport.

## CORPORATE MANAGEMENT STRUCTURE AND BODIES



- Election (re-election) / approval (appointment) / formation of composition
- Appointment of the head of a division
- Submission of reports / audit results (recommendations for corrective actions)
- Control of operations
- Preparation of recommendations
- Organization and support of operations





## BOARD OF DIRECTORS

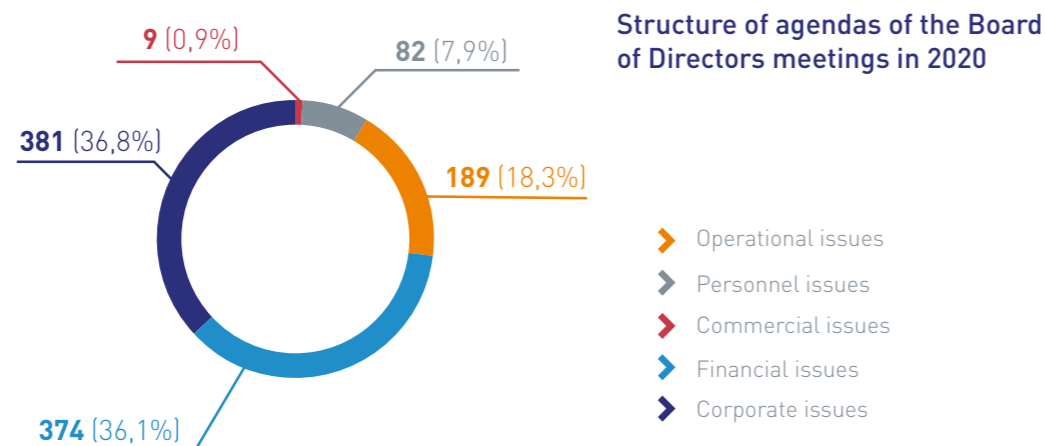
The Board of Directors of the Sheremetyevo International Airport Joint Stock Company is a collegial governing body of SIA JSC operating pursuant to the Articles of Association of SIA JSC and the Regulation on the Board of Directors of the Sheremetyevo International Airport Joint Stock Company approved by the Resolution of the Extraordinary General Meeting of Shareholders of SIA JSC dated May 20, 2016 (Minutes No. 11).

Pursuant to the Articles of Association of SIA JSC, the Board of Directors of SIA JSC consists of 9 persons.

During 2020, SIA JSC held 17 meetings of the Board of Directors (4 in presentia and 13 in absentia). At the meetings of the Board of Directors during 2020, 1,054 agenda items were considered, of which 28 items (3%) were not approved (withdrawn from consideration).

The average attendance rate for the meetings of the Board of Directors of SIA JSC in 2020 was 94%.

In 2020, at the meetings of the Board of Directors, 2 instructions were issued, 4 reports were considered on the issued instructions. In the reporting period, there is a 23% decrease in the number of meetings of the Board of Directors in comparison with the indicator for 2019 (22 meetings) and a 23% decrease in the number of issues considered (1361 issues in 2019).



## Members of the Board of Directors of SIA JSC (as of 31.12.2020)

### Aleksandr A. PONOMARENKO



Chairman of the Board of Directors of SIA JSC

Born in 1964. In 1997, he graduated from S.Ordzhonikidze State Management Academy of Moscow and received a Ph.D. in economics. In 2001, he received a degree of Doctor of Economics in the Moscow Labour and Social Relations Academy. He is the Chairman of the Board of Directors of JSC TPS Nedvizhimost. Member of the Board of Directors of Sheremetyevo Holding LLC. Starting from June 30, 2015 is a member of the Board of Directors of SIA JSC as a non-executive director. From June 02, 2016 till the present time acts as the Chairman of the Board of Directors of SIA JSC.

### Mikhail M. VASILENKO



Born in 1960. In 1981, graduated cum laude from the Order of Lenin M.V. Frunze Red Banner Military School of Railroad Troops and Military Communications, trained as air transport operation engineer. In 1992, graduated with a gold medal from the Order of Lenin Military Support Area and Transport Academy. Since 2005, holds the position of the General Director of SIA JSC. Starting from 2006 is a member of the Board of Directors of SIA JSC as an executive director. He is the Chairman of the Board of Directors of Sheremetyevo Handling LLC, member of the Board of Directors of Moscow Cargo LLC, as of 31.12.2020 was a member of the Boards of Directors of Sheremetyevo Parking LLC, Sheremetyevo VIP LLC.



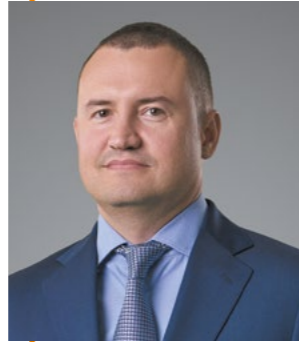


**Mikhail V. BABICH**



Born in 1969. In 1990, graduated from the Ryazan Higher Military Command School. In 1998, graduated from the Law Faculty of the Moscow Economics, Management and Law University. In 2000, obtained the diploma of the State Management University specializing in Financial Management. In 2005, graduated from the Retraining and Advanced Training Faculty of the Military Academy of the General Staff of the Armed Forces of the Russian Federation. Has a Ph.D. in economics. As of the moment of his election to the Board of Directors of SIA JSC in 2020, he held the position of First Deputy Minister of Economic Development of the Russian Federation. At the present moment he is Deputy Director of the Federal Service for Military-Technical Cooperation. Starting from September 30, 2020 is a member of the Board of Directors of SIA JSC as a non-executive director.

**Roman N. ZINOVYEV**



Born in 1977. In 1999, graduated cum laude from I.I. Polzunov Altay State Technical University, specializing in International Economics. In 2002 he graduated from the post graduate studies specializing in National Economy Industries Management. In 2004, graduated from I.I. Polzunov Altay State Technical University, specializing in Financial Management of an Entity. Starting from 2015 he holds the position of the President of Sheremetyevo Holding LLC, is the General Director of TPS Group LLC. Member of the Board of Directors of Sheremetyevo Holding LLC, Sheremetyevo Parking LLC and Sheremetyevo Handling LLC. Chairman of the Board of Directors of Sheremetyevo VIP LLC, Sheremetyevo Advertisement LLC, Moscow Cargo LLC, JSC Imperial Duty Free and JSC AERO-Sheremetyevo. Starting from May 20, 2016 is a member of the Board of Directors of SIA JSC as a non-executive director.

**Aleksandr V. NERADKO**



Born in 1961. In 1984, graduated from the Moscow Civil Aviation Engineers' Institute. He was awarded medals of the Order for Service to the Motherland of I Degree, Order for Service to the Motherland IV Degree, Order of Honour, Order of St. Alexander Nevsky. As of the moment of his election to the Board of Directors of SIA JSC in 2020, he held the position of First Deputy Minister of Transport of the Russian Federation - Head of the Federal Air Transport Agency. At the moment he holds the position of the Head of the Federal Air Transport Agency. Starting from September 30, 2020 is a member of the Board of Directors of SIA JSC as a non-executive director.

**Lyubov R. NISENBOIM**



In 1996, graduated from the Russian State Humanitarian University (RSHU), specializing as economist. In 2014, obtained Master of Business Administration (MBA) in KelloggWHU Executive MBA in the area of Strategic Consulting and Investment Analysis. In 2019, at the moment of her election to the Board of Directors of SIA JSC, she held the position of the head of division of the autonomous non-commercial organization Analytical Center at the Government of the Russian Federation. At the present moment she holds the position of the Corporate and Organizational Development of JSC Russian Post. Member of the Board of Directors of JSC Company TransTeleCom. Starting from June 24, 2019 is a member of the Board of Directors of SIA JSC as a non-executive director.





### Aleksandr I. SKOROBOGATKO



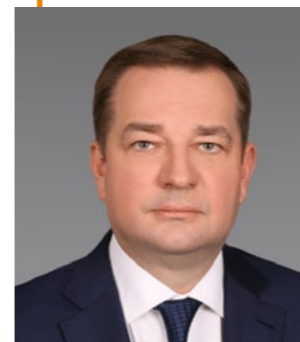
Born in 1967. In 1994, graduated from the Slavyansky State Pedagogical Institute. In 1996, graduated from G.V. Plekhanov Russian Economic Academy, Master of Economics. In 1998, he was awarded a Ph.D. in Law (the Saint Petersburg Academy of the Ministry of Internal Affairs of Russia). In 2020, as of the moment of his election to the Board of Directors of SIA JSC, he held the position of advisor to the President of Sheremetyevo Holding LLC. Starting from September 28, 2020 he is Chairman of the Board of Directors of Sheremetyevo Holding LLC. Starting from June 26, 2017 is a member of the Board of Directors of SIA JSC as a non-executive director.

### Aleksey S. SMAGIN



Born in 1981. In 2003, graduated from M.V. Lomonosov Moscow State University, specializing in Mathematics and Applied Mathematics. In 2014, obtained Master of Business Administration (MBA) in Warwick Business School, U.K. Holds the position of First Vice President - Investment Director of Sheremetyevo Holding LLC. He is on the Board of Directors of JSC TPS Nedvizhimost, Sheremetyevo Advertisement LLC, Moscow Cargo LLC, JSC Imperial Duty Free, JSC AERO-Sheremetyevo, JSC Sheremetyevo Security, Sheremetyevo Handling LLC. Chairman of the Board of Directors of Sheremetyevo Parking LLC. Starting from May 20, 2016 is a member of the Board of Directors of SIA JSC as a non-executive director.

### Vadim V. YAKOVENKO



Born in 1970. In 1995, graduated from the Law Faculty of the Kuban State University. Has a Ph.D. in Law. Full State Counsellor 2nd Class of the Russian Federation, Lieutenant General of Justice. By order of the Government of the Russian Federation of December 21, 2018 No. 2874-r was appointed the Head of the Federal Agency for State Property Management.



## WORK OF COMMITTEES OF THE BOARD OF DIRECTORS

In 2020, 42 meetings of Committees of the Board of Directors of SIA JSC were held, at which 1,171 agenda issues were discussed, 9 orders were delivered. Including 16 meetings of the Audit Committee (407 agenda issues were examined, 6 orders were issued at the meetings), 12 meetings of the Human Resources and Awards Committee (114 agenda issues were examined), 14 meetings of the Strategy and Development Committee (650 agenda issues were examined, 3 orders were issued).

Similar to meetings of the Board of Directors, there is noted an 11% decrease of the number of meetings of the Committees of the Board of Directors of SIA JSC as compared to the 2019 indices (47 meetings) and decreasing the number of issues examined at the meetings by 27% (1,527 issues in 2019).

## MANAGEMENT BOARD

In accordance with the Charter of SIA JSC, the management of the current activities of the Company is carried out by the collegial executive body - the Management Board of SIA JSC and the sole executive body - the General Director of SIA JSC, who is the Chairman of the Board of SIA JSC by position.

Determination of the quantitative composition of the Management Board of SIA JSC, election of members of the Management Board and termination of their powers are the exclusive competence of the Board of Directors of SIA JSC. In accordance with the Charter of SIA JSC, the term of office of the Management Board cannot exceed 3 (three) years.

By the decision of the Board of Directors dated June 26, 2019 (Minutes No. 271) for the period from July 01, 2019 to March 31, 2022, the composition of the Management Board of SIA JSC was determined in the number of 11 members.

By the decision of the Board of Directors dated August 26, 2020 (Minutes No. 291) for the period from September 01, 2020 to March 31, 2022, the composition of the Management Board of SIA JSC was determined in the number of 12 members. Meetings of the Management Board of SIA JSC are held on a weekly basis; in 2020, 52 meetings were held.

During the reporting period, 3099 issues were considered at the meetings of the Management Board of SIA JSC (of which 2607 issues on the agenda of meetings and 492 reports on instructions issued by the Management Board of SIA JSC), 488 issues on the agenda of meetings of the Management Board of SIA JSC were not approved (19%).

## DIRECTOR GENERAL

Pursuant to the Articles of Association of SIA JSC, appointment to the position of Director General and termination of such appointment falls within the competence of the General Shareholder Meeting of SIA JSC. Since 2005, Mikhail Mikhailovich Vasilenko has been Director General of SIA JSC. By the Resolution of the Extraordinary General Shareholder Meeting of SIA JSC dated October 30, 2019 (Minutes No. 27), the authorities of M.M. Vasilenko were extended from November 8, 2019 for three years. By the resolution of the General Shareholder Meeting, Director General is a member of the Board of Directors of SIA JSC. In his work, Director General is subordinate to the General Shareholder Meeting and the Board of Directors of SIA JSC.

