



ROSNEFT:



ROSNEFT

CONTRIBUTING TO IMPLEMENTATION OF UN SUSTAINABLE DEVELOPMENT GOALS



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As a responsible producer and a participant of the global energy market, Rosneft is focused on the prudent use of natural resources. To reduce the environmental footprint and to increase production of modern, environmentally friendly fuels, the Company is implementing large-scale projects in the area of oil and gas production, and modernization of oil refining facilities.

The new strategy “Rosneft–2030” provides for reaching operational carbon neutrality by 2050 and aims at ensuring zero fatalities and zero accidents. As part of the strategy, the Company will also continue

developing its human resource potential and implementing measures that contribute to the socio-economic development of the regions where it operates. Rosneft’s corporate business model is noted for its high agility and flexibility, allowing to deliver robust results against the backdrop of volatile commodity markets and faltering global economy.

Rosneft is committed to the principles of high corporate responsibility. To inform and develop dialog with its stakeholders, the Company annually publishes the Sustainability Report and the Public statement on its commitment to the UN Sustainable Development Goals.

THE ROSNEFT-2030 STRATEGY

contributes to achieving the goals of the Strategy of socio-economic development of the Russian Federation with a low level of greenhouse gas emissions until 2050, the Paris Agreement on climate and the UN Sustainable Development Goals¹

In 2018, The Board of Directors of Rosneft Oil Company² approved strategic guidelines and Public statement “Rosneft: contributing to implementation of the UN Sustainable Development Goals”.

Sustainable Development Goals of Strategic Priority



Sustainable Development Goals integrated in current operations



Within its operations, the Company is guided by the principles of corporate responsibility and works for the benefit of its shareholders and other stakeholders.

By the end of 2021, the Company had achieved most of the targets set in The [Rosneft-2022 strategy](#) ahead of schedule. [The strategy “Rosneft-2030: Reliable Energy and Global Energy Transition”](#) prioritizes the reduction of the carbon footprint, operational leadership and increased efficiency. Rosneft’s strategic vision is to remain a reliable producer of energy resources while minimizing its impact on climate and the environment.

The UN Sustainable Development Goals were taken into account while developing and approving, The Rosneft-2030 Strategy, which will be implemented in accordance with these goals.

Since 2010 Rosneft has been a participant of the UN Global Compact that calls on its members to foster the UN Sustainable Development Goals (SDGs).

[On December 20, 2018, the Board of Directors of Rosneft Oil Company approved](#) the following UN SDGs of strategic priority for its core businesses:

- Good health and well-being;
- Affordable and clean energy;
- Decent work and economic growth;
- Climate action;
- Partnerships for the goals.

The Company directly contributes to achieving the UN goals in its operations, which is also supported by Rosneft’s support and participation in various projects and initiatives aimed at improving living standards in the regions of Company operations, as well as developing public health services, science and education, culture and environment protection.

The Company’s mission, values, guidelines and strategic principles are aligned with the UN Sustainable Development Goals.

¹ Sustainable Development Goals of the United Nations (approved by the UN General Assembly Resolution on September 25, 2015) aim to achieve significant progress in meeting global economic, social and environmental challenges.

² “Rosneft” and the “Company” mean PJSC Rosneft Oil Company either separately or together with its subsidiaries and affiliates as the context may require.

COMBATTING COVID-19

In 2021, 5 billion rubles were allocated for continued implementation of the comprehensive programme of combatting COVID-19

Starting from March 2021, Rosneft carried out a large-scale vaccination of employees against COVID-19, which included organizing mobile medical teams' visits to the regions where the Company operates, providing the necessary amount of vaccines, as well as creating appropriate conditions for vaccination against COVID-19 at production sites and in rotation camps. More than 320,000 of Rosneft employees took part in the initial vaccination campaign, and revaccination has been in progress since the autumn of 2021.

These measures made it possible to ensure a **high level of herd immunity of Company employees** in a short period of time: **95% of the total number of Rosneft employees and 90% of the total number of employees at the subsidiaries**. In order to minimize the risk of COVID-19 spread, the Company continuously implements a set of medical and anti-epidemic measures.



GOOD HEALTH AND WELL-BEING



3.1. Protecting health and ensuring safe working environment. Promoting labour safety of suppliers and contractors

The Rosneft-2030 Strategy sets the targets in the field of industrial safety, labour protection and environmental protection (HSE-Health, Safety and Environment).

The most important priorities of the Company are to ensure safe working environment for its employees and contractors at all facilities and to ensure accident-free operations.

By adopting The Rosneft-2030 Strategy, the Company committed to striving to achieve zero fatal injuries (the FAR indicator), including contractors, and zero process safety events (the PSER-1 indicator).



Striving to achieve zero fatal injuries.

THE GOAL IS ZERO

 zero harm to people

 zero damage to assets

The Company plans to achieve a step change in industrial and labour safety, with a priority put on an ambition to achieve zero fatal injuries and zero process safety events.

The Company prioritizes proactive action based on the belief that any incident can be prevented. If the work cannot be performed safely, it must be suspended.

In 2021, Rosneft paid particular attention to such areas as management leadership, compliance with the [“Golden Rules of Labour Safety”](#), the safety of contractors, technological processes and road safety, as well as the application of a risk-oriented barrier approach when developing and implementing programmes/ activities aimed at safety improvement.



Key performance indicators (KPIs) of management include indicators in the area of industrial safety, labour and environmental protection. Managers at all levels act in accordance with the Company’s uniform “Leadership Principles” in the field of HSE rules and provide safe working conditions for all employees of the Company and contractors.

In 2021, more than 76 thousand employees of the Company were trained according to the [“Golden Rules of Labour Safety”](#) in a remote format.

In 2021 PJSC Rosneft and 107 Group subsidiaries were certified for compliance with the international standard of the occupational safety and health management system; PJSC Rosneft and 109 Companies of the Group were also certified for compliance with the international standard of the environmental management system.

The certification of Group subsidiaries for compliance is carried out taking into account the specific traits of their activities, including the hazard class of a production facility, and the expectations of investors, partners, customers and other stakeholders. It is done in two ways: as part of a single certificate of PJSC Rosneft and independently by Group subsidiaries, with each subsidiary going through the required audit procedures. In 2021, 76 Group subsidiaries were certified as compliant with the international occupational health and safety management system standard and the international environmental management system standard.



Corporate standards and requirements [in the field of HSE](#) equally apply to the activities of contracting organizations.

The corporate contractor management system covers the entire life cycle of customer-contractor relations, from selection to assessment upon completion of contractual obligations. Each element of the system has its own long-term implementation plan.

Please see Section 12.3 for more information.

Milestones of the Consolidated Implementation Plan of The [Rosneft-2030 Strategy](#) in the area of industrial safety, labour and environmental protection are included in the KPIs of the Company management.

The Company has established a multilevel model for managing sustainability issues. Rosneft's Board of Directors reviews the Company's plans and reports on health, safety and environmental protection every six months. The Board Strategy and Sustainable Development Committee is responsible for assessing the effectiveness of the sustainable development management system.

Rosneft's Chief Executive Officer establishes Rosneft's coordinating and advisory bodies for prompt interaction between corporate departments and business units on particular issues of joint competence. The standing HSE Committee is the key coordinating and decision-making authority for health, safety and environmental management in the Company. [The HSE Committee](#) includes Rosneft top management including First Vice Presidents, Vice President HSE and Vice Presidents-Heads of corporate business streams and business functions. In 2021, the HSE Committee held seven meetings.

In 2021, expenditures on occupational health and safety exceeded RUB 48 billion.³

3.2. Environmental policy and commitments



Preserving the environment for future generations is an integral part of Rosneft corporate culture and business principles. The Company aims at becoming the leading performer in minimizing the environmental footprint of its operations and in sustainability of its production facilities.

In 2018–2021 “green” investments aimed at increasing the beneficial use of associated petroleum gas (APG), improving pipeline reliability, efficient water management, waste management optimization and land reclamation, exceeded 200 billion rubles.

³ Taking into account the change in the methodology of consolidation of actual costs - without VAT.

The Rosneft-2030 Strategy defines a set of development areas, minimizing the Company's environmental footprint

including

- progressive implementation of the principles of the circular economy;
- application of [biodiversity conservation approaches](#) ("net positive impact");
- [100% utilization of oily waste and 100% legacy remediation](#).

Group subsidiaries carried out initiatives of collecting electric batteries, paper and plastic caps for further utilization.

Please see Sections 3.1, 4.1, 9.2, 11.1, 13.1 for more information about [The Rosneft-2030 Strategy](#).

In 2021, the Company released over 120 million fingerlings into water bodies of the Russian Federation for the purpose of reproducing aquatic bioresources.

Rosneft has [The Environmental Development Framework](#) in place that is approved by Rosneft's HSE Committee and reviewed at a meeting of the Strategy and Sustainable Development Board Committee in 2020. The Concept details [Rosneft's environmental objectives](#) and approaches to their implementation.

In 2021, "green" investments amounted to approximately 55 billion rubles.

In 2021, Rosneft continued to move towards its goals of minimizing the environmental impact and improving the environmental performance of its business.

The Company improved the following key indicators as compared to the previous year:

- **the gross polluting emissions were reduced by 12%;**
- **the accumulated drilling waste was reduced by 23% due to processing** of about 4.5 million tonnes of drilling waste. In 2021, the Company also recycled over 1.1 million tonnes of oily waste that is more than 29% higher than in the previous year.

In 2021, Rosneft remediated more than 470 hectares of oil-contaminated land, including over 90% by its own ecoservice.

In developing a retail business with high environmental performance, the Company pays particular attention to the gas business, including the programme on developing natural gas vehicle fuel in the Russian Federation. Using compressed natural gas (CNG) as a motor fuel ensures better transportation efficiency due to lower carriage costs and significantly reduces the environmental impact of motor fuels.

Developing a retail network of automobile compressed natural gas filling stations in Russia is one of Rosneft's key priorities in its retail business

and one of the most important areas helping to strengthen the Company's competitive advantage on the domestic market.

At the end of 2021 Rosneft's retail network had 15 CNG modules at operating filling stations and 5 automobile compressed natural gas filling stations in 8 regions of the Russian Federation.

Every day drivers of over 3.5 thousand cars refuel their tanks at Rosneft's CNG stations. In 2021, the Company sold the total of 27.3 mln cubic metres of natural gas as automobile fuel that is 24% higher than in the previous year.

Rosneft continues implementing the programme on developing the electric vehicle charging infrastructure at the Company's retail sites, and at the end of 2021 had EV chargers installed at a number of locations.

In 2021, Rosneft entered into cooperation agreements with Russia's largest electric power companies for the development of charging infrastructure until 2024.



In 2021, Rosneft expanded the sales geography of the AI-100 gasoline with emission class 5 from 24 to 37 oil products supply Group subsidiaries. AI-100 guarantees easy engine starting at low temperatures and fuel efficiency, as well as reduced content of sulfur oxide, carbon and nitrogen compounds in exhaust gases.

In 2021, Rosneft expanded the programme of targeted sales of the Pulsar branded fuel as part of the effort to develop the retail offer of branded fuels.

As of the end of 2021, Rosneft sold branded gasolines Pulsar-92, Pulsar-95 and Pulsar-100 in 33 regions; and fuels with improved environmental and operational characteristics AI-95 "Euro-6" – in 12 regions of Russia.

In 2021, the Company continued producing marine fuels with improved environmental characteristics.

Please see Sections 7.2, 11.2 for more information.

3.3. Risk and incident management

Rosneft strives to create and maintain an accident-free working environment and ensure the safety of its employees and contractors.

In 2019–2021, Rosneft introduced updated approaches to risk management in the field of HSE, providing for uniform assessment criteria and decision-making levels, as well as the use of a barrier approach, in 134 of Group subsidiaries. Priority was given to subsidiaries engaged in high-risk activities in the field of HSE, including those included in the perimeter of the corporate certificate of compliance with international standards.

Please see Section 12.3 for more information.

3.4. Road safety

In 2020, the Company approved the Rosneft Road Safety Concept for 2020–2022 as part of the transport safety management system development.

The Concept is compliant with the main goals and objectives of Decree No. 204 of the President of the Russian Federation dated May 7, 2018, and the Road Safety Strategy of the Russian Federation for 2018–2024 including:

- reduction of injuries and severity of consequences of road accidents;
- compliance with the requirements of the legislation in the field of HSE;
- continuous improvement of road safety indicators;
- no accidents due to vehicle malfunction and drivers' health status;
- the use of a risk-based “barrier” approach in the process of road safety management.



The Company's current regulations “System for the management of safe vehicle operation” applies to the execution of all works in the interests of the Company with the use of transport of contractors and subcontractors, and establishes requirements for vehicles, equipment of objective control systems in the course of work and qualification of drivers.

The Company pays incremental attention to the equipment of vehicles and their safe technical performance: 84% vehicles are equipped with on-board monitoring systems, 81% – with video recorders.

In 2021, all vehicles used for transportation of employees were equipped with additional safety elements with flashing beacons at the subsidiaries of the Oil and Gas Service Stream.

Orange-colored special beacons were installed on vehicles with a capacity of more than 15 people. A memo was also developed for drivers on the optimal use of safety visualization equipment on vehicles. In total, more than 1.5 thousand vehicles were equipped, including buses and cross-country passenger vehicles.

Rosneft regularly conducts control and preventive measures to raise awareness of the importance of compliance with traffic rules with a view to maintaining the safe vehicle operation system.

More than 48 thousand road safety inspections were carried out at the Group subsidiaries and contractors.

