



# ONE TEAM – COMMON GOALS

SUSTAINABILITY REPORT 2023

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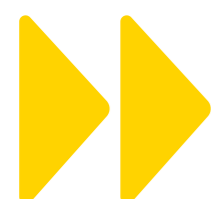
In 2023, Rosneft continues to disclose its corporate non-financial metrics on the annual basis and releases its 18th Sustainability Report (the Report). The Report provides information on the environmental, social and governance aspects of the Company's operations in 2023 in the industry-specific context. The Report seeks to address the needs of a wide range of stakeholders. For more details on the Report, materiality assessment and verification procedure, see [Appendix 1](#).

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# Message from the Chief Executive Officer and Chairman of the Management Board

GRI 2-22



**Igor Sechin**

Chairman of the Management Board and Chief Executive Officer

At Rosneft, we have once again demonstrated our unwavering commitment to our strategic goals and made significant strides in our environmental agenda and technological advancements.

As part of our Rosneft-2030 Strategy, we are dedicated to developing cutting-edge proprietary technologies, software, and implementing digital solutions, artificial intelligence, and neural networks. Our developments surpass foreign counterparts across multiple parameters.

In fact, we are witnessing a technological revolution in the Russian oil and gas industry, and Rosneft is at the forefront of this transformation. Our R&D arm, one of the largest in Europe, boasts over 18 thousand scientists, and the total

economic effect from our proprietary technologies implemented over the last three years exceeds RUB 40 bln.

We are proud to be successfully developing software that encompasses all key oil and gas production processes. To date, Rosneft's high-tech software product line includes 24 products, 16 of which have already been put into operation. We are actively pursuing the digitalisation of the entire oil production process as part of the Digital Field project, with full-scale digital twins

currently operating at our assets in Bashkortostan and the Tyumen Region. The project is also being scaled to other subsidiaries.

Environmental stewardship is one of our top priorities, and we are committed to implementing best practices to protect and preserve the biosphere and natural resources for future generations. As part of a comprehensive scientific programme in the Arctic, we organised and conducted 50 expeditions to the Russian Far North, collecting a unique array

of data about the region, its climate, nature, and fauna for over 12 years. In early 2024, Rosneft developed a new programme for studying and preserving indicator species of the Arctic.

Preserving and enhancing Russia's natural wealth is also a crucial part of our strategy, which encompasses reforestation and reproduction of land, water and bioresources.

In 2023, our subsidiaries planted about 10 million tree seedlings and saplings in the regions where we operate, and over the last three years, more than 26 million. We are also continuing large-scale work on implementing a comprehensive forestation project in the Krasnoyarsk Territory, organising scientific research, developing legal frameworks, and establishing methodologies for assessing forestation projects. This work plays an important role in developing expertise and building capacity for forestation projects across Russia.

We are also dedicated to reducing water consumption and water withdrawal from natural sources. Over the past five years, the share of recycled and reused water in our production activities has consistently exceeded 90%.

A large-scale programme to remedy legacy contaminated lands is ongoing. In 2023, the area of contaminated lands was down by 11% year-on-year. The Company introduced an environmentally friendly technology to recycle drill cuttings aligned with circular economy principles.

In the regions where we operate, we actively engage in implementing social projects across such areas as healthcare, education, culture, and environmental protection. We build schools, sports facilities, energy and utilities infrastructure, equip medical rooms, participate in the purchase of equipment, and improve parks, green spaces, and roads, significantly enhancing the level of social welfare in the Russian regions.

As one of the largest employers in Russia, we are committed to developing our human resources potential, creating opportunities for professional and personal growth, and ensuring the well-being of our employees and their families. One of our goals is to make sure that employees strive to pass on the oil industry profession from generation to generation. It is encouraging to see that Rosneft enterprises employ more than 30 labour dynasties of families with a total length of service of almost 1,100 years.

Corporate volunteers make a strong contribution to Rosneft's social and environmental initiatives. In 2023, more than 2 thousand volunteer events were held under the Company's volunteer programme, engaging about 111 thousand employees.

With the largest network of filling stations in Russia, we are also contributing to the development of domestic auto tourism. In 2023, we launched an information

and service platform for car travellers, titled Horizons of Russia: Let's go with us!. The project is designed to meet the demand for domestic auto tourism, and the platform helps those who prefer travelling by car to choose and plan routes to interesting places using the infrastructure of roadside services and filling stations provided by the Company. We launched joint tourist routes running through the infrastructure of Rosneft's filling stations in the Moscow, Tula, Voronezh, Arkhangelsk and Ulyanovsk regions, as well as in the Krasnodar Territory.

One of the main highlights of 2023 was our participation in the RUSSIA EXPO international exhibition at VDNKh in line with a decree of the President of Russia Vladimir Putin. We opened our own pavilion, built according to a unique design project using digital equipment and interactive exhibits. At our exposition, guests can learn about the history of the global and domestic oil industry, as well as about Rosneft, our projects, and R&D developments. The pavilion regularly hosts themed days and weeks with popular science lectures and workshops. Rosneft's participation in the RUSSIA EXPO international exhibition demonstrates our commitment to openly sharing knowledge and achievements.

## Strategically important UN Sustainable Development Goals and the Company's contribution to Russia's national projects



The Company plans to achieve a step change in the occupational health and safety performance, prioritising zero fatal injuries and zero occupational accidents as our goals.

The Company pays particular attention to occupational safety and comfortable working environment for its employees and contractors.



Rosneft takes steps to improve energy efficiency in all of its business activities and recognises leadership in innovation as a key development driver.

As a responsible producer and member of the global energy market, the Company seeks to ensure timely and reliable energy supplies to consumers (including emerging markets) on equal terms and at competitive prices.



Rosneft contributes to sustainable economic growth and technical modernisation, creation of new production facilities and highly efficient jobs, and manufacturing of high value-added products.

The Company is committed to providing social security to its employees and their families, preserving jobs, and protecting human rights.



The Company's strategic targets factor in the public's needs and environmental concerns and include:

- › ramping up production of natural gas as a lower-carbon energy source;
- › development of refining and increasing the output of popular products and feedstock for the petrochemical industry;
- › reducing emissions and increasing efficiency of production facilities;
- › creating and rolling out new products contributing to reduced environmental impact, lower carbon footprint and higher fuel efficiency.



Rosneft recognises the importance of the global energy sector's sustainability and responsible business practices of the industry majors.

The Company shares the principles of Russian and international ethical declarations, statements and initiatives, including the respect for fundamental human rights, elimination of inequality and protection of the environment.

## Selected high-priority sustainability performance indicators are part of the management's KPIs

In 2023, green investments came close to **RUB 64 bln.**

HSE IMS certification takes place at more than 100 facilities accounting for 72.5% of the total headcount of subsidiaries\*.

Rosneft's Energy Saving Programme delivered fuel and energy savings of **329 thousand tonnes** of reference fuel.

**44** Group Subsidiaries accounting for **97%** of the Company's 2023 energy consumption were certified for compliance with ISO 50001 (Energy Management Systems).

In the Russian market, Rosneft sells fuels with improved environmental properties and performance – Pulsar and Euro 6.

**70** stationary and **15** mobile laboratories run over **4.7** thousand checks daily.

Collective bargaining agreements apply collectively to **~70%** of the Company's total headcount. Collective bargaining agreements provide additional (over and above those stipulated by laws) benefits to the personnel.

**Over 1 thousand** employees improved their living conditions by participating in the corporate mortgage programme in 2023.

**3.4%** was the increase in corporate pensions in 2023.

**1,108** schoolchildren completed Rosneft Classes in 2023.

In 2023, the Company continued its progress towards the 2050 operational carbon neutrality targets, with intermediate including achievement of intermediate targets.

The Company's subsidiaries employ cutting-edge technology to detect methane emission sources using unmanned aerial vehicles and portable equipment for surface inspections.

Rosneft continues its progress towards the 2035 targets and looks beyond to explore ways of further reducing emissions by leveraging new low-carbon technologies.

Igor Sechin, Chief Executive Officer of Rosneft, was the key speaker on the Energy Panel of the St Petersburg International Economic Forum.

Igor Sechin, Chief Executive Officer of Rosneft, was a speaker at the opening ceremony of the Russian-Chinese Energy Business Forum.

Igor Sechin, Chief Executive Officer of Rosneft, took part in a ministers' session of the India Energy Week.

In 2023, Rosneft cooperated with **80** universities on the basis of agreements on cooperation.

\*Headcount of subsidiaries covered by the Company's management accounting procedures

## Rosneft's contribution to Russia's national projects



Employees of Udmurtneft together with volunteers and students planted young oaks in the zoological park in Izhevsk.

Orenburgneft's employees, together with volunteers and team of the national park, developed a new tourist nature trail in the Buzuluksky Bor National Park.

As part of Rosneft's biodiversity conservation programme, Krasnoyarsk scientists studied the adaptability of wild reindeer population to climate change.

Since 2020, Rosneft has been monitoring and researching the population of white gulls in the Arctic, which are listed in the Red Data Book of the Russian Federation.



In 2023, Rosneft provided support to continue the improvement of an alley on the river embankment along the Ob in Nizhneartovsk.



As part of the Road Safety federal project, which is included in the Safe and Quality Roads national project, filling stations of Rosneft's retail network organised events to raise awareness about compliance with traffic rules and safety on public roads.



Rosneft and the Tourism Development Agency of the Tula Region developed new automobile tourist routes in the region: one that can be completed within one day, and two routes that take two days.

Rosneft helped open roadside markets in the Krasnodar Territory for tourists to take advantage of during the summer season.

Rosneft, together with the regional Ministry of Culture and Tourism of the Moscow Region, developed the Road of Winter Discoveries, a tourist quest that features 11 cultural sites.

With support of Rosneft, a new camping site was created on the shore of the Vladimirskaya Bay of Lake Ladoga in the Leningrad Region.



The Achinsk Refinery helped the Achinsk Oil and Gas Technical College to set up new workshops to train electricians and operators of pumps and compressors.

Rosneft acts as the industrial sponsor of professional educational institutions in the Young Professionals and Professionalitet projects as part of a relevant national project.

Rosneft acted as a partner of a career fair in Krasnoyarsk.



In 2023, Rosneft became a partner of the Arctic Floating University, which focuses on Arctic research.

In 2023, Rosneft teamed up with the Ministry of Science and Higher Education to launch the construction of two research vehicles to engage in both fundamental and applied oceanographic research.

The Kleymenov dynasty, Saratov Refinery

# Sustainable Development Practices in 2023

## JANUARY

- › RN-Vankor implemented the industry's first ever technology for converting a diesel power plant into a gas-fuelled one as a way to reduce emissions.
- › RN-Uvatneftegaz opened a new shift camp at the Protozanovskoye field.



## FEBRUARY

- › Rosneft and Innopraktika Development Institute announced the launch of a new environmental project to research ecosystems of the Northern seas.
- › Orenburgneft deployed an APG treatment solution removing hydrogen sulphide at the Vakhitovskaya group of fields, helping increase the rational use of APG by 100 cu m per day.
- › RN-Vankor supplied 100 units of new high-tech medical equipment to a number of district, city and regional hospitals in the Krasnoyarsk Territory, and renovated schools in Igarka and Turukhansk.
- › The Ryazan Refinery tested the Company's proprietary voltage stabilisation system to improve power supply reliability and ensure stable quality of output.

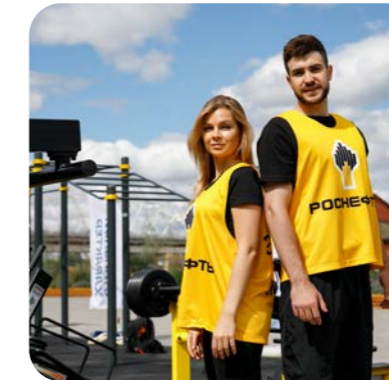
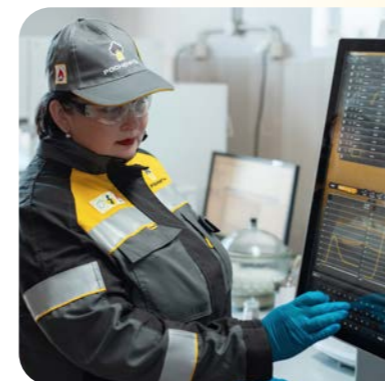


## MARCH

- › Eight of Rosneft's software products were included in the Unified Register of Russian Programmes for Electronic Computers and Databases.
- › RN-Uvatneftegaz was among the organisers of the first festival of indigenous peoples in the Tyumen Region.
- › Yamal celebrated the 90th anniversary of the Kharampur ethnic settlement of indigenous peoples of the North, which was revived with Rosneft's support.
- › The Novokuibyshevsk Refinery launched a mobile app for virtual travelling in the Samarskaya Luka National Reserve with the visualisation of nature trails.
- › Rosneft developed and introduced PH-SL additives for motor oils to extend the useful life of engines in passenger cars.

## APRIL

- › Rosneft hosted a workshop on scientific and legal aspects of forestation projects.
- › The environmental lab at the Syzran Refinery was certified for compliance with GOST ISO/IEC 17025-2019 (General Requirements for the Competence of Testing and Calibration Laboratories).
- › At the Em-Egovskoye field, RN-Nyaganneftegaz commissioned the first mobile transformer substation with a capacity of 6.3 MVA.
- › Tyumenneftegaz launched an environmental education grant programme to study the biological diversity of protected areas in the Tyumen Region and develop eco-trails.
- › RN-Vankor held the traditional EcoArctic forum on the Taimyr Peninsula.
- › With support of Verkhnechonskneftegaz, a collection of Evenk fairy tales was published for children to study the Evenk national culture and language.



## MAY

- › Rosneft held a large-scale competition among its employees to pass the standards of the GTO national physical culture training programme.
- › Rosneft's corporate R&D institute in Tomsk launched a professional retraining programme titled the School of Chief Project Engineers, teaming up with the Tomsk Polytechnic University.
- › Rosneft held a large-scale environmental campaign in the Samara Region to mark the Volga Day, cleaning up 210 thousand sq m of coastal areas.

## JUNE

- As part of the 26th St Petersburg International Economic Forum:
  - › Rosneft and China's Tsinghua University signed a memorandum of cooperation on R&D in carbon management.
  - › Rosneft, Innopraktika and Rosgeo reached an agreement on cooperation in exploring the Russian continental shelf using shallow stratigraphic drilling in the East Siberia Sea for core sampling.
  - › Rosneft and the Moscow City Tourism Committee entered into a Memorandum of Cooperation on comprehensive development of domestic tourism, including auto tourism and promotion of the tourist potential of Moscow at Rosneft's filling station.



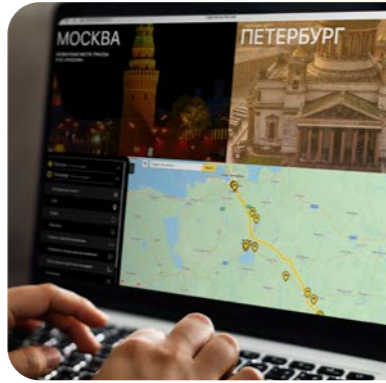


## JULY

- Rosneft and Innopraktika launched a three-year environmental project in the White Sea to assess the impact of global climate factors and local anthropogenic influence on ecosystems in northern seas.
- Rosneft and Privodnaya Tekhnika signed an agreement on joint development of power systems and electrical products for the oil and gas and shipbuilding industries.
- RN-Vankor introduced a new modular unit for early water discharge, which reduces the load on the field's oil collecting pipeline system and the oil treatment unit.
- The environmental lab at the Kuibyshev Refinery was certified for compliance with GOST ISO/IEC 17025-2019 (General Requirements for the Competence of Testing and Calibration Laboratories).
- Thanks to grants from Vostsibneftegaz, the Krasnoyarsk Research Centre of the RAS Siberian Branch held a comprehensive study of conifer forests amid changes in the region's climate.

## AUGUST

- Rosneft launched an information and service platform for car travellers titled Horizons of Russia: Let's go with us! to help promote domestic tourism.
- Rosneft, the Government of the Sverdlovsk Region and local authorities of Nizhny Tagil signed a long-term concession agreement for the development of heat supply facilities in Nizhny Tagil.



## SEPTEMBER

- Rosneft opened a Competence Centre for the research of carbonate hydrocarbon deposits and development of innovative methodologies for profiling carbonate deposits.
- RN-Purneftegaz launched the first grant programme for scientific and applied research aimed at addressing social challenges and supporting the culture of the indigenous peoples of the Yamal-Nenets Autonomous Area.
- RN-Vankor commissioned Russia's first highly automated mobile transformer substation at the Vankor field to save resources and minimise environmental impact.

## OCTOBER

- Rosneft launched a project for the scaling of technologies to control fugitive methane and other hydrocarbon emissions and improve industrial safety at refineries.
- Rosneft and China National Petroleum Corporation signed a Memorandum of Understanding on R&D cooperation and an agreement on cooperation in education.
- The Kuibyshev Refinery started producing winter diesel fuel with a pour point of -26 °C to ensure uninterrupted operation of engines in extreme climatic conditions.
- RN-Vankor obtained a patent for an environmentally friendly technology to process drill cuttings into soil cement at the Vostok Oil project.



## NOVEMBER

- Rosneft unveiled its own pavilion at the RUSSIA EXPO international exhibition at VDNKh in Moscow.
- Rosneft's corporate R&D institutes in Tyumen and Tomsk developed a prototype of a software system for smart well control at gas and gas condensate fields as part of an automated process control system based on the digital twin technology.
- Rosneft presented the book Rediscovering the Arctic: 10 Years of Research in the Region, which describes the Company's research efforts in the Far North.
- Rosneft, the Altai Territory Department for the Development of Tourism and Resort Activities and the Ulyanovsk Region Tourism Agency signed memoranda of cooperation to promote the tourism potential of Russian regions.
- Rosneft held the 18th Interregional R&D Conference to increase motivation and engage young talents in the Company's innovative research.

## DECEMBER

- Rosneft and the Tourism Agency of the Republic of Udmurtia entered into a cooperation agreement to promote the tourism potential of the republic.
- Rosneft completed the upgrade of five boiler houses of heat and power facilities in Nizhny Tagil, which provide heat and hot water to 132 social institutions and more than 8 thousand people.
- Udmurtneft introduced a system of alternative power supply of oil production facilities based on solar cells at its Chutyrsko-Kiengopskoye field.



## JANUARY

- Rosneft's Arctic Scientific Centre and Innopraktika conducted the 50th research expedition in the north of the Krasnoyarsk Territory to study ice and hydrometeorological conditions of the Vostok Oil project.
- Rosneft developed RN-Aqua, a unique software product to build digital hydrogeological 3D models of aquifers.
- Rosneft connected all filling stations in the Republic of Buryatia to the digital service of remote fuel payment.

## FEBRUARY

- Rosneft, together with the Russian Ministry of Natural Resources and the Severtsov Institute of Ecology and Evolution, presented a new programme for studying and preserving indicator species of Arctic ecosystems.
- Rosneft developed and patented a new type of bitumen that can withstand higher traffic loads.
- Bashneft started production of gasoline with a new octane booster that enhances fuel properties.
- With support of Bashneft under a cooperation agreement signed with the Republic of Bashkortostan, a new clinic for 320 patient visits opened in the suburbs of Ufa to serve the communities of three neighbouring townships.

# SUSTAINABLE DEVELOPMENT



The key priorities of the **Rosneft-2030: Reliable Energy and Global Energy Transition Strategy** are to reduce carbon footprint, achieve operational leadership, and enhance efficiency.



# Strategic vision of sustainable development



## Rosneft-2030 Strategy

- GRI 3-3
- GRI 2-23
- TCFD | Governance (A)
- TCFD | Metrics and targets (A)
- SASB EM-EP-110a.3
- SASB EM-MD-110a.2
- SASB EM-RM-110a.2

The priorities of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy shape a long-term horizon<sup>1</sup> for the Company's development and underpin its strategic vision, which is to remain a reliable producer focused on minimising its climate and environmental impact.

In addition, the Strategy features the following carbon footprint targets<sup>2</sup>:

- reduce absolute Scope 1 and Scope 2 GHG emissions by 5% and more than 25% by 2025 and 2035, respectively;
- reduce methane intensity to below 0.2% by 2030;
- achieve zero routine flaring of APG by 2030;
- reduce unit GHG emissions (Scope 1 and 2) in Exploration and Production to below 20 kg of CO<sub>2</sub>-equiv. per boe by 2030 or sooner.

Key tools for delivering on the Strategy's targets include a programme for the rational use of associated petroleum gas (APG), Energy Saving Programme, comprehensive programme to detect

and eliminate sources of fugitive methane emissions, and use of new technologies and products.

In 2023, as part of its progress towards these targets, Rosneft achieved reduction in absolute Scope 1 and 2 GHG emissions of around 5%<sup>3</sup>. Rosneft remains firmly committed to the environmental agenda, with a particular focus on biodiversity conservation and the promotion of circular economy. In 2023, land contamination from pipeline spills decreased by 20,5%, while the area of legacy contaminated lands declined by 11% compared to 2022.

The Company seeks to achieve a step change in the area of safety, striving for zero fatal injuries and zero accidents affecting

equipment as priority goals. In 2023, the equipment accident rate<sup>4</sup> went down by 40%, while fatal injuries decreased by 37%.

We proceed with the implementation of our corporate and social programmes that focus on talent development and significantly contribute to the achievement of Russia's national development goals<sup>5</sup>.

<sup>1</sup> "Rosneft" and the "Company" mean Rosneft Oil Company PJSC either separately or together with its subsidiaries and affiliates, as the context may require.  
<sup>2</sup> Reduction targets are set against the base year of 2020 and cover 100% of Scope 1 and 2 GHG emissions in the Company's reporting perimeter unless stated otherwise.  
<sup>3</sup> Vs the Strategy's base year of 2020.  
<sup>4</sup> Process safety event rate (PSER-1).  
<sup>5</sup> Decree of the President On National Development Goals of the Russian Federation to 2030 dated 21 July 2020.

# Contribution to UN Sustainable Development Goals

GRI 2-23

Rosneft's values, goals, and strategic priorities are consistent with the 17 United Nations Sustainable Development Goals<sup>1</sup>. The Company's progress and achievements are annually reflected in the public statement "Rosneft: Contributing to Implementation of the UN Sustainable Development Goals". This document complements Rosneft's Policy on Sustainable Development and complies

with the principles of openness, transparency, and information disclosure to shareholders, investors, and other stakeholders. Rosneft's Board of Directors approved five UN Sustainable Development Goals of strategic priority for Rosneft's core operations<sup>2</sup>. The UN Sustainable Development Goals were used as a reference during the development and approval of the Rosneft-2030 Strategy.



For details, see our public statement "Rosneft: Contributing to Implementation of UN Sustainable Development Goals" on the [Company's website](#)

## UN Sustainable Development Goals of strategic priority

- Protecting employee health and safety
  - Implementing the environmental policy
  - Managing risks and incidents
  - Ensuring road traffic safety
  - Fostering a favourable social environment
- Increasing energy efficiency across all operating segments
  - Creating conditions to improve energy efficiency when using Company products
  - Ensuring access to energy and reliable energy supplies to consumers, including in the emerging markets
  - Championing innovations
- Contributing to the sustainable development and diversification of the national economy
  - Protecting employee health and safety
  - Contributing to the health and safety of suppliers and contractors
  - Fostering a favourable social environment
  - Supporting family and childhood
  - Ensuring freedom of association and collective bargaining
  - Driving productivity growth and efficiency improvement
  - Using education as a means of integrating young people into the energy sector
  - Establishing a sustainable system along the entire value chain
  - Increasing energy efficiency across all operating segments
  - Creating decent living and labour conditions in remote regions
- Managing risks related to climate change
  - Creating conditions to improve energy efficiency when using Company products
  - Increasing energy efficiency across all operating segments
  - Implementing the environmental policy
  - Championing innovations
- Participating in global initiatives
  - Contributing to sustainable energy development
  - Establishing effective partnership with state organisations, business, and society

<sup>1</sup> The UN Sustainable Development Goals (adopted by the Resolution of the UN General Assembly on 25 September 2015) seek to achieve a meaningful progress in addressing global economic, social, and environmental challenges.  
<sup>2</sup> In December 2018.

# Integrating sustainability metrics into investment decision-making

GRI 2-23

In its operations, Rosneft is committed to the high standards of sustainable development, which is confirmed by positive assessments of the investment community.

Investor relations play an important role in building trust and boosting the Company's investment case. To strengthen relationships with the investment community, Rosneft focuses on sustainability transparency in line with the latest trends. The Company relies on the sustainability disclosure recommendations of the Moscow Exchange, Bank of Russia, and Ministry of Economic Development.

Rosneft engages with investors on an ongoing basis to keep them updated on sustainability matters. In 2023, the Company took part in more than 50 sustainability events/meetings.

In the reporting year, Rosneft submitted its annual Communication of Progress under the UN Global Compact, describing its best practices. The Company adheres to the ten principles

of the UN Global Compact in the areas of human rights, labour, environment, and anti-corruption. These principles are taken into account at both strategic and operational levels; in particular, they are incorporated in the internal regulations that cover key business processes of the Company.

# Recognition of Rosneft's sustainability performance

In 2023, Rosneft confirmed its sustainability leadership in the Russian and global oil and gas industry. The Company was included in the MOEX-RAEX ESG Balanced Index, which comprises shares of 15 issuers with the highest ESG rankings as assigned by RAEX Analytics, the largest non-credit rating agency.

In the reporting year, the Company was again included in the MOEX-RSPP Responsibility and Transparency, and Sustainability Vector indices.

Rosneft became the top ranked Russian oil and gas company in an international sustainability rating compiled by the World Benchmarking Alliance, which assess the contribution of 100

largest companies to achieving the UN Sustainable Development Goals every two years; the Company also made it to the Top 10 companies by a number of indicators.

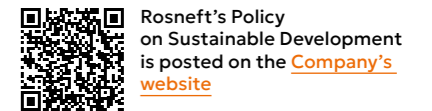
In 2023, Rosneft became a Top 2 company with a strong performance in the S (Social) area of an ESG assessment by ISS, a leading international provider of sustainability and responsible investment services.

# Sustainable corporate governance

## Sustainability Policy

GRI 2-23

The Company has put in place the Sustainable Development Policy, which sets out Rosneft's approaches and position in the area of sustainable development. The Company's goals and objectives as outlined in the document include furthering its strategy and ensuring industry leadership, facilitating professional and personal growth of employees, using natural resources in a sustainable way, establishing effective and transparent communication with stakeholders, etc.

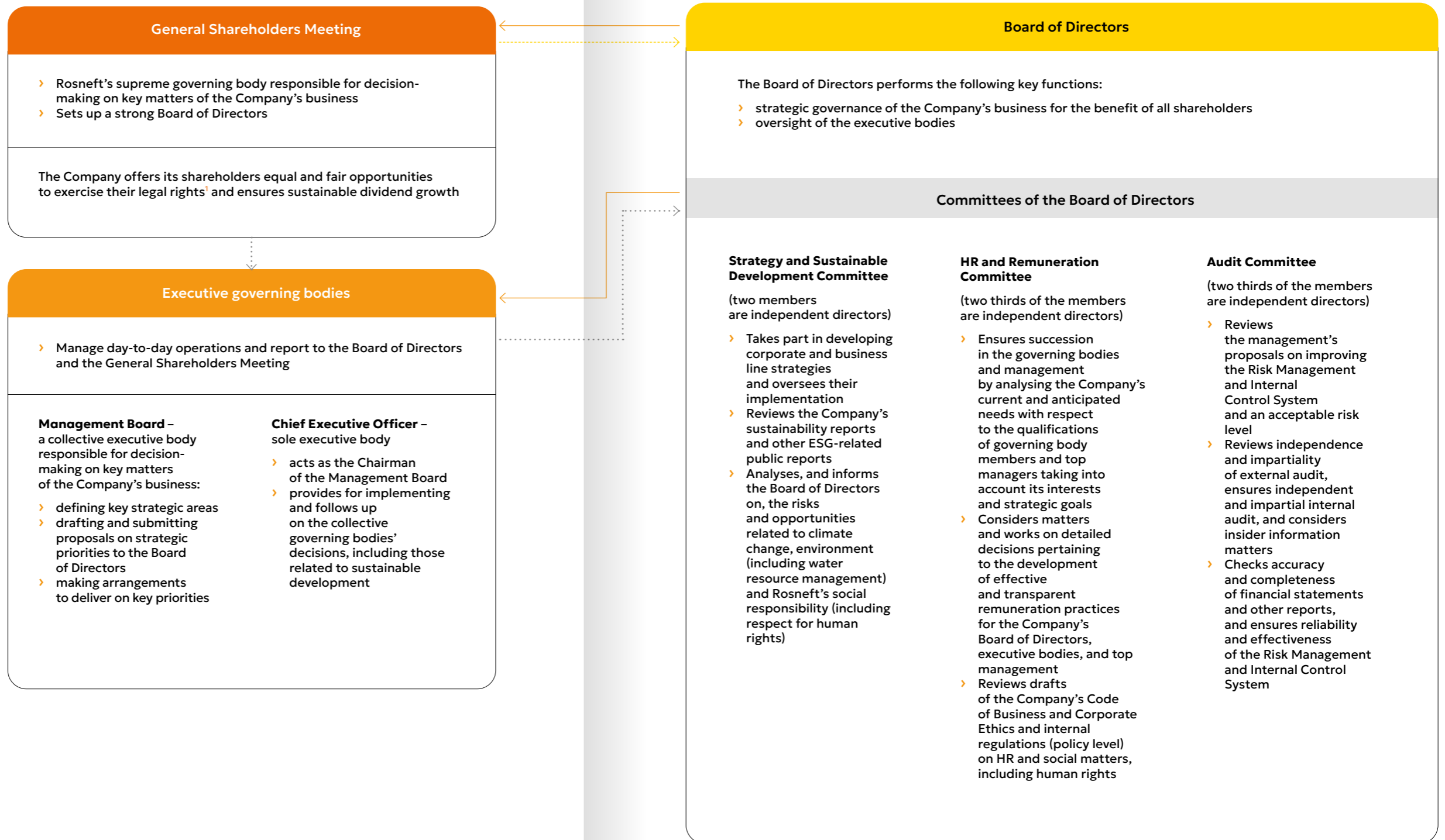


# Governance

GRI 2-9 GRI 2-13

The Company's corporate governance framework is designed to match the scale of its operations and to help realise the rights of shareholders and investors, improve the Company's investment case, effectively use and safeguard the funds provided by shareholders (investors), and create efficient risk assessment mechanisms.

In 2023, we continued to strengthen the corporate governance framework to meet the needs of our shareholders and other stakeholders and ensure ongoing sustainability management.



<sup>1</sup> For details on shareholder engagement, see the 2023 Annual Report.



For more details on the corporate governance framework, see the Corporate Governance section of the 2023 Annual Report, page 30, and the [Company's website](#)

# Performance in 2023

## General Shareholders Meeting

The decision to pay dividends is made by Rosneft's General Shareholders Meeting upon recommendation of the Board of Directors. The Dividend Policy aims to balance the interests of the Company and its shareholders, seeking to boost the Company's investment

appeal and shareholder value. The target payout ratio is at least 50% of Rosneft IFRS net income.

In June 2023, the General Shareholders Meeting approved dividends payable on Rosneft's ordinary shares for 2022 in the amount of RUB 17.97 per share, which makes up a total of RUB 170.7 bln (excluding dividends attributable to own shares).

In December 2023, an Extraordinary General Shareholders Meeting approved the payment of interim dividends of RUB 30.77 per share, or a total of RUB 326 bln.

Total dividends paid in 2023 amounted to RUB 406.5 bln

**RUB 406.5 bln**  
interim and FY2022 dividends paid by the Company in 2023

In the reporting year, the number of shareholders increased to 1.13 million, up more than 40% year-on-year, which serves as further evidence of trust put in the Company. Moreover, over the past three years the number of shareholders has nearly quintupled.

## Board of Directors

UNCTAD D.1.1

The Board of Directors plays the key role in determining the Company's strategic goals. The Board of Directors consists of 11 members nominated by the Company's shareholders. In 2023, the number of independent directors on the Board increased to five, which ensures effective balance of interests and solid decision-making.

In 2023, the Board of Directors held **20 meetings** and reviewed **105 matters**

## Strategy and Sustainable Development Committee

GRI 2-12 | GRI 2-24

TCFD | Governance (B)

The Strategy and Sustainable Development Committee consists of five members of the Company's Board of Directors.

The Committee assists the Board of Directors in providing strategic management of the Company's activities and protecting shareholders' interests by overseeing Rosneft's strategy and sustainable development.

In 2023, the Strategy and Sustainable Development Committee held **8 meetings** in the form of absentee voting and reviewed **17 items**



## Sustainability agenda

Amid new economic challenges and changing geopolitical circumstances, the Company's governing bodies continued to focus on sustainable development in 2023 by:

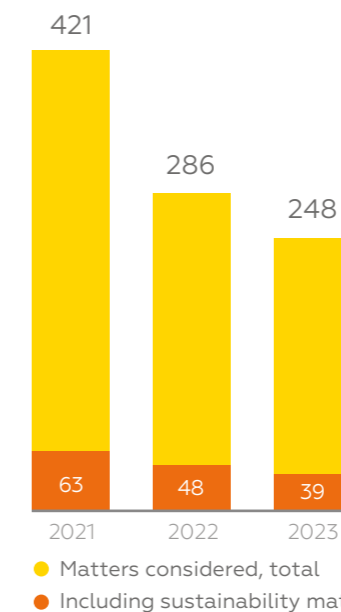
- > reviewing HSE reports;
- > reviewing the report on the progress against Rosneft's Innovation Development Programme for the previous reporting period;
- > approving the Energy Saving Programme for 2023–2027 and reviewing the report on the progress against the Programme for the previous reporting period;
- > approving the Sustainability Report for the previous reporting period;
- > approving key performance indicators for top management;
- > approving the report on materialised company-wide financial and operational risks for the preceding year.

In the reporting year, one in six matters considered by the Board of Directors, its committees,

or the Management Board was related to the Company's sustainable development.

The share of the Board committees' recommendations on sustainable development exceeded 15%.

### Number of items reviewed by the Board of Directors (including its committees) and the Management Board



**39 out of 248 (15.7%) items**

reviewed by the Board of Directors, its committees and the Management Board in 2023 pertained to sustainable development

## Key sustainability performance indicators

To ensure successful implementation of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy, its sustainability targets are linked to the key performance indicators (KPIs) and remuneration of the members of the Management Board and senior executives.

A considerable part of the Strategy's targets and respective KPIs of the management are related to sustainability, including:

- > implementing strategic objectives and initiatives;
- > achieving environmental targets, including reduction of emissions and discharges, waste, and the area of contaminated lands;
- > reducing injury rates for the Company and contractors/subcontractors;

- > reducing equipment accident rates;
- > saving fuel and energy;
- > making innovative activities more effective;
- > enhancing labour productivity.

For more details on the Company's sustainability KPIs guiding the implementation of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy, see the [Personnel chapter](#) of this Report.

# Risk management system and sustainability risks

## Risk Management and Internal Control System System

SASB EM-EP-530a.1 | SASB EM-RM-530a.1 | SASB EM-SV-530a.1 | SASB EM-EP-540a.2 | SASB EM-SV-540a.1

Rosneft has established and is continuously improving its Risk Management and Internal Control System (RM&ICS) aimed at the proactive identification and analysis of risks, including those related to sustainable development.

Risk management is governed by the Company's Policy on the Risk Management and Internal Control System and Standard on Risk Management and Internal Controls. These documents standardise requirements for the functioning and development of the corporate risk management system.

The Company's RM&ICS is integrated into strategic and business planning processes in line with the recommendations of the Bank of Russia. Rosneft identifies and assesses risks that may affect the Company's mid- and long-term targets (strategic risks) and risks affecting targets outlined in the Company's business plan (corporate financial and operational risks).



For more details on the risk management system and processes at Rosneft, see the Risk Management and Internal Control System section of the 2023 [Annual Report](#), page 40

## Sustainability risks affecting the Company's mid- and long-term targets

TCFD | Governance (B) | TCFD | Risk Management (A), (B), (C) | TCFD | Strategy (A), (B) | SASB EM-SV-160a.2

The annual process of strategic risks identification relies on the analysis of strategic goals and targets formalised in the Company's documents, as well as analysis of news and other sources that forecast the development of the oil and gas industry. Based on the outcomes, a list of strategic threats (possible events bearing negative implications for the achievement of the Company's mid- and long-term goals) is compiled. The list

also includes other sustainability threats and is aligned with the TCFD<sup>1</sup> recommendations.

The Company's top management evaluates the impact of strategic threats on the Company's strategic targets. The assessment horizon and the metrics used depend on the way specific targets are set out in Rosneft's strategy. The procedure involves both expert analysis and approaches based on statistics and development scenarios.

Following the identification and assessment of strategic risks and threats, responsible officers produce risk reports, which are then submitted to the Risk Management Committee, Chief Executive Officer, and the Audit Committee of the Board of Directors.

### Strategic threats related to sustainable development<sup>2</sup>

Strategic threat	Description
<b>Environmental</b>	
<b>Advance of alternative energy and green technologies, and improvements in energy efficiency</b> (TCFD: Transition Risks. Technology)	<ul style="list-style-type: none"> <li>Accelerated development of alternative energy development, including renewables;</li> <li>ramped-up construction of renewable energy capacities;</li> <li>accelerated development of power storage technologies;</li> <li>technology and efficiency improvements in the use of renewables in the transportation sector (EVs, hydrogen fuel, LNG, etc.);</li> <li>higher efficiency in the use of motor fuel;</li> <li>energy saving and energy efficiency improvements;</li> <li>technological gap in the development of green technologies;</li> <li>expenses associated with transition to low-carbon technologies.</li> </ul>
<b>Changes in the structure of energy consumption</b> (TCFD: Transition Risks. Market)	<ul style="list-style-type: none"> <li>Shift towards consumption of greener fuel;</li> <li>quantitative change in the nature of global and local energy systems;</li> <li>demographic changes;</li> <li>shift of the demand focal point to developing countries;</li> <li>products getting squeezed out by cheaper or better quality alternatives;</li> <li>increased share of alternative energy sources in countries' energy mix;</li> <li>adoption of plans for accelerated transition to renewable energy.</li> </ul>
<b>Natural disasters</b> (TCFD: Physical Risks. Acute)	<ul style="list-style-type: none"> <li>Unfavourable and dangerous (extreme) natural phenomena;</li> <li>large-scale geophysical disasters, earthquakes, landslides, geomagnetic storms, tsunamis, volcanic activity, etc.;</li> <li>increased danger of extreme natural phenomena such as cyclones and floods;</li> <li>lower reliability of the existing infrastructure;</li> <li>expenses associated with safeguards against extreme natural phenomena;</li> <li>restrictions/disruptions in production and supplies, access to assets, etc.;</li> <li>increased insurance scope and costs;</li> <li>maintenance expenses, income lost due to downtimes.</li> </ul>

<sup>1</sup> Task Force on Climate-related Financial Disclosures, TCFD. In 2023, monitoring companies' climate-related disclosures was the responsibility of the International Financial Reporting Standards Foundation.  
<sup>2</sup> The Top 5 strategic sustainability threats determined as a result of identification and assessment of strategic risks and threats are additionally highlighted in bold font.

Strategic threat	Description
Climate change in the regions where the Company operates (TCFD: Physical Risks. Chronic)	<ul style="list-style-type: none"> <li>› Changes in the type of precipitation and extreme volatility of weather conditions;</li> <li>› rising average temperature and sea level, permafrost thawing, etc.;</li> <li>› increased frequency and scale of adverse weather events that may affect the output and supply of oil and petroleum products;</li> <li>› shorter delivery times, logistical challenges in remote northern projects (ice bridges, etc.);</li> <li>› expenses associated with the redesign and enforcement of facilities, and elimination of climate change consequences across the regions, etc.;</li> <li>› decline in equipment efficiency and lifetime.</li> </ul>
<b>Accidents and environmental damage</b>	<ul style="list-style-type: none"> <li>› Anthropogenic environmental damage, radioactive contamination, etc.;</li> <li>› damage and destruction caused to the Company's properties or assets;</li> <li>› numerous fatalities or injuries;</li> <li>› significant damage to the environment;</li> <li>› man-induced environmental factors;</li> <li>› losses resulting from uninsured risks or risks where insurance does not cover the full scale of loss;</li> <li>› limitations in insurance contracts.</li> </ul>
<b>Social</b>	
<b>Epidemics and diseases</b>	<ul style="list-style-type: none"> <li>› Epidemics, pandemics, diseases, etc.;</li> <li>› epidemic-related restrictions.</li> </ul>
<b>HR and social risks</b>	<ul style="list-style-type: none"> <li>› Challenges of recruiting and retaining unique professionals or personnel of designated qualifications;</li> <li>› growing competition in the labour market and turnover rates;</li> <li>› demographic transition (personnel ageing, changing lifestyle, labour force decline, etc.);</li> <li>› lack of employee education and training system, necessary qualifications, or skills;</li> <li>› downscaling of social projects and corporate support and education programmes for employees;</li> <li>› decreasing interaction with the regions of operation and local communities.</li> </ul>
<b>Conflicts, terrorism, civil disturbance</b>	<ul style="list-style-type: none"> <li>› General situation with safety in certain regions;</li> <li>› terrorist threats;</li> <li>› social unrest;</li> <li>› aggravation of conflicts.</li> </ul>
<b>Safety of critical facilities</b>	<ul style="list-style-type: none"> <li>› Lack of asset and infrastructure protection;</li> <li>› new forms of threats to human and facility safety;</li> <li>› premeditated actions by third parties;</li> <li>› misappropriation of energy during transportation;</li> <li>› transportation and product restrictions by third parties.</li> </ul>
<b>Corporate governance</b>	
Cyber security	<ul style="list-style-type: none"> <li>› Lack of IT reliability and security, cyber security;</li> <li>› obsolete cyber security infrastructure or measures.</li> </ul>
<b>Deterioration of the tax regime</b>	<ul style="list-style-type: none"> <li>› Negative changes in the tax regime;</li> <li>› refusal to grant tax cuts; existing tax cuts getting eliminated.</li> </ul>

Strategic threat	Description
Tighter regulation and requirements in the industry	<ul style="list-style-type: none"> <li>› Changes in rules and/or actions of governments and regulatory authorities (including those concerned with foreign economic and international activity, trade relations, etc.);</li> <li>› constraints placed on certain operations, suspension of certain facilities;</li> <li>› ban or restrictions on conducting business in certain geographic territories and regions;</li> <li>› additional/restrictive conditions imposed on licence issuance;</li> <li>› establishing/keeping excessive requirements (e.g. on environmental safety) for business;</li> <li>› shift in the state/government strategic goals and priorities;</li> <li>› growth in expenses associated with regulatory compliance and/or operating restrictions;</li> <li>› changes in environmental requirements, regulations, requirements imposed on product quality and data collection/monitoring systems, etc.;</li> <li>› limitations/changes related to the existing production assets;</li> <li>› changes in disclosure requirements.</li> </ul>
<b>Stricter regulation and requirements related to climate change. New climate initiatives (TCFD: Transition Risks. Policy and Legal)</b>	<ul style="list-style-type: none"> <li>› Review/expansion of requirements for corporate governance and reporting standards (financial, ESG, climate-related, etc.);</li> <li>› changes in responsible investment principles and sustainable development goals;</li> <li>› lawsuits over the effects of hydrocarbon production on climate change;</li> <li>› growth in expenses (for example, expenses associated with regulatory compliance, higher insurance contributions, fines, court rulings, etc.);</li> <li>› write-off, depreciation, and early retirement of assets due to changes in the climate change laws;</li> <li>› carbon taxes/charges;</li> <li>› carbon border adjustment;</li> <li>› regulation (standardisation, restriction) of sales of high-carbon goods;</li> <li>› tighter regulation of business sectors contributing to GHG emissions / climate change, etc.;</li> <li>› quota trading and emission restrictions.</li> </ul>
Reputation and less appealing investment case (TCFD: Transition Risks. Reputation)	<ul style="list-style-type: none"> <li>› Pivot of investors, financial organisations, etc., towards responsible investments;</li> <li>› negative public perception;</li> <li>› stigmatisation of the oil and gas industry;</li> <li>› failure to meet stakeholder expectations in terms of energy transition pace and scope.</li> </ul>

# Sustainability risks affecting the Company's short-term targets

TCFD | Strategy (A), (B)

TCFD | Risk Management (A), (B)

On the operational level, the mid- and long-term targets outlined in the strategy are reflected in the Company's business plan and key performance indicators for the management.

For the purposes of developing the Company's business plan, the responsible officers identify corporate financial and operational risks, which may affect short-term targets and certain management KPIs in the planning year.

The identified risks of current financial and operating activities are updated on a quarterly basis.

Risk assessment (prioritisation) is linked to the impact that the risks may have on the Company's business plan and provides for a wide range of tools (statistical analysis, simulation modelling, expert assessment of the Company's management, etc.) to be used in the process. Based on the results so obtained, response measures are developed.

Pursuant to the Company's internal documents, reports on risks of current financial and operating activities are submitted to the Risk Management Committee, Chief Executive Officer, the Board of Directors, and its Audit Committee.

## Corporate financial and operational risks related to sustainable development

SASB EM-EP-210b.1

Sustainability aspect	Risk <sup>1</sup>
Environmental	<ol style="list-style-type: none"> <li><b>Risk of accidents</b></li> <li>Risk of environmental damages</li> </ol>
Social	<ol style="list-style-type: none"> <li><b>Risk of fatal injuries</b></li> <li><b>Risk of asset losses (due to the unstable geopolitical situation)</b></li> </ol>
Corporate governance	<ol style="list-style-type: none"> <li><b>Risk related to rising purchase prices for electric power</b></li> <li><b>Risk of breach of competition laws</b></li> <li><b>Litigation risk</b></li> <li><b>Risk of tax claims and risk of losing tax benefits</b></li> <li><b>Risk of failure to achieve natural gas price targets</b></li> <li>Risk of corporate fraud and corruption</li> <li>Information security risks</li> <li>Risk of increased tariffs for gas delivery through the gas transportation system</li> <li>Changes in natural monopoly regulations</li> <li>Risks of disruptions/unavailability/losses with respect to data stored in systems, applications, and infrastructure IT services</li> <li>Risk of inaccuracies in financial reports prepared in line with the applicable accounting standards and/or untimely submission of such reports</li> </ol>

For more details on climate risks, see the [Strategic Targets to Prevent Climate Change](#) section of this Report.

<sup>1</sup> The most significant financial and operational risks included in the relevant reports on the identification of company-wide risks are additionally highlighted in bold font.

# Anti-corruption efforts. Business ethics

## Anti-fraud and anti-corruption efforts and conflict of interest management

GRI 2-15

GRI 3-3

SASB EM-EP 510 a.2

SASB EM-SV-510a.2

SASB EM-SV-510a.2

The Company has in place a system of preventive actions and proactive measures aimed at ensuring no violations of applicable laws, industry legislation, and corporate regulations with a view to setting high professional and ethical standards, minimising compliance risks, and avoiding financial losses or reputational damage.

The Company's anti-corruption procedures are aligned with relevant laws and regulations, including:

- › Federal Law No. 273-FZ On Combating Corruption dated 25 December 2008;
- › the National Anti-Corruption Plan for 2021–2024 approved by Decree of the President of the Russian Federation No. 478 dated 16 August 2021;
- › guidelines of the Russian Ministry of Labour and the Federal Agency for State Property Management.

GRI 2-23

Rosneft has zero tolerance for any form or manifestation of corporate fraud and corruption. The Company's principles and approaches in the field are defined in the following documents:

- › Policy on Combating Corporate Fraud and Involvement in Corruption Activities;
- › Rosneft's Code of Business and Corporate Ethics;
- › Standard on Internal Control Rules for the 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 Charitable Activities;
- › Regulations on Sponsorship Activities in Rosneft and Group Subsidiaries;
- › Regulations on the Business Procedure for Exchange of Corporate Gifts and Hospitality, etc.

Our Security Service has a dedicated unit to coordinate the efforts in countering corporate fraud and corruption, including by:

- › overseeing risk assessment on the corporate and business unit levels;

- › developing a comprehensive programme for countering corporate fraud and corruption;
- › operating the Security Hotline;
- › monitoring outcomes of conflicts of interest on a selective basis, etc.

For more details on the Company's anti-corruption activities, see the Anti-corruption Efforts section in the 2023 [Annual Report](#), page 36



In 2010, Rosneft joined the UN Global Compact and announced its commitment to the principles stated in the Social Charter of Russian Business. Since 2013, the Company has also been supporting the Anti-Corruption Charter of the Russian Business.

The Company approved a Comprehensive Anti-Fraud and Anti-Corruption Programme for 2021–2024, fully aligned with Russia's National Anti-Corruption Plan for the same period<sup>1</sup>.

- On a regular basis, the Company takes the following steps as part of the Programme:
- › conducts anti-corruption audits of draft internal regulations
  - › collects declarations on property and property-related obligations of its officers/employees, as well as on income, property, and property-related obligations of their spouses and minor children who are included in the list of persons required to submit such declarations;
  - › collects ethical declarations of the Company's employees in order to monitor their compliance with

- restrictions, prohibitions, and requirements of anti-corruption laws;
- › requires that employees sign an anti-corruption clause, which is part of employment contracts, including upon their appointment to new positions. The clause specifies limitations, prohibitions, and requirements aimed at preventing conflicts of interest;
  - › screens job applicants for potential conflicts of interest, including affiliation.

- In the reporting period, the following measures were implemented:
- › employees were updated on typical violations of corporate anti-fraud and anti-corruption rules and measures taken to prevent such violations;
  - › corporate fraud and corruption risk was assessed on a quarterly basis;
  - › the Management Board of Rosneft developed and approved the Standard on Countering Corporate Fraud and Corruption.

In 2023, the Company rolled out more than **17 thousand man-courses** on business ethics and prevention of corporate fraud and corruption activities.

Additionally, 130 Rosneft employees involved in anti-corruption activities completed advanced training under the programme "Anti-corruption Efforts in Entities Established to Deliver on Objectives of the Government of the Russian Federation".

### Powers of governing bodies in Rosneft

Governing bodies	Role
Board of Directors	Approval of policies designed to manage conflicts of interest and to combat involvement in corruption activities
Audit Committee of the Board of Directors	Control of progress against anti-fraud and anti-corruption initiatives, regular performance assessment; consideration and approval of the results of a review of the anti-corruption risk management and internal control process.
Chief Executive Officer	Ensuring the implementation of the Company's Policy on Combating Corporate Fraud and Involvement in Corruption Activities, and approval of relevant internal documents.

<sup>1</sup> Decree of the President No. 478 On the National Anti-Corruption Plan for 2021–2024 dated 16 August 2021 and Instruction of the Russian Government No. MM-P17-12165 dated 6 September 2021.

The Company has a system in place to control the contracting, pricing, and discounting procedures used in interactions with suppliers and contractors. This ensures efficiency in identifying signs and facts of affiliation, personal interest, or potential corruption schemes.

In 2023, the Company vetted **~210 thousand prospective bidders** in line with due diligence requirements, **5.7 thousand** of them were assigned a high and medium level of risk

In accordance with the cooperation agreement between Rosneft and the Russian Ministry of Internal Affairs<sup>1</sup>, joint efforts are undertaken as part of prospective five-year plans to reduce crime rates in the Company's regions of operation and to enhance the effectiveness of measures for detecting, preventing, solving, and investigating crimes in the fuel and energy sector.

Some **RUB 198 mln** of damage identified/prevented following the review of Security Hotline calls.

Of all the calls handled by the Security Hotline, 421 resulted in audits or internal investigations.

<sup>1</sup> The agreement was signed in 2013.

### Performance assessment

GRI 3-3 SASB EM-EP 510 a.2 EM-SV-510a

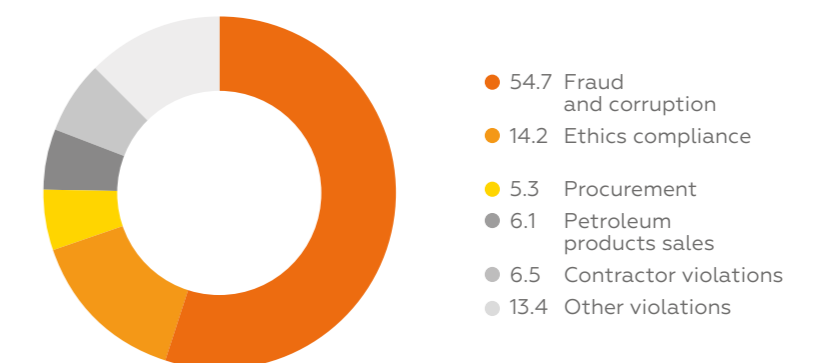
On an annual basis, Rosneft's Internal Audit Service carries out an independent and unbiased review of the risk management and internal control performance in the area of anti-corruption efforts.

GRI 2-16 GRI 2-26

The Company operates a 24/7 Security Hotline to report on suspected, proven, and potential cases of corporate fraud, corruption, and conflict of interest. Members of the Board of Directors' Audit Committee are updated on the Security Hotline performance on a quarterly basis. The Company also provides regular updates on the Security Hotline performance and identified

GRI 205-3 UNCTAD D.2.1

### Violations identified as a result of reviewing Security Hotline calls in 2023, %



corporate fraud and corruption cases to its employees as part of fraud and corruption prevention.

The Company rewards whistleblowers for providing valuable information, which helped prevent corporate fraud and corruption. Rosneft guarantees confidentiality of all whistleblowers, whether employees or not, and their protection from any pressure, prosecution, or discrimination. In the reporting period, three rewards were paid.

A total of 421 audits were initiated following the processing of calls received by the Security Hotline in 2023 (vs 355 audits in 2022), with 789 violations identified (vs 676 violations in 2022).



## Business ethics

Adherence to corporate business ethics helps build stakeholder trust in the Company and contributes to robust development and increased shareholder value in the long run.

The Company has a strong focus on developing its business and corporate ethics. Compliance with business ethics rules and principles is conducive to effective working, mutual respect and support, and collaborative teamwork. Rosneft's subsidiaries hold various events and training sessions to promote Rosneft's Code of Business and Corporate Ethics and its corporate values.

### The Company's main objectives and values:



**leadership**



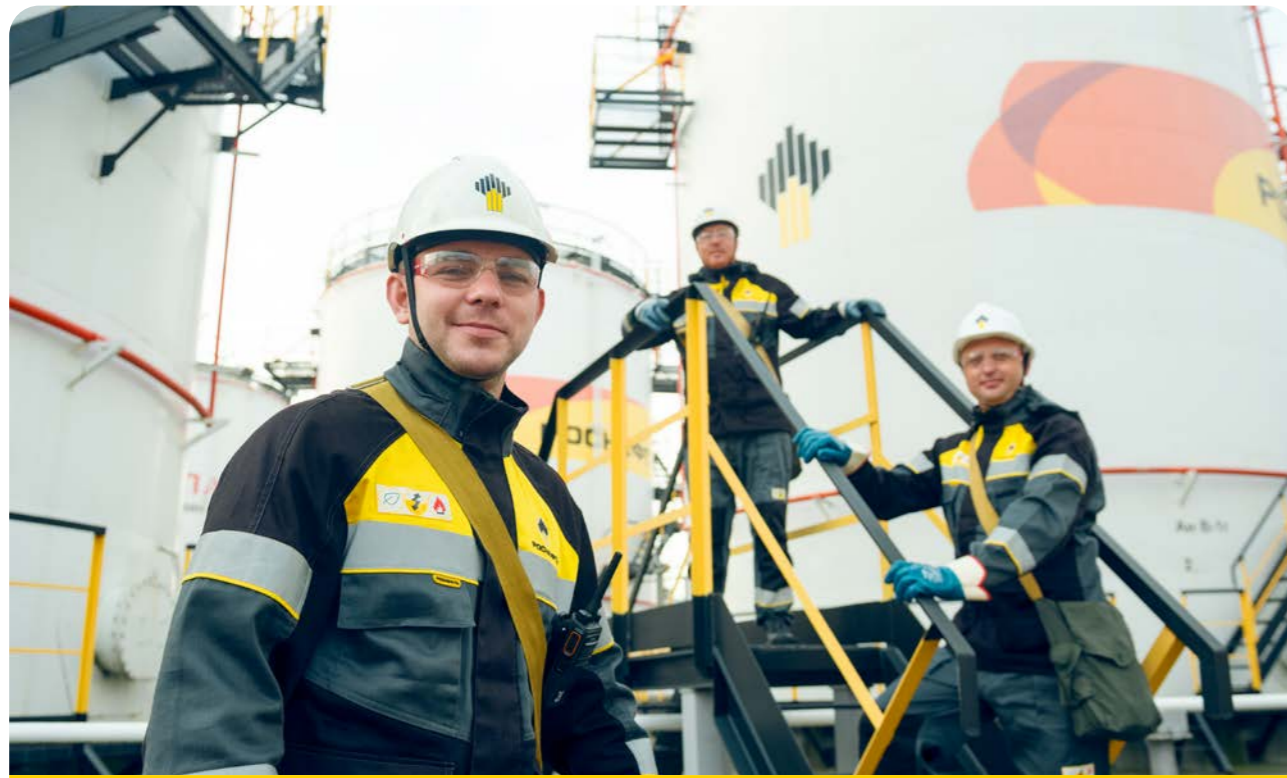
**effectiveness**



**integrity**



**safety**



### GRI 2-23

The Company has key documents governing business and corporate ethics:

- › Rosneft's Code of Business and Corporate Ethics<sup>1</sup>;
- › Regulations on the Procedure for the Company's Employee Interaction as Part of Implementation of Rosneft's Code of Business and Corporate Ethics<sup>2</sup>.



The Code of Business and Corporate Ethics is posted on the [Company's website](#)

All of the Company's employees have been briefed on the Code; all new hires receive guides on the Code, and its e-version is available

on the Company's internal portal, all portals of subsidiaries, and Rosneft's official website.

### GRI 205-2

### GRI 410-1

The Company monitors compliance with rules of business ethics and standards on business conduct, regularly reminds its employees that the Code is an internal document to be followed at all times, and conducts surveys and polls to analyse compliance with and application of the Code by employees.

To ensure effective promotion of corporate values and their understanding by all employees of the Company, business ethics matters and items related to the Code are included in the agendas of meetings with subsidiary employees.

The Company takes steps to identify and manage any ethical conflicts. The Code of Business and Corporate Ethics implementation system relies on ethics champions, whose duties include:

- › explaining the requirements of business ethics documents, principles, policies, and procedures to employees;
- › providing employees with advisory support on the implementation and application of the Code;
- › resolving ethical conflicts;
- › arranging for handling of employees' queries relating to business ethics, and developing feedback mechanisms;
- › informing employees about business ethics decisions made.

## Corporate Culture Day

In 2023, Rosneft's subsidiaries held the traditional Corporate Culture Day. Employees took active part in creative contests, business games, and workshops on business ethics, and there were experts on ethics available to answer any questions that came up. In the reporting year, more than 100 thousand employees of the Company and their family members took part in the activities.

## Business Ethics and Civil Communication course

Samotlorneftegaz employees take regular training under the Business Ethics and Civil Communication course to gain insights into corporate values and ethics standards adopted in the Company, and to learn how to act and where to seek help in challenging ethical situations. More than seven thousand employees complete this course annually.

<sup>1</sup> As amended by Rosneft Order No. 179 dated 13 April 2022.

<sup>2</sup> As amended by Rosneft Order No. 195 dated 13 April 2022.

# Approaches to promoting human rights

GRI 3-3 SASB EM-EP-210a.3

In its operations, Rosneft recognises and respects fundamental human rights and freedoms and follows the Universal Declaration of Human Rights, the Social Charter of the Russian Business, relevant generally accepted standards, and applicable laws.

the fundamental human rights and freedoms and adhere to the basic human rights principles in their operations.

Personnel training on human rights matters is integrated into various training courses offered by the Company.

**69,400**

total number of Rosneft employees who completed training in human rights policies and procedures in 2023

The Company's human rights protection principles are set out in:

- > Rosneft's Code of Business and Corporate Ethics;
- > the Company's Policy on Sustainable Development;
- > the Company's Public Position in the Field of Human Rights;
- > Declaration on Human Rights for Interacting with Suppliers of Goods, Works and Services;
- > Code of Suppliers of Goods, Works and Services in the Area of Human Rights Observance.

GRI 2-26

The Company has the necessary procedures in place to promptly address complaints and claims relating to human rights. Key relevant tools include the Security Hotline and the Ethics Hotline.

**57%**

share of Security Service personnel who completed training in human rights policies and procedures in 2023

Matters related to human rights can also be raised by the Company's employees directly with their immediate superior and ethics champions available in most of the subsidiaries.

GRI 2-24

All employees of the Company and its subsidiaries have been briefed on the Code of Business and Corporate Ethics, including its provisions on respecting human rights.

**1,084,000**

man-hours of training in human rights policies and procedures completed in 2023

In addition, Rosneft expects all of its business partners, suppliers, and contractors to recognise



The Public Position in the Field of Human Rights is posted on the [Company's website](#)



The Declaration on Human Rights for Interacting with Suppliers of Goods, Works and Services is posted on the [Company's website](#)



The Code of Suppliers of Goods, Works and Services in the Area of Human Rights Observance is posted on the [Company's website](#)



# Approach to taxation

The Company complies with Rosneft Key Tax Principles, a public document reflecting the long-term tax policy of Rosneft.



Rosneft Key Tax Principles are posted on the [Company's website](#)

laws, including the cooperation with relevant tax authorities with respect to tax control procedures.

A key tax objective of the Company is to ensure the transition of Rosneft and the largest Group Subsidiaries to tax monitoring, a new type of tax control based on enhanced communication between taxpayers and tax authorities in the real-time mode.

Following steps taken in the reporting year, 2024 will see a total of 34 largest Group

Subsidiaries participate in the tax monitoring, including Rosneft. The share of tax payments of the monitoring participants in the Group's total tax payments to the Russian budget is 77%.

As the largest Russian taxpayer for many years running, Rosneft makes a significant contribution to budget revenues and social and economic development of Russia.

The Key Tax Principles of the Company are:

- > strict and timely compliance with applicable tax laws;
- > accrual and payment of taxes in accordance with the actual economic substance of relevant business transactions and activities.

The Company's tax function provides for the development of centralised approaches to all elements of taxation and their implementation at subsidiaries. The function is led by First Vice President.

Tax risk management and internal controls are carried out at all levels and stages of the tax function and supervised as part of the company-wide risk management and internal control system.

