

# SOCIAL POLICIES IN THE REGIONS OF PRESENCE

Within the framework of its activities, Zarubezhneft Group significantly impacts the social and economic development of the regions where it is present. Therefore, the Company adheres to a policy of extensive social responsibility towards local communities and society as a whole.

Zarubezhneft JSC contributes to the sustainable development of the regions of its presence as an employer, a taxpayer and an essential economic actor.

In terms of cooperation with the regions, the emphasis lies on developing local initiatives and social activism. Zarubezhneft Group has been cooperating constructively with local authorities and public organizations. Each year, the subsidiaries conclude agreements with regional administrations that govern their joint activities on regional development.

The Group provides support to socially vulnerable groups, implements social and charitable projects in health care, education, improving housing conditions, culture and sports, and developing social infrastructure.

For the purpose of forming unified approaches within the framework of implementing charitable and sponsorship activities, Zarubezhneft JSC has adopted corresponding regulations. In addition, the Commission for Consideration of Social Applications received both by the Corporate Center and the subsidiaries meets on a regular basis. These tools are aimed at creating the most efficient, simple and transparent mechanism for providing assistance on the part of Zarubezhneft Group.

The regulations state the areas of charitable and sponsorship activities as follows:

- supporting culture, sports and a healthy lifestyle;
- preserving cultural and historical heritage, supporting military and patriotic activities and events;
- assisting creative teams and artists;
- supporting poor and low-income social classes, orphans, war veterans, and disabled;
- developing scientific and educational programs and professional development programs;
- organizing events timed to coincide with significant events of in the fuel and energy sector.

In 2019, Zarubezhneft Group allocated a total of 149 MM RUB to charities and sponsorship in the Russian Federation (including social and economic agreements executed with administrations of the regions where the Group subsidiaries and joint ventures operate), with 136 MM RUB thereof for charity and 13 MM RUB for sponsorship programs.

In 2019, the volunteer movement continued to develop as part of the Councils of Young Specialists' agenda. Providing assistance to children from orphanages and residents of facilities for the elderly and disabled, as well as thanking war veterans have become traditional actions of Zarubezhneft Group on Victory Day.

Employees of subsidiaries, in addition to participating in joint actions with the Corporate Center, continue organizing and conducting local events to help socially vulnerable groups, as well as arranging donor and charitable sports events.

Care for the environment and rational use of resources also remains an important area of corporate volunteering. In 2019, the Zarubezhneft Group employees held a series of activities and volunteer days to clean up regional territories. That's how the employees of Zarubezhneft JSC, ZARUBEZHNEFT-Dobycha Kharyaga LLC, and Zarubezhneftestroyontazh LLC took part in the Ecological Volunteer Action in the Lomonosov Moscow State University's Botanical Garden, supported by the Zapovedniki Eco-Center. In addition, the employees from the Kharyaga field organized a volunteer clean-up day on the banks of the Lek-Kharyaga River flowing along the road to the EP-2 well cluster pad. The event was arranged as part of the All-Russian Environmental Action Clean Shores for Our Rivers and Lakes (Rus.: "Nashim Rekam i Ozeram – Chistye Berega"). Every year, the employees of RMNTK Neftotdacha JSC continue to participate in the River Ribbon (Rus.: "Rechnaya Lenta") ecological action.

Volunteer and charitable activities help employees develop a sense of personal responsibility and willingness to participate in public events. This is a unique part of the corporate culture that is supported and encouraged by the Company.