The Company uses indicators (including SVAR and RTAF) for a comparative assessment of the transport safety effectiveness.

3.5. Developing favourable social environment

Rosneft acts in compliance with the high standards of social responsibility with a particular focus on health protection, support and promotion of healthy lifestyle, improved housing standards for Company employees and their families and financial support of veterans and retired people. The Company also contributes to developing favourable social environment in the regions of its operations.

Care about employee health:

- [insurance programme](#): over 330 thousand employees are insured with voluntary health insurance policies, and with voluntary accident insurance programmes;
- [corporate medical examination of the Company's employees](#) is aimed at early detection of cardiovascular and oncological diseases. In 2021, more than 74,700 Company employees underwent medical examinations during the pandemic;
- in 2021, more than 60,000 employees, their family members and retirees received [health resort treatment and recuperation services](#) at the Company's health resorts and regional health resort and recuperation organizations;
- organization of [emergency and scheduled medical care](#), including at remote and hard-to-reach production facilities of the Company is implemented through an integrated approach and unified standards of medical support, including equipping industrial health posts with modern medical equipment, continuous improvement of professional competencies of medical personnel, creation and development of a corporate telemedicine network, which in 2021 united 61 remote health posts with large regional counseling centers.

In 2021, the Company put emphasis on preventive measures such as regular COVID-19 testing, large-scale vaccination/revaccination of the Company's employees and awareness of the importance of personal anti-epidemic measures.

The Company has been implementing a [comprehensive housing programme](#) (corporate mortgages, providing employees with corporate and rental housing) for more than 16 years.

In 2021, 1,078 Company employees improved their housing conditions using a mortgage loan programme.



Housing issues of nonresident specialists are solved with the help of corporate housing, which includes more than 1,500 apartments in the regions of the Company operations.

[The corporate pension programme and the project of social support for veterans](#) are an important link in creating a favourable social environment. The goal of the programme is to increase the social security of employees after they retire.

In 2021, the [“Active Longevity” programme](#) was implemented as planned, that will provide for the future annual indexation of corporate pensions at the expense of investment return of the JSC Non-State Pension Fund Evolution. In 2021, 40.2 thousand pensioners had their pensions indexed by 4.01% while 3.1 thousand veterans of the Company received additional financial assistance.

The Company subsidiaries, RN-Exploration LLC and RN-Shelf-Arctic LLC, have been cooperating with the Charity foundation “Podari Zhizn” for five years.

The subsidiaries’ employees participated in various social events, such as “Blood Donor Day” for Dmitry Rogachev National Medical Research Center of Pediatric Hematology, Oncology and Immunology, “Box of Courage” and purchase of New Year presents for children of the Moscow Regional Oncologic Dispensary (MROD) in Balashikha.



The Company supports the development of professional and amateur sports. Rosneft finances the CSKA Hockey Club (Moscow) and is a sponsor of football club Arsenal (Tula). The Company, being a sponsor of the LADA Sport ROSNEFT automobile racing team, supports the national automaker and contributes to the development of motor sports in Russia. Rosneft is also the general sponsor of the International Sambo Federation.

Please see Section 1.2 for more information.

3.6. Innovation activities

Compliant with Presidential Decree No. 632 dated December 30, 2019 Rosneft is acting as a technological partner of the Federal Science and Technology Programme for the Development of Genetic Technology in 2019–2030 (hereinafter – FNTF, the Programme), aimed at accelerating the development of genetic technologies in the country. Pursuant to the Decree, on March 16, 2020 Rosneft and the government of the Russian Federation signed a cooperation agreement that provides for the Company’s participation in the FNTF implementation.

Preparing human resources with interdisciplinary education meeting the global standards is one of the priorities under the FNTF programme.

Since 2020 Rosneft has supported the master’s programme “Genomics and Human Health” at the biological faculty of the Moscow State University.

The goal of the programme is to train highly qualified specialists who can make a real contribution to improving people’s health. The Company provides tuition and scholarship allowance for students. In September 2021, ten people were enrolled in the programme based on the results of competitive selection. Students have access to exclusive training courses developed by the leading companies producing equipment for high-throughput sequencing. In the laboratories, students of the master’s programme perform practical assignments, which allow gaining expertise in working with high-tech equipment and confirming competences with certificates. Students get practical experience in partner organizations, such as D. Rogachev Center, FSBI “National Medical Research Center for Obstetrics, Gynecology and Perinatology named after Academician V.I. Kulakov”, Chumakov Federal Scientific Center for Research and Development of Immune-and-Biological Products (Institute of poliomyelitis). In 2021, the first cohort of students successfully completed the first stage of training and began to prepare their graduate qualification works.



AS A TECHNOLOGICAL PARTNER OF THE PROGRAMME, ROSNEFT WILL RENDER THE NECESSARY SUPPORT TO THE INITIATIVES OF KEY DEVELOPERS OF THE RUSSIAN GENETICS, INCLUDING THE NATIONAL RESEARCH CENTER “KURCHATOV INSTITUTE”, THE MOSCOW STATE UNIVERSITY, AND ACADEMIC INSTITUTES, AS WELL AS PROMOTE INTERNATIONAL PARTNERSHIPS, COOPERATION AND INFORMATION EXCHANGE.



AFFORDABLE AND CLEAN ENERGY

7 AFFORDABLE AND
CLEAN ENERGY



7.1. Increasing Company energy efficiency in all operating segments

Rosneft is one of the largest consumers of fuel and energy resources in the Russian Federation.

In 2021, the total consumption of fuel and energy resources amounted to 19.2 million tonnes of oil equivalent.

Since 2009 Rosneft has been implementing the [Energy Saving Programme](#) aimed at reducing energy consumption and improving economic, environmental and operating performance.



Fuel and energy efficiency is part of the management key performance indicators (KPI), and in 2021 amounted to 372 thousand tonnes of oil equivalent.

In compliance with [the corporate Policy in the area of energy efficiency and energy saving](#), the energy management system aligned with the international ISO 50001 standard has been in place since 2013 and undergoes constant improvement.

In 2021, Group subsidiaries certified to the international ISO 50001 standard accounted for over 96% of the Company's total energy consumption.

Rosneft's Energy Efficiency Commission approved The Roadmap for developing The Energy Management System of PJSC Rosneft in 2021–2023, and the Energy Saving Programme for 2022–2026 with the target of saving 2.43 million tonnes of oil equivalent of fuel and energy resources.

Please see Section 13.4 for more information.

7.2. Working on improved ecological performance when using the Company's products

Most greenhouse gas emissions associated with the products manufactured by the oil and gas industry relate to the consumer use. In order to reduce Scope 3



greenhouse gas emissions, minimize the environmental footprint and combat the climate change the Company consistently:

- expands the range of products with incremental fuel efficiency and a low level of emissions;
- informs consumers about improved environmental and operational performance of the fuels and the release of new types of products;
- develops the product slate in favour of more environmentally friendly products, increasing gas production and its share;
- implements projects on production of fuels with biological components;
- develops retail business with enhanced environmental performance including the expansion of a network of automobile compressed natural gas (CNG) filling stations in Russia and charging infrastructure for electric vehicles at the Company's retail sites.

In 2012–2021, Company's gas output increased from 16.4 bcm to 64.7 bcm per annum – the highest growth rate in absolute terms among the Russian independent producers.

The [Rosneft-2030 Strategy](#) provides for continued gas production growth.

The planned increase of the share of gas in the Company's energy mix will contribute to sustainable and environmental consumption.

The Company is working on increasing the associated petroleum gas (APG) utilization rate within implementation of the Gas investment programme for the beneficial use of the associated petroleum gas.

In 2021, Rosneft commissioned 22 production facilities as part of the implementation of the Company's Gas investment programme to improve the rational use of associated petroleum gas

including facilities for gas re-injection power generation, gas treatment and use, as well as gas transportation infrastructure. The Programme covers all regions of Company operations.

The Company applies an integrated approach to greenfield development, which provides for the necessary action when drawing up process design documents that ensure the required APG utilization rate and the time frame for its achievement.

In 2013–2021, Rosneft's capital expenditure on APG utilization projects amounted to about 181 billion rubles.

[Rosneft, as an environmentally responsible company, constantly improves and expands the development and production of high-tech types of petroleum products with improved environmental characteristics.](#) The Company expands the geography of sales of Euro-6 and AI-100 gasolines, carries out a targeted programme of the Pulsar brand fuel sales, and plans to increase the production of eco-friendly RMLS 40 residual marine fuel.

Rosneft continues implementing the programme for expanding of the electric vehicle charging infrastructure at the Company's retail sites in accordance with the forecasts of demand and the development of the electric vehicle market.

THE USE OF THE EURO-6 FUEL ALLOWS REDUCING THE EMISSIONS OF THE CAR'S EXHAUST SYSTEM, INCLUDING TOTAL HYDROCARBON EMISSIONS – BY UP TO 24%, NON-METHANE HYDROCARBON EMISSIONS – BY UP TO 27%, AND PARTICLE EMISSIONS – BY UP TO 64%.



Rosneft develops electric vehicle charging stations in partnership with Russia's largest electric power companies. In 2021, the Company signed a number of cooperation agreements providing for development of the EV charging infrastructure to 2024.



In 2021, three fast EV charging stations were installed at Rosneft retail sites.

At the end of 2021 the Company has EV charging stations in the Moscow and Leningrad Regions (fast chargers of 50 kW), as well as in the Tver Region and the Krasnodar Territory (slow chargers of 22 kW).

Please see Section 11.2. for more information.

In 2021, the Company continued increasing production of eco-friendly fuels:

- the Yaroslavl refinery, the Komsomolsk refinery and Angarsk petrochemical plant launched full-scale production of the high-octane AI-100 gasoline. The Company earlier started AI-100 production at the Ryazan refining company and the Ufa group of refineries;
- in 2021, the Ryazan refining company, the Saratov refinery and the Ufa group of refineries produced the Euro-6 gasoline with improved environmental and operational properties in the total amount of 1.46 million tonnes, which is 12% higher than in 2020.

The Euro-6 gasoline contains:

- less sulfur, which helps to increase the service life of the exhaust gas neutralization system;
- retains its composition unchanged and does not oxidize for a long time which has a positive effect on the engine operation;
- contains less benzene and aromatic hydrocarbons, and, consequently, lower exhaust gas toxicity;
- contains less olefin hydrocarbons, which means that less deposits accumulate on the internal parts of the engine;
- contains fewer impurities that have a negative impact on the operation of the engine;
- the use of Euro-6 allows reducing emissions of the car's exhaust system, including total hydrocarbon emissions – by up to 24%, non-methane hydrocarbon emissions – by up to 27%, and particle emissions – by up to 64%.

The Company sells the Euro-6 fuel with improved operational and environmental characteristics in 12 regions of its retail operations: the Republic of Bashkortostan, the Krasnodar Territory, the Republic of Adygea, the Nizhny Novgorod, Smolensk, Tula, Kaluga, Ryazan, Vladimir, Chelyabinsk, and Moscow Regions, and in Moscow.

In 2019, the Company's refineries started producing the eco-friendly low-sulfur marine fuels that meet the IMO requirements introduced from January 1, 2020: RMLS at the Komsomolsk refinery and at the Bashneft oil refining complex, and TMS of type A at the Novokuibyshevsky oil refinery.

Currently, [production of the RMLS low-sulfur marine fuel](#) compliant with RMLS the IMO requirements, is carried out at the Komsomolsk, Syzran, Achinsk and Bashneft oil refineries. Bunkering with such fuel helps to minimize the impact of transport on the environment.

7.3. [Ensuring access to energy and reliable energy supplies to consumers, including the emerging markets](#)

The Company is a prominent participant in the global energy market, and acknowledges its role and responsibility for timely, reliable energy supplies to consumers, equally affordable and at competitive prices.

The Company has established a diversified system of energy supplies accessible for consumers in the countries with different levels of economic development, in compliance with modern energy security requirements, and offering a wide range of cooperation options, including tender sales and long-term contracts.

In 2021, oil supplies to the markets of Asia-Pacific Region accounted for 51% of total oil exports.

Please see Section 2.1 for more information.

7.4. [Innovation activities](#)

Leadership in innovation and R&D is an important growth driver for the Company. Rosneft's innovation activities include development and application of new products and technologies, and business process management know-how.

The Company has adopted and regularly updates [the Innovative Development Programme](#) aimed at establishing Rosneft as one of the technology leaders of the oil and gas industry.



Innovative research is an important driver of the Company's development.

Priority activity areas include:

- elaboration of new technologies, equipment and materials with a view to increasing energy and operating efficiency, and developing new types of reserves, including development and application of proprietary geological and hydrodynamic field modeling tools and geophysical and hydrodynamic well logging;
- development of new products, improving the Company's product mix;
- process-focused and other innovations aimed at improvement of operational safety and business efficiency;
- introduction of smart production processes and development of digital technologies, including dedicated software.

RN-Cat LLC, the Company subsidiary, has developed a technology for hydrocracking catalyst production.

In 2021, applying the new technology Rosneft produced a commercial batch of hydrocracking catalyst. This batch will be used at a Bashneft unit in 2022. It will allow increasing production of high-quality Euro-5 motor fuels from vacuum gasoil. This technology, developed in the Russian Federation, competes with imported analogues in such key metrics as activity (duration of the catalyst operation without damage to its quality) and selection of target products.

Please see Sections 3.6, 6.4, 13.5, 14.3 for more information.