The Company continuously monitors the efficiency of the tax function, develops, and streamlines control mechanisms and has engaged independent auditors to confirm the accuracy, in all material respects, of Rosneft's IFRS consolidated financial statements, in particular, of the reported tax amounts and other tax data.

The Company performs its tax activities in accordance with the principle of strict and timely compliance with applicable tax

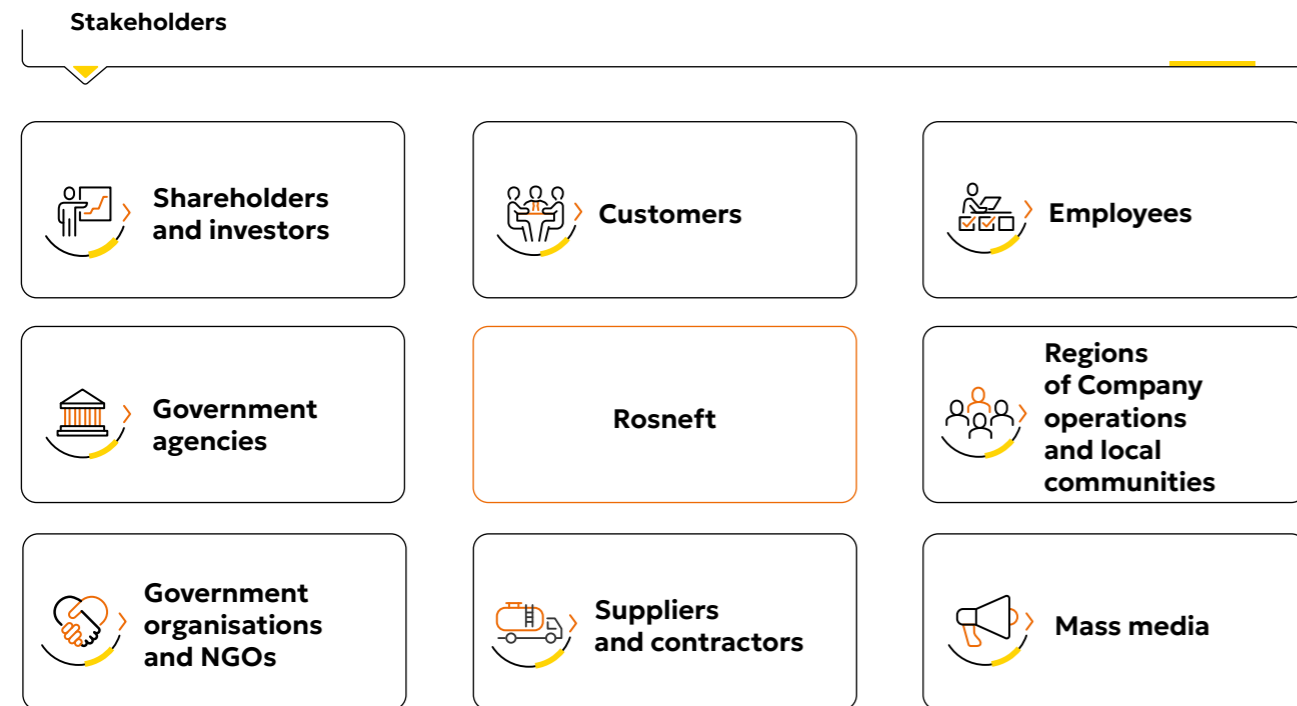


# Stakeholder engagement

GRI 2-29

Rosneft interacts with a wide range of stakeholders, aiming to build a productive and mutually beneficial partnership that serves as the basis for accomplishing strategic goals and growing business.

In its relations with stakeholders, the Company is firmly committed to applicable laws and regulations and high business ethics standards and relies on various forms and mechanisms of interaction<sup>1</sup>. Rosneft has the Policy on Sustainable Development and the Code of Business and Corporate Ethics, which serve as the reference point for the Company's multi-faceted operations and underscore the importance of responsible and ethical treatment of all stakeholders across the Company's businesses.



## Key stakeholders and interaction highlights in 2023



### Shareholders and investors

#### Interaction

- › Speeches by the CEO at major international investment forums;
- › ongoing interaction with the investment community, including on sustainability matters;
- › conference calls involving heads of finance, economics, and operations;
- › publication of press releases, presentations, reports, and material facts on resolutions of the Company's Board of Directors and General Shareholders Meeting;
- › engagement with rating agencies on sustainable development.

#### Stakeholder interests

- › Increase in capitalisation;
- › growth and sustainable development of Rosneft;
- › transparency of operations.

#### Achievements in 2023

- › RUB 406.5 bln worth of interim and FY2022 dividends paid by the Company in 2023 to its shareholders;
- › the number of shareholders up to 1.13 million.



### Government agencies

#### Interaction

- › Payment of taxes and other levies to the budget system;
- › cooperation with regional authorities;
- › legislative improvement efforts.

#### Stakeholder interests

- › Compliance with laws;
- › timely tax payments;
- › investments in regional development;
- › sustainable regional employment levels;
- › development of urban infrastructure.

#### Achievements in 2023

- › Timely payment of taxes and other levies to the budget system of Russia;
- › contribution to Russia's national projects.



### Government organisations and NGOs

#### Interaction

- › Stewardship support of educational organisations and cultural and sports institutions;
- › partnership with the Leaders of Russia competition;
- › cooperation with associations of indigenous peoples of the North;
- › membership in professional associations and unions.

#### Stakeholder interests

- › Attention to socially important issues, including sustainable use of natural resources, support of the social and cultural spheres of the public interest;
- › corporate social responsibility.

#### Achievements in 2023

- › Rosneft became a leader of the RSPP Responsibility and Transparency (B+ group) and Sustainability Vector indices (A group) for the eighth time in a row.

<sup>1</sup> According to GRI SRS 2021, stakeholders mean "individuals or groups that have interests that are affected or could be affected by an organisation's activities". However, the Company continues to use the definition of stakeholders as interpreted by the AA1000 Stakeholder Engagement Standard (AccountAbility) and keeps in mind those stakeholders that are affected by the Company while also affecting the Company.



### Retail chain customers

#### Interaction

- > Sales of petroleum products and associated complementary goods through the retail network, wholesale sales of petroleum products from oil depots;
- > Rosneft loyalty programme Family Team, and Bashneft's loyalty programme.

#### Stakeholder interests

- > Uninterrupted supplies;
- > ensuring the safety of employees, clients, and suppliers in the context of the coronavirus spread;
- > fuel supplies to remote and poorly accessible areas;
- > guaranteed petroleum product quality control;
- > simplified business processes for legal entities;
- > loyalty programme for individuals;
- > higher service speed at filling stations;
- > high customer service standards;
- > development of customer value proposition;
- > incremental offering of goods and services at corporate filling stations.

#### Achievements in 2023

- > The retail network included around 3 thousand filling stations as at the end of the reporting year;
- > graphical self-service checkouts at the filling stations fine-tuned to work in the prepayment and post-payment modes;
- > 78 EV charging points installed at the Company's filling stations, including 68 fast-charging (50–150 kW) ones.



### Suppliers and contractors

#### Interaction

- > Procurement of goods, works and services, including from small and medium enterprises (SMEs);
- > swift response to changes in the competitive environment and supply chains;
- > improvement of contractors' competencies, including in terms of occupational health and safety;
- > organising workshops and round tables for suppliers and contractors.

#### Stakeholder interests

- > Responsible business practice; and effectiveness;
- > proper performance under agreements;
- > compliance with ethical standards and non-discrimination.

#### Achievements in 2023

- > Supplier HSE qualification requirements updated;
- > Supplier Days held for local manufacturers and contractors, including in the Krasnoyarsk Territory.



### Employees

#### Interaction

- > Ensuring occupational safety;
- > providing remuneration;
- > talent management;
- > social policy implementation: establishing optimal workplace conditions, voluntary insurance, development of the health protection system and a pension plan.

#### Stakeholder interests

- > Stable and competitive salary, professional growth, social protection;
- > safe working environment.

#### Achievements in 2023

- > Training provided to employees (1.3 million man-courses);
- > over 67% of the Company's vacant management positions filled by talent pool members;
- > 69.7% of employees received additional social protection under collective bargaining agreements;
- > >300 thousand employees of Rosneft and Group Subsidiaries covered by personal insurance programmes;
- > >73.5 thousand employees, members of their families, and retirees received treatment in Russia's health resorts.



### Regions of Company operations and local communities

#### Interaction

- > development of infrastructure across the regions of Company operations;
- > round tables and public discussions;
- > charity and sponsorship programmes;
- > support of environmental campaigns and initiatives.

#### Stakeholder interests

- > Jobs;
- > development of local communities;
- > social support.

#### Achievements in 2023

- > >50 thousand residents from 30 small localities across the Republic of Bashkortostan provided with drinking water;
- > technical capabilities upgraded in four hospitals, 20 kindergartens and schools, and two specialised educational institutions in the Krasnoyarsk Territory;
- > employees of Rosneft's subsidiaries participated in Russian environmental and social campaigns Green Spring, Clean Up the World, Let's Get a Child Ready for School, and Wishing Tree.



### Media

#### Interaction

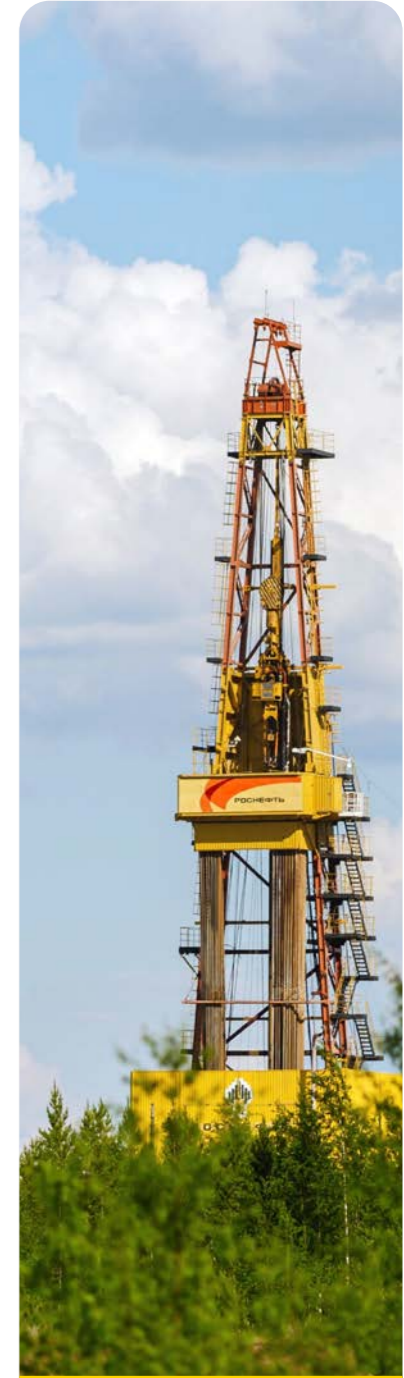
- > Discussions at public events (conferences, forums);
- > publications on the website and official social media accounts;
- > the Company's statements in response to media publications;
- > website posts containing official reports and the Company's position on various issues.

#### Stakeholder interests

- > Regular updates with reliable, relevant, and complete information.

#### Achievements in 2023

- > ~ 500 news items and press releases published on the Company's website;
- > Annual Report and Sustainability Report published;
- > Rosneft: Contributing to Implementation of UN Sustainable Development Goals public statement updated.



# CLIMATE ACTION AND CARBON MANAGEMENT

Rosneft is one of the world's energy leaders and is committed to meeting hydrocarbon demand while minimising its environmental impact. Our key strategic focus is to reach operational carbon neutrality by 2050.



# Strategic targets to prevent climate change

GRI 3-3



A global leader in the energy industry, Rosneft is driven by an aspiration to meet demand for hydrocarbons while also minimising its environmental footprint to contribute to the goals set by the Long-Term Strategy of Socio-economic Development of the Russian Federation with Low Greenhouse Gas Emissions until 2050, the Paris Climate Agreement and UN Sustainable Development Goals. The Rosneft-2030: Reliable Energy and Global Energy Transition Strategy sets a number of ambitious sustainability goals, with the key strategic focus on reaching operational carbon neutrality by 2050.

TCFD | Governance (A)

TCFD | Risk management (C)

TCFD | Metrics and targets (C)

This goal shapes the Company's long-term climate agenda, laying the foundation for the strategic vision to remain a reliable and efficient producer taking climate and environmental responsibility very seriously.

The Company is committed to the UN Sustainable Development Goals (SDGs), primarily SDG 7 (Affordable

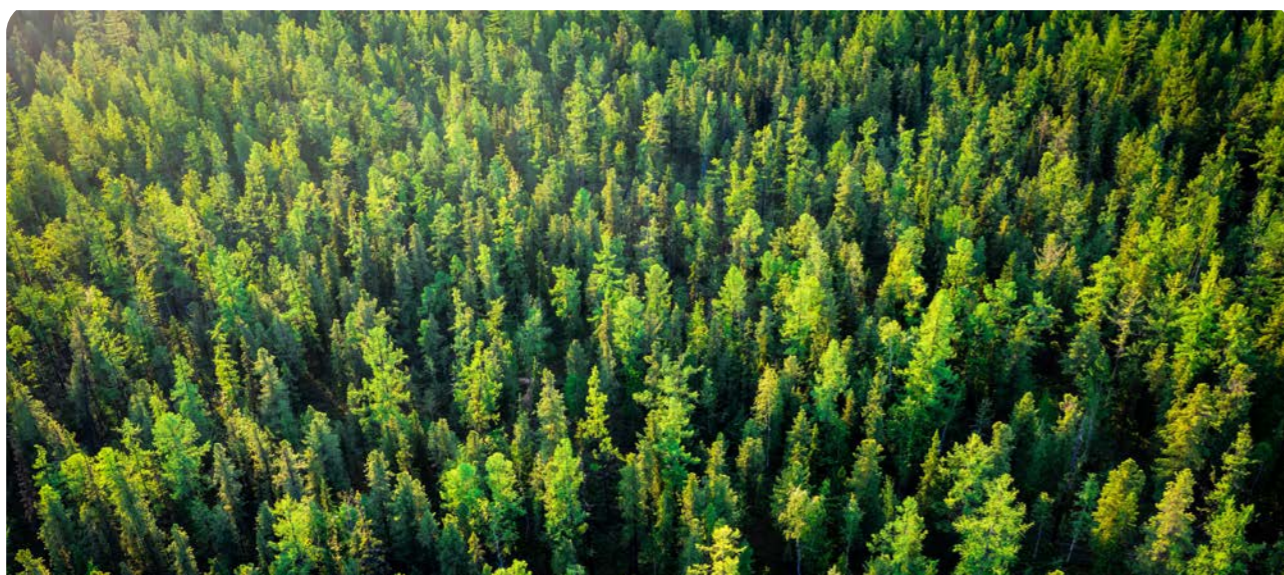
and clean energy) and SDG 13 (Climate action). These goals are directly related to the Company's carbon management framework for both reducing GHG emissions and handling physical climate risks.

The Company plans to reach operational carbon neutrality by reducing GHG emissions, using low-carbon electricity, introducing

energy-saving tools, developing carbon capture and storage technologies, and tapping into the potential of natural CO<sub>2</sub> absorption.



For more information on our strategic priorities and carbon footprint reduction targets, please visit our [website](#)



## Rosneft-2030: climate agenda horizons<sup>1</sup>

Short-term	Reduction of absolute GHG emissions of Scope 1 and 2 by 5% by 2025
Medium-term	<ul style="list-style-type: none"> <li>reduction of absolute GHG emissions of Scope 1 and 2 by over 25% by 2035</li> <li>reduction of methane emissions intensity to below 0.2% by 2030</li> <li>zero routine flaring of APG by 2030</li> <li>reduction of unit GHG emissions of Scope 1 and 2 in exploration and production to below 20 kg CO<sub>2</sub> equiv. per boe by 2030 or sooner</li> </ul>
Long-term	Operational carbon neutrality by 2050

## Levers to deliver against the GHG emissions reduction targets

GRI 302-4

Lever	Description
Gas investment programme	Implementation of the APG utilisation programme and plans for achievement of zero routine flaring  Additional opportunities are considered as regards the use of advanced technologies for APG reinjection into reservoirs for maintaining reservoir pressure, storage, etc.
Gas share in the portfolio	Increasing the gas share in total output to more than 25% as gas is the lowest carbon and most environmentally friendly type of fossil fuel
Methane emissions management	Improvement of procedures for accounting, identification and elimination of fugitive methane emissions with the use of innovative technologies as part of the air and ground monitoring process. Rolling out the best practices of the comprehensive programme to detect and eliminate sources of fugitive methane emissions across Rosneft's upstream and downstream operations. Equipping tanks with oil fraction recovery devices
Energy Saving Programme	Increasing energy efficiency by saving fuel and energy resources in key areas of production operations
Renewable energy sources	The Company is conducting feasibility studies for the use renewable energy sources for power generation at existing facilities and those under construction
Green energy	The Company is estimating the possibility of procuring green energy to reduce indirect emissions
Natural carbon absorption	Delivering forest and carbon management projects to offset GHG emissions using the potential of Russian forests
Carbon dioxide capture and storage projects	In the reporting year, Rosneft started researching geological reservoirs that are potentially suitable for environmentally sustainable CO <sub>2</sub> storage outside of the Company's licence areas  Existing technologies were analysed and recommendations developed for proper separation and capture of CO <sub>2</sub> at oil refining facilities. Various options for developing these projects are considered
New technologies and products	Reviewing projects for the production of new low-emission products, such as blue hydrogen (optional – green <sup>2</sup> ), biofuels, and eco-friendly <sup>3</sup> jet fuel  Exploring synergy with existing hydrogen plants and technologies

<sup>1</sup> The greenhouse gas reduction targets are set against the base year of 2020 and cover 100% of Scope 1 and 2 emissions in the Company's reporting perimeter in Russia, unless specifically stated otherwise.

<sup>2</sup> Blue hydrogen is the hydrogen produced from fossil fuels such as natural gas purified from carbon dioxide using the Carbon Capture and Storage (CCS) technology.

<sup>3</sup> Green hydrogen is the hydrogen produced by water electrolysis using solar, wind or other renewable energy sources.

# Carbon management

GRI 302-4    GRI 3-3

The Company has the Carbon Management Committee led by the Company's top manager who reports to the CEO. It consists of the key top managers and heads of structural units whose activities directly impact the achievement of carbon management goals.

The Committee reviews matters and makes decisions related to planning, forecasting and managing GHG emissions, including regular reporting on the Company's progress towards decarbonisation as part of its strategy.

TCFD | Risk management (C)

TCFD | Governance (B)

Rosneft put in place a system to monitor progress against the approved programmes and initiatives aimed at reducing greenhouse gas emissions.

As Rosneft realises the importance of achieving carbon neutrality in line with the national goals, instructions of the President of Russia and Russian legislation,

the Company developed standard carbon management provisions to be added to the contracts with contractors.

For more details on responsible relations with contractors, see the [Supplier and Contractor Relationship Management](#) section of this Report.

## In the reporting year, the Committee considered the following:

- volumes of GHG emissions for the previous year
- decarbonisation technologies and their technical and economic parameters
- carbon management benchmarking
- implementation of the programme to detect and eliminate sources of fugitive methane emissions at the Company's production facilities
- impact of the Gas Investment Programme and the Energy Saving Programme on reduction of emissions
- long-term forecast of the Company's GHG emissions and identification of risks to the achievement of strategic targets towards GHG emission reduction
- opportunities associated with natural carbon absorption and the Company's forestation projects
- carbon capture and storage technology development and deployment stages
- international regulation of carbon emission reduction efforts

In 2023, for the first time ever, the Company evaluated and reported on its GHG emissions in line with provisions of Federal Law No. 296-FZ On Limiting Greenhouse Gas Emissions dated 2 July 2021.

## Key functions of the Carbon Management Committee

The Committee's key functions include monitoring and control over the achievement of the Company's carbon management targets amid the global energy transition based on the goals of the Paris Agreement and UN SDGs (Affordable and clean

energy, Climate action), as well as the preparation of recommendations to the CEO and the Board of Directors.

## Developing carbon management competencies

Rosneft conducts regular employee trainings to develop the decarbonisation and carbon footprint reduction competencies. In 2023, employees continued taking the Company's upgraded corporate course on carbon management, with more than 83 thousand employees completing the course in the reporting year. This significant coverage was achieved thanks to reliance on distance formats of learning. In the future, this training will be mandatory for all of the Company's employees.

The head office and subsidiary employees also underwent training as part of other programmes involving expert organisations and Russia's leading universities.

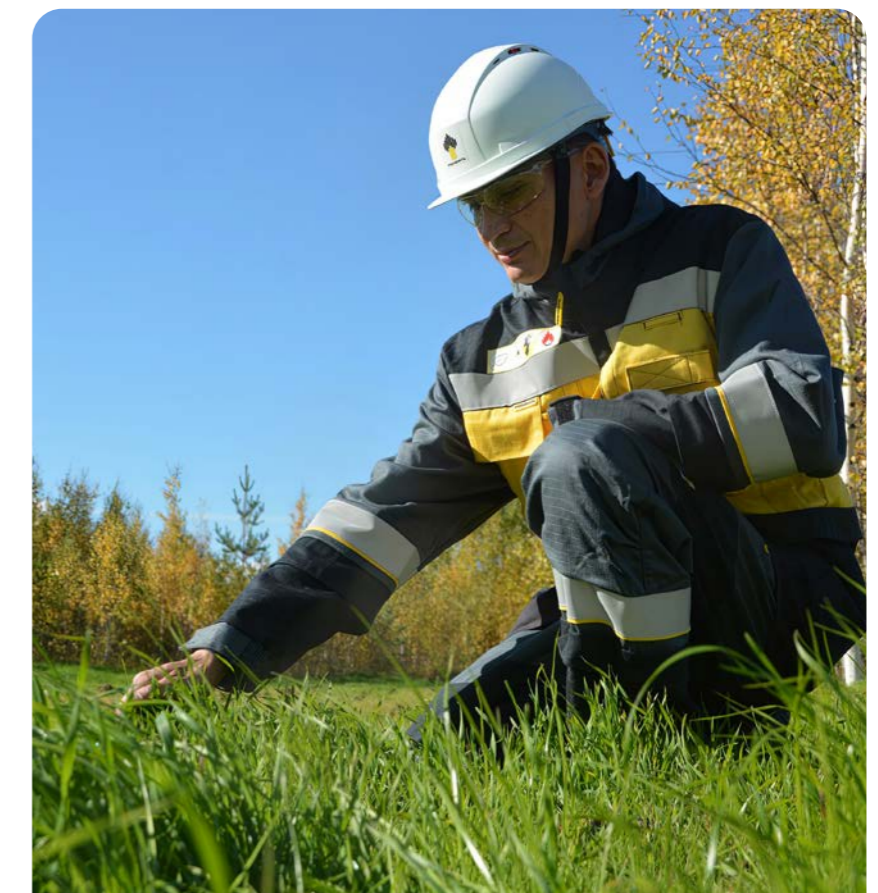
In November 2023, head office and subsidiary employees took part in the traditional retraining programme on energy project management with a special focus on decarbonisation.

In the reporting year, jointly with St Petersburg State Forestry University, the Company organised a training session for its employees on matters related to forestation projects.

Rosneft runs educational partnership projects jointly with foreign partners, including Tsinghua University, one of China's flagship universities. In the reporting year, educational programmes on energy transformation for oil and gas companies continued as part of the cooperation agreement on personnel training signed between Rosneft, Ufa State

Petroleum Technological University, and Tsinghua University.

**83 thousand** employees completed the carbon management training course in 2023



# Climate-related threats and opportunities

GRI 201-2   TCFD | Strategy (A), (B)   TCFD | Risk Management (B)   SASB EM-SV-110a.2

The Company performs regular assessment of the climate change impact on the achievement of its long-term business targets.

When considering climate risks and opportunities, the Company is guided by the recommendations of federal authorities<sup>1</sup> and those of the TCFD<sup>2</sup>.

## Mitigation of climate-related threats<sup>3</sup>

### TCFD Physical Risks

#### TCFD Chronic Risks

- Climate change in the regions where the Company operates
- Rosneft takes into account around 15 types of natural hazards and around 30 threshold hydrometeorological parameters in its production activities, which enables the Company to avoid or reduce the impact of weather and climate conditions.
  - Natural hazards include extremely high and low temperatures, strong winds, heavy precipitation, disturbances, freshets and floods, permafrost thawing, ice conditions in seas and rivers, and wildfires.
  - The Company's production operations can be affected by glaze, ice storms, blizzards, and haze. The most exposed segments include Exploration and Production, and the least exposed include Commerce and Logistics, Oil Refining and Petrochemicals.

#### Adverse impact minimisation

- The Company is implementing measures to ensure integrity as part of the key asset maintenance programme in Oil Refining and Petrochemicals and the Pipeline Reliability Programme in Exploration and Production.
- The Company has an insurance programme in place for key production assets (covering damages).
- The Company develops and implements corrective measures based on lessons learnt from incidents.
- The Company actively invests in R&D activities to investigate climate change, the extent and impacts of thawing permafrost, and adaptation to climate change.
- The Company applies at least 150 regulations, of which 80 are corporate documents defining hydrometeorological thresholds required to be accounted for in accordance with the occupational health and safety rules.

### TCFD Acute Risks

#### Natural disasters

#### Adverse impact minimisation

- In case of risks arising from unfavourable and hazardous conditions in the regions hosting Rosneft's projects, the Company's management will take every reasonable step to minimise their potential adverse impact.
- To reduce risks, climate adaptation measures are implemented, such as the insurance programme for key production assets (covering damages).

### TCFD Transition Risks

#### TCFD Policy and Legal Risks /

#### TCFD Reputation Risks

- Stricter regulation and requirements related to climate change. New climate initiatives.
- Reputation and less appealing investment case
- In 2023, for the eighth time in a row, Rosneft became one of the leaders of Russian ESG indices, including the MOEX-RSPP Responsibility and Transparency, and Sustainability Vector indices.
- The Company was included in the MOEX-RAEX ESG Balanced INDEX, which comprises shares of 15 issuers with the highest ESG rankings as assigned by RAEX Analytics, the largest non-credit rating agency.
- Rosneft is the top ranked Russian oil and gas company in an international sustainability rating by the World Benchmarking Alliance.
- In 2023, Rosneft became a top 2 company with a strong performance in the S (Social) area of an ESG assessment by ISS, a leading international provider of sustainability and responsible investment services.
- In 2023, the Company submitted its annual Communication of Progress under the UN Global Compact, describing its best practices.

#### Adverse impact minimisation

- Implementation of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy.
- Regular monitoring of requirements and recommendations of international and regional regulators and authorised organisations.
- Regular monitoring of the recommendations of international and regional climate and environmental initiatives and other stakeholders.
- Ongoing dialogue with key investors, analytical and rating agencies on sustainability matters.
- Implementation of initiatives to reduce carbon footprint, including through natural CO<sub>2</sub> absorption.
- Protecting the Company's interests in court. Analysis of climate court cases.
- Active cooperation with state authorities, non-governmental organisations and professional communities in Russia and abroad to make informed climate regulation decisions.

### TCFD Market Risks

#### Changes in the structure of energy consumption

#### Adverse impact minimisation

- Implementation of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy.
- Regular monitoring of the market and the requirements and recommendations of authorised organisations.
- Leveraging optimisation tools, including non-derivative financial instruments, searching for alternative sales channels for petroleum products, streamlining logistics.
- Adoption and regular update of the Innovation Development Programme.
- Further expansion of the retail network selling motor fuels with improved environmental properties.
- Development of the compressed natural gas sales network. As at the end of 2023, the Company operated a network of 25 CNG-filling stations in 11 Russian regions.
- Rosneft filling stations are equipped with EV charging points. By the end of 2023, 78 EV charging points, including 68 fast-charging (50–150 kW) ones, were installed at the Company's filling stations in 10 regions across the country. In addition, Rosneft cooperates with Russia's largest electric power companies to implement agreements for EV charging infrastructure development until 2024.
- The Company is conducting feasibility studies for the use of renewable energy for power generation at existing facilities and those under construction.
- Plans for expanding the range of products with a low carbon footprint by reducing emissions across the production chain and increasing GHG emissions absorption under the Company's forest and carbon management projects in Russia.

<sup>1</sup> In line with the national plan on climate change adaptation approved by Resolution of the Russian Government No. 559-r dated 11 March 2023.

<sup>2</sup> Task Force on Climate-related Financial Disclosures, TCFD. In 2023, monitoring companies' climate-related disclosures was the responsibility of the International Financial Reporting Standards Foundation.

<sup>3</sup> For the description of climate change threats, see the Risk Management System and ESG Risks section of this Report.



## TCFD Technology Risks

Advance of alternative energy and green technologies and improvements in energy efficiency	<b>Adverse impact minimisation</b> <ul style="list-style-type: none"> <li>› Implementation of the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy.</li> <li>› Adoption and regular update of the Innovation Development Programme.</li> <li>› Implementation of the Energy Saving Programme to increase energy efficiency by saving fuel and energy in key areas of production operations.</li> <li>› Development of the compressed natural gas sales network. As at the end of 2023, the Company operated a network of 25 CNG-filling stations in 11 Russian regions.</li> <li>› Rosneft filling stations are equipped with EV charging points. By the end of 2023, 78 EV charging points, including 68 fast-charging (50–150 kW) ones, were installed at the Company's filling stations in 10 regions across the country. In addition, Rosneft cooperates with Russia's largest electric power companies to implement agreements for EV charging infrastructure development until 2024.</li> <li>› Reviewing project opportunities for the production of new low-emission products, such as blue hydrogen (optional – green), biofuels, and eco-friendly jet fuel.</li> <li>› The Company is conducting feasibility studies for the use of renewable energy for power generation at existing facilities and those under construction.</li> </ul>
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## Overview of climate-related opportunities

### TCFD Products/Services Opportunities

Development and/or expansion of low-emission offering of products and services	<b>Natural gas production and sales</b> <p>The Company seeks to increase gas production as the most environmentally friendly fossil fuel with a view to reducing its carbon footprint and fostering carbon neutrality in Russia and globally. Rosneft keeps full pace with modern global trends, actively increasing the share of gas in its portfolio, with a strategic goal to expand it to more than 25% of the total hydrocarbon output.</p>
<ul style="list-style-type: none"> <li>› Development and/or expansion of low-emission offering of products and services</li> <li>› Opportunities for business diversification</li> <li>› Changing consumer preferences</li> </ul>	<b>CNG retail sales</b> <p>The use of compressed natural gas (CNG) as motor fuel will allow consumers to benefit from more efficient vehicle operation by cutting transportation costs and significantly reduce the environmental footprint of road transport.</p> <p>The Company's retail business continues to develop sales of eco-friendly and cost-effective gas motor fuel, acting in line with the government's fuel market development priorities. As at the end of 2023, the Company operated a network of 25 CNG-filling stations in 11 Russian regions.</p>
<ul style="list-style-type: none"> <li>› Development and/or expansion of low-emission offering of products and services</li> <li>› Opportunities for business diversification</li> <li>› Changing consumer preferences</li> </ul>	<b>Improved motor fuels. Low-sulphur marine fuel</b> <p>As an environmentally responsible company, Rosneft consistently implements key green initiatives, improving the development and production of advanced petroleum products and fuels with enhanced environmental properties.</p> <p>The Company sells fuels with improved environmental characteristics and performance such as Euro 6 and AI-100, as well as Pulsar-branded fuels, and produces low-sulphur marine fuel RMLS 40 with sulphur content below 0.1%. The production technology of this marine fuel relies on the RN-5251 catalyst made by RN-Kat (part of the Rosneft Group).</p>
	<b>Greener motor oils</b> <p>The Company's fuels are low on SAPS content, which helps reduce fuel consumption and make exhaust gases less toxic.</p>
<ul style="list-style-type: none"> <li>› Development and/or expansion of low-emission offering of products and services</li> <li>› Opportunities for business diversification</li> <li>› Changing consumer preferences</li> </ul>	<b>EV charging stations</b> <p>The Company is installing EV charging points at its filling stations in line with demand forecasts and EV market evolution, with EV charging stations in place at retail sites in 10 Russian regions.</p>

## TCFD Resource Efficiency

APG utilisation	<b>APG utilisation</b> <p>The Company is implementing the Gas Investment Programme to bring APG utilisation in line with the target set forth by the Russian Government<sup>1</sup> based on a comprehensive approach to field development, envisaging the construction of infrastructure to collect, use and supply gas to consumers or reinject it back into formation. In 2023, the Company completed the construction of 12 APG utilisation facilities.</p> <p>An increase in APG utilisation is to be driven by:</p> <ul style="list-style-type: none"> <li>› construction of gas transportation infrastructure and gas compressors to enable the supply of APG to the Company's own and third-party gas processing plants and the supply of stripped dry gas to the transmission system;</li> <li>› construction of gas reinjection infrastructure;</li> <li>› construction of interfield gas pipelines to collect and deliver gas to consumers;</li> <li>› construction of final separation gas compressors;</li> <li>› construction of gas purifiers;</li> <li>› construction of in-house generating capacities;</li> <li>› use of gas for the Company's oil treatment needs</li> </ul>
Raising efficiency of production and transportation	<b>APG reinjection to maintain reservoir pressure helps intensify oil output and oil recovery while also preventing methane emissions into the air</b>
Resource efficiency opportunities	<b>Energy efficiency and energy saving</b> <p>Higher energy efficiency offers an opportunity to increase business margins, while contributing to climate action. Rosneft carries on with its Energy Saving Programme, with 329 ktce of fuel and energy saved in 2023.</p> <p>Objectives as part of energy efficiency improvement:</p> <ul style="list-style-type: none"> <li>› increasing the efficiency of the fuel and energy use given the stated hydrocarbons production, refining and sales targets;</li> <li>› unlocking the potential of energy saving and energy efficiency improvement;</li> <li>› development of economically justified energy saving measures, equipment and technologies, including innovations;</li> <li>› implementation of targeted energy saving and other associated initiatives as part of the production, refining, petrochemicals, marketing and distribution operations, and service delivery;</li> <li>› achievement of fuel and energy saving targets;</li> <li>› implementation of organisational initiatives aimed at establishing an energy efficiency management framework with annual updates to the Energy Saving Programme to cover newly developed measures and update the list of measures.</li> </ul> <p><b>The Company is actively embracing circular economy principles</b></p> <p>According to the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy, oil-contaminated waste will be fully recycled, the legacy contaminated land will be remediated and the circular economy principles will be actively embraced.</p>

<sup>1</sup> Resolution of the Russian Government No. 1148 On Special Aspects of Calculating Environmental Impact Charges for Air Emissions of Pollutants Resulting from Flaring and/or Venting of Associated Petroleum Gas dated 8 November 2012.

# Energy transition

TCFD | Strategy (B)

As a way to combat the climate change, Rosneft regularly assesses threats and opportunities arising from changes in global economy and energy transition.

Part of that effort is the analysis of existing and development of own scenarios charting the long-term development of the economy and the energy industry. The Company's long-term scenario forecast for the development of the global economy and energy industry is used for the purposes of strategic management and in the operations of relevant business units.

The global shocks of the recent years (such as the COVID-19 pandemic, the global energy crisis of 2021, a large number of trade restrictions, military conflicts, and geopolitical tensions) have contributed to the fragmentation of the global economy and accelerated transformation of the international system. Despite obvious difficulties in predicting outcomes of the ongoing geopolitical shift towards a multipolar world, the Company believes that after several years of upheavals the world will achieve a state of greater stability with an improved economic outlook, especially as regards developing and least developed countries.



## Scenario forecasts developed by Rosneft for the period up until 2050

**The Geopolitical Shift Scenario** reflects a multipolar model of the global economy and energy industry, which is shaped by competition among countries and national security policies, and takes into account changes in external trade flows and the system of international cash settlements. At the same time, this scenario factors in fundamental drivers of economic growth and predictable changes in energy efficiency that will continue having impact on global developments.

**The Global Energy Transition ("Below 2 °C") Scenario** implies that the goals of the Paris Agreement will be met. The forecast metrics in this scenario are defined based on the commitment to keep global warming to **1.8 °C** by 2100, which imposes unrealistically stringent requirements on the pace of energy efficiency improvements and the decarbonisation of the global economy.

Analysis of historical data, including the most recent ones, shows that the impact of fundamental economic and energy factors remains unabated. Both scenarios are based on the UN forecasts, according to which the global population will increase by 1.7 billion people by 2050 to 9.7 billion, up 22% compared to 2022.

Under the **Geopolitical Shift Scenario**, long-term sustainable development of the global economy will require a 22% increase in energy consumption by 2050 and will warrant the use of all available energy forms and sources. After achieving a high level of basic needs satisfaction and passing the peak of energy consumption, developed nations will continue to gradually reduce energy use, while the demographic and economic growth of developing and least developed countries will inevitably lead to increased demand for resources and require massive use of hydrocarbons. Hence, the share of hydrocarbons in the global primary energy consumption will remain

practically unchanged in 2050 at more than 50%. The consumption of oil (liquid hydrocarbons) will continue increasing worldwide until 2040 (7% growth), after which a weak downward trend may set in. The share of oil in the global energy mix will slightly decline from 30% in 2021 to 26% in 2050. The demand for gas will grow throughout the forecast period up until 2050 and will have increased by 34% compared to 2021, with the share of gas in the global primary energy mix reaching 26% and breaking even with the share of oil. All growth in oil and gas consumption worldwide will be driven by developing and least developed countries. Advancement of the climate agenda in the key countries will lead to a 26% decline in the global coal demand in 2022–2050, while the consumption of solar and wind energy is set to rise nearly sixfold over the same period of time. Despite that, the global CO<sub>2</sub> emissions are unlikely to peak before the end of this decade, with the goals of the Paris Agreement not met under the Geopolitical Shift Scenario.

Under the **Global Energy Transition ("Below 2 °C") Scenario**, the energy intensity of global GDP is expected to decrease almost twice as fast as it has done over the past thirty years. To meet these ambitious targets, we will need to start reducing the consumption of fossil fuel as early as this decade. However, even under this scenario, hydrocarbons will still dominate the world's energy mix, accounting for 40% of the global demand in 2050. For this scenario to materialise, we will need a radical reshuffle of the global economy and energy industry, as well as USD 2 trln worth of additional annual investments compared to the Geopolitical Shift Scenario. These investments will be used to restructure the energy supply mix instead of meeting the actual energy demand.

## Comparison of scenario forecasts developed by Rosneft for the period up until 2050<sup>1</sup>

Indicator	Geopolitical Shift Scenario	Global Energy Transition ("Below 2 °C") Scenario
<b>Global GDP</b>	2.2x growth	2.1x growth
<b>Energy consumption</b>	Growth by 22%	Decline by 7%
<b>Oil consumption</b>	Growth by 5%	Decline by 41%
<b>Natural gas consumption</b>	Growth by 34%	Decline by 18%
<b>Coal consumption</b>	Decline by 26%	Decline by 80%
<b>Consumption of new renewables</b>	5.7x growth	8.4x growth
<b>Share of fossil fuel in the global energy demand (in 2021: 80%)</b>	Decline by 12 p.p.	Decline by 35 p.p.
<b>Share of hydrocarbons in the global energy mix (in 2021: 53%)</b>	51%	40%
<b>Share of renewables in the global energy mix (in 2021: 3%)</b>	13%	25%
<b>Key driver behind growth in the global consumption of primary energy</b>	Population growth and higher energy supply per capita in the developing nations (primarily in Asia-Pacific)	
<b>Additional average annual investments</b>	–	USD 2 trln higher compared to the Geopolitical Shift Scenario
<b>Goals of the Paris Agreement</b>	Not met	Met

<sup>1</sup> Compared to the base year of 2021.

Energy transition will lead to an increase in production costs and slowdown of the global GDP by 0.2 p.p. annually compared to the Geopolitical Shift Scenario. This will have a negative impact on general well-being.

According to the UN estimates, "improvement in energy intensity must now exceed 3.4 percent (per annum) globally from 2020 to 2030 – twice the rate achieved in the past decade. An even greater improvement would be needed to be on track to limit the end-of-century temperature rise to less than 1.5 °C.<sup>1</sup> Considering that the actual rate of improvement between 2015 to 2020 was 1.4%<sup>2</sup>, meeting this target seems unlikely. Therefore, reduction of the global primary energy consumption by nearly 7% in 2050 compared to 2021 under the "Below 2 °C" Scenario implies a corresponding decrease in production volumes, and growing inequality and poverty worldwide.

The primary energy consumption mix will mainly depend on the severity of restrictions imposed by the climate change policies.

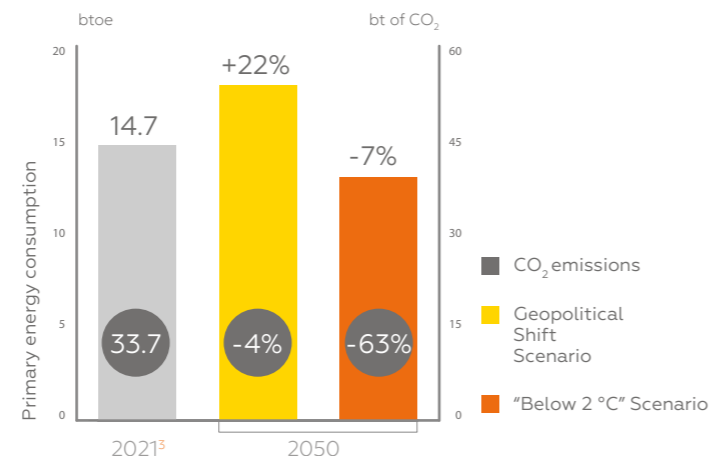
The escalation of geopolitical tensions worldwide and associated deglobalisation and fragmentation processes reduce the likelihood of the Global Energy Transition ("Below 2 °C") Scenario.

Asia-Pacific will remain the largest energy consumer in 2050, as its share in global demand is expected to rise from 45% in 2021 to 49% under the Geopolitical Shift Scenario and to 47% under the "Below 2 °C" Scenario.

Given the forecast of energy markets and demand, the Company keeps reducing CO<sub>2</sub> in line with its Rosneft-2030 Strategy and continues to grow its gas production, while also improving the quality and range of its products, expanding its sales geography, and marketing more environmentally friendly products.

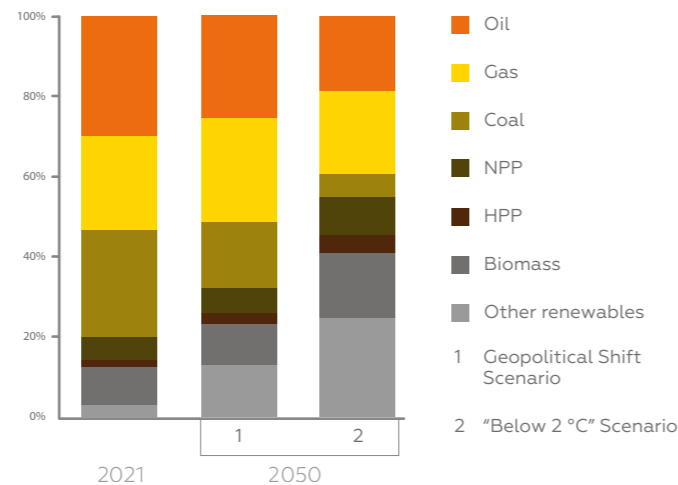
The Company's business is set to maintain stability under all scenarios.

### Global consumption of primary energy and CO<sub>2</sub> emissions



Sources: actual – IEA, estimates – Rosneft.

### Global consumption of primary energy<sup>4</sup>



Source: actual – IEA, estimates – Rosneft.

<sup>1</sup> Tracking SDG 7: The Energy Progress Report, 2023, p.10. [https://trackingsdg7.esmap.org/data/files/download-documents/sdg7-report2023-full\\_report.pdf](https://trackingsdg7.esmap.org/data/files/download-documents/sdg7-report2023-full_report.pdf)  
<sup>2</sup> The Sustainable Development Goals Report, Special Edition, p. 64. <https://unstats.un.org/sdgs/report/2023/The-Sustainable-Development-Goals-Report-2023.pdf>  
<sup>3</sup> The provided figures are absolute values.  
<sup>4</sup> Shares may not add up to 100% due to rounding.

# Achievement of climate goals in 2023

## Lower GHG emissions

GRI 3-3 SASB EM-MD-110a.2 SASB EM-RM-110a.2 SASB EM-EP-110a.3

One of the top priorities of Rosneft-2030 Strategy is the reduction of carbon footprint and achievement of operational carbon neutrality by 2050. To that end, the Company implements:

- the Gas Investment Programme to increase the sustainable use of associated petroleum gas;
- the Energy Saving Programme aimed at deploying energy-saving technologies and the rational use of fuel and energy resources.

GRI 305-1 GRI 305-2 UNCTAD B.3.1 UNCTAD B.3.2 TCFD | Metrics and targets (B)

☑ In 2023, GHG emissions from the Company's operations totalled 77.15 million tonnes of CO<sub>2</sub>-equiv., including 62.47 million tonnes of CO<sub>2</sub>-equiv. of direct emissions (Scope 1) and 14.68 million tonnes of CO<sub>2</sub>-equiv. of indirect emissions (Scope 2) associated with procurement of electricity and energy<sup>1</sup>.

Despite production growth and thanks to the efforts taken to reduce GHG emissions, the Company's metrics remain in line with the 2025 target vs 2020<sup>2</sup>.

Methane emissions in 2023 amounted to 168.4 thousand tonnes, including fugitive emissions of 72.2 thousand tonnes.

GRI 305-1 UNCTAD B.3.1 SASB EM-EP-110a.1 SASB EM-MD-110a.1 SASB EM-RM-110a.1 SASB EM-EP-110a.2

### ☑ Direct GHG emissions, kt

Indicator	2021	2022	2023
Carbon dioxide (CO <sub>2</sub> )	51,141	51,845	58,264
Methane (CH <sub>4</sub> )	122.5	158.8	168.4

### ☑ GHG emissions, t CO<sub>2</sub> equiv. / tce GRI 305-4

Indicator	2021	2022	2023
Exploration and production (including oilfield services)	0.147	0.149	0.147
Oil refining, petrochemicals and oil product sales	0.115	0.116	0.123

<sup>1</sup> Categories of emission sources, recordable greenhouse gases and emission factors are aligned with Order No. 371 of the Ministry of Natural Resources and Environment On Approving the Methodology for Quantitative Measurement of Greenhouse Gas Emissions and Capture dated 27 May 2022.  
<sup>2</sup> Scope 1 and Scope 2 emission reduction vs the base year of 2020 was ca. 5%. At the same time, the Company saw gas-oil ratio and APG production increase in the reporting year. To calculate the 2023 emissions, Rosneft started to apply factors based on the respective average actual data from the United Energy System of Russia. Information on emission factors comes from the Trading System Administrator, a commercial operator of WECM (wholesale electricity and capacity market) and an author of the concept for calculating and publishing GHG emission factors in the United Energy System of Russia.

## Gas production

The development of the Company's gas business is in line with the global trend of increasing the use of natural gas as a fuel with lower greenhouse gas emissions. One of the Company's strategic

goals is to build up the share of gas in total hydrocarbon production to above 25%.

From 2013, the Company's gross gas production doubled to exceed 100 bcm<sup>1</sup>, including through

greenfield projects in the Yamal-Nenets Autonomous Area, namely the launch of projects at Rospan International and Kharampurneftegaz.

In 2023, Rosneft's subsidiary Rospan International carried on with its efforts to involve all gas fractions in commodity flows more actively, which contributes to lowering GHG emissions.

At the Vostochno-Urengoy sky licence area, the company launched a gas and condensate treatment unit in an operating mode to start the processing of unstable gas condensate and boost the output of industrial propane/butane mixture and stable gas condensate.

## Sustainable use of APG

TCFD | Metrics and targets (C)

One of the Company's strategic goals is to reach zero routine APG flaring by 2030.

In 2023, the volume of APG utilised across Rosneft amounted to 38.5 bcm (including gas used for liquid hydrocarbon production). The APG utilisation rate at mature assets came in at 92.9% in the reporting year.

Development of greenfield assets is one of the key drivers behind the Company's growth. Rosneft has adopted a comprehensive approach to greenfield development, which embraces initiatives to improve APG utilisation rates at the stage of preparing design documents for field operation.

In 2023, Rosneft continued to implement its Gas Investment Programme. We completed the construction of 12 facilities, including:

- > a mobile modular compressor unit at the Ust-Balykskoye field (RN-Yuganskneftegaz);
- > a mobile modular compressor unit at the Maiskoye field (RN-Yuganskneftegaz);
- > a 48 MW in-house power plant at Vostsibneftegaz;
- > a 150 MW Polyarnaya gas turbine power plant at Vankorneft;

- > a gas pipeline network of the main compressor station at Taas-Yuryakh Neftegazodobycha;
- > a working reagent heating unit at Sorovskneft.

**RUB 20.7 bln** invested in the construction of gas infrastructure facilities to improve the APG utilisation rate in 2023

TCFD | Metrics and targets (C)

Rosneft has set a goal to reach zero routine APG flaring by 2030. In addition to the accelerated delivery of the Gas Investment Programme, the Company is considering additional APG utilisation options for greenfield assets to match best global practices.

<sup>1</sup> Gross gas production excluding volumes for other process needs amounted to 92.7 bcm.

## Comprehensive programme to detect and eliminate sources of methane emissions

Reducing GHG emissions is one of Rosneft's priorities. The Company supports and adheres to national and international goals in this field. We place a special emphasis on reducing methane emissions as methane's global warming potential is 25 times higher than that of carbon dioxide.

In the reporting period, we continued to implement a comprehensive programme to detect and eliminate sources of fugitive hydrocarbon (including methane) emissions using drones (UAVs) and portable surface inspection devices, rolling it out to 27 Exploration and Production Group subsidiaries.

UAV surveys of far-flung facilities and long pipeline sections, among others, were completed at 13 subsidiaries. The programme embraced 94 production assets

and around 2.5 thousand km of pipelines, up 50% year-on-year. Surface inspections using portable devices were carried out at 846 facilities operated by 25 subsidiaries.

Besides, the Company performed the first inspections of Sakhalin-1 facilities, including the Odoptu and Chaivo onshore oil and gas treatment plants and the Berkut fixed offshore platform.

We launched a project to adjust controls of fugitive methane

and other hydrocarbon emissions and improve industrial safety at refineries. The reporting year saw inspections at Angarsk Petrochemical Company, Novokuibyshevsk Petrochemical Company, and Novokuibyshevsk Oils and Additives Plant. The project seeks to evaluate the applicability and scalability of the programme's methods and techniques, primarily at oil refining and petrochemical sites, as well as along the entire production and sales chain going forward.

### In 2023, surface and UAV inspections of methane emissions covered over 800 facilities of 27 Group Subsidiaries.

The use of a whole range of advanced technological solutions enables the Company to accurately detect the source of emissions in order to further investigate its cause and develop measures to eliminate even the slightest deviations from the stringent standards for operating oil and gas fields.



## Energy saving and use of renewables

Rosneft runs an energy saving programme focused on using energy more efficiently and improving economic, environmental, and production metrics. In 2023, Rosneft's Energy Saving Programme delivered fuel and energy savings of 329 thousand tonnes of reference fuel.

On an ongoing basis, the Company assesses the feasibility of using renewable energy sources (RES) to generate energy at operating

and designed sites. We have already introduced wind power generation technologies and solar panels.

For example, RN-Krasnodarneftegaz operates a 0.027 MW wind and solar power plant. Such hybrid power plants help minimise the environmental impact and supply production assets with clean energy in the long horizon.

In 2023, Rosneft's Energy Saving Programme delivered fuel and energy savings of **329 thousand tonnes** of reference fuel

For more details on energy saving and energy efficiency in the Company, see the [Research and Innovation Development and Contribution to Russia's Technological Sovereignty](#) chapter of this Report.

### Projects under the Energy Saving Programme

Samotlorneftegaz	<p>The economic effect of initiatives amounted to around RUB 2 bln, while energy savings reached 53.7 thousand tonnes of reference fuel.</p> <p>Highlights:</p> <ul style="list-style-type: none"> <li>› deployment of energy efficient submersible equipment and optimisation of oil well operation;</li> <li>› limited mechanical lifting of produced water during squeeze cementing;</li> <li>› shutdown of unprofitable wells;</li> <li>› change in the hydraulic circuit of the formation pressure maintenance system with pump stop/mothballing;</li> <li>› optimised operation of surface process infrastructure.</li> </ul>
RN-Yuganskneftegaz	<p>The economic effect of initiatives amounted to around RUB 1.8 bln, while energy savings exceeded 47.8 thousand tonnes of reference fuel.</p> <p>Highlights:</p> <ul style="list-style-type: none"> <li>› deployment of energy efficient submersible equipment and optimisation of oil well operation;</li> <li>› shutdown of unprofitable wells;</li> <li>› optimised operation of surface process infrastructure.</li> <li>› upgrade of pumping equipment in oil treatment and pumping systems, as well as systems to maintain reservoir pressure.</li> </ul>
Achinsk Refinery	<p>The economic effect of initiatives exceeded RUB 350 bln, while energy savings went beyond 24.3 thousand tonnes of reference fuel.</p> <p>Highlights:</p> <ul style="list-style-type: none"> <li>› replacement of heat and power equipment;</li> <li>› upgrade of process equipment.</li> </ul>

## Implementing a forestation project in the Krasnoyarsk Territory

SASB EM-EP-530a.1 SASB EM-RM-530a.1 SASB EM-SV-530a.1

Rosneft views forestation projects as a lever to achieve carbon neutrality of its operations in the long run. To that effect, we run a comprehensive forestation project in collaboration with the Government of the Krasnoyarsk Territory. The project is expected to increase the absorption of GHG emissions by 10 million tonnes of CO<sub>2</sub>-equiv., thus contributing to the reduction of the carbon footprint created by Vostok Oil, the Company's biggest asset in the Krasnoyarsk Territory. With that in mind, Vostok Oil employs cutting-edge field development technologies.

Our comprehensive forestation project goes beyond just planting trees and other forestry activities – this is a large-scale effort to design and develop a new line of ecosystem services. Today, we see a new domain of operations emerge, which covers a whole range of activities from in-depth research to creating a legal framework, implementation methods and project assessment techniques. On top of that, the forestation project seeks to build up competencies, strengthen the potential of similar initiatives in Russia, and set stage for businesses to allocate more financing to this domain.

In 2023, we completed preparations, including the review of domestic and overseas forestation projects and identifying legislative gaps. We received scientifically validated data on the types of forestation projects that would be most suitable for the Krasnoyarsk Territory, developed a tool to assess their carbon and economic efficiency, and provided project monitoring recommendations.

The Company continued its collaboration with the Federal Forestry Agency (Rosleskhoz), in particular, as regards legislative amendments with a view to creating a legal basis for the regular implementation of forestation projects. Our proposals were included in a bill

on amending the Russian Forest Code submitted to the State Duma in March 2024. We also sent our proposals on elaborating methods to quantify absorbed greenhouse gases to the Ministry of Natural Resources and Environment.

Rosneft experts worked together with the Working Group on Climate Projects under the Russian Ministry of Natural Resources and Environment to draft an action plan for the Low-Carbon Development Strategy of Russia until 2050.

The forestation project will become part of our regular reforestation activities (see the [Improving Environmental Awareness](#) section of this Report).

**A climate project** is a set of measures to reduce (prevent) GHG emissions or increase GHG emissions absorption. Forestry-related climate projects are called forestation projects. Climate projects are evaluated using verified carbon units. One carbon unit equals 1 tonne of CO<sub>2</sub>-equiv. reduced, prevented or absorbed.

### Study of forest recovery potential

Thanks to grants from Vostsibneftegaz, the Krasnoyarsk Research Centre of the RAS Siberian Branch held a comprehensive study of conifer forests in the Evenki District, Krasnoyarsk Territory.

Focused mainly on the ability of forests to restore, researchers explored an area in Evenkia of around 80 million ha, including 63 million ha of forests.

The study assessed the dynamics of pyrogenic factors<sup>1</sup> impacting the ecosystem, trends in ecosystem metabolism, and vegetation productivity.

The findings indicate that Evenkia forests retain their carbon sequestration<sup>2</sup> ability thanks to the quick recovery of vegetation. Based on the findings, the researchers built models for ecosystem metabolism intensity.

<sup>1</sup> A pyrogenic factor refers to fire-related phenomena that influence the state of an ecosystem.  
<sup>2</sup> Carbon sequestration refers to the capture and storage of carbon dioxide.

## Developing carbon capture and storage technologies

Rosneft looks into the potential application of CCS technologies involving carbon capture and injection into deep geological formations for safe permanent storage.

In the reporting year, while exploring subsoil in the Yamal-NeNETS Autonomous Area,

Rosneft's Tyumen Oil Research Centre identified an underground reservoir potentially suitable for the injection and storage of over 300 million tonnes of carbon dioxide. Rosneft experts confirmed a low seismotectonic activity in the area, which ensures reservoir integrity and protects the overlying horizons of ground

and surface water from penetration of carbon dioxide for a kiloannum.

Going forward, we plan to assess the impact of carbon dioxide on rocks and various steel grades to increase the safety of construction and operation of underground carbon storage facilities.

### Rosneft maps Russian geological reservoirs suitable for CO<sub>2</sub> storage

In 2023, Rosneft and Innopraktika, a non-governmental development institute, signed an agreement to map Russian geological reservoirs potentially fit for environmentally sustainable CO<sub>2</sub> storage. The project also engaged experts from the Department of Geology at Lomonosov Moscow State University and other leading research centres.

The researchers study coal and salt formations, aquifers, igneous rocks and depleted oil and gas reservoir rocks. Their findings will lay the foundation for implementing solutions to reduce GHG emissions from the Company's upstream and downstream operations.

### A scientific and practical workshop held as part of the forestation project

Rosneft hosted a workshop on scientific and legal aspects of forestation projects visited by the Russian Ministry of Economic Development, Rosleskhoz, the Krasnoyarsk Territory Government, and the leading experts of the Siberian Federal University and St Petersburg State Forestry University.

The participants discussed ways to reshape the Russian legislation to create a legal framework for forestation projects, methods for evaluating

and unlocking the potential of GHG absorption by forests, and practical matters related to various types of such projects.

The discussion culminated in drafting proposals for legislative amendments submitted to Rosleskhoz and the Ministry of Natural Resources and Environment.

## Stakeholder engagement on the climate agenda

Addressing the challenges of the climate agenda requires cooperation at the national, international and sectoral levels.

Rosneft contributes to fulfilling the commitments made by the Russian Federation under the Paris Agreement and actively engages with all stakeholders to work towards mitigating climate change risks and climate change adaptation. The Company continues to improve its carbon reporting system in accordance with the Russian legislation requirements and international reporting protocols and methodologies including the TCFD recommendations.

### International cooperation in low-carbon development

Rosneft and China National Petroleum Corporation (CNPC) continued to collaborate as part of the previously signed memorandum of understanding on cooperation in the field of low-carbon development.

The parties studied the potential for joint work in such areas as reduction of greenhouse gas (including methane) emissions, technologies for boosting energy efficiency, and CCS technologies.

In May 2023, the working group on carbon management of the Joint Coordination Committee of Rosneft and CNPC held the first meeting to define areas of cooperation in joint

projects, including but not limited to best global practices, low-carbon solutions, APG utilisation/monetisation, digital fields, and CCS/CCUS<sup>1</sup> technologies.

Following a round table discussion on CCS/CCUS best practices held by Russian and Chinese experts in November 2023, Rosneft's delegation plans to visit the Jilin field to delve deeper into CCS/CCUS applications.

To expand cooperation, the parties plan to look into potential projects in such areas as wind energy and hydrogen and hold a round table on steps to reduce GHG emissions. Low-carbon technologies developed by the companies will help identify a commercial potential for joint large-scale oil and gas projects in Russia or China.

### Contribution to carbon regulation in Russia

- › The Company interacts with the government and expert community on developing new carbon regulations in Russia. As part of the Low-Carbon Development Strategy of Russia until 2050<sup>2</sup>, the Company took part in putting together a plan to implement the strategy.
- › In 2023, the Company took part in discussing the following matters and regulations adopted in furtherance of Federal Law No. 296-FZ On Limiting Greenhouse Gas Emissions dated 2 July 2021:

- the Climate Doctrine of the Russian Federation (updated in 2023);
- Russia's Long-Term Strategy of Socio-Economic Development with Low Greenhouse Gas Emissions until 2050;
- the Carbon Unit Register and its operation;
- support of climate projects;

Rosneft participates in the work of interdepartmental advisory and coordinating bodies set up to resolve climate issues, including:

- › Interdepartmental Working Group on Economic Aspects of Environmental Protection and Regulation of Greenhouse Gas Emissions under the Russian Ministry of Economic Development;
- › Working Group on Climate Projects under the Russian Ministry of Natural Resources and Environment;
- › Working Group on Energy and Environment of the Interdepartmental Commission to Support Russia's G20 participation;
- › Working Group on Energy Efficiency and Greenhouse Gases under the Committee on Energy Strategy and Development of the Fuel and Energy Complex (FEC) of the Chamber of Commerce and Industry of the Russian Federation;
- › Working Group on Climate Conservation under the Ministry of Natural Resources and Environment as part of the national Environment project.

<sup>1</sup> Carbon capture, utilisation, and storage (CCUS) refers to technologies that capture, utilise, and store carbon dioxide.

<sup>2</sup> Adopted in pursuance of Decree of the President of the Russian Federation No. 666 On Reducing Greenhouse Gas Emissions dated 4 November 2020.

# PROTECTING THE ENVIRONMENT FOR FUTURE GENERATIONS

**A responsible approach to protecting the environment across its footprint is one of Rosneft's key priorities.**

We are enhancing our environmental performance and implementing cutting-edge technologies when designing new and upgrading existing facilities.

# Environmental leadership



## Management approach

GRI 3-3 SASB EM-EP-160a.1 SASB EM-MD-160a.1 SASB EM-SV-160a.2 TCFD | Metrics and targets (C)

The Company consistently manages environmental protection and responsible use of natural resources, complies with the UN sustainable development principles and goals, and develops a long-term environmental agenda based on the Rosneft-2030 Strategy and the 2035 Environmental Vision.

Rosneft works to use natural resources in a sustainable and responsible way by identifying, assessing, and minimising environmental impacts. A key factor in Rosneft's environmental protection activities is cooperation with all stakeholders, including local communities, state authorities at various levels,

partners, and non-governmental and scientific organisations with a view to delivering the most effective and comprehensive solutions possible. The Company supports a variety of social, research, and environmental projects and initiatives at the national, regional and local level.

