

CONTRIBUTING TO IMPLEMENTATION OF THE UN SUSTAINABLE DEVELOPMENT GOALS



ROSNEFT

3 GOOD HEALTH
AND WELL-BEING



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS





IGOR IVANOVICH SECHIN

Chairman of the Management Board,
Chief Executive Officer of Rosneft Oil Company



As a responsible hydrocarbon producer and a participant of the global energy market, Rosneft has a strong focus on the prudent use of natural resources. To minimize its environmental footprint, the Company implements large-scale environmental projects, develops and applies state-of-the-art green technologies and upgrades its refining facilities.

Consistent with its Strategy "Rosneft-2030", the Company aims to achieve operational carbon neutrality by 2050. Rosneft expects to achieve carbon neutrality by reducing emissions, employing low-carbon energy generation, developing energy saving solutions and other activities.

As part of the strategy implementation, Rosneft continues developing its human capital and promoting the socio-economic development of the regions

of Company operations. In 2023, Rosneft's resilient business model together continuous effort to improve efficiency and ramp up its production capacity has enabled the Company to avoid dependence on negative factors of external environment, set its work priorities and accomplish its goals. This is proved by Rosneft's strong operating performance and robust financial results, as well as achievements in the field of natural resources restoration and ecosystem protection, and implementation of circular economy principles.

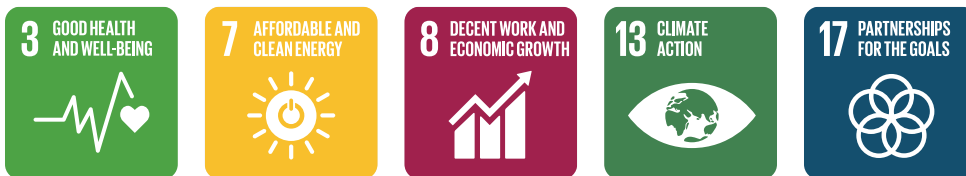
Rosneft is consistently committed to the principles of high corporate social responsibility. To inform and develop dialog with its stakeholders, the Company annually publishes the Sustainability Report and the Public statement on its commitment to the UN Sustainable Development Goals.

THE ROSNEFT-2030 STRATEGY

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

The Board of Directors of Rosneft Oil Company² approved strategic guidelines and Public statement "Rosneft: contributing to implementation of the UN Sustainable Development Goals".

Sustainable Development Goals of Strategic Priority



Sustainable Development Goals integrated in current operations



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

The Company has achieved a high level of corporate governance, and has been putting consistent effort into its improvement by, promoting the use of best practices, principles and standards of responsible business conduct and sustainable development. [The strategy "Rosneft-2030: Reliable Energy and Global Energy Transition"](#) prioritizes the reduction of the carbon footprint, operational leadership and increased efficiency. Rosneft's strategic vision is to remain a reliable producer of energy resources while minimizing its environmental impact.

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

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

[The Board of Directors of Rosneft Oil Company approved the following UN SDGs of strategic priority](#) for its core businesses:

- good health and well-being ;
- affordable and clean energy ;
- decent work and economic growth ;
- climate action ;
- partnerships for the goals.

The Company directly contributes to achieving the UN goals not only as part of its core operations, but also by supporting and participating in various projects and initiatives aimed at improving living standards in the regions of Company operations, as well as developing public health services, science and education, culture and environment protection.

The Company's mission, values, guidelines and strategic principles are aligned with the UN Sustainable Development Goals and the National projects of the Russian Federation. The Company's management on an ongoing basis identifies and assesses risks that may affect the achievement of the strategy's objectives, and develops risk management measures³.

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

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

³ The Company's direct impact on stakeholders.

GOOD HEALTH AND WELL-BEING

3 GOOD HEALTH AND WELL-BEING



ЗДРАВООХРАНЕ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ *

ЖИЛЬЕ
И ГОРОДСКАЯ СРЕДА
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

БЕЗОПАСНЫЕ
КАЧЕСТВЕННЫЕ ДОРОГИ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

ЭКОЛОГИЯ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

НАУКА
И УНИВЕРСИТЕТЫ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

ДЕМОГРАФИЯ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

The Company takes care of the health and safety of its employees, suppliers and contractors, implements social projects for residents of the regions where it operates, and minimizes its impact on the environment**.