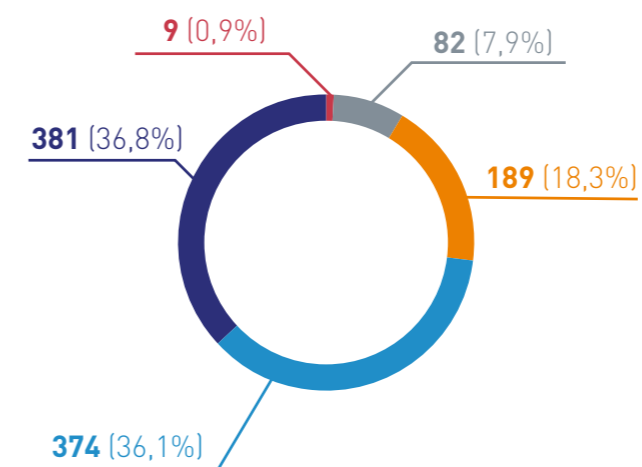


**Tatyana A. BOLTAVA**

**Corporate Secretary**

In 2007, graduated cum laude from the State Educational Institution VPO Saint Petersburg State Polytechnical University, specializing in Law. In 2012, underwent an advanced training course in NIU VShE under the program "Special (Extraordinary) Deals in a Joint Stock Company". In 2019, successfully passed the examination under the advanced training program "Corporate Secretary". From 2010 to 2014 she held the position of the corporate secretary of KIT Finance Investment Bank (OJSC). From

2014 to 2016 she worked as Head of Corporate Practice of the Corporate Secretary's Office and Corporate Secretary of AKB Absolut Bank (PJSC). From 2016 to 2017 she held the positions of advisor and senior advisor of the Office of the Board of Directors in SIA JSC. Starting from October 2016, she was appointed the Secretary of the Managing Board of SIA JSC. In June 2017, she was appointed to the position of Corporate Secretary - Secretary of the Board of Directors of SIA JSC.



**Structure of the Agenda of SIA JSC Management Board meetings in 2020**

- Operational issues
- Personnel issues
- Commercial issues
- Financial issues
- Corporate issues





## Composition of the Management Board of SIA JSC (as of 31.12.2020)



**Mikhail M.  
VASILENKO**

Director General

Born in 1960.

In 1981, he graduated with honors from Frunze Leningrad High Command School of Railroad Troops and Military Communications with a major in Air Transportation Operations Engineering. In 1992, he graduated from Lenin Military Academy of Support Systems and Transport with a gold medal.

In 1977–1998, M.M. Vasilenko served in the Armed Forces: in 1981–1983, he served as Military Transportation Officer in Kabul Airport (awarded a Medal for Combat Service (1982)); in 1983–1989, he was Military Transportation Officer in Tashkent Airport; in 1992–1998, he was Head of Military Transportation on air routes of the Republic of Komi, the Republic of Tatarstan, Bashkortostan and the Privolzhsky Directorate of Civil Aviation. In 1998–2000, he held the position of Deputy Director for Corporate Matters, Samara International Airport JSC; in 2000–2003, he was Vice-President of Samara Aviation Group. In December 2004, he was appointed Deputy Director General for Commercial Matters of SIA JSC, and in May 2005 – Director General of SIA JSC.

M.M. Vasilenko has been a member of the Board of Directors since 2006. At present, he is Chairman of the Management Board of SIA JSC and a member of the Personnel and Remuneration Committee and the Committee for Strategy and Development of the Board of Directors of SIA JSC. He is also leading the implementation of the strategic project for the large-scale reconstruction and upgrading of Sheremetyevo International Airport.

In 2010, he was awarded the Order of Honor by Presidential Decree, and early in 2019, he was awarded the Order of Friendship. Since 2015, it has been ranked 1st among the top executives of companies in the Top 1000 Russian Managers rating of the Kommersant newspaper and the Association of Managers.



**Andrey O.  
NIKULIN**

First Deputy Director General for Production

Born in 1977.

In 1996, he graduated from St. Petersburg Aviation Transportation College of Civil Aviation with a major in Navigation and Air Traffic Control.

In 2000, he graduated from St. Petersburg Academy of Civil Aviation with a major in Aircraft Operation and Air Traffic Management.

In 2004, he completed postgraduate studies at St. Petersburg Academy of Civil Aviation, having passed qualifying examinations for the Candidate's degree.

In 2005–2007, he was Senior Lecturer of the Department for Air Traffic Management of St. Petersburg State University of Civil Aviation.

In September 2009, he completed advanced training at St. Petersburg State University of Civil Aviation under the program for aviation personnel responsible for the safety of civil aviation flights.

In 2015, he received his second graduate degree at St. Petersburg State University with a major in Management.

In 2007–2009, he worked as a Shift Manager for Vnukovo Airport OJSC.

In 2009–2012, he held the position of Director of the Directorate for Passenger Carriage Organization at SIA JSC.

In 2012–2014, he was Director of Ground Support Directorate of Aeroflot – Russian Airlines OJSC.

Since April 2014, he has worked on the position of First Deputy Director General for Operations of SIA JSC.

In 2019, he was awarded the second-class medal of the Order of Merit for the Fatherland.





**Dmitry V.  
Dobryanskiy**

Deputy General Director, Construction

Born in 1977

In 1999 he graduated from the South-Russian State Technical University with a degree in Mine and Underground Construction.

In 2014, he graduated from the Russian Academy of National Economy and Public Administration under the President of the Russian Federation with a degree in Management.

He has experience in managerial positions in such companies as Transstroytonnel LLC, Investment and Financial Construction Company ARKS LLC, Monolithic Construction Management-1 OJSC, LLC Interregional Union of Builders and OJSC NPiVi Engineering.

In 2018, he was Deputy Head of the Transport Construction and Infrastructure Department of GDV Management LLC. From 2018 to 2019, he worked as the General Director of Fortum Construction Company LLC.

Since December 2019, he held the position of Adviser to the General Director of SIA JSC.

Since February 2020, he has been appointed Deputy General Director for Construction of SIA JSC.

Since September 2020, he has been a member of the Management Board of SIA JSC.



**Victor E.  
ERMAKOV**

Deputy Director General for Security

Born in 1971.

In 1993, he graduated from Chelyabinsk Air Force Academy for Flight Navigators with a major in Flight Navigator of Tactical Aviation.

In 1998, he graduated from Novosibirsk Institute for Retraining and Enhancement of Qualification of Employees of the Russian Federal Security Service with a major in Law Enforcement Intelligence Operations.

In the same year, he underwent courses for retraining and qualification enhancement in International Law at Novosibirsk Financial Academy.

In 2008 and 2014, he passed qualification enhancement courses of ICAO State Scientific and Research Institute of Civil Aviation.

From August of 1989 till November 2008, he served military obligations in the Ministry of Defense and the Russian Federal Security Service as an officer, senior officer (colonel).

In 2008–2015, he worked as a Deputy Director General for the Aviation Security Regime in Sochi International Airport OJSC.

From January 15, 2015 on, he has worked as Deputy Director General for Security for SIA JSC.

In 2002, by Order of the Russian President, he was awarded the second-class medal of the Order of Merit for the Fatherland.

In 2014 and 2019 he was awarded the Certificate of Honor of the Ministry of Transport of the Russian Federation.

In 2020, he received a letter of thanks from the President of the Russian Federation.





**Alexander A.  
ILYIN**

Deputy General Director, Corporate Development

Was born in 1961.

In 1983 he graduated from the law faculty of the Red Banner Military Institute of the USSR Ministry of Defense. Served as an investigator in the military prosecutor's office.

In 1985-1987, he fulfilled his international duty in the democratic republic of Afghanistan. Has government awards.

After his dismissal from the ranks of the Armed Forces of the USSR, he worked as a legal adviser in the consumer cooperation system of the USSR Tsentrosoyuz.

From 1990 to 1995, he held executive positions in various commercial organizations.

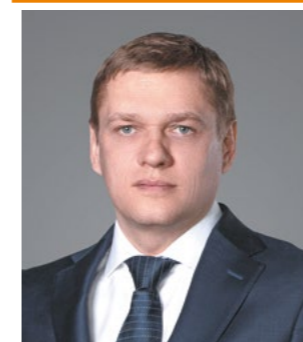
In 1995-2004, he was a lawyer at the Interregional Collegium of Lawyers for Aid to Entrepreneurs and Citizens. From 2004 to 2012 - Managing Partner at Ilyin, Gribkov, Torshin & Partners Law Firm.

From 2012 to 2019, he worked at SIA JSC as an advisor to the General Director, Deputy General Director of SIA JSC on legal issues and organizational development.

From 2019 to 2020, he held the position of Director for Government Relations at X5 Retail Group.

Since July 2020 he has been working as Deputy General Director of JSC SIA for corporate development.

In 2016, he was awarded a diploma of the Office of the Federation Council of the Federal Assembly of the Russian Federation



**Dmitry A.  
ILIYN**

Deputy General Director, Information Technology

Was born in 1976.

In 1998 he graduated from the Moscow State Mining University with a degree in Mine and Underground Construction.

From 2008 to 2010 he passed the MBA CIO program, RANEPa. In 2016, he completed a training program for top managers (Ghent, Belgium). In 2019, he completed the Stanford Executive Program (California, USA).

From 2001 to 2007, he held executive positions in the IT block of PJSC Vypel Communications (TM Beeline).

From 2007 to 2010, he was the Director of the IT Infrastructure Department of Mechel Managing Company LLC. From 2010 to 2017, he held the position of Director for IT Infrastructure, Director for Network Development, Director for Transformation of the Technical Block of Vypel Communications PJSC (TM Beeline).

From 2017 to 2019, he held the position of Director for Portfolio Management of Network Development Projects at PJSC Vypel Communications (TM Beeline), Director for Service Sales in the Eastern Europe region of the group of advisors to the General Director of the Directorate for Eastern Europe of NSN LLC (Nokia).

In 2019, he worked as Deputy General Director for Infrastructure at GLONASS JSC.

Since December 2019, he has been appointed to the position of Deputy General Director for Information Technologies of SIA JSC.

Since September 2020, he has been a member of the Management Board of SIA JSC.

In 2016, by order of the Minister of Communications and Mass Media, he was awarded the title of "Master of Communications".





**Dmitriy A.  
KAIGORODOV**

**Deputy Director General for Management of Airport Terminals and Servicing of Special Flights**

Born in 1985.

In 2007, he graduated from St. Petersburg State University of Civil Aviation with a major in Organization of Carriages and Management in Air Transportation.

In 2010, he graduated from St. Petersburg State University of Civil Aviation with a major in Economics and Enterprise Management (Transport Enterprises).

In 2006–2009, he worked as a Shift Manager for Vnukovo Airport OJSC.

From 2009 to 2014, he made his way up from Head of the Baggage Claim Department to Director of the Directorate for Passenger Transportation at SIA JSC.

From April 2014 to December 2014, he held the position of Deputy Director General for Transportation Organization at SIA JSC.

In December 2014, he held the position of Deputy Director General for Passenger and Aircraft Maintenance at SIA JSC.

From January 2018, he has held the position of Deputy Director General for Management of Airport Terminals and Servicing of Special Flights at SIA JSC.



**Denis A.  
KECHKIN**

**Deputy General Director, Human Resources**

Was born in 1990.

Graduated from the Moscow Institute of Physics and Technology in 2013 with a degree in Applied Mathematics and Physics.

From 2010 to 2015 he worked in the field of business process optimization and production process audit. From 2015 to 2017, he worked as Chief Specialist of Business Processes and Organizational Design at Metalloinvest Management Company LLC.

From 2017 to 2019, he worked as a project manager, head of the Compensation and Benefits Department, and head of the HR Department at Ulyanovsk Automobile Plant LLC.

From February 2019 to June 2019, he worked at SIA JSC as Director of the Organizational Development Directorate of SIA JSC.

From July 2019 to February 2020, he served as Deputy General Director for Human Resources.

Since March 2020, he has been appointed to the position of Deputy General Director of JSC "SIA" for work with personnel.





**Viktor V.  
KOBYLKO**

Deputy Director General for Flight Safety and Ground Support

Born in 1968.

In 1990, he graduated from Armavir Red Banner Air Force Academy for Pilots named after Air Chief Marshal Kutakhov.

In 1986–2002, he served in the Armed Forces.

In 2003, he underwent professional retraining at Moscow Academy of State and Municipal Management under the President of the Russian Federation with a major in State and Municipal Management.

In 2003, he was hired as an aerodrome operations engineer for operational shifts of the Airfield Service at Sheremetyevo International Airport JSC.

In 2005–2017, he held the positions of aerodrome operations engineer for operational shifts, leading engineer and Head of the Aerodrome Operations Department, Head of the Department Chief Engineer of the Aerodrome, Head of Aerodrome Service of SIA JSC.

From March 2018 on, he has been Deputy Director General for Flight Safety and Ground Support of SIA JSC.



**Ivan V.  
LYSENKO**

Deputy Director General, Chief Engineer

Was born in 1978.