In the long run, Rosneft seeks to ensure a net positive impact on ecosystems.

### Sustainable development goals that Rosneft adheres to in managing its environmental protection activities:

- › SDG 3: Good health and well-being;
- › SDG 6: Clean water and sanitation;
- › SDG 7: Affordable and clean energy;
- › SDG 11: Sustainable cities and communities;
- › SDG 12: Responsible consumption and production;
- › SDG 13: Climate action;
- › SDG 14: Life below water;
- › SDG 15: Life on land;
- › SDG 17: Partnership for the goals.

Our long-term environmental targets to 2035:

- › minimise our environmental impact (by improving the efficiency of waste management, land remediation, wastewater treatment, emission reduction, as well as introduction and improvement of the circular economy principles);
- › achieve a net positive impact on ecosystems (by embracing conceptual approaches to biodiversity conservation and implementing relevant programmes).

To achieve its strategic environmental goals, the Company takes measures provided for by the 2025 Environmental Efficiency Improvement Programme, a programme to eliminate environmental legacy effects, targeted environmental programmes, pipeline reliability enhancement programme, and other programmes. Environmental targets are part of the Company's governance system and are integrated into KPIs at all management levels, including those of Group Subsidiaries.

As a reliable supplier of eco-friendly energy resources, in addition to compliance with environmental safety requirements the Company takes measures to foster the environmental leadership, focusing not only on minimising its environmental impact, but also on achieving a net positive impact on ecosystems.

### Strategic documents and programmes in environmental protection

#### Rosneft-2030 Strategy:

- › Environmental targets, strategic initiatives

#### 2035 Environmental Vision

- › Minimisation of environmental footprint, including introduction of best available technologies in operations, and implementation of environmentally friendly investment projects and environmental protection initiatives
- › Steps to protect ecosystems and biodiversity and restore natural resources, including land remediation

- › 2025 Environmental Efficiency Improvement Programme
- › Programme to eliminate environmental legacy effects
- › Pipeline reliability enhancement programme
- › Relevant programmes, projects, and action plans
- › Gas investment programme
- › Conceptual approaches to biodiversity conservation



The Company's operations are in strict compliance with the Russian laws, international best practices, as well as available technologies and design solutions. Throughout the product lifecycle, we perform systematic environmental monitoring of all activities, including contractors', which includes compliance with applicable laws along with control, measurement, and analysis as regards the quality of air, surface, underground and ground water, and soils.

Multi-tier comprehensive monitoring of programmes and initiatives aimed at environmental protection

and helping assess progress against relevant goals and KPIs is an essential part of the Health, Safety and Environmental Integrated Management System (HSE IMS). Additionally, we analyse macroeconomic, region-specific, and other external factors, with the outcomes submitted to the Company's senior management to make timely and informed management decisions.

For more details on the HSE IMS, see chapter 4 [Occupational Health and Safety](#) of this Report.

An important element of ensuring effective environmental protection is contractor management through the development, unification, standardisation, and implementation of requirements to their activities. When carrying out procurement procedures related to environmental work or services, the Company applies qualification requirements that include the availability of all the necessary permits, licences, rights to use technology and approval certificates in accordance with applicable laws, sufficiency of trained personnel with relevant experience, materials, supplies, and equipment as needed, as well as other criteria.



## Environmental management system

In 2006, Rosneft established and is continuously improving the Group-wide Health, Safety and Environmental Integrated Management System (HSE IMS), including the environmental management system, aligned with ISO 14001:2015 Environmental Management System.

In 2023, a total of 107 Group Subsidiaries completed certification, including 74 as part of the umbrella Rosneft certificate and 33 as part of independent certification. The Company keeps expanding the number of certified Group Subsidiaries and confirming previously obtained certificates to demonstrate that the management practices in the Company are of high quality and in line with best practices, as well as to receive recommendations from independent auditors for further improvement of environmental performance.

The key approach to building a corporate environmental management system is to roll out the Company's internal documents compliant with ISO 14001:2015 to all subsidiaries of Rosneft, regardless of whether they have a certificate or not.

As part of its ambition to become a global leader in minimising its environmental footprint, the Company prioritises environmental safety and responsible use, preservation, and replenishment of natural resources. The Company's Policy on Health, Safety

and Environment sets out principles of sustainable use of natural resources and environmental impact reduction.

For more details on the environmental impact management system and HSE IMS, see chapter 4 [Occupational Health and Safety](#) of this Report.



For the full text of the Company's Policy on Health, Safety and Environment, see [our website](#)

Rosneft and 107 Group Subsidiaries are certified for compliance with ISO 14001:2015 Environmental Management System

## Cooperation on environmental protection

An important element of Rosneft's environmental protection efforts is interaction with the Russian government agencies, including:

- > dedicated committees of the State Duma;
- > task forces of the Russian Government committees and subcommittees;

- > Rosprirodnadzor;
- > Ministry of Natural Resources and Environment;
- > Ministry of Economic Development.

In the reporting year, the Company's representatives kept taking part in activities of Rosprirodnadzor's R&D Council.

In 2023, Rosneft continued to help improve environmental regulation by reviewing draft laws and submitting proposals for their improvement. The Company participated in discussions of draft laws in forestry, state environmental review, air protection, waste management, and other related matters.

Together with the Government of the Krasnoyarsk Territory, the Company prepared proposals to amend the Russian Forest Code with a view to creating a legal basis for the regular implementation of reforestation projects, in addition to the regulatory framework for climate projects. Proposals were also submitted to the Russian Ministry of Natural Resources and Environment to clarify the methodology for assessing GHG emissions absorption.

Rosneft carried on with the Business and Biodiversity initiative, which is part of the federal Conservation of Biological Diversity and Ecological Tourism Development project within the framework of the Environment national project. In particular, we proceeded with assessing the sustainability of Arctic ecosystems based on studies of key indicator species.

For more details on the reforestation project, see chapter 2 [Climate Action and Carbon Management](#) of this Report.

The Company interacts with stakeholders on an ongoing basis, which includes managing environmental queries as part of public discussions during the implementation of projects in the regions where the Company operates. In 2023, Group Subsidiaries considered all queries from stakeholders and responded to them.

For more details on the Company's contribution to the Environment national project, see the [Biodiversity Conservation](#) section in chapter 3 of this Report.

### Scientific and practical conference on environmental safety

In 2023, Samara saw Rosneft hold a conference on environmental safety, current law enforcement issues, and improvement of environmental practices. The conference brought together more than 120 representatives of major industrial, engineering, and production companies, as well as experts from Rosneft's R&D institutes.

The event sought to discuss and develop common approaches to addressing issues in the field of environmental protection and responsible use of natural resources, and to identify best practices. Participants also considered waste utilisation and land remediation projects, with the most detailed discussion of drilling waste management.

## Environmental investments

The Company allocates considerable resources to its long-term capital construction projects associated with environmental protection and environmental restoration activities.

In 2023, the Company ramped up green investment by 12% thanks to projects for the construction and reconstruction of environmental fixed assets, environmental protection measures during construction, and compensatory reforestation.

of its operations while improving their efficiency. In 2023, environmental R&D expenses, including targeted innovative projects, amounted to RUB 316.4 mln

A special focus area for the Company is developing a technology to help reduce the environmental impact

**>RUB 175 bln**  
worth of green investment were made by Rosneft in 2021–2023. Among other things, the funding aims to make APG utilisation more efficient, pipelines more reliable, and management of water and waste more effective

### Environmental investments, RUB mln

UNCTAD A.3.1

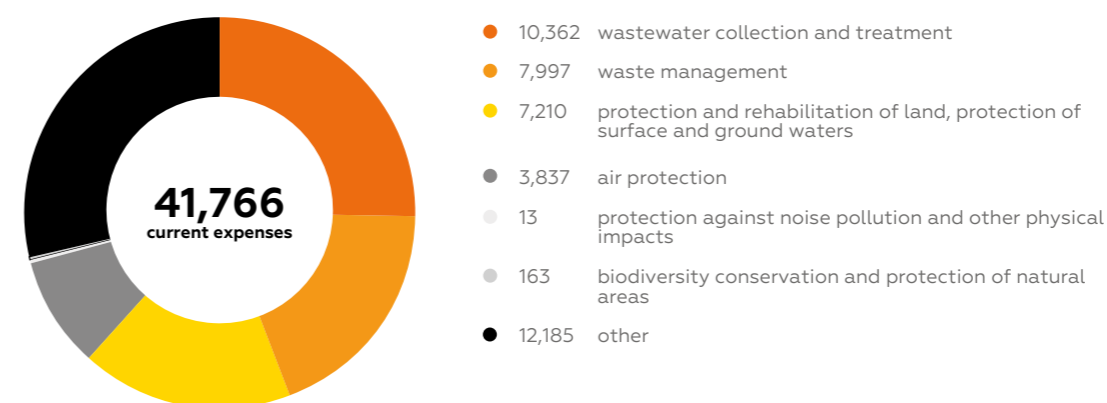
Metric	2021	2022	2023
Green investments, including:	54,735.3	56,836.8	63,957.6
> for capital construction of facilities related to environmental fixed assets	6,316.7	10,149.4	11,574.2
> environmental expenses during construction (waste management and development of environmental protection documents)	6,203.3	6,253.8	7,653.8
> related environmental investments (increasing APG utilisation, improving pipeline safety, enhancing energy efficiency, etc.)	42,215.3	40,433.6	44,729.6

### Operating expenses related to environmental protection, RUB mln

GRI 2-27

Metric	2021	2022	2023
Operating environmental protection expenses (OPEX)	31,177	36,182	41,766 <sup>1</sup>
<input checked="" type="checkbox"/> Payments to budgets at all levels related to environmental protection and ecological management, including:	5,192	2,871	5,544 <sup>2</sup>
> payments for environmental impact	1,360	1,786	1,996
> compensation for environmental damage	1,203	305	2,128
Non-financial sanctions, number of cases	0	0	0

### Environmental protection expenditures in 2023 by area, RUB mln



<sup>1</sup> The cost accounting methodology was updated (environmental charge payments were included).

<sup>2</sup> The payment accounting methodology was updated (costs incurred by in-house laboratories of the Company's subsidiaries as part of providing contractual services to other subsidiaries within the Company's perimeter were excluded).

# Biodiversity conservation

## Biodiversity management

GRI 3-3

Preservation of biodiversity and healthy environment is one of the Company's key priorities. In cooperation with the leading R&D institutes, the Company has been carrying out comprehensive geological, hydrometeorological and environmental research in the Russian Arctic for a number of years, while also implementing individual projects and measures to protect certain animal and bird species and ecosystems.

We conduct business in strict compliance with Russian and local environmental laws, pass all the required reviews, obtain approvals of competent authorities, including state environmental review bodies, and organise public hearings and discussions. Throughout the project life cycle, we take steps to reduce and prevent potential impact on the environment. All planned operations are subject to evaluation, with special measures developed and put

in place to prevent or mitigate any potential negative environmental impact. As part of any project, we conduct environmental control and monitoring to assess the effectiveness and adequacy of environmental measures and introduce additional ones as necessary.



For more details on the Company's approach to biodiversity conservation, see [our website](#)

### Biodiversity conservation principles

- › When planning new projects in the regions where it operates, the Company makes every effort to avoid any activities or any negative impact on protected natural areas (categories 1a and 1b according to the Union for Conservation of Nature (IUCN) classification) and UNESCO World Heritage Sites.
- › In designing new facilities, we seek to ensure environmental safety and eliminate any adverse impact on ecosystems. To do that, we employ best available technologies, monitoring, and comparative analysis against key parameters.
- › Planned initiatives adhere to the principle of net positive biodiversity impact in line with IUCN best practice guidelines.

### Biodiversity conservation measures

- Environmental impact assessment prior to project implementation
- Development of biodiversity conservation programmes
- Roll-out of action plans for environmental impact minimisation and emergency animal rescue
- Ecosystem monitoring and comprehensive field research
- Impact mitigation activities

Rosneft pays special attention to personnel training and professional development. As part of this effort, we build employee skills for offshore work, including training on the protection, rescue and rehabilitation of birds and marine mammals.

To regulate this process, the Company has implemented an action plan for emergency animal rescue, which includes measures to prevent emergencies, response procedures, and steps to provide for the necessary human resources, materials and equipment.



For more details on the Company's approach to environmental impact management, see our [HSE Policy](#)



# Study of protected and key indicator animal species

GRI 3-3

As part of the cooperation agreement between Rosneft and the Ministry of Natural Resources and Environment to implement the Conservation of Biological Diversity and Ecological Tourism Development federal project, we take part in the Environment national project. In 2023, experts analysed the findings of completed field surveys and observations for previous years and drafted final reports and research recommendations on certain species.

GRI 304-4

The Company also continued research as part of developing a programme to preserve biodiversity in the regions where Rosneft operates. The results of long-term monitoring and biodiversity conservation by the Company's subsidiaries were summarised and analysed. Based on scientifically substantiated criteria, the experts compiled a list of indicator species to assess ecosystems

in the regions of operation, including more than one hundred species of various taxa. The work also resulted in the identification of key indicator species in relation to specific biomes across the Company's footprint, including polar bear, Atlantic walrus and bowhead whale as marine mammals, Amur tiger, reindeer, red deer (maral) as terrestrial mammals, and ivory gull and Steller's sea eagle as birds. The lists of indicator species were approved by the HSE Council and will be used to develop biodiversity conservation programmes in Russian regions where we operate.

In 2023, Rosneft developed a new programme for studying and preserving indicator species of the Arctic region. The research activities in the north of the Krasnoyarsk Territory are scheduled for 2024–2027. During expeditions, experts from Russia's leading scientific establishments will conduct aerial

**>RUB 332 mln**  
allocated by Rosneft to study changes in the condition of key indicator species of the Arctic ecosystem as part of the Environment national project in 2020–2023

surveys of polar bears in the region of the Kara Sea, monitor wild reindeer, study fish species at the mouth of the Yenisei River, develop environmental sensitivity maps of the Yenisei Gulf coast and adjacent waters of the Kara Sea, and inspect the nesting sites of valuable bird species. Scientists will use the animal population data to assess the state of natural habitats and develop measures for biodiversity preservation in the Arctic region.



## RN-Uvatneftegaz grant programmes

GRI 304-1

The grant project to support environmental conservation research can be applied in the Tyumen Region to study biodiversity and assess the sustainability of bird communities within the valley of the Irtysh River in the Uvatsky District.

During the study period, 117 bird species belonging to 14 orders were recorded in the Uvatsky District. For the first time, the researchers conducted comprehensive environmental analysis of the avifauna in the surveyed biotopes of the Uvatsky District. Among other things, they identified fauna types, determined distribution of bird species by feeding and nesting types, and analysed key aspects of biodiversity in bird communities of the Uvatsky District.

As a result of the project, experts drafted recommendations on optimising the use of bird habitats and nesting sites in the Uvatsky District, compiled a list of rare and declining bird species in the research area, developed and established a set of biotechnical measures, in particular, artificial nesting and fluttering sites, and created a collection of information postcards Birds of the Uvatsky District.

As part of another grant project, experts monitored the condition of the water mirror of lakes in the south of the Tyumen Region. The scientists conducted research, including retrospective analysis of satellite images of water bodies in the Tyumen Region to understand the changes in their area over the last 50 years.

Based on the results of the RN-Uvatneftegaz grant programme, scientists from Shpilman Research and Analytical Centre for Rational Subsoil Use created a database of the regional lake floor area.



## Supporting scientific research in the Taimyrsky Dolgano-Nenetsky Municipal District of the Krasnoyarsk Territory

GRI 304-1

In the reporting year, RN-Vankor summarised the results of the first grant competition to support applied scientific research in the Taimyrsky Dolgano-Nenetsky District of the Krasnoyarsk Territory and its indigenous population. Scientists from leading Siberian universities, the Siberian Branch of the Russian Academy of Sciences, and state nature reserves took part in RN-Vankor's grant programme.

The company supported a project to assess aquatic bioresources in the Yenisei Gulf of the Kara Sea. The Krasnoyarsk State Agriculture University studies ichthyofauna in the Arctic zone of Taimyr. RN-Vankor also supported a project to analyse the number and distribution of birds in Western Taimyr, with specialists identifying key habitats of rare species listed in the Red Data Book of Russia and the Red Data Book of the Krasnoyarsk Territory. The research produced recommendations on the protection of waterfowl and the creation of resting areas for important periods in their life cycle.

Another grant was awarded to Sukachev Institute of Forest of the Siberian RAS Branch. According to scientists, with increases in vegetation productivity in Taimyr, reindeer and some other Arctic species are expected to change the direction and timing of their migration. Information on the vegetation condition and growth in Western Taimyr is planned to be compiled in the form of electronic atlases.



## Vostsibneftegaz grant programmes

GRI 304-1

As part of the Vostsibneftegaz grant programme, in 2023 research was conducted to assess the current state of wolf population in Evenkia and recommendations were developed to control wolf numbers.

The solution to minimising household damage from wolves lies in the management of their population. To this end, the scientists estimated wolf population using their proprietary methodology, reviewed long-term data on wolf records in the area, the impact of the predator on the deer and elk populations, prepared a map of predator habitat areas, and analysed the population self-regulation. The researchers made 67 field trips, built a network of 538 observation correspondents, and processed more than 1,200 questionnaires.

The research yielded predator population data, with the number of wolves in Evenkia totalling 2,600. In addition, proposals were made for improvements in the initiatives to control the number of predators.

As part of another grant project, researchers identified habitats and counted the number of red deer using camera traps, traces of vital activities, and by tracking the animals during field work.

It was discovered that the deer habitat is expanding northwards for a number of reasons, including availability and accessibility of forage, and changing climatic conditions, snow cover and terrain. In addition, the migration is caused by changes in seasonality and developmental periods of the deer. The most suitable habitats for the red deer are arguably forested and mountainous taiga areas – it is this landscape that provides the greatest protection for the species. Every year, the artiodactyls

use the same trails for migration. For example, a 10 km leg of their route lies between the Verkhnyaya Lakura and Chamba rivers. In the Tungusky Reserve, the potential density of red deer is up to two individuals per 1,000 ha. After excluding unsuitable habitats, the environmental scientists came to a conclusion that 300 red deer could live in the reserve.

Adaptability to the surroundings is one of the most important features of the red deer population. Based on the analysis, the experts concluded that the maral tends to occupy all available habitats in the reserve and the adjacent areas.

The research will help to preserve the new deer species in Evenkia.



## Reproduction of aquatic bioresources

Reproduction of aquatic bioresources is an integral part of environmental conservation. In 2023, Group Subsidiaries released more than 48 million fingerlings into water bodies across regions of operation. The commercial fish species included pelyad, common carp, bighead carp, and others. In addition, species listed in the Red Data Book were replenished, including Siberian sturgeon and sterlet.

About 30 Group Subsidiaries helped reproduce and release juvenile fish into commercial fishing waters:

- › Kondaneft released about 30 million fingerlings of pelyad into the Ob-Irtysh basin, including more than 17 million fry of endangered Siberian sturgeon;
- › Samotlorneftegaz released more than 7 million fingerlings of Siberian sturgeon, muksun, and broad whitefish into the Ob-Irtysh basin;
- › RN-Yuganskneftegaz released more than 1.3 million fingerlings of Siberian sturgeon, sterlet, and muksun into the rivers of the Khanty-Mansi Autonomous Area – Yugra;
- › Samara refineries contributed to the fish stocking of the Volga River and released more than 225 thousand fingerlings

of valuable fish species such as common carp, sterlet, bighead carp, and sander.

**>48 million** fingerlings were released into water reservoirs by Group Subsidiaries in 2023



## Sakhalin-1 monitors endangered Red Book species

Sakhalin-1 implements monitoring programmes for endangered species such as grey whales from the Sea of Okhotsk and Steller's sea eagles.

Sakhalin-1 has been monitoring the grey whale population in the Sea of Okhotsk since 1997 together with the operator of another Sakhalin oil and gas project and in cooperation with the leading research institutes, Sakhalin State University and the National Scientific Centre of Marine Biology of the Far Eastern RAS Branch. The research provided information on the current status of the population. The work is underway for long-term monitoring of animals in the feeding area to assess the condition, numbers, structure, and demographic indicators of the population. In the reporting year, the photo catalogue of Sakhalin grey whales was expanded to 375 animals. It stands to note that the number of the whales is growing every year.

As part of the programme to monitor the population of Steller's sea eagles, in July–August 2023, observations were made of bird habitats

on the north-eastern coast of Sakhalin and near the coast of Nevelskoy Strait and Chikhachev Bay in the Khabarovsk Territory. In the reporting period, experts continued their multiyear (since 2006) studies of the population of Steller's sea eagles as a species indicative of the condition of near-water ecosystems, an endemic of the Russian Far East, and a species listed in the Red Data Books of various levels.

The findings obtained suggest that the measures taken to mitigate anthropogenic impact helped to preserve the nesting areas of the birds, and that eagles are able to adapt to habitat transformation associated with offshore field development.



# Reducing air emissions

GRI 3-3 SASB EM-SV-110a.2

Well aware of how important it is to reduce air emissions from its operations, Rosneft takes steps to deliver green investment projects, use the most efficient eco-friendly equipment, take inventory of emission sources, and more.

Monitoring air emissions of the Company's production facilities, including those situated near or within localities across its geography, is seen as a pillar of air protection and is key to ensuring the environmental welfare of local communities.

We install air quality control systems and stationary air quality monitoring stations at the boundaries of the environmental protection zones and provide mobile environmental laboratories with cutting-edge equipment.

Thanks to its effort to reduce emissions, the Company kept them down in 2023 despite a significant increase in production volumes. Moreover, the Company managed to cut emissions of hydrocarbons (without volatile organic compounds) and solids.

In 2023, Rosneft continued to bring down unit emissions of sulphur dioxide and hydrocarbons (including volatile organic compounds) as part of its oil and gas production business. The Company has been able to maintain this trend for more than three years due to the implementation of the gas investment programme, which is aimed at increasing the rational use of associated petroleum gas.

## Structure of gross air emissions, kt

GRI 305-7 SASB EM-EP-120a.1 SASB EM-MD-120a.1 SASB EM-RM-120a.1

Substance	2021	2022	2023
<input checked="" type="checkbox"/> Gross air emissions, including:	1,336	1,314	1,339
› carbon monoxide (CO)	621	637	665
› volatile organic compounds	322	334	334
› hydrocarbons (excluding volatile organic compounds)	187	163	156
› sulphur dioxide (SO <sub>x</sub> )	76	71	74
› nitrogen oxide (NO <sub>x</sub> )	60	61	68
› solids	65	46	41
› benz(a)pyrene	0.00004	0.00002	0.00003
› other	4	3	2

## Angarsk Petrochemical Company comes up with new methods of atmospheric air control

The sanitary lab experts developed cutting-edge techniques for measuring key environmental indicators and incorporated them into their working routine. They also devised new methods of atmospheric air monitoring, which were later certified and entered into the Federal Information Fund for Ensuring the Uniformity of Measurements. This helped Angarsk Petrochemical Company improve the efficiency of atmospheric air monitoring by 35%.

Information on atmospheric air monitoring in Angarsk is publicly available through a screen installed in the city centre with sample-based industrial environmental control results displayed 24/7.



## Unit air emissions by type, t/ktce

Emissions	2021	2022	2023
<b>Unit SO<sub>2</sub> emissions</b>			
Oil and gas production	0.048	0.038	0.036
Oil refining and petrochemicals	0.47	0.49	0.51
<b>Unit NO<sub>x</sub> emissions</b>			
Oil and gas production	0.122	0.121	0.126
Oil refining and petrochemicals	0.135	0.149	0.147
<b>Unit hydrocarbon emissions (including volatile organic compounds)</b>			
Oil and gas production	1.09	1.07 <sup>1</sup>	0.92
Oil refining and petrochemicals	0.97	1.02	1.03

<sup>1</sup> Unit hydrocarbon emissions (including volatile organic compounds) from oil and gas production in 2022 have been updated.

# Water conservation

GRI 3-3 TCFD | Metrics and targets (A) SASB EM-SV-140a.2 UNCTAD B.1.3

Throughout its production cycle, Rosneft takes steps to ensure responsible use of water. In line with its Environmental Efficiency Improvement Programme and capacity upgrade plans, the Company takes action to withdraw less water from natural sources, increase the share of recycled and reused water, manage associated formation water in an environmentally sound way, and improve the quality of wastewater treatment.

SASB EM-RM-140a.1  
SASB EM-EP-140a.1  
SASB EM-SV-140a.1

The Company regularly evaluates the sufficiency of water resources across the regions where it operates<sup>2</sup>. Most of the Company's operational activities are carried out in regions where there is sufficient water supply; however, irrespective of the supply level, the Company takes a number of steps to ensure sustainable use of water resources and protection of water bodies.

As part of its Environmental Vision, Rosneft is looking to achieve a 10% decrease in fresh<sup>1</sup> water consumption by 2030 (for current operations) by reusing more water and improving treatment efficiency. Rosneft aims to achieve maximum water reuse for new projects.

The Company follows applicable laws in its water use, ruling out any possibility of water shortages for local communities.

GRI 303-1

Depending on the regional specifics, the Company uses several methods of supplying water to production facilities: water is procured from underground sources, surface water bodies, third-party organisations under water supply contracts, meltwater and stormwater runoff collection on-site, and other sources. The Company works to make water use more efficient at different management levels by devising

various organisational and technical measures and implementing investment projects.

**RUB 6.5 bln**  
invested in water management and wastewater treatment, transportation, and disposal in 2023



For more details on the Company's water conservation approach, see [our website](#)



## Jointly with RN-Uvatneftegaz, environmental experts study lake ecosystems in the Tyumen Region

In 2023, as part of the RN-Uvatneftegaz grant project, scientists from Shpilman Research and Analytical Centre for Rational Subsoil Use pioneered the creation of a database of regional lake ecosystems. As part of comprehensive studies, the scientists carried out retrospective analysis of satellite images of 390 water bodies to understand the changes in their area over the last 50 years. According to the results, the total area of all lakes in the south of the region increased by 119 sq km (some 3.5%).

The scientists also determined that out of 250 large lakes, nine water bodies are influenced by anthropogenic factors affecting the surface runoff of moisture and saturation of water with mineral elements used in agriculture. These include lakes Chernoye and Bolshoye Belye in the Armizon District, Urashnoye and Porai in the Vagaysky District, Karasye and Shchuchye in the Zavodoukovsky District, and Bolshiye Artapy, Lebyazhye, and Aiginskoye in the Tyumen District. The scientists concluded that these water bodies need special protection and gave recommendations on their restoration and ways to prevent the lakes from shrinking and blooming.

Certain measures are already being implemented by Rosneft's subsidiaries in the Tyumen Region, namely RT-Uvatneftegaz, Tyumenneftegaz, and the Corporate R&D Institute of the Tyumen Region. In particular, Rosneft volunteers regularly clean and improve the shores of large water bodies, and install rubbish containers and special boards raising awareness of tourists on lake ecosystems.



## Taking care of the great Volga River

In 2023, employees of Group Subsidiaries in the Samara Region ran environmental initiatives to clean up the banks of the Volga River.

In spring 2023, during an environmental event dedicated to Volga Day, Rosneft volunteers cleaned 210 thousand sq m of the Volga River banks, collecting and removing about 10 tonnes of household waste and rubbish. The campaign involved more than 200 employees of Rosneft's Samara group of refineries (Novokuibyshevsk Refinery, Kuibyshev Refinery, Syzran Refinery, Novokuibyshevsk Petrochemical Company, Novokuibyshevsk Oils and Additives Plant, Samaraneftegaz, SamaraNIPneft, and Middle Volga Oil Refining Research Institute). Employees also beautified the banks of the Sok and Tatyanka rivers.

In the summer of 2023, the Saratov Refinery held an environmental action to clean the Volga River channels and banks of rubbish. During the event, 30 volunteering employees paddled three kilometres

along the river using SUP boards to collect about 375 kg of household rubbish. The Saratov Refinery has been carrying out independent events to clean up the banks of the Volga River and springs in the Saratov Region for several years: in 2022, employees of the Rosneft subsidiary collected more than 7 tonnes of rubbish as part of various environmental events, in 2023 – over 13 tonnes of rubbish.

In autumn 2023, as part of the the international event Clean Up the World, volunteers of the Saratov Refinery held an environmental campaign to clean up a sandspit along the Volga River in the village of Uvek. The event saw Rosneft employees clean up 20 thousand sq m of the shores, collecting more than 6 thousand kg of rubbish. The initiative was also supported by RN-Trans volunteers and students of the Chemical Technology College. Annual cleaning and improvement of the Volga River banks in Uvek settlement, a popular recreation place for Saratov residents, has been carried out since 2013.

<sup>1</sup> Fresh water is water drawn from surface and underground sources, rainwater, and water received from third parties under water supply contracts. It is used for production, utility, and other needs of the Company. According to the GRI 303 international standard, fresh water is water containing less than 1,000 milligrams per litre (mg/l) of dissolved solids (the definition is based on ISO 14046:2014).

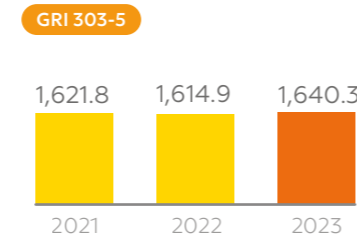
<sup>2</sup> Aqueduct project.

# Water withdrawal and water consumption

In 2023, total water withdrawal was comparable to the previous year's volume. A slight uptick in water consumption, including fresh water, is due to an increase in production volumes and expansion of the Company's asset perimeter<sup>1</sup>.

Rosneft applies circular economy principles in water management.

Use of water from all sources, mcm



Total water withdrawal, mcm GRI 303-3

Metric	2021	2022	2023
<b>Total withdrawn water, including:</b>	<b>1,867.5</b>	<b>1,869</b>	<b>1,902.2</b>
> from underground sources	85.2	83.9	86.0
> from surface sources	237.4	216.7	232.5
> rainwater	8.8	5.9	6.4
> collection of wastewater	114.7	107.1	111
> supply of produced water	6.7	6.8	7.4
> intake of associated formation water	1,371.3	1,407.1	1,416.1
> from water supply networks of other organisations	43.3	41.5	42.8

Fresh water withdrawal, mcm SASB EM-SV-140a.1 SASB EM-RM-140a.1 SASB EM-EP-140a.1

Metric	2021	2022	2023
<input checked="" type="checkbox"/> Fresh water withdrawal, including:	374.8	348	367.7
> from underground sources	85.2	83.9	86
> from surface sources	237.4	216.7	232.5
> from water supply networks of other organisations	43.3	41.5	42.8
> rainwater	8.8	5.9	6.4

Management of extracted formation water SASB EM-EP-140a.2

Metric	2021	2022	2023
<b>Total volume of extracted formation water, mcm</b>	<b>1,371.3</b>	<b>1,407.1</b>	<b>1,416.1</b>
Injection into the formation to maintain reservoir pressure without treatment, mcm	76.6	131.6	132.1
Injection into the formation to maintain reservoir pressure with treatment, mcm	1,214.0	1,193.0	1,192
<b>Disposal of formation water, mcm, including discharge:</b>	<b>80.1</b>	<b>86.1</b>	<b>92.7</b>
> into underground reservoirs	80.1	86.1	92.7
> on the ground	-	-	-

<sup>1</sup> In accordance with Presidential Decree No. 723 dated 7 October 2022 and Russian Government Resolution No. 1808 dated 12 October 2022, Sakhalin-1 was established, assuming all rights and obligations with respect to the development of the Chaivo, Odoptu, and Arkutun-Dagi fields.

In 2023, the share of recycled and reused water exceeded 92.6% of total water used for operational needs, which serves to reduce the volume of fresh water withdrawn externally.

## Recycled and reused water

SASB EM-SV-140a.1 SASB EM-RM-140a.1 SASB EM-EP-140a.1 UNCTAD B.1.1

Metric	2021	2022	2023
Recycled and reused water, mcm	2,368	2,181	2,192
Share of recycled and reused water in total water used for operational needs, %	93.4	93.3	92.6

**2,192 mcm**  
of water was recycled and reused at Rosneft's operations in 2023

### Additional formation water discharge unit at RN-Vankor

In the reporting year, RN-BashNIPlneft engineers and RN-Vankor oil workers developed and commissioned an additional formation water discharge unit with a capacity of 10 thousand cu m per day at the Vankor field. The unit was implemented as part of RN-Vankor's innovative approach to field development and Rosneft's environmental responsibility policy.

allows to efficiently collect oil and precipitate mechanical impurities without interfering with the main flow.

Rosneft plans to roll out this equipment to the entire Vostok Oil project, in particular, with three more units of this type to be built at the Vankor field.

At the Vankor field, treated formation water is moved for reuse in the formation pressure maintenance system. The new technology allows for sustainable use of water resources. The early water discharge unit reduces the load on the field's oil collecting pipeline system and the oil treatment unit. Thanks to water repellent materials and variable sections used, the updated water treatment unit



### Orenburgneft reduces fresh water injection volumes

Back in 2022, Orenburgneft built about 10 km of high-pressure water pipelines at the Volostnovsko-Zemlyanskoye cluster and created a formation pressure support system. This helped decrease the amount of fresh water needed for injection by 62%. In 2023, the company continued to reduce fresh water consumption by constructing

high-pressure water pipelines. The reporting year saw a total of over 11 km of water pipelines at the Volostnovsko-Zemlyanskoye cluster and Baklanovskoye and Don-Syrtovskoye fields, which made it possible to use bottom water for local injection wells, thus reducing fresh water consumption.



# Water discharge

GRI 303-2

In the reporting year, despite an increase in the gross volume of industrial wastewater discharge due to production ramp-up and perimeter expansion, the Company managed to reduce the volume of contaminated wastewater disposal by 8%.

To improve the quality of wastewater treatment, the Company systematically takes organisational

and technical measures (including regular monitoring of process units' compliance with discharge standards, control of third-party effluents, etc.) and runs investment projects to reconstruct treatment facilities at Group Subsidiaries.

The most effective discharge-reducing measures are subject to additional control and are included in the environmental programme,

which seeks, among other things, to achieve environmental performance targets. The Company's subsidiaries construct, reconstruct, and upgrade water treatment facilities, improving the state of water bodies and contributing towards Russia's 2030 national development goals.

## Rosneft develops software for water flooding management at fields

In the reporting year, Rosneft specialists continued drafting MUZA<sup>1</sup> software to improve water flooding management at the Prirazlomnoye field located in the Khanty-Mansiysk Autonomous Area<sup>2</sup>. The software will analyse formation pressure indicators and volumes of injected and produced liquids, identify problem areas, and suggest redirecting injected water flows with due regard to a set priority.

The Company considers the possibility of integrating MUZA software into Rosneft's range of IT solutions, which covers the full cycle of digital modelling of an oil production project. If implemented, the technology will bring down costs of water treatment, electricity, and other processes related to water injection, as well as increase oil recovery.

GRI 303-4

### Water discharge to the environment, '000 cu m

Metric	2021	2022	2023
Utility fluids discharge	73,033	76,128	77,240
Industrial effluent discharge, including:	194,094	187,938	200,395
› to surface water bodies	130,387	125,471	127,044
› into underground reservoirs	63,622	62,390	73,296
› on the ground	85	77	55

### Industrial effluent discharge, '000 cu m

Metric	2021	2022	2023
Effluents treated to standard quality and effluents clean according to standards	122,115	125,085	142,528
Polluted and insufficiently treated effluents	71,979	62,853 <sup>3</sup>	57,812

<sup>1</sup> MUZA (Injection Agent Management Module) software.

<sup>2</sup> The Prirazlomnoye field is one of the largest fields in Western Siberia, which has a complex geological structure and requires large volumes of injected water.

<sup>3</sup> A year-on-year change is mainly due to a new approach to accounting for third-party industrial effluents discharged via the centralised sewage system of the Ryazan Refinery.

# Oil spill risk management

## Developing a system to prevent oil spills

GRI 3-3

The Company places a special emphasis on protecting the environment and minimising environmental risks from its operations. In line with the Rosneft-2030 Strategy, we develop and introduce measures to minimise our footprint.

To manage risks of environmental accidents, we focus on two areas – oil spill prevention and emergency response. Risk management measures are included in the scope of reporting on the Company's current financial and economic risks. This is done at three levels: the corporate level, the level of business and functional blocks, and the level of Group Subsidiaries.

The Company is running a priority Pipeline Reliability Improvement Programme. From 2024 to 2028, we plan to replace some 12.9 thousand km of oilfield pipelines under the programme.

In 2023, under the strategic goal of achieving zero land contamination from pipeline spills, the Company recorded a 21% reduction in land contamination from pipeline spills compared to 2022.

We have in place a dedicated 2030 programme enabling Group Subsidiaries to establish and equip in-house professional rescue teams. The approved first stage of the programme envisages the implementation of a business project to create and equip in-house professional rescue teams at RN-Yuganskneftegaz, including the procurement of additional oil spill response equipment and machinery until 2025.

As part of its efforts to strengthen oil spill response and rescue system, the Company drafted the basic principles of an agreement on cooperation between Group Subsidiaries to provide assistance in containing and responding to oil and petroleum product spills, requiring provision of equipment from the reserves of other Group Subsidiaries to carry out spill response work if the Company's own equipment is insufficient.

In 2023, the Company approved and put into effect an internal document setting out the Company's standard requirements for making plans to prevent, contain and respond to oil and petroleum product spills on land and surface water bodies.

In 2023, Group Subsidiaries updated over 170 plans to prevent and respond to oil and petroleum product spills (OSR). Prior to approval of the OSR plans, the subsidiaries held comprehensive exercises to confirm readiness for oil spill containment and response with the participation of federal executive bodies, regional government bodies and local authorities, as well as emergency rescue teams.

Despite adequate measure to prevent oil spills, we are aware of potential risks and make sure we are ready to respond to any spills of oil or petroleum products.

We engage in-house and outstaffed professional rescue teams to quickly respond to emergencies. On top of that, Group Subsidiaries continuously certify and recertify in-house rescue teams. In 2023,

we certified in-house rescue teams at two facilities, while hired teams underwent certification at 14 facilities.

In order to improve the efficiency of interaction between the Company and the Industrial Commission of the Russian Ministry of Energy for the Certification of Emergency Response and Rescue Teams and Rescuers, the Industrial Commission for the oil and gas industry and other fuel and energy industries includes authorised representatives of Rosneft. The Commission also supervises the creation of emergency response and rescue teams of the oil and gas industry and other fuel and energy industries.

As a responsible subsoil user, Rosneft invests every effort in preserving the environment and fragile Arctic ecosystems.

We have developed an action plan to save animals in case of emergencies during offshore activities. The plan sets out general guidelines for response and rescue operations. In 2023, no incidents requiring animal rescue in emergency situations were recorded in the Company.



To learn more about our animal rescue plan in case of emergencies, see [our website](#)

# Waste management and land remediation

## Land remediation

GRI 3-3 TCFD | Metrics and targets (A)

The Company pays close attention to the protection and rational use of land resources, which are essential both for maintaining balanced local ecosystems and stable operations. When carrying out remediation work, Rosneft complies with all applicable Russian laws, as well as corporate procedures (the Company's Standard on Remediation of Disturbed and Contaminated Lands).

To reduce its negative impact on land, the Company implements a set of measures provided for by the 2025 Environmental Efficiency Improvement Programme, Pipeline Reliability Enhancement Programme, and other short and long-term plans for land remediation and rehabilitation.

The Company approved and put in place a programme to eliminate environmental legacy effects, which aims to fully eliminate land contaminated and waste generated as a result of past activities of previous owners of assets prior to their integration into Rosneft.

As part of this programme, Rosneft remediated more than 230 hectares of land contaminated with legacy waste, including over 80 hectares in 2023.

More than 90% of remediation works are performed by Rosneft's internal ecological services established by key subsidiaries of the Company (including Samotlorneftegaz and RN-Yuganskneftegaz

Complete elimination of legacy contamination by 2035 is a strategic focus area of Rosneft's sustainability activities that supports its position as a Russian green leader.

in the Khanty-Mansi Autonomous Area – Yugra). Taking into account the contaminated lands' climatic and geographical features, winter remediation has been used for several years to ensure high remediation rates and yield positive results. It is an effective technique for restoring the biological productivity of soils in the north; it enables year-round works and annual ramp-up in the pace of remediation efforts.

This method has been successfully employed for several years now, mainly by companies located in the Khanty-Mansi Autonomous Area – Yugra. Today, approximately 70% of land remediation activities are carried out during winter. To protect

land resources and use them rationally, we implement the best available technologies and monitor the quality of remediation work, which is carried out both in-house and by contractors.

From 2021 to 2023, Rosneft cleared some 400 ha of lands contaminated by previous owners, including in the Soviet period<sup>1</sup>.

<sup>1</sup> As at the baseline period.

Land use, ha GRI 304-1 GRI 304-3 SASB EM-MD-160a.3

Metric	2021	2022	2023
Area of contaminated land at the beginning of the year <sup>1</sup>	1,922	1,996	2,232
Area of contaminated land identified during the pre-project study	415	495	80
Area of accumulated contaminated land	183	215	170
<input checked="" type="checkbox"/> Area of contaminated land as at the year end	1,999	2,232	1,994
Area of mechanically disturbed and contaminated land subject to natural restoration	350	2	440
<input checked="" type="checkbox"/> Area of mechanically disturbed and contaminated lands subject to remediation	11,509	12,088	10,263



<sup>1</sup> Data for the beginning of the year differs from the end of the previous year due to changes in the reporting scope of Group Subsidiaries and inventory adjustments.

# Waste management

The Rosneft-2030 Strategy provides for achieving zero legacy contamination<sup>1</sup>, including through elimination of 100% of oil-containing legacy waste by 2035. The goal is to be accomplished through a comprehensive upgrade of production assets, introduction of best available technologies, timely recycling and neutralisation of waste, and reuse of recycled waste in process operations.

GRI 306-1 GRI 306-2

Drilling waste is one of the main types of waste generated in the course of Rosneft subsidiaries' operations.

More than 4.4 million tonnes of drilling waste were processed in the reporting year; the Company continued to improve approaches to waste management: Exploration and Production Group Subsidiaries are introducing eco-friendly and cost-effective technologies. RN-Vankor assessed the feasibility of scaling up its own drilling waste disposal technology using a physical and chemical method. Samaraneftgaz, Orenburgneft, and RN-Krasnodarneftgaz piloted a proprietary drilling waste disposal technology based on a chemical and biological method. According to the feasibility study results, there

is a significant potential for scaling up proprietary technologies at the Company's subsidiaries.

To ensure the proper quality of oil and drilling waste management activities carried out by the Company's divisions and contractors, Rosneft has internal additional procedures for organising these activities and monitoring their performance.

The measures we put in place helped process over 1.1 million tonnes of oil-containing waste.

## Rosneft's approach to waste management

Continuous monitoring and ongoing communication with Group Subsidiaries on changes in relevant laws to ensure timely and full compliance

Comprehensive assessment of alternative technologies at the design stage, providing a rationale for the selection of the least waste-intensive technologies in relation to individual projects

Engagement of companies that specialise in waste utilisation and treatment and not only comply with all relevant regulatory requirements, but also have extensive expertise in this area

Effective internal and external control over waste handling in accordance with the Supervision of Environmental Restoration Activities internal regulation

<sup>1</sup> Legacy contamination of land and oil-containing waste result from prior third-party activities on the Company's territories and/or facilities.

## Waste handling, kt GRI 306-3 GRI 306-4 GRI 306-5

Metric	2021	2022	2023
Waste at the beginning of the year, taking into account adjustments during the reporting period	6,050	5,668 <sup>1</sup>	5,499
<input checked="" type="checkbox"/> Generated and accepted (from third-party organisations) waste as at the year end	6,213	5,869	6,683
<input checked="" type="checkbox"/> Disposed of (used) and neutralised waste as at the year end <sup>2</sup>	6,067	5,686	6,037
Buried waste as at the year end	348	369	891 <sup>3</sup>
Accumulated waste as at the year end	5,849	5,482	5,254

### Developing environmental technologies for drilling waste recycling

In 2023, RN-Vankor introduced several eco-friendly drill cuttings recycling technologies. These include a unique drill cuttings processing line and a patented technology for processing drill cuttings into soil cement, which serves as a construction material. Both technologies have been implemented at the Vankor field.

The Vankor drilling waste recycling line is Russia's first 100% eco-friendly drill cuttings disposal facility leveraging recycling technologies. The new plant's annual capacity is up to 200 thousand tonnes of drilling waste. The utilisation method implies thermal destruction of drill cuttings by means of firing, with furnaces fuelled by gas produced at the field. The flue gases generated during the firing process are fully purified and are not released into the atmosphere. The derived construction material is very eco-friendly and can be used in construction or road building.

The company also uses a technology for processing drill cuttings into soil cement, an environmentally friendly construction material. With drill cuttings sorbed and neutralised in it, soil cement boasts high environmental quality and prevents sludge substances from being released into

the environment. Soil cement can be used in sludge pits remediation, road construction, and well as a substitute for natural soils and various reclamation materials. A total of some 220 thousand tonnes of drill cuttings have been converted into soil cement at the Vankor group of fields since the launch of the processing facility.

All environmental solutions implemented at the Vankor cluster are to be rolled out to the new assets of the Vostok Oil project. New eco-friendly technologies are expected to secure a four times lower unit emissions than the average for greenfields operated by the major global companies.



<sup>1</sup> Data for the beginning of 2022 differs from the end of 2021 due to changes in the reporting scope of the Company and adjustments to waste volumes based on tool-based measurements.

<sup>2</sup> Incl. transferred into ownership of third parties.

<sup>3</sup> Due to changes in the Company's asset perimeter.

# Sustainable use of resources and circular economy principles

## Fostering circular economy

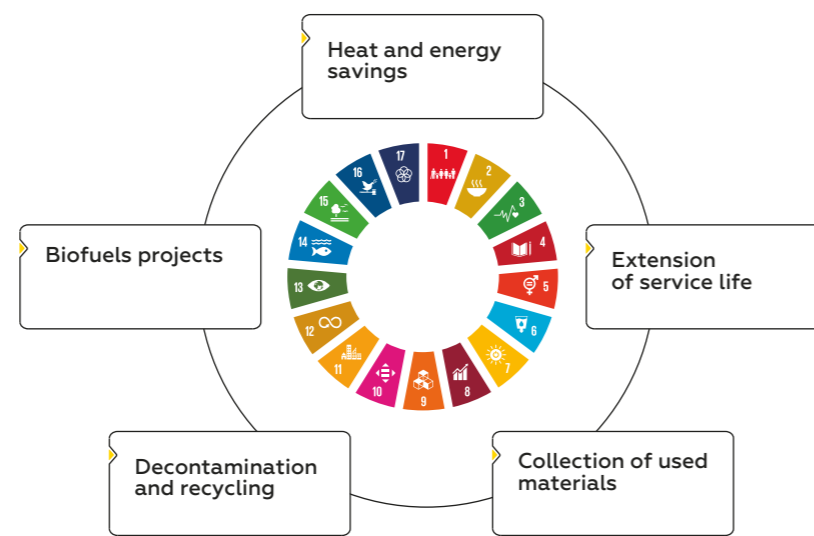
GRI 3-3 SASB EM-EP-530a.1 SASB EM-RM-530a.1 SASB EM-SV-530a.1

Rosneft is on a mission to become the leader in minimising the environmental footprint and promoting eco-friendly production.

Reaffirming its commitment to the sustainable development goals, the Environmental Security Strategy of the Russian Federation, the Presidential Executive Order On National Development Goals of the Russian Federation to 2030, and the Russian Government Resolution On Approving the State Programme of the Russian Federation for Environmental Protection<sup>1</sup>, the Company runs projects to accelerate transition towards circular economy on an annual basis.

In 2023, an Action Plan was developed to apply the principles of circular economy across the Company, including a set of initiatives aimed at a more extensive implementation of such principles of both regulatory and practical nature, including those seeking to:

- > contribute to the development of the national regulatory framework and statutory instruments governing circular economy in Russia;
- > enshrine circular economy principles in the internal documents of the Company;
- > raise employee awareness and competencies, including through the development and delivery of circular economy trainings;
- > dive into practical implementation of the circular economy principles, including feasibility assessment



of some promising projects that could be introduced across the Group Subsidiaries with a view to applying circular economy principles to the top priority waste categories such as oil waste, drilling waste and their disposal products, construction and demolition waste, wastewater sludge.

The plan provides for the development of minimum technical requirements for drilling waste products to be used in business operations, while also envisaging the comparison of drilling waste disposal products received by the Company with required construction materials to assess the possibility of their subsequent use as analogues.

As part of its commitment to circular economy, Russia has adopted a number of regulatory instruments, including those establishing obligations

such as the direct use of recyclables in production, extended producer liability, etc. In 2023, the Company was actively engaged in discussing these regulations, including as part of their public discussions. Almost all of the Company's proposals were taken aboard in the final documents adopted in 2023.

### Joining the Association for Waste Recycling

Since 2022, RN-Lubricants has been a member of the Association for Waste Recycling, which implements environmental projects in Russia to support the development of the national industry for managing industrial and consumption waste.

As a member of the Association, Rosneft will be able to meet its environmental targets

and improve its environmental culture, including improvement of waste management processes and introduction of circular economy principles under the Rosneft-2030 Strategy.

In 2023, further efforts were taken to recover (regenerate) waste mineral petroleum oils for their subsequent use.

### Catalyst reuse

Rosneft actively practices the reuse of hydrotreating catalysts. The Company operates specialised subsidiaries, where spent catalysts are regenerated and reactivated, and, hence, restored for reuse in the production process instead of fresh catalytic systems. The regeneration and reactivation procedures can be repeated several times making it possible to use the same catalyst for several cycles.

Such technologies are beneficial in both ensuring sustainable use of resources and making processing more economically efficient, while also reducing the burden on the environment.

In 2023, the Company's specialised subsidiaries, the Novokuibyshevsk Catalyst Plant and RN-Kat, regenerated and reactivated more than 1 thousand tonnes of hydrotreating catalysts supplied to Rosneft refineries and third-party consumers.

### Green Office

In line with green office principles, Rosneft's enterprises focus on providing a comfortable working environment through planting greenery, using ergonomic furniture and improving lighting at workplaces. In addition, we have implemented a number of eco-friendly practices:

- > installing sensor faucets, LED lighting, motion sensors, setting appliances to an energy saving mode;
- > switching off electrical appliances at the end of the working day to reduce water and energy consumption;
- > introducing separate containers for waste paper, plastics, batteries, etc.

The Company's facilities are equipped with separate waste collection sites, and electronic waste (such as batteries and computer, electronic and optical equipment) is recycled. Waste is transferred to special facilities for treatment, neutralisation and disposal, including through the use of best available technologies.

As part of the Green Office project, office paper is collected from the facilities on a permanent basis. There are special eco-boxes installed, each of them coming with a leaflet on how to dispose of documents properly.

The Company complies with international standards for green offices set out in the BRE Environmental Assessment Method (BREEAM). A good example is Rosneft's Research and Development Centre located on Leninsky Avenue in Moscow. The building got a BREEAM international certificate with an Excellent rating. Only about a dozen buildings in Russia currently have the Excellent rating under the BREEAM In-Use certification framework.

### Ryazan Refinery holds a campaign to collect old car tyres

The Ryazan Refinery held its annual campaign to collect old car tyres to be recycled by mechanical shredding for their reuse. The event was timed to coincide with the World Environment Day.

Listed as hazard class IV, end-of-life tyres are subject to statutory disposal as it takes more than 100 years for tyres to naturally degrade. As part of the event, the plant's employees cleaned up more than 2 km of the road

from Ryazhskoe Highway to Turlatovo village in the Ryazan District from discarded tyres. Old tyres were also brought in by the plant's employees and Ryazan locals. As a result, more than 50 cu m of waste was collected and handed over for recycling.

The resulting crumb rubber can be used across a number of industries, in particular, such as roofing and waterproofing materials, road surfacing and industrial sorbents.

<sup>1</sup> Resolution of the Russian Government No. 326 dated 15 April 2014.

# Improving environmental awareness

## Environmental initiatives

Rosneft pays great attention to promoting corporate environmental culture and responsible attitude towards the environment among its employees and contractors. We take steps to enhance employee involvement in ensuring compliance with environmental requirements, hold voluntary environmental events, and foster sustainable and responsible consumption of natural resources.

In 2023, Rosneft subsidiaries held volunteer events across the nation with a focus on coastline, forest and city cleaning, contributing

to better environment, fostering environmental culture and developing volunteer practices in Russia.

The subsidiaries continued participating in the Kind Caps project. They have also supported the Volunteers for Orphans charity foundation by holding events to promote separate waste collection, reduce the share of landfill waste and preserve natural resources.

As part of its commitment to developing the volunteer sport and environmental movement, RN-Morskoi Terminal Tuapse held the 2nd Litter Picking Championship. The event brought together more than 150 participants from local youth

centres, the teacher training college, the hydrometeorological school and the environmental and biological centre. The 1,5h litter picking competition resulted in the collection of more than one hundred 10 cu m bags of trash at the 300 ha Cape Kadosh.

Company employees and their family members participated in

**> 330**  
environmental initiatives  
in 2023



## Rosneft took part in the All-Russian Green Spring 2023 campaign

In the spring season of 2023, about 3.5 thousand Rosneft volunteers took part in the All-Russian Green Spring 2023 environmental campaign, whereby clean-up days were held in more than 15 Russian cities.

During the campaign, the oil workers cleaned and spruced up the coastline, urban streets, infrastructure facilities, parks and gardens. The volunteers also organised environmental lessons and master classes associated with the nationwide clean-up days. Over the campaign lifetime, Rosneft volunteers collected more than 645 tonnes of garbage, cleaned more than 250 ha of land, and planted more than 56 thousand trees, shrubs and flowers.



## Plastic recycling environmental campaign

In the reporting year, Sibintek launched an environmental campaign for its employees to collect plastic caps and send them for recycling in ten cities of operation.

The campaign involved placing special containers for plastic caps in the company's offices. The collected caps were sent to recycling depots with the proceeds used for socially important

purposes such as supporting children from care homes, purchasing medical equipment, as well as implementing greening initiatives, and cleaning the Volga River. The initiative serves to minimise anthropogenic impact on the environment and promote responsible consumption.

## Reforestation and greening

In 2023, Rosneft subsidiaries planted almost 10 million tree seedlings in the Krasnoyarsk Territory, the Irkutsk, Samara, Tyumen and Orenburg regions, the Khanty-Mansi and Yamal-Nenets autonomous areas, as well as Udmurtia and Bashkiria. Over time, the planting

of coniferous and deciduous trees ensures natural protection of the local microclimate, restores local ecosystems, including lakes and rivers, and leads to an increase in the number of animals living in the area, including rare species listed in the Red Data Book of Russia.

In the Khanty-Mansi Autonomous Area, the afforestation effort was supported by several

subsidiaries. With some 1 thousand ha covered, RN-Yuganskneftegaz planted around 3.4 million coniferous seedlings, twice as many as in the previous period. Samotlorneftegaz employees planted 575 thousand pine seedlings, an absolute record for the subsidiary. In addition, mineralised strips were laid to protect forest from fire. The team also planted apple tree seedlings around the Monument

to the Conquerors of Samotlor as part of the Nizhnevartovsk greening effort.

The employees of Slavneft-Krasnoyarskneftegaz and Vostsibneftegaz planted more than 1.5 million spruce, pine and cedar seedlings as part of the reforestation drive. RN-Uvatneftegaz planted approximately 2 million pine and Siberian spruce seedlings at an area of more than 550 ha, up 63% in its reforestation volumes.

In the Yamal-Nenets Autonomous Area, the employees of Kharampurneftegaz planted more than 40 thousand pine seedlings as part of the environmental protection and restoration initiatives, greened up the Ozero Okunyevoe Park in Tarko-Sale, and restored woodland that suffered from a naturally occurring wildfire in the Uspenka village of the Tyumen Region. SevKomNeftegaz

### Rosneft pays special attention to the conservation and restoration of natural resources. In 2023, the Company and its subsidiaries planted almost 10 million tree seedlings of various species.

and Sibneftegaz, taken together, planted over 140 thousand Scots pine seedlings in the Noyabrsky forest section of the Purovsky District in the Yamal-Nenets Autonomous Area.

Verkhnechonskneftegaz team planted in excess of 143 thousand Siberian pine seedlings at an area of more than 66 ha in the Irkutsk Region.

In the reporting year, Bashneft volunteers planted a total of 515 thousand seedlings at an area of more than 178 ha

in the Republic of Bashkortostan. In particular, in autumn 2023, the oil workers greened up the Asly-Kul Natural Park planting 30 thousand pine and larch trees on 7.5 ha of previously deserted territory near the shore of Lake Asly-Kul. The most suitable planting site was determined by experts from the Institute of Biology of the Ufa Federal Research Centre of the Russian Academy of Sciences. The planting took place as part of the Green Bashkiria regional campaign. In 2024, Bashneft plans to plant

### Joint tree planting campaigns with the Movement of the First volunteers

In 2023, Rosneft subsidiaries organised a number of joint environmental campaigns to plant trees in protected areas with the involvement of young volunteers from the Movement of the First youth organisation.

Udmurtneft employees together with the Movement of the First volunteers and students of Rosneft Classes planted young oaks in the Udmurtia Zoological Park in Izhevsk. The trees were grown by the students of School No. 4 in the Igra village. It is the sixth year already that Udmurtneft has been organising greening campaigns at the zoo.

RN-Vankor, together with the students from the Movement of the First, planted 400 thousand pine and Siberian spruce seedlings on 200 ha of the Krasnoyarsk Territory and the Yamal-Nenets Autonomous Area. The conifers were selected due to a high survival rate in the northern climate.

A joint Bashneft-Movement of the First environmental campaign to plant rowan, apple and spruce seedlings took part in the public garden of the roller skiing track in Ufa.

Orenburgneft, together with the Movement of the First students, planted ash and elm seedlings near a busy traffic artery of one of the regional oil centres as part of the nationwide Forest Conservation project.



another 30 thousand conifer seedlings in the water protection zone of Lake Asly-Kul.

Volunteers from Rosneft's Samara subsidiaries took part in the Cedars of Russia project and planted more than 1 thousand trees in Samara, Novokuibyshevsk and Syzran in the Samara Region.

Many subsidiaries have been undertaking forest restoration projects for several years in a row. The Syzran Refinery has been organising mass plantings for three years now. Over this time, the oil workers have planted more than 23 thousand pine seedlings, including 4 thousand planted in the reporting year on 9 ha of the Racheysky Bor damaged by a natural fire in 2010.

Volunteers from the Kuibyshev Refinery planted 1.3 thousand oak and 600 Siberian cedar seedlings in the Samara Region.

The forest restoration initiatives were held with the involvement of young people and were synchronised with various environmental campaigns, including the Green Spring, Forest Planting Day, Save the Forest, Garden of Memory and other.

### Environmental education

Among other things, environmental education includes engaging with the younger generation through environmental lessons, master classes, excursions, exhibitions, contests, etc. Children and young people are encouraged to take part in initiatives to collect batteries, paper and plastic caps for recycling, which helps develop responsible consumption behaviour and promotes relevant skills.

In early 2023, EkoKvant, the first environmental club for teenagers, was opened in the Nizhnevartovsk District with Samotlorneftegaz's

support in line with the Cooperation agreement between Rosneft and the Government of the Khanty-Mansi Autonomous Area – Yugra. The project was launched to engage young people in the green volunteer movement and foster an attitude of care towards nature. The club welcomes children aged from 7 to 17 and engages teachers from partner universities, as well as environmental volunteers from Samotlorneftegaz. Designed to serve about 11 thousand teenagers and children, the club boasts modern equipment such as multi-level hydroponic systems, a greenhouse, computers, and microscopes for environmental research.

The employees of the Novokuibyshevsk Refinery, in cooperation with the Samarskaya Luka National Park, organised a series of environmental lessons for young volunteers from the Movement of the First on the occasion of the Animal Day. Thanks to the event, teenagers learned how to sort waste, took environmental tests as part of an interactive EcoGTO educational programme, got acquainted with rare species of Red Data Book

animals living in the Samara Region. The schoolchildren also received gifts such as ecological games with the image of the white-tailed eagle studied by Rosneft's Samara subsidiaries.

In 2023, the Saratov Refinery also held an environmental lesson for young volunteers from the Movement of the First. During the interactive lesson Protection of Nature is in Our Hands, students of Saratov Gymnasium No. 5 learned about the importance of environmental protection activities, and became familiar with Rosneft's environmental projects such as forest restoration, release of fingerlings of valuable fish species and protection of endangered animals.

Besides, for five years now, the Saratov Refinery has been running the Ecology and Safety social and educational project fostering an attitude of care towards nature in the younger generation. The subsidiary holds dedicated interactive lessons for primary school pupils and pre-schoolers, as well as for children's social, rehabilitation and health care facilities.



# ENSURING OCCUPATIONAL HEALTH AND SAFETY



Protecting the life, health and safety of our employees, as well as contractor workers at our facilities is an absolute priority for Rosneft.



# Ensuring occupational health and safety



GRI 3-3 SASB EM-RM-320a.2 SASB EM-EP-320a.2 SASB EM-SV-320a.2 SASB EM-MD-540a.4

Rosneft's top priorities related to operations are to ensure the safety of all its employees and contractors, implement environmentally responsible work practices, and minimise an environmental footprint.

## HSE management

Strategic goals, initiatives, and systematic approaches to HSE management are enshrined in the Rosneft-2030: Reliable Energy and Global Energy Transition Strategy.

Measures to achieve the strategic objectives in HSE have been defined for the Company's Head Office and subsidiaries. This ensures

that targets are effectively met and their implementation is properly monitored.

Rosneft operates in strict compliance with the Russian HSE laws and and global best practices in HSE.

Rosneft's Policy on Health, Safety and Environment (HSE Policy) is a fundamental

document that conveys the Company's position in this domain. The Policy outlines the objectives, commitments, and HSE principles that apply to Company and contractor employees across all regions of operation.

