

In the SCF Group companies responsible for technical management of the fleet, occupational health and safety issues are administered by special HSSE (Health, Safety, Security, Environment) services. Navigation safety superintendents and occupational safety specialists control compliance with the occupational health and safety regulations in the fleet.

Company vessels have occupational health and safety committees, whose task is to assist in implementing the Company's safety management system procedures related to occupational health and safety, raising the safety culture on the ship and involving crew members in occupational safety management. These committees serve as a special venue for the dialogue between fleet employees and management: by a decision of the committee, applications and recommendations are submitted to the Company on behalf of the crew via the captain. These committees hold meetings at least once per month, which must be attended by all crew members not on watch, with those on watch being subsequently notified of the results of the meeting on a mandatory basis. The committees are authorised to decide on any issues related to safety on the ship, including by studying reports on potential threats of incidents, and analyse the need for additional personal protective equipment and emergency rescue equipment.

Key occupational safety indicators

Sovcomflot Group has been steadily retaining mid-positions in rankings compiled by the International Association of Independent Tanker Owners (INTERTANKO) and Q88 in terms of occupational health and safety indicators, which is a good result and confirms quality of management and compliance with high safety standards.

The Lost Time Injury Frequency (LTIF) for the Group's fleet in 2020 was 0.37, 18% down on 2019 (the LTIF for the global tanker fleet, according to INTERTANKO data for 2020, averages 0.47).

The Total Recordable Case Frequency (TRCF) was 0.80, which is also lower by 12% compared to 2019 (the TRCF for the global tanker fleet, according to INTERTANKO data for 2020, averages 1.1).

In 2020 there were no accidents in the SCF fleet that resulted in partial or total disability. The Company considers this to be a significant achievement and thanks the captains and crews of vessels for their commitment to the safety culture and compliance with the requirements set out in safety management system manuals.



The LNG carrier *Grand Aniva* transporting LNG from the Sakhalin-2 project

SCF Management Services (Dubai) responsible for the technical management of the SCF Group fleet is certified by Green Award - an international environmental organisation that was the first in the world to introduce an environmental assessment system for ships based not only on the ship's technical characteristics, but also on the professional competence of the crew and management level. Sovcomflot Group has been participating in the Green Award scheme since 1996. Green Award auditors visit SCF's ships and offices annually. Obtaining approval requires that international conventional requirements governing navigation safety, quality and environmental protection are not just met, but substantially exceeded. At the end of 2020, 19 SCF Group's ships had Green Award certificates (which is warranted by the specifics of the region of operation).

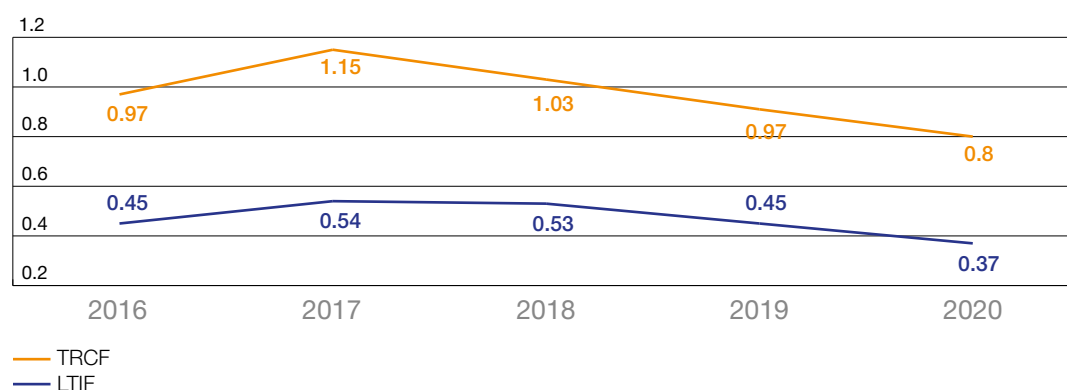
0.37

the LTIF value
(vs. 0.45 in 2019)

0.80

the TRCF value (vs.
0.91 in 2019)

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.