

Compensation and social benefits for employees

The company operates a uniform employee incentive system to recruit, retain and develop talent, and support their career advancement and professional development. The objectives and principles of financial and non-financial incentives for employees are set out in the Unified Corporate Remuneration Policy.



Gazprom Neft
at a glance



Sustainable
development
management



Customer
care



Health
and safety



Environmental
safety



Employee
development



Social
policy



Appendices

Principles of the incentive system

- Market competitiveness
- Internal fairness
- Performance-based remuneration
- Objectivity, transparency, extensive use of a range of communication channels to provide convenient access to information for employees
- A holistic approach to assessment and development
- Responsibility for training and development shared between employees, managers and the company
- Basic additional training available to every employee

Cumulative compensation model

The company's compensation and social support programmes are based on a cumulative model, which includes a basic salary, performance-based compensation, opportunities for professional development, recognition of achievements, and workplace environment (including social guarantees and benefits, working conditions and corporate culture).

In 2020, the company continued to develop and implement its approach based on the cumulative compensation model. Specific compensation components and their respective weights within the overall model are tailored to different employee groups, depending on their motivational profiles. The model enables alignment between the company's goals and individual needs of employees, provides an infrastructure for flexible implementation of the HR and business strategies, and improves corporate performance in attracting, engaging, motivating and retaining Gazprom Neft employees.

₽140 billion
employee costs

In terms of financial compensation within the cumulative compensation model, a company-wide project was presented in 2020, which revised job grading, the basic salary review process and the system of contribution evaluation commissions.

In 2021, Gazprom Neft will continue improving its cumulative compensation model, concentrating on developing its Cafeteria Plan programme to maintain its human focus and maximise the personalisation of approaches to employee compensation and incentives across the company going forward.

Starting from 2020, the Gazprom Neft Group introduced an enhanced annual bonus system based on an integrated performance evaluation process for business units and employees. The individual contribution of each employee is assessed by a contribution evaluation commission and is taken into account when determining their annual bonus.

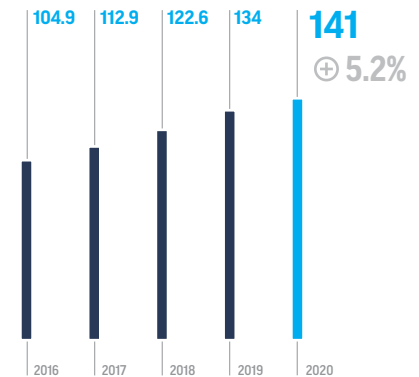
The company analyses labour markets in its operating regions and regularly reviews wage levels to make sure its remuneration system is competitive. In 2020, the average monthly salary at Gazprom Neft was up 5% to ₺141,000, despite a difficult market situation.

The company offers the same basic salary to men and women.

The social benefits system in place at the company comprises mandatory (basic) and optional (additional) benefits. Social benefits include free and subsidised meals, voluntary health insurance, accident insurance, additional sick leave benefits, parental leave allowances, vacation packages, a housing programme, and sports and cultural events. Basic social benefits are provided to employees regardless of their employment type.

Individual and team professional skills contests held across all Gazprom Neft production divisions are an important non-financial incentive.

Average monthly salary (₺ thousand)



The company is developing non-financial incentive programmes, and updating their content and formats to better align them with its strategic goals

+5% growth
in average monthly
salary

Employee costs (₺ million)

Item	2016	2017	2018	2019	2020
Payroll	79,316	86,600	97,865	117,776	135,905
Social benefits	3,260	3,177	3,596	3,743	4,140
Total employee costs	82,576	89,777	101,461	121,519	140,045

People of Progress corporate recognition programme

Our highest corporate recognition programme, People of Progress, was launched in the autumn of 2020.

The award is given for successful projects and personal contribution to the company's development in line with its corporate values:

- responsibility
- innovation
- collaboration
- efficiency
- determination
- safety



Winners included teams working on developing Russia's most advanced oil refining facility – the Moscow Refinery's Euro+ combined oil refining unit (CORU) – and those involved in the local Antivirus programme supporting health workers and volunteers throughout the COVID-19 pandemic.

The Gazprom Neft emergency response team – the first to respond to the Norilsk oil spill – was also recognised.



People are Gazprom Neft's key asset and value. Gazprom Neft considers recognising the achievements of its people as fundamentally important, but until this year, the company did not have an overarching company-wide recognition programme. The People of Progress award has earned such a reputation, and its title speaks for itself. Our company employs people who share common values, striving for progress and personal development and who aspire to transform the world around them. 2020 was a difficult year for all of us, but we overcame all challenges with flying colours, proving once again that the company can tackle tasks of any complexity.

ALEXANDER DYUKOV
Chairman of the Management
Board, CEO, Gazprom Neft PJSC



People of Progress
corporate recognition
programme

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