DECENT WORK AND ECONOMIC GROWTH



8.1. Contributing to sustainable development and diversification of the national economy

The [Rosneft–2030 Strategy](#) incorporates strategic guidelines, goals and targets that promote sustainable development of the national economy, related industries and regions of Company operations, as well as make a material contribution to implementing the national priorities of the Russian Federation. Rosneft supports the sustainable development and technical progress of the economy, creation of new industries, highly productive jobs and value-adding products through a transfer to long-term contracts with consumers, suppliers and contractors, as well as a system of anchor orders.



8.2. Protecting employee health and safety, contributing to health and safety of contractors and suppliers

Please see Section 3.5 for more information.

8.3. Creation of favourable social environment

Please see Section 3.5 for more information.

8.4. Family support

The Company ensures social protection for employees and their families. Employees, following the end of their childcare leave, have a guaranteed work place and smooth integration in the corporate team.

In Group subsidiaries payment for the period of temporary disability related to pregnancy and childbirth is based on an average salary calculation. Rosneft provides assistance for construction of social and health care facilities for children in the regions of Company operations.

8.5. Freedom of association and collective bargaining

The Company supports freedom of association, acknowledges the integrity of the employees' right to conclude [collective agreements](#), and the right of every employee to collective representation of his/her interests, including trade unions. These norms are stipulated in [Rosneft's Code of Business and Corporate Ethics](#).

More than 68% of Company employees are part of the labour contract.



Rosneft pays particular attention to the Programme on developing social partnership, with the work carried out in two main ways:

- 1. Corporate social partnership** – through strengthening constructive relations with Rosneft Interregional Trade Union Organization, which includes most of the Company subsidiaries' trade unions.

In 2021, the Company continued engagement in the established format:

- joint decision-making on improving the template of “The Standard collective employment agreement of the Company subsidiaries”. In 2021, the document was complemented with fifteen amendments and additions with a view to improving the social protection of employees;
- discussion and resolution of issues in the field of social and labour relations, which are designated by the subsidiaries’ trade union leaders on behalf of the workforce.

2. Industrial social partnership:

- Rosneft representatives’ participation in the activities of the Industrial commission for managing social and labour relations.

In 2021, The Industrial agreement of oil and gas companies and companies employed in construction of oil and gas facilities in the Russian Federation included more than 150 of the Company subsidiaries. By joining the agreement, the subsidiaries obtain a number of advantages when using provisions of the Labour Code of the Russian Federation, while it also underlines Rosneft’s social commitment:

- cooperation with the All-Russian Oil and Gas Industry Association of Employers in order to protect and promote the interests of Rosneft and its subsidiaries in the Russian Trilateral Commission and state authorities.

Two hundred and twenty subsidiaries (220) of the Company cooperate with the All-Russian Oil and Gas Industry Association of Employers. By virtue of the well-established dialogue, the Association of Employers protects the employers’ interests both in the Industry commission for managing social and labour relations in the oil and gas industry and with the governmental authorities.

In 2021, the above-mentioned cooperation resulted in the following:

- The Temporary Rules for Rotation Work in the pandemic approved by the government of the Russian Federation were extended for 2022;
- The Tax Code of the Russian Federation was amended in respect of cost allocation related to the acquisition of employee health resort vouchers to the labour payment expenses;

- legislative proposals were initiated regarding benefits for rural women and employment of disabled people that received support from other industry associations of employers.

In addition, given the high level of benefits, guarantees and compensations provided to employees, Rosneft subsidiaries were included in the register of socially committed employers of oil and gas industry of the Russian Federation, which increases Rosneft’s overall rating as a socially responsible employer.

8.6. Productivity growth and efficiency improvement

The Company focuses on improving operational efficiency, increasing productivity and creating incremental added value.

The Company has elaborated and put in place a comprehensive set of measures aimed at productivity growth that includes steps to raise profitability and cut costs. The productivity metrics are part of management KPIs. A set of measures aimed at productivity growth is integrated in the business planning process and Rosneft’s Long-term Development Programme, which is annually audited with independent external assurance and considered by the Board.

Key performance indicators (KPI) of Rosneft top management include targets related to productivity growth and cost improvement.



The project of pre-university training and career guidance “Rosneft-classes” is implemented in 21 regions of the Russian Federation. The total number of students is 2,371 pupils from 56 schools in 50 residential areas.

8.7. Education as a means of integrating young people into the energy sector

Being a responsible employer and a key industry player, the Company implements a policy focused on ensuring a steady inflow of professionally trained young specialists from among the best graduates.

The corporate system of continuous education “School – Higher school – Enterprise” is a key element of the corporate youth policy.



As part of its engagement with higher educational institutions, Rosneft provides opportunities for students to get their first professional experience through on-the-job-training. Every year, more than 1 thousand graduates join the Rosneft team.

Please see Section 4.2 for further details.

8.8. Establishing sustainable procurement system along the entire value chain

Rosneft has been one of the largest consumers of goods, works and services among Russian private and partially state-owned companies for the last years. The Company continuous development requires involvement of a huge number of products, application of advanced technologies, involvement of new contractors and suppliers.

The Company expects its suppliers and contractors to adhere to the principles stipulated by international regulations and public corporate documents related to human rights

which are aimed at observing human rights, health and safety, environmental protection, prevention of corruption, fraud and conflict of interest, statutory compliance and promotion of economic and social development.

When choosing suppliers and contractors, the Company is guided by the following key principles:

1. Competitiveness
2. Relevance
3. Efficiency
4. Nondiscrimination

These principles are established by the current legislation of the Russian Federation, as well as the uniform Procurement policy. The policy defines the key goals, objectives, and fundamental principles of working with Company suppliers, as well as priorities in the procurement of Rosneft and Group subsidiaries. The corporate Regulation on procurement of goods, works and services ensures implementation of these principles for both Rosneft and Group subsidiaries.



Broader competitiveness and equal access to procurement for the market participants is assured, in particular, by organizing procurement procedures in electronic format on TEK-Torg, an electronic trading platform. All of the Company's competitive bidding is conducted electronically.

8.9. Increasing the Company's energy efficiency in all operating segments

Please see Section 7.1 for further details.

8.10. Creating decent living and working conditions in remote regions

In the reporting year, Rosneft continued its effort on ensuring decent living and working conditions for its employees and contractors at remote assets.



In 2021, this complex of services was carried out at 306 rotations camps, including 229 standalone administrative and household complexes and buildings, and 22 standalone residential facilities and mobile housing units.

The Company has elaborated and implemented a set of initiatives to combat and prevent the spread of infection (COVID-19) in rotation camps that include observation facilities for Company employees before a rotation shift; providing employees with individual protective equipment and antiseptics; carrying out daily thermometry; introducing a ban on public events, etc.

Please see Sections 1.1, 1.2, 2.2, 10.4 for more information.

CLIMATE ACTION



13.1. Risks and opportunities related to climate change

Rosneft identifies and assesses risks and opportunities inherent in its business, as well as the activities of its suppliers and contractors.

The approach of the Company management and the flexibility of its business model ensure high adaptability to possible changes in the energy landscape and includes:

- increasing the share of natural gas in production as its use has a significantly lower carbon footprint as compared with other fossil fuels;
- implementing refinery development projects, increasing output of products with improved environmental performance;
- reducing greenhouse gas emissions, including methane, and increasing energy efficiency;
- developing, producing and stepping up sales of new products that ensure high fuel efficiency and low greenhouse gas emissions when used by consumers;
- developing new environment-conscious business segments.



Rosneft develops various scenarios of global energy evolution. The Company's strategic planning and engagement in consideration of industry documents takes into account risks and opportunities for Rosneft and the energy sector of the Russian Federation associated with climate change and transition to the low-carbon energy. The Company has made management decisions to control the prevention of greenhouse gas emissions and minimize the carbon footprint at its main production facilities.

In December 2021, the Company's Board of Directors approved "Rosneft-2030: Reliable Energy and Global Energy Transition" Strategy. Key priorities of the new Strategy are carbon footprint reduction, operational leadership and efficiency improvement.

The Rosneft-2030 Strategy implementation will contribute to achieving the goals of The Strategy of socio-economic development of the Russian Federation with a low level of greenhouse gas emissions until 2050, the Paris Agreement on climate and the 17 Sustainable Development Goals of the United Nations.

In terms of climate action, The [Rosneft-2030 Strategy](#) provides for a system of quantitative targets with different time horizons⁴:

- **Short-term targets: by 2025 – reduction in absolute greenhouse gases emissions (Scope 1 and 2) by 5%.**

⁴ Reduction targets are set as compared to the 2020 baseline and cover 100% of Scope 1 and 2 emissions in the Company's reporting perimeter, unless otherwise noted.

- **Mid-term targets:**
 - by 2030 – **zero routine flaring of associated petroleum gas** (the goal is in line with the World Bank's Zero Routine Flaring of Associated Petroleum Gas by 2030 initiative);
 - by 2030 or earlier – **reducing the intensity of Upstream emissions (Scope 1 and 2) to less than 20 kg CO₂-eq./boe;**
 - by 2035 – **reducing absolute greenhouse gas emissions (Scope 1 and 2) by more than 25% .**
- **Long-term: by 2050 – net zero (carbon neutrality) (Scope 1 and 2).**



To ensure successful Strategy implementation targets are aligned with management KPIs and remuneration system.

The Rosneft-2030 strategy provides for reducing the carbon footprint while further improving the Company's operating and financial efficiency that is compliant with Rosneft's strategic vision: remaining a reliable producer of the energy resources along with minimizing the impact on climate and environment.

Please see further information about The Rosneft-2030 Strategy in Sections 3.1, 3.2, 4.1, 9.2, 11.1.

In the context of **Russia's accession to the Paris Agreement**, Rosneft actively cooperates with all interested parties in the field of mitigation of the consequences of climate change and adaptation to climate change.

In 2019, Rosneft joined the **Methane Guiding Principles** industry initiative, which includes a number of leading international oil and gas companies and focuses on reducing methane emissions across the natural gas value chain. Following the principle of transparency, the Company's report on methane emissions reduction activities "Methane Guiding Principles Signatory Reporting, Rosneft, January 2022" was placed on the MGP Initiative website⁵.

Recognizing the importance of reducing methane emissions the Company successfully implements the project "Development of a system for detecting, quantifying and eliminating methane leaks at carbon production facilities". International practice demonstrates that the effectiveness of the Programmes for the leak detection and repair of methane emissions (LDAR) ranges from 30% to 97%, depending on the frequency of inspections, repair requirements and other characteristics of the LDAR programme⁶.



IN 2021, ROSNEFT CONTINUED THE APPLICATION OF ADVANCED TECHNOLOGIES FOR DETECTING METHANE LEAKS USING UNMANNED AERIAL VEHICLES (DRONES) AND INFRARED CAMERAS. THUS, MORE THAN 3,000 KM OF INFIELD PIPELINES WERE INSPECTED WITH SUBSEQUENT ELIMINATION OF METHANE LEAKS.

⁵ https://methaneguidingprinciples.org/wp-content/uploads/2022/02/Rosneft_Methane-Guiding-Principles-Reporting-2022-1.pdf.

⁶ TCEQ (Texas Commission on Environmental Quality), "Air Permit Technical Guidance for Chemical Sources. Fugitive Guidance", 2018, p. 23 Table V: Control Efficiencies for LDAR.

Based on the assessment of the methane leaks share in the total methane emissions, an expected methane leaks reduction resulting from consistent implementation of LDAR programmes at the Company's production assets may amount up to 75% of the base leaks emissions level and up to 20% of the summary methane emissions from all sources.

The Company will continue to improve the carbon reporting system in accordance with the normative regulations of Russian legislation and internationally adopted approaches including the Task Force on Climate-related Financial Disclosures (TCFD). Climate change issues and related risks and opportunities are effectively integrated into the corporate governance system, The Strategy and Sustainable Development Committee of the Board of Directors, The Carbon Management Committee, and the Carbon Management Department, established in September 2021.

Rosneft's climate agenda and performance are being recognized by the leading international and Russian ESG ratings.

Due to disclosure of the targets of The Strategy "Rosneft-2030: Reliable Strategy and Global Energy Transition", Rosneft improved its results in benchmarking among global companies on achieving carbon neutrality –

**Net Zero Company Benchmark⁷
with the best result among Russian participants.**


13.2. Improving Company energy efficiency in all operating segments

Please see Section 7.1.

13.3. Taking action conducive to improved energy efficiency when using Company products

Please see Section 7.2.

⁷ The organizer of the benchmarking is Climate Action 100+, the largest global climate initiative of institutional investors, [Climate Action 100+](#) brings together 700 investment funds managing a total of \$68 trillion in assets. Starting from 2021, the Net Zero Company Benchmark has been presenting the results of benchmarking the climate goals and performance of major international companies in energy, industry, transportation, and consumer goods and services.



**FOR THE SIXTH TIME
IN A ROW, ROSNEFT
JOINED THE LEADERS
OF THE RSPP
“RESPONSIBILITY
AND TRANSPARENCY”
AND “SUSTAINABILITY
VECTOR” INDICES.**

13.4. Environmental policy and commitments

The Strategy “Rosneft–2030: Reliable Energy and Global Energy Transition” provides for reduction of the Company’s carbon footprint while further increasing operational and financial efficiency. Rosneft will strengthen its position as a reliable producer and supplier of energy resources, by minimizing its impact on climate and environment.

Please see Section 13.1.



Rosneft is uniquely positioned to achieve the set goals due to its leadership in maintaining sustainably low operating costs; “economies of scale” when implementing low-carbon and renewable initiatives; a significant amount of prospective gas resources; large-scale potential for developing natural carbon sink projects and carbon capture, utilization and storage projects (CCUS).

Please see Section 11.1.