For Rosneft's HSE Policy, see [our website](#)



### Strategic HSE targets

- Striving for zero fatal injuries
- Aiming for zero equipment breakdowns
- Minimising an environmental footprint
- Achieving a net positive impact on ecosystems

### Systemic approaches to OHS management

- Use of a risk-oriented OHS approach
- Development of skills and competencies
- Unconditional compliance with the Golden Rules of Safety
- Use of leading OHS indicators
- Implementation of the Control of Work procedure
- Implementation of equipment reliability/integrity measures

### Corporate HSE governance

GRI 3-3 GRI 403-4

#### Rosneft Board of Directors

Exercises strategic governance of the Company's HSE activities

#### Strategy and Sustainable Development Committee

Develops proposals based on preliminary consideration of the Company's HSE performance reports, controls management of key corporate risks. Oversees the implementation of the Company's strategic carbon management agenda. Prepares recommendations to Rosneft's Board of Directors for decision-making

#### HSE Committee (steering body)

Develops a consolidated approach to the delivery of HSE targets  
Makes decisions and recommendations aimed at fostering the safety culture, preventing occupational injuries, reducing occupational disease risks, managing HSE risks, and preventing emergencies

#### HSE Council (advisory body)

Prepares proposals to update the Company's HSE Policy, development strategy, and Rosneft's Long-Term Development Programme. Analyses the results and determines the Company's priority HSE areas



The HSE Committee is a permanent coordinating body of the Company comprised of top managers, heads of structural units of the Company's Head Office, and the General Director of Bashneft.

In 2023, the HSE Committee met six times to decide on the prevention of occupational injuries, accidents at production facilities, road traffic accidents, management of HSE risks, including:

- › holding HSE campaigns as a way to prevent injuries;
- › implementation of the following initiatives:
  - development of the HSE Violation Tickets framework;
  - implementation of the Control of Work procedure, which involves weekly planning of hazardous works requiring the issuance of work permits and features multilevel controls over such works;

- generating materials for comprehensive safety lessons aimed at preventing recurrent fatal incidents;
- behavioural safety audits featuring photo evidence;
- internships in the HSE units for the line managers of production facilities prior to their appointment to office;
- implementation of a targeted programme to prevent falling and traffic accidents;
- › taking steps to continuously improve the HSE risk management process.

**GRI 403-4**

Rosneft's Interregional Trade Union Organisation actively contributes to the HSE management process. In the reporting year, trade union representatives participated in the Best in Profession-2023 Corporate Festival and Competition, in the work of commissions for personal protective

equipment inspection, and audits of HSE activities at the Group's facilities.

2023 also saw the Company hold a Best HSE Representative competition. As part of the competition, a training session was organised for trade union technical inspectors and HSE representatives on the following topics: a systemic approach to ensuring safe operations; introduction of special tickets for violation of HSE requirements at subsidiaries; implementation of the Five Steps to Safety Success programme for hazardous operations.

For more details on occupational health and safety, see [our website](#)

For more details on the corporate governance structure, see the [Sustainable Development Management](#) section of this Report.



## Integrated Health, Safety and Environment Management System

- GRI 403-1    SASB EM-RM-320a.2
- EM-EP-320a.2    EM-SV-320a.2
- EM-MD-540a.4

HSE processes are part of the Integrated HSE Management System (HSE IMS), which complies with global best practices, as well as Russian and international requirements in this area.

The Company's Integrated Health, Safety and Environment Management System standard defines the integration and decomposition of HSE processes in the corporate governance framework, involvement of functional and business units in their

implementation, including leadership and risk management processes.

The standard was designed in line with Russian and international ISO standards for occupational health and safety management, as well as environmental management, and the Company's HSE Policy.

The HSE IMS standard regulates the implementation of all HSE processes and provides for their effective structuring and efficient distribution of functions in this domain.

The HSE IMS is certified annually by external auditors to verify that it meets the national and global HSE standards.

In 2023, Rosneft and 74 Group Subsidiaries successfully passed

an audit for compliance with ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 14001:2015 (Environmental Management Systems) as part of reconfirming the Company's umbrella certificate. 31 Group Subsidiaries completed independent occupational health and safety certification, and 33 were certified in the area of environmental management.

Compliance certification takes into account the specific nature of their business, including the requirements of investors, partners, customers, and other stakeholders.



## Workshop on changes to the HSE management system

GRI 403-5

August 2023 saw a company-wide workshop on the key changes in the Company's HSE management system. It was attended by representatives of the Company's Head

Office and more than 180 representatives of subsidiaries. The workshop proved to be an effective venue for its attendees to interact and share experience.



For more details on the HSE IMS, see [our website](#)

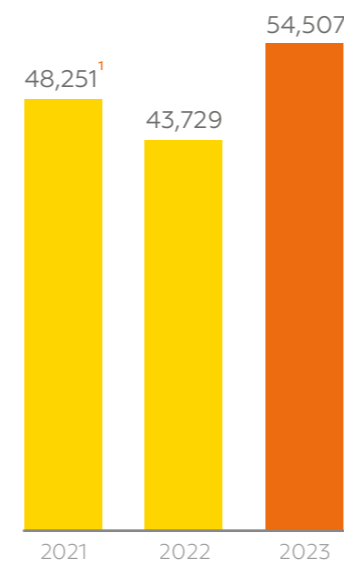
☑ The certification of the Integrated HSE Management System for compliance with ISO 45001:2018 (Occupational Health and Safety Management Systems) takes place at more than 100 production entities which account for 72.5% of the total headcount of all Group Subsidiaries covered by the Company's management accounting procedures.

GRI 403-8

**RUB 54.5 bln**  
allocated by Rosneft to OHS in 2023



Expenditure on health and safety, including fire safety and blowout prevention, RUB mln



<sup>1</sup> From 2021, all costs have been recognised net of VAT due to changes in the cost accounting methodology.

## HSE risk management

GRI 403-2

HSE risk management in the Company has four tiers – the corporate level, businesses and functional units, Group Subsidiaries, and Group Subsidiaries' structural units.

To manage HSE risks and address those identified, the Company applies all the necessary measures, which:

- are appropriate to the risk exposure assessed;
- have the necessary resources allocated on a priority basis;
- were approved at the relevant governance level.

The risk-oriented approach includes assessment, analysis and management taking into account global and industry HSE best practices, and helps predict possible events and take proactive steps to prevent them.

HSE risk management is a set of tools helping managers at various levels, from senior executives

to line managers, to make the best and most efficient comprehensive decisions on operational safety when having limited resources. It is based on HSE risk analysis and assessment featuring a single matrix of HSE risk assessment and a bow-tie diagram. These findings are a starting point in prioritising mitigation efforts and defining the management level authorised to make a decision on the implemented risk management strategy.

The Company developed standard diagrams for fire, fall, road, blowout, and pipeline failure risks defining a set of proactive and reactive barriers (measures) for a particular type of incident. Based on standard solutions, the facilities develop programmes to create/enhance barriers. In particular, facilities run programmes to prevent falls and road accidents.

In the reporting year, the Company streamlined the timing and formats of HSE risk management reporting to align it with business planning.

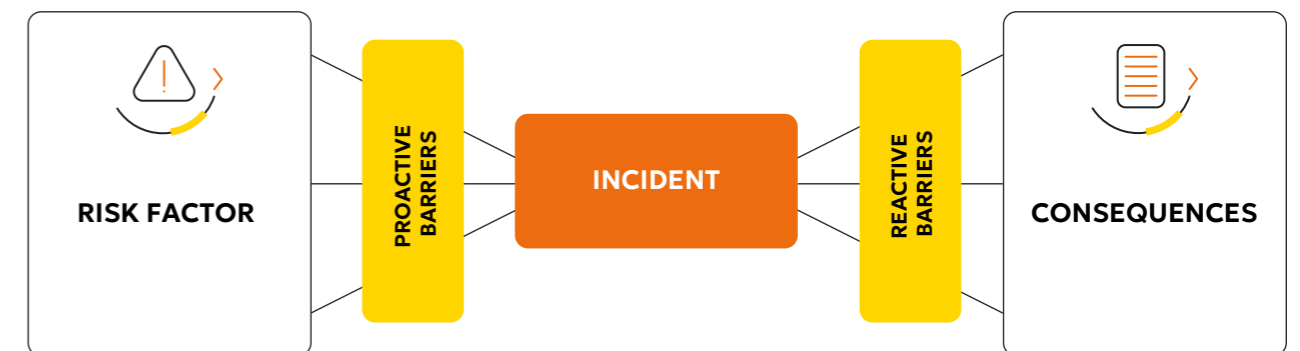
The Company also uses a barrier approach to investigate HSE incidents and develop remedial actions.

The barrier approach is one of the tools for reducing occupational injuries and accidents. It helps:

- significantly expand the scope and effectiveness of risk management;
- identify gaps in design solutions and/or applicable regulations and regulatory and technical documents regarding the proactive and reactive barriers in each case under investigation and develop specific remedial action plans.

With the Rosneft-2030 Strategy in place, the risk-oriented approach remains the central element in OHS covering the full cycle of operations, from planning to reviewing the results. Process safety driven by the proactive risk-oriented approach results in a set of measures aimed at achieving the Company's safety targets. These measures are aimed not only at preventing accidents, but also at mitigating potential adverse consequences, primarily for people, society, and the environment.

### Proactive and reactive barriers in the risk management process



## HSE control system

GRI 403-2

The HSE control system is compliant with respective corporate regulations<sup>1</sup>. The Company ensures that all mandatory controls are in line with applicable laws.

The Company's Head Office and subsidiaries perform additional controls on a regular basis, including:

- full-scope and ad hoc inspections to verify compliance with HSE requirements, corporate plans, and internal documents of the Company, as well as the adequacy of ongoing operational and environmental risk management efforts;
- internal HSE IMS audits to assess compliance with the Environmental Management System (ISO 14001) and Occupational Health and Safety Management System (ISO 45001) standards.

The results of audits held in Group Subsidiaries are subject to review by Rosneft's Control Commission.

HSE risk management issues and identified shortcomings in operational safety subject to specific decisions, are regularly reviewed by Rosneft's Control Commission. The Commission's meetings are attended by top managers of the Company and heads of Rosneft subsidiaries. In 2023, the Control Commission held 10 meetings.

In 2023, audits focused on the following:

- implementation of proactive and corrective measures developed following incident investigations in the Company and aimed at preventing incidents;
- results of initiatives to improve occupational safety and implement corporate programmes at subsidiaries;
- completeness and timeliness of industrial safety reviews and technical diagnostics of buildings, structures, and equipment operated by Group Subsidiaries.

Following the review of audit results, meetings were held with relevant managers and specialists of Group Subsidiaries. The meetings centred around the detailed analysis of reasons behind non-compliances and violations identified during the audits, and the discussion of steps aimed at their elimination and management of associated HSE risks. Among other things, an interim procedure for controlling the accounting for and movement of a certain type of waste was developed jointly with Exploration and Production facilities. The algorithm incorporates best practices identified through control procedures.

In 2023, the Company carried out 10 comprehensive checks, 39 targeted inspections, and 8 internal audits of the facilities' HSE IMS. Following the audits, corrective action plans were prepared to eliminate the identified gaps and improve HSE management.



# Occupational safety

## Safety culture

GRI 403-2

Occupational safety culture is foundational to the Company's growth. Our daily efforts to secure process safety require a comprehensive and consistent approach. Key objectives in this field include enhancing informed leadership and engaging all stakeholders in these processes.

To that end, the Company organises communication activities for managers at various levels. The process is directly supervised by relevant Vice Presidents. The Company has various feedback tools in place for employees to get advice or report safety violations. Employees may contact their supervisor, discuss the situation at stand-up meetings, send a message to the Security Hotline, or receive a consultation from the Company's Head Office during HSE IMS checks at Group Subsidiaries. They have the right to refuse to perform work that is not safe and poses a risk of injury.

The Company commends employees who manifest their commitment to safety, such as refusing to perform work that endangers lives and health; preventing and instantly responding to dangerous and emergency situations; and identifying causes of potential equipment malfunctions, thereby maintaining operational integrity and enhancing safety.

### Regional HSE meetings

In 2023, the Company convened four regional HSE meetings. These were attended by its top management, CEOs of Group Subsidiaries, and representatives of the Head Office's HSE function. The meetings spotlighted best practices for injury reduction and prevention.

They also featured interactive roundtable discussions. As an outcome, we developed Five Priority Steps of a CEO – principal suggestions and actions to improve occupational safety processes and accident rate reduction at Company facilities. Following deliberations, the participants selected measures recommended for adoption across the Company's operations.



<sup>1</sup> In the reporting year, the relevant regulations of the Company were updated and replaced with Regulations No. P3-05 RGBP-0007 YUL-001 On HSE Control, which were approved and put into effect by Order No. 34 dated 24 February 2024.

# HSE leadership

GRI 403-2

In 2023, as part of the HSE leadership enhancement, the HSE Committee was presented with an updated approach to leadership programmes.

The messages of the Company's senior managers to teams of the Group Subsidiaries in charge set out the goals and objectives for the year, as well as the areas requiring special attention and control from heads of entities at all levels to prevent injuries and accidents.

## Control of Work concept

In 2023, the Company continued to implement its Control of Work concept aimed at reducing injuries and incidents during hazardous operations.

The concept involves the use of work planning schemes, plans for disconnecting electrical equipment, and risk assessment procedures when issuing work permits and checklists aimed at compliance with the Golden Safety Rules and HSE laws.

The concept helped reduce the injury rate in the reporting year.

In 2023, the Control of Work concept was introduced at 114 production facilities, including: Exploration and Production, Oil Refining and Petrochemicals, Regional Sales, Commerce and Logistics, Gas, and Oilfield Service.

## Contractor relationships

GRI 403-7

The lives and health of people employed by the Company and by our contractors are one of our top priorities.

In the reporting year, the Company updated and approved standard HSE qualification requirements to refine the selection of contractors at the stage of procurement.

To further encourage contractor adherence to the HSE standards, the Company revised the penalty schedule for safety infractions, integrating it into contractor agreements.

The Company refined its Regulations on Procedure for Interaction with Contractors

## Contractor cooperation on HSE

### Agreement initiation

Assessing risks pertaining to the works/services to be provided by the contractor

### Contractor qualification

Checking the potential contractor for compliance with HSE management requirements, PPE availability, and qualified personnel

### Agreement execution

Contractor agreements must include HSE clauses and HSE Leadership Declarations for Contractor Managers. An integral part of the agreement, these declarations set out specific measures that the contractor's management undertakes to perform during the term of the agreement

### Contractor admission to work

Verifying whether the contractor is ready to operate safely and meet the Company's HSE requirements

### Performing agreed works/services

The Company put in place control procedures for contractors, including briefings, safety awareness sessions, and information activities. Customers and their contractors also participate in joint accident and emergency drills

### Summing up cooperation results

At the end of the agreement term, the contractor is assessed for compliance with basic HSE rules and regulations

on Occupational and Fire Safety, Health and Environment Issues in 2023<sup>1</sup>. Based on the document, innovations are introduced, including ranking of contractors and auditing of the interaction with contractors.

## Involvement in law-making activities

In addition to the development of internal HSE management processes and systems, Rosneft helps improve the existing legal framework.

As part of its interaction with federal authorities, the Company took part in joint meetings of Rostekhnadzor's R&D Council as part of the Safety of Oil and Gas Facilities section, as well as in working groups on refining certain federal

standards and rules on industrial and fire safety. During the reporting period, the Company's experts took part in reviewing and discussion of 210 draft laws and regulations on HSE.

## Automation of OHS processes

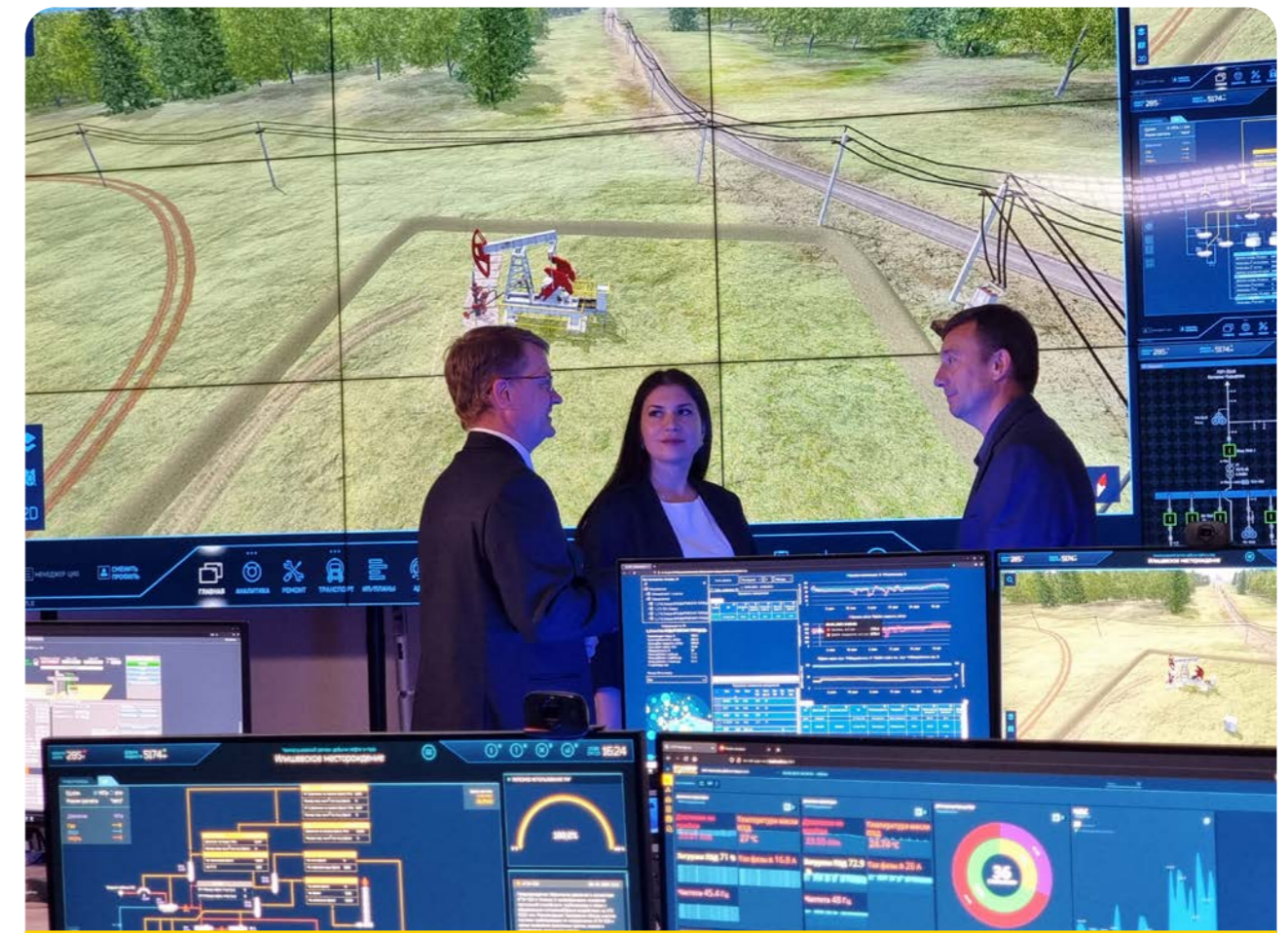
In the reporting year, the Company kept developing its corporate OHS information resources (OHS IR):

- further replication of the OHS IR was ensured in 36 subsidiaries;
- new modules were implemented to extend the functionality: Contractor Rating Management, HSE Risk Management, Graph Analytics, and Graph Reporting for HSE;

- modules were finalised to meet new needs: Inspections and Audits, Activities, Production Control Report for Rostekhnadzor, Incident Investigation Management.

The OHS IR is a tool for managing OHS data in a shared digital space, automating business processes such as reporting, accident investigation management, special assessment of working conditions, inspections and audits, control of PPE availability, etc.

For more details on the Company's progress in IT, see the [Research and Innovation Development and Contribution to Russia's Technological Sovereignty](#) chapter of this Report.



<sup>1</sup> The Company's Regulations on Procedure for Interaction with Contractors on Occupational and Fire Safety, Health and Environment Issues No. P3-05 R-0881 version 2, enacted by Order No. 33 dated 24 February 2024.

## Occupational health and safety training

GRI 403-5

The Company trains employees in both mandatory and additional HSE requirements to enhance relevant competencies.

During the reporting period, the Company's employees continued taking interactive multimedia HSE courses. The courses focus on the following key areas:

- > management system for a safe vehicle operation;

- > passenger transportation safety;
- > a risk-oriented approach to falling and stumbling prevention;
- > a barrier approach in investigating incidents internally;
- > basic principles of contractor management.
- > Golden Safety Rules.

The Company intends to sustain the deployment of these innovative interactive training methodologies and develop new courses accordingly.

In 2023, the Company's subsidiaries continued to assess employees' professional and technical HSE competencies, which helped identify gaps and form individual plans for the development and improvement of employees' competences in various HSE areas.

**>395 thousand**

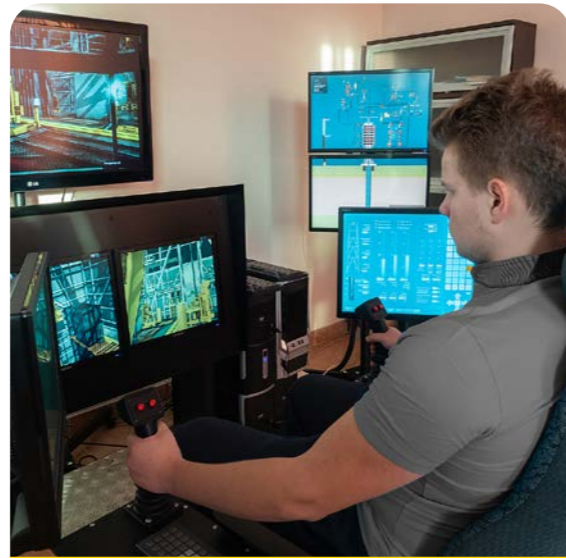
man-courses in HSE delivered using interactive multimedia formats

In addition to the existing interactive training formats, we are developing a Personal Electrical Safety course. The course is aimed at preventing occupational injuries caused by electric shock and intended for all categories of the Company's employees.

## Introducing computer-based simulations

Sibintek, our corporate IT integrator, is rolling out computer-based simulations at Rosneft's companies. These simulators, supported by a solid training base, digitise technological processes, modelling the operation of actual process units in both routine and emergency modes. On average, each simulator offers 15 to 40 training scenarios, reflecting the process unit technicalities. Trainee workstations within the simulators are designed to imitate actual workplaces. To date, 15 simulators have been put into operation, with 15 mathematical models developed.

Thanks to these resources, process unit operators can take comprehensive training designed to cultivate sustained and reliable capabilities for both standard operations and potential incidents and emergency scenarios.



## Occupational health and safety results

In view of Rosneft's vast scale as Russia's oil and gas industry leader, there is a clear need for consistent risk-based management strategies in occupational health and safety.

The Company has identified vital HSE processes and programmes that can drive the achievement of a strategic objective in this domain – zero OHS-related fatal injuries.

In the reporting year, the Company continued to implement fall and road traffic accident prevention programmes. The Group Subsidiaries managed to influence the key causes of fatal injuries to employees, reducing fatal injuries as a result of road traffic accidents and falls to zero, which confirms the effect of the measures taken.

Corrective actions implemented under the direct oversight of Vice Presidents bolstered discipline for employees in charge. To this end, the Company issued 14 comprehensive lessons aimed at preventing fatal injuries, including lessons focused on recurrent incidents.

Upgraded behavioural safety audits featuring photo and video evidence helped enhance on-site occupational safety controls. Furthermore, we continued to roll out the HSE Violation Tickets initiative.

Preparatory activities for hazardous operations was yet another important innovation. Photo evidence of preparations for hazardous works is now mandatory for commencing operations with work permits. Competence Centres for work authorisation evaluated readiness for these operations using the submitted photos – 75% of all hazardous operations followed this procedure.

The reinforcement of safety standards has been extended through the active involvement of firefighting and gas rescue teams at sites. HSE representatives also played a pivotal role in oversight and educational efforts at hazardous operational sites. 85% of operations proceeded with these control measures in place.

The adoption of a comprehensive safety approach has slashed fatality rate by 37% in 2023, reflecting the efficacy of the Company's risk mitigation and safety improvement endeavours.

As part of the HSE Violation Tickets initiative:

**>9.7 thousand violations** were identified, resulting in the issuance of red or yellow tickets

**>407 thousand tickets** were issued in total

**Five Steps to Safety Success is a checklist that helps line managers set clear and specific tasks for their staff and monitor their progress.**



**Task setting**



**Preparation for the task**



**Ownership assignment**



**Resource check**



**Execution modelling**

## Reducing injury rates by means of the HSE Violation Tickets initiative

The Company uses HSE Violation Tickets as a warning system for both its employees and contractors. Three distinctive colours facilitate straightforward identification.

A ticket with a green line on it is handed out after the initial OHS briefing or following an annual competency testing. Upon any infraction, the ticket

is withdrawn, necessitating another briefing, after which a ticket with a yellow line is issued. Should there be another safety breach, an unscheduled briefing is mandated, resulting in the issuance of a warning ticket with a red line. Further violations entail the employee's dismissal and contractor staff removal from the site.

### Injury rates among Rosneft and contractor employees<sup>1</sup>

GRI 403-9 GRI 403-10 UNCTAD C.3.2 SASB EM-RM-320a.1 SASB EM-EP-320a.1 SASB EM-SV-320a.1

Metrics/period	2021	2022	2023
☑ Number of lost time occupational injuries (including fatalities) at Rosneft and its contractors per 1 million man-hours worked (LTIF <sup>2</sup> )	0.64	0.75	0.78
› employees	0.74	0.89	0.92
› contractors	0.47	0.52	0.58
☑ Number of the on-the-job fatalities at Rosneft and its contractors per 100 million man-hours worked (FAR <sup>3</sup> )	1.66	3.25	2.04
› employees	1.82	2.21	0.68
› contractors	1.38	4.94	4.03
Number of occupational injuries (including fatalities, lost time injuries and injuries requiring medical treatment) at Rosneft and its contractors per 1 million man-hours worked (TRIR <sup>4</sup> )	1.01	1.09	1.12
Total number of injured employees as a result of work-related accidents at Rosneft and its contractors	615	714	768
› employees	446	525	536
› contractors	169	189	232
including fatalities, people	16	31	20
› employees	11	13	4
› contractors	5	18	16
Occupational illness rate at Rosneft (the total number of identified occupational illness cases per 1 million man-hours worked)	0.02	0.02	0.01
☑ <b>Transportation safety metrics at Rosneft</b>			
Severe vehicle accident rate at Rosneft and its contractors associated with providing services / performing work in the Company's interests (SVAR <sup>5</sup> ) per number of kilometres run by vehicles normalised to 1 million kilometres	0.111	0.128	0.131
Total number of recordable road traffic accidents at Rosneft and its contractors associated with providing services / performing work in the Company's interests (RTAF <sup>6</sup> ) per number of kilometres run by vehicles normalised to 1 million kilometres.	0.57	0.66	0.72

<sup>1</sup> Rosneft and its contractors use a uniform methodology to record injuries as OHS requirements apply equally to both the Company's and contractors' employees.  
<sup>2</sup> Lost Time Injury Frequency.  
<sup>3</sup> Fatal Accident Rate.  
<sup>4</sup> Total Recordable Incident Rate.  
<sup>5</sup> Severe Vehicle Accident Rate.  
<sup>6</sup> Road Traffic Accident Frequency.

## Incident investigation

GRI 403-2

Emergencies and incidents resulting in injuries to Company and contractor employees are at all times investigated and thoroughly analysed. The Company seeks to identify all possible causes that can lead to an incident and takes measures to eliminate them.

The procedure for an internal investigation of emergencies and HSE incidents relies on the Methodological Guidelines for Incident Investigation. The investigation's goal is to ascertain the root causes of an incident and devise corrective actions to avert similar future occurrences.

Upon conducting an internal investigation and analysing an incident, the ad hoc commission drafts an action plan to address systemic issues. Adhering to this action plan is compulsory for Group Subsidiaries. The Company monitors implementation of corrective actions.

In the reporting period, we took the following measures as part of the incident investigation process:

- › added criteria and algorithms for deciding on whether to include emergencies at contractors/subcontractors in the corporate statistics to the Company's internal documents;

- › extended templates for Breaking News and Lessons Learned circulars and improved algorithms for their approval and distribution;
- › created a unified methodology to investigate accidents and occupational diseases not resulting in lost time;
- › codified the protocol for investigating incidents associated with oilfield pipeline failures.

To streamline an approach to recording emergencies at subsidiaries' contractors or subcontractors, the Company developed an algorithm for deciding on whether to include emergencies at contractors or subcontractors in the corporate statistics.

To boost personnel competencies and provide an insight into the basic principles of internal incident investigation, Rosneft developed a dedicated course.



# Safety of production facilities

## Process safety

GRI 3-3

Rosneft has been taking consistent steps to ensure process safety at its facilities in line with the corporate strategy. We focus on preventing incidents and minimising potential negative impacts on people, society and the environment.

The Company's subsidiaries implement process safety programmes to provide

for safe operation and integrity of equipment, while also ensuring compliance of production facilities with laws and regulations.

Rosneft maintains long-term fruitful cooperation with the Federal Service for Environmental, Technological and Nuclear Oversight (Rostekhnadzor) by holding joint events attended by the Company's

experts and working together to streamline the regulatory framework and improve safety in the oil and gas sector and other Russian industries.

We follow global trends and practices in employee protection, safe and uninterrupted operation of equipment and environmental stewardship.

## Equipment reliability and integrity

The Company has in place a process to record and analyse process safety accidents related to the equipment integrity (PSE-1 and PSE-2) in accordance with international standards.

The key areas for improving equipment reliability and integrity across the Company's facilities and priorities for corrective actions have been set based on a risk-oriented approach.

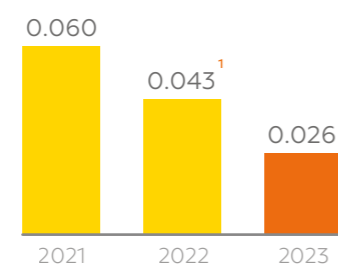
In 2023, this approach enabled the Company to identify and accurately assess key vulnerabilities of its production facilities, identify threats, allocate HSE risk levels, and implement comprehensive risk management measures. The effectiveness of these measures is evidenced by the PSER (Process Safety Event Rate) improvement.

### Equipment integrity indicators

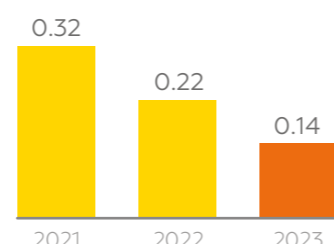
SASB EM-EP-540a.1

SASB EM-RM-540a.1

Tier-1 depressurisation event rate (calculated as the number of PSE-1-compliant depressurisation events to 1 million man-hours worked, PSER-1)



Tier-2 depressurisation event rate (calculated as the number of PSE-2-compliant depressurisation events to 1 million man-hours worked, PSER-2)



### Safety of production

Rosneft prioritises steps to reduce the risks of accidents related to equipment depressurisation and their severe consequences.

The Company actively implements measures to prevent and mitigate causes that may lead to equipment depressurisation. This practice aligns with international safety standards.

<sup>1</sup> The value was updated due to the reclassification of a depressurisation event that occurred in late 2022. After a thorough damage assessment, it was reclassified from Tier 2 to Tier 1.

### Programmes to improve reliability of equipment in Exploration and Production

In 2023, in pursuit of its strategic HSE targets, the Company conducted a reliability assessment of technical devices, buildings, and structures at oil and gas treatment units and reservoir pressure maintenance facilities based on the principles of risk-oriented ranking. The applied assessment approaches have been implemented and are used for developing repair, replacement, and reconstruction programmes for equipment at the on-site facilities across 27 Group Subsidiaries in the Exploration and Production and Gas businesses.

To provide methodological guidance for integrity management of its production facilities, the Company has

developed an internal document governing the procedure for evaluating the condition of equipment. Efforts are underway to automate the evaluation process and enhance its effectiveness, with a prototype of an automated system developed and currently undergoing testing.

In 2023, 20 Group Subsidiaries in Exploration and Production implemented a system for assessing progress in ensuring the reliability of oilfield pipelines. The assessment findings help develop measures to improve the efficiency of integrity enhancement initiatives.

There is ongoing monitoring of the condition of oilfield pipeline crossings over water bodies, with over 118 km of pipelines replaced in 2023.

The Company introduced a project to assess the disintegration

risks for pipeline transport facilities in the Gas business. Risk assessment and ranking were completed for pipeline transport facilities with a total length of 2,100 km. The comprehensive analysis results and integrity assurance recommendations are considered in medium-term planning of production activities.

Geotechnical monitoring is conducted by 18 Group Subsidiaries to control and predict the stability of beds and foundations of buildings and facilities operating in challenging geological and engineering conditions (such as tanks, pressure pipelines, buildings with constant personnel presence, etc.). In case of any deviations identified through monitoring, appropriate measures are taken to ensure/restore the stability of buildings and structures.



### Improving the reliability of equipment in Oil Refining and Petrochemicals, Regional Sales, and Commerce and Logistics

The Company takes steps to maintain the operability of process equipment, develops emergency protection systems, and automates processes for filling motor vehicles with petroleum products.

To ensure integrity of petroleum products and reduce injury rates, we equip tank trucks transporting petroleum products to the Company's filling stations with electronic security sealing systems.

The project to extend the process units' run between repairs from two to three years is being implemented at nine key petroleum refineries, with a focus on ensuring a high level of process safety through the necessary technical and organisational



compensatory measures. This transition is synchronised with the commissioning of new capital construction facilities and has been successfully completed at the Ryazan Refinery and the Saratov Refinery.

In the reporting period, Rosneft implemented a wide range of initiatives to improve the reliability of equipment. These include:

Initiatives	Outcome
Replacement of CrMo steel pipelines with austenitic welds	41% of pipelines were replaced in 2015–2023; the rest will be replaced in 2024 and beyond
Replacement of carbon steel pipelines	16% of end-of-life pipelines were replaced in 2017–2023; the rest will be replaced in 2024 and beyond as they reach the end of their lifespan
Removal of dead-end sections	93% of dead-end sections were removed in 2015–2023; the rest will be replaced in 2024 and beyond
Removal of various fittings	84% of heterogeneous fittings were replaced in 2017–2023; the rest will be replaced in 2024 and beyond
Removal of open pressure relief valves	5% of open pressure relief valves were removed; the rest will be replaced in 2024 and beyond
Replacement of lens and bellows expansion joints	14% of lens and bellows expansion joints were removed; the rest will be replaced in 2024 and beyond
Measures focusing on inoperative chokes (programme developed in 2023)	Monitoring of the implementation commenced in 2024

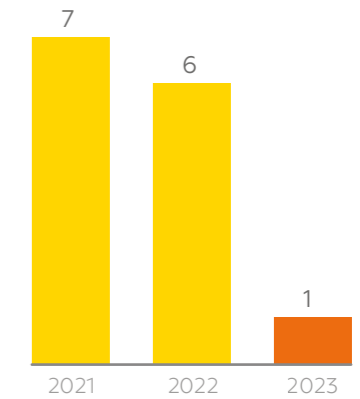
### Safety at production facilities

In the reporting period, the Company's production facilities operated over 250 thousand units of equipment and devices, including drilling rigs, tanks, flowing wellhead equipment, pipelines, furnaces, vessels and appliances, pumps, etc. The Company carries out equipment repairs, modernisation, and replacements on an ongoing basis. The quality and timeliness of such activities is crucial to reducing accident risks.

In the reporting period, we registered a decrease in the number of accidents at hazardous production facilities as compared to the previous periods.

The accident that occurred in 2023 was the result of a breach in the technological process. Its investigation included a full chronological description, assessment of triggers and the current situation, identification of critical factors, as well as of direct and systemic causes. Following the investigation, corrective actions were developed for the affected facility and subsidiary. The Company ensures monitoring and oversight of corrective actions.

Incidents at Rosneft's facilities



### Robot systems for petrochemical equipment diagnostics

In 2023, Rosneft developed and introduced robot systems for petrochemical equipment diagnostics. They enable fast and safe inspection of internal and external surfaces of petrochemical equipment, specifically reactors for high-density polyethylene. They also minimise equipment downtime and eliminate risks to human life and health.

The robot reactor diagnostics system features thickness measurement and automatic positioning tools, an optical 3D scanner for capturing defect models with all geometric properties, a 360-degree rotating camera, and autonomous functioning for up to eight hours. The rotating platform of the robot system allows measurements to be taken at any point along the reactor's chamber. The robots transmit measurement results in real-time mode through a wireless internet connection.





## RN-SMT integrity monitoring system for oilfield pipelines

As part of the pipeline reliability enhancement programme, Rosneft's R&D experts have developed RN-SMT, an integrity monitoring system for oilfield pipelines. The new IT product enables the Company to both automatically monitor oilfield pipeline operation and create programmes for boosting pipeline reliability.

The RN-SMT system accumulates information about the properties of transported products, corrosion rates, and diagnostic results, and provides recommendations for planning work

on each pipeline section. By doing so, it reduces the number of routine operations performed by process engineers.

In 2023, the RN-SMT information system was successfully implemented at three Rosneft subsidiaries: Bashneft-Dobycha, RN-Yuganskneftegaz, and Samotlorneftegaz. These subsidiaries collectively account for more than half of the Company's pipeline network. Full-scale deployment of the information system is scheduled for 2024.

## Optimising drill pipe connections at Verkhnechonskneftegaz

Verkhnechonskneftegaz experts introduced domestic robotic equipment for connecting and disconnecting drill pipe locks during tripping operations.

The equipment features an extendable manipulator with a set of universal keys, which is remotely controlled by an operator using a control panel, thus enhancing process safety. With the use of the robotic manipulator, each

pipe connection takes approximately 30 seconds, which is twice as fast as the traditional mechanical method. This innovation results in time savings of up to ten hours during the descent of a drill string into a 3.5 km deep well.

Currently, five drilling rigs in Verkhnechonskneftegaz's Katangsky District facilities in the Irkutsk Region are equipped with this advanced technology.



## Rescue team activities

We have implemented comprehensive measures to ensure prompt emergency response, including the establishment of in-house and outstaffed professional rescue teams, as well as the contracting of third-party professional teams.

### Blowout safety

Given the large scale of well drilling, development, repairs and operation taking place at production sites, a major part of the Company's process safety activities is ensuring blowout safety.

The Company's blowout prevention system is governed by a number of regulations and comprehensive initiatives. The key document in the area is the Regulation on the Prevention and Elimination of Oil, Gas, and Water Shows and Blowouts.

The Company's approaches to blowout safety are well-structured, fully meet statutory requirements

and regulations on process safety, and focus on ensuring safe well operations.

These approaches include a wide range of mechanisms and methods, in particular:

- › unified regulatory requirements for incident prevention and swift response;
- › involvement of professional rescue teams;
- › target action plans for providing the required emergency stocks such as equipment, tools, materials, protective clothing, safety harnesses and personal protective equipment.

The Company employs more than ten blowout elimination teams

with a total headcount of around 1,000 people to be able to swiftly respond to accidents at its facilities.

To maintain a high level of preparedness of response teams, Group Subsidiaries organise joint training and drills with blowout elimination teams and departments. This involves assessing the knowledge, competencies and skills of on-site personnel in emergency response, and identifying the necessary capacity building initiatives of organisational and technical nature.



## Fire safety

In 2023, Rosneft allocated over RUB 13 bln to fire safety and continued efforts to ensure fire safety across its facilities.

During the preparation for the wildfire season, subsidiaries ran checks of fire safety at the facilities they operate. We organised the monitoring of scheduled measures to prepare for the wildfire season and held tactical training exercises, including those to practice emergency evacuation of the personnel from facilities at risk of natural wildfires.

The Company conducted command exercises in the form of conference call meetings with its structural units and subsidiaries to discuss preparedness for the wildfire season, including the activation of plans for the emergency evacuation of personnel and the conservation of facilities in the event of a natural wildfire threat. Over 100 subsidiaries participated in these training activities.

The Company teamed up with regional and local authorities to monitor fire risks across the regions where it operates.

As part of the forest land lease contracts, we collaborated with forestry authorities to allocate human resources and means for wildfire response activities. We also developed action plans and implemented fire safety measures in forests.

Fire drills and comprehensive training exercises take place both as per schedule and as part of HSE reviews. The Company also checks fire and accident preparedness of its employees and rescue teams.

In the reporting period, the corporate fire brigade trained over 380 thousand employees of Group Subsidiaries and contractors and

ensured safety of more than 73.5 thousand job assignments involving fire hazards.

- In 2023, the Company's facilities had:
- > 356 tactical training exercises and fire drills;
  - > over 12 thousand on-site training sessions and tactical fire exercises.

Rosneft consistently participates in federal and local public initiatives and projects. It is also a member of the Technical Committee for Standardisation TC 274 "Fire Safety" and an active contributor to discussions concerning draft fire safety regulations.

The Company makes a significant contribution to the safety of local communities in the regions where it operates. In 2023, corporate fire safety teams were engaged more than 900 times to support local firefighter and rescue garrisons of the Russian Ministry for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters. Their support included responding to 163 landscape fires that posed a potential threat to protected facilities.

### Thanks to the fire safety measures implemented in 2023:



the Company's facilities were kept safe from wildfires



there were **no reports of fires** at the Company's socially important facilities



# Transportation safety

GRI 3-3

To achieve its production objectives, the Company actively uses different types of vehicles. As at the end of the reporting year, the Company and its contractors operated over 68 thousand vehicles, including over 38 thousand special purpose vehicles and more than 5 thousand passenger vehicles.

The Company creates a safe environment for drivers, passengers and third parties by doing the following:

- > developing and implementing regulations in transportation safety;
- > holding trainings and deploying protective equipment for transport;
- > rolling out digital monitoring and control systems.

Rosneft pays special attention to equipping vehicles with in-vehicle monitoring systems and video recorders, which enable an unbiased assessment of driver behaviour and ensure they follow the established routes.

A major factor for preventing road accidents is engaging highly qualified drivers who can predict possible behaviour of other road users

and take into account unfavourable weather conditions and other road risks. In order to develop their professional competencies and practice emergency response, the Company arranges for mandatory driver training and additional training sessions to improve driver skills.

Every year, the largest transportation subsidiaries of the Company, RN-Transport and Technological Transport, organise the Best in Profession competition among

their drivers of passenger cars, trucks, and buses to evaluate their professional skills. To qualify for the final round held in Ufa in 2023, participants were required to win in their respective categories during the qualification round held at the Group Subsidiaries. The competition provides a platform for employees to showcase their expertise, refine their skills, and elevate their professional standards, all of which directly contribute to enhancing road safety.

In 2023, training provided to the Company's employees in management system for a safe vehicle operation using interactive multimedia courses exceeded 112 thousand man-courses.



The Company's activities in transportation safety are in line with the Road Safety Strategy of the Russian Federation for 2018–2024 and are aimed at improving road safety and reducing fatalities in this area.

In 2023, the Company held two regional road safety forums attended by its transport contractors, traffic police, and regulatory authorities of the Khanty-Mansi Autonomous Area – Yugra.

We continued to implement our road safety action plan, which aligns with the key goals and objectives of the Road Safety Strategy of the Russian Federation for 2018–2024 and Decree of the President of the Russian Federation No. 204 dated 7 May 2018.

In 2023, the Company implemented preventive measures to reduce road traffic accidents and road safety risks, including:

- › identifying dangerous locations on oilfield, on-site, industrial, or temporary winter roads and installing warning systems, traffic signs, and cameras that could help detect violations;

- › monitoring the placement of road safety notices, traffic signs giving directions and alerting drivers to danger, as well as priority traffic signs, snow poles and hazard delineators;
- › monitoring road infrastructure and maintenance, timely cleaning and treatment of road surfaces, placement of traffic signs, condition of ice and winter roads, readiness of utility vehicles;
- › preventing road accidents, including vehicle roll-overs, and enhancing road safety across Group Subsidiaries;
- › assessing the equipment of the Company's and contractors' vehicles using in-vehicle monitoring systems and video recorders;
- › monitoring compliance with safety requirements related to transportation and trip planning arrangements, compliance with established travel routes and work and rest schedules by drivers of Group Subsidiaries and contractors using in-vehicle monitoring systems;
- › running accident prevention campaigns in the regions where the Company operates (such as March without Traffic Accidents, We Are for Road Safety – 2023, Summer without Overturns);

- › running the ten-day “Beware, Children!” campaign in cooperation with the traffic police, including by raising awareness about road traffic safety rules and holding children's drawing contests on traffic safety;
- › further installing GPS/GLONASS onboard systems in vehicles, enabling real-time monitoring of vehicle movement and data tracking via the Unified Corporate Telematics Platform (UCTP). Over 15 thousand vehicles owned by the Group Subsidiaries and over 40 thousand vehicles owned by subcontractors have been equipped with these systems.

**>112 thousand man-courses** in safe vehicle operation management delivered to the Company's employees using interactive multimedia formats in 2023



### Air transportation safety

Air transportation safety is an important logistics and operations component of Rosneft's production processes. The Company is streamlining the aviation control system for Rosneft and Group Subsidiaries, which helps ensure multi-tier safety. The system provides for regular audits of contractors rendering

aviation services, monitoring of its operation across subsidiaries along with recording and analysis of incidents occurring during the performance of aviation services for Rosneft and Group Subsidiaries.

The reporting year saw a number of measures implemented to improve air transportation safety:

- › installing additional equipment to boost the quality and safety of aviation services in helicopters;

- › establishing regular communication with subsidiaries as regards general aviation control and air incident investigations in particular;
- › implementing comprehensive pre-flight assessment to evaluate the impact of hazardous factors on aviation safety;
- › holding 13 audits of contractors rendering aviation services and 9 audits of Group Subsidiaries.

### Deploying a system to monitor vehicle drivers' condition

The Company's subsidiaries Bashneft-Roznitsa and RN-Severo-Zapad are deploying a driver monitoring system in their vehicles. Developed by a Russian IT company with the power of artificial intelligence and computer vision, the system aims to enhance driver discipline and reduce risks of accidents caused by driver error.

The software suite is installed in the vehicle cabin, operating automatically to identify potentially dangerous incidents associated with

driver behaviour. Information about concerning incidents is transmitted to the monitoring centre and stored as photo and video evidence. When necessary, the dispatcher contacts the responsible employee of the company to report the incident.

As at the end of the reporting period, over 280 vehicles have been equipped with the new system.

### Rosneft's participation in the Road Safety project

Rosneft joined the Road Safety federal project by hosting special events at the retail filling stations in eight cities across its footprint as part of the Safety Promotion social initiative. The main objective was to promote compliance with traffic rules and safety measures on public roads.

Special stands were installed on the filling stations' sales floors, where project volunteers engaged visitors in interactive games and asked questions related to traffic rules, serving as reminders about the importance of attentive behaviour on the road.

The initiative targeted all road users, including students and schoolchildren, with all participants receiving commemorative souvenirs.

**EMERGENCY  
RISK  
MANAGEMENT**



Rosneft has put in place a comprehensive emergency prevention and response system and adheres to the highest corporate safety standards.



# Emergency risk management

GRI 3-3



The Company has in place a comprehensive emergency prevention and response system and adheres to the highest corporate safety standards to eliminate even the slightest risk of emergency.

The lives and health of our people are our key value. In line with that, the Company introduces corporate safety standards aligned with strategic priorities of the government's policy on emergency prevention and management and with latest international requirements.

Maintaining a high level of professionalism, competencies, and preparedness of governing

bodies and ensuring the resources and manpower needed for emergency management are key to enabling the Company's employees to carry out their tasks amid emergencies.

The likelihood of emergencies at production facilities is minimised by reducing the risk of accidents that can escalate into emergencies. Emergencies can also result from natural disasters and natural

hazards that can seriously affect the Company's assets across all of Russia's climatic and geographic areas, such as wildfires, hurricanes, heavy rains, floods (freshets), snowstorms, abnormal frosts, and earthquakes.



## Rosneft's emergency prevention and management objectives:

- minimising emergency risks at the Company's sites
- maintaining the guaranteed level of employee safety
- enhancing protection of the Company's assets and the environment
- minimising potential consequences of natural hazards, including related potential damage and losses
- ensuring the life safety of local communities in the Company's regions of operation in case of a potential or actual emergency as required by federal laws

## Approaches to managing emergency risks

GRI 3-3

As part of the Corporate-wide Risk Management System, the Company has a dedicated emergency risk management system.

All Group Subsidiaries put aside financial and non-financial reserves for emergency prevention and response. These are channelled to carry out rescue and other response activities, organise and maintain temporary accommodation and food supply for the affected employees, and take other urgent measures to ensure sustainable operations in case of an emergency.



For details on the Company's emergency risk management, please see Rosneft's [Sustainability Report 2020](#), page 122.

# Emergency prevention

GRI 3-3

An important part of emergency risk management system is putting in place preventive measures with a view to avoiding potential accidents at our facilities and mitigating the impacts of man-made and natural disasters.

Every year, the Company and Group Subsidiaries implement a set of scheduled measures to improve the protection of their employees, equipment, assets, and the environment in case of emergencies. These include:

- › updating the Company's internal regulations on emergency prevention, management and prompt response in case of a potential or actual emergency
- › improving staff knowledge and skills and ensuring emergency preparedness of the Group Subsidiaries' emergency response bodies and on-site teams<sup>1</sup>
- › effective use of information resources for emergency prevention and response
- › developing systems for training employees of Group Subsidiaries in protection against various threats, and introducing the latest methodologies and technical tools for training
- › creating, using, and replenishing financial and non-financial reserves for emergency response

- › establishing and maintaining the operability of local and on-site alarm systems to inform Group Subsidiaries' employees about potential and actual emergencies
- › strengthening communications between the Group Subsidiaries' on-site emergency response teams and the governing bodies and forces of the functional and regional emergency response management subsystems

The Company's internal documents on emergency prevention and response are fully aligned with federal laws.

To monitor the operational environment at the Company's facilities and promptly respond to potential or actual emergencies, our Emergency Response Centre has a 24/7 duty service desk. The Company also has in place a risk management information system and 24/7 duty dispatch services, with algorithms for dispatchers to follow in case of an actual or threatened emergency.

In 2023, the Company completed the implementation of an IT project to create a shared information space for emergency management, with over **700** users across **192** Group Subsidiaries connected to the Emergency Response Centre.

## Prevention of man-made emergencies

The Company annually takes the following steps at its facilities to reduce the risk of incidents escalating into man-made emergencies:

- › reviewing potential man-made risks with a view

- to taking preventive actions and mitigating their impact on the Company's assets
- › regular employee training in emergency prevention and response

- › ensuring constant readiness of emergency containment and hazard mitigation equipment

## Prevention of natural emergencies

TCFD | Risk management (C)

Major natural hazards threatening the Company's facilities and potentially leading to an emergency include floods (freshets), wildfires, weather hazards (hurricanes, heavy rains, snowstorms, abnormal frosts), and earthquakes.

Every year, the Group Subsidiaries take a number of preventive and mitigating steps to ensure accident-free operation of assets, preparedness and prompt response of relevant bodies to natural emergencies.

Rosneft consistently prepares for the spring flood season by determining preventive measures and making regional forecasts for river ice breakup, while also developing guidelines to mitigate the effects of summer and autumn freshets and distributing those to Group Subsidiaries.

The Group Subsidiaries have in place flood response bodies, implement preventive action plans, regularly update the list of facilities most exposed to floods, maintain communications with regional and municipal commissions for emergency prevention, response and fire safety, and arrange for a proactive build-up of resources.

In February 2023, a training exercise was conducted to enhance the operational readiness of Rosneft emergency task force in responding to potential emergencies during the flood season.

In early March 2023, the Company organised a tactical training exercise for the emergency management bodies and on-site teams of the Group Subsidiaries to ensure seamless operations and protect employees and assets against spring freshets. The training involved Rosneft emergency task force, corporate governing bodies and on-site teams of the Group Subsidiaries.

Furthermore, in the second half of March 2023, Rosneft and the Group Subsidiaries participated in a command post exercise organised by the Russian Ministry for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters to respond to natural wildfires, protect economic infrastructure from landscape fires (wildfires), and ensure accident-free spring flood management. As part of the exercise,

the Company focused on refining its coordination with federal and local government authorities in addressing natural and man-made threats and their consequences.

In 2023, the Group Subsidiaries developed and implemented measures to ensure fire safety and timely prevention of wildfires near oilfields, production sites, and other facilities. They also teamed up with Russia's local forest protection squads to monitor fire risks in the Group's regions of operation. The Group Subsidiaries' facilities were kept safe from wildfires in 2023.

Thanks to the corporate policy on emergency prevention, the Company was able to prevent risks of emergencies at the facilities of Rosneft and the Group Subsidiaries in the reporting period.

Thanks to a set of preventive measures, the Company ensured seamless operation of its facilities during the flood season.

<sup>1</sup> Single State Disaster Management System.

# Emergency response

Ensuring a consistently prompt response to emergencies is a major part of emergency risk management. Every year, the Group Subsidiaries take the following steps to make sure response to potential emergencies is prompt and effective:

- update of action plans on emergency prevention and response
- establishment/improvement of the alarm systems designed to notify the Group Subsidiaries' management and emergency response teams
- drill exercises on switching management of Group Subsidiaries' on-site teams to an emergency mode

The Emergency Response Centre's service desk and the duty dispatch services of the Group Subsidiaries hold regular training sessions to be better prepared for emergency response.

Timely notification of the bodies overseeing the corporate emergency management subsystem and its employees across the Group Subsidiaries is ensured via a regular

update of emergency notification procedures, maintenance of the existing alarm systems, and creation of new ones. All the alarm systems used by the Group Subsidiaries are in good condition.

The alarm systems functioned properly in the reporting period and had their technical availability tested in line with approved schedules.

In 2023, upon emergency alerts from municipal service desks, governing bodies and the Group Subsidiaries' on-site emergency response teams were swiftly switched to emergency modes, carrying out comprehensive prevention activities so as to ensure response to respective threats and avoid their escalation into emergencies.



In the reporting period, the Emergency Response Centre's service desk held **153 training sessions** with duty dispatch services of the Group Subsidiaries on preparedness for emergency response.

# Employee training in emergency response

SASB EM-EP-320a.2    SASB EM-RM-320a.2    SASB EM-SV-320a.2    SASB EM-MD-540a.4

As part of emergency risk reduction and mitigation, the Company focuses on preparing its governing bodies and providing for the resources and manpower needed for emergency management so as to improve their skills and professional competencies in ensuring safety of the Company's employees and protecting its facilities and territories against natural and man-made disasters.

Corporate training in emergency protection is aligned with relevant federal laws. To that end, all categories of employees complete:

- > briefings upon hiring
- > annual briefings
- > monthly training sessions and tests

Certain employee categories also undergo retraining and advanced training provided by educational institutions, and attend instructional meetings, training sessions and exercises.

The 2023 exercises and sessions confirmed that the governing bodies and on-site emergency response teams of the Company are able to make informed decisions about engaging in response and rescue operations and to carry out the necessary tasks on schedule and in any circumstances.

Every year, the Company holds competitions to recognise and award the achievements of its subsidiaries in civil defence, emergency prevention and response.

In 2023, the federal supervisory authorities conducted 30 audits of the Group Subsidiaries' emergency prevention and response activities, with no issues identified.

Rosneft provides ongoing methodological support to the Group Subsidiaries and controls their readiness for emergency prevention and response, as well as remedial action following the findings of regulatory audits. In 2023, Rosneft experts inspected 47 Group Subsidiaries for emergency prevention and response practices, and readiness of their on-site emergency response teams.

In 2023, **154 facilities** took part in the anniversary tenth edition of the competition.

To assess the emergency preparedness of its Group Subsidiaries, Rosneft held **210** tactical training exercises and **279** tabletop exercises.

## Instructional meeting on civil defence

As usual, June 2023 saw the Company hold an instructional meeting on civil defence, emergency prevention and response measures.

Managers and employees of the civil defence and emergency response units from **over 220** Group Subsidiaries participated in the meeting.

The participants reviewed the reporting year's emergency prevention and response activities and defined priority objectives.

To enhance the participants' professional skills, the meeting included workshops on organising response action of the Rosneft emergency task force, as well as discussions to exchange best practices and the most effective methods for emergency prevention and response. In addition, the employees completed tests to assess their knowledge of laws, regulations and the Company's internal documents on civil defence and emergency response.

# PERSONNEL MANAGEMENT



**Rosneft's professional, highly skilled workforce is its main asset and the guarantee of its sustainable development**



# Management framework and personnel profile

GRI 3-3

Highly skilled and motivated employees are the backbone of Rosneft's growth and development. We retain, strengthen and develop human resources, offering professional and personal growth opportunities, as well as additional social support.

In its personnel management practices, Rosneft<sup>1</sup> complies with applicable Russian and international laws.

The Company takes a zero tolerance approach to harassment or discrimination on the basis of gender, age, ethnic origin, religion, race, or any other grounds. It never uses forced, compulsory or child labour<sup>2</sup>.



The Company recognises the importance and value of fundamental human rights and freedoms at workplace: the freedom of association, the right to collective bargaining, labour rights and the right to health.

## In its personnel management efforts, Rosneft has the following priorities:

- enhancing labour productivity and organisational effectiveness
- providing personnel with required skills and expertise for the Company's projects
- developing effective incentives, benefits and compensations
- ensuring talent management, development of staff through continuous corporate education and training
- cooperating with state authorities and dedicated vocational and higher education institutions to support the government's policy in the area of human resources management
- managing HR in strict compliance with labour laws and other regulations applicable to labour relations

<sup>1</sup> Foreign projects operate in line with corporate procedures and local legislation.  
<sup>2</sup> An employment agreement with a minor may only be made in strict compliance with applicable laws of the country where Rosneft or its respective Group Subsidiary operates.

## Key focus areas of HR policy in the Rosneft-2030 Strategy

### Talent pool and leadership potential development

Rosneft Class: promotion of pre-university training, work with school students and young talent

Development of the talent pool system:

- identification of promising employees in the talent pool to develop the Company's leadership potential
- selection and evaluation of the qualitative composition of the talent pool for target positions
- implementation of individual development programmes, improvement of managerial competencies and grade

MBA and Leader of the Future management training programmes

Talent without Borders internal exchange programme for promising employees

### Improvement of personnel motivation

Implementing personnel incentive programmes, including:

- developing an incentive system for the CEOs of Group Subsidiaries participating in the rotation programme
- improving the annual remuneration system for the CEOs of Group Subsidiaries
- developing and adapting incentive programmes for the personnel of the Company's major projects

## Personnel structure

GRI 2-7 GRI 405-1

Rosneft is one of Russia's largest employers. In 2023, its average headcount stood at 322.5 thousand people<sup>1,2</sup>, down 0.4% year-on-year. This was due to the changes in Rosneft's perimeter triggered by the optimisation of a number of the Company's assets. Russia accounts for the bulk of employees (99.7%).

The average age of the Company's employees increased by 0.4 years to 41.4. Managerial positions were

held by 41.9 thousand employees. Employees categorised as managers grew by 0.2% and made up 12.5% of the total in 2023. Staff turnover in 2023 was 14.5%<sup>3</sup>.

GRI 401-1 UNCTAD C.1.1

The share of female employees was flat at 33.1%. At the end of 2023, women accounted for 23.6% of all managers, while the share of women among top and senior managers of the Group Subsidiaries was up to 19.8%<sup>4</sup>.

**333.7**  
thousand people – average headcount

<sup>1</sup> 323.9 thousand people – average headcount in 2022.  
<sup>2</sup> As per the Company's business plan.  
<sup>3</sup> 13.3% – turnover rate in 2022.  
<sup>4</sup> The share of women among top and senior managers of the Group Subsidiaries in 2022 stood at 18%.

# Improving HR processes for better protection of labour rights

GRI 3-3

Rosneft is making consistent efforts to unify and automate its HR processes and to streamline the organisational structures of the Group Subsidiaries' functions. This also helps to minimise the risks of labour rights violations.

## Unification and automation

Key HR business processes are performed in line with the uniform corporate HR, compensation and social development standards. The standards apply to personnel accounting, recording of working hours, organisational management, remuneration system, and payments to the staff and third parties. In the reporting year, we continued to roll out uniform corporate HR, compensation and social development standards on corporate IT platforms (rolled out at five entities).

## Unification of the organisational structures of the Group Subsidiaries

In order to optimise processes and labour costs, the Company takes consistent steps to unify the functions and organisational structures of the Group Subsidiaries. In 2023, in addition to the existing ones, we updated and rolled out standard organisational structures in the following areas – legal support, reliable inventory management, and material flow management. We plan to complete their implementation at the relevant Group Subsidiaries by the end of 2024.



## Employee's Personal Account

In 2023, we continued developing the Employee's Personal Account self-service solution. It enables employees to quickly request and receive various certificates, maintain vacation schedules and reports for annual bonuses, file business trip applications and relevant cost accounts, view talent pool details and their personal data and file applications for data updates, etc.

As at the end of the reporting period, basic functions of the personal account were available at 22 Group Subsidiaries. In 2024, we will continue developing and scaling up Employee's Personal Account.

This digital solution helps enhance the online communication with employees, while also speeding it up and reducing the paper workflow.

# HR management performance

## Remuneration

Rosneft ensures comfortable working conditions and opportunities for development of every employee. The Company follows the principle of equal pay for work of equal value with no pay gap between men and women performing identical functions.

We have a unified remuneration system applied across the Group Subsidiaries.

GRI 201-3

The Company's approach to remuneration is based on the principles of high social responsibility and a decent standard of living for its employees. Rosneft seeks to maintain wages above the regional average across its footprint and perform annual indexation. In 2023, we raised salaries by 5.5%.

## Short-Term Incentive Plan and key performance indicators for the management

Rosneft's key performance indicators (KPIs) play a key role in its management incentives and remuneration system. The KPIs are annually reviewed and updated by executives of the Company and the Group Subsidiaries and approved by Rosneft's governing bodies. The KPI list is based on the Company's strategic objectives, the Long-Term Development Programme and the business plan approved by the Board of Directors.

The KPI system includes a number of sustainable development indicators (health, safety and environment). To ensure the management remains motivated and focused

on the Company's strategic goals, KPIs are set individually for each manager depending on the area. At various management levels, KPIs are aimed at preventing fatalities and reducing occupational injuries and equipment accident rate, including with an adverse environmental impact.

The managers' remuneration also depends on such factors as reduction of GHG emissions, improvement of energy efficiency, elimination of oil-containing waste and legacy contamination and contamination resulting from ongoing operations, biodiversity conservation, development of the portfolio of innovative projects, talent pool, and social programmes.



# Personnel training and development

## Personnel training system

GRI 3-3

Personnel training and development is an important component of the Company's strategy and its long-term and innovation development programmes. In the reporting period, Rosneft continued to improve its corporate personnel training system. As part of its Rosneft-2030 Strategy, the Company runs educational projects designed to maintain and improve professional and managerial competencies of its employees by relying both on its own corporate training centres and on the capacities of leading Russian and foreign educational institutions.