In 2000 he graduated from the Moscow State Institute of Electronic Technology with a degree in Management. In 2002, he graduated with honors from the Moscow Banking School of the Central Bank of the Russian Federation with a degree in Banking. In 2014 he graduated from the Moscow State University of Civil Engineering with a degree in Urban Construction and Economy. From 2003 to 2004 he worked as a senior engineer-economist of the State Unitary Enterprise Scientific and Production Center "Spurt". From 2004 to 2005 he worked as a leading specialist in property insurance, head of the auto insurance department of LLC Insurance Company Granit-Policy. From 2004 to 2005, he held the position of design engineer, technical director of CJSC Inst-Titan. Since 2005, he has been working at SIA JSC as the Head of the Ground Facilities Operation Service, the Chief Engineer of the Engineering and Technical Directorate, the Director of the Directorate for Engineering and Technical Systems and the Technical Operation of Buildings and Structures. Since 2019, he has been appointed to the position of Deputy General Director - Chief Engineer of SIA JSC. Since July 2019, he has been a member of the Management Board of SIA JSC. In 2013 he was awarded with the Letter of Commendation from the FAVT of Russia.





**Alexander P.  
OLEYNIK**

Deputy Director General for Economics and Finance

Born in 1974.

In 1997, he graduated from Plekhanov Russian Academy of Economics with a major in Finance and Credit. Ph.D. in Economics.

Until 2009, he worked for various banking structures.

In 2009–2012, he worked as Deputy Head of the Department for Fuel and Energy Management of Moscow.

He was awarded the civil service 2 class rank of State Councilor of the city of Moscow.

From November 14 to 30, 2012, he worked as an adviser to Director General of SIA JSC.

Since December 1, 2012, he has worked as Deputy Director General for Economics and Finance for Sheremetyevo International Airport JSC.

In 2016, he was awarded a diploma of the Office of the Federation Council of the Federal Assembly of the Russian Federation.



**Fedor M.  
SYTIN**

Deputy General Director, Commercial Activities

Was born in 1983.

In 2006 he graduated from the State University - Higher School of Economics with a degree in Finance and Credit.

From 2006 to 2014, he held a number of positions and managerial positions at Otkritie Bank OJSC.

From 2014 to 2020, he worked as Director of the Treasury Directorate, Director of the Budgeting Directorate of SIA JSC.

Since March 2020, he has been an advisor to the General Director of SIA JSC.

Since August 2020, he has been appointed Deputy General Director for Commercial Activities of SIA JSC.

Since September 2020, he has been a member of the Management Board of SIA JSC.

In 2020, he received a commendation from the Minister of Transport of the Russian Federation.



## CORPORATE MANAGEMENT SYSTEM IMPROVEMENT

Based on the 2020 performance, the members of the Board of Directors of SIA JSC conducted an evaluation of the activities of the Board of Directors and its committees (self-evaluation). The members of the Board of Directors of SIA JSC were questioned in the form of survey.

As the result of the evaluation performed, the members of the Board of Directors noted that the number of the members of the Board of Directors was in compliance, and the personal composition - as to the qualification and specialization level - was partially in compliance with the goals and objectives faced by the Board of Directors as of the evaluation period. At the same time, there was a sufficient number of the members of the Board who had experience in the sphere of SIA JSC principal activities.

The periodicity of holding meetings of the Board of Directors and its committees was found optimal, the Board of Directors was always timely (in compliance with the Company Charter and internal documents of the Company) informed by the corporate secretary about future meetings. Organizing the preparation of the Board of Directors' work plan was assessed as high. In the opinion of the members of the Board of Directors, the work of the Board of Directors was planned in a quality and balanced manner. However reports at committee meetings did not always provide sufficient information for taking weighted decisions and needed more detailed elaboration before their examination at the meetings of the Board of Directors.

The existing practice of control of performance of the decisions of the Board of Directors allow the Board to efficiently control the activities of the Managing Board and the Managing Board Chairman. The remuneration and incentive

system for executive management bodies approved in SIA JSC was also found efficient by the Board of Directors.

It was noted during the evaluation that the talent pool system existing in the Company only partially provides for succession of executive bodies.

In the opinion of the members of the Board of Directors, interaction of the Board of Directors with the Company Management, counterparties, auditors and other persons for the purpose of checking reliability of the information provided by the executive authorities, feasibility of the executive authorities' approach to the evaluation of the Company's current performance, compliance with the legislative requirements of the Russian Federation, common business practices and professional ethics principles, is of good quality and timely nature. However the degree of cooperation between the members of the Board of Directors as well as between the Board of Directors and the Company's executive bodies, apart from the meetings, was evaluated by part of the respondents as "average".

Based on the results of the evaluation conducted, the objective of approval of the new version of the Company's policy in the sphere of prevention of conflict of interests was included in the Board of Directors' work plan for 2021.

Preparation to restoration of air transportation market as well as long-term development and enhancement of operating efficiency were indicated as the aspects on which the Board of Directors should focus in their future work.

The majority of the Board of Directors members who took part in the evaluation named the Chairman of the Board of Directors the most efficient director among the Board of Directors of SIA JSC.





## INTERNAL CONTROL AND AUDIT SYSTEM

### INTERNAL CONTROL SERVICE

Internal control is carried out to conduct an objective analysis of audit evidence in order to provide an independent assessment of the processes of corporate governance, risk management and internal control, as well as to provide consulting support to the Board of Directors, the Audit Committee and the management of SIA Group companies.

One of the main tasks of the internal control system is to assess the effectiveness of the risk management and internal control system, which is a combination of the organizational structure of the Company, local regulatory documents, corporate culture norms and procedures aimed at ensuring sufficient guarantees of achieving the goals of the Company and supporting the management and employees of structural divisions in decision-making in the face of uncertainty. The Company comprehensively implements and develops a risk management and internal control system.

Evaluation of the effectiveness of the risk management system is carried out by checking the sufficiency and maturity of the elements of the Risk Management System for effective risk management, checking the completeness of identification and correctness of risk assessment by the Company's management, checking the effectiveness of risk management measures, analyzing information about the risks that have been realized.

Internal control solves the tasks assigned to it in the following main areas, in accordance with generally recognized Russian and international practices and standards of activities in the field of internal control, including:

#### Assessment of the effectiveness of the internal control system:

- analysis of the compliance of the goals of business processes, projects and structural units with the goals of the companies of the SIA Group, verification of ensuring the efficiency, reliability and integrity of business processes (activities) and information systems, including the reliability of procedures for countering illegal actions, abuse and corruption;
- verification of ensuring the reliability of accounting (financial), statistical, management and other reporting, determining how the results of the activities of business processes and structural divisions of the companies of the SIA Group correspond to the set goals;
- determination of the adequacy of the criteria established by the management for the analysis of the degree of fulfillment (achievement) of the set goals;
- identification of deficiencies in the internal control system that affect the achievement of the set goals by the companies of the SIA Group;
- assessment of the results of the implementation (implementation) of measures to eliminate violations, shortcomings and improve the internal control system implemented by SIA Group companies at all management levels;

- verification of the effectiveness and appropriateness of the use of resources;
- verification of ensuring the safety of assets;
- verification of compliance with the requirements of legislation, charters and internal regulatory documents of the companies of the SIA Group.

#### Assessment of the effectiveness of the risk management system (hereinafter - RMS):

- checking the sufficiency and maturity of the RMS elements for effective risk management: goals and objectives, infrastructure, including the organizational structure, automation tools, process organization, regulatory and methodological support, interaction of structural units within the RMS;
- checking the completeness of identification and correctness of the risk assessment by the management at all levels of management of the companies of the SIA Group;
- checking the effectiveness of control procedures and other measures for risk management, including the effectiveness of the use of resources allocated for these purposes;
- analysis of information on realized risks (including violations revealed as a result of inspections, facts of failure to achieve the set goals, facts of litigation and other facts).

#### Corporate Governance Assessment:

- verification of compliance with ethical principles and corporate values of SIA JSC and other companies of the SIA Group;
- checking the procedure for setting goals of SIA JSC and other companies of the SIA Group and monitoring / control of their achievement;
- checking the level of regulatory support and communication procedures (including on risk management and internal control issues) at all management levels, including interaction with stakeholders;
- verification of ensuring the rights of shareholders, including controlled companies, and the effectiveness of relationships with stakeholders;





## ALENA S. VORONINA

Head of Internal Control Service

In 2004, graduated cum laude from G.V. Plekhanov Russian Economic Academy, specializing in Banking and Finance. She is a Chartered Certified Accountant (ACCA). From 2004 to 2017 she held positions from adviser to senior manager in the international consulting company Ernst & Young. By decision of the Board of Directors of SIA JSC of December 20, 2017 (Minutes No. 242) she was appointed Head of Internal Control Service of

SIA JSC. Member of the Audit Committee of the Board of Directors of SIA JSC.

For conducting these activities, in compliance with the Methodological Recommendation of Rosimushchestvo (Federal Agency for State Property Management) as regards organizing the work of internal audit in joint stock companies with participation of the Russian Federation (Order of Rosimushchestvo NO. 246 dd July 04, 2014), the Internal Control System of SIA JSC was created and vested with powers. The Internal Control System of SIA JSC is an independent structural unit of SIA JSC and administratively reports to the General Director of SIA JSC, functionally reports to the Board of Directors of SIA JSC pursuant to the Charter of SIA JSC.

## RISK MANAGEMENT SYSTEM

The Company's activity in risk management is aimed at ensuring the accomplishment of the Company's strategic goals and the growth of the Company's value while respecting the interests of all stakeholders.

The key goals of the Company in the area of risk management are as follows:

- ensuring the implementation of the Company's strategy;
- timely adaptation of the Company to the changes in the internal and external environment;
- ensuring the efficient functioning of the Company, its sustainability and its development prospects.

The principles underlying the risk management system are uniform and have been accepted

and observed at all levels of the Company:

**Strategy compliance principle** – the corporate management of risks functions as a part of the uniform system of supporting the decision-making by the management in the course of achieving strategic goals and is aimed at defining the events and factors affecting the achievement of established objectives. Risk analysis is used in elaborating and shaping the development strategy, which comprises determination of the Company's risk appetite at the stage of choosing from strategic alternatives and goal setting. Risk management ensures that risks do not exceed the Company's appetite for risk.

**Integration principle** – means managing the entirety of the Company's risks, including analysis of the consolidated risk portfolio at the Company level.

**Individual responsibility principle** – a particular executive officer is responsible for a particular risk; thus, risk management powers are delegated to business units responsible for a particular risk. Risk management procedures are embedded in business processes and the document flow of each business unit and are linked to the locations (business processes) where risks arise.

**Continuity and progressive development principle** – risk management represents a constantly functioning cyclical process covering the entire organization and is performed by employees at all levels as part of the implementation of the corporate strategy and operational plans of the Company.

**Economic expediency and efficiency principle** – the risk management system corresponds to the size, organizational structure and the scope of the Company's objectives. Risk management processes are financed on a rational basis, with the most appropriate allocation of funds. The response to risk is chosen with due regard for the assessment of the decision's efficiency: the cost of risk management measures shall not exceed the size of the measure's effect (the amount of risk level mitigation).

**Information awareness and communication principles** as part of corporate risk management – decisions on risk management are based on the required scope of reliable information, and the management ensures constant information exchange within the organization. Decisions rely on impartial characteristics of the internal and external environment in which the Company operates.

**Principle of prioritizing the measures to influence risk** – mitigation of adverse consequences and/or their likelihood is performed in the first instance with respect to risks whose materialization is most probable and may cause the heaviest losses.

In the area of risk management, the Company is guided by several approaches. First, **compliance with requirements and standards.** The Company's risk management conforms to the legislative requirements of the Russian Federation. In the area of risk management, the Company is also guided by advanced international standards and requirements set by the international investment community for the structure, functions, goals and objectives of contemporary corporate risk management.

Second, **the uniform structure of the integrated management of the Company's risks** comprising business units/employees working in accordance with aligned processes, a methodology and a base of by-laws and business processes/procedures. Pursuant to this approach, the Company has a uniform policy and standards in the area of corporate risk management that are cascaded down to all business units of the Company. Provisions of methodologies and risk management standards by functional business areas are elaborated and established by risk owners and do not contradict the uniform policy and standards of corporate risk management. Risk appetite, tolerance levels and ceilings are set by the Company's Board of Directors as part of production and financial plans and represent the grounds for calculation of derivative limits and the respective parameters for the Company's business units. Finally, this approach provides for the establishment of a uniform structure of risk reporting.

Third, risk management represents a **continuous and cyclical process in the composition of the entire structure of the Company's corporate governance.** Risk management consists of the following stages:

- **Determination of goals.** The risk management system is based on the system of clearly defined and measurable strategic and operational goals of the Company. Shared goals are set on the strategic level; more detailed operational (tactical) goals and lower level objectives are set by the



- Management on the basis thereof;
- **Risk identification.** Determining internal and/or external events and factors that can have a significant effect on the achievement of established goals and objectives. For each goal of the Company, a complete set of risks, materialization of which may affect the accomplishment of a particular goal, is identified wherever possible. The Company consolidates identified risks in the uniform registry of risks and the risk map;
  - **Risk assessment.** Risks are analyzed by two parameters: the probability of their occurrence (risk materialization probability) and the degree of the potential damage for the Company (degree of the event's effect on the Company's performance indicators). Based on the assessments, crucial risks of the Company are detected and ranked;
  - **Influence on a risk (risk management).** The method of response to a risk is based on the economic expediency and efficiency principle. Basic methods of risk management comprise refusal (avoidance) of risk (abandonment of activity accompanied by an unacceptable risk level above the specified value), transfer (redistribution) of risk (transfer of risk to a counterparty by insurance, hedging, outsourcing), mitigation (minimization) of risk (measures to reduce the probability of occurrence of a risk event and/or reduction of potential damage by risk localization, risk diversification, prevention, etc.) and acceptance of risk, when the Company assumes elimination of potential consequences of the risk situation and is prepared to cover the losses at its own expense;
  - **control of risks and methods of risk management.** Analysis of results and adjustment of risk management approaches. Simultaneously with making decisions on risk response measures, control procedures ensuring the proper performance of scheduled measures are developed.