.....
* Russian national projects: health care, housing and the urban environment, safe and quality roads, environment, science and universities, demography.
** The Company's direct impact on stakeholders.



3.1. Health, safety and environment

Rosneft is the leader in the oil and gas industry of the Russian Federation and one of the largest companies in the global fuel and energy sector, operating in strict compliance with the requirements of the country's legislation in the field of health, safety, and environment (HSE).

The Company considers human life as the ultimate value. That is why the Company ensures safe working conditions for the Company's employees and contractors working on its facilities, and takes action to prevent occupational injuries, incidents and fires, and, should these occur, to address the consequences.

[The Rosneft-2030 Strategy](#) sets goals, defines target indicators, initiatives and comprehensive approaches to HSE management.

Strategic HSE goals:

- the Company is striving to achieve:
 - zero fatalities by 2030 or earlier,
 - zero process safety events by 2030 or earlier;
- minimizing environmental impact;
- net positive impact on ecosystems.

To ensure the strategy implementation, the HSE targets are linked to the management key performance indicators (KPIs) and remuneration.



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

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

Rosneft applies a comprehensive risk-oriented approach to occupational health and safety management. The Company has identified critical processes and programmes in the field of occupational health and safety, by implementing which it is possible to achieve the strategic objectives in the field of HSE.

In 2023, thanks to implementation of slips, trips and falls prevention programmes and road traffic accident prevention programmes (hereinafter – RTA), the Company subsidiaries recorded zero fatal injuries to employees as a result of road traffic accidents and falls.

Implementation of corrective measures "Lessons learned from incidents" under the personal control of vice-presidents contributes to incremental performance discipline. Working in this area, the Company began to prepare comprehensive lessons learned with enhanced safety measures for recurring incidents. 14 comprehensive lessons learned aimed at preventing fatal injuries were issued during 2023.

Enhanced behavioral safety audits involving photo and video recording allowed strengthening control over on site occupational safety. Implementation of the "Notice of Health and Safety Violation" initiative was also continued.

The Company has established a process of employee training on both mandatory and additional requirements elaborated to improve HSE competencies. In 2023, Rosneft actively applied advanced training methods involving interactive remote training courses.

The training courses are focused on the following key areas:

- "Management system for safe operation of vehicles";
- "Passenger transportation safety";
- "Use of a risk-based approach in preventing falls and trips";
- "Use of a barrier approach in conducting internal investigations of safety events";
- "Basic principles of contractor management";
- **"Golden rules of labour safety"**.

In 2023, more than 67 thousand employees received HSE training. The volume of training using multimedia interactive training courses in the field of HSE exceeded 328 thousand man-courses.

The Company's integrated HSE management system is audited annually for compliance with international and national standards in the field of health, safety and environment (ISO 45001:2018/GOST R ISO 45001:2020, ISO 14001:2015/GOST R ISO 14001:2016). In 2023, Rosneft and the Company's subsidiaries successfully passed the HSE management system audit. In the reporting year, Rosneft and 74 subsidiaries were included in the Company's integrated certificate. Thirty-one subsidiaries passed the certification in the field of occupational safety and health protection independently, and 33 subsidiaries passed the certification in the field of environmental management.

Certification of the Integrated HSE Management System covers more than 100 enterprises with the headcount of 72.5% of the Company's subsidiaries within the corporate management-reporting perimeter.

Corporate HSE standards and requirements are equally extended to the activities of contractor organizations.

The corporate contractor management system covers the entire life cycle of customer-contractor relations, from selection to assessment upon completion of contractual obligations.

Please see subsection 12.3. for more information.

The Rosneft Board of Directors carries out strategic management of the Company's HSE activities and regularly reviews the performance reports.

The Board Strategy and Sustainable Development Committee oversees the matters related to the assessment of the Company's long-term performance and contribution to the achievement of the UN global sustainable development goals.

To ensure efficient fulfillment of tasks and prompt interaction between structural subdivisions on certain issues of shared competence, Rosneft establishes coordination and advisory bodies.

