

Staff size and structure

405-1

CHANGES IN STAFF NUMBERS BY COUNTRY OF OPERATION, *people*

Country of operation	2018	2019	2020	+/-	%
Russia	3,851	4,011	4,003	-8	-0.2
Vietnam	6,790	6,711	6,649	-62	-0.9
Republic of Srpska (Bosnia and Herzegovina)	2,029	1,839	1,569	-270	-14.7
Cuba	11	11	9	-2	-18.2
Uzbekistan	0	16	81	65	406.3
TOTAL	12,681	12,588	12,311	-277	-2.2

In 2020, the average number of employees at ZARUBEZHNEFT GROUP decreased compared with the previous year to 12,311 people.

Due to the measures taken to improve the efficiency of operations, the number of employees decreased by 0.9% in Vietnam and by 14.7% in the Republic of Srpska (Bosnia and Herzegovina). The number of employees in Uzbekistan increased due to the recruitment of staff at JV ANDIJANPETRO, which was established in August 2019.

In addition, the Business Service Center (BSC) launched activities in Samara in late 2020. Throughout 2021, the phased transfer of the functions of HR administration, settlements with employees, accounting, tax accounting, and treasury operations will continue from the Corporate Center and subsidiaries in the Russian Federation to the BSC. This process, which is expected to be completed by the end of 2021, will result in a reduction in labor intensity and costs for transactional (template)

operations and work flow, greater adherence to uniform standards, and improvements in the quality of service and decision-making.

The headcount in the 'Geological Exploration and Production' segment was 0.3% lower than in 2019 due to decrease in staff at JV Vietsovpetro. The headcount increased in the 'Services and Other Assets' segment as a result of the Group consolidating transport support functions at Explon LLC. The staff at the Management Company grew due to the development of a new business — energy projects related to renewable energy sources.

The staff structure by job category is formed so as to ensure a balance between managers, specialists, and working personnel. Women make up 17.4% of employees in managerial positions. Two-thirds of employees (59%) at ZARUBEZHNEFT GROUP have a higher education.

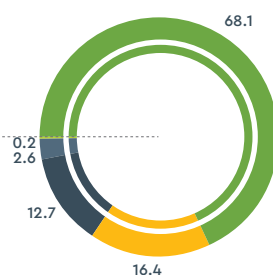
CHANGES IN STAFF NUMBERS BY BUSINESS, *people*

Business segment	2018	2019	2020	+/-	%
Management Company	317	315	321	6	1.9
Representative offices and branches of Zarubezhneft	24	24	23	-1	-4.2
Exploration and production	8,415	8,408	8,382	-26	-0.3
Refining and marketing	2,029	1,839	1,569	-270	-14.7
Service and other assets	1,896	2,002	2,016	14	0.7
TOTAL	12,681	12,588	12,311	-277	-2.2

STAFF STRUCTURE BY BUSINESS, %

12,311 people

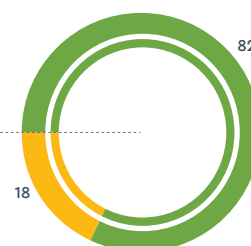
- Exploration
- Service
- Refining and marketing
- Management company
- Affiliates and representative offices



The 'Geological Exploration and Production' segment continues to be a priority area of development for ZARUBEZHNEFT GROUP and accounts for 68.1% of the entire headcount. Employees in the 'Refining and Sales' and 'Service and Other Assets' segments make up 29.1% of the headcount.

STAFF GENDER BALANCE AS OF DECEMBER 31, 2020, %

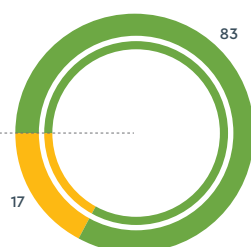
- Men
- Women



Men account for 82% of the Group's total headcount because the maintenance of technological facilities that produce, treat, and transport oil and gas, which account for the largest share of operations, involve heavy physical exertion, work in remote fields, and a rotational system of work.