Fourth, **building a corporate culture of risk management in the Company.** Top management

ensures the distribution of knowledge and skills related to risk management in the Company, promotes training on risk management fundamentals and encourages the formation of a corporate culture based on risk responsive management. Each employee is aware of risks and opportunities which the Company's business encounters is extensively involved in the process of risk identification and assessment and is capable of choosing effective methods of risk response. Assessment of the risk management system efficiency in SIA JSC, alongside with assessment of the efficiency of the corporate management processes and the internal control system, are one of main objectives of the Internal Control Service of SIA JSC.

For the purposes of establishing uniform principles for the formation of the risk management system, its goals and objectives, overall approaches to the organization and distribution of responsibility between participants of the risk management system and the nature of their interaction in the Company, the Regulation "On the Risk Management System of Sheremetyevo International Airport JSC" approved by the Board of Directors of SIA JSC (Minutes No. 269 dated May 29, 2019) is effective in the Company.

The Regulation on the Risk Management System was elaborated pursuant to the Methodological Guidelines for the Preparation of the Regulation on the Risk Management System elaborated by Rosimushchestvo within the framework of the Methodological Guidelines for Preparation of Statutory By-laws Regulating the Activity of Public Corporations and a Public Company, as well as Open Joint-Stock Companies Specified in Executive Order of the Government of the Russian Federation No. 91-p dated January 23, 2003 (Instruction of the Government of the

Russian Federation No. ИШ-П13-1818 dated March 23, 2015) approved by Instruction of the Government of the Russian Federation No. ИШ-П13-4148 dated June 24, 2015.





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## SOCIAL RESPONSIBILITY

### CORPORATE VALUES

In its work, the airport team strives to adhere to the following basic values:

**High quality of services.** We believe that we can adequately represent our country, and therefore quality is the basis of all our activities. We provide high technological level and culture of services, comfort and safety for our passengers. We strive to ensure that our guests leave the airport in a good mood.

**Professionalism and efficiency.** We value in our employees' high professionalism and their dedication to a common cause, willingness to solve complex problems and take responsibility. We believe the majority of our employees are committed to doing well and are willing to fairly reward those who achieve great results.

**Respect and fairness.** We want every airport employee to feel fair relations, respect for the working person and pride in the work of the airport. We strive to create an atmosphere of cooperation, honesty and openness in our team. We also believe we must take tough measures against those who do not handle their work well, show negligence and indifference, and do not want to improve their professionalism.

**Responsibility and reliability.** We are a reliable partner of airlines and strive to build trusting and transparent relationships with them. We provide a unified approach to partners. We are honest and responsible in fulfilling our obligations.



### PERSONNEL OF SIA JSC

#### NUMBER AND COMPOSITION

In 2020, the average number of employees of the SIA JSC was 4,690 people. Compared to 2019, the number increased by 0.6 %.

In 2020, the proportion of male employees in the parent company SIA JSC was 66 %, and of female ones, 34 %, respectively. This proportion is almost unchanged compared to 2019. The average age of employees remained at about the same level too: 43 years.

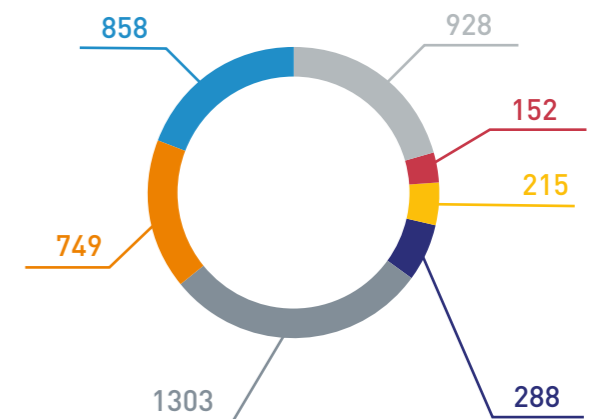
As of December 31, 2020, the average employment period of enterprise employees was 9 years, with 35 % of the employees who have worked at the airport for more than 10 years. In 2020, the staff turnover rate in SIA JSC was 10.8 %, which is slightly lower the previous year level (12 %).

In 2020, the average number of employees of the Sheremetyevo Group was 18,159 people, including 1,780 of administrative staff and 16,380 of operational staff.

#### STAFF RECRUITMENT AND PRE-EMPLOYMENT TRAINING

Sheremetyevo Airport is a leader in the quality of services and pays great attention to infrastructure development. Our employees play a critical role in these processes. Requirements for candidates for airport vacancies are often stricter than standard ones and require a high level of qualifications. We look for purposeful professionals with developed initiative and a desire to achieve the best result.

Number and composition of SIA JSC personnel as of year-end 2020, people



- ▶ Flight Safety and Ground Support
- ▶ Transportation support
- ▶ Engineering support
- ▶ Security
- ▶ Economics and finance
- ▶ Commercial activity
- ▶ Enterprise activity ensuring

The airport dedicates significant effort to develop a positive brand as an employer so that Sheremetyevo can attract candidates with high qualifications, appropriate skills, and the necessary competencies to provide the best services for passengers and airlines. To expand the pool of applicants, all platforms and communication channels accepted in modern recruiting practice are used.

Sheremetyevo International Airport is actively cooperating with specialized secondary and higher educational institutions. In 2020, active cooperation was established with such universities as MADU, which is engaged in specialized training of engineers for the operation of aerodromes, MSTU GA, Ulyanovsk Institute of Civil Aviation and St. Petersburg University of Civil Aviation. Agreements were





reached on to offer production and pre-diploma internships for students in the Airfield Directorate of SIA and Search and Emergency Flights Servicing, with subsequent employment based on the results of the internship.

### CORPORATE UNIVERSITY AND TALENT POOL

Sheremetyevo Airport pays great attention to the professional development of its employees and implements a comprehensive system of training and professional and career growth. The most important role in this is played by the Corporate University and the Airport Talent Pool Development Program.

Today the Corporate University of JSC SIA is an integral system of knowledge management and development for employees, built on the basis of the strategy, mission and values of JSC SIA. From the very first day of work, each employee is included in the system of mandatory continual training, consisting of initial training, internships and mentoring, obtaining work permits, continuing education, and improving and acquiring new skills and knowledge.

The Corporate University has programs for the development of managerial competencies, professional knowledge and foreign languages. Employees of production departments undergo an annual automated assessment of competencies, on the basis of which individual development plans are designed. Based on the results of the implementation of individual development plans, candidates with high potential are enrolled in the airport's personnel reserve.

In 2020, more than 5,000 employees were trained in aviation, technical, medical and management programs. In total, over 300 training programs were implemented in 2020.

In addition, an automated system for recording mandatory training and internships was introduced in 2020, which made it possible to automatically plan and organize training events and develop and monitor a training budget and monitor. An HR portal was also created, where information on training, internships and personnel assessment was digitized and visualized.

Training at the Corporate University is free for airport employee, and some programs of the Corporate University are completely original and unique for the industry. These programs are:

- We are always glad to see you! - a program for developing high-quality customer service skills
- Training program for mentors and internal trainers of the airport
- Training program for organizing a barrier-free environment
- Training program for the placement of aircraft in parking areas at Sheremetyevo airport.

For all of the above programs, employees can be trained in a distance format.

### EMPLOYEE MOTIVATION SYSTEM

The key principles of Sheremetyevo's HR policy are high professional requirements in the selection of personnel and the encouragement and motivation of the top-performing employees. Sheremetyevo Airport employees enjoy ample opportunities for development and training, highly competitive salaries, wages and benefits and non-financial motivation programs.

According to the "Regulations on Quarterly Bonuses for Meeting Key Performance Indicators," employees are assigned two types of key performance indicators (KPIs): individual and corporate. Individual performance indicators are set individually for each position and directly set standards for judging the quality of work of the employee.

Corporate indicators set targets for employees whose remuneration includes quarterly bonuses. These indicators and their target values are approved by the Director General of JSC SIA from the list of those KPIs that were approved by the Board of Directors for the members of the Management Board of JSC SIA. The responsibility for achieving the target is generally borne by a particular functional leader and is broken down into more detailed indicators for his/her subordinates.

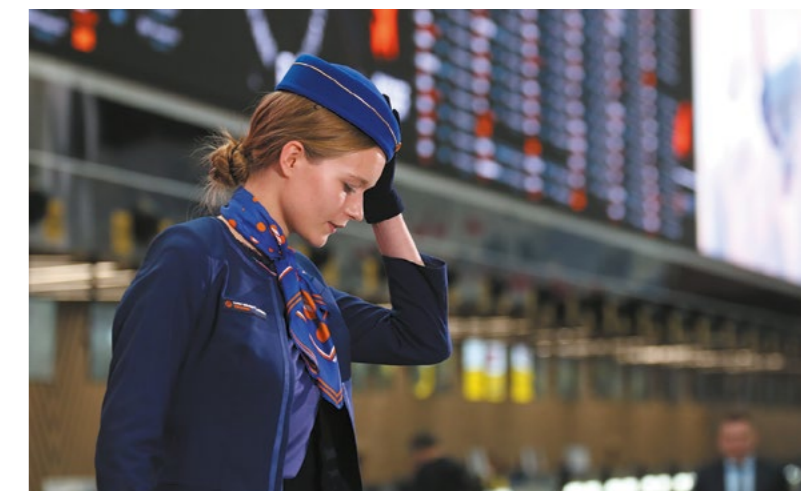
Building a strong and effective corporate culture is a key priority for Sheremetyevo. The existence of families with two or more generations of Sheremetyevo and employees with many years of service are evidence of the success of the system of personnel development and motivation. More than 160 employees have been working at the airport for 35 years or longer.

In 2020, for obvious economic reasons, priority in the employee motivation system was given to non-financial incentives. The airport staff faced a situation in which performance could not be measured by standard indicators of productivity,

but by such intangible factors as patience, loyalty to a common cause, conscientiousness, and solidarity.

In August 2020, at the suggestion of Sheremetyevo International Airport, the Ministry of Transportation of the Russian Federation presented departmental awards to employees of Sheremetyevo International Airport for outstanding performance and dedication. 15 employees of the airport received citations from the Minister of Transport of the Russian Federation for their successful service and long-term diligent work, 125 airport employees were awarded Sheremetyevo Airport Certificates of Appreciation, and 189 employees received citations. The company presented employees who had been working at Sheremetyevo for 15 years or more with special company badges established for the 60th anniversary of the airport.

A new form of non-financial incentives in 2020 was Breathe Please! in support of Russian doctors and volunteers, initiated by the Russia Today media group with the participation of the Ministry of Health of the Russian Federation and the Moscow Department of Health, the Association of Volunteer Centers of Russia, the All-Russian Public Movement Medical Volunteers, and the NGO National Priorities.



As part of the event promotion, Sheremetyevo Airport posted photos and stories of doctors who were employees of JSC SIA on the Internet portal of the project breathe.ria.ru, thereby expressing gratitude to the doctors for their dedicated work and high professionalism. Sheremetyevo also joined the federal event "Thank you to the doctors," organized by the All-Russian public movement Volunteers-Doctors under the auspices of the Ministry of Health of the Russian Federation. On the Day of the Medical Worker at Sheremetyevo, the doctors of the airport were congratulated in a solemn atmosphere and handed commemorative badges.

In December 2020, a new awards ceremony for employees was held at Sheremetyevo International Airport in connection with the



project for the reconstruction of the first runway. Jubilee badges were awarded to 46 employees of the airport and construction companies who have made a significant contribution to this unique project.

Another important type of non-financial incentive aimed at strengthening the bonds between the airport and its employees in 2020 was the program to support airport veterans. In May 2020, in commemoration of the 75th

anniversary of victory in the Great Patriotic War, Sheremetyevo International Airport congratulated former airport employees who were veterans or participants in the Second World War and held a number of festive events in the online format.

On the eve of Victory Day, 80 veterans of the Great Patriotic War and home front workers who worked at Sheremetyevo Airport received personal congratulations with warm wishes of health, happiness and longevity on behalf of JSC SIA Director General M.M. Vasilenko. In addition, all veterans and participants in the war received holiday cash payments, food and gift baskets.

In order to preserve the memory of the heroic deeds of the veterans, the documentary Air Harbor Veterans, produced in 2015 for the 70th anniversary of the Victory, was re-released. The film, whose heroes are LL former employees of Sheremetyevo, is based on real events and memories of veterans and participants of the Great Patriotic War, prisoners of concentration camps, and young witnesses of the most difficult years for our country.