The Company’s low-carbon development initiatives include:

- Energy saving and energy efficiency.

Please see Section 7.1.

Implementation of the Energy Saving Programme ensured prevention of 4.6 million tonnes of CO₂-eq. greenhouse gas emissions in 2018–2021.

Please see Sections 7.1, 7.2.

- Beneficial use of associated petroleum gas (APG) and reduction of methane emissions.

Please see Sections 7.2, 13.1.

- Increase in the share of gas in the asset portfolio up to 25% with a potential positive impact on reducing indirect greenhouse gas emissions of Scope 3;
- Development of low-carbon and renewable energy application with a view to reducing indirect greenhouse gas emissions of Scope 2;

- Development of pilot projects on carbon capture, chemical neutralization, transportation and storage;
- Evaluation of projects focused on production of new clean products, including blue hydrogen, ammonia, and other sustainable fuels with a view to reducing indirect greenhouse gas emissions of Scope 3;
- Development and implementation of climate projects related to forest conservation and afforestation to offset carbon emissions that are difficult to avoid in operations.

Rosneft is a member of the UN Global Compact and shares and integrates the principles of responsible business conduct into its operations, including environmental protection.

Please see Sections 7.1, 7.2 for more information.

In 2021 Rosneft planted more than 9.3 mln trees as part of the forest preservation and afforestation initiative.

13.5. Innovative activities

The Company implements innovative projects aimed at developing technical solutions for the use of renewable energy sources to supply electricity to oil and gas producing enterprises, as well as technologies and equipment for the preparation and use of natural gas and APG, including for electricity generation. A few patents have been received to that effect.

Please see Section 7.4 for more information.





PARTNERSHIPS FOR THE GOALS



17.1. Participation in global initiatives

The Company is a participant of the [UN Global Compact](#), shares the principles of the Social Charter of Russian Business and supports the Anti-Corruption Charter of Russian Business.

The Company endorses general principles and values of the [Universal Declaration of Human Rights](#), and the [Declaration of the International Labour Organization on Fundamental Principles and Rights at Work](#). We support initiatives aimed at sustainable development, higher transparency, combatting corruption, respecting the fundamental human rights, closing the inequality gap, and protecting the environment.

Please see Sections 10.6, 13.1 for further details.



17.2. Participating in sustainable development of the energy sector



[Igor Sechin, Chief Executive Officer of Rosneft, presented a keynote speech “New global energy market: crusade against Russian oil and where is Noah’s Ark?” at the Energy Panel within the XXV St. Petersburg International Economic Forum.](#)

The Company acknowledges the importance of [sustainable development](#) of the global energy sector and responsible behavior of key producers, including sufficient investment volumes to replenish the resource base, timely and efficient development of reserves and ensuring reliable supplies to consumers in developed and developing countries. Given current challenges, it is unacceptable to create obstacles to the participation of producers in the global oil and gas market and barriers to investment in effective energy projects.

Rosneft has been taking part in establishing a dialogue focused on the sustainable development of the energy sector, including:

- changing the regulatory environment, developing fiscal initiatives with a view to improving the efficiency of developing the resource base, oil refining and petrochemical industry;
- building integrated supply chains, and creating new technological solutions;
- expanding partnerships with industry participants, including cooperation in the field of HSE;
- signing the Memorandum on Cooperation in the field of low-carbon development with China National Petroleum Corporation (CNPC). Low-carbon technologies developed by the companies, including “smart” and digital solutions, in the future may be applied within the large-scale joint petroleum projects in Russia and China;
- signing the Cooperation Agreement between Rosneft and St. Petersburg International Mercantile Exchange (SPIMEX) in the area of development of exchange trade in carbon units for climate projects contribution in Russia.

For more information, see Subsections 8.1, 9.2.

17.3. [Effective partnership with state organizations, businesses and society](#)

The Company is committed to an open, constructive dialogue and responsible cooperation with state organizations, businesses and society. In this dialogue the Company is governed by the applicable legislation and high standards of the corporate and business ethics. This helps to enhance the Company’s opportunities and promotes creation of favourable conditions for developing its business. Key areas of engagement include development of the federal and regional laws and the industry normative base, promotion of key initiatives for sustainable development of the industry and the regions.

In 2021, Rosneft hosted the [8th General Corporate Congress of Environmentalists](#) which was attended by top managers of the Company, leaders and environmental specialists from more than 200 subsidiaries of the Group. Considerable attention was paid to the global energy transition and the introduction of the circular economy principles. The Company's achievements in the implementation of the international Methane Guiding Principles initiative, detection and elimination of methane leaks received recognition at the forum. The forum also considered the application of natural sinks for carbon sequestration.

Forum participants discussed the results of implementing the Rosneft-2022 Strategy. The Company maintains high levels of "green investment" and has achieved considerable progress in reducing the impact on water bodies by decreasing the pollutants discharge.

Since 2007 the Company has been holding annual round tables in key regions of its operations. The round tables agenda includes discussion of priorities of the Group subsidiaries development, environmental protection, industrial safety and labour protection, and the Company's contribution to promoting the regional economy and infrastructure, the social sphere and charity, as well as support for science and education.

Please see Sections 2.3, 16.3 for further details.

In 2021, Rosneft successfully implemented a number of projects related to the training of new personnel and supporting education:

- in order to successfully implement the Company's forest climate projects (primarily in the Krasnoyarsk Territory) and projects related to carbon management, the Company concluded a Cooperation Agreement with the St. Petersburg State Forest Engineering University, the oldest specialized university and the key center of competence;
- master's programme "Genomics and Human Health" continued at the Moscow State University (under the guidance of E.I. Rogaev, Head of Genetics Department, Faculty of Biology, Corresponding Member of the Russian Academy of Sciences). In September 2021, the second group of undergraduates was recruited. There are currently 19 students enrolled in the programme;
- projects for the development of university infrastructure that ensures the improvement of the quality of specialists (Marine Engineering Research and

Education Center at the St. Petersburg State Marine Technical University, personal drilling laboratory of Rosneft at the Tyumen Industrial University, and Rosneft – Ufa State Petroleum Technical University, etc.) were completed.

In terms of new personnel training and education support in the oil and gas sector, a two-year master's programme at the Department of Supply Chain Management in the Oil and Gas Sector of the Gubkin Russian State University of Oil and Gas is worth noting. Leaders and leading specialists of the Rosneft Procurement Service are involved in the training of undergraduates as they help to arrange training seminars, activities and internships related to the supply and organization of procurement procedures.

As part of the support of small and medium sized enterprises (SMEs), the Company interacts with JSC Corporation SME in terms of organizing training seminars on the participation of SME entities and self-employed citizens in the procurement of PJSC Rosneft and the Group's companies.

The Company actively promotes the participation of SMEs in small purchases at the Section "Corporate Online Store" of JSC TEK-Torg (KIM). Participation in the KIM provides SMEs with a simplified participation procedure of submitting and registration of applications and direct access to small volume purchases.





NO POVERTY



1.1. Contributing to the social and economic development of the regions and better well-being

Rosneft is one of the world's largest public oil and gas companies in terms of crude oil reserves and production and plays a strategic role in the Russian energy industry and the national economy, accounting for 4.8% of Russia's GDP and 4.6% of the country's investments and maintaining the status of the largest taxpayer of the Russian Federation.

Company operations contribute to sustainable development of regions and related industries, creation of added value and workplaces across the entire value chain, better well-being of the population and sustainable social development.

Please see Sections 3.5, 8.1, 8.10 for further details.

Rosneft is one of the largest employers in Russia. In 2021, the Company's average headcount amounted to 330.5 thousand people.



1.2. Social responsibility and social investments

PJSC NK Rosneft is a good corporate citizen. The Company maintains long-term constructive relations with the regions of Company operations, as well as the maximum effectiveness and positive social impact of corporate projects on better quality of life of the population.



The Company's financing of the social sphere is aimed at reducing social risks and observing the target-oriented nature of its charitable activities, namely:

- contributing to the social and economic development of the regions of Company operations;
- supporting the state policy in the sphere of education, science and technology;
- supporting and promoting public health services;
- promoting physical training and sports, contributing to the revival of the cultural and spiritual heritage, environmental protection, etc;
- supporting the traditional lifestyles of indigenous peoples of the North (IMN).

Please see Sections 3.5, 11.5 for further details.

ZERO HUNGER



2.1. Meeting the energy demand

Responsible business conduct is one of the Company's priorities, including equal access to products of guaranteed quality and offered at a fair market price.

Rosneft's oil product supply enterprises provide consumers of the Russian domestic market with the fuel of guaranteed quality and at a fair market price, which is necessary for the smooth functioning and balanced development of industry, transport and agriculture, especially during peak demand periods during sowing and harvesting operations.

Rosneft is consistently developing the infrastructure for engagement with the following stakeholders:

- the population, by selling petroleum products and related products through a network of retail sites;
- the business segment, through a network of retail sites and a non-cash payment service for legal entities using virtual and plastic fuel cards;
- manufacturers and independent retail networks, through the wholesale trade of petroleum products from oil depots.



Rosneft supplies oil products across the Russian Federation. The geography of the Company's retail business is vast and includes about 3 thousand sites in 66 Russian regions.

Please see Section 7.3 for further details.

2.2. Supplying remote regions and promoting the shared use of infrastructure

Infrastructure, created by the Company in the course of its operations, contributes to better living standards and the social and economic development that is particularly important for Russia's remote regions.

When implementing projects in the remote regions of Siberia and the Far East, the Company constructs road infrastructure, including winter roads and water crossings which are used both for shipment of equipment and personnel to Company sites, and by local dwellers aiming to ensure uninterrupted delivery of food, consumer goods, and fuels to remote regions. The Company's subsidiaries contribute to oil product deliveries to Russia's northern areas in order to ensure ample energy supplies for the winter period.

The trend of strengthening close cooperation with regional producers of associated goods continues to develop further.

As of late the interest and loyalty of the population to domestic brands, especially local brands, has been gaining momentum in Russia.

Rosneft supports local producers all regions of Company operations and includes local brands in the product mix of stores and cafes at the corporate retail sites.

The sales analysis taking into consideration the regional demand has an impact on at least 20% of the product mix of stores and cafes at the corporate retail sites.

This approach ensures a well-balanced and competitive retail offer for the guests of the Company's retail network.

The choice of suppliers of goods is made on a competitive basis, which contributes to the support and further development of small and medium-sized businesses.

2.3. Supporting indigenous peoples of the North and local communities

The Company respects the cultural heritage, traditions, and rights of people and aims at preserving the unique ethnic culture, traditional lifestyle and economic activities, providing proper education and health care services. The Company's approach is enshrined in the [Code of Business and Corporate Ethics of Rosneft Oil Company](#).



Rosneft supports projects that meet the interests of sustainable development of the indigenous peoples of the North and local communities.

The Company promotes various sports and ethno-cultural events, and allocates funds for the purchase of equipment for fishing activities, construction and repair of housing, social and infrastructure facilities.

These initiatives are aimed at supporting the traditional way of life and economic activities, improving housing conditions and the settlements infrastructure, purchasing equipment, fuel and lubricants for conducting local economic activities, implementing summer recreation programmes, ensuring participation in exhibitions, contests, competitions, other ethnic cultural and sports events, as well as various educational and wellness programmes.

Since 2017 RN-Shelf-Arctic, a subsidiary of Rosneft, has been a sponsor and organizer of the ECOARCTICA environmental forum. The forum events are held jointly with the administrations of the regions of Company operations, including the Nenets Autonomous Area, the Murmansk Region, and the Republic of Sakha (Yakutia).

The Company continues to support the “IT-camp” project, which is implemented by the government of the Khanty-Mansi Autonomous Area – Yugra (KhMAO-Yugra) in order to increase the quality of life of the indigenous peoples of the North living in remote and hard-to-reach camps, and ensure access to public services and distanced learning.



In 2021, the “IT-camp” project was expanded by establishing an additional 23 access points for 754 subscribers.

Depending on the location of a particular household, the necessary technical solution is applied, namely, installing masts with antennas that amplify the signal from the operators’ base stations, or mounting satellite dishes on roofs of the houses in remote settlements that can transmit a Wi-Fi signal to the households and outdoors.

Ugra is the first region in Russia where the population in the indigenous territories has Internet access,

that provides an on site opportunity of distance learning, medical consultation, and access to various information, state and other socially important resources.

Taas-Yuryakh Neftegazodobycha, a subsidiary of Rosneft, which is developing the Srednebotuobinsky oil and gas condensate field in the Republic of Sakha (Yakutia), makes a significant contribution to the social and economic development of the region.



The Company provided financial assistance in restoring the village of Byas-Kyuel in the Gorny ulus of Yakutia that was severely damaged by forest fires last August, leaving 30 families homeless. In October, only two months after the fires, the families were given the keys to their new homes. The houses and infrastructure were built using new construction technologies and taking into account the harsh climate conditions. They are energy efficient, have gas supply and autonomous water supply and sewage systems.

With Rosneft’s support, construction of a major social facility was completed – a new training and laboratory building of the Junior Academy of Sciences State Autonomous Institution of Additional Education for 150 college places in the Khangalassky ulus. The Junior Academy of Sciences will train highly professional personnel for different sectors of the economy and strengthen the scientific potential of the republic. Social support is also provided to the indigenous peoples of the North residing in the territory of the Botuobuyinsky Agricultural Community of the Mirninsky District of the Republic of Sakha (Yakutia).