The key standing coordinating body of the Company **in the field of HSE** is the Rosneft HSE Committee (hereinafter referred to as the HSE Committee).



Six meetings of the HSE Committee were held in 2023. At the meetings of the HSE Committee, resolutions were adopted aimed at preventing industrial incidents, accidents at hazardous production facilities, road traffic accidents, and **HSE risk management**, including:

- holding occupational safety months and actions aimed at preventing fatal injuries;
- implementation of additional comprehensive measures to prevent incidents related to damage by vehicles and special equipment to structural elements of overhead power transmission lines and cable racks;
- ensuring proper design, examination and maintenance of in-field roads to prevent accidents caused by vehicle rollovers;
- ongoing activities to improve the HSE risk management process.

In 2023, the Company allocated more than RUB 54.5 billion⁴ to Health and Safety support.



⁴Taking into account the change in the methodology of consolidation of actual costs – without VAT.

3.2. Environmental policy and commitments

Preserving the environment for future generations is an integral part of the Company corporate culture and business principles. Rosneft aims to achieve leadership positions in sustainable development and environmental protection, as well as minimize its environmental impact and enhance the sustainability of its production.

The long-term goals of the [Rosneft-2030 Strategy](#) in the field of environmental protection for the period to 2035 are as follows:

- minimizing environmental footprint (by [improving the efficiency of waste management processes, land remediation, effluents treatment](#) and emission reduction, as well as [introducing and improving the principles of "circular economy"](#));
- [achieving net positive impact on ecosystems \(through application of conceptual approaches to biodiversity conservation and implementation of relevant programmes\)](#).

For more information on the Rosneft-2030 Strategy, please see subsections 3.1, 4.1, 9.2, 11.1, 13.1.

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

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In 2023, with a view to achieving the strategic environmental goals in the field of environmental protection, the Company continued implementing measures stipulated by the Programme for enhancing environmental efficiency until 2025, the Programme for eliminating environmental legacy, target programmes

for certain environmental areas, the Programme for improving pipeline reliability and other policy documents. Environmental targets are integrated into the Company's corporate governance and are incorporated into the KPIs of managers at all levels, including those of the Group's subsidiaries.

In 2023, the Company's "green" investments reached almost RUB 64 billion.

These include investments in:

- increasing the beneficial use of associated petroleum gas (APG),
- improving reliability of pipelines,
- efficient management of water resources,
- optimizing waste management and land remediation.



The Company improved a number of key environmental indicators as compared to the previous reporting period:

- in 2023, the work continued to reduce unit emissions of sulfur oxide and hydrocarbons (including volatile organic compounds) in upstream;
- the area of contaminated land was reduced by ~11%.

Rosneft is the leader in the RAEX rating, which assesses the quality of waste management among domestic corporations.



As part of the Programme for elimination of environmental legacy, which aims to fully eliminate contaminated land and oily waste generated as a result of activities of former owners before the integration of assets into the Company's perimeter, more than 230 hectares of legacy land were remediated, of which more than 80 hectares were remediated in 2023. In the reporting year, over 4.4 million tonnes of cuttings were processed and work continued to improve approaches to waste management.

The Company pays **particular attention to the development of its gas business**, specifically, enhancement of production technologies, effective gas monetization, including shaping of a long-term portfolio of supply contracts, participation in the Russian Federation natural gas vehicle (NGV) fuel development programme. The use of compressed natural gas (CNG) as motor fuel enables consumers to improve vehicle performance by reducing the cost of transportation and significantly reduce the negative impact of motor transport on the environment.

In 2023, the Company continued producing marine fuels with improved environmental characteristics.

Please see subsections 7.2, 11.2. for more information.

3.3. Risk and incident management

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



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT



The Company manages HSE risks at four main levels: at the corporate level, at the level of business streams and functional units, at the level of subsidiaries and individual structural subdivisions of subsidiaries.

To manage HSE risks, the Company applies appropriate and sufficient mitigation measures for all identified risks:

- measures that match to the level of assessed risk;
- measures that are provided with the required resources, which are determined based on prioritization;
- measures that are approved at the appropriate level of corporate governance.