Sustainable development of the corporate personnel training system is underpinned by flexible use of in-person and remote training methods aligned with the needs of Group Subsidiaries, as well as leveraging of cutting-edge digital innovations and VR and AR technologies.

In the reporting period, Rosneft delivered 1.3 million man-courses in mandatory vocational and management training, which is 166% more year-on-year and 18% above the 2023 target.

The marked increase in training was driven by the Company's innovative project to set up IT infrastructure for a corporate training and development portal to assess and evaluate personnel.

In 2023, the share of mandatory courses was 56% of all training. Mandatory courses are designed in line with regulatory qualification requirements for employees in the fuel and energy sector. The share of vocational and management training to equip target personnel groups with the required professional and technical skills and develop management skills of the existing leaders and talent pool participants stood at 44%.



**Rosneft's corporate training and development portal** enables assessment of employees' professional and managerial competencies, analysis of assessment results, development of recommendations on further improvement and of individual development plans available through the personal account. The portal also supports remote learning.

By relying on this solution, the Company was able to considerably increase the volume of mass remote training made available to its employees, helping instigate

shared corporate requirements and performance standards across all personnel categories.

In the reporting year, mass remote training was provided in the HSE domain, covering aspects such as carbon management and product category management for employees responsible for the sales of complementary goods at filling stations.

**Over 110 Group Subsidiaries** connected to the corporate training and development portal by the end of 2023.



GRI 404-1

### Personnel training and development, thousand man-courses

Metric	2021	2022	2023
<b>Total for year, including by category:</b>	<b>792.5</b>	<b>798.0</b>	<b>1,324.6</b>
> managers	143.7	150.3	242.0
> talent pool	1.9	2.5	2.3
> white-collar workers	226.7	231.4	422.5
> young professionals	4.7	4.3	4.4
> blue-collar workers	415.4	409.5	653.3

GRI 404-1

UNCTAD C.2.1

### Personnel training and development

Metric	2021	2022	2023
Average duration of training per employee per year, man-hours	57	60	68
Total duration of training, thousand man-hours	18,830	20,195	22,855
<b>By category:</b>			
> managers	3,720	4,036	4,297
> white-collar workers	4,103	4,534	4,980
> blue-collar workers	11,008	11,625	13,578
<b>By gender<sup>1</sup>:</b>			
> men, thousand man-hours	15,517	16,667	18,496
> women, thousand man-hours	3,313	3,528	4,359

<sup>1</sup> The different number of training hours for men and women is due to the large amount of mandatory training for hazardous jobs that are mostly done by men.

**As part of its results in personnel training and development in 2023, Rosneft:**

- set up mass remote training via the corporate training and development portal
- arranged five corporate training courses in energy efficiency
- organised employee training at the Geology and Development of Hard-to-Recover Reserves programme of St Petersburg University's Institute of Earth Sciences
- continued implementing the comprehensive career guidance and development programme for young exploration and production engineers in such areas as oil, gas, and offshore business development, oilfield chemistry, drilling supervising and engineering, and offshore drilling
- arranged training at Lomonosov Moscow State University for employees of the Company's Exploration and Production unit under the professional retaining programme to improve performance and master the basics and tools of lean production
- for talent pool members for management positions at the Company's Head Office and Group Subsidiaries, provided MBA, EMBA, and the Leaders of the Future programmes

In 2023, the pool of the Company's traditional corporate MBA programmes run in partnership with Moscow State Institute of International Relations (MGIMO), Graduate School of Management of St Petersburg University, and Gubkin Russian State University of Oil and Gas was complemented with a new programme on production efficiency offered by Lomonosov Moscow State University. The programme is aimed at training senior managers of the Company's production business units and covers aspects of strategic management of processes in a vertically integrated company and the use of production efficiency management tools.

**Over 400,000** man-hours of remote training made available in 2023



**In-house training system**

Our internal training system helps preserve and transfer knowledge within the Company. In the reporting year, we leveraged our in-house training centres, coaches, experts and workplace mentors to provide 71% of training (937.2 thousand man-courses annually).

To develop its talent pool, Rosneft introduced a new internal training format in 2023 – workshops to enhance managerial competencies, with in-house coaches delivering a total of 18 workshops across ten programmes.

The list of in-house training courses also expanded during the year as our coaches developed, tested and implemented seven

new programmes in the areas of HSE, capital construction, audit and control, and HR management.

In 2023, in-house coaches conducted 79 corporate training sessions and trained **5,215 people**

**An in-house coach** is a Company employee involved in transferring knowledge who, in addition to their main job functions, provides training in their functional area.

**A mentor** is a highly skilled experienced Company employee who facilitates onboarding of new hires – workers and young professionals – and builds up their skills to professional standards.

We leverage our in-house training centres, coaches, experts, and workplace mentors to provide **71%** of the training

GRI 404-2

**Training and development programmes**

- Compulsory training to ensure workplace safety and good performance
- Professional development (training, retraining, advanced training)
- Management training for the existing managers and talent pool
- Targeted enhancing of professional skills

## Corporate training centres

The Company's training base comprises 45 corporate training centres operating as part of Group Subsidiaries and training personnel in the following areas: Exploration and Production; Oil Refining, Gas Processing and Petrochemicals; Corporate Service. The centres are equipped with classrooms for theoretical training, cutting-edge simulators, have testing sites and offer practical training. Blue- and white-collar employees improve professional skills and take mandatory courses there.

In 2023, design, construction and installation efforts continued to set up new regional infrastructure facilities: a regional training centre of the Komsomolsk Refinery in Komsomolsk-on-Amur and a professional training centre in Bolshoy Kamen.

Also, in order to provide sufficient volume and quality of personnel training for the major Vostok Oil project, the Company embarked

on creating an in-house corporate training centre in Krasnoyarsk. The new facility is expected to ensure continuous training for at least 40 thousand employees annually and to train university students in key areas related to the Company's business.

To provide human resources for its flagship Vostok Oil project, Rosneft is running a large-scale programme in the Krasnoyarsk Territory to support educational institutions in comprehensively training qualified blue-collar workers and engineers.

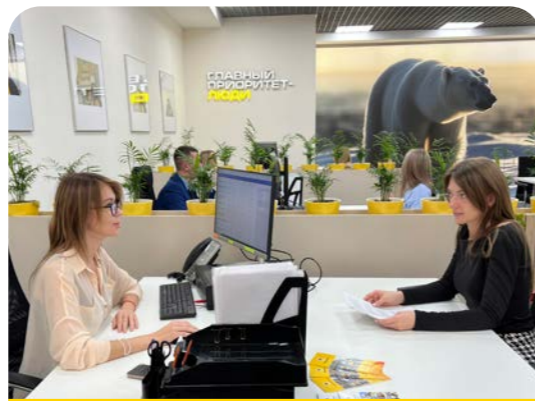
To successfully implement Rosneft's integrated forest and carbon management project in the Krasnoyarsk Territory designed to reduce the carbon footprint of the Vostok Oil project, the Company teamed up with St Petersburg State Forestry University and the Siberian Federal University in 2023 to provide additional training programmes for the Company's employees and run targeted innovative projects.

For more information on Rosneft's climate-related forestation project, see the [Achievement of Climate Goals in 2023](#) section of this Report.

## RN-Vankor launched a recruitment centre for the Vostok Oil project in Krasnoyarsk

In 2023, RN-Vankor launched a recruitment centre in Krasnoyarsk to attract engineers and skilled blue-collar workers to staff the Vostok Oil and support new oil producing assets.

The centre offers all necessary information about jobs and living conditions at facilities of the Vankor and Payakh clusters, along with requirements for professional competencies and opportunities for career progression. Directly at the centre, applicants are interviewed by HR teams and experts from the Company's business units.



## Mentoring system

GRI 404-2

At Rosneft, mentoring is a major component of the corporate framework that helps seasoned employees develop and share their professional knowledge and skills with new hires and young talent. For that, Group Subsidiaries are putting in place an end-to-end mentoring system that covers:

- › training and development of new and experienced mentors;
- › monitoring the indicators of the mentoring system;

- › mentors' participation in corporate, industry and international professional skills competitions and contests.

As Russia celebrated the Year of the Teacher and Mentor in 2023, the Company was actively engaged in nation-wide efforts to promote mentoring:

- › all-Russian event of the Federal Agency for Youth Affairs titled Trip to Mashuk, which aimed to develop the principles of mentoring in Russia for the next few years;
- › Active Role of Youth in the Development of Russian Business: Strategies and Practices,

a forum held as part of the Russia International Exhibition – RUSSIA EXPO (mentoring track).

Subsidiaries also participated in international, national and regional competitions and contests throughout 2023 as part of the Labour Productivity national project.

## Best Mentor corporate competition

On an annual basis, the Company runs the Best Mentor competition to evaluate the performance of mentors and their mentees across ten criteria.

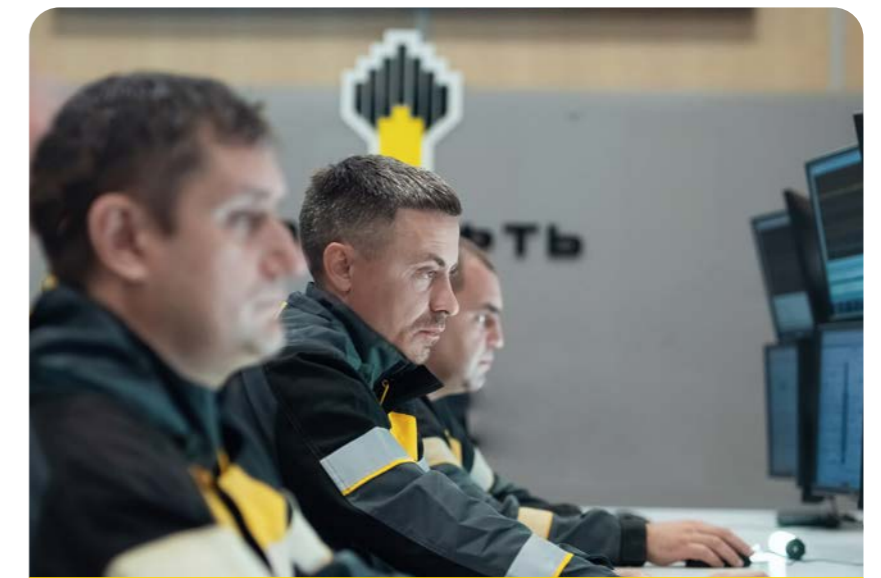
The 2023 competition brought together more than 12 thousand mentors from 100 Group Subsidiaries, with 703 of them making it into the final round. In December 2023, the Rosneft pavilion at RUSSIA EXPO in Moscow hosted

a corporate conference to celebrate 55 mentors from 36 Rosneft companies that excelled during the competition.

The conference was an opportunity for the best mentors to learn more about the latest global and industry trends and gain insights into cutting-edge tools and methodologies of mentoring.

More than  
**12,000**  
mentors

Over **100**  
Group Subsidiaries covered  
by the corporate end-to-end  
mentoring system



### Professional standards

In 2023, Rosneft continued to implement and develop professional standards. Currently, more than a quarter of the 1.5 thousand adopted professional standards can be applied in the Company, with 84 of them classified as mandatory qualification requirements. Among the Company's employees subject to mandatory qualification requirements, 99% have an educational background meeting the required standards.

Since 2015, Rosneft has been a member of the National Council for Professional Qualifications in the Oil and Gas Industry. In 2023, the Company drafted two professional standards and submitted them to the Russian Ministry of Labour and Social Protection for approval: "Drilling Supervisor in the Oil and Gas Industry" and "Hydraulic Fracturing Engineer".

### Orenburgneft won the 12th regional competition as the Best Company to Grow Young Talent

In August 2023, Orenburgneft won a regional competition that recognises businesses with the best onboarding programmes for young talent. The competition was held as part of the 12th Regional Forum of Working Youth titled Mentoring 2023: Sharing the Experience, Shaping the Future, which was supported by the government of the Orenburg Region and the Orenburg Union of Industrialists and Entrepreneurs. The event brought together over 100 regional businesses and organisations.

Orenburgneft prioritises attraction of talented young professionals and is a partner of some of Russia's leading universities. Over the past five years, this subsidiary of Rosneft has offered internships for more than 300 university students, with job contracts with Orenburgneft secured by around 350 young talents annually. Extensive career guidance is available to all new hires, with each of them assigned an experienced mentor, a status that can be eventually awarded to the most talented of the new employees.

The award of the regional competition is an expert testament to Orenburgneft's strong practices of onboarding and mentoring.

### Best in Profession

Rosneft holds an annual Best in Profession Corporate Festival and Competition, which brings together representatives of key blue-collar and engineering occupations at Group Subsidiaries. An established element of corporate culture and a tool for promoting corporate values, the contest contributes to identifying and incentivising proactive and talented employees, sharing best practices, promoting workplace culture, raising the status of blue-collar jobs as well as increasing the level of staff motivation and involvement.

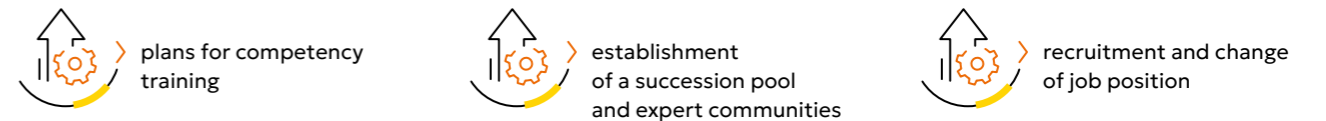
In the reporting year, the 18th annual event involved more than 10 thousand employees. The finals held at Bashneft production facilities in Ufa were contested by over 600 winners from 100 of the Company's subsidiaries.

The competition programme included theory and practice tests in 28 categories. Apart from the winners, each category named the best contestants in the area of health, occupational and fire safety, honouring them with a special Safe Work prize.

## Skills assessment framework

The Company's integrated personnel assessment framework applies to all personnel categories: managers, white- and blue-collar employees.

### Competencies are assessed in three areas:



Corporate and managerial skills assessment relies on the dedicated model. The model takes into account the Company's culture, values and the description of managerial competencies. In 2023, the Company used the model to evaluate 22.8 thousand employees.

Rosneft has developed materials to assess the professional and technical competencies of personnel in key businesses.

In 2023, we assessed over 31.9 thousand people for compliance with the professional and technical skill requirements.

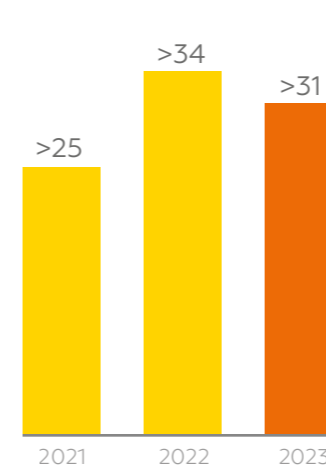
To ensure the Company's HR security, subsidiaries continuously develop their management talent pool, which includes a multi-tier competency assessment to select candidates, identify their priority growth areas, and design related individual plans.

As part of a pilot project to develop an expert community for personnel competency assessment, the HR Department developed four internal programmes for expert workshops in various areas. This helped organise and hold 15 workshops for 140 HR team professionals from 91 Group Subsidiaries.

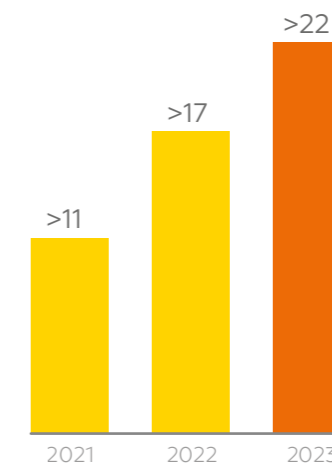
### GRI 404-3

### Comprehensive personnel assessment, thousand people

#### Professional and technical competencies



#### Corporate and managerial competencies



**31.9 thousand employees** underwent an assessment of professional and technical competencies

**22.8 thousand employees** underwent an assessment of corporate and managerial competencies in 2023

## Talent pool

Development of Rosneft's talent pool is an important tool to find, identify, and promote promising and talented employees.

Given the Company's strategic goals and scale of business, the key focus for the HR service is to provide Rosneft's assets with line personnel as well as managers with strong leadership potential. In line with that, the Company updated its talent pool system to reflect the following principles:

- > vertical hierarchy of the talent pool;
- > identification of the most talented employees to unlock their full potential;
- > promotion of talent pool members;
- > horizontal and cross-functional integration of the talent pool.

In response to global trends in human resources management, the Company has implemented a new methodology for talent assessment and talent pool development. The key assessment criteria are performance, level of managerial competencies and leadership skills, as well as compliance with mandatory requirements for executive positions.

With a unified methodology in place, we can identify candidates who are already well-positioned to take up a leadership role as well as those who still need time to grow professionally. The core purpose of the talent pool is to have vacancies for management positions filled with talent pool members who have completed relevant training and meet all the applicable requirements.

The talent pool is open for any Rosneft employee that has leadership skills and fits the job description. We update our talent pool every year.

A horizontally and cross-functionally integrated talent pool means that appointments can be both cross-functional (between business units) and cross-regional (between regions of the Company's operation). In 2023, the number of talent pool rotations between regions exceeded 15%.

In talent pool management, we prioritise those who have a strong growth potential and can make a meaningful contribution to the Company's future success. For them, Rosneft provides modular management training programmes (MBA and Leaders of the Future), individual career planning, as well as a mentoring programme involving senior managers. This category of talent pool members is our number one choice when we recruit teams for our key strategic projects.

In 2023, over 30% of talent pool members were assessed as high potentials.

The new talent assessment methodology helps not only select members for the talent pool – it also serves to improve the performance of our teams. For each personnel category, there are guidelines on employee development.

The talent pool system is increasingly effective: in 2023, over 67% of the Company's vacant management positions were filled by talent pool members, an increase of 23% year-on-year.

## International cooperation in education

Rosneft relies on cooperation with international universities as a way to roll out its own innovations in science, technology and methodology, and to develop personnel competencies. International cooperation also contributes to academic research.

In 2023, as part of the 26th St Petersburg International Economic Forum, 26th Eastern Economic Forum

and 5th Russian-Chinese Energy Business Forum, Rosneft signed agreements with leading universities

and companies in friendly states, which are currently among the world's leading educational institutions.

### In particular, the following documents were signed in 2023:

memorandum on cooperation in research and development between Rosneft and Tsinghua University (China)



agreement for cooperation in education and training between Rosneft and China National Petroleum Corporation (CNPC)



agreement on education and science between Rosneft, Qatar University and Ufa State Petroleum Technological University



Provided jointly with foreign partners, training for the Company's employees is available both in person and online and spans the most relevant topics.



agreement on cooperation in education and science between Rosneft, China University of Petroleum and Gubkin Russian State University of Oil and Gas

In February and September 2023, Moscow State Institute of International Relations (MGIMO), with the involvement of professors from Tsinghua University, delivered modules of the corporate MBA programme "International Business in Oil and Gas Industry".

Also, joint educational programmes (on management of research and innovations and on energy project management) were organised by Tsinghua University and Ufa State Petroleum Technological University.

With Rosneft's support, students from Cuba and Mongolia continued to study at Gubkin Russian State University of Oil and Gas and MGIMO.

The Company's educational projects and efforts have been consistently recognised by foreign business partners, governments, and intergovernmental organisations.

### Rosneft provided training to employees of Cuba's oil company

In 2023, Rosneft helped provide training to employees of Cuba Petróleo Union (CUPET), the largest oil company of Cuba, in safety of oil and gas facilities. The project was implemented as part of the 2013 agreement on bilateral cooperation of businesses to provide education for citizens of Cuba in Russian universities.

The programme included training in industrial safety, operation of fire safety systems, and improving the reliability of oil and gas equipment and process systems.

### Rosneft and CNPC signed an agreement for cooperation in education and science

In 2023, on the sidelines of the 5th Russian-Chinese Energy Business Forum, Rosneft and CNPC signed an agreement for cooperation in education and training.

Under the agreement, employees of both companies can enrol in additional training programmes offered by leading educational institutions and corporate training centres of Russia and China. Training will

be provided across prioritised business areas such as drilling and well intervention, improving the efficiency of exploration and production processes, oil refining and petrochemicals, health and safety, carbon management, and environmental protection.

The agreement also provides for joint round tables, internships, and conferences to share knowledge and experience, including in oil and gas technologies.



# Investing in younger generation

## Youth policy

Core priorities of Rosneft's youth policy are to ensure a steady influx of young professionals from among graduates of vocational and higher educational institutions and to provide them with fast and effective onboarding at the Company's facilities.

To this end, Rosneft is working hard to build an external talent pool comprised of students in its regions of operation and to reach out to young people. Rosneft's school-to-workplace continuous education framework is an effective solution for the goals the youth policy pursues. The Company partners with 203 general, vocational and higher educational institutions in the regions of its operation.

Rosneft helps implement the state educational policy, while also contributing towards the goals of the Education and Science and Universities national projects. In 2023, the Company also participated in the Development of Integration Processes in Science, Higher Education and Industry, and People for the Digital Economy federal projects, and the national programme Digital Economy of the Russian Federation.

The Company is actively developing cooperation with 58 institutions of vocational education that provide training for workers, and supports the implementation of the Professionalitet and Young Professionals federal projects designed to upgrade vocational education in Russia.

### Youth policy highlights in 2023

#### Partner educational institutions in the Company's regions of operation

**58** schools, featuring  
**110** Rosneft Classes and attended by  
**2,400** students

**65** colleges training workers in high-demand professions

**80** partner universities with 29 specialised university departments sponsored by Rosneft

**3,588** young professionals employed by the Company at the end of 2023



# Rosneft Classes

The first stage of establishing the Company's external pool of young professionals, Rosneft Classes are set up at top-ranking schools, lyceums, and gymnasiums in the regions that are important for us.

They provide students with quality secondary education. Grades 10–11 of Rosneft Classes include in-depth study of maths, physics, chemistry, and computer science. The ultimate goal of the programme is to provide vocational guidance and motivate school students to enter universities in the Company's core professions and areas of training, and to be hired by Rosneft afterwards.

In 2023, the Company supported 110 classes in partnership with 58 secondary schools in 50 towns and settlements located in 21 Russian regions. The classes saw some 2.4 thousand attendees.

In the reporting year, 50 corporate career guidance workshops were held for Rosneft Classes students, where they learned the fundamentals of oil professions and were introduced to the operations of Rosneft companies.

The Company's partner schools continued a programme for fifth- to ninth-graders, which helps

children develop an informed approach to choosing the area of study at high school.

Among other things, the Rosneft Classes project seeks to identify and provide support and education to the gifted youth. To this end, students are encouraged to participate in the Olympiad movement. In the school year 2022–2023, more than 30% students of Rosneft Classes became winners and runners-up in a wide range of Olympiads, contests, and R&D conferences, with 305 winning top awards and other prizes at various stages of the National Olympiad of Schoolchildren.

In 2023, the Company organised a summer project school at Lomonosov Moscow State University High School for 80 students from Rosneft Classes. The programme included educational and practical courses in math, engineering and natural sciences, along with seminars and creative workshops related to digital and information technologies.

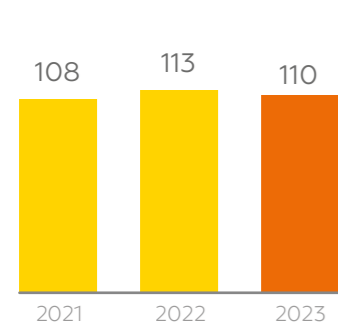
In 2023, Rosneft and Lomonosov Moscow State University continued their joint project on distance learning for students and teachers of Rosneft Classes:

- › a series of five awareness raising lectures on relevant topics were organised. The lectures were given by leading professors of the University and teachers of Lomonosov Moscow State University High School and were available remotely;
- › two professional development courses were provided for teachers of physics and mathematics, covering a total of 45 teachers from 34 schools.

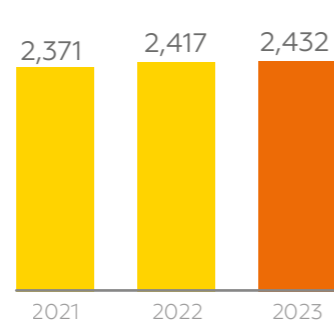
Also, teachers of Rosneft Classes in the Primorye Territory, which aim to help train professionals for the shipbuilding industry, took part in professional development courses offered by St Petersburg State Marine Technical University in computer modelling and design, laser optics, marine robotics and ship modelling, and technology-based entrepreneurship.

## Rosneft Classes highlights

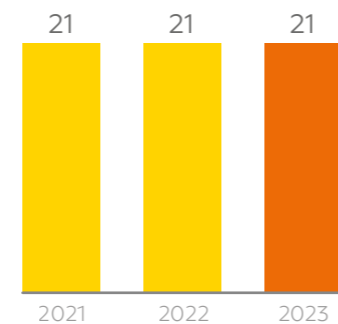
Number of Rosneft Classes



Number of students



Number of regions



## Rosneft held seminar for Russian teachers as part of its Rosneft Classes project

In the reporting year, Rosneft held a training seminar for 54 teachers of Russian schools in 46 cities and towns where Rosneft Classes are up and running. The event was held under the auspices of the Year of the Teacher and Mentor in Russia.

During the seminar, teachers were updated on the key areas for vocational training going forward and latest requirements for additional general education programmes in technical areas. The seminar sought to develop shared approaches to the Rosneft Classes project as a pre-university training platform while also improving the project's performance in each educational institution.

Seminar participants from various regions also shared their Rosneft Classes experience, discussing ideas on how to sparkle an interest in professional engineering training among children of school age.

In 2023, **994** graduates of Rosneft Classes enrolled at universities, of which 706 chose the Company's core areas of training

In 2023, **1,108** students graduated from Rosneft Classes, of whom 162 graduated with honours



## New Era school was included in the Success of Each Child federal project as part of the Education national project



Constructed by Rosneft, the New Era school began to provide an additional general education programme for students from Kirovsk (Lugansk People's Republic) and Tulun (Irkutsk Region). The programme was implemented as part of the Success of Each Child federal project, which in turn is one of the initiatives of the Education national project.

The New Era school welcomed talented students, providing them with educational opportunities to help them unlock their full potential. The curriculum among other things included workshops, an exhibition of robots, and theatrical performance by students. The workshops leveraged chemistry and physics lab equipment provided by Rosneft during the school's construction. Exhibits to be showcased at the robot exhibition were made by students,

with guidance from their teachers. Students also had physical education lessons and an opportunity to pass tests under the GTO fitness programme.

As a result, talented students were able to improve their level of education and learn new things, helping them better understand the notions of mutual support and patriotism.



## Participation in the Visit to a Scientist all-Russian project

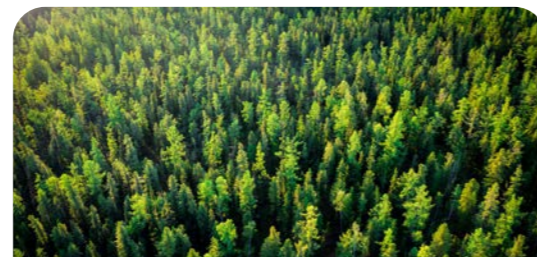
In November and December 2023, Rosneft organised a number of awareness raising and career guidance events for young people who are involved in the Movement of the First. The events were held as part of the all-Russian project titled Visit to a Scientist. Professionals from Rosneft's R&D and design institutes gave the students a tour of their testing and research labs.

In Ufa, Rosneft's R&D hub brought together more than 100 students of grade 8 to give them a lecture on the role of geologists in locating and evaluating oil fields, with insights into geological structures of the South Urals and samples of actual discoveries made during the exploration efforts.

In Tomsk, Rosneft's R&D institute offered a tour of a core repository designed for long-term storage of 278 km of special samples of rock.

The schoolchildren visited an exhibition of geological findings and took part in a prize quiz to learn more about the many things that are made from oil.

In Novokuibyshevsk, students from the Movement of the First visited a lubricants laboratory and an R&D institute for bitumen, where they explored properties of modified bitumen as used in asphalt roads. They also learned how oil is separated into fractions and what ways can be used to process it.



# Cooperation with universities and colleges

In 2023, Rosneft engaged with 80 Russian and foreign universities, of which 31 are our partners, on the basis of agreements on cooperation.

Cooperation agreements with universities allow the Company to actively engage in joint efforts focused on employee training and retraining, and research and innovation, as well as help develop the research and education capabilities of universities so that their graduates are qualified enough to meet our current business needs.

As part of cooperation with universities, a Master's programme on Genomics and Human Health continued at Lomonosov Moscow State University. Starting 2023, students of this programme take practical and research internship at the Genome Sequencing Centre of Biotech Campus. In the reporting year, 10 graduates completed their training and 18 remained in the programme.

In September 2023, Moscow Institute of Physics and Technology launched a new Master's programme tailored specifically to Rosneft's needs: titled Algorithmic Biology, it will help train professionals in bioinformatics.

To reach out to talented young people and build an external talent pool, the Company joined forces with the Siberian Federal University to organise the 11th Future of Rosneft Festival. It brought together more than 500 students, with 100 of them making it to the final round.

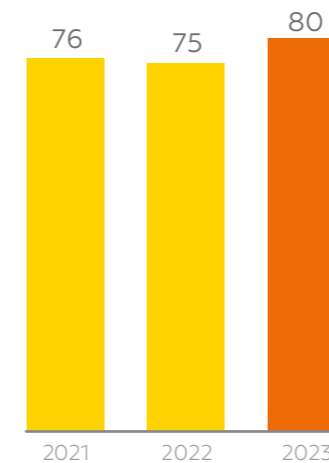
Rosneft supported 29 university departments, with 97 employees of the Company involved in their activities.

In 2023, more than 6.5 thousand students received on-the-job training at the Company's facilities. During the year, long-term internships were provided to 54 Master's students of MGIMO, Lomonosov Moscow State University, Moscow Institute of Physics and Technology, and Gubkin Russian State University of Oil and Gas.

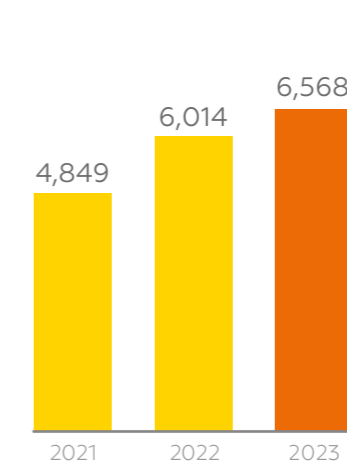
The Company rewards the best students for their academic and research achievements. In 2023, students of partner universities received 683 corporate scholarships, and teachers received 256 grants.

### University cooperation highlights

Number of partner universities<sup>1</sup>



Number of students doing an internship



**1,555**  
young graduates were hired by the Company's facilities in 2023

<sup>1</sup> Partner universities and universities that signed cooperation agreements.

## A new Competence Centre in the Primorye Territory

The year 2023 saw the launch of the first phase of Rosneft's Competence Centre at the Far

Eastern Federal University, kicking off with the Engineering module.

A 1.000 sq m area hosts laboratories for ship design and diagnostics, as well as computer modelling; the centre also features two

multimedia classrooms for students and children from engineering-focused Rosneft Classes.

The new Competence Centre will ensure continuity of engineering personnel training at all stages of education, from school to workplace, helping soon-to-be engineers to master cutting-edge technologies and keep abreast of innovations already in place at the Company's facilities. These efforts will also contribute to the availability of qualified professionals in the Russian Far East.



**>26,000**  
students took part in the Company's career guidance events

## Internships for students

Rosneft runs a variety of projects to ensure a stable inflow of well-trained young talent to its facilities. One of the most effective areas of focus here is providing internships for soon-to-be graduates of technical universities at the Company's subsidiaries.

As one example, in the reporting year, the Sibintek IT company offered summer internships for more than 100 third year students of technical programmes at Saratov State University and State Technical University of Saratov. Interns took part in practical workshops on automation using the 1C software and on user support in IT security, as well as seminars on goal setting, team building, CV writing, and job interview skills. Also, students benefited

from a business simulation game called Breaking into IT, which helped them learn the basics of information technology.

In addition, Sibintek took on 130 students from the leading universities of the Volga Federal Districts as interns, providing them with hands-on experience in the installation, repair, calibration and testing of control and automation devices and sensors. They also mastered various methods of measuring data in real operational conditions.

In 2023, the Ryazan Refinery provided internships for 77 students from leading engineering and technical universities from across Russia. The students completed a practical training programme covering equipment, technologies,

process automation, and regulatory documents used at the refinery. Every year, the facility offers employment to up to 40% of students who have completed an internship.

At Bashneft, internship opportunities at its assets were made available to 1.5 thousand students. To make it easier for students to combine their curriculum activities and the internship, our partner educational institutions Ufa State Petroleum Technological University and Ufa College of Fuel and Energy put together more than 10 corporate groups for students to follow personalised training schedules. Following the internship, job offers were made to 40% of the students.

## Support of educational institutions

Rosneft and its subsidiaries help partners in the education sector develop their technical capabilities. Each year, the Company sponsors purchases of computers, interactive, teaching and laboratory equipment, renovation of classrooms and laboratories at educational institutions.

### Training and industrial cluster in the Orenburg Region

In 2023, Rosneft's subsidiaries located in the Volga Federal District (Orenburgneft, Samaraneftegaz, RN-Service, and Orenburg branch of RN-Bureniye) jointly with the Ministry of Education of the Orenburg Region and the Buguruslan Oil College signed a partnership agreement to use the college's resources and premises to set up and develop a training and industrial cluster. This move is part of the Professionalitet federal project and is designed to support talent development and create a strong training system for personnel in the oil industry in response to existing and potential HR needs of facilities located in the Orenburg and Samara regions.

As part of the agreement, the parties are jointly developing and implementing practical training programmes and upgrading the new centre's technical capabilities and training and industrial infrastructure. Rosneft plans to provide internships at its facilities and organise further development courses for professors. For students, there will also be career guidance activities and support with subsequent employment.

### Upgrading technical capabilities of educational institutions

Rosneft equipped a new laboratory for physical and chemical analysis of oil and petroleum products at the North-Eastern Federal University. The new cutting-edge equipment will help better train qualified professionals for the oil and gas industry, making young talent more competitive in the labour market.

With Rosneft's support, Achinsk Oil and Gas Technical College set up new workshops to train electricians and operators of pumps and compressors. Equipment and simulators now available at the college's workshops enable imitation of real-world processes and simulation of various operational conditions for students to hone their practical skills.

### Rosneft opens a School of Projects' Chief Engineers

Together with its corporate R&D institute and partner Tomsk Polytechnic University, Rosneft launched a professional retraining programme.

Titled the School of Projects' Chief Engineers, the programme brings together a host of engineer sciences and covers all stages of a project life cycle in the oil and gas industry, from exploration to field infrastructure development. The programme's

graduates will be able to manage complex projects for oil and gas field infrastructure development, leveraging new technology solutions in line with the industry's digital transformation. The course consists of modules lasting from one to three weeks, with deep insights into both soft and hard skills that engineers require. All students are to complete a graduate project at the end of the course to receive a respective qualification certificate.

## Development of young professionals

University graduates who were offered employment by Rosneft after completing full-time education are considered young professionals during the first three years of employment.

As part of the Three Steps programme, Rosneft offers the young talent training and professional growth opportunities aligned with their individual development plans. To that end, we provided 4,442 man-courses in 2023 aimed at developing professional, corporate and managerial competencies. Also, 2,190 young professionals took part in regional and cluster R&D conferences.

72 facilities have councils of young professionals that facilitate the onboarding and retention of new hires in the team.

### Working with young professionals encompasses a number of focus areas:

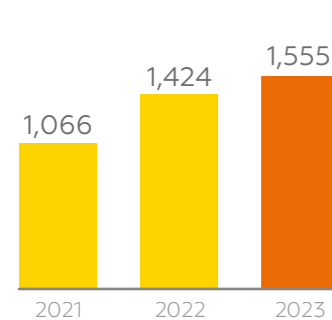
-  **Onboarding**
-  **Training and development**
-  **Identification and development of potential leaders**
-  **Progress assessment**
-  **Financial and social support**

**4,442**

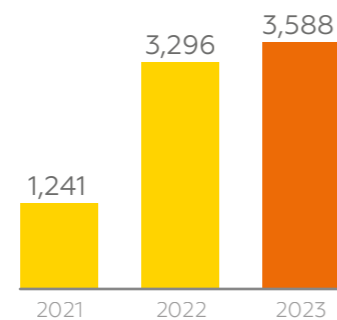
man-courses was the training delivered as part of the Three Steps programme in 2023

### Young professionals at Rosneft

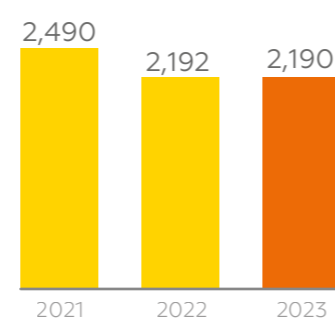
Number of young professionals hired upon graduation



Number of young professionals in the Company



Number of young professionals participating in R&D conferences



## Young promising talent

Development of young professionals is one of the key pillars of Rosneft's sustainability and competitiveness in the long term. To this end, the Company stages regular assessment business games for prospective young leaders in their third year of employment.

In 2023, the games brought together 558 young professionals from 90 facilities. Based

on the results, we selected 188 participants and recommended that they be included in the talent pool for entry level managerial positions and receive further training under the Three Steps programme.

In March to June 2023, 48 young professionals that won the previous year's assessment business games

underwent training under the professional development programme titled Management Essentials: Young Talents. Also, 71 high potential young professionals were trained in personal and team efficiency, organisational skills, and decision-making.



### Interregional R&D conference of young professionals

In autumn 2023, Rosneft held the 18th Interregional R&D Conference, which attracted 401 young professionals from 72 subsidiaries following their successful completion of qualifying rounds. A jury of managers and experts from Rosneft's Head Office evaluated 324 projects. The best projects were recommended for roll-out at the Company's production facilities.

In 2023, steps were taken to implement 31 best projects of the Interregional R&D Conference. Implementation covered 21 Group Subsidiaries, with their economic effect estimated at close to RUB 907 mln.

# Social policy and employee health

GRI 3-3

As a responsible employer, Rosneft lays major emphasis on social programmes designed to ensure the social support of its employees, their families, and retirees.

These programmes are implemented, inter alia, as part of the Company's key strategic initiatives.

## Modern medicine



- › Improving the Company's healthcare system
- › Introducing modern technologies to provide medical care to the Company's employees
- › Running preventive programmes, including preventive medical examinations
- › Taking administrative and sanitary measures and restrictions to prevent the spread of infectious diseases (including COVID-19)

## Affordable housing



Providing housing to the Company's employees, inter alia, as part of the corporate mortgage programme to improve their living conditions

## Russian Organisation of High Social Efficiency contest

Rosneft's subsidiaries and corporate research institutes traditionally take part in the Russian Organisation of High Social Efficiency, a nationwide contest held by the Ministry of Labour and Social Protection. The jury noted the focused work of Rosneft subsidiaries in developing the system of social benefits, implementing corporate projects to purchase housing, providing medical assistance, organising children's recreation, fostering physical culture and sports and charity programmes, mentoring programmes, professional and personal development, as well as volunteer movement.

At the regional stage of the contest in the Samara Region, Samaraneftgaz, Novokuibyshevsk Petrochemical Company, Novokuibyshevsk Refinery, and Kuibyshev Refinery won prizes in various nominations, including Encouraging Healthy Lifestyle, Developing Social Partnership, and others.

In the Khabarovsk Territory, at the regional stage of the contest, the jury awarded the Komsomolsk Refinery with the First Degree Award in the Supporting Employees with Large Families and Their Children nomination and the Grand Prix in the categories Creating and Developing Jobs, Talent Pool, Developing Social Partnership, and Best Working Conditions for Employees.

## Key components of the social policy

GRI 401-2



Healthcare and personal insurance



Corporate pension programme and social support project for veterans



Comprehensive housing programme



Optimal social and working conditions at the Company's production facilities

# Healthcare and personal insurance

GRI 403-3

UNCTAD A.3.2

In its social policy Rosneft prioritises preserving and improving personnel health, ensuring professional longevity, and developing a culture of healthy lifestyle. Caring for our people helps the Company retain talented and highly skilled employees and maintain overall high efficiency and productivity.

## To this end, the Company makes consistent efforts in the following areas:

- › provision of emergency and routine medical services for employees, including those working at remote and hard-to-reach production facilities of the Company;
- › implementation of voluntary health and accident insurance programmes;
- › provision of resort and rehabilitation treatment opportunities for employees;
- › implementation of programmes aimed at disease prevention and mitigation, and promotion of a healthy lifestyle;
- › taking sanitary, epidemic, and restrictive measures to prevent the spread of infectious diseases (including COVID-19).

## Emergency and routine medical services at production facilities

Activities in this area are implemented as part of the Modern Medicine strategic programme and include:

- › improving the Company's healthcare system by:
  - setting up a network of modern industrial medical stations;
  - regularly strengthening professional competencies of medical staff;
  - conducting regular medical drills to practise emergency aid skills and medical evacuation;

- › introducing modern technologies to provide medical care to the Company's employees. In 2023, as part of the corporate telemedicine network development, Sakhalinmorneftegaz-Shelf, TBS, TBS Logistics, and Kharampurneftegaz additionally implemented telemedicine consultations, which made it possible to improve the accessibility and efficiency of quality medical care at remote production facilities. During the reporting period, the number of participants in the corporate telemedicine network project expanded to 17 Group Subsidiaries, and a total of about 3.7 thousand telemedicine consultations were given at 88 remote health centres.

## Rosneft greatly contributes to the Healthcare national project, among other things, by:

- › operating a network of modern medical stations and using air ambulance in remote locations, thus increasing the accessibility of medical care;
- › strengthening professional competencies of healthcare staff at medical stations;
- › making consistent disease prevention and health promotion efforts.

Furthermore, Rosneft actively participates in social projects in the regions of operation, including in the field of healthcare. The Company provides support by renovating hospitals and medical rooms in the regions and purchasing modern medical equipment.



Rosneft widely uses a practical approach and consistently develops professional competencies of medical personnel at medical stations with the expert support of the National Intellectual Development Foundation. To this end, the following activities were organised and carried out in 2023:

- › three on-site in-person trainings to practise skills of pre-hospital emergency care for the personnel of medical stations at Slavneft-Krasnoyarskneftegaz, Orenburgneft, and RN-Purneftegaz;
- › four online telemedicine training sessions conducted in line with modern standards of emergency medical aid, including emergency care in case of cerebrovascular diseases, as well as the specifics, methods, and rules of the evacuation of the injured;
- › annual corporate scientific and practical conference on occupational health, where reports were presented on the specifics of prehospital emergency care in case of polytrauma, aspects of cognitive health, and the impact of the modern information environment on it, as well as emotional burnout;
- › in-person training courses for in-house coaches who help the Company's employees develop first aid skills.

### Personal insurance programmes

Providing the Company's employees with VHI policies is one of the most important components of the social support programme. Thanks to VHI, employees can receive qualified medical care in clinics provided with modern medical equipment and offering a full range of medical services.

In 2023, personal insurance programmes (including voluntary accident insurance) covered more than 300 thousand employees of the Company. In addition, remote consultations with highly qualified doctors of various specialities became available to all Company employees, including those working at remote sites, as part of the Telemedicine option included in corporate VHI contracts.

In order to maintain a high quality of medical care provided to employees, along with expanding the list of medical institutions, the Company made efforts to improve the availability

of medical care by introducing an emergency and routine hospitalisation programme, which guarantees all insured employees medical care in situations requiring in-patient treatment.

The Company continued to run voluntary accident insurance schemes.

Payouts under voluntary accident insurance schemes serve as an additional source of support for employees and their families in case of decease, temporary or permanent disability. The insurance covers not only occupational injuries but also home accidents.

**>300 thousand**  
Company employees covered by personal insurance programmes in 2023

In September 2023, a large-scale medical exercise was held at the Novokuibyshevsk Refinery with the participation of 45 specialists responsible for occupational medicine and healthcare at 27 Group Subsidiaries.

During the exercise, guest experts from the National Intellectual Development Foundation specialising in extreme medicine conducted two training sessions, including a session on effective approaches to practising cardiopulmonary resuscitation skills.

### Resort treatment and rehabilitation

GRI 403-6

Resort treatment and rehabilitation opportunities aimed at preserving employees' health, extending their careers and preventing diseases remained an integral part of the social security package offered to the Company's employees, their families, and retirees (veterans of labour).

During 2023, more than 73.5 thousand employees, their family members, and pensioners were sent to health resorts and wellness centres in Russia. Treatment and recovery programmes were available both at the Company's health facilities and at regional centres, health resorts in the Krasnodar Territory, resorts in Belokurikha, the Republic of Bashkortostan, and other regions of Russia.

The Company continues a programme to improve the health of employees in the Republic of Cuba. Over the entire period of cooperation with our partners from Cuba, more than 15.4 thousand employees and their families took part in the programme from 2013 to 2023.



### Disease prevention and mitigation programmes

The Company continues to work on disease prevention and promotion of healthy lifestyles, enabling the Company's employees to make a significant contribution to preserving and improving their health, including on their own. In 2023, we conducted:

- › information campaigns on the risks and prevention of cardiovascular diseases, as well as activities on prevention of infectious diseases (flu, acute respiratory viral infections, COVID-19, measles), endocrine diseases, smoking cessation, etc.
- › vaccination of the Company's employees against a number of infections, including seasonal flu.

The Company's preventive campaigns were highly appreciated by the Russian Ministry of Labour and Social Protection: the Kuibyshev Refinery won the regional stage of the Russian Organisation of High Social Efficiency contest held in the category Encouraging Healthy Lifestyle at Production Facilities.

### Advanced methods of prenatal genetic screening

Rosneft is a technology partner for the Federal Scientific and Technical Programme for the Development of Genetic Technologies until 2027.

As part of these activities, the Company ran a project in 2021–2023 on non-invasive prenatal testing that can reliably detect genetic abnormalities in the fetus. Intended for the Company's employees and their family members, the project has welcomed more than 3.6 thousand pregnant women since its launch.

## Preventing infectious diseases: anti-epidemic measures to curb the spread of COVID-19

To minimise the risks of COVID-19 spreading, the Company implemented administrative and sanitary measures and restrictions on a continuous basis throughout the year, including:

- implementing an algorithm of interaction between units when a case is detected
- daily monitoring employee morbidity rates and the epidemiological situation in the regions and reporting to the management
- providing employees with PPE and disinfectants
- testing the Company's employees on COVID-19 randomly
- vaccinating/revaccinating staff against COVID-19
- performing preventive sanitary treatment of premises
- constantly monitoring employee compliance with health protocols, etc.

## Rosneft's annual winter and summer corporate sports games

Rosneft annually holds Winter and Summer Sports Games among employees of its subsidiaries.

The 11th Winter Sports Games 2023 were hosted by Krasnoyarsk and included three sports: ice hockey, skiing, and biathlon. More than 600 athletes representing 38 teams from five Russian federal districts participated in the event.

The 18th Rosneft Summer Sports Games lasted from June to September 2023, with 2.8 thousand athletes from 77 subsidiaries taking part. The twelve summer sports chosen for the competition included futsal, basketball, table tennis, volleyball, chess, kettlebell lifting, men's and women's track and field relay races, billiards, shot put, tug of war, and shooting.



## Corporate sports programmes

Rosneft carries out large-scale work to promote sports and healthy lifestyles across its footprint. The Energy of Life corporate programme is aimed at developing a sports and fitness movement, where employees regularly go in for sports and take part in various competitions.

Rosneft organises the Summer and Winter Sports Games with more than 20 thousand employees participating. In the regions where it operates, Rosneft implements projects to build ice arenas, sports centres, and multi-purpose sports grounds, and supports amateur and professional sports.

Group companies regularly organise races, sports marathons, and competitions in various sports. In many regions, Rosneft subsidiaries dedicate sporting competitions to memorable dates and events. Employees' families

are actively involved in sports activities, including health days, family sports festivals, and mass sports events.



## Rosneft won the Champion Award for popularisation of the Ready for Labour and Defence (GTO) programme

RC-Sport, Roscongress Foundation's sporting platform, and the Reputation Business Forum honoured Rosneft with the Champion Award at the Sports Games of the St Petersburg International Economic Forum in June 2023. The jury praised Rosneft's active support and consistent work to promote the GTO programme.

In May 2023, Rosneft held a large-scale competition among its employees to pass the standards of the national physical culture training programme Ready for Labour and Defence consisting of 12 disciplines. Some 600 amateur athletes representing 53 Rosneft subsidiaries took part in the event.



## Improved housing

For 18 years, the Company has been successfully running a comprehensive housing programme, a crucial incentive included in the corporate social policy.

The initiative enables the Company to attract and retain highly qualified employees, and ensure long-term engagement of valuable professionals across its footprint by providing housing through the following arrangements:

- › granting non-interest-bearing loans to apartment buyers using mortgage loans issued by partner

banks at a reduced interest rate (the Bank of Russia's key rate + 1 p.p.);

- › providing corporate housing to relocated professionals. The total number of corporate residential facilities available in the Company's regions of operation amounts to some 1 thousand

**>1 thousand**  
employees improved their living conditions under the corporate mortgage programme in 2023

With its Comprehensive Housing Programme, Rosneft contributes to the development of the Housing and Urban Environment national project.



## Corporate pension benefits and care for veterans

GRI 201-3

The corporate pension programme is an integral part of HR and social policy, as it is aimed at improving the social protection of retired employees and creating an additional source of income for them.

The non-state pension programme covers employees of Rosneft and Group Subsidiaries within the framework of corporate pension

agreements with Non-State Pension Fund (NPF) Evolution.

In 2023, pensions rose by 3.4% as a result of indexation.

For employees of Rosneft and the Group Subsidiaries who retired before the non-state pension programme was launched, we run a Social Support for Veterans project,

whereby 14.5 thousand people receive a pension every month. In 2023, the pensions grew by 5% as a result of the annual indexation.

In 2023,  
**67.3 thousand**  
former employees received corporate pensions

## Social and living conditions at production sites

In the reporting year, Rosneft continued to implement its comprehensive programme to improve social and living conditions for the employees of our subsidiaries and contractors stationed in remote regions and operating in adverse climatic conditions.

As part of improving the social and living comfort of employees, we:

- › promoted the fast food concept (selling popular dishes like hot dogs, sandwiches, doughnuts, etc.);

- › introduced the Cook & Chill industrial catering technology at RN-Vankor, RN-Yuganskneftegaz, and Taas-Yuryakh Neftegazodobycha;
- › opened new shops and cafeterias, as well as installed vending machines with a variety of food in the fields;

- › implemented a feedback collection system using QR codes;
- › trained staff through virtual reality;
- › automated accounting and maintenance of facilities.

Technology	Effects
Cooking with Cook & Chill	<ul style="list-style-type: none"> <li>› A safe alternative to buying meals from canteen</li> <li>› Possibility to provide full nutrition during the night</li> <li>› Delivery to remote sites without dependence on the operating hours of catering and retail facilities</li> </ul>
Fast food concept	<ul style="list-style-type: none"> <li>› Increased satisfaction of personnel working on a rotational basis</li> <li>› Interest in expanding the range</li> </ul>
Vending machines	<ul style="list-style-type: none"> <li>› Sales of beverages and snacks at locations away from food outlets</li> <li>› Coffee stations with an extended range of coffee drinks</li> </ul>

### Infrastructure construction at Taas-Yuryakh Neftegazodobycha

Taas-Yuryakh Neftegazodobycha, a Rosneft subsidiary, consistently improves social and living conditions for employees at the Srednebotuobinskoye oil and gas condensate field. Dormitories, a canteen with modern equipment, and a multifunctional recreation centre were improved for shift workers, and the development of new infrastructure continues.

In 2023, as part of the expansion of the modern shift camp at the Srednebotuobinskoye oil and gas condensate field, Taas-Yuryakh Neftegazodobycha commissioned a new residential facility designed to accommodate more than 400 employees.

Also in 2023, a new fire station was built and commissioned to maintain fire safety due to an increase in the number of production facilities at the field. The new fire station with improved process safety provides service areas for firefighting equipment, comfortable rooms for personnel, a communication centre, and a base for the gas-smoke rescue service.



### Vostok Oil's social and living conditions

Vostok Oil is Rosneft's flagship project, which is unparalleled globally in terms of the scale of construction work and the number of people involved. The project will create a comprehensive infrastructure and fuel the development of northern regions.

Rosneft creates favourable social and living conditions for its employees well in advance. To provide comfortable living conditions for the personnel at the existing production sites, the Company built modern modular residential facilities equipped with all the necessary amenities

for living and recreation away from home and connected to each other by warm passageways, which is convenient in the harsh northern climate.

Rosneft is implementing the Smart Camp concept to ensure comfortable social and living conditions at Vostok Oil's temporary shift camp near the Norilsk airport and shift camp of the Sever Bay inventory base. Unlike traditional mobile housing units, the Smart Camp is a full-fledged hotel complex, which uses modern digital and innovative solutions, networked through the industrial internet of things. In the reporting year, Rosneft received a patent for a Smart Camp management system.

Digital technologies implemented in the construction of residential buildings were chosen exclusively on the basis of innovative solutions of Russian manufacturers and developers from friendly countries. The application of the 25 latest digital technologies makes it possible to improve the quality and standardisation of social services, including catering, accommodation, maintenance of premises, cleaning, laundry, dry-cleaning, and other services. In the future, the advanced ecosystem of integrated service quality management can be replicated at other production and social facilities of Vostok Oil and Group Subsidiaries.

### RN-Svyaz: the Company's own mobile operator

In 2023, Sibintek launched RN-Svyaz, a corporate mobile operator, to provide units and employees at Rosneft's remote production assets with secure mobile communications with extended coverage. The solution was rolled out to address the problem of poor coverage of Russian mobile communications in hard-to-reach areas of the country where oil production is underway.

In the reporting year, Sibintek launched a test construction of its own communication centres using domestically manufactured base stations as part of the Vostok Oil project at the shift camp in the Sever Bay. Corporate mobile communication is based on private LTE (pLTE) technology, which enables the implementation of a whole range of digital services, including video surveillance, PTT (push-to-talk), perimeter control, monitoring of employee health parameters and availability of personal protective equipment. After successful testing, pLTE was introduced at another 20 production facilities of the Company.

In the next few years, Rosneft plans to expand its mobile communication functionality to a full-MVNO<sup>1</sup> type by building its own communication centres and joining several federal operators. These measures are expected to provide reliable protection against potential unauthorised access threats, ensure secure storage of mobile subscriber data, and enable the Company to consolidate any of its communication systems into one. Sibintek also allows integrating existing and future industrial technological solutions developed on the basis of Rosneft's research centres into a new network.



## Collective bargaining agreement and labour rights

GRI 3-3 GRI 2-30

Rosneft and the Group Subsidiaries are fully committed to human rights principles as established by the Constitution of the Russian Federation, Social Charter of the Russian Business, and generally accepted international rules and standards specified in the Universal Declaration of Human Rights and other UN documents.

For more details on the Company's approaches to human rights protection, see the [Anti-corruption and Business Ethics](#) section of this Report

Rosneft supports freedom of association, recognises the inalienable right of employees to make collective bargaining agreements and the right of every employee to collective representation of their interests, including through trade unions, and eliminates any possibility of creating a hostile, demeaning, or offensive environment. The Company does not tolerate any forms of harassment or discrimination.

The Rosneft Interregional Trade Union Organisation (Rosneft ITUO) is a partner that plays a significant role in the Company's HR and social policies. As at the end of 2023, there were 147 primary trade union organisations in Rosneft ITUO representing Group Subsidiaries, with over 142 thousand employees being their members (42.7% of the total headcount) as at the end of the reporting period.

For more details on Rosneft ITUO, see the official website of the Rosneft Interregional Trade Union Organisation <https://mporosneft.ru>

The Interregional Trade Union Organisation participates in the development

and implementation of all socially significant projects of Rosneft and cooperates with major Russian organisations in various fields to improve the welfare of the Company's employees.

In 2023, Rosneft proceeded with its social partnership programme by conducting regular consultations on HR policy issues raised by employees with the chairs of both primary and general trade union organisations of Group Subsidiaries. The management of the Company's HR and Social Affairs business function continued to engage in a constructive dialogue with the management of Rosneft ITUO.

### Russian Association of Oil and Gas Employers

As at the end of 2023, 145 Group Subsidiaries liaised with the Russian Association of Oil and Gas Employers. Their close dialogue has paved the way for the Association to protect the interests of our

Group Subsidiaries in their relationships with the oil and gas industry's Commission on Social and Labour Relations and government agencies. Thanks to the solid benefits, guarantees, and reimbursements enjoyed by their employees, Rosneft's Group Subsidiaries officially joined the ranks of socially-oriented employers in Russia's oil and gas industry, which strengthened Rosneft's overall standing as a socially responsible employer.

For more details on the Russian Association of Oil and Gas Employers, see the Association's official website <http://www.orngp.ru>

### Industry agreement between oil and gas companies

In 2023, 108 Group Subsidiaries became parties to the Industry Agreement on the Companies of the Oil and Gas Industry and the Construction of the Oil and Gas Industry Facilities for 2023–2025, with all obligations assumed by subsidiaries discharged in full.

GRI 2-30 UNCTAD C.4.1

Most subsidiaries have collective bargaining agreements that provide additional (over and above those stipulated by laws) benefits to the personnel.

Collective bargaining agreements apply collectively to ~70% of the Company's total headcount.

<sup>1</sup> Full-MVNO type of a mobile operator – a model of operation of a virtual mobile operator, which is actually a physical one, but has no own wireless capacity.

**RESEARCH  
AND INNOVATION  
DEVELOPMENT AND  
CONTRIBUTION  
TO RUSSIA'S  
TECHNOLOGICAL  
SOVEREIGNTY**

We prioritise innovation and breakthrough scientific approaches, viewing technological leadership as a key driver of competitive strength



# Innovation management

GRI 3-3

Rosneft has in place its Innovation Development Programme. It aims to achieve the Company's priority goals and to address efficiency, sustainable growth, transparency, social responsibility, and innovations issues.



## Objectives of the Innovation Development Programme

- Development and deployment of new technologies
- Enhancement of the Company's shareholder value and competitive edge in the global market
- Development, production, and launch of new world-class innovative products
- Support to the Company's modernisation and technological advancement through high-impact improvements in key performance indicators for business processes

The Company uses the Innovation Development Programme to build a portfolio of innovative projects, with every new technology developed under a separately financed target innovative project (TIP). TIP is the main tool used by the Company to deliver on its innovation strategy.

UNCTAD A.3.3

In 2023, Rosneft continued consistent efforts to implement its R&D results, while also working to obtain state registration of intellectual property rights. During the year, the Company submitted 68 intellectual property applications and obtained 72 patents.

**72 patents** obtained in 2023

**68 applications** for patents and software certificates submitted

**1.027 patents** on the Company's record in 2023

Under the collaborative programme involving Rosneft, Moscow State University's Technology Transfer Centre, and the National Association for Technology Transfer, an educational course on Practical Aspects of Intellectual Property Management was designed and delivered to Company employees.

# Successful technology application

Every year, Rosneft develops innovative projects in various fields and implements them at the Group Subsidiaries. The Company integrates new technologies across its production domains, mitigating environmental impacts and enhancing process safety.

In 2023, our environmental R&D expenditures reached a cumulative RUB 316.4 mln, including RUB 276 mln of R&D expenses to address climate change.

In the reporting period, 225 technologies were put to test by 21 Group Subsidiaries. A total of 362 tests were conducted as part of pilots in 2023, resulting in 39.7 thousand tonnes of incremental oil production. The Company reviewed the results, assessed the economic viability of implementing proposed solutions, and prepared plans for their roll-out and implementation.

Consistent efforts are underway to implement successful pilots and leverage them to devise efficiency improvement projects. For instance, in 2023 the Exploration and Production subsidiaries achieved

the economic effect of RUB 1.6 bln by introducing and rolling out such efficiency improvement projects.

In 2023, the Company introduced and rolled out 58 new technologies, which proved their viability following prior pilot tests. As part of its efforts to implement target innovation projects (TIP), the Company signed over 100 licence and sublicense agreements for the transfer of its software solutions, including those used to provide training to students at the industry-related departments of the leading Russian universities.

## Efficiency improvement proposals

There are efficiency improvement efforts within the Company aiming to streamline technological, organisational or management processes through innovation.

Efficiency improvement comprises a set of measures to identify and implement innovative solutions at Rosneft. The facilities' employees send their efficiency improvement proposals on streamlining technological processes and rational use of resources to an ideas bank.



In 2023, roboticists from Rosneft's research institute in Ufa scored victory in Emergency Rescue, a contest of the Up Great national technology initiative. Software developers designed an AI-powered search system that excels at identifying people in challenging environments aggravated by severe weather conditions.

Their innovation was selected from 140 participating teams across 45 Russian regions. The developers are set to further advance artificial intelligence and machine learning technologies, contributing to resolving Rosneft's production challenges. These solutions show promise, especially in the monitoring of Rosneft's field facilities.

## Cooperation in innovation

Collaboration is key to fostering technology advancement. Joining expertise and experience results in synergistic efforts yielding ground-breaking products. This year, the Company sustained its effort to forge strategic partnerships, aiming to amplify its R&D prowess.

At the St Petersburg International Economic Forum in June 2023, Rosneft entered into a Memorandum of Cooperation with Tsinghua University, a preeminent institution from China, focusing on R&D endeavours. This partnership fosters joint research, prioritising carbon management – addressing emission mitigation and capture, carbon dioxide and methane use and storage.

In August 2023, during the 8th Eastern Economic Forum, Rosneft signed two agreements promoting educational and scientific cooperation: a bilateral one with the Far Eastern Federal University and a trilateral agreement with Qatar University and Ufa State Petroleum Technological University. The parties committed to jointly develop talent training programmes and research initiatives in various domains, including gas production and processing, petrochemicals and chemical technology, power generation and electrical systems, process automation, engineering and shipbuilding; climate change, carbon footprint reduction, and digital technologies.

During the Fifth Russian-Chinese Energy Business Forum, Rosneft and China National

## Pioneering field development techniques

The Company pioneers innovative field exploration technologies. In the reporting year, we obtained a patent for a novel technique aimed at discovering movable oil deposits within the Bazhenov suite via catagenetic anomalies.