Another event designed to perpetuate the memory of the Great Patriotic War is the "We Remember and We Are Proud" project, which compiles touching and simple stories of workers and heroes who, thanks to their courage and fortitude, managed to revive the country's heritage. The project participants - formerly employees of Sheremetyevo Airport who were veterans of the Great Patriotic War - shared their life stories, telling about the harsh wartime and peaceful labor in the postwar years.

## TRADE UNION, COLLECTIVE AGREEMENT AND SOCIAL PACKAGE

During the 2020 pandemic, the trade union reached a new level of interaction with workers and the employer. In the context of a decrease in passenger traffic, a decrease in production intensity, as well as forced downtime, the issues of optimal settlement of acute issues of changing work schedules, working conditions in departments, high-quality information and comprehensive support of employees have become especially important and necessary.

In 2020, the activities of specialized commissions with the participation of the trade union increased significantly on such issues as working hours, rewarding employees and material assistance, labor disputes, priority rights when holding organizational and staff events, where the actions of the trade union are aimed at resolving issues in favor of employees. The members of the trade union and airport

employees were constantly consulted on compliance with sanitary and epidemiological measures, self-isolation, remuneration, work schedules and social benefits eligibility.

Meetings of trade union bodies and review of motivated opinion on part-time work and downtime were also held online.

In SVO JSC and LLC Sheremetyevo Handling, the terms of the collective agreement are in force. The employer and the trade union managed to preserve all compensations and benefits for employees guaranteed by the collective agreement - voluntary medical insurance for all employees, payment of material assistance in difficult life situations, corporate transportation, reimbursement of payment for preschool, New Year gifts for all children of airport employees. Some areas were even improved during this period. For example, the list of personal anniversaries was expanded, on the occasion of which employees receive additional payments.



Members of the Trade Union commissions headed by the Chairman of the PUO SIA JSC N.A. Khomyakova

The position of the Company's management aimed at maximum support of personnel helped in 2020 to work on improving and agreeing on the terms of the collective agreement for the next period and to successfully complete the process of agreeing on mutually acceptable terms of the collective agreement at Sheremetyevo Handling LLC.

## OCCUPATIONAL HEALTH AND SAFETY

In 2020, JSC SIA carried out a special assessment of working conditions in accordance with the current legislation of the Russian Federation.

Based on the results of the assessment, the list of jobs and the list of industries, professions and positions of JSC SIA with harmful and (or) hazardous working conditions was updated. Anyone working in positions on this list has the right to receive guarantees and compensation established by law, and all divisions created special Working Condition Assessment Cards to familiarize workers with working conditions at their workplaces.

Quarterly monitoring was carried out in 2020 to ensure that the Working Condition Assessment Cards reflected the actual working conditions at workplaces, the list of types of work performed, and the tools, devices, equipment, and machinery used.

Taking into account the results of a special assessment of working conditions in 2020, new standards were developed and introduced:

- Rules for free distribution of special clothing, special footwear and other personal protective equipment to employees of JSC SIA engaged in work under harmful and (or) dangerous conditions;
- The list of professions for employees of structural divisions of JSC SIA who are provided with washing and (or) neutralizing agents free of charge;
- The list of professions (positions) of workers employed in jobs with harmful working conditions

who are eligible to receive milk free of charge according to the established norms. In structural divisions, with the participation and under the supervision of specialists from the OH&S Department, the identification of hazards and an assessment of risks in occupational safety were organized and carried out.

Also, the following regulatory and methodological documents related to occupational safety were updated or put into effect:

- Procedures for ensuring occupational safety in structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Hazard identification and risk assessment in occupational safety and risk management in structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Procedures for planning measures to improve labor conditions and occupational safety in the structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Training and briefings on occupational safety in structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Responsibilities for occupational safety in the structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Procedures for organizing and conducting internal comprehensive and targeted inspections on occupational safety and environmental protection in the structural divisions of the Joint Stock Company Sheremetyevo International Airport;
- Representative of the Joint Stock Company Sheremetyevo International Airport on of the Environmental and Occupational Safety Management.

In 2020, the specialists of the OH&S Department carried out planned and operational internal inspections of labor conditions and occupational safety in all structural divisions of JSC SIA.

During the inspection, all workplaces of employees of JSC SIA located in terminals, airport buildings and facilities, and administrative buildings were checked. Violations of occupational safety requirements identified during inspections were reflected in instructions for the heads of structural divisions. Those were later eliminated as a result of measures implemented by the department heads.

In 2020, special attention was paid to the quality of training in the structural divisions of JSC SIA on occupational safety, training and knowledge testing of safe methods and techniques for performing work in the profession (types of work), internships at the workplace in order to improve the level of training of workers for safe performance of increased danger work, the quality of the final documents and the legality of the admission of workers to the independent performance of work in the profession (position).

The Occupational Safety Management System created in JSC SIA, which is the system of organizational and regulatory support for production activities and safety assurance, ensured the required level of executive oversight of employees and constant monitoring of the current state and timely implementation of corrective measures by heads of structural divisions together with specialists from the OH&S Department in 2020 and allowed JSC SIA to significantly reduce the likelihood of accidents at workplaces.

## CARING FOR THE HEALTH OF EMPLOYEES

For obvious reasons, taking care of the health of employees in 2020 has become one of the priorities of JSC SIA. More than 1.8 million disposable three-layer masks, 130,000 pairs of gloves, and more than 35,000 thousand units of disinfectants were purchased to protect them from the coronavirus. For the medical and sanitary areas of the airport, 20 ultraviolet irradiators, 50 sets of anti-plague suits, and more than 20,000 units of disposable medical clothing were purchased. The medical unit of

the airport administered almost 14,000 PRC coronavirus tests for employees.

Today, for employees at Sheremetyevo Airport, there is a well-equipped clinic that works both for admission of patients and preventive examinations. The clinic has its own general, surgery, functional diagnostics and dentistry departments, an X-ray room and several specialists: an otolaryngologist, an ophthalmologist, a neurologist, a dermatologist, an addiction psychiatrist, a psychologist and a gynecologist. It also conducts COVID-19 laboratory studies and testing for antibodies.

In 2020, the clinic introduced new diagnostic methods, including electroencephalography, exercise stress test, Holter monitoring of the cardiovascular system and echocardiography. The doctors of the surgery department mastered the method of treatment and implemented the Surgitron radio wave apparatus to remove benign skin neoplasms and to treat cervical pathology. In total, during the reporting year, the medical unit processed 3,800 requests from airport employees for medical assistance and performed 1,863 medical procedures. More than 7,400 screenings and regular medical check-ups were carried out for team members during the reporting year.

Sheremetyevo has 8 service health centers, the main task of which is to conduct daily pre-trip medical examinations, including examinations of airport employees when entering work spaces that require a certain state of health (for example, for dispatch officers, drivers and equipment operators, security personnel, etc.). In total, over 1.2 million such medical examinations were performed in 2020. In connection with the pandemic in 2020, the airport also introduced daily body temperature monitoring of airport personnel, employees of aircraft ground handling organizations and employees of third-party organizations who work at the airport. Against the background of the ever-increasing workload, the number of medical specialists increased to 80 people.





In September 2020, the airport medical unit implemented hardware and software systems for medical examinations. In particular, the preparation and sending of reports to the heads of structural divisions was automated, and the option of photo and video recording of medical examinations and automatic registration of hemodynamic parameters was provided. All this made it possible to increase the reliability of medical examinations as a tool for monitoring the health status of personnel, and, therefore, to increase the level of flight and passenger safety. In addition, automation has made it possible to significantly reduce the amount of manual labor and practically return the staffing level of the service to that of the pre-pandemic period.

In addition to purely medical measures, in 2020 a health and fitness program was fully implemented for the employees of JSC SIA. In particular, almost 4,500 employees, using trade union membership, visited the health center, which includes a swimming pool and a training hall and is located at the airport perimeter, and 450 people used ski passes for unlimited skiing at the Yakhroma ski complex.

## RESOURCE CONSERVATION AND ECOLOGY

### ENVIRONMENT

SVO JSC actively implements a policy of environmental safety in order to ensure the protection of the environment and vital human interests from the possible negative impact of economic activities, natural and man-made disasters, and their consequences.

The environmental management system of Sheremetyevo International Airport complies with the international ISO 14001 standard:

2015 "Environmental Management Systems. Requirements with Guidance for Use". For a regular and objective assessment of the sustainable development of SVO JSC and the functioning of the environmental management system, key performance indicators in the area of environmental protection have been identified. Internal audits are aimed at timely warning and identification of inconsistencies in production processes that can have a negative impact on the environment.

Based on the project of the sanitary protection zone (SPZ) and sanitary break zones (SBZ) developed by SVO JSC, along the standard flight routes in the take-off and landing area of aircraft near Sheremetyevo Airport, the Russian Federal State Agency for Health and Consumer Rights established the boundaries of the sanitary protection zone of the airport.

The main responsibility of Sheremetyevo for the state of the environment is related to the treatment of surface wastewater. Wastewater discharged from the aerodrome may contain residues of fuel and technical fluids. The airport's treatment facilities are in need of modernization. Moreover, they are in federal ownership.

The subprogram "Civil Aviation and Air Navigation Services of the State Program of the Russian Federation "Development of the Transportation System", approved by Decree No. 1596 of the Government of the Russian Federation dated 12.20.2017, provided for the reconstruction and construction of treatment facilities at the Sheremetyevo airfield and paid from the federal budget. At the same time, the implementation of the project for the reconstruction and construction of treatment facilities within the framework of the state program was launched exclusively in terms of the reconstruction of treatment discharge facilities No. 2 and No. 3. The work on this project is currently carried out by the Federal

State Unitary Enterprise "Administration of Civil Airports (Airfields)". FSUE ACA(A) plans to complete the reconstruction of wastewater treatment discharge facilities No. 2 and No. 3 in 2021 and 2022.

The implementation of the project for the construction and commissioning of sewage treatment plants at discharge outlets X and No. 1.8 under the state program has not been completed, and therefore these treatment plants were included in the list of facilities under the concession agreement concluded between SVO JSC and the Federal Air Transportation Agency.

In October 2020, SVO JSC approved the Roadmap for the implementation by the Sheremetyevo International Airport Joint Stock Company of measures aimed at meeting the requirements of the environmental legislation of the Russian Federation.

At the moment, SVO JSC, in order to do additional wastewater treatment installed modular treatment units at discharge facility No. 1.8 until the completion of the construction of the main treatment facilities. Work is underway to complete the construction of the unfinished surface wastewater treatment facilities at discharge facility No. 1.8, which was accepted by FSUE AGA(A), and to reconstruct treatment plants at discharge facilities "X". The implementation of these measures will ensure that SVO JSC complies with the standards of permissible environmental impact.

The second important aspect of the airport's environmental impact is noise exposure. This issue has become especially relevant in connection with the commissioning of the third runway (RWY-3) of Sheremetyevo Airport by the Federal Air Transportation Agency.

The impact of aircraft noise at Sheremetyevo Airport on the districts of Moscow (Mitino, Tushino, Kurkino) and the Moscow region

(Solnechnogorsk, Krasnogorsk districts, Skhodnya neighborhood, the urban districts of Khimki and Lobnya) is due to the geographical location of these areas, which are not a no-fly zone. There are no restrictions on the use of airspace over these areas. Flights are carried out in accordance with maneuvering schemes developed in accordance with the requirements of the air legislation of the Russian Federation and the recommendations of the International Civil Aviation Organization (ICAO), and provide the necessary level of flight safety and the minimum possible impact of aircraft noise on residential areas.

Throughout almost the entire period of operation of Sheremetyevo Airport and until the adoption of Federal Law No. 135-FZ "Amending Certain Legislative Acts of the Russian Federation for the Improvement of Procedures for Establishing and Using the Adjacent to Airports Area and the Sanitary Protection Zone" dated 07.01.2017, the requirement for the approval of residential construction on the airport territory with the organization in charge of the airport - the main operator of the airport - was in effect. The construction of residential buildings on the territory, assuming the presence of acoustic impact from the activities of the airport, was not coordinated with SVO JSC and was done without taking into account the requirements of the sanitary legislation of the Russian Federation.

The decision to build a new runway at Sheremetyevo was made by the Government of the Russian Federation in 2009 on the basis of a sectoral strategic planning document - the Transportation Strategy of the Russian Federation. Districts adjacent to runway-3 are located in the area of sanitary breaks of Sheremetyevo Airport with noise level exceeding the permissible values established by the requirements of sanitary and hygienic legislation. Construction of residential buildings in the districts where the permissible noise level is exceeded due to the acoustic



impact of the airport's activities, contradicts the requirements of sanitary legislation and was not signed off by SVO JSC.

At the same time, SVO JSC is taking all possible measures aimed at reducing the noise impact on residents of areas located in the immediate vicinity of the airport. At present, procedures have been developed and implemented to reduce the noise impact of aircraft flying in the area of Sheremetyevo Airport, on the adjacent residential areas of Moscow Region. These procedures include:

- Optimization of the aircraft fleet of airlines performing flights to (from) Sheremetyevo Airport and the aircraft traffic schedule;
- Restriction or prohibition of night operation of the noisiest types of aircraft;
- Implementation of operational procedures for noise reduction during take-off, climb and approach by all aircraft crews;
- Rational organization of ground and flight operation of aircrafts;
- Improvement of air traffic service (control) techniques.