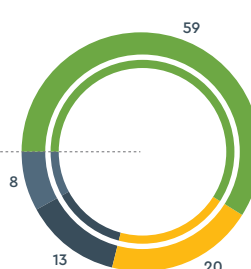
BALANCE OF LEADERSHIP POSITIONS BY GENDER, %

- Men
- Women

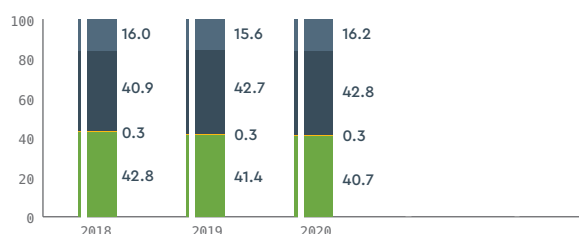


STAFF STRUCTURE BY EDUCATIONAL LEVELS OF DECEMBER 31, 2020, %

- Higher education
- Secondary vocational
- Incomplete higher education
- Average



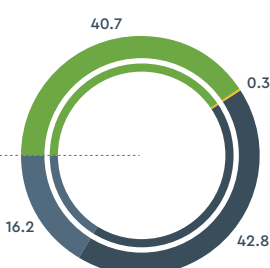
STAFF STRUCTURE BY POSITION CATEGORIES, %



- Worker
- Employee
- Specialists
- Heads

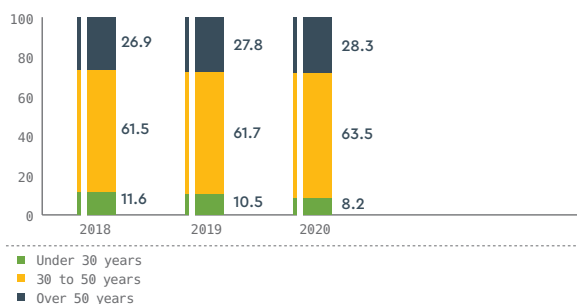
STAFF STRUCTURE BY POSITION CATEGORY AS OF DECEMBER 31, 2020, %

- Workers
- Employee
- Specialists
- Heads

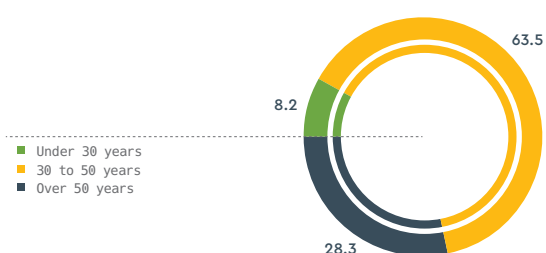


The staff structure by job category is formed so as to ensure a balance between managers, specialists, and working personnel.

CHANGES IN STAFF STRUCTURE BY AGE, %

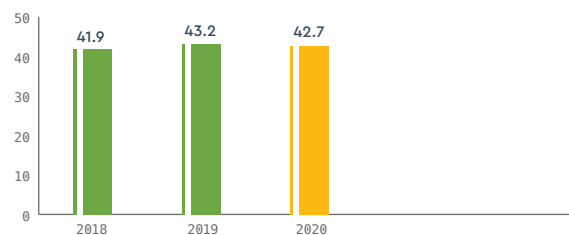


STAFF STRUCTURE BY AGE AS OF DECEMBER 31, 2020, %



In terms of age, the staff structure of ZARUBEZHNEFT GROUP ensures that two-thirds of employees are in the age category of 30 to 50 years, which provides the best balance of physical capabilities and work experience.

CHANGES IN THE AVERAGE AGE OF STAFF, %



Zarubezhneft, in compliance with International Labor Organization Convention No. 138 concerning Minimum Age for Admission to Employment and Russian labor legislation, has a tough stance on not hiring workers under the age of 18 to work at production facilities, regardless of the peculiarities of the legislation in the country where a project is being implemented.

In 2020, the average age of employees at ZARUBEZHNEFT GROUP was 42.7 years. The decrease compared with 2019 is due to the retirement of employees of JV Vietsovpetro and a decrease in the average age of employees from 44 to 43 years. Since 2016, the average age of staff has been between 42–43 years.

The Company's employees generally conclude employment contracts for an indefinite period. Fixed-term employment contracts are mainly concluded for the period when the main employees are on parental leave. All employees work full-time, as the Company does not hire workers on a part-time basis or for seasonal work.