Application of the risk-based approach involves assessment, analysis and management with due account for global and industry experience in the field of HSE, as well as allows anticipating possible potential events and applying proactive measures to prevent them.

HSE risk management process is a tool that helps managers at various levels, from the Company's top management to line managers, to make the best and most effective comprehensive decisions to ensure operational safety in a resource-constrained environment. It is based on HSE risk analysis and assessment using a unified HSE risk assessment matrix and a "bow tie" diagram. Moreover, the result of the HSE risk assessment is a starting point for prioritizing efforts to mitigate risks, as well as for determining the management level at which a decision is made on the risk management strategy to be implemented.

Please see subsection 12.3. for more information.

3.4. Road safety

In 2023, the Company continued implementation of corporate road safety measures that take into account the main goals and objectives of the Road Safety Strategy of the Russian Federation for 2018-2024 and Presidential Decree No. 204 of May 7, 2018, which include:

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

In 2023, to mitigate road safety risks and prevent road accidents, the following preventive measures were carried out, among them:

- identification of dangerous locations on the routes of vehicles along field and temporary winter roads (winter roads), while moving along site and factory roads and installation of warning indications, road signs and cameras to record violations;
- checking deployment of road information and indicating marks, road safety information boards, warning drivers before of high accident locations, as well as identifying landmarks on snow-covered and dangerous areas and priority traffic signs;
- carrying out work to prevent accidents, including those involving vehicle roll-overs, and to improve road safety at Group subsidiaries.

The Company's current Regulations "System for management of safe vehicle operation" applies to performance of all works in the interests of the Company using transport of contractors and subcontractors, as well as establishes requirements for the qualification of drivers, vehicles and medical support in the process of work performance involving vehicles.

The Company pays particular attention to equipping vehicles with devices for monitoring drivers' work and compliance with established routes (on-board vehicle monitoring systems and video recorders).

To automate the process of vehicle operation, the Company continues developing the Unified corporate telematic system for control over the Company's vehicles, which allows the Company to ensure:

- control over safe operation of vehicles;
- control over driving style;
- drawing up proposals based on the results of analysis of information system data for optimizing vehicle routes and setting speed limits at black spots of roads.

To maintain the management system for safe operation of vehicles at an appropriate level, the Company regularly conducts control and preventive activities to raise awareness among employees of the importance of complying with traffic rules.

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

3.5. Developing favourable social environment

Being committed to the principles of high social responsibility, the Company pays special attention to health protection, promotion of a healthy lifestyle, improvement of housing standards for Company employees and their families, as well as financial support for veterans and retired people. In addition, the Company contributes to improvement of the social environment in the regions where it operates.

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

Preserving life and health of employees, as well as their professional longevity, is a key objective of Rosneft that enhances the Company's labor potential. Therefore, the Company continuously implements measures in the following areas:

- **insurance programmes:** more than 300,000 employees are covered by voluntary medical insurance and voluntary accident insurance contracts; to ensure the possibility of receiving consultative medical care at all remote industrial sites of the Company and in hard-to-reach regions, all voluntary medical insurance contracts include the Telemedicine option, which allows employees to receive full-fledged consultations from qualified doctors of various specialties in 24/7 mode;
- **health resort, rehabilitation and wellbeing treatment** was organized in 2023 for more than 73.5 thousand employees of the Group's subsidiaries, their family members and retirees at the Company's health resort facilities and various third-party health resort and wellbeing organizations;
- **organization of emergency and scheduled medical care**, including at remote and hard-to-reach production facilities of the Company is implemented, together with operation of a network of modern industrial health posts, introduction of a practice-oriented approach and continuous improvement of professional competencies of medical staff, as well as development of a corporate telemedicine network, the expansion of which in 2023 made it possible to unite 88 remote health posts with large regional consultation centers.