QUALITY EDUCATION



4.1. Corporate system of continuous employee education

The Strategy “Rosneft–2030: Reliable Energy and Global Energy Transition” provides for continued implementation of corporate and social programmes that ensure human capital development and make a significant contribution to implementation of the national priorities of the Russian Federation.



Competent and highly qualified employees are the main asset of the Company and a prerequisite for its sustainable development. The Company has established a uniform corporate system of continuous learning and education that reaches out to all business segments, staff categories and is accessible to more than 330 thousand of Company employees.

The corporate Standards “On professional training” and “[On employee assessment and professional skills development](#)” are in place. The Company has developed over 1.3 thousand professional and technical skills sets, as well as procedures for skills assessment for core business processes. Within the framework of continuous learning and employee education:

- the Company incorporates more than 63 corporate learning centres and develops successful cooperation with leading domestic and international educational institutions;

- on an annual basis, the Company conducts more than 700 thousand man-hours of mandatory professional, technical and management training,

as well as secondment and knowledge-sharing programmes with international partner companies;

- the Company develops management expertise with the help of MBA programmes.

Promotes professional skills with more than 200 specialized programmes of professional and technical corporate training.

In 2021, the sustainability of the corporate employee training system was maintained due a flexible use of the in-person, distance and online education against the backdrop of the fluid epidemiological situation.



The Company uses cutting-edge digital technologies in the educational process.

The “blended learning” format is in an active use, when part of the audience attends the training in person and part – in the online space, or when part of the modules/ separate blocks of the programmes are held in person and part – in remote and online format.

This flexible approach blurs the boundaries between instructors and trainees in Russia and abroad, and makes it possible to implement training plans for the Company’s employees in a complex epidemiological environment.

The “Rosneft-Class” project: “From School to Enterprise” is one of the Company’s important strategic projects. In 2021, the Company supported 108 Rosneft classes in partnerships with 56 secondary schools in 50 towns and settlements

(located in 21 Russian regions), the classes saw some 2,371 attendees.

Rosneft classes represent the first stage of the corporate system of continuous education “School–Higher education–Enterprise”, aimed at vocational guidance for schoolchildren and enhanced preparation for entry to oil and gas universities of the country.



• Rosneft has established partnerships with 76 Russian and international universities, and 119 organizations of vocational education;

- The Company supports 26 proprietary academic departments;
- Projects are under way aimed at developing the scientific and educational university infrastructure; staff training programmes are enhanced and upgraded;
- The Company supports efforts to obtain higher education, including scholarship programmes for foreign students;
- Specialized master’s programmes are being developed in partner universities: “Genomics and human health”, “Digitalization in the field of fossil fuel geology”, “Chemical technology”, “Oilfield chemistry”, “Procurement Management”, “Internal Audit”, etc.

4.2. Supporting secondary and higher professional education

The Company cooperates with Russian and international educational institutions with a view to creating new programmes, modern educational facilities and training centers of excellence.

The Company’s support of secondary and higher professional education includes the following:

4.3. Education as a means of integrating young people into the energy sector

Please see Section 8.7 for further details.

■ ■ ■ GENDER EQUALITY

5.1. Enhancing human capital and providing equal opportunities for professional growth and development

The Company creates comfortable working conditions aiming to unlock the potential of each employee and operates in compliance with the Social Charter of Russian Business and the Universal Declaration of Human Rights.



Every individual is guaranteed the rights and freedoms proclaimed in these two documents. Rosneft applies a uniform transparent approach to employee remuneration, assessment, motivation and career development.

The Company provides equal opportunities for professional growth and employee development. In 2021, the share of female employees was 32.8%, including managers – 24.2%, top managers and senior managers of the Group subsidiaries – 16.2%.

Rosneft implements programmes for the development of high-potential employees and the development of professional skills of the staff. Since 2005 an annual corporate talent contest for the title of “The Best in the profession” has been held. Every year more than 20 thousand employees of the Company take part in the competition.

Young specialists participate in a comprehensive corporate programme, including orientation classes, development of engineering thinking, professional and leadership skills. Every year more than 60% of young specialists take part in corporate scientific and technical conferences that have become platforms for career growth.

5.2. Supporting family and childhood

Please refer to Section 8.4.



EMPLOYEES FROM GROUP SUBSIDIARIES TOGETHER WITH STUDENTS FROM THE DEDICATED ROSNEFT CLASSES TOOK PART IN ENVIRONMENTAL ACTIONS.

CLEAN WATER AND SANITATION



6.1. Water management

Access to water resources and prudent management of fresh water ecosystems are critically important for people's health, environment preservation and sustainable development.

The Company is committed to ensuring the rational use of water resources within its operations and taking action to protect and replenish them.

Rosneft is committed to complying with the water management legislation. This is achieved by carrying out timely repair and upgrading of the infrastructure, and introducing best available technologies. The Company monitors the state of the water environment on an ongoing basis, which allows taking timely action for minimizing the environmental footprint.



The Company carries out annual inspections of offshore wellheads in the areas of seas, and executes environmental monitoring of marine ecosystems and environmental and fishing mapping at the Company's offshore license areas.

In new projects, wherever possible, the Company applies the technology of laying pipelines under the sea bottom in the construction of water crossings. If this is not possible, the Company makes every effort to prevent damage to water resources.

Rosneft's Environmental Development Concept until 2035 sets the following goal: a 10% reduction of fresh⁸ water consumption by 2030 via incremental reuse and improved purification efficiency, with new projects having maximum water reuse.

In 2021, the operating expenditure of water resources management (intake, treatment, transportation and discharge of effluents) amounted to about 6.9 billion rubles. The share of recycled and reused water in 2021 exceeded 93% of the total volume of water used for production needs.

This allows reducing the consumption of water taken from the external environment (clean water).

6.2. Water treatment and recycling programmes

Implementation of major environmental projects improves water management efficiency at Rosneft production facilities and water quality in water supply systems of cities and residential areas in the regions of Company operations. Construction and upgrades of water treatment facilities are an integral part of the large-scale corporate refinery maintenance programme.

Within the framework of the Agreement on Cooperation with the Ministry of Natural Resources and Ecology of the Russian Federation and the Federal Service for Supervision of Natural Resources of the Russian Federation (Rosprirodnadzor)

the Company implements eight priority environmental projects. Six of them are related to the improvement of water quality and higher efficiency of water use.

The following projects have already been executed in that respect:

- a biological treatment unit at Bashneft-Ufaneftekhim, a unique project for Russia and Eurasia in 2018 and is designed to treat all industrial, rain and utility waste water from the Bashneft refineries, and 66 local businesses, as well as reducing river water consumption by 2.5 times due to the use of the purified waste water;
- the Company commissioned an advanced water treatment facility incorporating a membrane bioreactor at the Novokuibyshevsky refinery with a view to increasing water treatment efficiency and reducing fresh water consumption by maximizing the use of treated waste water in the circulating water supply, and ensuring complete automation of the process;
- the block of circulating water supply and treatment facilities of the Novokuibyshevsky plant of oils and additives that was put into operation in 2020 in order to improve the quality of wastewater and increase the efficiency of the use of recycled water in production. As a result, the plant ensured its demand in the reused water for the required operation of technological processes;

⁸ Fresh water is water taken from surface and underground sources, and water received from third parties under water supply contracts.

- in 2020, Rosneft commissioned a complex of treatment facilities for treatment of wastewater of the Valanginian deposit at the Vostochno-Urengoiyskiy license block of Rospan International;
- in March 2021, the Company commissioned the 3rd Start-up Complex at RN-Marine Terminal Nakhodka, as part of reconstructing the treatment facilities for industrial wastewater and rainwater discharged to Novitskiy Bay. In September 2021, construction and installation operations were completed at the 2nd Start-up Complex (the facility was commissioned in February 2022).

In oil production projects, the Company increases the efficiency of water management by injecting produced or waste water to reuse it to maintain reservoir pressure and enhance oil recovery, resulting in minimal water withdrawal from surface water bodies.

6.3. Improving the reliability of pipelines and land remediation

In 2020, the Company started implementing a new large-scale Programme “Improving the reliability of pipelines in 2020–2025”, with 20 oil and gas producing enterprises of the Company taking part in the programme.

The Programme [“Improving the reliability of pipelines 2020–2025”](#) provides for the modernization of more than 6 thousand km of pipelines, and capital repairs and maintenance of slightly less than 6 thousand km of transportation systems.

The successful implementation of the Programme “Improving the reliability of pipelines 2020–2025” will be achieved by:

- reducing the pipeline failure rate by over 20% by the end of 2025 (compared to 2019);
- increasing the volume of in-line inspection for better pipeline controls;
- selecting, testing and introducing new technologies and materials to increase protection against corrosion and sediment build-up;
- developing and applying improved operating pipelines controls.

[In order to minimize the impact on the land, the Company has introduced a Standard for the remediation of contaminated land, as well as Standard requirements for the supervision of nature restoration works.](#) Rosneft builds and upgrades landfills for the disposal of industrial waste and equips enterprises with modern technology and equipment for the processing of oil sludge.

[The Strategy “Rosneft–2030: Reliable Energy and Global Energy Transition”](#) provides for a 100% recycling of oil waste and legacy land remediation, as well as active introduction of the circular economy principles.

Please see Sections 3.1, 3.2, 4.1, 9.2, 11.1, 13.1 for further details about The Rosneft–2030 Strategy.

In 2021, Rosneft developed a concept for the development of the system of eliminating oil and petroleum product spills and carrying out rescue operations for the period up to 2030 that provides for the following:

- multi-barrier response principle that takes into account the geographical location of the Company's facilities;
- updating/development of plans for the prevention and liquidation of oil and petroleum product spills;
- review of the required composition of response means and resources;
- establishment of the Company's proprietary regional emergency response teams.

The Company strives to prevent, reduce and minimize the footprint of oil spills. The Company has established and improves an Emergency Oil Spill Response System, which ensures a prompt response to crude oil and oil product spills, their localization and elimination with a view to minimizing the environmental footprint, including the impact on water resources.

In 2021, the total area of oil-contaminated land was reduced by 7% in 2021.

6.4. Innovative activities

The Company owns licences for strains of pure growth bacteria and microbial species which are designed for decontaminating sea areas and coastlines of northern seas.





THE COMPANY IMPLEMENTS INNOVATIVE PROJECTS AIMED AT DEVELOPING TECHNOLOGIES FOR DRILLING WASTE AND OIL SLUDGE TREATMENT, EMERGENCY OIL SPILL RESPONSE, OIL DECONTAMINATION OF SEAS AND LAND REMEDIATION.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

9.1. Promoting development of infrastructure, related sectors and industrial complexes

The Company Investment programme and anchor orders provide powerful incentive for development of related sector and the national economy as a whole, ensuring higher level of industrialization and application of new technologies. Implementation of our oil and gas projects leads to creation of new oil producing provinces and promotes regional development, particularly due to infrastructure construction which is important for the oil industry and its oilfield services segment.



The Company's investment portfolio and anchor orders form the basis for the creation, re-equipment and expansion of enterprises in various industries.

The Company contributes to creating infrastructure for new projects (in East Siberia and other remote areas), oilfield equipment manufacturing and the development of related industries, including metals, chemicals, engineering, and electronics.

9.2. Creating economic value

Thanks to the introduction of advanced technologies at promising and mature locations, the Company's inventory continue to grow steadily.

The Company's integrated business model ensures the sustainability of business and creation of the economic value and is aimed at using the opportunities, which result from changes in the global energy mix, structural changes in commodities markets, and technological advancement. This approach, along with effective investment portfolio management, corporate governance system, and effective stakeholder partnerships promote incremental business profitability creation of added value across the entire value chain, and unlocking the full resource potential. The Company takes into account global energy trends (including an increase in natural gas production and development of new categories of reserves and new production regions).

Please see Sections 8.8, 11.1, 12.3 for further details.

The strategy “Rosneft–2030: Reliable Energy and Global Energy Transition” defines strategic goals and priorities for all business segments.

Growth of profitability and increased distributions to Rosneft shareholders is one of the Company's key strategic goals.

9.3. Innovative activities

Please refer to Section 7.4.



9.4. Ensuring sustainable functioning of the infrastructure

In 2020-2021, in an unfavourable epidemiological situation, Rosneft paid particular attention to ensuring [information security](#) as one of the key factors for ensuring the sustainable functioning of the Company's IT infrastructure.

In a short time the Company has provided the transfer of employees to a remote format of work, while ensuring the availability and continuity of IT services and maintaining the required control over the state of information security of infrastructure, information systems and resources. Compliance with the requirements of communication and information security is an obligatory

element of the corporate culture and an important condition for carrying out daily activities, including joint work with business partners. At the same time, particular attention is paid to the convenience of communications and the development of new types of services, taking into account the increased mobility of employees and access to corporate information resources and systems.

Rosneft's guidelines in the field of information security remain unchanged and are aimed at ensuring a secure information environment, sustainable digital development, centralization of information security functions and improvement of the process of employee awareness on information security threats and skills for prompt response to possible related incidents which is especially important in the context of the active development of the Company's infrastructure solutions, such as regional data processing centers, unified communications, and mobile solutions.



REduced INEQUALITIES



10.1. Partnerships and social investments in the regions of operations

Please see Section 1.2.

10.2. Fiscal stability and budget revenues assurance



While maintaining the status of [the country's largest taxpayer](#), the Company makes a significant contribution to ensuring the stability of the budget system and contributes to Russia's social and economic development.

In 2021, Rosneft followed [the Key taxation principles](#) that stipulate the unconditional and timely fulfillment of legal requirements as the basis of the Company's activities in the tax sphere. This document, published by the Company in 2019 (the first among the largest companies in the Russian oil and gas sector), reflects the main principles and objectives in the field of taxation that highlights the establishment a sustainable tax environment , and sets a new standard of a responsible tax behaviour based on the principles of openness and transparency in the tax sphere.