This approach will contribute to improved accuracy of the Bazhenov suite resource projections while also reducing the scale of core sampling and seismic, gravity, and magnetic exploration, thus enabling more precise boundary detection for oil and gas prospects despite limited data.

Petroleum Corporation signed a Memorandum of Understanding on R&D cooperation. A key collaborative focus is the advancement of energy transition technologies, including new energy sources. The two companies have been exploring partnership opportunities in low-carbon development since 2022, which encompasses carbon capture and storage.

Furthermore, at the forum, Rosneft's Research Institute in Ufa and China National Petroleum Corporation's Research Institute entered into an agreement for technological collaboration in hydraulic fracturing design and modelling. The agreement outlines plans for the partners to undertake joint laboratory research and mathematical simulations in hydraulic fracturing.



## Improving operating and production efficiency

Rosneft consistently integrates cutting-edge technologies into its operations. The Company has in place the Operational Efficiency Improvement System designed to identify and deploy the most advantageous production initiatives. All proposed efficiency improvement projects undergo a rigorous selection process involving technical and economic evaluations, and upon successful completion, they are rolled out across the Group Subsidiaries. In 2023, over 400 such projects received approval. The economic effect from completing and rolling out efficiency improvement projects in 2023 amounted to approximately RUB 48 bln, bringing the cumulative economic effect secured since the system's launch in 2018 to around RUB 168 bln.

The Ryazan Refinery achieved an economic effect of RUB 3.7 bln from its operating efficiency improvement programme in 2023. During the year, 19 initiatives and employee proposals were brought to life, each geared towards operating excellence. One of the projects involved increasing pipeline diameters for light catalytic gasoil at hydrotreating units to boost diesel fuel production. Another achievement was the expansion of gasoline output following the gasoline fraction separation project at the ELOU-AT-6 unit.

Ufaorgsintez launched an octane booster for gasoline as part of its operational efficiency improvement programme. This new product

elevates fuel quality, a benefit consumers at Bashneft's filling stations can now enjoy. The octane booster is based on isopropylbenzene boasting an unparalleled purity of at least 99.9% in Russia. This novel compound increases the octane number of gasoline, thus enhancing fuel properties.

In 2023, Orenburgneft's team achieved meaningful efficiency gains in oil production from carbonate reservoirs. They successfully drilled a multilateral well to penetrate the reservoir more effectively, extending the borehole length by 25% to reach up to 1.6 thousand metres. The initial flow rate<sup>1</sup> from this innovative approach more than quintupled that of conventional directional wells, achieving an impressive 86 t per day. The company aims to accelerate the development of oil reserves at deposits with a complex geological structure by constructing up to 20 multilateral wells across the Pronkinskoye, Zapadno-Dolgovskoye, Dolgovskoye, Biktovskoye, and Severo-Kommunarskoye fields.

In the reporting year, Kondaneft accomplished a project that eliminates the need for coil tubing use following multi-stage hydraulic fracturing. This innovation enables faster well development and cost savings on consumables, with the resulting economic effect expected to surpass RUB 300 mln over a five-year span. The company also implemented the monitoring of production and pressure data during hydrodynamic well testing at the Kondinskoye field. On top of that, a technology for the bottom-hole zone treatment without tripping operations was introduced, reducing the duration and cutting down the workforce required for such works.

**>400**  
efficiency improvement projects approved in 2023

In collaboration with Lomonosov Moscow State University Business School, Rosneft has crafted a modular programme to refine employee expertise in production efficiency improvement. The training initiative focuses on cultivating leadership skills for integrating innovations and a culture of ongoing improvement into production processes. Since its inception five years ago, the programme has brought up over 300 employees, who developed 244 operational efficiency improvement projects across all domains of oil and gas production. The cumulative economic effect from these initiatives has reached nearly RUB 26 bln.

<sup>1</sup> The Bazhenov suite, the world's largest source formation spanning approximately 1 mln sq km in Western Siberia, is known for its substantial oil reserves.

<sup>1</sup> This metric quantifies the volume of production (water, oil, or gas) extracted from a well per unit of time in a given mode of operation.

# Digital transformation. Information security

## Unified Digital Platform

GRI 3-3

Technological advances are crucial for the Company's sustainable operational performance and technological sovereignty.



In 2023, as part of the approved Rosneft-2030: Reliable Energy and Global Energy Transition Strategy, the Company continued to implement its proprietary information system – Unified Digital Platform (UDP).

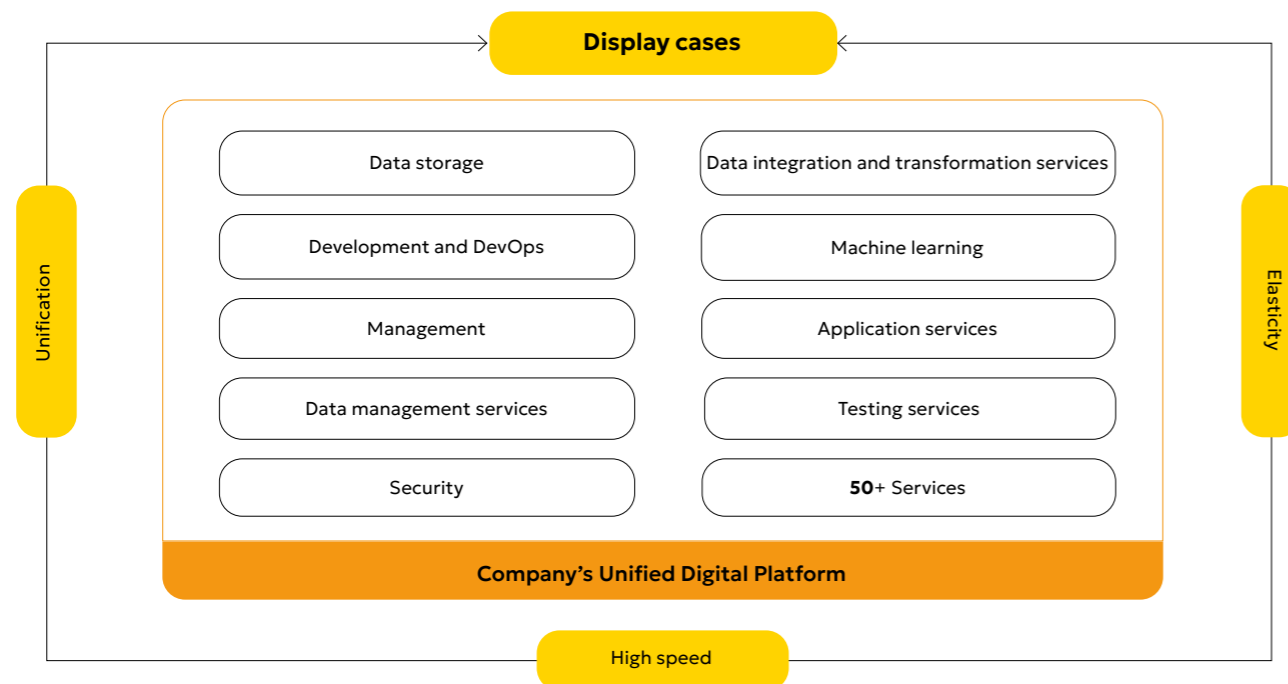
Rosneft's innovative developments contribute to bolstering Russia's technological sovereignty, aligning with the nation's state technological strategy and the aspirations of the Concept of Technological Development until 2030.

Proprietary technologies pave the way to ensuring the Company's technological sovereignty and strengthening competitive advantages in line with market trends. Today's environment demands innovative approaches to IT projects with due consideration of external and internal factors. The creation of a Unified Digital Platform is in tune with the current trends of moving from monolithic frameworks towards more flexible microservice systems.

By 2026, the Company plans to deploy an entirely domestically-designed Unified Digital Platform.

The UDP develops in line with the needs of all businesses and functions of the Company. The platform will build an effective system of interconnections between all of Rosneft's digital platforms and services.

### Conceptual framework of the Unified Digital Platform (UDP)



The Unified Digital Platform balances the load of computing infrastructure between projects, helps introduce uniform approaches to component development and unification, and avoids duplication of costs associated with the technology component. The effects are achieved by using single data management infrastructure, unifying IT technologies based on the IT integrator's proprietary developments and open source software.

Services are ready-to-use components that perform a useful technical or business function with a minimum array of settings available to platform users, such as Databases, Data Visualisation, and more.

UDP display cases are a set of linked objects and tables in a database that are combined into a data model to solve a business problem. This model enables users to amend, update, and collect necessary information using modern tools developed in Russia.

The UDP incorporates managed services that serve as import substitutes for databases, quality management controls, software processes and solutions for big data management, and software.

In the reporting year, the following milestones were achieved as part our proprietary digital platform's roll-out:

- > establishing and piloting the platform's core, serving as the migration bedrock for existing and new systems; initiating the shift of pilot projects to the UDP;
- > implementing three standard solutions: Business Process Analysis System, Visual Analytics, and Predictive Modelling Process; developing more than 15 prototypes for various business functions grounded in these standards solutions;

The Company's Unified Digital Platform (UDP) consists of a set of popular digital services underpinned by modern infrastructure and cloud-based tools.

#### The platform has the following main functions:

rapid process automation in a single information system

analytics based on a common data source for all management levels

ensuring a high level of control over the Company's material and cash flows

- > designing a prototype to simulate motor fuel demand, poised to boost forecasting precision to 99% and reduce management expenses and risks with a singular automated centre replacing over 40 manual forecasting areas.

Plans are afoot to put the UDP information system into operation, promising a host of benefits:

- > reducing IT project implementation timelines to 1.5 years;
- > import substitution for systems;
- > cutting software maintenance expenses;
- > optimising utilisation efficiency of data centre hardware;

- > ensuring single data management infrastructure;
- > standardising IT technology leveraging in-house developments of the internal IT integrator and open-source software;
- > creating IT capabilities based on the Company's platform with no extra costs to deploy architecture for each system.

# Contribution of digital transformation to sustainable development goals

Rosneft develops and implements digital solutions designed to make a meaningful contribution to the UN Sustainable Development Goals. The Unified Digital Platform will be highly instrumental in achieving the Company's sustainability goals.

## Key projects of 2023 contributing to the UN Sustainable Development Goals

- Economic impact**
  - › Sibneftegaz has designed and implemented an analytical digital twin encompassing all the company's fields. This technology facilitates production forecasts and streamlines well operation monitoring, including its use for refining telemetry data.
  - › The Company continues to roll out optimised process control systems to improve plant efficiency by maintaining optimum process conditions, reducing energy consumption and increasing the output of the most valuable products. Four systems have been commissioned across Bashneft's branches: Bashneft-UNPZ, Bashneft-Ufaneftekhim, and Bashneft-Novoil.
  - › A project prototype has been designed to forecast motor fuel demand aiming to enhance fuel supplies planning at filling stations and avoid shortages.
- Social impact**
  - › Bashneft is in the process of deploying a system to monitor vehicle drivers' condition, utilising artificial intelligence and computer vision technologies.
  - › In 2023, Sibintek established RN-Svyaz, a corporate mobile operator, to provide units and employees at the Company's remote production assets with secure mobile communications and extended coverage.
- Environmental impact and carbon management**
  - › In 2023, 27 upstream facilities replicated best practices and approaches in identifying and eliminating fugitive methane emissions by using a set of advanced technologies. The programme combines comprehensive surface inspections of the infrastructure using portable equipment sensitive to microleaks and aerial inspections using drones to identify unusual concentrations of methane over linear and areal facilities.

### Data centre in Krasnoyarsk

In 2023, in line with Rosneft's strategy for the digital transformation of production processes, the Company's IT integrator Sibintek commenced the construction of an advanced data centre in Krasnoyarsk.

The new facility will fully meet the increased requirements of Rosneft's oil and gas operations in Eastern Siberia, ensuring a cutting-edge

approach to managing and storing valuable data. With approximately 100 racks, it is set to be among the region's largest data centres. The data centre will rely entirely on Russian-made server hardware, which is particularly crucial for ensuring information security and fault tolerance of all key systems.

# Information security

Information security is a key factor underlying the Company's sustainable operation amid digitalisation and improvement of business management, control and industrial automation systems.

The Information Security Policy is the core document in this realm.



For the Company's Information Security Policy, see [our website](#)

In order to manage the information security function, we have built a diverse portfolio of IT security projects. The implementation of proactive response tools and safeguards against cyberattacks on the Company's information systems helped put in place reliable IT security infrastructure that fully meets the needs of Rosneft.

The Company regularly monitors compliance of the Group Subsidiaries with the Russian laws

on the security of critical information infrastructure. In line with the Decree of the President of the Russian Federation On Additional Measures to Ensure Cybersecurity of the Russian Federation, 143 Group Subsidiaries are taking actions as per the relevant action plans for 2022–2024. To improve rapid response capabilities and minimise the impact of cyberattacks on critical IT infrastructure, the Company conducts training drills focused on incident management and cyberattack response. Throughout 2023, a total of 47 such training drills were conducted.

In 2023, Rosneft experienced a total of 20 DDoS attacks<sup>1</sup>, thwarted 5.5 mln network intrusions and blocked over 37 thousand malicious/phishing emails.

**~5 thousand** cybersecurity incidents within the corporate network detected and resolved

The Company defines its information security as a state of affairs where its information infrastructure is sufficiently protected to ensure the consistent development and growth of computing capacities, autonomous operation of the Company and its participation in import substitution programmes.

## Sibintek's information security contest

For two consecutive years, Sibintek has hosted the Sibintek Capture the Flag (CTF) competition, a key information security event. The contest aims to raise cybersecurity awareness, teaching participants how to patch vulnerabilities and secure data online.

In 2023, Sibintek CTF unfolded in several stages, engaging about 200 Company employees in both solo and team categories. Wrapping up the year, the culminating information security event, Sibintek CTF-2023, took place in Rosneft's pavilion at the international RUSSIA EXPO exhibition. Visitors of Rosneft's pavilion also

had an opportunity to take part in this professional competition. Over 500 guests tested their skills at Sibintek CTF-2023 and learned about digital data protection basics in an engaging gaming format. During the Sibintek CTF-2023's final phase, participants also enjoyed a dedicated quiz where knowledgeable contenders won prizes for correct answers.

Looking ahead to 2024, the Company plans to expand the contest programme by introducing tailored formats and award categories for students and young talents.

<sup>1</sup> DDOS (Distributed Denial of Service) means flooding an information system with too many queries to impede request processing.

# Energy saving and energy efficiency. Green energy

GRI 3-3

Sustainable use of fuel and energy resources and adoption of energy saving technologies are one of the key priorities for Rosneft with respect to improving the energy efficiency of production processes.

## Energy management

Rosneft's energy management system is based on the approach set forth in the Company's Energy Efficiency and Energy Saving Policy. All Group Subsidiaries operate in line with ISO 50001 (Energy Management Systems).

The Company has in place a Commission on Energy Efficiency, which implements advanced solutions and approaches to energy efficiency management and develops the energy management system.

In 2023, the Commission on Energy Efficiency monitored progress against Rosneft's Energy

Efficiency and Energy Management System Roadmap for 2021–2023, in particular:

- updated Rosneft's reference book Best Available Technologies, Technical Solutions and Equipment for Energy Efficiency and Energy Saving in Hydrocarbon Processing. The reference book is intended for use by oil refining and petrochemical companies and specialised R&D centres;
- drafted new and updated existing internal documents on energy efficiency.

### Energy consumption

In 2023, the Company consumed a total of 565.1 million GJ of energy. The most energy-consuming activity (127 million GJ) is oil and gas production. The major consumers of heat and fuel (299 million GJ) are oil refining and petrochemicals processes.

**44 subsidiaries** accounting for 97% of the Company's 2023 energy consumption were certified for compliance with ISO 50001 (Energy Management Systems)



For the Company's Energy Efficiency and Energy Saving Policy, see [our website](#)

### Energy consumption, mln GJ

GRI 302-1   SASB EM-SV-110a.1

Indicator	2021	2022	2023
Total consumption of non-renewable and renewable energy sources (process fuel)	283.1	283.1	283.1
Electricity consumption	163.2	157.9	161.4
Heat consumption	123.0	119.5	120.6
Total energy consumption	569.3	560.5	565.1

### Developing energy management competencies

The Company conducts annual corporate training for employees in energy efficiency and energy saving. The training programmes

are delivered through Rosneft-Termneft, which possesses the expertise, competencies, and practical skills in improving energy efficiency.

In 2023, employees of Group Subsidiaries were given an opportunity to pursue

corporate training programmes on energy efficiency improvements at Rosneft-Termneft's training centre. A total of 293 employees completed the course in 2023.

### Patented technology for monitoring electrical equipment for oil and gas production

In autumn 2023, Rosneft obtained a patent for a technology to monitor energy consumption of oil and gas production equipment. The solution makes it possible to create an individual digital twin of well equipment with due account of all process

features for specialists to analyse the digital twin using calculation algorithms and find the optimal operating mode. Rosneft plans to replicate the technology to the Group's key production assets.

## Energy saving and energy efficiency

GRI 302-4

The cornerstone of the Energy Management System is Rosneft's Energy Saving Programme prepared for every five-year period and updated annually. According to the Energy Saving Programme for 2023–2027, the five-year fuel and energy savings should total 2.4 million tonnes of reference fuel.

The actual fuel and energy savings under Rosneft's Energy Saving Programme in 2023 came in at  329 thousand tonnes of reference fuel.

There are also regular quarterly meetings that review the outcomes of the Energy Saving Programme by workstream, analyse year-end targets, and give risk mitigation instructions so that these targets could be achieved.

In 2023, the Company carried out checks of energy efficiency and progress

against energy management system implementation and development in 17 Group Subsidiaries involved in exploration and production, as well as oil and gas production and oil refining, with roadmaps drafted to address the identified gaps in 2024–2025. Another assessment is scheduled for 2024.

The Company had its own energy efficiency and energy saving divisions perform an internal energy efficiency audit of 906 production facilities and units of equipment at 42 Group Subsidiaries to identify their energy saving potential and exploit it under the Energy Saving Programme.

**8 technical audits** of the quality of power facility management conducted

**889** remedial actions completed

**2%** year-on-year reduction in oil lost due to emergency power failures in own networks

### Mobile power substations

In the reporting year, Rosneft commissioned several 35 kW transportable modular transformer substations of its own design at the Vankor, Em-Egovskoye, and Samotlor fields. The transformer substations provide uninterrupted power supply to drilling rigs and submersible electric motors in remote areas of the fields where construction of new stationary substations is inefficient and labour-intensive.

Installation and commissioning of modular substations takes up to four days compared to two years required for stationary substations.

In addition, total construction costs are 30% lower, which allows companies to save about RUB 100 mln per substation. Transformer substations have a full set of relay protection and emergency control systems and are authorised by the Rostekhnadzor territorial department. The substations provide for remote access and control of the entire substation system to increase switching efficiency and save resources for equipment maintenance.

### Green energy

Combating climate change, developing green energy, and saving energy by improving

energy efficiency are priorities for energy-intensive production. Rosneft aims at developing green energy.

### Use of green energy at Rosneft fields

Rosneft systematically implements alternative energy projects at its production facilities. For example, the Company opts for wind and solar power plants at remote fields with low power consumption where it is not economically feasible to build power lines. Such hybrid power plants help minimise the environmental impact and supply production assets with clean energy in the long horizon.

In 2014, the first 2.5 kW wind and solar power plant was installed at the Vostochno-Chumakovskoye field of RN-Krasnodarneftegaz. In the course of the project, seven more stationary hybrid plants with a total capacity of 0.027 MW were commissioned at four major fields. In 2023 alone, the company's hybrid power plants generated 7.300 kWh of electricity, yielding a total of more than 109.000 kWh from 2014 to 2024.

Rosneft's subsidiary Udmurtneft is introducing a system of alternative power supply to oil production facilities based on solar cells. Installed at the Chutyrsko-Kiengopskoye field at two injection wells, solar panels supply power to control equipment that transmits data leveraging a wide area network technology.

The project underwent pilot tests, with their results to be used for the further rollout of renewable energy sources to the automated control system of injection wells. The geographical position of Udmurtneft's fields and the local climate allow for efficient use of solar energy in power generation. Alternative energy will also help tackle the issue of supplying power to remote wells that do not have access to fixed power grids.

# Development of R&D capabilities

## Enhancement of the corporate Technology Cluster

GRI 3-3

To secure technological self-sufficiency, sustainable development and continued technological leadership in the industry, Rosneft constantly works to improve technologies, implement innovations and roll out effective design solutions helping the Company to reduce construction and operational costs of hydrocarbon production and processing sites, while also keeping our processes safe and eco-friendly.

technological sovereignty, including by creating breakthrough in-house solutions. The cluster was set up in cooperation with the National Intellectual Development Foundation at the Vorobyevy Gory Innovation Science and Technology Centre of Lomonosov Moscow State University.

a shared lifecycle for the development, production, and use of hydrotreating and hydrocracking catalysts. This unified approach will help expand the range of produced catalysts, eliminate duplication of R&D solutions, streamline their implementation, and maximise utilisation of the catalyst capacities.

In 2023, the Company's Catalyst Technology Cluster was integrated into the Technology Cluster to create

Rosneft's research and design cluster comprises 30 subsidiaries performing research and design in various areas. Relevant institutes operate 40 competence centres in key technology areas, including high-tech software, mobile oil treatment units, biotechnology, and more.

The corporate Technology Cluster is the Company's single centre for development in science, technology and commercialisation. It serves to strengthen our

In 2023, 26 design solutions were prepared to improve the reliability and efficiency of hydrocarbon production and processing sites. The solutions were approved by Rosneft's Scientific and Technical Council, and are now awaiting implementation at production facilities. At the end of 2023, the general register of design solutions contained more than 300 entries.

### Rosneft established a Centre for the Research of Carbonate Hydrocarbon Deposits

In the reporting year, Rosneft's research and design cluster created a Competence Centre for the Research of Carbonate Hydrocarbon Deposits. The expert centre's objectives include developing innovative methodologies for profiling carbonate deposits based on various types of modelling. The centre brings together more than 300 professionals from 22 production facilities and nine corporate research institutes.

The new centre will accelerate knowledge sharing, which, along with the application of the latest research technologies and the development of deposits, will further boost production at fields with carbonate reservoirs.



## Standardisation and technical regulation

The development of standardisation and technical regulation processes strengthens Rosneft's industry leadership, as it helps to bring down capital and operating expenditures. Every year the Company approves and implements over 100 effective Group-wide design solutions.

The Company contributed to updating the state standards on well research during the development of oil fields, as well as oil and gas fields. It worked in a team with industry experts, relying on the latest scientific and technology achievements. The new standards approved by the Federal Agency for Mineral Resources not only help cut field operation costs but also reduce environmental risks by decreasing the number of well operations.

The Company makes a significant contribution to the development of the national standardisation and certification system. For example, together with Innopraktika, the Institute of Oil and Gas Technology Initiatives, and the Innovation Engineering Centre, Rosneft continued scaling up more than 300 corporate design standards to the industry level.

Our experts are active members of 11 technical committees for standardisation. Every year, they review more than 150 draft industry-wide regulations.



In 2023, the Company reviewed over **150** draft standardisation documents to update and develop technical standards and make its design solutions more efficient.

## Localisation and contribution to Russia's technological sovereignty

GRI 3-3

Today, Rosneft is one of the leaders in introducing innovation in the country's upstream sector. Since 2015, the Company has been implementing the Equipment and Technology Localisation and Import Substitution Programme to ensure the sustainability of its operations

and meet the Russian Government's localisation and import substitution targets. The Programme is aligned with strategic goals and objectives set forth in the Company's Long-Term Development Programme and Strategy.

For several years now, the Company has maintained its leadership thanks to its research and design cluster, Europe's largest oil and gas research centre comprising 30 research and design institutes with a total headcount of more than 18 thousand people.

### Rosneft's IT marathon marks five years

In 2023, Rosneft held the largest IT marathon in the country. It comprised four competitions attended by more than 840 students, young scientists, and professionals from different companies in 60 cities across Russia. Rosneft's IT competitions aim to promote modern digital technologies, advanced mathematics, and robotics.

In the reporting year, in addition to traditional student hackathons (university hackathon and hackathon for robotics programmers), Rosneft held the first ever Geosteering League and Academic Tournament. RUSSIA EXPO international exhibition hosted the final stage of the IT marathon.

The Geosteering League consisted of five online tours held throughout the year. More than 120 participants from 45 oil and gas companies and universities tried their hand at geological support of well drilling using a digital simulator powered by the RN-HORIZON+ software suite. Based on the analysis of software-generated geophysical data, the participants sought to devise the best drilling trajectories for maximising the length of horizontal wells in rock formations with sufficient volumes of hydrocarbons.

The Academic Tournament is a new competition of the IT marathon. Members of the academic community spent several months tackling challenges associated with processing of seismic signals used

in reservoir studies. Their goal was to develop a computational programme simulating signal propagation in a heterogeneous environment to assess rock properties. The Academic Tournament finalists presented their research findings in November as part of the large-scale conference Digital Technologies in Hydrocarbon Production. The best solutions will be used in developing Rosneft's new software product for processing and interpreting seismic signals, while their authors will join the software development team.



# Development of proprietary science-based designated software

Rosneft is the first oil company in Russia to successfully create and expand a line of proprietary software to deliver on production objectives in geology, engineering, field development and operation. To date, Rosneft's high-tech software product line includes 24 software products of which 16 have already been put into operation, while another eight are in the phase of development and pilot testing. Currently, Russian energy companies can purchase ten Rosneft's software products, of which eight are included in the Unified Register of Russian Programmes for Electronic Computers and Databases.

Rosneft's proprietary software excels its foreign peers thanks to much better performance at a lower cost. Our software products extensively use modern IT technologies, including high-performance computing and AI.

To secure technological sovereignty in high-tech areas and accelerate transition of Russia's oil and gas companies to national software platforms,

the corporate research-intensive software used in oil and gas production was adapted so as to run on domestic Linux operating systems.

The Company's software development and implementation expenses over the past ten years have exceeded RUB 7 bln

The Company's portfolio comprises **24** software products



For more details on Rosneft's field development software, see [RN.Digital website](#)



Russian energy companies can purchase ten corporate software products of Rosneft, of which eight are included in the Unified Register of Russian Corporate Programmes for Electronic Computers and Databases.

## Marketing of corporate software suites

In 2023, we commercialised the RN-VEGA and RN-Drilling Calculations software suites.

RN-VEGA is an import-substituting software package facilitating all stages of hydrodynamic well research from design to reporting. In the reporting year, RN-VEGA added a feature enabling users to plan and analyse low-cost hydrodynamic research for gas fields. On top of that, a technology was developed to consider depth-dependent changes in gas composition when calculating sound velocity. This technology increases

the accuracy of production volume forecasting by 10%. The RN-VEGA software suite won an award of the 14th Best Digital Solutions for the Oil and Gas Industry competition in the Best Corporate Solution (Commercialisation in the Industry) category.

RN-Drilling Calculations helps plan well trajectories, analyse intersection risks, and assess drill string stability. The package's functionality includes hydraulic calculations, cuttings lifting projections, design of casing processes, and automated report generation.

## 3D and 4D modelling technologies

In 2023, the Company developed RN-Aqua, the first Russian software suite for hydrogeological modelling. The software builds digital hydrogeological 3D models of aquifers, helping to automate calculations and increase their accuracy. RN-Aqua is recommended for use by the State Commission for Mineral Reserves.

In April 2023, we developed a 4D geomechanical modelling technology as part of the RN-SIGMA software suite. Geomechanical models help determine safe drilling trajectories and well operation modes to enhance the sustainability of field development projects.

In September 2023, Rosneft released a new version of RN-GEOSIM 2.0, a geological modelling software package, which now offers a fracture positioning option to determine drilling locations and trajectories more accurately. We also added a reserve estimation feature for 2D models, which reduces reserve estimation times fivefold at the stage of deciding on the feasibility of licence area development. It is expected that 75% of the Company's new models in 2024 will be built using RN-GEOSIM.

## AI-driven software products

In 2023, Rosneft presented new software products powered by artificial intelligence, including the prototype of the up-and-coming software module RN-Neural Networks and the RN-SMT software suite.

RN-Neural Networks is designed to facilitate selection of the best field development strategy to increase oil production and development efficiency. The RN-SMT software suite helps reduce the number of routine process operations by analysing the data on pipeline condition and operation, and by offering work planning recommendations for each section of the pipeline.

The Company also upgraded its RN-KIN corporate software package by adding an AI-driven module for the detection of missing intervals in carbonate sequences. This solution reduces the oil prospecting time from several months to a few weeks. Use of the upgraded RN-KIN version opens up new opportunities for the exploration of carbonate deposits in the Volga-Ural and East Siberian oil and gas provinces. The updated software package helped identify subsoil areas with oil reserves in excess of 1 mmt.

## Use of Russian-made catalysts

A reliable supply of quality catalysts is of strategic importance for the technological self-sufficiency of the Company as a whole. To ensure an uninterrupted supply of catalysts, Rosneft pays special attention to developing its own manufacturing capacities. The most popular catalysts are those for catalytic cracking, hydrotreating, hydrocracking, and reforming.

Producers of catalysts for oil refining and petrochemical processes include the Angarsk Plant of Catalysts and Organic Synthesis, the Novokuibyshevsk Catalyst Plant and the specialist subsidiary RN-Kat.

For ten years now, Rosneft has been gradually replacing imported catalysts used in gasoline reformers with its own. The main producer is the Angarsk Plant of Catalysts and Organic Synthesis. The plant also manufactures catalysts for hydrogen production units and a wide range of catalysts and adsorbents for the petrochemical industry. The Angarsk Plant plans to commission a new 600-tonne-per-year unit for the production of reforming and isomerisation catalysts.

100% of hydrotreating catalyst supplies to the Company's refineries come from Rosneft. The diesel fraction hydrotreating catalysts made by RN-Kat fully replace foreign alternatives used in the production of the Euro 5 ultra-low-sulphur (below 10 ppm) diesel. By now, most hydrotreating units have switched to internally produced catalysts.

In 2023, several refineries of the Company used proprietary catalysts to produce winter diesel fuels. With the implementation of the combined dewaxing

Scientists of the RN-TsIR United Research and Development Centre are developing a wide range of catalysts for the petrochemical and oil refining industry, comprising more than 20 items. Rosneft's Innovation Development Programme is aimed at substituting imported technologies used to make high-quality petroleum products. One of its key objectives is for the Company's refineries to start using internally produced high-quality catalysts in order to minimise the exposure to supplies of foreign-made products.

and hydrotreatment process at the Saratov Refinery, the facility's capacity to produce this type of fuel increased by 20%. The fuel made using this new technology ensures smooth engine start-up and operation in cold weather and complies with applicable GOST requirements and the Technical Regulations. The Ryazan Refinery also ramped up production of winter diesel fuels using Rosneft's catalysts thanks to the introduction of catalytic dewaxing of diesel fractions. This technology has increased the output of winter diesel fuels with the required low-temperature performance characteristics. Currently, 14 out of 15 process units at the Ryazan

Refinery use catalysts manufactured by Rosneft's subsidiaries – RN-Kat and the Angarsk Plant of Catalysts and Organic Synthesis.

The Kuibyshev Refinery started producing class 1 winter diesel fuel with a pour point of -26 °C by sourcing Russian isodewaxing catalysts developed by RN-TsIR and manufactured by the Novokuibyshevsk Catalyst Plant. The catalysts were successfully piloted, with the technology for producing winter and Arctic diesel fuels expected to be rolled out to the other refineries of the Company.



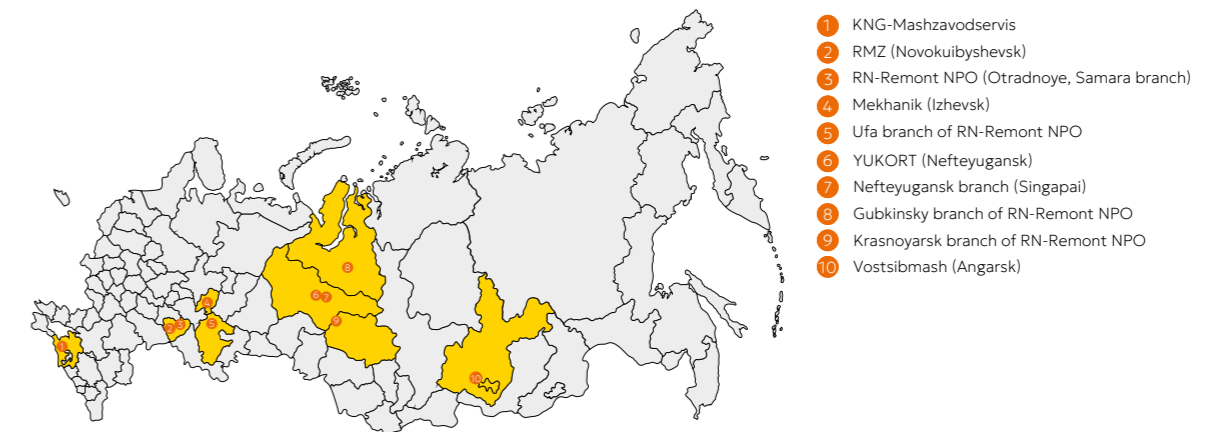
## Industrial Cluster development

As a way to secure technological self-sufficiency and implement localisation projects, the Company has established a group of Industrial Assets (the Industrial Cluster) providing technological and logistical support for production operations, and ensuring timely repairs, maintenance and manufacturing of equipment (including equipment that is part of the import substitution programme) for Rosneft's needs.

### Goals the Company pursues in developing its Industrial Cluster

- Establishing R&D and manufacturing infrastructure to support re-engineering, application of innovative technologies, and import substitution
- Running pilot projects and tests to deliver the Company's target innovation projects
- Providing capacity to develop localisation projects involving foreign technology partners and joint ventures with Russian innovation hubs and enterprises

### Industrial Cluster



## Government relations in import substitution and localisation

Rosneft experts are members of various interdepartmental task forces and research groups established by federal executive bodies to look for ways to reduce the domestic fuel and energy sector's dependence on imported equipment and components,

and decrease the share of services provided by foreign companies and the use of imported software.

In 2023, Rosneft continued to develop import substitution in cooperation with the following federal executive bodies:

- › Russian Government;

- › Ministry of Industry and Trade;
- › Ministry of Energy;
- › Ministry of Economic Development;
- › Ministry of Digital Development, Communications and Mass Media.

# Scientific research in the Russian Arctic

## Research in the Arctic

GRI 3-3

Rosneft takes a responsible approach to operations in the Arctic and makes every effort to preserve local biosystems and sustainably exploit available resources.

### Our main principles for working on the Arctic shelf:

- preserve a healthy environment and biodiversity
- introduce innovative environmental technologies and improve the environmental performance of products
- minimise environmental risks
- balance the interests of the Company and the public in using natural resources
- prioritise preventive measures over measures aimed at containing and eliminating the consequences of emergencies
- prepare transparent and reliable environmental reports

## Arctic research programme

Rosneft implements a comprehensive scientific programme in the Arctic focusing on the research of the seabed, coastal areas, glaciers, icebergs, and indicator animals. Geological, hydrometeorological and ecological studies in the Russian Arctic are carried out in collaboration with the country's key R&D institutes.

In 2020–2023, as part of the Environment national project, the Company implemented a corporate programme for studying, preserving and monitoring key indicator species of Arctic ecosystems – polar bear, Atlantic walrus, wild reindeer, and white gull listed in the Red Data Book of Russia. The findings of the studies completed under the programme helped update and significantly expand

data on the state of populations, migration routes, and genetic diversity of the target species.

In 2023, a decision was made to continue monitoring and research efforts under the biodiversity conservation programme, with the research area moved to the north of the Krasnoyarsk Territory and a new list of initiatives compiled. The research activities in the north of the Krasnoyarsk Territory are scheduled for 2024–2027. During expeditions organised by Rosneft, experts from Russia's leading scientific establishments will conduct aerial surveys of polar bears in the region of the Kara Sea, monitor wild reindeer, study fish species at the mouth of the Yenisei River,

develop environmental sensitivity maps of the Yenisei Gulf coast and adjacent waters of the Kara Sea, and inspect the nesting sites of valuable bird species. Scientists will use the animal population data to assess the state of natural habitats and develop measures for biodiversity preservation in the Arctic region.

For more details on Rosneft's Programme to Study Key Indicator Species of Arctic Ecosystems, see the [Biodiversity Conservation](#) section of this Report

## Trials of a microbial agent at Moscow State University's White Sea Biological Station

Experts from Rosneft's Arctic Research Centre and Innopraktika, a non-governmental development institute, reached the final stage of their project to develop a microbial agent ensuring a high degree of hydrocarbon decomposition in the marine environment and cold climate. This new agent will facilitate biodegradation of oil pollutants in the marine environment and purification of water from petroleum products.

In the reporting year, Moscow State University's White Sea Biological Station hosted final trials of the microbial agent accelerating hydrocarbon decomposition in marine ecosystems. The researchers developed agent application regulations and issued their opinion on efficiency of the previously delivered pilot batches of the agent. The agent confirmed

its efficiency in low temperature and high salinity environments, while also proving to be safe for living organisms.



## Online courses on Arctic marine mammals and birds

Rosneft joined forces with Innopraktika and Lomonosov Moscow State University to launch Open Lectures on the Brain Battle online platform. In 2023, we developed two new series of online popular science lectures: "Ocean Mysteries. Marine Mammals of Russia" and "Flight over the Ice. Marine Birds of the Russian Arctic". The lectures are based on the findings of the Company's long-term Arctic research programme and are available to all users on open educational platforms. Scientists from the country's leading R&D centres, including Severtsov Institute of Ecology and Evolution (Russian Academy of Sciences) and Arctic and Antarctic Research Institute, were engaged in the development of the courses, with Rosneft's Arctic Research Centre providing support to them.

including their behavioural patterns, habitats, natural and man-made threats. The course materials offer viewers unique illustrations and maps.


The online courses use materials from the environmental atlases "Marine Mammals of Russia" and "Marine Birds of the Russian Arctic". Participants of the courses can learn more about key species of marine mammals and birds living in the Arctic,





## Arctic expeditions


Every year, Rosneft organises a series of comprehensive scientific research expeditions in the Arctic. Since 2012, the Company has carried out 50 expeditions, gathering unique information.

**In the reporting year, the Company continued its extensive programme of Arctic expeditions and research and did the following:**

- 

During the Kara Summer 2023 expedition, with the assistance of the Arctic and Antarctic Research Institute, Rosneft conducted hydrometeorological studies on the shelf of the Kara Sea. The expedition team installed five annual submerged autonomous buoy stations in the Yenisei Gulf, while also servicing the existing stations and collecting relevant observation data.
- 

Jointly with Rosgeologia, the Company drilled shallow stratigraphic wells in the Chukchi and East Siberian seas using a new unique technology. The expedition collected distinctive rock material, which serves as a direct source of geological information used to determine the age (stratification), composition, and formation conditions of the shelf rocks and to develop forecasts on the region's oil and gas systems. Experts from Innopraktika and Lomonosov Moscow State University's Department of Geology conduct comprehensive laboratory and analytical (desktop) studies of the core samples.
- 

Jointly with the Federal Agency for Mineral Resources (Rosnedra), the Company organised a research expedition to perform geological exploration and test a new domestic broadband seismic survey technology in the Laptev and Barents seas.
- 

In collaboration with Arctic Marine Engineering and Geological Expeditions (AMEGE), Rosneft conducted engineering and geological field studies in the Laptev Sea to obtain reliable information on the lithological composition and properties of seabed sediments.

### Unique hydrobiological expedition in the White Sea

In 2023, Rosneft and Innopraktika, a non-governmental development institute, launched a large-scale three-year environmental project in the White Sea. During expeditions, scientists will reproduce an oceanographic survey conducted 100 years ago by Konstantin Deryugin, one of the founders of Russian hydrobiology, and assess the impact of global climate factors and local anthropogenic influence on ecosystems in northern seas. In 2023, two research vessels headed to the western and eastern parts of the White Sea to open the first field season.

The joint project by Rosneft and Innopraktika will help build an extensive scientific database and develop fundamental guidelines for environmental monitoring of the Western Arctic seas using next-generation technologies. The research findings will lay the groundwork for long-term planning of sustainable development in the Russian Arctic.

### Broadband seismic survey technology

In the reporting year, Rosneft and Innopraktika, a non-governmental development institute, joined forces to develop a broadband seismic survey technology.

This technology helps reduce the production cycle of geological exploration and enhance the informative value and quality of geophysical data, enabling researchers to obtain the most exhaustive geological information on the structure of continental shelf in remote and relatively unexplored regions of the Russian Arctic. The project won a diploma of Arctic 2023, an international contest for R&D and innovations.

Once the development phase was completed, the broadband survey technology was successfully tested in the Barents and Laptev seas.



### Rosneft published a book titled Rediscovering the Arctic

In 2023, Rosneft and Innopraktika released the book Rediscovering the Arctic: 10 Years of Research in the Region, marking an anniversary of the Company's research efforts in the Far North. The presentation of the book took place in November 2023 in Rosneft's RUSSIA EXPO pavilion at VDNKh.

The book consists of eleven chapters, each dedicated to a specific scientific project and containing the time-line of the Company's Arctic expeditions since 2012. Over the past ten years, the Company has organised more than 40 comprehensive expeditions, many of which are truly unique. The new book also describes the Company's hydrometeorological research in the Far North based on twelve ship expeditions covering all Arctic seas of Russia.

In addition to the expeditionary activities, the publication highlights Rosneft's laboratory and desktop scientific projects, and provides examples of how mathematical models developed by the Company were applied. The book features unique illustrations, photographs from the Company's expeditions, and maps with route descriptions.



**SUPPORTING  
SOCIAL AND  
ECONOMIC  
DEVELOPMENT**



**Rosneft supports infrastructural projects of high social impact that serve to improve the quality of life for local communities across the Company's footprint.**



# Supporting social and economic development of the regions

GRI 3-3

## Investment programme

Rosneft actively contributes to social development in the regions of its operations, stimulating growth in related industries, generating added value and creating new jobs.

Rosneft's investment programme is based on the priorities set out in the Rosneft-2030 Strategy and comprises a pipeline of projects across business segments designed to promote social and economic development of Russia and improve the quality of life for the country's population, including people living in remote areas. The Company's investments are directed not solely towards meeting its key strategic goals, such as enhancing profitability, boosting operational and investment efficiency, and launching projects on time and on budget but also towards minimising the environmental footprint.

The Company regularly evaluates and prioritises projects, optimises and reallocates investments between different lines of business based on portfolio management approaches, which enables it to nimbly adapt to external and internal developments.

Rosneft's investment governance process is designed in line with best global standards and practices. It includes approval of business projects, taking investment decisions, monitoring and control of project execution, management of the Company's investment portfolio, and enhancement of investment tools.

Rosneft's investment governance process is integrated with all related processes, including strategic and business planning, budgeting, reporting and financial control, project management and corporate governance.



For more details on the Company's investment programme, see the [Investment Programme](#) section of Rosneft's 2023 Annual Report, page 13.



### Investment process

#### principles and objectives:

- › Focus on contributing to achieving the UN Sustainable Development Goals
- › Honour the Company's strong social commitments, including its contribution to social and economic development of Russian regions
- › Increase efficiency across all operating segments
- › Ensure robust business growth
- › Improve investment discipline

Rosneft's 2023 capex was mainly focused on maintaining and developing mature and new oil and gas assets to meet our strategic production and reserve replacement goals, as well as implementing cost-effective projects to develop refineries and a retail network development programme.

# Contribution to national projects

GRI 3-3   GRI 203-2

Rosneft greatly contributes to several national projects aimed at significantly enhancing social welfare across Russian regions. These include projects focused on developing urban infrastructure and constructing high-quality roads, advancing education and scientific research, promoting domestic tourism.

Rosneft is implementing the largest investment programme within the national economy, providing orders to Russian contractors across associated sectors, notably in Siberia, the Far East and the Russian Arctic. Its activities play an important role in shaping infrastructure for upcoming projects, including those in Eastern Siberia, fostering production of oilfield service equipment, and driving the development of related industries such as metallurgy, chemical industry, instrument engineering, and electronics.

The company also contributes to the development of important infrastructure projects. The Northern Sea Route (NSR) is a crucial transport corridor and the shortest water route linking

European Russia with the Far East. One of Russia's strategic goals is the development of the NSR as a key transport artery between Europe and Asia.

The northern positioning of the fields of the Company's flagship project Vostok Oil opens up a new route for hydrocarbon transportation via the Northern Sea Route and provides logistical flexibility. Given the substantial production volumes, it would be reasonable to employ an in-house fleet to guarantee dependable and secure transportation of goods. The construction of icebreakers is already underway to facilitate transportation along the Northern Sea Route.

To fulfil the task set by the Russian President to harness the potential of the Arctic, Rosneft is implementing a project to construct the Zvezda shipbuilding complex.

The shipyard, unique in Russia, focuses on the construction of all types of offshore platforms, ice-breakers, and civil vessels, serving

as the backbone of the Russian Arctic fleet. It is set to produce modern ice-class marine equipment for the production and transportation of hydrocarbons along the Northern Sea Route.

The product range of Zvezda Shipyard includes offshore drilling platforms, Leader ice-breakers, Aframax oil tankers, gas carriers, and multifunctional support vessels.



## Utility infrastructure upgrade in the Sverdlovsk Region

Under the concession agreement between Rosneft, the Government of the Sverdlovsk Region, and local authorities of Nizhny Tagil, the Company was granted the right to operate and develop 25 municipal boilers, 22 pumping stations, and 224 km of heat networks, which collectively supply 40% of the city's heat demand.

The agreement provides for the construction of two gas boilers with a total capacity of 97 MW and modernisation of heat sources and heat networks using advanced energy-efficient technologies. By upgrading the public

utility infrastructure of the Sverdlovsk Region, the Company aims to improve the quality of housing and utility services provided to city residents.

These initiatives will not only reduce gas and electricity consumption per unit but also will notably alleviate environmental pressure by curbing pollutant emissions. This, in turn, will improve the region's quality of life, as well as reliability and security of energy sources.

# Supporting social development of regions and charity

GRI 203-1

Rosneft is actively contributing to social development, including such areas as medicine, education and culture, while also promoting mass sports and implementing infrastructural projects. As a priority measure of supporting regional social projects, the Company allocated

funding to charity activities under cooperation agreements with regional authorities.

The Company conducts its charity activities in accordance with Federal Law No. 135-F On Charity and Volunteering dated 11 August 1995 and the Company's

Regulations on the Procedure for Charitable Activities at Rosneft and Group Subsidiaries.

By the end of 2023, Rosneft entered into cooperation agreements with 39 Russian regions, cultivating enduring and mutually beneficial partnerships.

## Regional projects

Region	Projects
Khanty-Mansi Autonomous Area – Yugra	<ul style="list-style-type: none"> <li>Building an 8 thousand sq m cultural and recreational centre in the Surgutsky District;</li> <li>Building a modern gas boiler in Talinka;</li> <li>Improving and landscaping the river embankment along the Ob in Nizhnevartovsk, the Okunevka river embankment in Izluchinsk, and the Oil Crafts Masters garden in Nyagan;</li> <li>Carrying out repairs at 16 schools and kindergartens in Nyagan;</li> <li>Purchasing equipment and sports gear for judo schools in Surgut, Nizhnevartovsk, Nefteyugansk, Kogalym, Megion, Raduzhny, Nyagan, and other locations;</li> <li>Upgrading the equipment of School No. 8 in Khanty-Mansiysk;</li> <li>Constructing speed change lanes along a segment of the regional highway Nizhnevartovsk – Raduzhny</li> </ul>
Republic of Bashkortostan	<ul style="list-style-type: none"> <li>Building a clinic for 320 patient visits in Nagaevo;</li> <li>Opening a three-storey school building for 375 pupils in Rayevsky;</li> <li>Constructing a new 500 sq m teaching block at the Orlyonok children's health camp in the Ilishevsky District;</li> <li>Building a fitness centre in Burayevo;</li> <li>Constructing a water pipeline and a pumping station with water towers to facilitate water supply to Verkhemancharovo;</li> <li>Overhauling external water supply networks in Pionersky and Beketovo, Yermeyekeyevsky District, as well as water supply systems in Arlan and Mozhary, Krasnokamsky District</li> </ul>
Samara Region	<ul style="list-style-type: none"> <li>Building a kindergarten for 170 children in Surgut;</li> <li>Building a 4.5 thousand sq m swimming pool in the Kuibyshevsky District of Samara;</li> <li>Overhauling the building of the Chapayevsk Chemical Technology College in Chapayevsk;</li> <li>Overhauling the building of School No. 7 with in-depth study of selected subjects (Gorechenkov Educational Centre) in Novokuibyshevsk;</li> <li>Overhauling the building of Mikhail Burkin School No. 24 with in-depth study of selected subjects in Samara;</li> <li>Overhauling the building of the community centre in Mochaleyevka</li> </ul>
Tyumen Region	<ul style="list-style-type: none"> <li>Opening a computer lab at the secondary school in Yembayevo</li> </ul>
Republic of Sakha (Yakutia)	<ul style="list-style-type: none"> <li>Creating a fitness zone at School No. 4 with in-depth study of selected subjects in Lensk;</li> <li>Building the Full Cycle Oil and Gas Process simulation lab at the Regional Technical College in Mirny</li> </ul>
Irkutsk Region	<ul style="list-style-type: none"> <li>Providing equipment for Medical Unit No. 36 in Angarsk, including the commissioning of a magnetic resonance imaging machine and an extracorporeal shock wave lithotripsy machine</li> </ul>

## Equipment upgrade at educational institutions

In 2023, Rosneft modernised equipment in educational institutions across the Samara and Tyumen regions.

RN-Yuganskneftegaz provided School No. 8 in Khanty-Mansiysk with state-of-art interactive panels and sets of VR glasses enabling students to participate in online excursions, conduct physical and chemical experiments, and engage in activities within a virtual environment. Seven different types of machine tools and other electrical equipment were installed for handicraft lessons. Additionally, the company refurbished the assembly and sports halls, the canteen, the medical station, the speech therapist's office, and the handicraft room.

As part of the Modern School project, RN-Uvatneftegaz supported the establishment of a computer lab in the Yembayevo secondary school, procuring the necessary equipment to study programming and robotics. Over the recent years, the company has opened six similar classes in the region.

With the support of Samaraneftgaz, the Chapayevsky Chemical Technology College underwent extensive reconstruction, covering an area of 6 thousand sq m,

as part of the collaboration between Rosneft and the Government of the Samara Region. Engineering systems were updated, the roof, entrance area, windows, and doors replaced, and the interior premises renovated. The assembly hall was fitted with a modern stage and new seats, a gym and workshops were opened.



## Samotlorneftegaz improves the Nizhnevartovsk – Raduzhny regional highway

In 2023, Samotlorneftegaz constructed speed change lanes along a segment of the regional highway Nizhnevartovsk – Raduzhny.

The segment has heavy traffic that includes shift buses for transporting Samotlorneftegaz employees to production sites.

To address this issue, speed change lanes spanning 440 meters were established at an unsignalised intersection serving

as an exit from the regional highway to the company's production facilities. This initiative involved a comprehensive renovation of the asphalt surface, widening of the roadway, and installation of relevant road signs.

The project significantly enhanced the transportation and operational performance of the highway, making road traffic safer and more convenient for all participants.



## Rosneft builds a modern gas boiler in the Khanty-Mansi Autonomous Area – Yugra

In 2023, RN-Nyaganneftegaz funded construction of a modern gas boiler house in Talinka, Oktyabrsky District, Khanty-Mansi Autonomous Area – Yugra.

A gas pipeline, new heating networks, a water pipeline, and a sewerage system were installed in the village, along with utility vaults and modern equipment. The new boiler house now provides heat to residential buildings in two micro districts, as well as to a kindergarten, schools, and social and cultural institutions.

The power facility was constructed as part of the Cooperation agreement between Rosneft and the Government of the Khanty-Mansi Autonomous Area – Yugra. Completing its construction marks the first stage of modernising the heat supply in Talinka. This will save more than RUB 30 mln on electricity annually and minimise air pollution.

With the support of RN-Nyaganneftegaz, another boiler house is planned for construction in the same village.



## Bashneft provides drinking water to Bashkortostan residents

In the reporting year, as part of the Agreement between the Republic of Bashkortostan and Rosneft, Bashneft continued to improve access to centralised drinking water supplies for residents in its areas of operation.

In 30 settlements across the Republic of Bashkortostan, Bashneft implemented projects to address drinking water supply issues. These efforts included funding the construction of a water pipeline and a pumping station with water towers to supply water to Verkhnamancharovo, as well as completing a major overhaul of the external water supply networks in Yumaguzino, Kugarchinsky District, and of the water supply systems in Maksyutovo, Sterlibashevsky District, three settlements in the Mechetlinsky District, and Kungak, Askinsky District.

In other villages, Bashneft developed design and estimate documentation for modernising water supply and water treatment systems, funded the construction of water supply and discharge utilities, and improved local springs.

Over the past five years, Rosneft has helped more than **50,000** residents across **17 districts** in Bashkortostan gain access to a centralised drinking water supply

# Support for projects to develop domestic tourism

GRI 3-3

As the operator of the largest network of filling stations in Russia, Rosneft plays an important role in the domestic tourism development and seeks to create most comfortable conditions for those travelling by car.

The development of auto tourism is a contributor to economic growth and social well-being of the regions, as it helps increase their tourist potential, preserve Russia's cultural and natural heritage, and build up local tourism infrastructure.

As part of promoting tourism in the country's regions, Rosneft plots exciting and convenient routes to national landmarks and protected areas across its footprint.



## Horizons of Russia information and service platform



In 2023, Rosneft partnered with RUSSPASS, a nationwide travel planning service, to launch Horizons of Russia: Let's go with us!, an information and service platform for car travellers.

The project helps meet the demand for domestic tourism and allows people who prefer travelling by car to choose and plan routes to interesting places through the Company's infrastructure of roadside services and filling stations.

The aggregator of tourist routes consists of various modules that offer both long-distance itineraries and localised ones within the same region.

In the reporting year, the platform introduced modules with long-distance routes along the M10 Russia motorway between Moscow and St Petersburg, along the M4 Don motorway from Moscow to Sochi and the mountain cluster of the Krasnaya Polyana

agglomeration; the Moscow–Voronezh–Moscow route is available, as well as modules that cover the Voronezh and Arkhangelsk regions.

Each route developed by Rosneft undergoes an independent technical audit by the National Association of Auto and Moto Tourism and Caravanning<sup>1</sup>.

Thanks to the unique navigation functionality, all interesting locations become stops on the route, which the motorist can build and change anytime during the journey. The traveller's choices can be based on the distance to the nearest waypoints, and availability of services and facilities.



Horizons of Russia: Let's go with us!, an information and service platform for car travellers

<sup>1</sup> The Association promotes comfortable and safe car and motorbike travel in Russia.

## Development of auto tourism across our footprint

Rosneft is actively supporting initiatives to develop domestic tourism. The Company has entered into a number of cooperation agreements with Russian regions aimed at unlocking their tourist potential.

One of our priorities is to improve customer experience at filling stations of Rosneft's network and promote roadside services. This contributes to the development of domestic auto tourism, as Rosneft's retail network is not only the largest in Russia in terms of geographical coverage and the number of filling stations but also one of the leaders in terms of fuel recognition and quality perception.

2023 saw Rosneft sign memoranda of cooperation for the development of regional tourism with the Tourism Agency of the Republic of Udmurtia and with the Altai Territory Department for the Development of Tourism and Resort Activities.

The Company also presented tourist routes running through the infrastructure of Rosneft's filling stations in the Arkhangelsk, Voronezh, Ulyanovsk, Tula, and other regions.

Jointly with the Government of the Arkhangelsk Region, Rosneft developed the Road to the Russian North, a year-round four-day 550 km route from Velsk to Arkhangelsk. Additional tourist destinations from Arkhangelsk

to the caves of the Pinezhsky District and to the Onezhsky District on the White Sea coast were also introduced.

Rosneft and the Voronezh Tourist Information Centre presented four routes for road trips to the sights of Voronezh and the Voronezh Region in the summer of 2023.

In the autumn of the reporting year, Rosneft and the Ulyanovsk Region Tourism Agency presented four regional routes for car trips in the region: The Bank of Stories, Mountains and Steppes, Volga Sea Valley, and Picturesque Land. The route was designed to introduce travellers to local traditions, and the region's natural and cultural heritage.

### Travel to Tula with Rosneft

In the autumn of 2023, Rosneft jointly with RUSSPASS and the Tourism Development Agency of the Tula Region developed automobile tourist routes to the region's main attractions as part of the pilot project called Travel to Tula with Rosneft.

The project offers three itineraries of up to two days long. Tourists can visit the Tula Kremlin, the renovated Kazanskaya Embankment, the Museum Quarter and Yasnaya Polyana, as well as Bogoroditsk and the legendary Kulikovo Field.



### Travel to Moscow with Rosneft

In 2023, Rosneft and the Moscow City Tourism Committee entered into a Memorandum of Cooperation on the comprehensive development of domestic tourism. The parties agreed to jointly promote tourist routes and develop new car tours from different Russian regions to tourist and cultural sites of the capital city, and improve the overall tourist experience including at Rosneft's filling stations.

In the autumn of 2023, the Company launched the project Travel to Moscow with Rosneft. The project introduces residents of Russian cities to the diverse natural, cultural, and historical heritage of the capital region.



## Contribution to ecological tourism development

Rosneft implemented a number of projects to develop and fit out eco-trails in protected areas and national parks. The projects are focused

on promoting eco-tourism and fostering environmental culture in the regions.

In 2023, volunteers from Rosneft improved eco-trails in national parks of the Tyumen, Orenburg, and Samara regions.

### Eco-trails in the Tyumen Region

In the reporting year, as part of the environmental education grant programme run by Tyumenneftegaz, researchers from Tyumen State University developed and fitted out four eco-trails of different length for hiking, driving, horseback riding, and for tourists with children in the vicinity of Solyonoye, Savino and Tundrovo lakes. The route development was underpinned by a preliminary flora and fauna study. The eco-trails were equipped with information boards, animal feeding areas, and artificial nesting sites for birds.



### Road of Winter Discoveries

In December 2023, Rosneft's RUSSIA EXPO pavilion hosted a presentation of the Road of Winter Discoveries, a tourist quest which runs through Rosneft's filling stations to the Moscow Region's cultural sites in Kolomna and Zaraysk. The project was implemented jointly with the Moscow Region's Ministry of Culture and Tourism to promote domestic tourism. For the quest participants Rosneft organised a drawing of points equivalent to the cost of a full tank of fuel as part of the Family Team loyalty programme.



### Eco-trails in the Samara Region

In 2023, the Novokuibyshevsk Refinery developed and launched a mobile app for virtual travelling in the Samarskaya Luka National Reserve using AR technologies with the visualisation of tourist routes, cultural sites, natural landmarks, and habitats of rare animal species. The app will reduce man-made impacts on the National Reserve, which is visited by around 2.6 million people every year, as well as enable its visitors to plan their walk in the park in advance.



# Support for indigenous peoples of the North

GRI 3-3 SASB EM-EP-210a.3

The Company's subsidiaries run various social projects to support indigenous peoples across their footprint: they help improve infrastructure in Northern settlements, provide assistance to families of reindeer herders, and arrange for materials and equipment to be delivered to educational, social, and healthcare facilities in areas traditionally inhabited by indigenous peoples.

Preserving the national culture and traditions of indigenous peoples of the North is one of the pillars of Rosneft's social policy.

When engaging with indigenous peoples, the Company is guided by the following international documents:

- > United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- > Convention concerning the Protection of World Cultural and Natural Heritage;
- > Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities.

Rosneft strictly complies with the Russian laws on indigenous minorities of the North, ensuring they can exercise their rights to protect their natural environment, traditional way of life, economic activities, and crafts.

Representatives of indigenous peoples are involved in decisions that may affect their interests. In particular, they have the right to participate in the decision-making process during the assessment of environmental impact and public environmental reviews.

Help for indigenous peoples of the North remains a priority of the Company's charitable efforts and focuses on the following areas:

- > supporting traditional lifestyle and activities;
- > improving the living conditions;
- > providing better infrastructure in populated localities;

- > purchasing equipment, lubricants, and fuels for the traditional trades and crafts;
- > providing summer recreation programmes;
- > taking part in ethnic exhibitions, contests, competitions, and other cultural and sports activities;
- > running a variety of educational and healthcare programmes.

In the reporting year, the Company engaged with indigenous peoples in a number of areas, including:

- > improvement of infrastructure in remote settlements and providing better living conditions;
- > supporting and organising traditional festivities and contests;
- > developing social facilities of the municipal district and improving material and technical resources of the indigenous communities;
- > protecting the natural environment of the indigenous peoples and facilitating social and economic development related to the traditional use of natural resources.

In 2023, Samotlorneftegaz continued supporting the indigenous peoples of the Khanty-Mansi Autonomous Area – Yugra. The company is implementing an IT project to provide Internet connection to Khanty and Mansi families who live on their ancestral lands and lead a traditional way of life. Over three years, 60 access points have been installed in seven districts of the area, enabling almost 3.5 thousand people to use the Internet.

In 2023, as part of Vostok Oil's co-financing of the regional targeted programme to relocate residents from dilapidated housing in the Krasnoyarsk Territory in 2019–2025, six families received keys to new flats in Nosok, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2023, Rosneft supported major repairs and maintenance of motor roads and city passages in Nyagan, Khanty-Mansi Autonomous Area – Yugra, removing old asphalt pavement from streets in the town centre and laying new modern pavement made of fine-grained asphalt mixture. With a view to ensuring traffic safety, the roads were equipped with speed bumps to slow vehicles down. An exit from a public motorway to summer houses of the town's residents was also built.

In 2023, RN-Vankor published children's editions of the Russian-Dolgan ABC Book and the Russian-Nenets ABC Book as part of a programme to help preserve the national languages of the indigenous peoples of Taimyr, with further plans to publish ABCs in all five indigenous languages of Taimyr. To mark the Taimyr Day, RN-Vankor also presented Russian-Nenets ABC books to pupils from school No. 1 in Dudinka. The remaining ABCs were distributed by the Taimyr administration among Nenets children who go to local schools in the municipal district.

# Grant projects to support peoples of the North

Grant programmes are one of the tools to support indigenous minorities across Rosneft's regions of operation. The projects are aimed at preserving the unique national culture, traditions, and identity of the indigenous population.

