

Youth Council

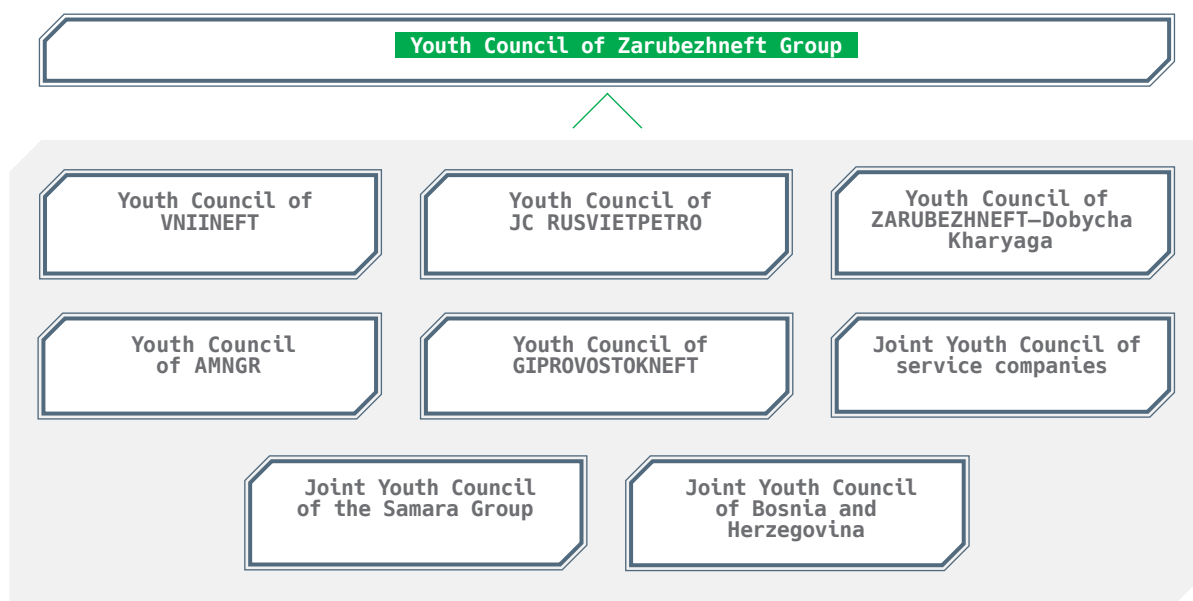
One of the Company's priorities is work with its young professionals, which helps to identify and ensure the professional development of promising young talent.

In 2020, the Company carried out work to transform the Zarubezhneft Council of Young Specialists into ZARUBEZHNEFT GROUP Youth Council (hereinafter, the Youth Council), approved a Regulation on the Youth Council, and updated its membership to include representatives of the youth councils of Zarubezhneft subsidiaries in the governing body of the Youth Council.

The Youth Council contributes to the implementation of the Group's HR Policy and performs the following tasks:

- ▶ Assistance in drafting the Group's Youth Policy
- ▶ Assistance in the adaptation of young professionals and the use and development of effective communications among the Group's young people
- ▶ Assistance in identifying and involving active young people in the Group's industrial, social, and cultural activities
- ▶ Assistance in developing the innovative potential of young professionals and young people
- ▶ Developing and supporting the corporate culture by organizing cultural and sports events
- ▶ Ensuring young people are pro-active and loyal to the Group and its development strategy

CURRENT STRUCTURE OF YOUTH COUNCILS



In addition to Zarubezhneft, youth councils unite young people from 17 of the Group's companies:

- ▶ Youth Council of VNIINEFT
- ▶ Youth Council of JC RUSVIETPETRO
- ▶ Youth Council of ZARUBEZHNEFT-Dobycha Kharyaga
- ▶ Youth Council of Giprovestokneft
- ▶ Youth Council of AMNGR
- ▶ Joint Youth Council of Service Companies (EXPLON, RMNTK-Nefteotdacha, ZNSM, and Zarnestservice)
- ▶ Joint Youth Council of the Samara Group (ZARUBEZHNEFT-Dobycha Samara, NGP Severo-Karasevskoye, Ulyanovskneftegaz, and Orenburgnefteotdacha)
- ▶ Joint Youth Council of Bosnia and Herzegovina (Brod Refinery, Modriča Motor Oil Plant, Nestro Petrol, and OPTIMA Grupa)

Given the restrictive measures that were imposed during the pandemic, the Youth Council initiated a number of online projects in 2020 to adapt to the restrictive conditions, work remotely, as well as organize the participation of young people and workers in significant external projects and events.



Corporate communications and organizational improvements

As part of this work, Youth Council members took part in brainstorming sessions, resolved business cases, and held meetings of the Youth Council of the Ministry of Energy.

