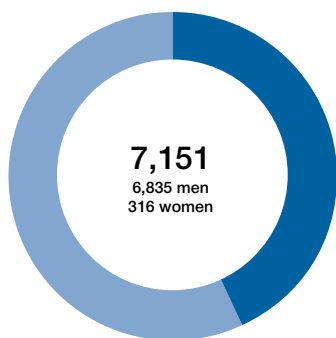


**Total number of fleet personnel by category**



3,083 Officers  
 3,072 men  
 11 women  
 4,068 Ratings  
 3,763 men  
 305 women

Sovcomflot Group is a reliable and stable employer, which complies with the legal requirements and strictly fulfils its financial obligations to employees. This is appreciated by our personnel, as evidenced by a consistently high retention rate in the fleet: in 2020 it was 98.2% for officers and 95.8% for ratings. The retention rate for

senior officers in 2020 was 98.8%. This shows that Sovcomflot Group is viewed as an attractive employer, and is able to retain skilled staff.

Sovcomflot Group pays special attention to the career growth and development of its employees. A performance appraisal of the Group's employees based on key performance indicators is regularly conducted. Based on the appraisal results, 397 employees received a promotion, including 87 senior officers, 194 junior officers and 116 ratings, with 11 ratings promoted to officer rank.

**The Group has developed a programme to promote the most talented first officers and second engineers to the positions of master and chief engineer respectively.**

**384**  
 the number of people  
 by Sovcomflot Group  
 in 2020

**Professional development**

A shipping company's performance largely depends on the skills of the seafarers entrusted with the navigation of high-tech vessels. Therefore, Sovcomflot actively participates in professional development of its employees.

The Group regularly organises seminars for fleet officers to exchange professional experience. In the reporting year 321 fleet officers participated in these seminars.

**In 2020 1,241 people completed 3,852 skill improvement courses at the expense of the Company in accordance with the International Convention on Standards of Training, Certification, and Watchstanding for Seafarers (STCW) and SCF's requirements.**

The SCF Group's operating specifics create the need for subject matter specialists. As part of staff training and retraining, training is organised both through cooperation with state maritime educational institutions and at in-house training centres.



### Cooperation with maritime educational institutions

In order to attract young skilled specialists, Sovcomflot Group fosters cooperation with Russian maritime educational institutions.

The previously concluded cooperation agreements with the three main maritime universities in the country: Admiral Makarov State University of Maritime and Inland Shipping (Saint Petersburg), Admiral Ushakov Maritime State University (Novorossiysk) and Admiral Nevelskoy Maritime State University (Vladivostok) continued to operate in 2020.

Sovcomflot Group participates in the preparation and training of future specialists, provides support for teaching staff, helps organise navigation

practice for cadets and internships for teachers on an annual basis, and takes part in renewing and modernising the material and technical base of universities.

As part of agreements on mutually beneficial collaboration with universities, Sovcomflot continues allocating funds to educational institutions, primarily for equipping classrooms and purchasing additional teaching aids, and supporting post-graduate students and young teachers.

### Main types of cooperation with maritime educational institutions

Type of cooperation	Nature of cooperation	Results of practical training
Navigation practice for cadets	Cadets and trainees from maritime universities receive hands-on training at sea on board the Group's vessels. HR Department specialists recruit the most promising graduates based on the results of pre-graduation practical training, the average degree score, and the characteristics of the academic institution.	123 cadets of maritime universities and 10 cadets of secondary vocational training institutions received practical training on board the SCF vessels in 2020
Targeted training of fleet specialists	SCF Group implements targeted training programmes for young fleet officers in collaboration with leading Russian maritime universities. The group of SCF cadets at the Admiral Nevelskoy Maritime State University in 2020 included 20 people: 8 navigators, 8 marine engineers and 4 electrical officers. A similar group of 20 people was formed from third- and fourth-year cadets at the Admiral Makarov State University of Maritime and Inland Shipping.	In 2020 all cadets from dedicated groups received practical training on SCF Group vessels. 82 graduates of higher and secondary educational institutions were employed by SCF Group.
	As part of a joint project between SCF Group and the Admiral Ushakov Maritime State University, a targeted enrolment programme for cadets within the quota for training funded from the federal budget was operating at the University from 2014 to 2020.	In 2020 all cadets from the targeted enrolment groups who complied with the contract terms were hired into officer positions on SCF ships.

