

# ANTI-CORRUPTION

*Zarubezhneft operates in accordance with the principles of honesty, transparency, and integrity. All the Group's employees adhere to the principles of business ethics.*

*The results of the 2020 independent external audit of Zarubezhneft's compliance management system confirmed the effectiveness of the measures implemented by the Company to prevent and counter corporate fraud and corruption, compliance with the requirements of the law of the Russian Federation and the law of the countries where the Company operates, and a high level of compliance with the international standards ISO 19600:2014 'Compliance Management Systems' and ISO 37001:2016 'Anti-Bribery Management Systems'.*

Zarubezhneft's compliance management system is a part of the corporate risk management and internal control system. The goal of the system is to ensure compliance with high standards of business ethics and prevent violations of the law and requirements of local regulatory documents.

In light of the expertise gained during the reporting year, the Unified System for Assessing the Risk of Corporate Fraud and Corruption for the Corporate Center and its subsidiaries was updated with a Scoring Model to assess the risk level and effectiveness of control procedures in business processes.

## ZARUBEZHNEFT GROUP HAS ESTABLISHED AND OPERATES A SYSTEM OF CORPORATE STANDARDS THAT REGULATE ANTI-CORRUPTION ACTIVITIES:

#1

### Code of Corporate Ethics

► Corporate Fraud Policy

#2

### Anti-Corruption Policy

► Regulation on Conflict of Interest

During the reporting year, as part of the implementation of the 2018–2020 National Anti-Corruption Plan, the Company continued to improve the effectiveness of the established system for combating corporate fraud and corruption at all levels of corporate bodies.

2014–2016

## Mechanism for managing Zarubezhneft's anti-corruption activities



### Strategic level

management is carried out by the Company's executive bodies (General Director) and ZARUBEZHNEFT GROUP's Compliance Committee

- ▶ Current operational management of the system is carried out by the Company's responsible executives who are entrusted with the appropriate functions



### Operational level

management is carried out by the heads of the Company's business units/functions and structural units

- ▶ Annual independent and objective assessment of the effectiveness of the risk management and internal control process on preventing and combating corruption is carried out by the Internal Audit Department with subsequent submission of the findings to the Board of Directors

One of the key elements of Zarubezhneft's Compliance Management System is the training of its employees. Internal training programs encompass all categories of employees:

- ▶ For new employees of the Company, an interactive training course 'Anti-Corruption and Conflict Management' has been developed and included in the adaptation materials
- ▶ To maintain an appropriate level of awareness on anti-corruption issues among the workforce, corporate information resources post up-to-date reference materials on the specifics of business ethics in the countries where the Company operates and the anti-corruption requirements of Russian and foreign law
- ▶ The procedure of annually reviewing the Company's local regulatory documentation on combating corporate fraud and corruption is also being implemented

The Company's specialists responsible for organizing anti-corruption events received further training at one of Russia's leading universities in the advanced training program 'Practical Aspects of Combating Corruption'.

Zarubezhneft employees regularly take part in seminars, forums, and conferences organized by external providers on combating corporate fraud and corruption.

An anti-corruption seminar was held for the heads of business units/functions/structural units of Zarubezhneft and its subsidiaries with the participation of an international audit and consulting company.

In 2020, anti-corruption training was introduced for members of the Board of Directors. Information materials were developed on the current requirements of the laws of the Russian Federation and international law on preventing and combating corruption and measures taken by Zarubezhneft to develop the Compliance Management System, taking into account the specific aspects of the regulatory environment in the regions where the Company operates.