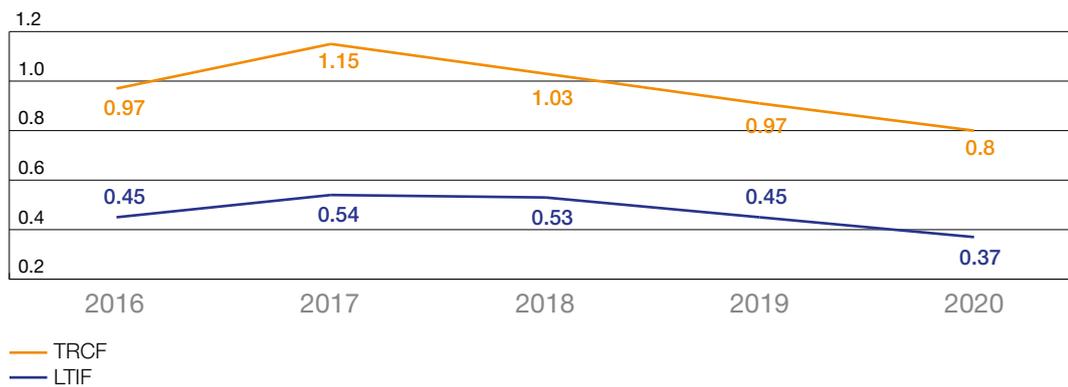


LTIF and TRCF dynamics, 2016-2020



Human resources and social programmes

Employment policy

The professionalism of ship masters and crew members, as well as employees of onshore units, plays an important role in achieving goals set by the Sovcomflot Group's development strategy.

In accordance with the Group's employment policy, all crews in the SCF fleet are manned with maritime professionals whose training meets the world's best standards.

The Employment Policy is reflected in a system of internal regulations geared to attract and select qualified personnel, provide professional development (training, career growth, talent pool), motivation and incentives for employees, and assess their performance.

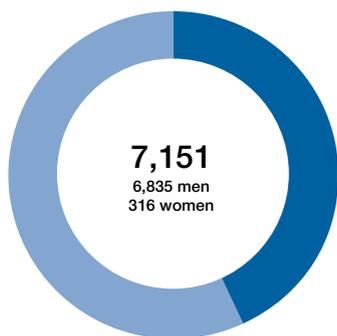
The Sovcomflot Group's total staff number is over 8,000. Due to the nature of the Group's operations, fleet personnel (7,151 people as at 31 December 2020) make up the bulk (about 90%) of the total Group headcount¹.

The key areas of HR activities carried out by SCF Group are as follows:

- Enhancing the attractiveness of work on the Group's vessels, combined with improving the system for selecting, training and manning of ships with competent crews;
- Optimising costs through benchmarking and aligning with industry averages;
- Further improving the personnel motivation system and implementing the Programme for Developing Core Competencies of Seafarers designed for six years. This programme launched in 2020 covers all captains and engineering officers in the Sovcomflot Group fleet who have at least 12 months of experience on board a ship.

¹ Including the crews of the ships of third-party owners managed by SCF Group.

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.