Please see Section 1.1 for further details.

10.3. Developing human talent and providing equal opportunities for professional growth and development

Please see Section 5.1.

10.4. [Social policy](#)

Rosneft adheres to the principles of high social responsibility and provision of decent living standards for its employees (please refer to Section 3.5).

[The Company is striving to maintain the labour remuneration at a level which exceeds an average salary in the regions of Company operations, conducting an annual salary indexation.](#)

[The Standard Collective Agreement is in place that contains a maximal list of benefits, guarantees and compensations for Group subsidiaries, providing additional social security for employees.](#)

In addition to the current template of the collective agreement, more than 85 of Group subsidiaries joined the Industry agreement for organizations of the oil and gas industry and the construction of oil and gas facilities in the Russian Federation for 2020–2022, which contains a guaranteed level of benefits, guarantees and compensations provided to employees of the oil and gas industry.

10.5. Supporting indigenous peoples of the North and local communities

Please refer to Section 2.3.



10.6. Compliance and combatting corruption

The Company adheres to the principle of zero tolerance of corporate fraud and corruption in any form and manifestation.

In 2010, the Company joined the UN Global Compact and the Social Charter of Russian Business, and has been providing support for the Anti-Corruption Charter of Russian Business since 2013.

The Company's principles and approach are stipulated in the following local normative acts:

- [Policy on combatting corporate fraud and involvement in corruption activities;](#)
- [Code of Business and corporate ethics of Rosneft;](#)
- [Regulations of Rosneft internal control rules for prevention, detection and suppression of illegal use of insider information in Rosneft and \(or\) market manipulation;](#)
- Regulations on managing conflicts of interest;
- Regulations on the procedure for exchange of corporate gifts and hospitality;
- Regulations on the procedure for charitable activities;
- Regulations on sponsor support.

This work was carried out in accordance with Decree of President of the Russian Federation № 478 of August 16, 2021 "On the National Anti-Corruption Plan for 2021–2024".

The new anti-corruption procedures were developed in accordance with the applicable international anti-corruption laws, Federal Law No.273-FZ On Combatting Corruption dated December 25, 2008, the guidelines of the Russian Ministry of Labour and the Federal Agency for State Property Management, as well as International Anti-Corruption Standard ISO 37001:2016 Anti-bribery management systems – Requirements with guidance for use, and the ICC Guidelines on Conflicts of Interest in Enterprises.



Rosneft's Board of Directors (Audit Committee of the Board of Directors) has approved strategic documents and principles for such work, with regular performance assessment. Audit findings of risk management process and internal control in preventing and combatting corruption were reviewed and approved.

Rosneft's Chief Executive Officer ensures implementation of the Company's Policy on Combatting Corporate Fraud and Involvement in Corruption, and approves local regulatory documents on the aforementioned issues⁹.

In line with Decree of the President of the Russian Federation No. 478 of August 16, 2021 "On the National Anti-Corruption Plan for 2021–2024" (Instructions of the Government of the Russian Federation No. MM-P17-12165 dated September 6, 2021) a Comprehensive Programme for Preventing

⁹ In 2021:

- the Company's Regulations on Conflict of Interest Management No. P3-11.03 P-0077 version 2.00 was updated, approved by the Board of Directors (Minutes No. 5 dated August 16, 2021) and implemented by the Company Order No. 488 dated September 28, 2021;
- amendments were made to the Company's Regulation "Coordination of the Process in Combatting Corporate Fraud and Corruption Prevention" No. P3-11.03 R-0220 version 1.00, approved by the Company Order No. 49 dated February 7, 2021;
- the Company's Regulation "Verification of Information Received via Security Hotline" was updated P3-11.03 R-0025 version 4.00, approved by the Company Order No. 97 of March 3, 2021;
- the Company's standard requirements were developed "Regulations on the Conflict of Interest Commission activities in the Company subsidiaries", No. P3-11.03 TTR-0002 version 1.00, approved by the Company Order No. 235 of May 24, 2021.

and Combatting Corporate Fraud and Corruption in Rosneft for 2021–2024 was developed.

To improve transparency, awareness and risk management in 2021:

- the Company employees received information on typical corporate fraud and corruption violations (including conflict of interest management) on a quarterly basis;
- relevant structural subdivisions received information on statutory acts and governmental initiatives on combatting corruption on a regular basis;
- the risk of corporate fraud and corruption was assessed/re-assessed on a quarterly basis in accordance with the approved methodology;
- anti-corruption expertise of draft local regulatory documents was carried out on the ongoing basis;
- quarterly Company Bulletins "All about the Compliance System" were published; on December 9, 2021 the Bulletin dedicated to the International Anti-Corruption Day was distributed to all employees of the Company.

The Company manages conflicts of interest at all management levels. Rules for prevention and avoidance of conflicts of interest are set forth in the Corporate Governance Code, the Code of Business and Corporate Ethics, the Company's Policy on Combatting Corporate Fraud and Involvement in Corruption, as well as in the Company's Policy on Conflict of Interest Management.

The Regulations define classification of conflicts of interest, including conflicts of interest between shareholders and members of the Company's management bodies

(for example, decision-making by the Company's management bodies that may lead to deterioration in the Company's financial and economic performance; failure to disclose information by the Company in accordance with the law or provision of incomplete information by the members of the Company's management bodies on positions held in management bodies of other organizations, on holding shares (equities) in other organizations, other information to be provided in pursuance of the legislative requirements, requirements stipulated in the Company Charter and local regulatory documents).

Specific duties of a member of the Rosneft Board of Directors on disclosure of information on conflict of interest are set forth in the Rosneft Regulations "On holding Rosneft shares, shares and equities in Charter capital of Rosneft subsidiaries by members of the Rosneft Board of Directors".

In addition, the Company annually collects declarations on assets and liabilities of its executives/ employees, as well as declarations on the income, assets and liabilities of their spouses and minor children, who are included on the list of persons obliged to submit such declarations; an annual campaign is conducted to collect ethical declarations of the Company executives/ employees in order to monitor their compliance with restrictions, prohibitions and requirements of anti-corruption legislation; an anti-corruption clause is signed with newly hired employees of the Company and when appointing employees to new positions. This anti-corruption clause is included in employment contracts as well, in terms of compliance with restrictions, prohibitions and requirements aimed at prevention of conflicts of interest. All the Rosneft subsidiaries have established operating commissions to resolve conflicts of interest.

The Company consistently conducts training of its employees, including those whose job duties include participation in combatting corruption. Newly hired employees undergo training in the field of combatting corporate fraud and corruption as well.

The Company operates a 24/7 Security Hotline to report on suspected and actual cases or indications of corporate fraud and corruption. Members of the Company's Board of Directors are updated on the Security Hotline performance on a quarterly basis.

In 2021, the [Security Hotline](#) received more than 23,851 reports.

Rosneft Security Hotline

8 (800) 500-25-45



The sum of the identified /prevented damage amounted to RUB 75.3 mln. Employment contracts were terminated with 49 employees, and the disciplinary action was taken against 134 employees.

Findings of 46 audits were submitted to law enforcement bodies.

The following information is available on the Company's official website in the "[Anti-Corruption](#)" subsection:

- the Company's statement on zero tolerance of corruption;
- basic provisions of Russian and applicable international anti-corruption legislation;
- local regulatory documents of the Company on combatting corruption (Rosneft Code of Business and Corporate Ethics, [Company Policy on Combatting Corporate Fraud and Involvement in Corruption Activities](#));

- [Security Hotline contact details](#);
- Information on interaction with law enforcement bodies.

Please refer to Section 12.3 for additional information.

10.7. Creating favourable social environment

Please refer to Section 3.5.



SUSTAINABLE CITIES AND COMMUNITIES

11.1. Meeting the growing demand for energy resources

Rosneft occupies a unique position in supplying hydrocarbons with a low-carbon footprint and is one of the global energy leaders with an extensive and effective resource base and a strategic position in the global hydrocarbon market.

The Company has set integrated goals on reducing greenhouse gas emissions and producing energy with lesser impact on the climate and the environment.

The Company acknowledges that in the long-term crude oil and natural gas will retain an important role in the energy mix, with a growing share of gas as a clean fuel. As a responsible producer, the Company steadily increases the efficiency of hydrocarbon production.



The “Rosneft–2030: Reliable Energy and Global Energy Transition” Strategy provides for

- **maintaining leadership in production costs with hydrocarbon production of 330 million toe;**
- **increasing the share of gas in the production mix to 25%;**
- **increasing the light products yields at the Company’s refineries in the Russian Federation to 69% by implementing the ongoing programmes.**

Please refer to Sections 3.1, 3.2, 4.1, 9.2, 13.1 for additional information about The “Rosneft–2030” Strategy.

The main goals of Rosneft in the field of gas monetization are to meet its supply obligations before the Company’s consumers and to expand the portfolio of long-term contracts that guarantee the realization of incremental production volumes. In 2021, the share of gas in Rosneft’s total hydrocarbon output exceeded 20% that is in line with the strategy of increasing gas production in the total portfolio of production projects.

The Company currently supplies gas to more than 35 regions of the Russian Federation, acting as the main supplier in a number of them.

11.2. Improving living standards in cities and other residential areas

The Company’s activities contribute to higher living standards, ensuring environmental sustainability and reducing the environmental footprint of the automobile transport.



[Rosneft is constantly improving characteristics of its motor fuels and expanding the geography of its supplies, as well as the range of available products and additional services at petrol stations \(including non-fuel business\).](#)

Rosneft's retail business continues to prioritize social distance and minimal contacts when communicating with customers and suppliers in the retail network. In 2021, work continued to develop contactless remote payment services for fuel and joint products via mobile applications.

In 2021, the Company connected over 1,600 of its filling stations in 33 regions to the contactless fuel payment service.

Contactless food payment service is available at 110 filling stations located in the Moscow Region. The possibility of using applications for contactless payment of fuel at filling stations (without addressing a cashier) was extended for individuals, with additional purpose to minimize contacts with cashiers.

For corporate customers there is an "RN-Card" mobile application, which allows you to pay for fuel online, without leaving your car.

Please refer to Section 7.2.

In 2021, the Company continued to sell Pulsar branded fuels with improved environmental and operational characteristics.



Pulsar branded gasolines and fuels ensure the purity of the fuel system of engines of various modifications—both with traditional injection and with direct fuel injection, due to the involvement of cleaning components in the composition of unique fuels. The use of these fuels maintains cleanliness of the fuel system, which, in turn, allows optimizing the formation process of fuel-air mixture and ensures its maximum efficient combustion.

The result is, among other things, an improvement in fuel efficiency.

At the end of 2021 Pulsar branded gasoline with octane numbers Pulsar-92, Pulsar-95, and Pulsar-100 were sold in 33 regions of Russia; AI-95 Euro-6 fuels with improved environmental and performance properties were sold in 12 Russian regions.

Developing a retail network of natural gas motor fuels in Russia is one of Rosneft's priorities in its retail business. Using gas as a motor fuel ensures better transportation efficiency due to lower carriage costs and significantly reduces the automobile environmental impact.

Rosneft's retail network has been developing charging infrastructure for electric vehicles within the framework of cooperation with the largest electric power companies in Russia. EV charging stations have been installed and are operating at Rosneft filling stations, including fast charging stations in the Moscow and Leningrad Regions, and slow charging stations in the Tver Region and Krasnodar Territory.

Please refer to Section 3.2 for more details.

Please refer to Section 7.2 for additional information.

11.3. Environmental policy and commitments



The Company is seeking to reduce the level of negative impact on the environment from its business activities, monitors compliance with environmental legislation, develops corporate programmes aimed at reducing the negative impact on the environment, organizes and participates in voluntary environmental events.

Rosneft's Environmental Development Concept of Environmental Development until 2035 sets the goal of a 15% reduction in total non-greenhouse gas emissions, including, in particular, a 15% reduction in emissions of sulfur dioxide and nitrogen oxides.

Rosneft signs agreements on social and economic cooperation with regional authorities that provide for additional investment for regional development and environmental initiatives (please refer to Section 1.2).

In 2021, the Company's expenditure on environmental initiatives amounted to around 86 billion rubles.

11.4. Supporting indigenous people of the North and local communities

Please refer to Section 2.3 for more details.

11.5. Culture and heritage

The Company respects the cultural heritage, traditions, and rights of people and supports cultural heritage projects.

- Rosneft is cooperating with the D.D. Shostakovich St. Petersburg Academic Philharmonia. Thanks to the Company's sponsorship, the Philharmonia organizes large-scale cultural projects aimed at revival of spiritual and national values. In 2021, in particular, the anniversary exhibition "1945–1953. From the Victory to the Thaw", dedicated to the postwar years was opened in the Great Hall of the Philharmonia;
- Support for the State Hermitage Museum. With the Company's participation, the "Raffaello Line" exhibition continued in 2021 to commemorate the 500th anniversary of the death of the great painter Raffaello Santi;

- In 2021, the State Kremlin Palace with Rosneft support hosted a gala concert in honour of the anniversary of opera singer Anna Netrebko, accompanied by the State Academic Orchestra of Russia named after E.F. Svetlanov. The concert brought together famous opera soloists and cultural figures, including Placido Domingo, Cecilia Bartoli, Rolando Villazon, and others;
- Annual on-stage appearances of the Choir of the Sretensky Monastery in the regions of Company operations (22 cities) with various programmes (since 2015).