## EFFICIENT USE OF RESOURCES

Efficient use of resources is a priority of SVO JSC, both from an environmental and commercial point of view.

In 2020, Sheremetyevo International Airport completed its Energy Saving and Energy Efficiency Program for 2015-2019 at SVO JSC. Within this program, "seasonal" decommissioning of energy-intensive systems and temperature control system in terminals were introduced, which reduces energy costs for air conditioning and cooling, as well as a number of other measures were implemented, including replacing incandescent lamps with LED ones and replacing worn-out water supply systems (which made it possible to prevent water losses in the amount of about 73.9

thousand cubic meters during the year with an economic effect of about 2.85 million rubles). In general, thanks to this program, despite the increase in square footage of buildings and structures, the total consumption of heat and gas has decreased by about 10%.

In 2020, evaluation of progress in resource conservation should be done with caution. On the one hand, resource consumption has dropped significantly due to a sharp decline in air travel. On the other hand, even a "flightless" airport still consumes about the same amount of electricity and heat. Although the company, for the sake of saving resources, decommissioned individual terminals for some time, nevertheless, the specific (say, for one take-off and landing operation) resource consumption in such a situation slightly increased.

## The volume of energy resources used by SIA JSC in 2020

Energy Resources	Unit	Volume	Cost, thousand rubles
Electricity	kW / hour	171 273 550	640 866
Gas	thsd cub. m	31 125	157 134
Gasoline, of which:	litre	240 726	9 338
AI-92	litre	99 352	3 634
AI-95	litre	141 374	5 704
Diesel fuel	litre	2 159 437	85 487
Aviation kerosene	litre	56 685	1 941





## SOCIAL ASPECTS OF PASSENGER SERVICE

### CARING FOR THE HEALTH OF PASSENGERS

In 2020, health and epidemiological safety at Sheremetyevo became a very important part of our service to passengers. The priority measures included:

- Changes in the configuration of passenger traffic in the first months of the pandemic aimed at separating passengers arriving from epidemic-affected countries,

- Deployment of a no-contact thermometry system at passenger entrances to terminals and a three-tier control system for arriving passengers,
- Introduction of rapid PCR testing of passengers and the issuance of results within one hour, and
- Finally, as the vaccine became available, passenger vaccination service (starting on February 3, 2021).

At the time this report was being prepared, 24-hour health centers were operating in each of the five passenger terminals of Sheremetyevo to provide medical assistance to both passengers and guests of the airport.



Employees of Sheremetyevo Handling at passenger check-in at Terminal B

The health centers are fully equipped with the necessary equipment and medicines in accordance with the current regulations. These health centers employ 117 doctors. If necessary, medical assistance is provided not only directly in the terminal building, but also in parking lots, station squares and aprons and onboard aircraft.

In total, more than 20,400 passenger requests for medical assistance were received at the terminal health centers in the reporting year (1,292 people were hospitalized) and more than 166,000 PCR tests were carried out for COVID-19.

An important role in maintaining the health safety of passengers was also played by additions to the airport sanitation system. Disinfectant dispensers were installed at the terminal entrances and a new schedule for preventive cleaning and disinfection of public areas of the airport was introduced, the frequency of which increased from 12 to 3 hours in the most-visited areas.

Personnel readiness was supported by daily briefings of the airport staff, which were conducted by doctors of the Sheremetyevo medical unit, and their own readiness was supported by training and exercises for emergency rescue operations under various scenarios. In total, doctors of the Sheremetyevo medical unit took part in forty training sessions in 2020.

### CARING FOR PASSENGERS WITH CHILDREN

Sheremetyevo pays special attention to serving passengers with children. Children make up about 6.2% of all passengers traveling through Sheremetyevo.



Sheremetyevo has everything passengers traveling with children need to comfortably wait for a flight. Mother and Child rooms are open around the clock in all terminals of the airport, each with a play area for young passengers with a large number of toys and a game console, a sleeping area, a modern kitchen and a room for nursing and changing diapers.

The staff of the Mother and Child Rooms is qualified to make the stay at the airport for young passengers and their parents as comfortable as possible. Over the past five years, the use of rooms for mothers and children at Sheremetyevo Airport has grown from 74,800 (2014) to 84,900 (2019) a year.

The outfitting of play areas and playgrounds is updated annually. Many airport restaurants have a children's menu. There are also play areas and changing rooms in all business and VIP lounges of the airport.





In addition, the airport regularly organizes Little Passenger Days - bright and interesting celebrations aimed at expanding children's horizons and informing passengers about the special services provided by Sheremetyevo to passengers with children.

The new Terminal C is also equipped for passengers with children. The Mother and Child Room in Terminal C has an area of 350 square meters and is located on the third floor in the departure area. It is designed for 60 children and their accompanying persons. It offers visitors a playroom with upholstered furniture, TV and toys, a kitchen for cooking and heating food, children's furniture, a refrigerator, a microwave oven, a kettle, a sink, two bedrooms (there are 20 baby cribs for children under 5 and 20 beds for 5-7 year-olds), a children's bathroom, two adult bathrooms and 3 shower rooms, as well as a mini-laundry equipped with washers and dryers. The room is open around the clock and is free of charge.

## DEVELOPMENT OF A BARRIER-FREE ENVIRONMENT

Sheremetyevo Airport offers passengers with disabilities special assistance and support while at the terminals and while boarding and deplaning the aircraft. Access roads to the terminals are equipped with ramps, and free spaces are provided both for parking and drop-off near the terminals. Entrances to the terminals are equipped with sliding doors, and there is an option to call for wheelchair assistance. The disability assistance can be ordered through a special section of the airport website, through a mobile application, by phone or upon arrival at the airport.



Special telephones are installed for the hearing-impaired at the airport, and information desks, check-in, baggage tracing and lounges are equipped with induction loops for hearing-impaired passengers. There are tactile paths and tactile-sound mnemonic diagrams with information about the location of the passenger and routes of movement, duplicated in Braille and sound. There are waiting areas for passengers with limited mobility at boarding gates, and wheelchairs of various types as well as ambulifts and lifting platforms are available for easy movement through the terminals.

The airport staff has all the necessary qualifications to make the stay of limited-mobility passengers at the airport as comfortable as possible. If medical assistance is needed, escort is provided by a qualified employee of the health center. Luggage and transportation services for passengers with disabilities are free of charge. The unmanned trains of the inter-terminal tunnel (ITT) have

seats designated for people with disabilities, and ITT stations have spacious elevators.

Sheremetyevo is the only airport in Russia that provides lounges of international comfort level for air travelers with disabilities, which is confirmed by the commission of the International Paralympic Committee. There are 4 of these lounges at the airport: the Sirius lounge in the "clean zone" of Terminal E, the Saturn lounge in the public area of Terminal D, the Mercury lounge in the public area of Terminal B, and the Orion lounge in the "clean zone" of Terminal C. These lounges are free of charge for passengers with disabilities and accompanying persons. Comfortable furniture and a wide-screen TV, hot drinks, Wi-Fi, Internet and an additional hygiene room make waiting for the flight comfortable. Airport staff escort the checked-in passengers to the lounge and then to the boarding gate.

In 2013, Sheremetyevo became a laureate of the prestigious Elena Mukhina award, which is given to companies and public organizations for their contribution to the socialization and adaptation of people with disabilities. Sheremetyevo was recognized as the best in the "World without Barriers" category for implementing a comprehensive program to create a barrier-free environment.

All Sheremetyevo terminals have passed voluntary certification and have accessibility certificates.

In 2020, Sheremetyevo Airport served 71,314 passengers with disabilities and continued to develop an accessible environment for these passengers. The contrast markings and anti-slip stripes on the stairs in the "clean" area of Terminals E and F were updated, as was the marking of the waiting areas at the check-in counters and the waiting area of the Terminals D, E and F.

A digital device was put into operation in 2020 to provide information passengers with disabilities, including those with hearing and speech impairments. The Video Information Assistant (VIA) is located in the public departure area of Terminal B at the information desk (3rd floor). This device is unique for Russian airports and allows passengers to quickly receive all the necessary information about services at the airport, including services for persons with disabilities. A special section is available in the device menu for users with hearing and speech impairments that contains information on pre-flight procedures, the rules for checked and carry-on luggage, the rules of passenger behavior in case of emergencies at the airport, etc. All information in this section is presented in Russian sign language. The video information assistant is equipped with a touch screen and has a convenient and intuitive interface. In order to use the device, the user needs to select one of the offered thematic blocks from the menu, after which text and visual information appears on the screen. In the "Hearing-Impaired Passengers" section, all reference data is available in the format of video blocks supported by a sign language interpreter and subtitles.

## CREATING A WELCOMING ATMOSPHERE AT THE AIRPORT

Sheremetyevo Airport pays special attention to creating a comfortable and welcoming atmosphere for its guests and passengers. An environment that complements the trip with thematic, cultural, educational, festive events and creates a good mood is part of the company's marketing communications strategy. In other words, the airport not only provides a set of mandatory services, but also offers additional opportunities for spending time before the flight that exceed the expectations of most passengers. In this regard, the airport follows its mission: "We want our passengers to return to us again and again."



It should be noted that the concept of “atmosphere” in this case is not general or abstract. The parameter “atmosphere at the airport” is directly present in the parameters included in the Airport Service Quality (ASQ) system for assessing the quality of airport services and has played an important role for the airport over the past few years, during which time the overall score of Sheremetyevo’s ASQ has been constantly increasing.

The best way to create a bright and positive atmosphere is to transform of the airport from an “air station” into a social and cultural center and a kind of art platform, where various interactive social and cultural projects are regularly programmed.

Like all airports, Sheremetyevo experienced a sharp reduction in passenger traffic in the terminals, and those who traveled had to maintain distance from other passengers and essentially travel in self-isolation. Seeing the need to provide moral support to the passengers, Sheremetyevo developed active Internet communication channels and moved a number of projects related to the atmosphere at the airport to online.

Below are the largest and most interesting projects of 2020.

In February, Sheremetyevo International Airport was the first among Russian airports to participate in the relay timed to coincide with the 75th anniversary of Victory in the Great Patriotic War and initiated by the Council of Commanders of the Border Troops of the CIS countries. The Victory Relay was intended to perpetuate the memory of the border guards who defended the borders of the USSR during the war. The final of the Victory Relay was held on Border Guard Day, May 28, on Poklonnaya Hill in Moscow. The solemn event was attended by the management of the airport and representatives of the Border Guard Unit of the FSB of Russia,

the Sheremetyevo Customs and the Police Department at the Sheremetyevo airport, as well as representatives of the administrations of Khimki and Lobnya Districts.

The program of relay events at Sheremetyevo included a ceremonial formation and performance by the Central Frontier Ensemble of the FSB of Russia, the solemn handover of the “Symbol of Victory” by the relay group of the Frontier Academy of the FSB of Russia to the Border Guard Detachment at Sheremetyevo Airport, performances by honorary guests, veterans of the Great Patriotic War and the Border Service, the “Candle of Memory” ritual and a moment of silence in memory of those killed during the war, as well as performances by young reciters and a musical medley performed by Moscow Art and Industry Institute students.

In May, Sheremetyevo Airport joined the large-scale All-Russian Victory Windows campaign dedicated to the 75th anniversary of the Victory in the Great Patriotic War. Hundreds of multi-format media screens at the station squares and operating terminals broadcast heroic images of warriors of the Great Patriotic War and more recent veterans. The airport employees also decorated the facade of Terminal F with the festive symbols of Victory. The state flags of Russia and the banners of Victory were hung on the entrance lobbies of the airport terminals and popular songs of the war years sounded in the passenger halls. On pre-holiday days, all airport passengers were presented upon check-in with a gift prepared by activists of the Russian movement of schoolchildren, which initiated the Victory Windows campaign: stickers with festive symbols, St. George ribbons and a special issue of the Arguments and Facts newspaper dedicated to the celebration of the significant date.

On Victory Day all passengers and guests of Sheremetyevo were congratulated on the speakerphone, and the airport staff decorated

the corporate uniform with St. George’s ribbons. The airport also joined the All-Russian civil-patriotic online Immortal Regiment campaign, an online broadcast of a virtual procession with the participation of relatives of WWII veterans and home front workers took place on the media screens of Terminal B.

In mid-May of the reporting year, Sheremetyevo Airport became a participant in the national Night of Museums campaign for the sixth time, holding a series of 16 various thematic events online for the first time. They included the broadcasting of sightseeing tours, thematic lectures, performances and master classes on the YouTube channel and the official page of Sheremetyevo Airport on the Vkontakte social media platform, as well as through links in the 2020 Night of Museums section on the airport’s official website [www.svo.aero](http://www.svo.aero). In addition, from 16 to 18 May, from 12:00 to 20:00, all visitors of the Night of Museums at Sheremetyevo Airport had access to cult Soviet films on aviation from the golden collection of the Mosfilm production studio.