### Sovcomflot personnel training system

Sovcomflot Group has created an in-house training system for fleet personnel meeting the highest international standards.

This system includes two in-house training centres:

- **The Sovcomflot Training Centre in St. Petersburg**, which provides training covering the whole range of maritime operations in the Arctic, including training on the skills needed for servicing oil platforms, navigation in northern latitudes, navigation in ice – both independently and accompanied by ice-breakers, etc. The centre has been certified by classification society Russian Maritime Register of Shipping (RS) to ISO 9001:2015 ("Quality Management").

- **The Novoship Training Centre in Novorossiysk**, which has been operational for more than 15 years and today is one of Russia's leading maritime educational institutions. The training centre cooperates with 15 companies from the southern region of Russia on training for seagoing personnel. The centre has been certified by Russian Maritime Register of Shipping to ISO 9001:2015 ("Quality Management") and pursuant to the International Convention on Standards of Training, Certification, and Watchstanding for Seafarers, as amended ("System of Quality Standards"). According to the latest estimate by auditors, the Novoship Training Centre occupies 5% of the domestic market for specialised training.

## 4,903 certificates

were issued in SCF corporate training centres in 2020 for all types of training, including those using distance learning technology

Sovcomflot stimulates professional development among its staff and encourages employees to pursue additional education in order to gain in-depth knowledge of modern technologies in fleet management. SCF's engineering staff have very high scientific capabilities: currently,

15 seafarers, who have completed post-graduate studies and received the title of Candidate of Technical Sciences or are preparing to defend their theses, work in the Group's fleet.

**The Sovcomflot Training Centre in St. Petersburg became the first in Russia to provide training for crews of ships subject to the IGF Code (International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels) under a programme developed by this centre by taking into account the experience in operating Aframax tankers of the 'Green Funnel' series.**

## Personnel motivation

### Incentive and motivation programmes broken down by personnel categories

Fleet employees	Onshore personnel
Long-term contracts for officers on gas carrier crews	Non-material and material incentives for the performance of particularly important assignments
Corporate pension programme	Corporate pension programme
Incentives in the form of state, departmental, regional, and corporate awards	Incentives in the form of state, departmental, regional, and corporate awards
Material incentives in connection with the receipt of state awards	System of annual bonuses based on KPI performance
Programme for developing core competencies of seafarers	Long-term motivation programme for the Company's Executive Board members based on deferred compensation; long-term motivation programme for middle management

### Social support for personnel

The social policy of the Group is implemented in accordance with the approved local regulations. The main goal of SCF Group's social programmes is to attract and retain personnel, and enhance the reputation of Sovcomflot as a socially responsible employer.

The management companies belonging to Sovcomflot Group regularly conclude collective bargaining agreements with the Seafarers' Union of Russia (SUR). A collective bargaining agreement is one of the basic tools of the personnel management system guaranteeing employees a decent wage and safe working conditions meeting state and international standards.

Sovcomflot Group cooperates with the trade union in the following areas:

- Increasing wage levels;
- Preserving jobs;
- Ensuring safe working conditions;
- Insuring the fleet personnel of Sovcomflot Group against accidents during periods between voyages;

- Support programme for pensioners (one-time financial assistance, vouchers for health resort treatment, certificates of merit, and memorable gifts).

### Non-government pension programme

The Pension Programme designed for Sovcomflot seafarers has been functioning since 2007, and is being implemented jointly with Insurance Company Ingosstrakh Life. Sovcomflot Group companies make monthly contributions from their own funds for seafarers in proportion to the length of service on a ship.

Upon reaching retirement age, the programme participants may receive the accumulated funds at any time, either in full or in monthly payments.

At present, rank and file staff are covered by another pension programme implemented by the Company in cooperation with the Seafarers' Union of Russia.

**About 97% of the Group's employees are covered by collective bargaining agreements (including 100% of seafarers).**

**4,834**  
shipboard  
employees

of SCF Group were  
Pension Programme  
participants at the end  
of 2020

**Since the beginning of the Programme, 625 seafarers have received pension payments totalling more than 169 million roubles.**