Please refer to Section 1.2 for more details.



11.6. Creating favourable social environment

Please refer to Section 3.5.



ROSNEFT CARRIED OUT A COMPLETE RECONSTRUCTION AND RESTORATION OF THE CULTURAL AND HISTORICAL HERITAGE SITES OF THE KONEV MALE MONASTERY OF THE NATIVITY OF THE VIRGIN.

RESPONSIBLE CONSUMPTION AND PRODUCTION



12.1. Environmental policy and commitments

Environmental responsibility is an integral part of the Company's corporate culture, ensuring its sustainable development.

In order to prevent potential environmental footprint the Company is committed and takes the necessary action with a view to protecting the environment, preserving and recovering natural resources. The Company's commitment is supported by continuous improvement of our products, as well as processes and working environment for the Company employees and partners.

12.2. Sustainable development and efficient use of natural resources





The Company is committed to the principles of sustainable development and efficient use of natural resources, while implementing the following initiatives:

- extending the life of field development and increasing the oil recovery factor, in particular, by introducing modern enhanced oil recovery techniques, implementing well intervention programmes and increasing the share of highly productive horizontal and multilateral wells (in 2021, the share of horizontal wells amounted to 70%);
- shared use of infrastructure within cluster field development ensuring lower environmental footprint;
- effective utilization of associated petroleum gas and other byproducts of crude oil and gas production;
- transitioning to more sustainable production by improving refinery yields, undertaking refinery upgrades, and changing the product mix because of incremental environmental requirements;

The “Rosneft-2030: Reliable Energy and Global Energy Transition” Strategy provides for an increase in light products yields at the Company’s refineries in the Russian Federation to 69% by implementing ongoing programmes.

- applying new technologies and technological solutions in order to expand sustainable production methods and reduce the level of losses along the entire value chain.

Responsibility and preserving the environment is an integral part of the Company’s corporate culture.

Please see Sections 7.4, 13.5, 14.3 for further details.

12.3. Effective procurement system

The Company is developing an effective procurement system based on the principles of competitiveness, validity, and effectiveness.

Broader competitiveness and equal access to procurement for the market participants is assured, in particular, by organizing procurement procedures in electronic form on the TEK-Torg electronic trading platform.

In 2021, the Company and the Group Subsidiaries initiated more than 143 thousand procurement procedures in an electronic form on TEK-Torg (in the Rosneft Section).

In general, more than 620 thousand suppliers have registered on the TEK-Torg platform¹⁰.

In order to ensure an efficient and sustainable supply system the Company operates in strict compliance with the requirements of industrial safety, labour protection and environmental protection (HSE). The Company has drawn up standard HSE qualification criteria for different types of products, works, services in the field of HSE rules with a view to implementing an integrated approach to complying with the HSE requirements and the Company's Regulations "The procedure for interaction with contractors in the field of industrial and fire safety, labour protection and the environment", enacted in 2019 and establishing new HSE qualification criteria.

Important selection criteria for contractors and suppliers include commitment to the values and norms

adopted by the Company in the area of industrial safety and labour protection.



The Company applies the same requirements to contractors in the field of industrial safety, labour protection and environmental protection (HSE rules). All standard agreements include provisions on the need to follow the Company's HSE rules.

In 2021, Rosneft with the support of regional authorities, organized and held seven online seminars/Vendor Days devoted to organization of procurement activities in the Company and the process of participation in the procurements. The purpose of it was to increase the awareness and interest of suppliers and contractors (including SMEs) to participate in procurement procedures of the Company.

¹⁰ Cumulative total since the beginning of the JSC TEK-Torg Electronic trading platform.

Rosneft and employees from Company subsidiaries took part in online seminars organized by JSC SME Corporation. The seminars were held in cities of the Yamalo-Nenets Autonomous District, the Ryazan Region, the Sakhalin Region, the Jewish Autonomous District, the Irkutsk Region, the Sverdlovsk Region, the Khanty-Mansi

Autonomous District, the Samara Region, the Tyumen Region, the Arkhangelsk Region, the Khabarovsk Territory and other regions of Russia.

For more information, please see Section 16.1 "Human rights and freedoms".



WITH REGARD TO OILFIELD ACTIVITIES (IN PARTICULAR, DRILLING), THE STANDARD CONTRACT CONTAINS A SEPARATE ADDENDUM ON CONTRACTORS' TREATMENT OF DRILLING WASTE WHICH IS BASED ON THE REQUIREMENTS OF APPLICABLE LEGISLATION, INCLUDING ENVIRONMENTAL REGULATIONS.



PRESERVING MARINE ECOSYSTEMS



14.1. Biodiversity of marine ecosystems

Rosneft follows the principle of maintaining favourable environment and biological diversity in all regions of Company operations. Rosneft pays particular attention to preserving the marine ecosystems of the Arctic zone.

Within the framework of The Rosneft-2030 Strategy and Rosneft's Environmental Development Concept future projects should comply with the principle of “net positive impact” on biodiversity.



Environment preservation is an integral part of the Company's corporate culture and social responsibility. Rosneft prioritizes environmental security, preservation and recovery of natural resources in every area of its activities.

Since 2012 the Company has been regularly conducting complex research expeditions aimed at studying marine Arctic ecosystems, with particular attention paid to rare and protected species, including those listed on the endangered-species list of the Russian Federation, regional endangered-species lists, and the Red List of the International Union for Conservation of Nature.

Within the framework of cooperation with the **Foundation for Support of Scientific and Project Activities of Students, postgraduates and Young Scientists "National Russian Intellectual Development"**, the Company publishes environmental atlases of the Russian seas. The purpose of these publications is to provide general up-to-date information on physical geography, oceanology, hydrometeorology, ecology and history of the waters of the Russian seas. The publications have received a positive opinion from the scientific and expert community.



In 2021, the Company continued cooperation with the Innopraktika non-government development institute as part of [the Ecological Atlases of the Russian Seas series](#). Analytical work was done to prepare the following atlases for printing: "Marine Mammals of the Seas of Russia", "Birds of the Russian Arctic" and "Ecological Atlas of the Kara Sea" which are planned to be published in 2022.

Within the framework of the agreement concluded with the Ministry of Natural Resources of Russia in 2020, the Arctic Scientific Centre continued implementing a corporate programme for the study, conservation and monitoring of key species – bioindicators of the Arctic ecosystems stability: polar bear, Atlantic walrus, wild reindeer and white gull – a rare species of gull, listed on the endangered-species list of the Russian Federation.

The programme was a continuation of large-scale studies of polar bears and walrus carried out in 2014–2018. As a result, a unique scientific material about the current state of animals living in the Arctic was collected and systematized. The study of these animals allows assessing the state of ecosystems as a whole.

[The data collected in 2020-2021 will allow confirming and updating previously known data and complement the current understanding of the distribution and key habitats of the studied species.](#)

In 2021, to study the polar bear and walrus, spring (March-April) and summer (August-September) research was completed on the islands of the Franz Josef Land and Novaya Zemlya archipelagos.

The expedition was organized by specialists of the Arctic Scientific Center together with the Institute of Ecology and Evolution Problems of Russian Academy of Sciences named after Severtsov and the Center for Marine Research of Lomonosov Moscow State University.



During the spring (ice) expedition to the Land of Alexandra (Franz Josef Land), 40 walking and motorized trips were made with a total length of 1,609 km. The location of three birth dens was found, 15 polar bears were observed (3 females with bear cubs, the rest are males). Morphometric measurements and biological samples (blood, hair, etc.) were taken from 6 males and 3 females. The females were fitted with collars with satellite transmitters.

During the summer-autumn research (ice-free period) in the area of Cape Zhelaniya in the territory of the Russian Arctic National Park (archipelago Novaya Zemlya), 20 onshore motorized and 2 water trips were made, biological samples were taken from 6 bears. Two females were fitted with collars with satellite transmitters.

Walrus studies were carried out on the islands in the Barents Sea – 34 islands of the Franz Josef Land archipelago were examined. During the expedition, a complete survey of 16 haulouts was completed, 2 new haulouts were discovered (the largest on Eva-Liv Island). 115 biopsy samples were taken for molecular genetic, toxicological and fatty acid analysis. 16 satellite tags were installed (4 tags for young animals, 4 for females and 8 for adult males). About 11 hours of drone flights were completed, and more than 7,000 animals were counted.

Studies of the walrus food supply resources were delivered. A video survey of 11 bottom benthic stations was made. 84 bottom grab samples were taken at 28 trophic research stations, as well as 26 samples for isotope analysis and 32 samples for fatty acid analysis.

14.2. Environmental policy and commitments

The Company ensures that action plans are in place to protect ecosystems and biodiversity at all stages of project development.

The Company Environmental Impact Assessment process is the key element in project planning.



When carrying out work in offshore areas, the Company follows the provisions of international conventions such as the **International Convention for the Prevention of Pollution from Ships (MARPOL)**, and the **Convention on the protection of the Black Sea against Pollution**. The Company is also governed by the requirements of the national legislation on the continental shelf of the Russian Federation; on the exceptional economic zone of the Russian Federation; and on inland waters, the territorial seat of the adjacent zone of the Russian Federation. Ships used by the Company comply with the provisions of the International Convention for the Prevention of Pollution from Ships (MARPOL).

Field work at chartered vessels is allowed only after the technical audit aimed at establishing compliance with the Company's requirements is complete.

The Company carries out offshore projects upon the receipt of all required endorsements and permissions provided by authorized authorities, including a positive conclusion of the Federal environmental expertise office, and the public approval of their accomplishment.

In accordance with the Russian environmental legislation, when implementing business activities, the Company conducts mandatory public discussions both in the form of face-to-face events (public hearings) and remote surveys as well.

14.3. Innovative activities

Within its Innovation programme, the Company continues the creation of a new biological product based on psychrophilic microorganisms for the purpose of an effective cleanup of the water and coastline of high latitude seas from pollution (please go to Section 14.1).

The Arctic Scientific Centre continues cooperation with the National Intellectual Development Foundation, supporting scientific project-based activities of students, doctoral candidates and young scientists, with a view to creating hydrocarbon degrading bacteria for decontamination of hydrocarbon polluted water surface and coastal the zones of the Northern Seas. Currently, the parties have completed the development of the microbial prototype of the drug and its technology pattern.

In 2021, within the framework of the targeted innovative project "Creation of a microbial preparation for utilization of hydrocarbon pollution in the seas of the Arctic region: scaling of technologies and drug testing", a programme

for the development of the microbial drug production technology was prepared, a methodology, estimating the shelf life and reproducibility of technological characteristics of the microbial drug, was developed, the working out of the modes of biomass production, drying and granulation of microbial biomass was carried out.

Creation of a new type of microbial drug and its convenient technological form will allow localizing and eliminating oil pollution of various types.

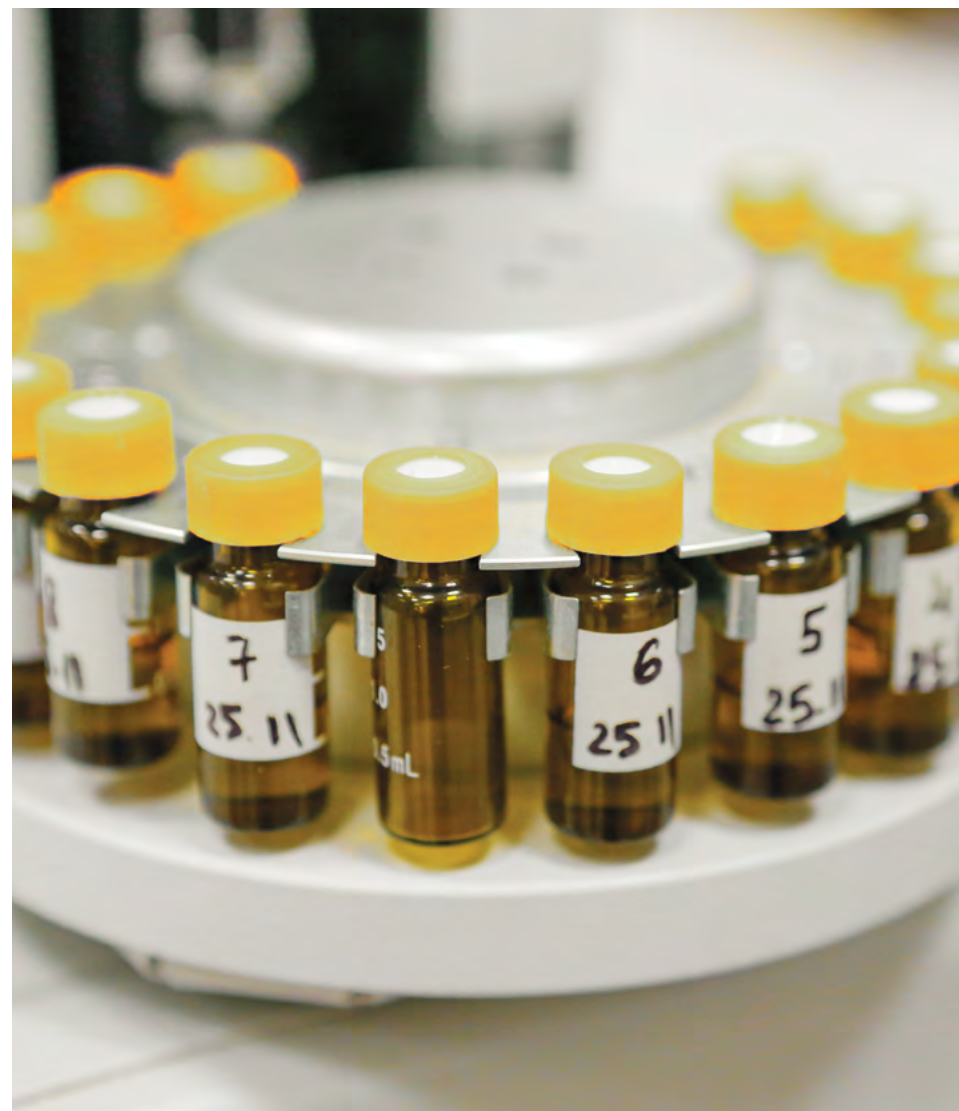
The native forms of microbes in the composition of each drug, due to their regional specifics, will provide the most complete and safe purification from hydrocarbons in various regions of oil production.