Vostsibneftegaz has been running its grant programme for over a decade. It aims

to provide financial support for relevant research projects that can be applied in the North, including Evenkia, where more than 20 indigenous peoples live. Grants have been provided to improve infrastructure in remote settlements, provide better living conditions for indigenous minorities of the North, research local ecosystems, and help

preserve the traditions and culture of local peoples. In the reporting year, the monograph dubbed New Projects for the Revival of the Evenki Language and Culture and the digital Evenki-Russian dictionary Evedy-Luchady Tureruk were published. Since the inception of the programme, Vostsibneftegaz has financed 30 projects, with three of them implemented in 2023.

## Applied research grant programme for indigenous people of Yamal

RN-Vankor and RN-Purneftegaz, as part of their social policy, held grant competitions to support scientific, practical, applied, educational, and research projects. In the reporting year, the subsidiaries supported projects to maintain an optimal fish population in the areas inhabited by indigenous minorities of the North.

RN-Vankor provided grants for a project to study fish and their food base in the Yenisei Gulf of the Kara Sea in the Taimyrsky Dolgano-Nenetsky District, where no such research has been conducted since the Soviet times.

RN-Purneftegaz granted equipment for artificial breeding of valuable commercial fish species to the fish farms of the Agricultural Community of Kharampurovskaya in the Yamal-Nenets Autonomous Area. This will replenish valuable species of salmonidae and coregonus species in the water bodies of the Pur-Taz river basin. RN-Purneftegaz also supported a project by the administration of the Purovsky District of the Yamal-Nenets Autonomous Area to develop nomadic education, which will include a research on the education of preschool children living in camping grounds. This will help select new forms and methods of preschool education in camping grounds for a thousand of tundra nomads' children.



## National culture festivals

In the reporting year, Rosneft went on helping to organise national culture festivals to support indigenous peoples.

In February 2023, RN-Uvatneftegaz provided support to Wealth of the Uvat Taiga, the first festival of indigenous peoples of the Tyumen Region organised in Uvat, which hosted more than 50 representatives of indigenous peoples from all settlements of the district. The event programme included competitions in traditional sports, master classes on bead weaving and making amulets, and tasting of national dishes. At the festival, RN-Uvatneftegaz presented indigenous families from the Uvatsky District with equipment for traditional activities – three snowmobiles, four boat motors and four electric generators.

In April, RN-Uvatneftegaz also supported the Crow's Day, a traditional spring holiday of the Khanty, indigenous people of the Tyumen Region, which was held at the Uvas Mir Khot ethno-cultural centre established with the assistance of Rosneft's subsidiary.

In March 2023, the Kharampur ethnic settlement in the Yamal-Nenets Autonomous Area, which has been supported by RN-Purneftegaz since 2005, celebrated its 90th anniversary. In the reporting year, RN-Purneftegaz helped hold an annual national holiday – Reindeer Herder's Day – in Kharampur, during which reindeer herders and fishermen from all camping grounds of the district gathered in the village.

In the summer, Slavneft-Krasnoyarskneftegaz and Vostsibneftegaz organised a festival of northern culture in Krasnoyarsk in honour of the International

Day of the World's Indigenous Peoples. The Festival featured a fair of national arts, performances of ethnic creative groups to national music and singing, as well as a Colours of the North street art contest, where 30 artists from the Krasnoyarsk Territory painted on cubic structures along the Yenisei embankment in real time.

In August of the reporting year, the Komsomolsk Refinery supported a festival of the Nanai national culture in Bilgo, Khabarovsk Territory, which served as the start of a comprehensive grant programme to support the language and culture of the indigenous peoples of Outer Manchuria together with scientists from the Institute of Linguistics of the Russian Academy of Sciences and the Association of Indigenous Minorities of the Khabarovsk Territory. The event showcased the national epic, music, crafts and cuisine of the Nanai, indigenous people of Outer Manchuria.



# Volunteer movement

GRI 3-3

Corporate volunteering is an effective tool for addressing acute social and environmental issues in the regions where Rosneft operates as well as nurturing an engaged corporate community. It provides employees with a sense of belonging to a greater cause.

In line with its long-standing commitment to social responsibility, the Company encourages and promotes best volunteering practices across its footprint. In 2022, building upon its wealth of experience, Rosneft launched the Good Deeds Platform, a major company-wide volunteering programme that has continued to evolve throughout 2023. It is aimed at making employees of our subsidiaries part of the corporate volunteer movement and fostering a robust corporate culture and teamwork spirit.

Social, humanitarian, and environmental projects implemented within the volunteering programme are an integral part of Rosneft's corporate culture. The Company's volunteers take part

in donor initiatives, support orphans, veterans of the Great Patriotic War, people with disabilities and those facing hardship, and also run environmental campaigns.

Every year, volunteers from Rosneft's subsidiaries take part in city-wide, regional and federal campaigns to beautify and clean up their local areas, such as all-Russian projects titled Save the Forest, Green Spring, Garden of Memory, and more. These initiatives involve planting young trees of various species to enhance green spaces and preserve forests. Our corporate volunteers lend their support to environmental NGOs and research institutes, participate in animal protection and conservation efforts, and make a significant contribution to the initiatives promoting

environmental awareness and culture both within the Company and across the regions where it operates.

As an example, Sibneftegaz has been partnering with the Yamal Children's Environmental Station in Novy Urengoy for the past decade. Throughout this period, its corporate volunteers have set up a research laboratory and carried out educational projects for children. In 2023, Sibneftegaz assumed the responsibility of caring for Yakutian Laika dogs as part of the Animal Caretaker charity programme at the ethnic park for the indigenous peoples of the North at the Yamal Children's Environmental Station. The volunteers provided care, socialisation, food, medical services for the dogs, and also repaired their enclosures.



## EcoArctic 2023 Forum

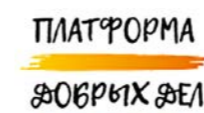
2023 saw the 6th EcoArctic Forum on environmental protection sponsored annually by Rosneft. The Forum was held in two stages.

In April, RN-Vankor, with the support of the administration of the Taimyrsky Dolgano-Nenetsky Municipal District and the Russian Geographical Society, organised the first stage of the forum in Dudinka. The key event was a round table attended by representatives of legislative and executive authorities, public, research and environmental organisations, and Rosneft subsidiaries in the Krasnoyarsk Territory.

The second stage was hosted by Naryan-Mar, Nenets Autonomous Area, in September. RN-Shelf-Arctic was the organiser and title sponsor of the second

stage events. The programme included a round table on preservation of unique water bodies and a series of career guidance lectures for high school students. 150 students of grades 8–11 from regional schools attended career guidance lectures on ecology and geology, and another 35 school kids from Naryan-Mar took part in an environmental game called River and Fun Day.

The EcoArctic 2023 Forum ended with an environmental volunteer campaign of the Clean Arctic federal project. More than 500 forum participants carried out a large-scale clean-up of a 4 ha forest area adjacent to Naryan-Mar, collecting and sorting over 100 tonnes of waste.



## Corporate volunteer gathering as part of Rosneft's Good Deeds Platform

In December 2023, Rosneft's RUSSIA EXPO pavilion at VDNKh hosted a corporate volunteer gathering as part of the Company's Good Deeds Platform volunteering programme.

During the gathering, the pavilion showcased environmental, social, and charitable programmes implemented by the Group Subsidiaries. Visitors

learned about our nature conservation projects in the Samara Region, tourist and nature trails in the Republic of Bashkortostan, as well as plastic waste recycling efforts in Chelyabinsk and Novosibirsk.

For more details on Rosneft's pavilion at RUSSIA EXPO, see the [Sponsorship](#) section of this Report

## Blood donation

As part of its strong social commitment, Rosneft supports and encourages blood donation. For more than nine years, the Company's subsidiaries have been running the Blood Donor Days, attracting thousands of employees every year. Additionally, some employees donate blood individually throughout the year. Blood donation not only saves lives and improves the health of recipients, but also brings health benefits for the donors by stimulating blood cell production and reducing the risk of certain health conditions. In 2023, the Company's subsidiaries conducted approximately 200 blood donation campaigns.

At Angarsk Petrochemical Company, more than 1,500 employees proudly serve as blood donors. Every month, approximately 350 of them contribute an average of 150 litres of blood. This outstanding commitment has earned Angarsk Petrochemical Company the distinction of being the leader in blood donation in the Irkutsk Region.

In the reporting year, blood donation campaigns were also held at the Novokuibyshevsk Refinery, Achinsk Refinery, Kuibyshev Refinery, Komsomolsk Refinery, Tuapse Refinery, Tuapse Terminal, Novokuibyshevsk Petrochemical

Company, East Siberian Oil and Gas Company, Bashneft, Samotlorneftegaz, Samaraneftegaz, and Slavneft-Krasnoyarskneftegaz, as well as VNIPIneft and SamaraNIPIneft design institutes.

**12,000**  
employees participated in the blood donation movement in 2023, with several hundred of them holding the title of Honorary Donor of Russia<sup>1</sup>

### Environmental campaign of Taas-Yuryakh Neftegazodobycha at the Orto Doidu zoo

In 2023, corporate volunteers from Taas-Yuryakh Neftegazodobycha carried out an environmental campaign at the Orto Doidu zoo near Yakutsk.

They assisted in collecting over 1 thousand birch twigs used to feed the zoo's hoofed animals, including deer, bison, and musk oxen, and gathered berries to enhance the diet of its avian inhabitants during the colder months.

Furthermore, the Orto Doidu zoo, sponsored by Rosneft, is home to two polar bears named Kolymana and Lomonosov. The Company supports the zoo to ensure care, balanced diet, and medical treatment for the Arctic predators, as well as renovation of their enclosures. As part of the campaign, volunteers from Taas-Yuryakh Neftegazodobycha also had the opportunity to visit the polar bears and learn about the zoo's preparations for the winter season. Throughout the winter, the bears reside in their enclosures under the supervision of zoo experts, receiving their necessary daily food, vitamins, and essential nutrients.



For more details on environmental campaigns involving the Company's employees, see the [Improving Environmental Awareness](#) section of this Report.

<sup>1</sup> The title of Honorary Donor of Russia is awarded to individuals who have made over 40 blood donations.

## Social volunteering to support children

Rosneft places special emphasis on implementing social projects for children, aimed at developing social infrastructure and creating a favourable environment to ensure their well-being, health, education, and upbringing. Over the past three years, the Company's subsidiaries have conducted more than a thousand events for children.

Every year, volunteers from Rosneft actively participate in charitable nationwide and regional initiatives focused on children. These include events such as the New Year's Wishing Tree, Help Children Go to School, Christmas Tree, Spring Goodness Week, Bringing Warmth to Children, School Bag for First Graders, Let's Get a Child Ready for School, No Child is Left Behind, Santa Claus for Every Child, Back-to-School Gift, Santa's Gift, and more.

Ahead of the 2023 Knowledge Day, Rosneft run volunteer charitable campaigns for kids. Schoolchildren

from across the country, including the Donetsk and Luhansk People's Republics, received financial assistance from Rosneft volunteers. Priority was given to children from low-income families, orphanages, and children with disabilities. For instance, volunteers from Kharampurneftegaz and the corporate research centre in the Tyumen Region donated school bags filled with stationery sets to the Goodness Boomerang charitable foundation as well as the Tyumen District boarding school for orphaned children.

Each year, Rosneft provides support to children facing challenging life situations. For instance, in 2023, the Company organised a series of guided tours for over 100 kids from regional social rehabilitation centres in Kolomna, Kaluga, and Ryazan, as well as from the Donbas region. Volunteers from the Syzran Refinery joined forces in beautifying the grounds of the Iskra urban centre for children with learning disabilities

and collected approximately 500 educational games, art kits, and hygiene products for the patients of the Zhemchuzhina children's rehabilitation centre and the paediatric department of Syzran Hospital No. 2.

In 2023, employees of RN-Nyaganefttegaz run an annual New Year charitable campaign for children with disabilities in the city of Nyagan. The campaign aims to promote social equality for disabled children.

The funds collected by the employees were used to purchase individually tailored sets of sweets, toys, clothing, electronic gadgets, and board games. The children received gifts that matched their wishes from their letters. The gifts were personally handed over to them by the company's volunteers dressed as Santa Claus and his helpers.



# Sponsorship activities

GRI 3-3

Rosneft is engaged in sponsorship activities in the regions where it operates. It supports projects in education, science, technological development, environmental protection, revival of spiritual and national values, culture, and sports.

The Company is strongly committed to the development and support of both mass and professional sports. Since 2013, Rosneft has been the general sponsor of the International Sambo Federation. It also holds the title sponsorship of the Arsenal Tula Football Club and has owned the CSKA hockey club over a span of twelve years. Additionally, Rosneft actively supports motor sports in Russia and has been the general sponsor of the LADA Sport ROSNEFT team for eight consecutive years.

The Company implements programmes aimed at conserving and restoring natural resources, as well as studying and protecting rare animal species and marine mammals. Since 2013, Rosneft has been running a programme to support all 34 polar bears residing in 17 Russian zoos.

Rosneft actively finances cultural projects. With its support, the State Hermitage Museum in St Petersburg opened three halls as part of the updated Culture and Art of China exhibition. Since 2015, the Company has been supporting the concert activities of the St Petersburg

Academic Philharmonia. In 2023, it helped run the 26th Musical Collection International Festival, performances of the St Petersburg Philharmonic Orchestra in Sochi, and the Rachmaninoff and (not) His Time festival of Russian music from the 19th to the 21st centuries.



## Celebration of the 78th anniversary of Victory Day

In 2023, Rosneft and the Group Subsidiaries commemorated the 78th anniversary of victory in the Great Patriotic War. The Company organises annual patriotic events and joins nationwide campaigns to pay tribute to the heroic efforts of both frontline soldiers and home front workers. This includes recognising the dedicated efforts of the oil workers who played a vital role in increasing oil production and refining during the war and re-building the post-war oil industry. With the participation of around 100,000 employees from over 40 regions across Russia, the Company joined the Immortal Regiment patriotic movement and other nationwide initiatives.

To commemorate the 78th anniversary, Rosneft organised a range of activities, including concerts featuring musical ensembles, orchestras, and choirs, and various sports events for its employees, such as hockey tournaments, races, relay races, and cycling races.

In addition to organising events, the Company provided targeted support to veterans. Employees presented them with commemorative gifts and food packages, and also arranged festive outdoor concerts right under their windows.

# Rosneft's pavilion at RUSSIA EXPO

The Company showcased its major production and social achievements at the international RUSSIA EXPO exhibition organised in furtherance of a decree of the President of Russia Vladimir Putin.

Our pavilion hosted thematic days dedicated to the regions where we operate, as well as social, sports, environmental, and cultural projects. It featured digital technology and interactive exhibits providing insights into the oil industry's history as well as the Company's journey, prospects, R&D innovations, social projects, and advanced oil production methods. Dedicated sections of the pavilion focused on the future of the country's oil industry, including Rosneft's Vostok Oil flagship project and R&D innovations.

The exhibition also presented a diverse cultural programme, offering visitors the chance to use audio guides narrated by renowned figures such as People's Artist of Russia Nikita Mikhalkov and figure skating Olympic champion Tatyana Navka. A total of about 320 thousand guests visited Rosneft's pavilion in 2023.

## Days of Russia's Regions

As part of the RUSSIA EXPO exhibition in 2023, the Company held the Days of Russia's regions within its footprint, with a total of 11 regions celebrated.

The Rosneft pavilion featured a wide array of activities immersing guests in the distinctive atmosphere and culture of each region. Visitors participated in contests, prize lotteries, and workshops, where they learned traditional crafts and culinary secrets of national dishes, created exquisite decorations, and more.

In addition, the Company's pavilion hosted film screenings showcasing the unique features and beauty

of each region and shedding light on Rosneft's local operations, as well as lectures and presentations on the history and traditions of local indigenous communities. Guests had the opportunity to ask questions to experts and regional representatives, taste traditional delicacies, enjoy performances by folk artists, and listen to orchestral music and choir singing.

For instance, in November 2023, the pavilion featured the Days of the Krasnoyarsk Territory, a strategically important region for the Company. The dedicated days commenced with a presentation on the Vostok Oil flagship project implemented by the Company in the north of the Krasnoyarsk Territory since 2020. Furthermore, the Primorye Territory Day showcased the Zvezda Shipyard project, which focuses on the construction of all types of offshore platforms, ice-breakers, and civil vessels, serving as the backbone of the Russian Arctic fleet.

## Themed Days

In 2023, the Rosneft pavilion at RUSSIA EXPO hosted themed days to showcase the Company's scientific, environmental, social, and sports projects. Visitors had the opportunity to explore cutting-edge technologies, participate in discussions on various topics, and meet esteemed athletes.

For instance, the Sambo Days opening ceremony was attended by multiple-time winners of world, European, and Russian sambo championships Nikita Kletskov and Dmitry Yeliseyev, with the guests greeted by Vasily Shestakov, President of the International Sambo Federation, as well as Fedor Emelianenko, a legendary MMA champion, four-time combat sambo world champion, and a nine-time combat sambo national champion.



**HIGH  
BUSINESS  
STANDARDS**

ЗЕРНО

ДЛЯ ТЕХ, КТО ВПУТИ



Rosneft is committed to responsible business practices, providing superior customer experience, engaging with suppliers and contractors and building relationships based on trust, mutual interest and transparency.



# Customer engagement

## Quality management system

GRI 3-3



By choosing Rosneft, consumers are guaranteed a high level of service and product quality, while suppliers and contractors can expect reliability, respect, and transparency. This is ensured by the Company's many years of experience and its high standards of business practice.

Rosneft cherishes its reputation as a reliable and responsible company and strives to meet constantly growing customer expectations.

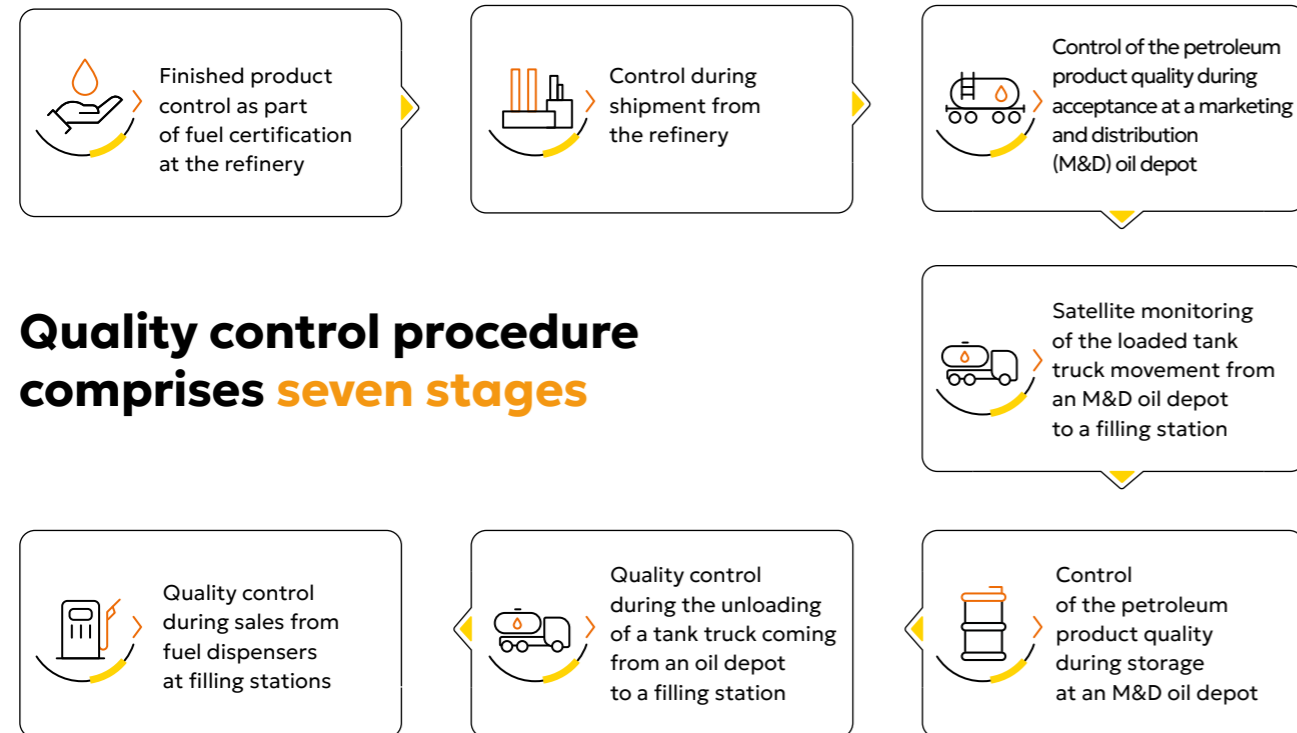
Thanks to the corporate quality management system, our petroleum products boast

consistently robust characteristics all the way through from refinery to the car tank.

All types of Rosneft's motor fuels are subject to uniform verification and treatment processes and procedures during acceptance, storage, transportation, and sales at oil depots, loading stations, and filling stations, which helps eliminate issues affecting fuel quality and measurement accuracy and ensure consistently strong fuel performance. Fuel quality is assessed at oil depots and filling stations in all regions where Rosneft operates its retail network.

Every day, Rosneft conducts more than

**>4,700 checks** of petroleum product quality performed every day. **70 stationary and 15 mobile laboratories** employed for petroleum product quality control



### Fuel quality control by mobile labs at filling stations

Rosneft uses a variety of tools, including mobile labs, to control fuel quality at its filling stations.

A lab technician takes a gasoline sample from a nozzle, has it analysed by high-tech equipment installed inside a minibus within just 1.5 hours, and submits the results to the Company in real time.

The labs perform both scheduled checks and ad-hoc tests requested by any driver via a hotline.



### High quality of Rosneft's products

Rosneft pays special attention to the quality of its products. This fact is annually confirmed by the experts of the Top 100 Best Russian Goods national contest. 2023 was no exception, as a wide range of products from the Company's assortment received awards at different stages of the contest.

The list of winners included various types of lubricants, AI-95-K5 and AI-92-K5 motor gasoline brands, summer and winter diesel fuels, marine fuels, bitumens, additives, and other goods. Six products of Bashneft won golden awards, including EPDM rubbers, high-density polyethylene, phenol, acetone, and others. Bashneft's facilities also triumphed in the regional stage of the national contest – Best Products of Bashkortostan.

Additionally, the Top 100 Best Russian Goods contest awarded the Company's R&D institutes in Samara and Novokuibyshevsk for their research findings and innovations, including a new technology and methodology for assessing the quality of reagents, the GDMView software package for hydrodynamic modelling, and AG-4I and AG-5I sealants. The Novokuibyshevsk institute also received a diploma for testing petroleum bitumen materials to ensure their compliance with the latest state standards (GOST R 58400.1 and GOST 33133).

Winners get the two-year right to label their products with the golden and silver logos of the contest, which represents a quality mark for consumers. In total, 36 types of products manufactured by 15 subsidiaries of the Company won prizes of the contest.



## Product safety

Rosneft makes every effort to ensure the safety of its products and to offer its customers guaranteed protection of human life and health, property, and the environment.

The Company also seeks to prevent any actions that might mislead consumers about the purpose, safety, and energy efficiency of its petroleum products.

Each delivery of petroleum products comes with a quality certificate or declaration of conformity to technical regulations of the Customs Union (CU TR 013/2011 and CU TR 030/2012). These documents are provided to customers at their request.

The M&D oil depots manufacture premium products containing domestic multifunctional additives, which significantly enhance fuel performance. These products include the Pulsar and Atum gasoline brands and the Pulsar diesel fuel brand.

In the reporting year, the Company took a number of steps to improve its quality management processes:

- › conducted 11 inspections of quality assurance arrangements for petroleum products at M&D oil depots;
- › eliminated areas in the pipelines of oil depots where petroleum products mix with each other and minimised the scope of mixing at filling stations;

- › automated the manufacturing process for branded fuels; at 30 oil depots, doses of additives are determined in a fully automated mode.

In 2023, independent inspections conducted by the Federal Agency for Technical Regulation and Metrology (Rosstandart) at the M&D facilities confirmed high quality of the Company's motor fuel. In the reporting year, 14 M&D Group Subsidiaries underwent 23 inspections of test labs as part of the corporate certification system.

To improve deliveries of petroleum products to filling stations, in 2021 the Company launched a targeted programme to equip tank trucks with electronic security sealing systems. In 2023, 128 gasoline trucks from 25 M&D units were equipped with relevant systems. In 2021–2023, a total of 327 tank trucks were furnished with electronic security sealing, with another 465 gasoline trucks set to be upgraded by the end of 2025. In total, the programme envisages upgrade of 792 gasoline trucks from 32 M&D Group Subsidiaries.

Electronic security sealing systems ensure:

- › guaranteed preservation of petroleum products (both in quantitative and qualitative terms) during their delivery to filling stations;
- › shorter acceptance times for petroleum products;
- › safety of filling station personnel tasked with relevant industrial operations.

**23** inspections of test labs held in the reporting year, with positive opinions issued in each of them

**327** gasoline trucks equipped with automated systems ensuring guaranteed fuel delivery in 2023

### Digital control system for gasoline trucks

Fuel quality control is one of the key priorities for Rosneft in the retail business. In the reporting year, Bashneft equipped gasoline trucks transporting fuel from oil depots to filling stations with Russian-made automated systems ensuring guaranteed fuel delivery.

The systems automatically transmit online data about the condition of tank compartments from sensors installed

on gasoline trucks and record geographical location of the trucks throughout their itinerary. This helps prevent concealment, damage, theft, or substitution of petroleum products resulting from violations of tank integrity.

35 gasoline trucks of Bashneft-Roznitsa (company managing Bashneft's network of filling stations) are furnished with fuel control systems.

## Retail network development

The Company operates one of the largest retail networks in Russia. In most of its regions of presence, the Company is among the leaders in the retail market.

As at the end of 2023, Rosneft's retail sales covered 61 Russian regions. The Company's filling

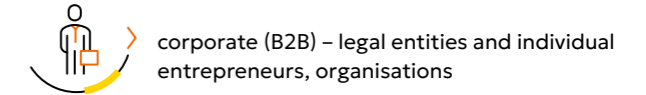
stations operate under the Rosneft, Bashneft, and Petersburg Fuel Company brands.

In the reporting year, the Company continued to ensure uninterrupted operation of its filling stations and maintained high customer service standards.

Customers of Rosneft's retail network can be grouped into two segments:



retail (B2C) – individuals



corporate (B2B) – legal entities and individual entrepreneurs, organisations

Annually, Rosneft's retail network implements a wide range of corporate programmes designed to develop the retail chain and points of sale, expand the Company's market presence, and improve standards across the retail network.

The Company continues developing its retail network across key regional markets. In the Krasnoyarsk Territory and the Rostov and Samara regions, filling stations were constructed and upgraded in line with the new format.

Rosneft also grows its presence in the highway segment of the market. Filling stations located along federal highways and motorways feature more services and an expanded range of items on offer at their cafes and stores.

In 2023, Rosneft continued upgrading its retail network as part of commitment to develop the retail focus of filling stations in line with customer needs. Filling stations undergo a comprehensive renovation, helping Rosneft solidify the leadership standing of its retail brand. New format filling stations feature unique modern design with an emphasis on technology. The premises and main building of the stations are divided into functional zones to make customer experience easier and faster. Filling stations of the new format operate cafes under Rosneft's Zerno brand. By the end of 2023, 393 filling stations were upgraded in line with the new visual standard.



In 2023, Rosneft completed the construction of a modern filling station on the M-3 highway near Kaluga in full compliance with its new standards. The construction of another four filling stations on the M-11 Neva highway is still underway. In 2023, the Company entered into contracts to build four filling stations on the M-12 East highway, while two more stations on the R-255 Siberia highway in the Krasnoyarsk Territory are nearing completion.

Rosneft is improving its services offering, which goes beyond basic options in order to cater to the needs of various target audiences, namely drivers and passengers of passenger vehicles and trucks. We are also continuing to grow the presence of our food trucks, which are equipped to cook popular dishes, snacks, and drinks. In 2023, eight facilities operated a total of 22 cafes of this kind.

The range of services is also expanding as filling stations start providing car washing, tyre and repair services, and other popular options. In 2023, 49 filling stations launched a pilot involving sales of socially significant goods and other essential products in remote areas with limited competition.

In 2023, M&D employees responsible for the sales of complementary goods at filling stations completed a course on category management basics designed to enhance competencies in the non-fuel business.



### Support for local manufacturers

Rosneft supports local manufacturers across its regions of operation and includes local brands in the product range of stores and cafes at its filling stations.

For example, filling stations in the Tula Region have dedicated shelves offering customers Tula gingerbread from local manufacturers and Belyov pastila, a regional variety of Russian fruit

confectionery produced in Belyov (Tula Region) since the end of the 19th century. Filling stations in the Republic of Karelia have Made in Karelia stands showcasing traditional Karelian delicacies and souvenirs such as wild herb fireweed, beverages and jam made from northern berries, birch sap, White Sea salt, and spices from Karelian wild plants. Products from local manufacturers are particularly popular during the tourist season.

## Development of self-service systems

The Company works to improve customer experience and offer more means of payment available.

All Rosneft-branded filling stations in Russia started accepting payments for petroleum products and associated items using the Faster Payment System via a dynamic QR code. Also, some of the regions launched projects featuring self-service checkouts.

In the reporting year, Rosneft continued to expand the geography of contactless fuel payments through the Yandex. Fuel platform, aiming to increase the speed and quality of customer service.

In 2023, the solution became available at all 72 filling stations of the Company in the Smolensk Region, 26 stations in the Ulyanovsk Region, and 25 stations in the Arkhangelsk Region, while in January 2024 it was rolled out at all filling stations in the Republic of Buryatia.

The solution also informs users about the types and costs of fuel at each filling station, enabling drivers to select the pump number as well as fuel brand and volume.



### Installation of graphical self-service checkouts

As part of a pilot project, Sibintek started installing graphical self-service checkouts at filling stations. The new checkouts help automate payments for fuel and associated items, as customers can make purchases without cashiers.

In the reporting year, graphical self-service checkouts were installed at 27 filling stations of Rosneft. Checkouts have an intuitive user interface and are integrated with payment services and corporate loyalty programmes.

The main advantages offered by such checkouts are increased throughput of filling facilities and reduced customer service times. The self-service checkouts are powered by domestically produced digital platforms, which enhances the security of their operation.

In 2024–2025, the Company plans to roll the new product out to more than 300 filling facilities.

## EV charging infrastructure development

Rosneft is increasing the number of EV charging terminals at its filling stations in line with the demand and forecasts for the EV market. As at the end of 2023, 78 EV

charging points, including 68 fast-charging (50–150 kW) and ten slow-charging (22kW), were installed at the Company's filling stations. Rosneft expanded the geography

of its EV infrastructure even further by furnishing filling stations in the Kemerovo and Tula regions with EV charging points.

## Fuels with improved environmental performance

In line with its commitment to environmental responsibility, Rosneft consistently develops and improves high-tech petroleum products and fuels with enhanced environmental performance.

The Company offers Euro 6 and AI-100-K5 gasolines, implements its targeted Pulsar-branded fuel sales programme, and produces low-sulphur marine fuel RMLS 40.

### Euro 6 gasoline

Euro-6 fuel contains less sulphur, benzene, and aromatic hydrocarbons, resulting in lower corrosiveness and toxic levels of car exhausts. The use of Euro 6 gasoline helps to reduce car exhausts by decreasing total hydrocarbon emissions by up to 24%, non-methane hydrocarbon emissions by up to 27%, and particulate emissions by up to 64%.

### AI-100-K5

AI-100 gasoline of the Euro 5 emission standard is one of the most eco-friendly fuels: it significantly reduces the content of sulphur oxide, carbon, and nitrogen compounds in car exhausts. The fuel has a number of other advantages: it increases vehicle acceleration by up to 9%, reduces vibration and noise, and the low sulphur and benzene content reduces engine carbonisation. The efficiency of AI-100-K5 was confirmed by comprehensive tests.

### Compressed natural gas

Gas motor fuel is a more environmentally friendly and efficient type of fuel that allows car owners not only to considerably cut costs, but also benefit from increased efficiency of their vehicles while also reducing their environmental impact.

### Pulsar branded fuels

Pulsar fuels, which contain detergents, keep the engine fuel system clean. They effectively eliminate deposits from fuel cells, helping the system operate smoothly and reliably while at the same time supporting the car's basic operating characteristics.



## Contribution to the gas motor fuel market

Rosneft contributes to the governmental programme focused on developing the gas motor fuel market and continues to open new gas filling stations in Russian regions. The stations are furnished with Russian-made equipment enabling drivers to fill their car tanks with compressed natural gas (CNG).

The use of CNG as a motor fuel offers a number of benefits such as increased maximum mileage per tank, reduced vehicle operating costs, and lower environmental impact.

In 2023, the Company obtained commissioning permits for four gas filling infrastructure facilities in the Penza, Samara and Ulyanovsk

regions and the Krasnodar Territory. As at the end of 2023, the Company operated 25 gas filling facilities, with plans in place to obtain commissioning permits for another 10 facilities in 2024.

Also, Vankorskoye UTT, a Rosneft subsidiary, is implementing the Ecopolis and Clean Energy conversion programme for cars

to run on CNG. By the end of 2023, 197 cars had been converted. In total, the Company operates 223 vehicles running on natural gas, including 26 own vehicles. There are plans to additionally convert more than 200 third-party vehicles in 2024.

## Improvement of energy efficiency and energy saving in retail

In 2023, M&D units continued efforts to reduce energy consumption. Energy efficiency measures were carried out as part of Rosneft's energy saving programme. Energy efficiency improvement at filling stations and oil depots of the Group Subsidiaries focused mainly on two areas: optimisation of lighting and power supply costs, as well as optimisation of heating costs.



## Customer focus

Customer focus is the key priority of Rosneft's retail business. To build long-term and mutually beneficial partnerships with customers, the Company seeks to maintain high quality service standards and implement continuous improvements.



Driven by the Best is the motto underlying Rosneft's programme to develop customer value proposition, which ensures a consistently high level of service to meet the demands of existing customers and acquire new ones.

The Company continued to promote its Virtual Card service to phase out plastic cards and motivate the use of virtual cards by loyalty programme members. The number of issued virtual cards reached 5.4 million.

In the reporting period, the Company updated its mobile app and added game

mechanics to the Family Team loyalty programme, enabling participants to upgrade their membership status and win enhanced progressive rewards subject to monthly fuel consumption volumes.

To streamline collection of feedback from the customers of Rosneft's filling stations, the Company operates a 24/7 Single Hotline, which handles all queries related to services provided at the filling stations and the Family Team loyalty programme. In 2023, Rosneft standardised operations of the feedback service employees. The Company's customer support function

regularly monitors all queries received through the Single Hotline. In 2023, we processed a total of 603 thousand queries from loyalty programme members / customers. The number of Family Team queries declined by 232.5 thousand compared to the previous reporting period.

**603 thousand** queries from loyalty programme members / customers processed in 2023

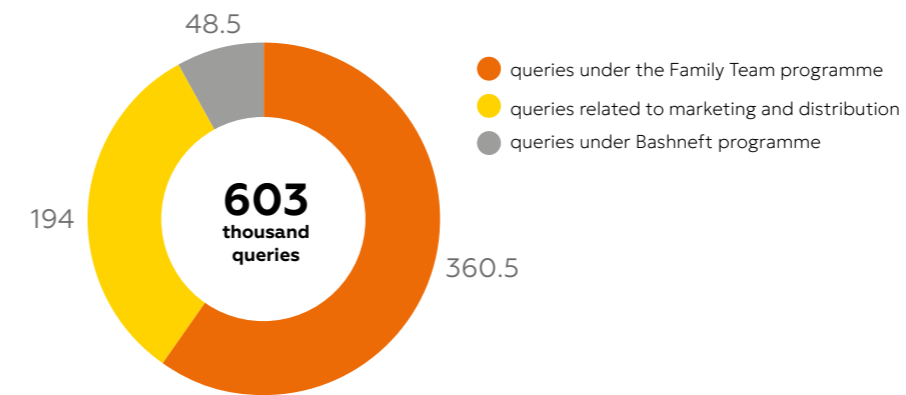
In March 2023, the mobile app added a satisfaction assessment feature for members of the Family Team loyalty programme. Customers can leave their feedback by completing a short survey after making a purchase and presenting their loyalty card. In the period since the launch of the service until 31 December 2023, over 1.3 million app users shared their opinions. Feedback monitoring confirmed positive assessment of customer service, with 90.6% of respondents rating their experience at Rosneft's filling stations with 5 stars. In early 2024, all facilities

will be granted access to the customer satisfaction assessment results to ensure prompt response to customer feedback and improve service quality at Rosneft's filling stations.

**90.6%** of respondents rated their experience at Rosneft's filling stations with the highest score



Queries received through the Single Hotline of Rosneft's filling stations, thousand

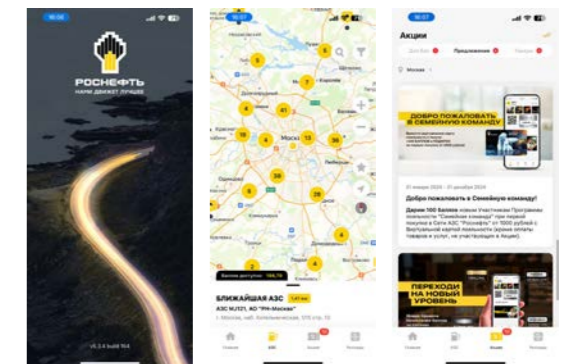


In March 2023, a new feature was added to the mobile app enabling members of the Family Team loyalty programme to rate their experience at the filling stations of Rosneft. More than 1.3 million users shared their opinions, with 90.6% of them rating their experience at the filling stations of Rosneft with 5 stars.

### Updated app of Rosneft's filling station network

As part of the international RUSSIA EXPO, the Company presented an updated version of its Rosneft Filling Stations app offering more convenient and visually powerful structure and functionality.

The mobile app allows users to join the Family Team bonus accumulation programme. It includes an integrated map showing locations of Rosneft's filling stations, which helps users quickly find the nearest station, learn about fuel prices, and check for additional services. The app also enables users to track their car expenses.



# Supplier and contractor relationship management

GRI 3-3

As one of the largest consumers of goods, works, and services across all of its geographies, Rosneft places a heavy emphasis on partnerships with all suppliers and contractors. The Company's model of partnership meets high international standards regarding procurement organisation and efficiency.

## The Company's principles in selecting suppliers and contractors<sup>1</sup>

Competitiveness

Reasonableness

Effectiveness

Non-discrimination



In its procurement activities, the Company adheres to the principles of effectiveness, reasonableness, and competitiveness. It is especially important for suppliers/contractors to have relevant experience and required personnel, financial, and other resources. The Company seeks to build long-term integrated relations with its partners based on honouring existing agreements, supplying equipment, and ensuring a high level of production localisation. By meeting the above

criteria and subject to providing a competitive quote, suppliers can bid for new contracts to be signed.

In the reporting year, the Company continued building relations with its suppliers as part of the Supply Policy<sup>2</sup>. The Policy sets out the key goals, objectives, and guiding principles of the Company's supplier relations, as well as procurement management priorities for Rosneft and its subsidiaries.

In its procurement activities, the Company uses a single system for controlling compliance of suppliers and contractors with mandatory and special requirements. Suppliers/contractors are assessed to make sure they meet the due diligence, financial stability, and qualification requirements subject to the type of product they offer.

<sup>1</sup> In accordance with Rosneft's Policy on Supply of Goods, Works and Services and the Regulations on Procurement of Goods, Works and Services binding on both Rosneft and Group Subsidiaries.

<sup>2</sup> Approved in 2020.

# Responsible relationships with suppliers

## Contractor compliance with the Company's HSE requirements

The Company assesses potential suppliers' compliance with HSE qualification requirements. In 2023, the requirements were updated, with HSE qualifications becoming mandatory only for works associated with high incident risks. Amendments were also made to the lists and names of documents confirming compliance with the HSE requirements by potential suppliers. Also, in line with global best practices, the following is assessed:

- > availability of a health and safety management system;
- > availability of relevant services/divisions;
- > provision of personal protective equipment to contracted personnel.

## Responsible procurement of goods and services

As part of its procurement activities, the Company assures product quality by leveraging incoming and inspection control tools. The purpose of inspection control is to verify compliance of manufacturing and shipment processes with the contractual requirements.

Additionally, the Company communicates to suppliers and contractors the requirements imposed on materials used in their products. These materials must not contain potentially toxic chemicals or substances that could affect the oil refining process or cause equipment damage.

To enhance the effectiveness of supplier relations, the Company approved a special clause to be included in protective clothing supply contracts. According to this clause, suppliers are allowed to implement innovative solutions to improve the quality of supplied products and ensure timely delivery of items to workers. This clause is planned to be applied to all newly signed contracts.

In Rosneft's section on the TEK-Torg electronic trading platform, there is a dedicated page ensuring

communication in the one-stop-shop format. In 2023, the Company received a total of 96 queries, including messages on social and environmental issues. Some proposals focused on maximising energy efficiency and energy saving in production operations, improving the environment and cleaning up lands, water bodies, and industrial sites, training employees in occupational, industrial, fire and environmental safety, civil defence and vocational skills, and testing their knowledge in relevant areas.



As Rosneft realises the importance of achieving carbon neutrality in line with the national goals, instructions of the President of Russia, and Russian legislation, the Company developed standard carbon management provisions added to the contracts with contractors

## Contractor human rights compliance

The Company continues its efforts to employ its approaches to human rights in any interaction with suppliers and contractors.

Existing internal regulations require that all suppliers/contractors participating in procurement confirm their commitment to Rosneft's Declaration on Human Rights for Interacting with Suppliers of Goods, Works and Services as part of their contractual obligations, and cascade the Declaration's principles to all their contractors and subcontractors across the supply chain.



For Rosneft's Declaration on Human Rights for Interacting with Suppliers of Goods, Works and Services, see [the Company's website](#)

Rosneft has developed and put in place the Code of Suppliers of Goods, Works and Services in the Area of Human Rights Observance in order to involve them in working out comprehensive position on unconditional observance of fundamental human rights and freedoms in their business operations. The Code was circulated to all companies and entrepreneurs

registered on the TEK-Torg electronic trading platform in Rosneft's section, and posted on the websites of TEK-Torg and the Company.

The Company expects its suppliers and contractors to implement a similar document and adhere to it in their operations. The Company also expects suppliers to ensure compliance with laws and regulations on environmental protection and avoid any action or omission that may result in an adverse impact on the environment.

### Key principles of human rights observance

Ensuring conditions for fair treatment and non-discrimination

Respect for freedom of association, assembly, and the right to collective bargaining

Fair remuneration and work environment

Ensuring safe, secure, and healthy work environment

Prohibition of slavery and forced labour

Prevention of child labour and protection of young talent

Provision of access to local remedies

Respect for the human rights of community members affected by the Company's operations

Combating corruption

Environmental responsibility



For the Code of Suppliers of Goods, Works and Services in the Area of Human Rights Observance, see [the Company's website](#)

## Expansion of cooperation with businesses in regions of operation

GRI 204-1    UNCTAD A.4.1

The Company joins forces with regional authorities to raise the awareness of domestic suppliers and contractors, including small and medium enterprises (SMEs). To that end, Rosneft develops roadmaps for interaction with regional authorities<sup>1</sup>, envisaging implementation of the following initiatives:

- expanding the list of local suppliers and contractors invited to participate in the Company's competitive procurement procedures;
- considering cooperation proposals from regional (local) companies, including proposals on the implementation of domestic innovative products;
- holding awareness workshops for local producers and contractors jointly with the TEK-Torg electronic trading platform and SME Corporation.

In 2023, to attract new suppliers and contractors Rosneft held five awareness workshops

in the Orenburg, Tomsk and Tyumen regions, and the Altai and Krasnoyarsk territories.

In the reporting year, representatives of the Company's subsidiaries also took part in 13 training workshops organised by SME Corporation for small and medium enterprises and self-employed individuals. During the workshops, the Company's experts spoke about procurement procedures and answered relevant questions.

Group Subsidiaries<sup>2</sup> annually achieve their targets for procurement from SMEs.

Additionally, as a result of the Company's efforts to attract new domestic suppliers and contractors, the share of imports in total supplies of materials/equipment does not exceed 5% and continues to decrease.



For procurement worth below RUB 5 mln, Rosneft's subsidiaries use the [Corporate Online Shop](#)

Use of the TEK-Torg electronic trading platform ensures broader competition and equal access of market players to procurement. In 2023, Rosneft signed over 9.6 thousand electronic contracts using the Corporate Online Shop on the TEK-Torg platform. This achievement came on the back of improvements in the Corporate Online Shop functionality, which helped simplify and speed up the contracting process and reduce paper flow. In 2023, procurement by Group Subsidiaries through the Corporate Online Shop exceeded RUB 44 bln.

For regional suppliers and contractors, Rosneft held **five** Supplier Days in 2023 in the format of awareness workshops

### Supplier Day in Krasnoyarsk

In June 2023, Rosneft joined forces with the Government of the Krasnoyarsk Territory to hold the Supplier Day for local manufacturers and contractors.

The key project of the Krasnoyarsk Territory that requires the involvement of local suppliers and contractors is Vostok Oil, the largest investment project in the oil and gas industry. During the event, the participants had an opportunity to look at Rosneft's procurement plan for the region

and understand the applicable procedure and requirements for bidders. Special emphasis was made on import substitution in equipment and technology required for the Company's projects.

In the north of the Krasnoyarsk Territory, the Vostok Oil project gives a strong impetus to all related segments of the economy and provides orders for Russian suppliers.

<sup>1</sup> Primarily in the regions of operation.

<sup>2</sup> Subsidiaries whose activities are regulated by Russian Government's Resolution No. 1352 On Special Aspects of Participation of Small and Medium Enterprises in Procurement of Goods, Works and Services for Certain Types of Legal Entities dated 11 December 2014.

**APPENDICES**



**РОСНЕФТЬ**



# Independent practitioner's assurance report on the material sustainability performance indicators included in the Sustainability Report of Rosneft Oil Company for 2023

To the Board of Directors of Rosneft Oil Company



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## Subject matter information

We have been engaged by Rosneft Oil Company (hereinafter, “the Company”) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements (hereinafter, “the Engagement”), to report on the material sustainability performance indicators included in the Sustainability Report of Rosneft Oil Company (hereinafter, “the Report”) and identified there by the «☑» symbol (hereinafter, “the Indicators”), as of 31 December 2023 or for 2023 (hereinafter, “the reporting period”):

- › Energy consumption
- › Energy saving and energy efficiency
- › Freshwater withdrawal
- › Water discharge
- › Use of water from all sources
- › Direct greenhouse gas emissions (Scope 1)
- › Indirect greenhouse gas emissions (Scope 2)
- › Unit greenhouse gas emissions
- › Gross air emissions
- › Waste directed to disposal
- › Payments to budgets of all levels related to environmental protection and environmental management
- › Workers covered by a certified occupational health and safety management system
- › Equipment integrity and accident rates
- › Health, safety and environment performance indicators of Rosneft Oil Company's employees and contractors' employees (fatal accident rate, work-related injuries)
- › Indicators of transportation safety (indicator of the total number of recordable road traffic accidents)
- › Personnel training and development
- › Workforce by gender
- › Employees with disabilities
- › Area of contaminated land as at the year end
- › Remediation of mechanically disturbed and contaminated lands
- › Generated and accepted (from third-party organisations) waste as at the year end

Other than as described in the preceding paragraph, which sets out the scope of our Engagement, we did not perform procedures on the remaining information included in the Report, and, accordingly, we do not express a conclusion on this information.

Under this Engagement, we did not perform any assurance procedures with regard to the following:

- › Forward-looking statements on performance, events or planned activities of the Company
- › Statements of third parties included in the Report
- › And other agreed limitations

## Applicable criteria

In preparing the Indicators, the Company applied its sustainability reporting principles as set forth in Section 5.2 “Principles of sustainability reporting” of the Company's Policy on sustainable development, and criteria defined in the Section “About the report” (hereinafter, “the Criteria”).

## Responsibilities of the Company's management

The Company's management is responsible for selecting the Criteria and preparing the Indicators in accordance with them in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Indicators, such that these are free from material misstatement, whether due to fraud or error. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

## Practitioner's responsibilities

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter, “ISAE 3000”).

ISAE 3000 requires that we plan and perform our Engagement to obtain limited assurance about whether, in all material respects, the Indicators are prepared in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our professional judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

## Independence and quality management

We apply International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and maintain a quality control system, including

policies or procedures relating to compliance with ethical requirements, professional standards and applicable regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

## Procedures

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement are less than in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Indicators and related information, and applying analytical and other appropriate procedures.

N.G. Starygina

Partner

TSATR – Audit Services Limited Liability Company

## Details of the independent practitioner

Name: TSATR – Audit Services Limited Liability Company

Record made in the State Register of Legal Entities on 5 December 2002; State Registration Number 1027739707203.

Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.

TSATR – Audit Services Limited Liability Company is a member of Self-regulatory Organization of Auditors Association “Sodruzhestvo.” TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Our procedures included the following:

- › Inquiries of the representatives of the Company's management and specialists responsible for its sustainability policies, activities, performance and relevant reporting
- › Analysis of key documents related to the Company's sustainability policies, activities, performance and relevant reporting
- › Obtaining understanding of the process used to prepare the information on the Indicators
- › Review of data samples regarding the Indicators for the reporting period to assess whether this data has been collected, prepared, collated and reported appropriately
- › Collection of evidence substantiating other qualitative and quantitative information included in the Report at the headquarters level
- › Assessment of compliance of the Report and its preparation process with the Company's sustainability reporting principles

We also performed other procedures that we considered necessary in the circumstances.

## Practitioner's conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators are not prepared fairly, in all material respects, in accordance with the Criteria.

## Details of the entity

Name: Rosneft Oil Company

Record made in the State Register of Legal Entities on 12 August 2002, State Registration Number 1027700043502.

Address: Russia 117997 Moscow, Sofiyskaya naberezhnaya, 26/1.



# Appendix 1. About the Report

GRI 2-3

Rosneft's Sustainability Report 2023 is the Company's eighteenth public non-financial report, which follows the practice of disclosing corporate non-financial metrics on the annual basis.

All reports are available on the Company's official website at [https://www.rosneft.com/Development/Sustainability\\_Reports/](https://www.rosneft.com/Development/Sustainability_Reports/)

GRI 2-29

The Report seeks to inform a wide range of Rosneft's stakeholders, including employees, shareholders

and investors, communities in the regions of operation, public associations, customers and partners.

Sustainability reports are approved by Rosneft's Board of Directors each year.

The Company receives feedback from different sources – comments and suggestions on sustainability reports can be submitted by phone or to the email address in the Contact Details section. All

messages are reviewed and taken into account when preparing the next Report.

GRI 2-14

In order to avoid overlaps, some information is included in the Sustainability Report as a reference to the Company's Annual Report 2023 or other public documents.

## Reporting principles

The Report was prepared using the current version of the GRI Standards (GRI Standards 2021) and GRI Oil and Gas Sector Standard.

The Company also relied on the methodology of the following:

- › GRI 11: Oil and Gas Sector 2021
- › UN Global Compact principles
- › International Financial Reporting Standards (IFRS)

- › recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- › 2020 IPIECA/API voluntary guidance for the oil and gas industry
- › industry topics of Sustainability Accounting Standards Board (SASB)
- › UNCTAD indicators for the entity reporting on contribution towards SDG implementation

› methodological recommendations for preparing sustainability reports of the Russian Ministry of Economic Development.

Sections containing the information on Rosneft's contribution to the UN SDGs, including those prioritised by the Company, are tagged in the Report by the relevant icons.

## Report content and materiality

GRI 3-1

GRI 3-2

Material topics for the 2023 Sustainability Report were determined in two steps:

Step 1. Identification of impacts and assessment of their materiality;

Step 2. Determining material topics for the Report.

The list of impacts was prepared based on the Company's business context, material topics selected

for the previous report, and topics recognised as material by leading oil and gas companies in Russia and abroad. Materiality identification involved assistance from impact experts, consultants, data users, as well as internal and external stakeholders.

As a result, we identified 12 material impacts enlisted above the cutoff line in each ESG section in the table

below. Each of the material impacts was interpreted as a material topic and aligned with GRI standards.

### Steps to determine material topics

Process	Step 1. Identification of impacts and assessment of their materiality			Step 2. Determining material topics for the Report	
	Preparing the list of impacts:	Dividing impacts into actual and potential	Polls:	Polls:	Determining material topics for disclosure in the Report based on the list of material impacts
	<ul style="list-style-type: none"> <li>› Analysing best practices in non-financial reporting;</li> <li>› Analysing corporate reporting and transparency rating requirements;</li> <li>› Analysing GRI SRS, UNCTAD, SASB, UPIECA, and TCFD requirements and standards;</li> <li>› Analysing the Company's business context</li> </ul>		<ul style="list-style-type: none"> <li>› Determining impact type (negative or positive);</li> <li>› Assessing scope, effect, irreversibility (only for negative impacts), and probability (only for potential impacts)</li> </ul>	<ul style="list-style-type: none"> <li>› Prioritising impacts for disclosure in the Report</li> </ul>	<ul style="list-style-type: none"> <li>› Aligning material topics with GRI standards</li> </ul>
Participants	Experts and consultants	Experts and consultants	Internal and external stakeholders	Experts, data users	Experts and consultants
Results	A full list of 36 impacts	A well-structured list of impacts	Impact materiality index and assessment of all impacts	Список существенных воздействий для раскрытия в Отчете	A list of material topics aligned with GRI standards

### Full list of Rosneft's economic, environmental, and social (including human rights) impacts

#### Environmental aspect (E)

1. Energy saving and energy efficiency
2. Carbon management
3. Biodiversity conservation
4. Materials recycling and reuse
5. Asset integrity
6. Prevention of and response to oil spills
7. APG management
8. Ambient air protection
9. Development of alternative energy and reliance on renewable energy sources
10. Waste management
11. Climate-related risks and opportunities
12. Land remediation
13. Water and effluents management
14. Supplier environmental assessment

#### Social aspect, including human rights (S)

15. Health and safety
16. Social policy: social programmes, VHI, and corporate pensions
17. Charity and volunteering
18. Training and professional development
19. Information security. Cyber security
20. Interaction with local communities and indigenous minorities
21. Personnel attraction and retention. Labour/management relations
22. Labelling of products and services: ensuring consumer health and safety
23. Supplier social assessment
24. Human rights protection, including diversity, equal opportunity, non-discrimination and inclusion
25. Freedom of association and collective bargaining
26. Forced, compulsory and child labour

**Corporate governance and business development (G)**

27.	Contribution to Russia's technological sovereignty. In-house research and development
28.	Contribution to social and economic development of regions of operation
29.	Economic performance and investment appeal
30.	Development of R&D capabilities and innovations, including those related to combating climate change
31.	National projects and goals and UN SDGs
32.	Emergency preparedness
33.	Countering corporate fraud and corruption
34.	Procurement practices and transparency of procurement procedures
35.	The Company's tax policy
36.	Compliance with requirements for protecting competition

No.	Material topics	GRI modules
<b>Environmental aspect</b>		
1	Energy saving and energy efficiency	GRI 302: Energy 2016
2	Carbon management	GRI 305: Emissions 2016
3	Biodiversity conservation	GRI 304: Biodiversity 2016
4	Materials recycling and reuse	GRI 301: Materials 2016
<b>Social aspect, including human rights</b>		
15	Health and safety	GRI 403: Occupational Health and Safety 2018
16	Social policy: social programmes, VHI, and corporate pensions	GRI 401: Employment 2016
17	Charity and volunteering	GRI 203: Indirect Economic Impacts 2016
18	Training and professional development	GRI 404: Training and Education 2016
<b>Corporate governance and business development</b>		
27	Contribution to Russia's technological sovereignty. In-house research and development	
28	Contribution to social and economic development of regions of operation	GRI 203: Indirect Economic Impacts 2016
29	Economic performance and investment appeal	GRI 201: Economic Performance 2016
30	Development of R&D capabilities and innovations, including those related to combating climate change	

## Independent external assessment

GRI 2-5

The Company conducted an independent external assessment in the form of professional assurance. TSATR – Audit Services LLC completed

an engagement to provide limited assurance about certain indicators related to Rosneft's sustainability performance in the reporting period, which are included in this Report

and ticked (☑). For the independent practitioner's assurance report, see page 222.

## Reporting boundaries

GRI 2-2

GRI 2-4

GRI 3-2

This Report includes consolidated information about the Group Subsidiaries. It covers entities directly or indirectly owned by Rosneft that are consolidated under the IFRS (as subsidiaries and joint operations, respectively) fully or proportionally to Rosneft's interest therein, unless the notes indicate otherwise.

To the extent not disclosed in Rosneft's consolidated financial statements, indicators are given for the purposes of this Report in accordance with the following guidelines:

- Material HSE and HR indicators of Rosneft's subsidiaries are accounted for in full.

- Indicators of entities classified as joint operations are accounted for in full, provided that Rosneft ensures their compliance with its HSE and HR requirements.
- Reference data on entities classified under the IFRS as joint operations, associates and financial investments are accounted for to the extent material for the Company's sustainability performance.

No.	Metric	Criteria
1	Energy consumption	GRI 302-1: Energy consumption within the organisation
2	Energy saving and energy efficiency	GRI 302-4: Reduction of energy consumption
3	Fresh water withdrawal	GRI 303-3: Water withdrawal
4	Water discharge to the environment	GRI 303-4: Water discharge
5	Use of water from all sources	GRI 303-5: Water consumption
6	Direct (Scope 1) GHG emissions	GRI 305-1: Direct (Scope 1) GHG emissions
7	Energy indirect (Scope 2) GHG emissions	GRI 305-2: Energy indirect (Scope 2) GHG emissions
8	Unit GHG emissions	GRI 305-4: GHG emissions intensity
9	Gross air emissions	GRI 305-7: Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions
10	Waste directed to disposal	GRI 306-5: Waste directed to disposal
11	Payments to budgets of all levels related to environmental protection and sustainable use of natural resources	GRI 2-27: Compliance with laws and regulations
12	Share of staff engaged in HSE management	GRI 403-8: Workers covered by an occupational health and safety management system
13	Personnel training and development	GRI 404-1: Average hours of training per year per employee
14	Workforce by gender	GRI 405-1: Diversity of governance bodies and employees
15	Employees with disabilities	GRI 405-1: Diversity of governance bodies and employees
16	Area of contaminated land as at the year end	Total area of land contaminated by oil and bottom water spill remaining as at the year end
17	Area of mechanically disturbed and contaminated lands subject to remediation	Total area of disturbed (mechanically disturbed, oil-contaminated legacy, oil-contaminated from ongoing operations, legacy contaminated from bottom water spill, contaminated from bottom water spill from ongoing operations) and remediated land.  Disturbed land area is calculated using guidelines for the 2-TP statistical observation form (remediation).
18	Generated and accepted (from third-party organisations) waste as at the year end	Total waste generated and accepted from other businesses (legal entities and individual entrepreneurs) over the reporting year.  The balance of production and consumption waste relies on waste management records maintained as established (in accordance with the guidelines for the 2-TP statistical observation form (waste) and documents issued in line with the waste management accounting procedure approved by order of the Russian Ministry of Natural Resources and Environment No. 1028 dated 8 December 2020).
19	Equipment integrity and accident rate	Tier-1 depressurisation event rate is calculated as the number of Tier-1 depressurisation events to 1 million man-hours worked
20	Injury rates at Rosneft and contractors (fatal and occupational injuries)	Fatal accident rate (FAR) is the ratio of the total number of the Company's work-related fatalities at Group Subsidiaries and third-party contractors providing services / performing work at Exploration and Production, Gas, Oil Refining and Petrochemicals, Regional Sales, Commerce and Logistics, Oilfield Service, and In-House Services facilities to 100 million man-hours worked  Lost time injury frequency (LTIF) rate is the number of lost time work-related injuries (including fatalities) of the Company's, contractors' and subcontractors' employees to 1 million man-hours worked
21	Transportation safety (total number of road traffic accidents)	Total number of recordable road traffic accidents (RTAF) is total road traffic accidents occurring while providing services / performing work in the Company's interests per number of kilometres run by vehicles normalised to 1 million kilometres

### Definitions

In this Report, the terms Rosneft and the Company refer to PJSC Rosneft Oil Company or the Group. The term Group Subsidiaries or subsidiaries refers to the entities where Rosneft holds directly or indirectly 20% or more.

### Disclaimer: forward-looking statements

The Report contains forward-looking statements regarding the Company's future sustainability performance. Plans and intentions depend on the changing political, economic, social and regulatory environment in Russia and globally, which means that the actual results presented in subsequent reports may deviate from the projections.