An important event for the Youth Council in 2020 was its accession to the initiative of the Russian Public Chamber for the establishment, development, and support of cross-sectoral communities of young professionals: representatives of the Youth Council and the Company's management became members of the Coordinating Council under the Russian Public Chamber for the development of communities of young professionals.

Scientific and technical development

This work above all entailed the Scientific and Technical Work Contest, a tool for enhancing the efficiency of technical and process solutions by unlocking the young people's potential as they prepare their own projects that aim to solve key production problems. In 2020, due to restrictions caused by COVID-19, the Scientific and Technical Work Contest was held online for the first time, which became possible solely due to the automation of the process. This format did not affect the quality of the event, but actually expanded the geography of members, providing an opportunity to make a presentation from anywhere in the world, generating unprecedented interest in the contest, and ensuring interest in the event among a record number of the Company's employees — roughly 400 people.

In addition to the Scientific and Technical Work Contest, the Youth Council conducted additional work to involve young professionals and young people in innovative,

research, and project activities through participation in external events organized by the Company's partners and colleagues in the fuel and energy sector:

- ▶ The Nestro Team youth team joined the top five teams of the Central Federal District in the CASE-IN championship
- ▶ In 2020, members of the Youth Council took part in the first online conference of the Young Engineers of Russia community, which was organized under the auspices of the Russian Ministry of Energy and dedicated to the activities and work plans of the Community of Young Engineers
- ▶ A member of the Youth Council won the 6th 'New Idea 2019' National Competition for the Best Scientific and Technical Development among Young People in the 'Production and Preparation of Hydrocarbons' category.

Development of corporate sports

The Youth Council joined the online tournaments 'Energy of the Great Victory', which are dedicated to the 75th anniversary of victory in World War II and organized with the support of the Russian Ministry of Energy:

- ▶ The Zarubezhneft team won two gold, five silver, and three bronze medals in the online cyber football tournament, which was held in a 'Online Friendlies' format
- ▶ The Company's employees took part in three online chess tournaments, both in team and individual competitions

In addition, the Youth Council organized the participation of the Group's employees in the Vmarafone program, which is held under the auspices of the Ministry of Energy and aims to get all employees from the energy industry, regardless of their level of training, involved in mass physical education and sports. More than 30 employees from six of the Group's companies took part in the program.

Intellectual events

In 2020, the Zarubezhneft corporate team was invited for the first time to participate in the official championship of corporate teams in the game 'What? Where? When?', which was organized by the MAKO Association of Citizens and Organizations to Promote the Development of Corporate Education and the Igra-TV Producer Center. The corporate team was victorious in the championship's summer series and won the Corporate Crystal Owl.

In addition, the Youth Council held two charity events to raise funds for gifts for the Gagarin nursing home in the Smolensk Region and the Kavelshchansky nursing home for the elderly and disabled in the Tver Region. The Company's representatives visited institutions in limited numbers and delivered useful and necessary items, which were purchased with donations from the Company's employees.

Volunteering

Despite the difficulties due to the current epidemiological situation, the Youth Council took part in organizing the 'WE ARE NEARBY!' campaign of the Old Age in Joy Charitable Foundation to raise funds, which provided a significant contribution to supporting disabled and elderly people living alone by providing them with essential items, disinfectants, medicines, and food during the lockdown.

Corporate culture

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Improving the Company's efficiency largely depends not only on positive production indicators, but also on well-coordinated teamwork, functional interaction, and positive communication between employees both within and between structural units in addition to well-coordinated partnership with the external environment.

ZARUBEZHNEFT GROUP pays considerable attention to corporate culture. To this end, it broadly uses and actively promotes the 12 principles of corporate interaction that it drafted and approved in 2016. These principles reflect the desired behavioral indicators that affect the positive dynamics of both teamwork and effective communication and enhance the Company's efficiency as a whole.

In an effort to develop and systematically introduce the principles of effective interaction in 2020, the Company continued implementing the Unified Program for the Promotion of the Principles of Corporate Interaction, which was approved in 2019. The main focus during the pandemic in 2020 was to involve employees in the corporate culture with the help of online training. Special online courses have been developed in four areas of interaction: Company–Employee, Employee–Employee, Company–External Environment, Manager–Employee. The training was designed to develop skills for interaction with colleagues, the external environment, and subordinate employees, and to develop feedback skills.

In order to seamlessly immerse themselves in the Group's corporate culture, an interactive adaptation course on the principles of corporate interaction has been developed for newly hired employees.

An online survey was conducted at the end of the year to monitor compliance with the principles of corporate interaction. The results showed that 80% of respondents share and adhere to the principles of corporate interaction. The social survey results for 2020 improved compared with those of 2019.

Zarubezhneft's goal for 2021 is to strengthen and develop a single team consisting of a team of employees with a high level of cohesion and adherence to the Company's common goals and values.