Within the framework of the project, between 2014 and 2020, 10 patents for microbial drugs and 29 patents for psychrophilic strains of microorganisms were obtained, showing efficiency of utilization of petroleum products in the marine environment and under negative temperatures; one of these drugs (“Strain Pseudoalteromonas arctica for destruction of oil and petroleum products”, patent of the Russian Federation No. 2703142), in 2020, received an award of Rospatent in the nomination “100 best Russian inventions in 2019 and the first half of 2020”.

In pursuance of the Targeted Innovation Projects (TIP), passports and certificates of deposition of 3 strains of psychrophilic microorganisms were prepared in 2021 and applications were sent to obtain titles of protection for their invention; proposals and recommendations were agreed on the development and further use of trademarks in the production of the microbial preparation.

The Company is going to test the preparation in conditions as close as possible to real ones. For this purpose, a building for flow-through aquarium systems was equipped at the Belomorskaya Biological Station with the support of the Company. The laboratory is located on the seashore, which is necessary to ensure the operation of the marine water pipeline in a year-round mode, also in hard ice conditions in winter. A flow-through marine system of aquariums will be installed in the premises of the new building, which maximally imitates the conditions of the open sea water area. At the same time, hydrocarbons and the microbial preparation would never enter the sea. The protection against environmental pollution is one of the critical test conditions.

By the end of 2025, it is planned to complete the development of an industrial technology for producing a microbial drug. Introduction of the microbial drug the Company perimeter will optimize and improve the quality of the activities carried out for the elimination of possible emergency situations at the Company’s license areas in the Arctic.





LIFE ON LAND



15.1. Biodiversity of ecosystems

The Company is committed to taking action with a view of protecting ecosystems and biodiversity.

The corporate process of the Environmental Impact Assessment is a key element in the evaluation of future projects. Decisions are made based on the analysis of background environmental conditions, including the condition of valuable and specially protected flora and fauna. Projects are implemented only after confirmation of compliance with environmental requirements and monitoring of the implementation of relevant measures, including the state of environmentally sensitive and specially protected territories closest to Company operations.



When carrying out work on environmentally sensitive territories and near specially protected natural territories, the Company implements all possible preventive measures to avoid negative effects on the environment and ensure the preservation of biodiversity. Rosneft is taking measures to mitigate the environmental impact based on the monitoring results.

Rosneft gives priority to implementation of measures aimed at preserving ecosystems and biodiversity.

A key element in the evaluation of future projects is the Company Environmental Impact Assessment process. Decisions are made based on the analysis of background environmental conditions, including the condition of valuable and specially protected flora and fauna. Projects are implemented only after confirmation of compliance with environmental requirements and monitoring of the implementation of relevant measures. Rosneft is taking measures to mitigate the environmental impact based on the monitoring results.

15.2. Sustainable management of natural resources and minimized environmental footprint

Rosneft is committed to the prudent use of the natural resources (including increased recycling) and gives consideration to the environmental impact of Company facilities.

The Company focuses on preserving environmental integrity and project execution in environmentally sensitive areas, with a particular attention paid to carrying out preventive action and other environmental initiatives aimed at minimizing its environmental impact.

The Company is executing a number of programmes and projects, which minimize its environmental footprint, including:

- the Gas investment programme for increasing the beneficial use of the associated petroleum gas at both existing and new fields (see Section 13.4);
- a wide range of environment protection projects with the goal of reducing the consumption of fresh water (see Section 6.2);
- the processing and safe disposal of waste, such as drilling waste re-injection;
- introduction of cordless seismic surveying which ensures lower impact on ecosystems;
- the Energy efficiency programme aimed at improving the efficient use of fuel and energy resources while maintaining the target production level, and refining and sales volumes of hydrocarbons (please see Section 7.1).

Unique wireless seismic technology.

In 2020, Rosneft completed the development of the Geparad innovative seismic data registration system, and confirmed the geological information content and productivity as well as the possibility of carrying out work in hard-to-reach regions. The Company has carried out the assessment and ranking of corporate sites for the prioritized introduction of new technologies, and collects data on the optimal design of seismic exploration activities for solving geological problems and reducing the impact on the environment.

15.3. Promoting ecosystems sustainability in the regions of Company operations

Rosneft recognizes the need to promote the sustainability of ecosystems in the regions of Company operations, carrying out activities to minimize the impact on vulnerable ecosystems, biodiversity or critical components of natural ecosystems, based on monitoring and evaluation of basic environmental parameters.



In accordance with the Company's Environmental Development Concept to 2035, Rosneft will take all possible steps aimed at avoiding any activity or any impact on protected territories during the planning of new projects in all regions of Company operations. Particular attention will be paid to the UNESCO world heritage sites. All new facilities will have to be designed based on the principle of environmental security and zero negative environmental impact, which should be ensured through the introduction of environmentally friendly best available technologies (BAT), constant monitoring and comparative analysis with scientifically based basic parameters.

Rosneft carries out projects on biodiversity preservation in the regions of Company operations.

In 2021, more than 120 million fingerlings of fish species were released in support of ecosystem sustainability in the regions of Company operations

including juvenile fish of especially valuable Siberian sturgeon, valuable Atlantic and Black Sea salmon, whitefish, gwynaid, sterlet and muksun in the Komi Republic, Krasnoyarsk and Krasnodar Territories, the Perm Region, the Murmansk, Tyumen and Samara Regions, the Republics of Bashkortostan and Tatarstan, and the Khanty-Mansi Autonomous Area-Yugra.



In the autumn of 2021, field studies of wild reindeer were conducted on the Taimyr Peninsula. Scientists of the Siberian Federal University and the Arctic Research Center jointly conducted aviation surveys (120 hours), and tagging of deer (21 individuals) with collars with satellite transmitters, which will allow remote investigation of the migration routes of animals.

As part of the research, the Company carried out daily stationary observations, following the migration of wild reindeer, water and land motorized routes along the banks of the Kheta and Khatanga rivers. More than 120 samples were selected for further laboratory studies. In addition, an assessment of deer-feeding

capacity of Taymyr pastures was carried out, and thematic maps were developed. The project was implemented as part of the National Project "Ecology" together with the Ministry of Natural Resources and Environment of the Russian Federation. Wild reindeers are the basis of the entire ecosystem of the Arctic North. Rosneft and its subsidiary East Siberian Oil and Gas Company have been supporting studies of wild reindeer migration in the Evenki and Taimyr districts of Krasnoyarsk Territory since 2014. The use of collars with the ARGOS satellite monitoring system and built-in GPS receivers made it possible to obtain data on the complete annual cycle of animals' migration, identify seasonal features of their relocations depending on weather conditions and other habitat factors.



A SIGNIFICANT CONTRIBUTION TO THE CORPORATE ACTIVITIES ON JUVENILE FISH RELEASE WAS MADE BY RN-YUGANSKNEFTEGAZ. AS PART OF THE ACTIVITIES AIMED AT PRESERVING RIVER ECOSYSTEMS, THE SUBSIDIARY RELEASED INTO THE OB AND IRTYSH RIVERS BASINS MORE THAN 105 MILLION JUVENILES OF DIFFERENT FISH SPECIES, INCLUDING VALUABLE ONES: BABY FISH OF SIBERIAN STURGEON, WHITEFISH.

PEACE, JUSTICE AND STRONG INSTITUTIONS



16.1. Human rights and freedoms

The Company operates in strict compliance with the Social Charter of Russian Business and the Universal Declaration of Human Rights. We acknowledge the importance and value of fundamental human rights and freedoms proclaimed by the United Nations, including the freedom of association, the right to conclude collective agreements, labour rights, the right to favourable environment and health protection and the rights of indigenous people.

Rosneft is a participant of the [UN Global Compact](#).

The [Company's commitment to human rights](#) is reflected in the Rosneft Code of Business and Corporate Ethics, internal policies and local normative acts. The [Code of Business and Corporate Ethics](#) applies to all subsidiaries, in which the Company possesses a majority of votes. [Main mechanisms for monitoring and assessing activities in the area of human rights are in place.](#)



Within the framework of compliance with legal obligations to ensure the internationally recognized rights and freedoms of individuals and groups of people, in 2020, the Company developed and published the [Declaration of PJSC Rosneft in the field of human rights when interacting with suppliers of goods, works and services on the official corporate website](#). When submitting an application for participation in the procurement, each supplier/contractor confirms that they have read the declaration, as well as their readiness to comply with all the principles set out in it.

In 2021, the Company developed a [“Code of Suppliers of goods, works and services of PJSC Rosneft in the field of human rights”](#). The Code is aimed at forming a strong business relationship between PJSC Rosneft and its suppliers. By adopting the Code, suppliers support the Company’s position in the field of human rights and undertake to extend the Code’s provisions to the entire supply chain of goods, works and services.



The Company acts in strict compliance with the Social Charter of the Russian business and the Universal Declaration on Human Rights. More than 68% of Rosneft employees are part of the labour contract.

16.2. Establishing sustainable procurement system along the entire value chain

Please refer to Section 12.3.

16.3. [Developing stakeholder engagement](#)

The Company is focused on developing stakeholder engagement based on partnership and long-term, fruitful, trustworthy and mutually beneficial relations with its stakeholders, including shareholders, investors, consumers, authorities, general public and business community.

Effective communications based on principles of openness, mutual respect and responsibility contribute to our sustainable development.

16.4. Compliance and combatting corruption

Please refer to Section 10.6.

ROSNEFT: SUSTAINABLE DEVELOPMENT PRINCIPLES

Reference list for compliance with themes aligned with Sustainable Development Goals of the United Nations

PRINCIPLES	APPROACH AND IMPLEMENTATION MECHANISM	INDEXES
Leading with agility in the age of energy transition	<ul style="list-style-type: none"> • Flexible business model • Balanced investment portfolio • Robustness across the cycle and value creation • Energy security and energy access 	2.1, 3.2, 7.1, 7.2, 7.3, 7.4, 8.6, 8.8, 8.9, 9.1, 9.2, 9.3, 11.1, 12.2, 13.1, 13.2, 13.3, 13.4, 16.2, 17.2
Securing people, environment and values	<ul style="list-style-type: none"> • Safety culture and performance • Working environment and benefits for employees • Security for people, business and assets 	3.1, 3.3, 3.4, 3.5, 3.6, 7.2, 8.2, 8.3, 9.4, 10.4, 10.6, 10.7, 11.6, 12.3, 13.4, 16.2, 16.4, 17.2, 17.3
Doing business the right and responsible way	<ul style="list-style-type: none"> • Integrity across all business units and operations • Transparency and reporting • Respect of human rights • Ethics, compliance and anti-corruption • Risk management 	2.1, 3.1, 3.2, 3.3, 3.5, 4.1, 4.3, 5.1, 5.2, 7.3, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.10, 9.4, 10.2, 10.3, 10.4, 10.6, 10.7, 11.6, 12.3, 13.1, 16.1, 16.3, 16.4, 17.1, 17.2, 17.3
Enhancing economic and social development	<ul style="list-style-type: none"> • Direct and indirect economic contribution • Supply chain and related industries development • Employment and workforce training • Industrial and social infrastructure • Energy access, new products and solutions 	1.1, 1.2, 2.1, 2.2, 2.3, 3.5, 3.6, 4.1, 4.2, 4.3, 5.1, 5.2, 7.2, 7.4, 8.1, 8.3, 8.4, 8.7, 8.8, 8.10, 9.1, 9.2, 9.3, 10.1, 10.2, 10.3, 10.4, 10.5, 10.7, 11.1, 11.2, 11.4, 11.5, 11.6, 12.3, 16.2
Addressing threats of climate change	<ul style="list-style-type: none"> • Climate-related governance • Emissions reductions • Energy intensity of our industrial operations • Use of our products 	3.2, 6.1, 6.2, 7.1, 7.2, 8.9, 11.2, 12.1, 12.2, 13.1, 13.2, 13.3, 13.4, 13.5, 14.1, 14.2, 14.3, 15.1, 15.2
Efficiently managing our environmental impact	<ul style="list-style-type: none"> • Environmental stewardship • Water management • Ecosystems and biodiversity 	3.2, 6.1, 6.2, 6.3, 6.4, 11.3, 12.1, 12.2, 12.3, 13.1, 13.4, 14.1, 14.2, 14.3, 15.1, 15.2, 15.3
Partnering with our stakeholders	<ul style="list-style-type: none"> • Efficient partnerships • Respect of human rights • Labour rights, comfortable working conditions and social protection for our employees • Company's values across our supply chain 	1.2, 3.5, 3.6, 4.1, 4.2, 5.1, 5.2, 6.2, 7.2, 8.1, 8.3, 8.4, 8.5, 8.8, 9.2, 10.1, 10.3, 10.4, 10.7, 11.5, 11.6, 12.3, 16.1, 16.2, 16.3, 17.1, 17.2, 17.3



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