In 2023, to minimize the risks of COVID-19 spread in the Company, a set of organizational and sanitary and epidemiological measures was implemented on a continuous basis, including:

- implementation of an interaction algorithm among subdivisions when a case of the disease is detected;
- daily monitoring of employee morbidity as well as epidemiological situation in the regions and provision of subsequent reports to the Company's management ;
- provision of employees with personal protective equipment and disinfectants ;
- random COVID-19 testing of the Company's employees;
- staff vaccination/revaccination against COVID-19;
- regular preventive sanitary treatment of premises;
- control over compliance of employees with anti-epidemic measures.

The Company has been implementing a [comprehensive housing programme](#) (corporate mortgages, providing employees with corporate and rental housing) for more than 18 years.



In 2023, more than one thousand Company employees improved their housing conditions using a corporate mortgage loan programme.

Housing issues of nonresident specialists are also solved with the help of corporate housing, which includes more than 1,000 apartments in the regions of the Company operations.

[The corporate pension programme](#) is an important element of the HR and social policy. The goal of the programme is to improve the social security of employees after they retire.



67.3 thousand Company pensioners received the corporate pension in 2023.

[The Veterans Social Support Project](#) is being implemented for former employees of Rosneft and the Group subsidiaries who retired prior to the start of the non-state pension coverage programme for employees. 14.5 thousand veterans received monthly pensions under the Veteran's Project. Annual indexation of pensions by 5% was carried out in 2023.

Support of professional and amateur sports.

Rosneft is the owner of the CSKA ice hockey club. In April 2023, CSKA won the third Gagarin Cup in its history, becoming the national champion for the 37th time. Rosneft has been sponsoring the professional football club Arsenal (city of Tula) since 2016. Rosneft also contributes to development of motor sports in Russia, being the General Sponsor of the LADA Sport ROSNEFT racing team.

The Company is the general sponsor of the International Sambo Federation.



Rosneft continuously contributes to implementation of various programmes aimed at development of sports and promotion of a healthy lifestyle in the regions where it operates.

In 2023, Rosneft became an official partner of the First International Sports Games "Children of Primorye". More than 1,500 young athletes from Russia, Belarus and China took part in the competition. Tournaments in 11 sports were held in Vladivostok, the capital of the Primorsky region.

Rosneft holds annual competitions to pass GTO (Ready for Labor and Defense) physical training standard. In May 2023, employees of 53 subsidiaries of the Company took part in corporate competitions. The GTO set included 12 disciplines, among which were running for different distances, pull-ups, weight lifting, push-ups and other standards. Rosneft received the Champion Award for promotion of the GTO complex, which was established by the RK-Sport sports platform of the Roscongress Foundation and the educational forum "Reputation".

In 2023, as part of the corporate programme "Energy of Life", more than 106 thousand employees of the Company took part in regular sports activities and more than 54 thousand employees participated in recreative sports events. Company subsidiaries held over 1,300 recreative events.

In 2023, the following Company-wide projects were organized under the "Energy of Life" programme:

→ **XI Winter Sports Games of the Company:**

In March, more than 600 Company athletes from 38 teams and 5 Federal Districts of the Russian Federation competed for medals in three sports – hockey, skiing and biathlon.

→ **XVIII Summer Sports Games of the Company:**

In 2023, 2,800 athletes from 77 teams of the Company's subsidiaries competed in eight cities. The participants of the sports games identified the strongest in 12 sports disciplines.

→ **"Energy of Life" track-and-field races:**

In October, the regular annual "Energy of Life" general corporate races were held. In Moscow, Samara, Ufa and Krasnodar, about 1,200 Company employees and their relatives took to the start line. Participants competed in three adult (2.5 km, 5 km and 10 km) and two children's (2.5 km and 500 meters) distances. Rosneft also organizes annual ski races "Rosneft Ski Track" for its employees and their family members, in which more than 1,400 people participate.

→ **Inter-corporate competitions:**

The Company's teams regularly take prizes in various inter-corporate competitions. In October, the Rosneft Triathlon team took first place in the team competition among 80 corporate teams at the Ironstar Sochi Sirius international amateur triathlon competition.





More than 150 Company employees took part in the Moscow Marathon, the most popular race in Russia. The corporate relay team took 4th place out of 117 teams, which included professional athletes, as well as Olympic Games participants. Furthermore, in the fall, the Rosneft team once again took first place in the Russian Rapid Chess Championship among corporate teams.