At the beginning of June of the reporting year, a literary online marathon titled We All Have Our Own Pushkin took place on Sheremetyevo’s social platforms in honor of the birthday of the literary giant whose name the airport bears. Artists, writers, TV anchors and other representatives of modern Russian culture read the poet’s favorite works in a program timed to coincide with the first anniversary of Sheremetyevo Airport’s adoption of A.S. Pushkin’s name. During the day on the airport’s official social media accounts, excerpts from Russian classics were performed by famous artists Sergei Bezrukov, Anatoly Bely, Valeria, Igor Vernik, Stanislav Duzhnikov, Dina Korzun, Diana Arbenina, Alexey Kortnev, Anna Snatkina, Alexander Filippenko, Natalia Shvets and Andrey Kuzichev; TV anchors Dmitry Guberniev and Yana Churikova; and popular writers Maya Kucherskaya, Marina Stepnova, Lyudmila Ulitskaya and Alexander Tsyppkin. A day earlier, Sheremetyevo’s Instagram account hosted a live broadcast with the participation of literary critics about Pushkin’s influence on Russian culture.



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ДОБРО ПОЖАЛОВАТЬ  
В НОВЫЙ  
ПОЛЕТЫ!

ТЕРМИНАЛ С ШЕРЕМЕТЬЕВО

Шереметьево —  
аэропорт имени  
А. С. Пушкина

Sheremetyevo — an airport  
named after A. S. Pushkin

ШЕРЕМЕТЬЕВО  
МЕЖДУНАРОДНЫЙ АЭРОПОРТ

Пушкин

Шереметьево —  
аэропорт имени  
Пушкина

Sheremetyevo — an airport  
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ШЕРЕМЕТЬЕВО

Пушкин

Шереметьево —  
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Пушкина

Sheremetyevo — an airport  
named after A. S. Pushkin

ШЕРЕМЕТЬЕВО

Пушкин



On June 11, 2020, Sheremetyevo Airport joined the all-Russian campaigns Windows of Russia and Flags of Russia dedicated to the Day of Our Country, supporting the campaigns by broadcasting symbolic images, achievements and highlights of Russian history on 140 media screens at the station squares and terminals of Sheremetyevo Airport, placing state flags on entrance loops of terminals and surface decoration in terminals with stickers with Russian symbols. On the day of the event, a team of doctors who had just returned from Vladikavkaz, under the leadership of Konstantin Pokrovsky, head of the Surgery Center of the City Clinical Hospital No. 67 named after Vorokhobova, who carried out a two-week humanitarian mission to protect the population of the Caucasus from coronavirus infection: following the path from the gate to the baggage claim area, doctors pasted posters "#RussiaMyVtogh" on the windows.

Another series of online events took place on August 11, 2020, the 61st anniversary of the opening of the airport. In honor of the solemn

date, exciting events for passengers and guests of the airport were held in the official accounts of Sheremetyevo on social media: live broadcasts on Sheremetyevo's official Instagram account with the participation of airport employees, representatives of Sheremetyevo Customs and employees of the Canine Service of Aeroflot PJSC, and broadcasts from different parts of the airport, including those that are usually not accessible to passengers. From August 11 to 25, a competition of amateur photographs titled "Sheremetyevo Through SVO's Eyes" was also held on social media.

In September 2020, Terminal D hosted a performance by two popular Russian musical groups, the Turetsky Choir and the female art group SOPRANO. A great musical show for employees, guests and passengers of the airport became a symbolic opening of a large-scale marathon across the capitals of Europe called Victory Songs (Unity Songs) and held in honor of the Year of Memory and Glory. And at the end of September in Terminal D, a photo exhibition titled The Golden Storeroom

of the Historical Museum, organized with the participation of the State Historical Museum, was opened. It featured 20 exhibition stands with photographs depicting a collection of outstanding monuments of decorative and applied art, made of gold or with the use of gold,

over 200 of the best works of photographers from different parts of the country and is designed to acquaint passengers with the natural beauty, diverse architecture, and rich cultural, historical and spiritual heritage of the republics, territories and regions of the



from a special storeroom of the State Historical Museum.

In October of the reporting year, on the eve of the 70th anniversary of the UN Refugee Agency (UNHCR), a new exhibition dedicated to UNHCR's activities in the world was opened in the passageway between Terminal D and the Aeroexpress railway terminal. It was the third joint project between the Agency and Sheremetyevo Airport, the first of which was presented to the public in 2015.

On November 3, 2020, the UNHCR exhibit was replaced by the photo exhibition Russia: Flight Through the Centuries, which brought together

Russian Federation. The opening ceremony of the exhibition, dedicated to National Unity Day, was attended by the Head of the Department of Periodicals, Book Publishing and Printing of the Federal Agency for Press and Mass Communications, Yuri Pulya; member of the Board of Directors of the REGION Group of Companies Andrey Zhuikov; art critic and Director of the Multimedia Art Museum, Moscow Olga Sviblova; Director of Public Relations of SVO JSC Anna Zakharenkova; People's Artist of Russia Sergei Bezrukov; and photographer Dmitry Zverev.

On the same day, Sheremetyevo Airport for the eighth time joined the federal Night of the Arts

campaign. This time, Sheremetyevo Airport presented an art performance by Alexander Fomin, an outstanding Russian artist, to a wide audience and lovers of painting. Leontyev's works are exhibited in the Rhine Museum, the Leontyev Estate Museum, and the private collections of former German Chancellor Gerhard Schroeder, former French President Jacques Chirac and others. The highlight of the performance was the creation of a new sketch by Alexander Fomin, which was executed in the airport in the presence of spectators. In addition, a one-day exhibition of the painter's works was opened in Terminal B. At the end of the event, Alexander Fomin donated his new work, inspired by the avant-garde design of Terminal B, to Sheremetyevo Airport.

On December 16, 2020, Sheremetyevo Airport joined a series of international events dedicated to the 250th anniversary of the birth of the great German composer Ludwig van Beethoven.

On the composer's birthday, passengers and guests of Sheremetyevo Airport witnessed a unique event called The Beethoven Moment. At exactly 2:50 pm, a three-minute fragment from the famous Fifth Symphony performed by the Digital Orchestra of Golikov Symphony Orchestra was played in Sheremetyevo terminals. The broadcast time of 2:50 pm symbolized the anniversary date - the 250th anniversary of the composer's birth. Also on this day, Sheremetyevo opened the Ludwig van Beethoven - Ode to Joy exposition of 35 miniature multi-colored sculptures of Beethoven by German sculptor Ottmar Hörl, integrated into the interiors of the airport terminals. The Beethoven Moment and the exhibition were part of a large-scale campaign implemented by the National Tourist Office of Germany in Russia as part of the Year of Germany in Russia 2020/21 with the support of the German Embassy.



## FEATURES OF EDUCATIONAL AND PR ACTIVITIES

The system for disseminating information at JSC SIA was used primarily to inform the public about the anti-epidemic measures in force at Sheremetyevo. Informational materials were prepared for passengers and visitors and displayed on media screens in terminals, on monitors above check-in counters and at boarding gates, and over sound system in terminals, and safety notices were posted on information desks. This made the airport an important source of information about the sanitary rules in force in the country (wearing masks, observing social distance etc.).

In addition to direct health education, the most important communication tasks of the airport during the pandemic were:

→ Implementing comprehensive preventive measures at SVO in order to stop the spread of coronavirus infection;

- Covering anti-crisis measures taken by the management of Sheremetyevo aimed at retaining the team and the company's potential to restore regular operating activities, support employees, and ensure uninterrupted regular operation and financial stability of the airport;
- Promoting of Sheremetyevo as an efficient cargo hub for handling humanitarian and medical cargo, as well as cargo-only flights;
- Positioning Sheremetyevo as the first airport in the world to launch a COVID-19 rapid test service.

From February to December 2020, a series of high-profile press events of various formats were held at Sheremetyevo Airport with the participation of the management of JSC SIA and interacting state organizations covering each of these areas, which yielded 316 TV spots and more than 19,000 media mentions.

The work of the airport as an educational center did not go unnoticed by the professional



community, and in November 2020 Sheremetyevo was the recipient of the national award for achievements in the field of transportation and transportation infrastructure "Formula of Movement" in the category of Best PR-activity in the current year as part of the XIV business program International Forum and Exhibition "Transportation of Russia". The jury recognized the program of media coverage of comprehensive preventive measures at Sheremetyevo Airport, implemented jointly with Rospotrebnadzor, the Moscow Department of Health and the Ministry of Health of Moscow Region, to protect the health of passengers and personnel and prevent the spread of coronavirus infection in the country as the best PR project.



## PROMOTING THE DEVELOPMENT OF LOCAL COMMUNITIES

### COMMUNITY INFRASTRUCTURE

JSC SIA's main concern in the development of the infrastructure of the adjacent area in the coming years as part of the large-scale reconstruction of the airport was to ensure convenient transport logistics. In 2017 - 2018, 4 road facilities were built and reconstructed, including the restoration of bridges across the Klyazma River on the Sheremetyevskoye Highway. The section of Starosheremetyevskoye Highway that connects the airport terminal complexes was expanded to 4 traffic lanes. In May 2018, the traffic load on Terminals D, F, E was reduced when the U-turn loop near the Novotel Hotel was completed. Finally, congestion at the new Terminal B was eliminated with the expansion of the Sheremetyevskoye Highway section from 2 to 3 to 5 traffic lanes and arranging for one-way traffic.

Currently, the airport is participating in projects for three large transportation infrastructure facilities in the area adjacent to the airport: the second stage of reconstruction of Starosheremetyevskoye Highway, reconstruction of Lobnenskoye Highway and construction of the Aeroexpress Railway Terminal in the Northern Terminal Complex.

The reconstruction project for Starosheremetyevskoye Highway at the second stage includes the construction of a single-level roundabout (at the intersection of Starosheremetyevskoye Highway, the highway from Lobnya to Sheremetyevo Airport and Sheremetyevskoye Highway), the installation of four public ground transportation stopping

points with traffic lay-by, and the construction of pedestrian crossings. Vertical lifting platforms are provided inside the tower-type supports of the pedestrian crossings in order to ensure that they are accessible for people with limited mobility. Also, in accordance with the design, the existing junctions and intersections will be repaired.

Construction and installation work on the project began in the first quarter of 2019. The new road is more than 3 kilometers long, and it will double the capacity of the facility to 70,000 vehicles per day. The cost of the government contract for construction and installation work is 1.3 billion rubles, and it is being financed by the Moscow Region Road Fund. According to the plan, work on Starosheremetyevskoye Highway should be completed in December 2021 with the commissioning of an underground pedestrian crossing.

The reconstruction project of Lobnenskoye Highway covers the section from the roundabout on Lobnenskoye Highway with Starosheremetyevskoye to the intersection of Lenin Street and Krasnopolyansky passage in the Povорот shopping center in the Lobnya urban district. The total length of the reconstruction section is about 2.1 kilometers along the main route and 4 kilometers along the side roads. The road will be expanded from 4 to 7 lanes. At the same time, lighting, sidewalks, and construction of four sky-walks and six bus stops were designed for the site. The estimated speed on the main road will be 80 km/h and from 50 to 70 km/h at the ramps, and the potential capacity of the reconstructed highway will be about 60 thousand vehicles per day. The project also provides for the construction of a bridge across the tributary of the Moscow River with a length of 25 meters, the installation of utilities and the installation of a highway sound barrier 6 meters high. According to the contract, the completion



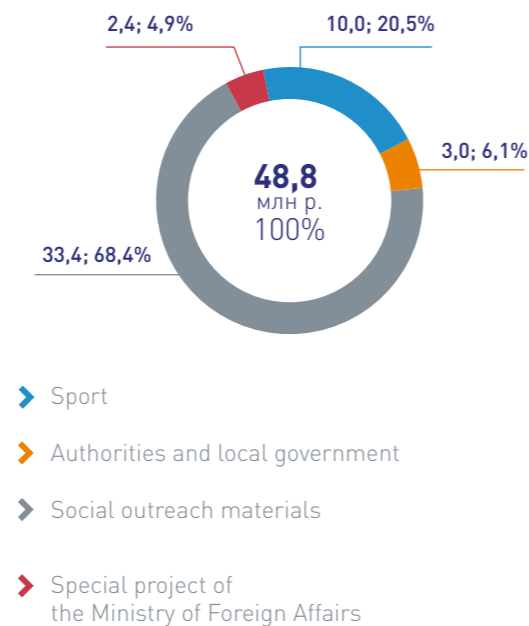
date of the reconstruction of Lobnenskoe Highway is the fourth quarter of 2022.