# Appendix 2. Key sustainability indicators

Metric	2021	2022	2023
<b>Health, safety and environment performance indicators (GRI 403-9)</b>			
☑ Ratio of the number of lost-time work-related injuries (including fatalities) at Rosneft to 1 mln man-hours worked (LTIF)	0.64	0.74	0.78
☑ Ratio of the total number of the Company's work-related fatalities at Rosneft to 100 mln man-hours worked (FAR)	1.66	3.25	2.03
Health, safety and environment training, thousand man-courses (GRI 305-7)	475.3	560.7	328.486
Expenditure on health and safety, including fire safety and blowout prevention, RUB bln	48	43.7	54.507
<b>Air pollutant emissions (GRI 305-7)</b>			
☑ Gross air pollutant emissions (kt)	1,336	1,314	1,339
Air pollutant emissions from oil and gas production, t/ktce	3.24	3.13	2.88
Air pollutant emissions from refining and petrochemical activities, t/ktce	1.76	1.89	1.89
<b>☑ GHG emissions (GRI 305-1; GRI 305-2)</b>			
Total emissions (Scope 1+2), mln t CO <sub>2</sub> -equiv.	72.7	71.9	77.15
Direct emissions (Scope 1), mln t CO <sub>2</sub> -equiv.	54.2	55.8	62.47
Indirect emissions (Scope 2), mln t CO <sub>2</sub> -equiv.	18.5	16.1	14.68
<b>Direct GHG emissions, kt (GRI 305-1)</b>			
Carbon dioxide (CO <sub>2</sub> )	51,141	51,845	58,264
Methane (CH <sub>4</sub> )	122.5	158.8	168.4
<b>☑ GHG emissions, t CO<sub>2</sub> equiv. / tce (GRI 305-4)</b>			
Exploration and production (including oilfield services)	0.147	0.149	0.147
Oil refining, petrochemicals and oil product sales	0.115	0.116	0.123
<b>GHG emissions, t CO<sub>2</sub>-equiv. / kboe (GRI 305-1)</b>			
Exploration and production (including oilfield services)	28.5	28.9	28.6
Oil refining, petrochemicals and oil product sales	22.5	22.5	23.9
<b>☑ Water consumption and water discharge (GRI 303-5; GRI 303-4)</b>			
Water consumption (water withdrawal from surface and underground sources) in oil and gas production, cu m / tce	0.43	0.45	0.41
Water consumption (water withdrawal from surface and underground sources) for refining and petrochemical activities, cu m / tce	1.61	1.68	1.7

Metric	2021	2022	2023
<b>Polluted water intake for treatment and use/discharge, mcm (GRI 303-4)</b>			
Wastewater	114.7	107.1	111
Produced water	1,371.3	1,407.1	1,416
Bottom water	6.7	6.8	7.4
Gross industrial effluent discharge to surface water, mcm	130.4	125.5	127
Water discharge to third-party networks for reuse, tcm	7,923.5	3,518.17	3,436.52
Water discharge to surface water in oil and gas production, cu m / tce	0.00009	0.0012	0.00118
Water discharge to surface water in refining and petrochemicals, cu m / tce	1.02	1.07	0.96
Polluted flow discharge to surface water in oil and gas production, cu m / tce	0.000022	0.000021	0.000016
Polluted flow discharge, to surface water in refining and petrochemicals, cu m / tce	0.56	0.53	0.49
<b>Environmental protection expenditures, RUB bln</b>			
Environmental protection investments, including as part of production programmes with an environmental effect, RUB bln	55	57	64
Operating environmental protection expenditures, RUB bln	31.2	36.2	41.8
Environmental fines payable, RUB bln	0.18	0.08	0.03
☑ Payments to budgets of all levels related to environmental protection and sustainable use of natural resources, RUB bln	5.2	2.8	5.5
<b>HR indicators (GRI 2-7)</b>			
Headcount at year-end, thousand employees	334.6	336.2	333.7
Average headcount, thousand employees	330.5	323.9	322.5
<b>Workforce by category at year-end,% (GRI 2-7)</b>			
Blue-collar workers	51.3	50.4	49.2
White-collar workers	36.4	37.3	38.2
Managers	12.3	12.3	12.5
<b>☑ Workforce by gender at year-end,% (GRI 2-7)</b>			
Women	32.8	33	33.1
Men	67.2	67	66.9
☑ Employees with disabilities (average headcount), persons	2,035	2,309	2,811
The number of quotas for hiring people with disabilities implemented by alternative means (financing, etc.)	1,419	1,296	980
<b>Anti-corruption performance indicators</b>			
Damage identified/prevented following the review of Security Hotline calls, RUB mln	76.5	172.0	198

## Contribution to UN Sustainable Development Goals

UN Sustainable Development Goals of strategic priority	Contribution to UN SDGs in 2023
<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>protecting employee health and safety</li> <li>implementing the environmental policy</li> <li>risk and incident management</li> <li>ensuring road traffic safety</li> <li>fostering a favourable social environment</li> </ul> <ul style="list-style-type: none"> <li>Occupational illness rate at Rosneft – <b>0.01</b> (the total number of identified occupational illness cases per 1 million man-hours worked) <b>(GRI 403-10)</b></li> <li><b>0.026</b> – first level process safety event rate (the ratio of the number of process safety events that meet the PSE-1 criteria per million man-hours worked, PSER-1) <b>(GRI 11: Oil and gas (11.8))</b></li> <li><b>0.141</b> – second level process safety event rate (the ratio of the number of process safety events that meet the PSE-2 criteria per million man-hours worked, PSER-2) <b>(GRI 11: Oil and gas (11.8))</b></li> <li>Rosneft achieved a positive effect from the Control of Work concept, i.e. reduced fatal injuries at work throughout the Company. <b>(GRI 403-9)</b></li> <li>More than <b>300</b> thousand employees of Rosneft and Group Subsidiaries covered by personal insurance programmes <b>(GRI 403-6)</b></li> <li>Volume of drilling waste reduced by <b>5%</b> in 2023, with over 4.4 mmt processed <b>(GRI 306-5)</b></li> <li>RN-Lubricants continued its membership with the Association for Waste Recycling in 2023 <b>(GRI 306-2)</b></li> <li><b>1,321</b> mcm – intake of associated formation water <b>(GRI 11: Oil and gas (11.6.5))</b></li> <li><b>187.6</b> mcm – disposal of formation water, including discharge into underground reservoirs <b>(GRI 11: Oil and gas (11.6.5))</b></li> </ul>
<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>increasing energy efficiency in all operating segments</li> <li>creating conditions to improve energy efficiency when using Company products</li> <li>ensuring access to energy and reliable energy supplies to consumers, including in the emerging markets</li> <li>innovative activities</li> </ul> <ul style="list-style-type: none"> <li><b>564.4</b> million GJ – total energy consumption by the Company in 2023. <b>(GRI 302-1)</b></li> <li>Rosneft's Energy Saving Programme delivered fuel and energy savings of <b>329</b> thousand tonnes of reference fuel. <b>(GRI 302-4)</b></li> <li>Nearly RUB <b>64</b> bln – green investments <b>(GRI 11: Oil and gas (11.2))</b></li> <li>The APG utilisation rate at mature assets reached <b>92.9%</b>. <b>(GRI 11: Oil and gas (11.1))</b></li> </ul>

UN Sustainable Development Goals of strategic priority	Contribution to UN SDGs in 2023
<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<ul style="list-style-type: none"> <li>contributing to the sustainable development and diversification of the national economy</li> <li>protecting employee health and safety</li> <li>contributing to the health and safety of suppliers and contractors</li> <li>fostering a favourable social environment</li> <li>supporting family and childhood</li> <li>ensuring freedom of association and collective bargaining</li> <li>productivity growth and efficiency improvement</li> <li>using education as a means of integrating young people into the energy sector</li> <li>establishing a sustainable procurement system along the entire value chain</li> <li>increasing energy efficiency in all operating segments</li> <li>creating decent living and working conditions in remote regions</li> </ul> <ul style="list-style-type: none"> <li><b>333.7</b> thousand qualified employees<sup>1</sup>. <b>(GRI 2-7)</b></li> <li><b>1.3</b> mln man-hours in mandatory vocational and management training, which is <b>18%</b> above the target level. <b>(GRI 404-1)</b></li> <li>Over <b>22.8</b> thousand people underwent an assessment of corporate and managerial competencies. <b>(GRI 404-3)</b></li> <li>Over <b>31.9</b> thousand people underwent an assessment of professional competencies. <b>(GRI 404-3)</b></li> <li>Women account for <b>23.6%</b> of all managers, with their share among top and senior managers of the Group Subsidiaries rising to over <b>19.8%</b><sup>2</sup>. <b>(GRI 405-1)</b></li> <li><b>69.7%</b> of employees receive additional social protection under collective bargaining agreements. <b>(GRI 2-30)</b></li> <li>The certification process of the Integrated HSE Management System covers more than <b>100</b> entities which account for <b>72.5%</b> of the total headcount of all Group Subsidiaries covered by the Company's management accounting procedures. <b>(GRI 403-8)</b></li> <li>The Company operates in compliance with the laws ensuring freedom of association and rights to collective bargaining. <b>(GRI 407-1)</b></li> </ul>
<p><b>13 CLIMATE ACTION</b></p>	<ul style="list-style-type: none"> <li>managing risks related to climate change</li> <li>creating conditions to improve energy efficiency when using Company products</li> <li>increasing energy efficiency in all operating segments</li> <li>implementing the environmental policy</li> <li>innovative activities</li> </ul> <ul style="list-style-type: none"> <li>The Company implemented a number of carbon management initiatives to reduce greenhouse gas emissions vs the 2020 base. <b>(GRI 305-5)</b></li> <li>Direct GHG emissions (Scope 1) stood at <b>62.47</b> mmt of CO<sub>2</sub>-equiv. <b>(GRI 305-1)</b></li> <li>Indirect emissions (Scope 2) associated with electricity and heat procurement stood at <b>14.68</b> mmt of CO<sub>2</sub>-equiv. <b>(GRI 305-2)</b></li> <li>Methane emissions in 2023 amounted to 168.4 thousand tonnes, including fugitive emissions of 72.2 thousand tonnes</li> <li>The Company interacts with the government and expert community on developing new carbon regulations in Russia. As part of the Low-Carbon Development Strategy until 2050<sup>3</sup>, the Company took part in putting together a plan to implement the strategy. The Company also took part in discussing regulations related to the law On Limiting Greenhouse Gas Emissions, updating the Climate Doctrine of the Russian Federation and developing the carbon unit market. <b>(GRI 11: Oil and gas (11.2.4))</b></li> </ul>
<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>	<ul style="list-style-type: none"> <li>participation in global initiatives</li> <li>contributing to the sustainable development of the energy sector</li> <li>establishing effective partnership with state organisations, business, and society</li> </ul> <ul style="list-style-type: none"> <li>In 2010, Rosneft joined the UN Global Compact.</li> <li>Rosneft submitted its annual Advanced Communication on Progress (CoP), thus joining the ranks of 1,000 companies pioneering efficient sustainability disclosure.</li> <li>In 2023, the Company complied with Rosneft Key Tax Principles, a public document reflecting the long-term tax policy of Rosneft. <b>(GRI 207-1)</b></li> </ul>



For specific objectives and metrics, see [Rosneft: Contributing to Implementation of UN Sustainable Development Goals](#) on the Company's website

<sup>1</sup> Headcount as at 31 December 2023 as per the business plan.

<sup>2</sup> The share of women among top and senior managers of the Group Subsidiaries in 2021 stood at 16%.

<sup>3</sup> Adopted in pursuance of Decree of the President of the Russian Federation No. 666 On Reducing Greenhouse Gas Emissions dated 4 November 2020.

## Appendix 3. Compliance of the Report with international and national standards, guidelines, and recommendations

### GRI standards

Reporting framework	No.	Disclosure location (report section) / comment
GRI 2: General Disclosures 2021	GRI 2-1: Organisational details	Contact Details, page 260–261 Annual Report 2023, section Rosneft Operations, page 5; General information about Rosneft, page 109 <a href="#">Shareholder structure</a> The data is partially disclosed pursuant to Resolution of the Government of the Russian Federation No. 1102 On the Specifics of Disclosing and Providing Information Subject to Disclosure and Provision under the Federal Laws On Joint-Stock Companies and On the Securities Market dated 4 July 2023 (Government Resolution No. 1102)
	GRI 2-2: Entities included in the organisation's sustainability reporting	Appendix 1. About the Report, page 227 For the perimeter of data consolidation across the Group Subsidiaries for the purposes of the Sustainability Report, see the About the Report chapter
	GRI 2-3: Reporting period, frequency and contact details	Appendix 1. About the Report, page 224 Contact Details, page 260–261 1 January to 31 December 2022
	GRI 2-4: Restatements of information	Appendix 1. About the Report, page 227 The key reasons for restatements in the Report are the development and improvement of the corporate reporting framework, clarification of the indicators' boundaries and retrospective information
	GRI 2-5: External assurance	Appendix 1. About the Report, page 227 Independent Assurance Report on Rosneft's 2023 Sustainability Report, this Appendix
	GRI 2-6: Activities, value chain and other business relationships	Annual Report 2023, section Rosneft Operations, page 5; the General Information About Rosneft section, page 109 <a href="#">Operational structure</a> <a href="#">Rosneft at a glance</a> There were no significant changes in the Company's business model during the reporting period There were no significant changes in the Company's shareholding structure and supply chain
	GRI 2-7: Employees	Management Framework and Personnel Profile, page 129 Appendix 2. Key sustainability indicators, page 229, 231 The information is partially disclosed, without details of the headcount breakdown by employee type and region, pursuant to Resolution No. 1102 Headcount as at the end of 2023: 333.7 thousand employees, including: <ul style="list-style-type: none"> <li>&gt; permanent employment contract: women – 102,075, men – 212,958;</li> <li>&gt; temporary employment contract: women – 8,208, men – 10,423;</li> <li>&gt; full-time employment: women – 109,021, men – 222,905;</li> <li>&gt; part-time employment: women – 1262, men – 476.</li> </ul>
GRI 2: General Disclosures 2021 IPIECA 2020	GRI 2-9: Governance structure and composition	Sustainable Corporate Governance, page 20 Annual Report 2023, section Governance and Control Structure, page 30 <a href="#">Official website, Corporate Governance / Board of Directors section</a>
	IPIECA GOV-1: Governance approach	

Reporting framework	No.	Disclosure location (report section) / comment
GRI 2: General Disclosures 2021	GRI 2-12: Role of the highest governance body in overseeing the management of impacts	Sustainable Corporate Governance, page 22
	GRI 2-13: Delegation of responsibility for managing impacts	Sustainable Corporate Governance, page 20
	GRI 2-14: Role of the highest governance body in sustainability reporting	Appendix 1. About the Report, page 224
	GRI 2-15: Conflicts of interest	Anti-corruption and Business Ethics, page 29
	GRI 2-16: Communication of critical concerns	Anti-corruption and Business Ethics, page 31
	GRI 2-22: Statement on sustainable development strategy	Message from Rosneft's Chairman, page 4
GRI 2: General Disclosures 2021 IPIECA 2020	GRI 2-23: Policy commitments	Strategic Vision of Sustainable Development, page 16 Sustainable Corporate Governance, page 19 Anti-corruption and Business Ethics, page 29, 33
	IPIECA ENV-3: Biodiversity policy and strategy,	The Company believes it important to carry out environmental impact assessments (EIAs) to use the outcomes as a basis to develop activities aimed at minimising the Company's environmental footprint. In conducting EIAs, the Company follows the precautionary approach laid out in The Rio Declaration on Environment and Development (Principle 15. The Rio Declaration on Environment and Development, UN, 1992) Additional information is available on the Company's website at <a href="https://www.rosneft.com/Investors/Documents/">https://www.rosneft.com/Investors/Documents/</a> The Company's Policy on Sustainable Development: <a href="https://www.rosneft.com/upload/site2/document_file/development_policy_eng.pdf">https://www.rosneft.com/upload/site2/document_file/development_policy_eng.pdf</a> <a href="#">Rosneft's Code of Business and Corporate Ethics</a>
	IPIECA SHS-5: Product stewardship	
GRI 2: General Disclosures 2021	GRI 2-24: Embedding policy commitments	Sustainable Corporate Governance, page 22 Anti-corruption and Business Ethics, page 34
	GRI 2-26: Mechanisms for seeking advice and raising concerns	Anti-corruption and Business Ethics, page 31, 34
	GRI 2-27: Compliance with laws and regulations	Environmental Leadership, page 67 A number of Group Subsidiaries were issued with administrative fines for environmental non-compliance. Total fines in 2023 amounted to RUB 27.2 mln. Individual fines were insignificant
	GRI 2-29: Approach to stakeholder engagement	Stakeholders Engagement, page 36 Appendix 1. About the Report, page 224 Rosneft interacts with all stakeholder groups that have an impact on, and are impacted by, the Company's operations
GRI 2: General Disclosures 2021 IPIECA 2020	GRI 2-30: Collective bargaining agreements	Social Policy and Employee Good Health, page 161 Appendix 2. Key sustainability indicators, page 231
	IPIECA SOC-4: Site-based labour practices and worker accommodation	

**Disclosure of material topics**

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
GRI 3: Material topics 2021	GRI 3-1: Process to determine material topics		Appendix 1. About the Report, page 224
	GRI 3-2: List of material topics		Appendix 1. About the Report, page 224
<b>29. Economic performance and investment appeal (material topic)</b>			
GRI 200: Economic	GRI 201: Economic Performance 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.1: Greenhouse gas emissions 2021		
	GRI 11.14: Economic impact 2021		
	GRI 11.21: Payments to government 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.11 11.14.1 11.21.1	Supporting Social and Economic Development of the Regions, page 188, 193
IPIECA 2020	GRI 201-1: Direct economic value generated and distributed	11.14.2 11.21.2	The data is partially disclosed pursuant to Resolution No. 1102
	IPIECA SOC-13: Social investment		The components of the Direct Economic Value Generated and Distributed consolidated in accordance with IFRS are partially presented in the press release on the Company's IFRS results for 12M 2023 (see at <a href="https://www.rosneft.com/press/releases/2024/2/">https://www.rosneft.com/press/releases/2024/2/</a> )
	IPIECA GOV-4: Transparency of payments to host governments		
	GRI 201-2: Financial implications and other risks and opportunities due to climate change	11.2.2	Climate-related Threats and Opportunities, page 46
	GRI 201-3 Defined retirement plans and other benefit plans		Management Framework and Personnel Profile, page 131 Social Policy and Employee Good Health, page 158
	GRI 201-4: Financial assistance received from government	11.31.3	The Company and Group Subsidiaries make use of benefits provided for by federal tax laws. In a number of regions of operation, the Company and Group Subsidiaries use income tax benefits and corporate property tax benefits under regional laws.
<b>28. Contribution to social and economic development of regions of operation (material topic)</b>			
<b>17. Charity and volunteering (material topic)</b>			
GRI 200: Economic	GRI 203: Indirect economic impacts 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.14: Economic impacts 2021		

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.14.1	Supporting Social and Economic Development of the Regions, page 188 Volunteer Movement, page 199 Sponsorship Activities, page 202
IPIECA 2020	GRI 203-1: Infrastructure investments and services supported	11.14.4	Supporting Social and Economic Development of the Regions, page 190
	IPIECA SOC-14: Local procurement and supplier development		The data is partially disclosed pursuant to Resolution No. 1102
	GRI 203: Indirect Economic Impacts	<b>11.14.5</b>	Supporting Social and Economic Development of the Regions, page 189
<b>33. Countering corporate fraud and corruption (additional topic)</b>			
GRI 200: Economic	GRI 205: Anti-corruption efforts 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11-19: Anti-competitive behaviour 2021		
	GRI 11-20: Anti-corruption efforts 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.19.1 11.20.1	Anti-corruption and Business Ethics, page 29, 31
IPIECA 2020	GRI 205-1: Total number and percentage of operations assessed for risks related to corruption, and significant risks identified	11.20.2	In 2023, risks related to corruption were assessed on a quarterly basis at the level of the Company, businesses, and business functions (covering 100% of all units). This risk is cross-functional and affects all business processes, requiring business process owners to develop control procedures aimed at preventing it. Anti-corruption is one of the components of the Code of Business and Corporate Ethics in place at Rosneft. The Company also has the Policy on Combating Corporate Fraud and Involvement in Corruption Activities approved by resolution of Rosneft's Board of Directors dated 21 May 2018, Minutes No. 19 dated 21 May 2018, and the Regulations on Coordinating Anti-Fraud and Anti-Corruption Processes providing for the algorithm and methodology to assess the risk. To implement the above documents, the Company took action in 2023 as part of the Comprehensive Anti-Fraud and Anti-Corruption Programme
	IPIECA GOV-3: Preventing corruption		
IPIECA 2020	GRI 205-2: Communication and training about anti-corruption policies and procedures	11.20.3	Anti-corruption and Business Ethics, page 33
	IPIECA GOV-3: Preventing corruption		

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
	GRI 205-3: Confirmed incidents of corruption and actions taken IPIECA GOV-3: Preventing corruption	11.20.4	Anti-corruption and Business Ethics, page 31 In 2023, there were no confirmed cases of corruption in which the Company was held liable by the regulators. Corruption prevention is the responsibility of the Company's Security Service, Internal and Personnel Security Office, and Internal Audit Service.
<b>36. Compliance with requirements for protecting competition (additional topic)</b>			
GRI 200: Economic	GRI 206: Anti-competitive behaviour 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11-19: Anti-competitive behaviour 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.19.1	Anti-corruption and Business Ethics, pages 29, 31
	GRI 206-1: Number of legal actions against the Company regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation during the reporting period	11.19.2	2023 saw no court disputes related to the Company's alleged violations of monopoly laws that would result in court orders taking effect.
<b>4. Materials recycling and reuse (material topic)</b>			
GRI 300: Environmental	GRI 301: Materials 2016		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics IPIECA ENV-7		Sustainable Use of Resources and Circular Economy Principles, page 86
IPIECA 2020	Material Management		Waste Management and Land Remediation, page 82
	GRI 301-1: Materials used by weight or volume		Hydrocarbons (oil and gas) are the primary feedstock used by the Company in its operations. They undergo transformation as part of the Company's production processes.
	GRI 301-2: Recycled input materials used		Hydrocarbons are the Company's primary products. Since these products are predominantly sold in bulk, tracking the recycling of any packaging materials is not a significant metric for the Company's operations.

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
	GRI 301-3: Reclaimed products and their packaging materials		The vast majority of the Company's products are transported in bulk throughout their entire life cycle and do not require packaging materials.  In 2022, RN-Lubricants, representing the interests of the Company, became a member of the Association for Waste Recycling. Participation in the Association's work contributes to the implementation of the principles of a circular economy at the Company's facilities and enhances the environmental friendliness of Rosneft's production operations.
<b>1. Energy saving and energy efficiency (material topic)</b>			
GRI 300: Environmental	GRI 302: Energy 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.1: Greenhouse gas emissions 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics		Energy Saving and Energy Efficiency. Green Energy, page 172
IPIECA 2020	GRI 302-1: Energy consumption within the organisation IPIECA CCE-6: Energy use	11.1.2	Energy Saving and Energy Efficiency. Green Energy, page 172 The Group Subsidiaries use various types of fuel, above all natural and associated petroleum gas, as well as fuel oil, diesel fuel, and crude oil
IPIECA 2020	GRI 302-4: Reduction of energy consumption IPIECA CCE-6: Energy use		Strategic Targets to Prevent Climate Change, page 43, 44 Energy Saving and Energy Efficiency. Green Energy, page 173 Appendix 2. Key sustainability indicators, page 230 The amount of fuel and energy resources saved by the Company as part of the energy saving programme totalled 329 thousand tonnes of reference fuel by the end of 2023.
<b>13. Water and effluents management (additional topic)</b>			
GRI 300: Environmental	GRI 303: Water and Effluents 2018		
GRI 11: Oil and Gas Sector 2021	GRI 11-6: Water and Effluents 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.6.1	Environmental Leadership, page 62 Water Conservation, page 76
	GRI 303-1: Interactions with water as a shared resource	11.6.2	Water Conservation, page 76

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
	GRI 303-2: Management of water discharge-related impacts	11.6.3	Water Conservation, page 80
IPIECA 2020	GRI 303-3: Water withdrawal IPIECA ENV-1: Freshwater	11.6.4	Water Conservation, page 78 According to the data collection methodology, the Company discloses data on total volume of water withdrawn, including rainwater, wastewater, and produced water.
IPIECA 2020	GRI 303-4: Water discharge IPIECA ENV-2: Discharge to water	11.6.5	Water Conservation, page 80 Data shown does not include the freshwater category Appendix 2. Key Sustainability Indicators, pages 228, 229
IPIECA 2020	GRI 303-5: Water consumption IPIECA ENV-1: Freshwater	11.6.6	Water Conservation, page 78 Appendix 2. Key Sustainability Indicators, pages 228
<b>3. Biodiversity conservation (material topic)</b>			
<b>12. Land remediation (material topic)</b>			
GRI 300: Environmental	GRI 304: Biodiversity 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11-4: Biodiversity 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.4.1	Environmental Leadership, page 62 Biodiversity Conservation, page 68 Waste Management and Land Remediation, page 82

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas IPIECA ENV-4: Protected and priority areas for biodiversity conservation	11.4.2	Biodiversity Conservation, page 71, 72 Waste Management and Land Remediation, page 83 The Company does not carry out exploration in protected areas. When operating in environmentally sensitive areas and near specially protected natural areas, the Company takes all possible preventive measures to avoid environmental impacts and ensure biodiversity conservation, including in the Yamal-Nenets Autonomous Area, Krasnoyarsk Territory, Arkhangelsk Region and the Republic of Sakha. In addition, the Company's production facilities are situated near the Verkhnee Dvuobye wetlands, Yugansky Nature Reserve in the Khanty-Mansi Autonomous Region – Yugra, various protected areas in the Samara Region, including I.I. Sprygin Zhiguli State Nature Biosphere Reserve, More-Yu wildlife sanctuary, Pym-Va-Shor nature monument in the Nenets Autonomous Area, as well as wetlands of the Krasnodar Territory. The Company engages in activities related to oil and gas production, treatment and transportation in areas traditionally used by indigenous peoples of the North, and carries out retail sales of petroleum products near protected areas, including the Utrish State Nature Reserve, Losiny Ostrov National Park, Samarskaya Luka National Park, Tunkinsky and Pribaikalsky national parks, Baikal Nature Reserve, Teberda Nature Reserve, Kumysnaya Polyana park, and Vysokovsky Bor nature monument. The Company operates in full compliance with applicable laws on environment protection



Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 304-2: Nature of significant impacts of operations, products, and services on biodiversity in formally protected areas and formally designated areas of special importance or sensitivity IPIECA ENV-3: Biodiversity policy and strategy IPIECA SHS-5: Product stewardship	11.4.3	Partially disclosed. The scale of the Company's operations makes it impossible to identify all of the species affected and extent of areas impacted Rosneft's operations involve environmental protection measures, comprehensive monitoring, and have no significant impact on the environment or biodiversity. Insignificant and reversible impacts on natural ecosystems, mainly noise, are possible during exploration and disappear upon completion of works
IPIECA 2020	GRI 304-3: Habitats protected or restored IPIECA ENV-4: Protected and priority areas for biodiversity conservation	11.4.4	Waste Management and Land Remediation, page 83 Partially disclosed. The scale of the Company's operations makes it impossible to identify all of the species affected and extent of areas impacted The final phase of land remediation is the assessment of work by an independent contractor. Remediation is confirmed by acceptance certificates or records in the work performance and control register
IPIECA 2020	GRI 304-4: Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organisation, by level of extinction risk IPIECA ENV-4: Protected and priority areas for biodiversity conservation	11.4.5	Biodiversity Conservation, page 70 Species with habitats in areas affected by the Company's operations include grey whale, sperm whale, reindeer, grey heron, golden eagle, Eurasian otter, European pond turtle, sturgeon, etc. The Company analyses its impact on the above species and aims to minimise it
<b>2. Carbon management (material topic)</b>			
<b>8. Ambient air protection (additional topic)</b>			
GRI 300: Environmental	GRI 305: Emissions 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11-1: GHG emissions GRI 11-3: Air emissions		

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
GRI 3: Material topics 2021 IPIECA 2020: Climate policy and strategy	GRI 3-3: Management of material topics IPIECA CCE-4: GHG emissions	11.1.1 11.3.1	Environmental Leadership, page 62 Strategic Targets to Prevent Climate Change, page 42, 44 Reducing Air Emissions, page 74
IPIECA 2020	GRI 305-1: Direct (Scope 1) GHG emissions IPIECA CCE-4: GHG emissions	11.1.5	Achievement of Climate Goals in 2023, page 54 Appendix 2. Key sustainability indicators, page 228, 231
IPIECA 2020	GRI 305-2: Energy indirect (Scope 2) GHG emissions IPIECA CCE-4: GHG emissions	11.1.6	Achievement of Climate Goals in 2023, page 53 Appendix 2. Key sustainability indicators, page 228, 231
IPIECA 2020	GRI 305-4: GHG emissions intensity IPIECA CCE-4: GHG emissions	11.1.8	Achievement of Climate Goals in 2023, page 53 Appendix 2. Key sustainability indicators, page 228
IPIECA 2020	GRI 305-6: Emissions of ozone-depleting substances IPIECA ENV-5: Air emissions		The Company does not use ozone-depleting substances on an industrial scale
IPIECA 2020	GRI 305-7: NO <sub>x</sub> , SO <sub>x</sub> , and other air emissions IPIECA ENV-5: Air emissions	11.3.2	Reducing Air Emissions, page 74 Appendix 2. Key sustainability indicators, page 228
<b>10. Waste management (material topic)</b>			
GRI 300: Environmental	GRI 306: Effluents and Waste 2020		
GRI 11: Oil and Gas Sector 2021	GRI 11-5: Effluents and waste		
GRI 3: Material topics 2021 IPIECA 2020	GRI 3-3: Management of material topics IPIECA ENV-7: Material Management	11.5.1	Waste Management and Land Remediation, page 82 Oil Spill Risk Management, page 81
	GRI 306-1: Waste generation and waste-related impacts IPIECA ENV-7: Material Management	11.5.2	Waste Management and Land Remediation, page 84
	GRI 306-2: Management of significant waste-related impacts	11.5.3	Waste Management and Land Remediation, page 84 Appendix 2. Key sustainability indicators, page 230

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 306-3: Waste generated IPIECA ENV-6: Spills to the environment IPIECA ENV-7: Material Management	11.5.4	Waste Management and Land Remediation, page 85 Partially disclosed. No details provided on drill cuttings and waste breakdown by type The main type of waste generated by the Company is oil sludge and drill cuttings. The Company does not consolidate information on waste by hazard class and disposal method, each Group Subsidiary accounts for its own waste
	GRI 306-4: Waste diverted from disposal	11.5.5	Waste Management and Land Remediation, page 85 Partially disclosed. The process for collecting data on the waste diverted from disposal is not yet in place. The main type of waste generated by the Company is oil sludge and drill cuttings. The Company does not consolidate information on waste by hazard class and disposal method, each Group Subsidiary accounts for its own waste
IPIECA 2020	GRI 306-5: Waste directed to disposal IPIECA ENV-7: Material Management	11.5.6	Waste Management and Land Remediation, page 85 Appendix 2. Key sustainability indicators, page 230

**16. Employment (material topic)**

GRI 400: Social	GRI 401: Employment 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.10: Employment practices 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.10.1	Social Policy and Employee Good Health, page 152
	GRI 401-1: New employee hires and employee turnover IPIECA SOC-6: Workforce engagement	11.10.2	Management Framework and Personnel Profile, page 129 The data is partially disclosed pursuant to Resolution No. 1102: data on new hires and employee turnover by gender and age are not disclosed.
	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	Social Policy and Employee Good Health, page 152

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
<b>21. Personnel attraction and retention. Labour/management relations (additional topic)</b>			
GRI 400: Social	GRI 402: Labour/management relations 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11-10: Employment practices 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.10.1	Management Framework and Personnel Profile, pages 128, 130
	GRI 402-1: Minimum notice periods regarding changes in operations, including whether these are specified in collective agreements	11.10.5	The Company complies with the labour legislation, including on duly notifying the employees of significant changes
<b>15. Health and safety (material topic)</b>			
GRI 400: Social	GRI 403: Occupational health and safety 2018		
GRI 11: Oil and Gas Sector 2021	GRI 11-9: Occupational health and safety 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.9.1	HSE Management, page 94, 95 Transportation Safety, page 115
	GRI 403-1: Occupational health and safety management system	11.9.2	HSE Management, page 97
	GRI 403-2: Hazard identification, risk assessment, and incident investigation	11.9.3	HSE Management, page 99, 100 Occupational Safety, page 101, 102, 107
	GRI 403-3: Occupational health services	11.9.4	Social Policy and Employee Good Health, page 153

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 403-4: Workers covered by an occupational health and safety management system IPIECA SHS-1: Safety, health and security engagement IPIECA SHS-2: Workforce and community health IPIECA SHS-3: Occupational injury and illness incidents IPIECA SOC-6: Workforce engagement	11.9.5	HSE Management, page 95, 96
	GRI 403-5: Worker training on occupational health and safety	11.9.6	HSE Management, page 98 Occupational Safety, page 104
	GRI 403-6: Promotion of worker health	11.9.7	Social Policy and Employee Good Health, page 155
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	11.9.8	Occupational Safety, page 102
	GRI 403-8: Workers covered	11.9.9	HSE Management, page 98 Appendix 2. Key sustainability indicators, page 231
IPIECA 2020	GRI 403-9: Work-related injuries IPIECA SHS-3: Occupational injury and illness incidents	11.9.10	Occupational Safety, page 106 Appendix 2. Key sustainability indicators, page 230 The Company discloses severe injuries as defined by applicable local regulations. Data on permanent disability injuries are not collected due to the limitations of the existing data collection system. Data on the number of man-hours worked is verified in the course of audits
	GRI 403-10: Work-related illness IPIECA SHS-3: Occupational injury and illness incidents	11.9.11	Occupational Safety, page 106 Appendix 2. Key sustainability indicators, page 230

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
<b>18. Training and professional development (material topic)</b>			
GRI 400: Social	GRI 404: Training and education 2016		
GRI 11.10: Employment practices 2021	GRI 11: Oil and Gas Sector 2021 GRI 11.11 Non-discrimination and equal opportunity		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.10.1 11.11.1	Personnel Training and Development, page 132
IPIECA 2020	GRI 404-1: Average hours of training per year per employee by gender and category IPIECA SOC-6 Workforce engagement	11.10.6 11.11.4	Personnel Training and Development, page 133 Appendix 2. Key sustainability indicators, page 231 The average training hours per employee for the year was 68 hours per person, for managers – 4,297 hours per person, white-collar employees – 4,980, blue-collar employees – 13,578; for men – 18,496, for women – 4,359 in 2023
IPIECA 2020	GRI 404-2: Programmes for lifelong skill and educational development IPIECA SOC-6: Workforce engagement	11.10.7	Personnel Training and Development, page 135, 137
IPIECA 2020	GRI 404-3: Percentage of employees receiving regular performance and career development reviews IPIECA SOC-6: Workforce engagement		Personnel Training and Development, page 139 Appendix 2. Key sustainability indicators, page 231 Partially disclosed. The Report presents data on the total number of employees subject to reviews. The Company currently does not collect any evaluation data by category or gender In total, 22.8 thousand employees within the Company's perimeter underwent the assessment of corporate and managerial competences, and more than 31.9 thousand employees – professional and technical assessment in 2023
<b>24. Human rights protection, including diversity, equal opportunity, non-discrimination and inclusion (additional topic)</b>			
GRI 400: Social	GRI 405: Diversity and equal opportunity 2016 GRI 406: Non-discrimination 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.11: Non-discrimination and equal opportunity 2021		

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.11.1	Management Framework and Personnel Profile, page 128  Anti-corruption and Business Ethics, page 34
	GRI 405-1: Diversity of governance bodies and key categories of employees	11.11.5	Management Framework and Personnel Profile, page 129 Appendix 2. Key sustainability indicators, page 231 The information is partially disclosed, without details of the breakdown of senior management by gender and age, pursuant to, pursuant to Resolution No. 1102 The Company complies with Russian laws on the protection of the disabled rights when it comes to meeting the established disabled quotas. We employ 2,811 disabled employees, who enjoy equal access to education. The number of quotas for hiring people with disabilities implemented by alternative means (financing, etc.) was 980. At the same time, taking into account the nature of its operations and a high share of hazardous or dangerous jobs according to the special assessment of working conditions, the Company also pays compensations to the disabled employment promotion fund as provided for by regional laws
	GRI 406-1: Total incidents of discrimination and corrective actions taken	11.11.7	The Company identified no incidents of discrimination in the reporting period
<b>25. Freedom of association and collective bargaining (additional topic)</b>			
GRI 400: Social	GRI 407: Freedom of association and collective bargaining GRI 410: Security practices 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.13: Freedom of association and collective bargaining 2021 GRI 11-18: Conflict and security		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.13.1 11.18.1	Social Policy and Employee Good Health, pages 152, 161  Anti-corruption and Business Ethics, page 34

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 407-1: Identified units and suppliers that could be violating freedom of association and rights to collective bargaining or that have a significant risk of such violations, as well as measures taken to protect these rights IPIECA SOC-8: Workforce non-retaliation and grievance mechanisms	11.13.2	The Company operates in compliance with the laws ensuring freedom of association and rights to collective bargaining. Rosneft has no information about units or suppliers that could be violating these rights  In employment disputes, the Company operates in compliance with labour laws. Rosneft is committed to resolving all employment disputes through negotiations
GRI 400: Social	GRI 410: Security practices 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.18: Conflict and security		
	GRI 410-1: Percentage of security personnel trained in the human rights policies or procedures	11.18.2	Anti-corruption and Business Ethics, page 33 All security personnel, as well as personnel of security service providers took training in human rights policies and procedures in 2023
<b>20. Interaction with local communities and indigenous minorities (additional topic)</b>			
GRI 400: Social	GRI 411: Rights of indigenous peoples 2016 GRI 413: Local communities 2016		
GRI 11: Oil and Gas Sector 2021	GRI 11.15: Local communities 2021 GRI 11.16: Land and resource rights 2021 GRI 11.17: Rights of indigenous peoples 2021		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.15.1 11.16.1	Support for Indigenous Peoples of the North, page 196
IPIECA 2020	IPIECA SOC-10: Engagement with Indigenous peoples	11.17.1	Supporting Social and Economic Development of the Regions, page 188 Support for Projects to Develop Domestic Tourism, page 193 The Company may require temporary or permanent access to areas where people live or work. The Company seeks to avoid relocating local residents unless absolutely necessary, in which case the Company provides required assistance to local communities

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
IPIECA 2020	GRI 411-1: Total number of identified incidents of violations involving the rights of indigenous minorities and actions taken IPIECA SOC-10: Engagement with Indigenous peoples	11.17.2	The Company operates in some oil and gas producing regions where indigenous communities are present. In all these regions, the Company runs programmes to engage with, and provide support to, such communities. The Company operates in compliance with the laws prohibiting any forms of human rights violation. In 2023, no incidents of violations of indigenous peoples rights were identified in the Company
	GRI 413-1: Operations with local community engagement, impact assessments, and development programs IPIECA SOC-9: Local community impacts and engagement IPIECA SOC-10: Engagement with Indigenous peoples IPIECA SOC-11: Land acquisition and involuntary resettlement IPIECA SOC-13: Social investment IPIECA SOC-14: Local procurement and supplier development	11.15.2	Due to the Company's scale and the complexity of operations, no system has been implemented to collect information on the number of divisions that carry out procedures related to stakeholder engagement and community impact assessment. The Company implements procedures for stakeholder engagement and community impact assessment and management in the key regions of Company operations, including when developing new projects. Such approaches affect the absolute majority of the Company's operations
<b>7. APG management (additional topic)</b>			
GRI 11: Oil and Gas Sector 2021	GRI 11.1: GHG emissions		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.1.1	Achievement of Climate Goals in 2023, page 53, 54
<b>6. Prevention of and response to oil spills (additional topic)</b>			
GRI 11: Oil and Gas Sector 2021	GRI 11.8: Asset integrity and emergency risk management		
GRI 3: Material topics 2021 IPIECA 2020	GRI 3-3: Management of material topics IPIECA ENV-6: Spills to the environment	11.8.1	Oil Spill Risk Management, page 81
<b>29. Development of R&amp;D capabilities and innovations, including those related to combating climate change (material topic)</b>			
GRI 11: Oil and Gas Sector 2021	GRI 11.2: Climate adaptation, resilience, and transition		

Reporting framework	No.	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section) / comment
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.2.1	Development of R&D capabilities, page 175 Innovation Management, page 164 Digital Transformation. Cybersecurity, page 168
<b>29. Contribution to Russia's technological sovereignty. In-house research and development (additional topic)</b>			
GRI 3: Material topics 2021	GRI 3-3: Management of material topics		Localisation and Contribution to Russia's Technological Sovereignty, page 177 Scientific Research in the Russian Arctic, page 182
<b>32. National projects and goals and UN SDGs (additional topic)</b>			
GRI 3: Material topics 2021	GRI 3-3: Management of material topics		Strategically important UN Sustainable Development Goals and the Company's contribution to Russia's national projects, page 6-9 Supporting Social and Economic Development of the Regions, page 189
<b>32. Emergency preparedness (additional topic)</b>			
GRI 11: Oil and Gas Sector 2021	GRI 11.8: Asset integrity and emergency risk management		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.8.1	Safety of Production Facilities, page 108 Emergency Prevention, page 122
	PSER integrity indicators (Tiers 1 and 2)	11.8.3	Safety of Production Facilities, page 108
<b>5. Asset integrity (additional topic)</b>			
GRI 11: Oil and Gas Sector 2021	GRI 11.18: Conflict and security		
GRI 3: Material topics 2021	GRI 3-3: Management of material topics	11.18.1	Safety of Production Facilities, page 108

## TCFD and GRI standards: climate-related disclosures

### Reporting framework

GRI 11: Oil and Gas Sector 2021	Topic 11.2. Climate adaptation, resilience, and transition
Task Force on Climate-Related Financial Disclosures, TCFD	Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

Category	TCFD disclosure	Number of disclosure in GRI 11: Oil and Gas Sector 2021 Standard	Disclosure location (report section)
Governance	a) The Board of Director's position on climate-related risks and opportunities	11.2.1	Strategic Vision of Sustainable Development, page 16 Strategic Targets to Prevent Climate Change, page 42
	b) Management role in assessing and managing climate-related risks and opportunities	11.2.1	Sustainable Corporate Governance, page 22 Risk Management System and Sustainability Risks, page 25 Strategic Targets to Prevent Climate Change, page 44
Strategy	a) Short-, medium- and long-term climate-related risks and opportunities identified by the Company	11.2.1	Risk Management System and Sustainability Risks, page 25, 28 Strategic Targets to Prevent Climate Change, page 46
	b) The impact of climate-related risks and opportunities on the Company's business, strategy and financial planning		Risk Management System and Sustainability Risks, page 25, 28 Strategic Targets to Prevent Climate Change, page 46 Energy Transition, page 50
Risk management	a) Processes to identify and assess climate-related risks	11.2.1	Risk Management System and Sustainability Risks, page 25, 28
	b) Processes to manage climate-related risks	11.2.1	Risk Management System and Sustainability Risks, page 25, 28 Strategic Targets to Prevent Climate Change, page 46
	c) Integration of processes to identify, assess, and manage climate-related risks into a unified Company risk management process	11.2.1	Risk Management System and Sustainability Risks, page 25 Strategic Targets to Prevent Climate Change, page 42, 44 Emergency Prevention, page 123
Targets and indicators	a) Targets used by the Company to assess associated risks and opportunities in accordance with the risk management strategy and process	11.2.3	Strategic Vision of Sustainable Development, page 16 Water Conservation, page 76 Waste Management and Land Remediation, page 82
	b) Scope 1 and Scope 2 greenhouse gas emissions and associated risks	11.2.3	Achievement of Climate Goals in 2023, page 53
	c) Targets used by the Company to manage climate-related risks and opportunities and their consequences	11.2.3	Strategically important UN Goals and the Company's contribution to Russia's national projects, page 6–9 Strategic Targets to Prevent Climate Change, page 42 Achievement of Climate Goals in 2023, page 54 Environmental Leadership, page 62

**SASB**

Topic	Metric code	Disclosure: ● full ● partial	Metric	Disclosure location (report section) / comment
<b>Oil &amp; Gas – Exploration &amp; Production</b>				
Greenhouse Gas Emissions	EM-EP-110a.1	●	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Achievement of Climate Goals in 2023, page 53 Percentage of methane in greenhouse gas emissions (Scope 1) – 6.737% Not applicable in terms of disclosing the percentage covered under emissions-limiting regulations.
	EM-EP-110a.2	●	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Achievement of Climate Goals in 2023, page 53
	EM-EP-110a.3	●	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Strategic Vision of Sustainable Development, page 16 Achievement of Climate Goals in 2023, page 53
Air Quality	EM-EP-120a.1	●	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Reducing Air Emissions, page 74
Water Management	EM-EP-140a.1	●	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Water Conservation, page 76, 78 Most of the Company's operations are carried out in regions with sufficient water resources, though some international operations are in regions with a certain degree of water stress, as classified by the Aqueduct programme. The Company takes steps to ensure sustainable use of water resources across all its regions of operation, whether water scarce or not.

Topic	Metric code	Disclosure: ● full ● partial	Metric	Disclosure location (report section) / comment
Biodiversity Impacts	EM-EP-160a.1	●	Description of environmental management policies and practices for active sites	Environmental Leadership, page 62
Security, Human Rights & Rights of Indigenous Peoples	EM-EP-210a.3	●	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Support for Indigenous Peoples of the North, page 196 Anti-corruption and Business Ethics, page 34
	EM-EP-210b.1	●	Discussion of process to manage risks and opportunities associated with community rights and interests	Risk Management System and Sustainability Risks, page 28
Workforce Health & Safety	EM-EP-320a.1	●	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) direct employees, (b) contract employees, and (c) part-time employees	Occupational Safety, page 106
	EM-EP-320a.2	●	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Occupational Safety, page 94, 97 Employee Training in Emergency Response, page 125
Business Ethics & Transparency	EM-EP-510a.2	●	Description of the management system for prevention of corruption and bribery throughout the value chain	Anti-corruption and Business Ethics, page 29, 31
Management of the Legal & Regulatory Environment	EM-EP-530a.1	●	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Achievement of Climate Goals in 2023, page 57 Sustainable Use of Resources and Circular Economy Principles, page 86 Risk Management System and Sustainability Risks, page 24
Critical Incident Risk Management	EM-EP-540a.1	●	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Safety of Production Processes, page 108
	EM-EP-540a.2	●	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Risk Management System and Sustainability Risks, page 24
Activity Metrics	EM-EP-000.A	●	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas per day	Daily hydrocarbon production – 5.5 mmbœ per day

Topic	Metric code	Disclosure: ● full ○ partial	Metric	Disclosure location (report section) / comment
<b>Oil &amp; Gas – Midstream</b>				
Greenhouse Gas Emissions	EM-MD-110a.1	○	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Achievement of Climate Goals in 2023, page 53 Percentage of methane in greenhouse gas emissions (Scope 1) – 6.737% Not applicable in terms of disclosing the percentage covered under emissions-limiting regulations.
	EM-MD-110a.2	●	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Strategic Vision of Sustainable Development, page 16 Achievement of Climate Goals in 2023, page 53
Air Quality	EM-MD-120a.1	●	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Reducing Air Emissions, page 74
Ecological Impacts	EM-MD-160a.1	●	Description of environmental management policies and practices for active operations	Environmental Leadership, page 62
	EM-MD-160a.3	○	Terrestrial land area disturbed, percentage of impacted area restored	Waste Management and Land Remediation, page 83
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.4	●	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	HSE Management, page 94, 97 Employee Training in Emergency Response, page 125
<b>Oil &amp; Gas – Refining &amp; Marketing</b>				
Greenhouse Gas Emissions	EM-RM-110a.1	●	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Achievement of Climate Goals in 2023, page 53 Not applicable in terms of disclosing the percentage covered under emissions-limiting regulations.
	EM-RM-110a.2	●	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Strategic Vision of Sustainable Development, page 16 Achievement of Climate Goals in 2023, page 53

Topic	Metric code	Disclosure: ● full ○ partial	Metric	Disclosure location (report section) / comment
Air Quality	EM-RM-120a.1	○	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM10), (4) H <sub>2</sub> S, and (5) volatile organic compounds (VOCs)	HSE Management, page 74
Water Management	EM-RM-140a.1	○	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	HSE Management, page 76, 78 Most of the Company's operations are carried out in regions with sufficient water resources, though some international operations are in regions with a certain degree of water stress, as classified by the Aqueduct programme. The Company takes steps to ensure sustainable use of water resources across all its regions of operation, whether water scarce or not.
	EM-RM-320a.1	○	1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Occupational Safety, page 106
Workforce Health & Safety	EM-RM-320a.2	●	Discussion of management systems used to integrate a culture of safety	HSE Management, page 94, 97 Employee Training in Emergency Response, page 125
	EM-RM-520a.1	○	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	2023 saw no court disputes related to the Company's alleged violations of monopoly laws that would result in court orders taking effect.
Pricing Integrity & Transparency	EM-RM-520a.1	○	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	2023 saw no court disputes related to the Company's alleged violations of monopoly laws that would result in court orders taking effect.
Management of the Legal & Regulatory Environment	EM-RM-530a.1	●	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Achievement of Climate Goals in 2023, page 57 Sustainable Use of Resources and Circular Economy Principles, page 86 Risk Management System and Sustainability Risks, page 24



Topic	Metric code	Disclosure: ● full ◐ partial	Metric	Disclosure location (report section) / comment
Critical Incident Risk Management	EM-RM-540a.1	●	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Safety of Production Processes, page 108
Activity Metrics	EM-RM-000.A	●	Refining throughput of crude oil and other feedstocks	Refining throughput of crude oil in Russia in 2023 – 88.0 mmt
<b>Oil &amp; Gas – Services</b>				
Emissions Reduction Services & Fuels Management	EM-SV-110a.1	◐	Total fuel consumed, percentage renewable, percentage used in: (1) onroad equipment and vehicles and (2) offroad equipment	Energy Saving and Energy Efficiency. Green Energy, page 172
	EM-SV-110a.2	●	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	Strategic Targets to Prevent Climate Change, page 46 Reducing Air Emissions, page 74
Water Management Services	EM-SV-140a.1	●	(1) Total volume of water handled in operations, (2) percentage recycled	Water Conservation, page 76, 78, 79
	EM-SV-140a.2	◐	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts	Water Conservation, page 76
Ecological Impact Management	EM-SV-160a.2	◐	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Environmental Leadership, page 62 Risk Management System and Sustainability Risks, page 25

Topic	Metric code	Disclosure: ● full ◐ partial	Metric	Disclosure location (report section) / comment
Workforce Health & Safety	EM-SV-320a.1	◐	1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) direct employees, (b) contract employees, and (c) part-time employees	HSE Management, page 106
	EM-SV-320a.2	●	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	HSE Management, page 94, 97 Employee Training in Emergency Response, page 125
Business Ethics & Payments Transparency	EM-SV-510a.2	●	Description of the management system for prevention of corruption and bribery throughout the value chain	Anti-corruption and Business Ethics, page 29
Management of the Legal & Regulatory Environment	EM-SV-530a.1	●	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Achievement of Climate Goals in 2023, page 57 Sustainable Use of Resources and Circular Economy Principles, page 86 Risk Management System and Sustainability Risks, page 24
Critical Incident Risk Management	EM-SV-540a.1	●	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Risk Management System and Sustainability Risks, page 24
	EM-SV-000.C	●	Total amount of drilling performed	Total amount of drilling performed in 2023 – 12.0 mln m
	EM-SV-000.D	●	Total number of hours worked by all employees	Total number of hours worked by all employees in 2023 – 432,466,265.5 hours

## UNCTAD

Area	Metric	Disclosure location (report section) / comment
Economic area	A.3.1. Green investment	Environmental Leadership, page 67
Environmental area	A.3.2. Community investment	Social Policy and Employee Good Health, page 153
	A.3.3. Total expenditures on research and development	Innovation Management, page 164
	A.4.1. Share of local procurement	Supplier and Contractor Relationship Management, page 219
	B.1.1. Water recycling and reuse	Water Conservation, page 79
	B.1.3. Water stress	Water Conservation, page 76
	B.2.1. Reduction of waste generation	Waste Management and Land Remediation, page 85
	B.2.2. Waste reused, re-manufactured and recycled	Waste Management and Land Remediation, page 85
	B.3.1. Greenhouse gas emissions (scope 1)	Achievement of Climate Goals in 2023, page 53
	B.3.2. Greenhouse gas emissions (scope 2)	Achievement of Climate Goals in 2023, page 53
	B.4.1. Ozone-depleting substances and chemicals	The Company does not use ozone-depleting substances on an industrial scale.
B.5.1. Renewable energy	Currently, the volume of generated renewable energy accounts for an insignificant part of total energy volume	
Social area	C.1.1. Proportion of women in managerial positions	Management Framework and Personnel Profile, page 129
	C.2.1. Average hours of training per year per employee	Personnel Training and Development, page 133
	C.3.2. Frequency/incident rates of occupational injuries	Occupational Safety, page 106
	C.4.1. Percentage of employees covered by collective agreements	Social Policy and Employee Good Health, page 161
Corporate governance	D.1.1. Number of Board meetings and attendance rate	Sustainable Corporate Governance, page 22
	D.2.1. Amount of fines paid or payable due to settlements	Anti-corruption and Business Ethics, page 31

## UN Global Compact Principles

Area	Principle	Disclosure location (report section)
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Anti-corruption and Business Ethics, page 29–35 Social Policy and Employee Good Health, page 152–161
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Supplier and Contractor Relationship Management, page 216–219
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Management Framework and Personnel Profile, page 128–131 Social Policy and Employee Good Health, page 152–161
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Supplier and Contractor Relationship Management, page 216–219
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	Chapter 2. Climate Action and Carbon Management, page 40–59
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Chapter 3. Protecting the Environment for Future Generations, page 60–91 Chapter 4. Ensuring Occupational Health and Safety, page 92–125
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Scientific Research in the Russian Arctic, page 182–185
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Anti-corruption and Business Ethics, page 29–35

### Methodological recommendations of the Russian Ministry of Economic Development for preparing sustainability reports<sup>1</sup>

No.	Indicator	Value
<b>Economic</b>		
1	Revenue (indicator equivalent to revenue)	Revenue and equity share in profits of associates and joint ventures: RUB 9,163,000,000,000
2	Added value	RUB 8,488,000,000,000
3	Net added value	RUB 7,719,000,000,000
4	Total expenditures on research and development	Partially disclosed. In 2023, environmental R&D expenses, including targeted innovative projects, amounted to RUB 316,417,700.
5	Labour productivity	Not disclosed
6	Total mandatory payments accrued (net of fines and penalties), including: <ul style="list-style-type: none"> <li>› taxes and charges</li> <li>› insurance contributions</li> <li>› other mandatory payments</li> </ul>	Not disclosed
7	Total mandatory payments paid (net of fines and penalties), including: <ul style="list-style-type: none"> <li>› taxes and charges</li> <li>› insurance contributions</li> <li>› other mandatory payments</li> </ul>	Partially disclosed. Total taxes and charges accrued amount to RUB 3,156,000,000,000
8	Percentage of domestic goods, works and services in total procurement of goods, works and services	Ratio of goods, works and services procured from Russian suppliers and manufacturers to the total procurement is not disclosed.  The share of imports in total supplies of materials/equipment does not exceed 5%
9	Percentage of goods, works and services procured from small and medium enterprises in the total procurement from Russian entities	Group Subsidiaries annually achieve their targets for procurement from SMEs, with the specific share not disclosed.
10	Sustainable (including green) investments	Partially disclosed. In 2023, investments in fixed assets for environmental protection (green investments) amounted to RUB 63,957,600,000
11	Investments in projects designed to ensure the technological sovereignty of Russia and structural adaptation of its economy	Not disclosed
12	Economic exposure of business and other operations to climate risks	Not disclosed
<b>Environmental</b>		
13	Use of water from all sources	1,641,300,000 cu m of water used from all sources
14	Recycled and reused water	2,192,000,000 cu m of water recycled and reused; Share of water used for production needs: 92.6
15	Total discharge of polluted effluents (including without prior treatment)	Water discharge to the environment: 277,635,000 cu m Discharge of polluted and insufficiently treated effluents – 57,812,000 cu m
16	Water use efficiency (per unit water consumption)	Not disclosed
17	Total generation of class I–V waste, including: <ul style="list-style-type: none"> <li>› Class I</li> <li>› Class II</li> <li>› Class III</li> <li>› Class IV</li> <li>› Class V</li> </ul>	Waste generated and accepted (from third-party organisations) as at the year end – 6,683,000  Breakdown of waste generation by hazard classes is not disclosed

<sup>1</sup> Approved by Order of the Russian Ministry of Economic Development No. 764 dated 1 November 2023

No.	Indicator	Value
18	Management of hazard class I–V waste, including by category: <ul style="list-style-type: none"> <li>› disposed waste</li> <li>› neutralised waste</li> <li>› buried waste</li> <li>› reused waste</li> <li>› recycled waste</li> <li>› reduction of waste generation</li> </ul>	6,037 kt of waste disposed of (used) and neutralised as at the year end  The volume of reused and recycled waste and the data on reduction of waste generation are not disclosed
19	Air pollutant emissions from stationary sources	Total air pollutant emissions: 1,339 kt  For more details on emissions of key pollutants, see the Reducing Air Emissions section
20	GHG emissions	Direct emissions (Scope 1): 62.47 mmt of CO <sub>2</sub> -equiv. Indirect emissions (Scope 2): 14.68 mmt of CO <sub>2</sub> -equiv.
21	Total environmental protection expenditures, including: <ul style="list-style-type: none"> <li>› ambient air protection</li> <li>› climate change prevention</li> <li>› collection and treatment of wastewater</li> <li>› waste management</li> <li>› biodiversity conservation</li> <li>› protection of natural areas</li> </ul>	Partially disclosed. Environmental protection expenditures currently stand at RUB 41,766,302,000
22	Consumption of renewable and low-carbon energy	Total consumption of renewable and non-renewable energy sources (process fuel): 281.6 million GJ  Consumption of renewable and low-carbon energy and its share in total consumption are not disclosed
23	Energy efficiency: energy consumption per unit of net added value	Not disclosed
<b>Social</b>		
24	Total payroll expenses	Not disclosed
25	Average headcount, including people with disabilities	Average headcount: 322,479 people Employees with disabilities: 2,811 people
26	Average salary, including with a breakdown by: <ul style="list-style-type: none"> <li>› group of occupation</li> <li>› gender</li> <li>› age range</li> </ul>	Not disclosed
27	Total expenditures on occupational safety, including average per employee	Average expenditures on occupational safety per employee are not disclosed  Occupational health, process safety, well control and fire safety costs: RUB 54,507,000,000
28	Expenditures on organising and holding social, fitness, recreational and healthcare events for employees and their families	Not disclosed
29	Occupational injuries involving lost time of one business day or more and fatalities, including fatalities	The number of occupational injuries involving lost time of one business day or more stood at 768, including 20 fatalities
30	Total expenditures on employee training, including average per employee	
31	Average hours of training per employee per year by group of occupation	Average hours of training by group of occupation are not disclosed.  Average duration of training per employee per year: 68 man-hours
32	Percentage of employees covered by collective bargaining agreements	Collective bargaining agreements apply collectively to ~70% of the Company's total headcount
33	Turnover rate	Turnover rate stood at 14.5%

No.	Indicator	Value
34	Total expenditures on social programmes not aimed at employees and their families, including those related to благотворительных <ul style="list-style-type: none"> <li>› charity</li> <li>› housing</li> <li>› healthcare</li> <li>› education</li> <li>› supporting individuals in need of social assistance</li> </ul>	Not disclosed
<b>Governance</b>		
35	Availability of sustainable development policy and/or other strategic documents in this field	The Company has approved a number of documents: <ul style="list-style-type: none"> <li>› Rosneft-2030: Reliable Energy and Global Energy Transition Strategy,</li> <li>› Sustainability Policy,</li> <li>› <a href="#">Company Policy on Health, Safety and Environmental Protection, and others.</a></li> </ul>
36	Number and attendance rate of Board meetings	20 meetings
37	Total number of Board members, including by age range	Number of Board members by age range is not disclosed Number of members of the Board of Directors: 11 Number of independent directors on the Board: 5
38	Number and attendance rate of Audit Committee meetings	Not disclosed
39	Participation in ESG indices and ratings	Strategic Vision of Sustainable Development, page XX
40	Recorded violations of the rights of indigenous minorities in the Russian Federation	In 2023, no violations of indigenous minority rights were identified
41	Percentage of employees in positions with high corruption risk	Not disclosed
42	Average hours of training on anti-corruption issues per employee	Average hours of training on anti-corruption per employee are not disclosed  The Company rolled out 17,000 man-courses on business ethics and prevention of corporate fraud and corruption activities.
43	Cases in which the organisation, its subsidiaries and affiliates were held administratively liable for corruption offences	Not disclosed
44	Percentage of female managers in the total number of managers, including on the Board of Directors (Supervisory Board)	Percentage of female managers as at the end of 2023: 23.6%  The share of women among top and senior managers of the Group Subsidiaries stood at 19.8%  As at the end of 2023, there were no women on the Board of Directors.

## Appendix 4. Abbreviations

<b>APG</b>	Associated petroleum gas
<b>API</b>	American Petroleum Institute
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method
<b>CNG</b>	Compressed natural gas
<b>CNPC</b>	China National Petroleum Corporation
<b>CUTR</b>	Technical regulations of the Customs Union
<b>EMERCOM</b>	Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters
<b>FAR</b>	Fatal Accident Rate, the ratio of the total number of the Company's work-related fatalities to 100 mln man-hours worked.
<b>FEC</b>	Fuel and energy complex
<b>HSE</b>	Health, safety and environment
<b>HSE IMS</b>	Integrated Health, Safety and Environment Management System
<b>IFRS</b>	International Financial Reporting Standards
<b>IPIECA</b>	International Petroleum Industry Environmental Conservation Association
<b>ISO</b>	International Organisation for Standardisation
<b>ITUO</b>	Interregional Trade Union Organisation
<b>KPI</b>	Key performance indicators
<b>LTIF</b>	Lost Time Injury Frequency, number of lost-time work-related injuries (including fatalities) of the Company's employees to 1 mln man-hours worked
<b>NPF Evolution</b>	Non-State Pension Fund Evolution
<b>OHS</b>	Occupational health and safety
<b>PPE</b>	Personal protective equipment
<b>R&amp;D</b>	Research and development
<b>RES</b>	Renewable energy sources
<b>RN-TsIR</b>	Rosneft United Research and Development Centre
<b>Rosleskhoz</b>	Federal Forestry Agency
<b>Rosprirodnadzor</b>	Federal Service for Supervision of Natural Resources
<b>Rostekhnadzor</b>	Federal Environmental, Industrial and Nuclear Supervision Service of Russia
<b>RSChS</b>	Single State Disaster Management System

<b>APG</b>	Associated petroleum gas
<b>RSPP</b>	Russian Union of Industrialists and Entrepreneurs
<b>RTAF</b>	Road Traffic Accident Frequency, the ratio of the total number of road traffic accidents to the number of kilometres run by the vehicles in Group Subsidiaries normalised to 1 mln kilometres
<b>SME</b>	Small and medium-sized enterprises
<b>TRIR</b>	Total Recordable Incident Rate
<b>UAV</b>	Unmanned aerial vehicle
<b>UN</b>	United Nations
<b>UN SDGs</b>	Sustainable Development Goals of the United Nations
<b>VHI</b>	Voluntary health insurance

### Units of measurement

<b>bln</b>	billion
<b>CO<sub>2</sub>-equivalent, CO<sub>2</sub>-equiv.</b>	Greenhouse gas emissions as carbon dioxide equivalent (over a 100 year horizon)
<b>cu m</b>	cubic metre
<b>ha</b>	hectare
<b>kg</b>	kilogramme
<b>km</b>	kilometre
<b>mln</b>	million
<b>RUB</b>	rouble
<b>sq m</b>	square metre
<b>t</b>	tonne
<b>tce</b>	tonne of coal equivalent
<b>th.</b>	thousand
<b>toe</b>	tonne of oil equivalent
<b>trln</b>	trillion

# Contact details

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