

2.2. Long-Term Development Programme of Sovcomflot Group

The Long-Term Development Programme (LDP) of PAO Sovcomflot intended for the period 2014 – 2020 was approved by the company's Board of Directors in November 2014¹ after coordination with relevant agencies and review at a meeting held with the participation of representatives of the Government of the Russian Federation. The document was designed to refine the company's development strategy in effect at the time the LDP was adopted, and therefore the basic goals and objectives of the LDP correspond to those of the strategy. Currently work is underway to update the PAO Sovcomflot LDP in accordance with Strategy 2025 approved in 2019.

Main activities to implement the company's LDP in the reporting year:

- commissioning of new vessels (see section [3.2.3. Implementation of the shipbuilding programme](#));
- repair and modernisation of vessels to comply with international environmental protection standards.

The main quantitative targets established by the LDP were formulated in a set of financial and industryspecific key performance indicators (KPIs), with the targets approved for each of them for the effective term of the programme.

The results of implementation of the Sovcomflot Group LDP are subject to independent review. The opinion and main conclusions regarding implementation of the LDP must be disclosed in the annual report².

LDP 2019 results were reviewed by KPMG. The report containing a positive opinion was received on 26 March 2020. According to it, the Report on the implementation of the updated LDP is prepared, in all material aspects, in accordance with the applicable legal requirements, standards, regulatory methodological guidelines and recommendations and internal documents of the Company.

¹ Minutes of the Board of Directors No. 139 dated 24 November 2014.

² Minutes of the Board of Directors No. 144 dated 19 May 2015.