The construction of the Aeroexpress Railway Terminal in the Northern Terminal Complex is being implemented in cooperation with Aeroexpress and Russian Railways. It involves the construction of the Sheremetyevo-1 station in NTC with three arrival and departure tracks and two platforms, a 3-km double-track railway and a single-track branch that will connect the new station with the existing Sheremetyevo-2 station located in the Southern Terminal Complex. This will allow the launch of shuttle trains from STC to NTC at 15-minute intervals by 2022. Then it will be necessary to continue the construction of a double-track connecting line from the Sheremetyevo-1 station with a connection to the existing tracks of the Moscow Railway in the direction of Savelovskoye. At the same time, the development of the airport access will be synchronized with the development of the Savelovskoye direction within the framework of the MCD-1 project. After the completion of all work, the capacity in the direction of Sheremetyevo Airport will increase from the current 38 to 72 pairs per day: 32 pairs to STC and 40 pairs to NTC, at 30-minute intervals. Trains from Moscow to the airport will depart in a tact mode every 15 minutes.

## CHARITY AND SOCIAL PROGRAMS

In 2020, the social program expenses of JSC SIA, including charity, under various direct agreements (sponsorship, donation agreements, etc.) amounted to 48.8 million rubles. Most of the recipients of charity aid from JSC SIA are associated with local communities around the airport. Among the recipients of charitable funds are organizations promoting the development of culture and art, environmental and sports organizations, and government and local government bodies.

**The structure of social costs of SIA JSC in 2020**



The main areas of social program expenditures and charitable activities of JSC SIA are determined by the priorities of the office responsible for corporate social responsibility for the enterprise. However, in 2020, the activities, beneficiaries and means of delivering assistance were significantly influenced by the impact of the coronavirus pandemic.

Against the background of changes in the structure of budgets for social programs in 2020, the number of charitable and social projects in which JSC SIA participated has significantly increased, providing not only financial subsidies, but also its own professional resources. The airport voluntarily donated the most significant part of these resources to support the fight against the coronavirus pandemic, to which a special section is devoted in this report.

In addition to the tasks related to ensuring the continued functioning of main activities of the



airport during the period of non-working days announced due to the pandemic, the airport took part in a number of on-line events and cultural projects. They had the goal of providing moral support to compatriots in self-isolation and providing some diversion to help pass the time and ease the sense of isolation, and thus help prevent the spread of infection.

JSC SIA, being a direct participant in the program to return citizens of the Russian Federation from abroad during the outbreak of the pandemic, subsidized the publication of a unique photo album titled 'We do not Abandon Our Own'. The circulation of this commemorative book, dedicated to the program for the return of compatriots from abroad due to the coronavirus pandemic, was published in two languages at the request of the Ministry of Foreign Affairs of the Russian Federation and is intended for distribution among employees of Russian embassies and missions abroad, as well as foreign partners who contributed to the implementation of a unique program for the repatriation of fellow-citizens.

The most important area of charitable and sponsorship assistance is support in various

forms of efforts to promote sports and a healthy lifestyle. This is associated with the involvement of the active population of the Russian Federation in sports activities and the implementation of joint projects to promote world and Russian sports and the achievements of Russian athletes. In particular, in the reporting year, the company was able to allocate sufficient funds to support the needs of the sports associations of Moscow Region, which Sheremetyevo has traditionally sponsored over the past years.

A special area of charitable activity is to support nature conservation activities, in particular programs to prevent the complete disappearance of rare species of animals listed in the Red Book. A special case was the participation of Moscow Cargo LLC in the project to rescue Simba the lion cub, which in March 2020 had to be promptly evacuated from Makhachkala in transit through Moscow. The subsidiary company of JSC SIA provided space with soundproofing and controlled temperature in the cargo terminal, where the animal received veterinary care and other assistance free of charge.

Sheremetyevo Airport traditionally takes an active part in the celebration of important state commemorative days and large-scale federal events. The efforts of the airport in 2020 were focused on the preparation of materials that performed an educational function supporting events held at the airport for Victory Day in the Great Patriotic War and for Russia Day, as well as the organization of art exhibitions and cultural events.

Significant funds were allocated for the production of video materials for special multimedia screens, which became the basis for interior solutions in Terminals B and C, opened in 2019-2020. The video content for these media installations is continually updated. For example, in 2020, unique cultural

and educational video programs were released to fill the media environment of the airport, such as Aviation Heroes and Globe. In addition, multimedia screens were provided free of charge upon request for broadcasting special video content related to the prevention of the spread of coronavirus infection.

In the distribution of the airport's charitable funds, significant attention is paid to supporting local communities near Sheremetyevo. In particular, JSC SIA supported the Moscow Regional Fund for Regional Cooperation and Development Support.

Special attention is paid to supporting the educational environment, primarily in the field of civil aviation. The airport worked closely with the Moscow Aviation Institute to organize the third annual hackathon (face-to-face software development competition) in 2020. Between May 8 and 10, over 150 programmers, analysts, IT-architects, designers and marketers competed in the search for the best solutions to applied problems posed to them by the specialists of JSC SIA and Sheremetyevo Handling LLC. The airport specialists, in turn, acted as consultants and experts in real time on these developments.

Some of the charitable programs of JSC SIA are traditionally carried out by the employees themselves with the support of the company, but on a voluntary basis. Among such projects in 2020 was a motorcycle race in honor of the 75th anniversary of the Great Victory in places of military glory in the city of Rzhev, which was headed directly by the Director General of JSC SIA. Employees also supported "The Way Out" Foundation, which works on the issue of autism; the "Green Wednesday" campaign for the collection of waste paper; and the "Old Age in Joy" Program of the Stepurinsky home the elderly, among others.

In 2020, JSC SIA continued to pay special attention to working with veterans, and the

airport held a series of events in honor of the 75th anniversary of the Victory. Along with congratulations on behalf of the Director General, JSC SIA prepared and handed out holiday baskets to the veteran employees of the airport. On May 8, 2020, with the participation of veterans, employees and leaders of Sheremetyevo, a meeting was held at the grave of the unknown soldier in the village of Nosovo. According to tradition, airport employees laid wreaths at the memorial and honored the fallen soldiers with a moment of silence.



Excursion to the Sheremetyevo History Museum as part of the Social Initiatives project with the participation of Aeroflot canine handlers





## GOOD BUSINESS PRACTICES

### PROCUREMENT PROCEDURES

The procurement activities of SIA JSC and SIA JSC subsidiaries are regulated by Federal Law No. 223-FZ of 18.07.2011 "On Procurement of Goods, Works, Services by Certain Types of Legal Entities". On March 27, 2019 the Board of Directors of SIA JSC (Minutes No. 265) took the decision to develop a quality improvement program for procurement activities of SIA JSC and its subsidiaries.

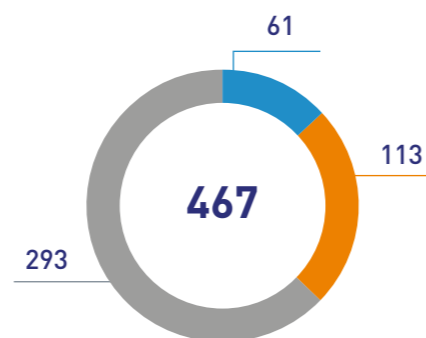
Based on the approved program, SIA JSC is implementing the events:

- aimed at improvement of procurement activities management quality;
- related to ensuring SME participation in procurement of SIA JSC;
- aimed to advanced training of procurement service personnel.

The decision on development of the quality improvement program for procurement activities also covers its subsidiaries: Sheremetyevo Handling LLC and JSC Sheremetyevo Security, whose procurement activities fall within the scope of Federal Law No. 223-FZ of 18.07.2011 "On Procurement of Goods, Works, Services by Certain Types of Legal Entities".

In 2020 SIA JSC placed within a uniform information system 467 procurement procedures. The average number of participants of one tendering procedure was 2.97.

**Procurement Procedures of SIA in 2020 (units)**



- ▶ procurement with preliminary qualifications-based selection (approx. RUB 800 mln)
- ▶ procurement from a sole supplier (approx. RUB 6 bln)
- ▶ procurement on competition basis (approx. RUB 8.2 bln)

The number of offers of SIA JSC, as compared to 2019 (820), was almost halved in 2020, however significant improvements can be observed in the structure of implementation of these RFQs. The share of procurement from the sole supplier has decreased: in 2019 such procurement accounted for 65% of the transactions value (about RUB 30 bln) while in 2020 it was only 42%. Such changes evidence argue for increasing actual competition for SIA JSC orders. While in 2019 contracts concluded on competition basis constituted only 35% of the total cost (RUB 15.9 bln), in 2020 they constituted already 61% (about RUB 8.2 bln). Savings based on the tendering procedures results in 2020 amounted to 11.36% or RUB 495 mln.

SIA JSC commitment to organizing procurement from small and medium enterprises is also worth noting. Pursuant to Resolution of the Government No. 1352 of 11.12.2014, the share of contracts concluded with SME entities in the total number of the concluded contracts shall be at least 18%. Based on the 2020 performance, the share of SIA JSC contracts with SME constituted 55,5% of all contracts.

### ANTI-CORRUPTION SYSTEM

SVO JSC carries out a set of measures aimed at implementing the state policy for combating corruption on a regular basis.

The regulation of activities in this area is carried out on the basis of local regulations governing anti-corruption measures, through strengthening the standards of conduct.

In particular, in the reporting year, the study of relevant local regulatory documents was organized for employees covering their areas of responsibilities; timely training (advanced training) of employees whose official duties include participation in combating corruption, as well as new hires included in the lists of positions associated with a high risk of corruption was scheduled; work was carried out to identify cases of a conflict of interest (no cases were identified); the lists of employees of SVO JSC obliged to notify the employer about the occurrence of personal interest, which leads or may lead to a conflict of interest were updated; amendments have been made to the Procurement Regulations in accordance with applicable law. In addition, in the economic activities of the company, software products are used to check counterparties.

A responsible subdivision with appropriate authority - the Directorate of Economic Security of SVO JSC, has been appointed for anti-corruption work at SVO JSC. The Directorate of Economic Security accepts notifications from employees via a permanent hotline, guarantees non-disclosure of information about the informant, and considers, among other things, anonymous informants. The official website of Sheremetyevo Airport contains information about the organization's anti-corruption activities, including regulatory legal and other anti-corruption acts, anti-corruption expert analysis materials and methodological recommendations, as well as the module of communication with the Directorate of Economic Security of SVO JSC.





# CONSOLIDATED FINANCIAL STATEMENTS

# 7



## CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For an independent assessment of the reliability of financial statements, the company annually engages an external auditor. In 2020, following the results of the procurement procedure, Ernst & Young LLC was selected as the auditor of the Sheremetyevo International Airport Joint Stock Company in accordance with RAS and IFRS. The auditor confirmed the accuracy of the financial statements for 2020.

More detailed financial information is presented in the Consolidated Financial Statement in accordance with International Financial Reporting Standards, available on the website of Sheremetyevo International Airport



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## TERMS AND ABBREVIATIONS

**DAL** - Domestic Air Lines

**TLO** - Take-off and Landing Operation, i.e. one take-off or one landing of an aircraft, for which the aircraft demands a set of airport services; the main accounting unit for settlements between the airline and the airport

**RWY** - Runway

**A/C** - Aircraft

**CA** - Civil aviation

**SCC** - Sheremetyevo Cargo Complex

**S&A** - Subsidiaries and Affiliates – the organizations with the membership interest of SIA JSC allowing the latter to participate in the management of these organizations

**LTDP** - Long-Term Development Program

**PRWY** - Paved Runway

**SCP** - Security Check Point

**KPI** - Key Performance Indicator

**MAC** - Moscow Air Cluster

**SIA** - Sheremetyevo International Airport

**IAL** - International Air Lines

**HSTW** - High-Speed Taxiway

**PJSC** - Public Joint-Stock Company

**PD** - Passengers with Disabilities

**PRM** - Passengers with Reduced Mobility

**AIF** - Anti-Icing Fluid

**A/C AIP** - A/C Anti-Icing Protection

**Sortie** - A flight, either regular or irregular, dispatched from the airport; the main accounting unit for the number of standard operations performed by the airport

**NTC** - Northern Terminal Complex

**Rosaviatsiya** - Federal Agency of Air Transport

**FSCS** - Flight Safety Management System

**FRC** - Fuel Refilling Complex

**CRS** - Centralized Refueling Station

**ACC** - Airport Operation Centre

**FATA** - The Federal Agency of Air Transport of the RF, Rosaviatsiya in short

**FTP** - Government's Federal Target Program

**STC** - South Terminal Complex

**EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)** - Earnings before the payment of interest, income tax (including deferred tax) and depreciation. EBITDA is used to determine the competitiveness and efficiency of the company's activities, regardless of the extent of debt on loans, the tax regime and the method of depreciation charges calculation

**IATA (International Air Transportation Association)** - The International Air Transportation Association established in 1945 to promote cooperation between airlines in order to ensure safety, reliability and economy of flights in the interests of consumers

**ICAO (International Civil Aviation Organization)** - The International Civil Aviation Organization established upon the signing of the 1944 Chicago Convention on International Civil Aviation. It is a specialized UN agency responsible for the development of international standards, recommended practices and regulations in the technical, economic and legal areas of international civil aviation

**ISAGO IATA Safety Audit for Ground Operations** - IATA ground handling security audit

**ISO** - International Organization for Standardization