In February 2023, more than 2,000 Company employees and their family members took part in the Ski Track of Russia. This race is the largest in terms of the number of participants not only in Russia, but also in Europe. Participants competed on distances from one to 10 km. The Company's employees won prizes in various categories and distances.

RN-Vankor athletes took part in more than 70 sports events of various levels: corporate, municipal, regional, national and international. Corporate events organized by RN-Vankor include a sports tournament for the Oil and Gas Industry Worker's Day in 7 sports, a curling tournament, a mass race for employees' children, the Vankor Winter Cup sports tournament in 7 sports, and a mass race of Krasnoyarsk oil workers timed to coincide with their professional holiday.

Please see subsection 1.2. for more information.

3.6. Innovation activities

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

As part of the FNTF, Russia's largest and most productive world-class Full Genome Sequencing Center (hereinafter referred to as the Center) was established at the end of 2022. The Center's laboratory is equipped with a fleet of high-capacity sequencers for DNA sequencing of short and long reads. The Center deploys a high-performance computing cluster based on a new super-computer and a unique hyperscale storage system for genomic data with all information security measures in place.



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, the Company significantly expanded the Center's sequenator fleet, which, combined with a number of other organizational measures, brought the productivity of the Center's genomic laboratory to a high level of more than 1,000 deciphered entire genomes per week.



Under the large-scale research project "100 000+Me", which aims to create Russia's first national database of human genetic data, a team of scientists consisting of experienced geneticists and bioinformaticians, as well as talented young researchers ensured creation of a database of 25 thousand whole genome sequences of Russians in 2023.

By the end of 2025, the database will include 100 thousand genomes and is already a unique scientific resource critical for the development of sovereign methods of genetic diagnostics and genetic therapy in the Russian Federation. Such a database will make it possible to improve diagnostic methods for genetically determined and socially significant diseases, as well as to develop new approaches to their therapy and medicines.

In cooperation with the Center's scientific and medical partners, the Center has already achieved clinically significant results in bioinformatic processing of whole genome sequencing data that feed the created database. In particular, as part of the Center's collaboration with one of its key medical partners, the D. Rogachev National Medical Research Center, the use of whole-genome DNA sequencing made it possible in record time to identify genetic defects that caused diseases in a number of patients, as well as level to identify at a system-level dozens of new genetic variants previously unknown in the world, which are unique scientific results requiring further research.

One of the priority tasks under the FNTF activities is to train human resources with interdisciplinary education at the level of world standards.



Lomonosov Moscow State University's Department of Biology, with Rosneft's support, is implementing a master's programme "Genomics and Human Health" starting from 2020. In parallel, starting from September 2023, a new master's programme Algorithmic Biology is being implemented at the Moscow Institute of Physics and Technology (MIPT) with the Company's support. Each programme recruits 10 students per year, the duration of the programmes is until 2027.

The goal of the MSU programme is to train highly qualified specialists in the field of genetic technologies with fundamental knowledge of genomics, capable of setting and solving tasks related to the study of structure, genetic variability and functioning of genomes, interpretation of population and individual variability of genomes and individual genes, application of new genomic and information technologies in research developments and medical and genetic practice. Specialists from the Department of Biology, Department of Philology and Department of Bioengineering and Bioinformatics of Lomonosov Moscow State University, employees of Rosneft, N.I. Pirogov Russian National Research and Medical University, major genetic companies and equipment manufacturers are involved in teaching.

The objectives of the MIPT Master's programme are to train specialists in the field of bioinformatics and big data analysis in biology and genetics.

In the course of training, master students of both programmes acquire methods of high-performance sequencing on various modern platforms, as well as methods of genomic data analysis and their use for medical purposes. Students' practical training and final qualification works are organized at the sites of Rosneft's partner organizations. The students have access to exclusive courses from leading manufacturers of high-performance sequencing equipment. In laboratories, students of the master's programme perform practical tasks that allow them to acquire skills in working with high-tech equipment and confirm their competence with certificates. Master's students perform research and gain practical experience in such partner organizations as the Dmitry Rogachev National Medical Research Center for Children's Hematology, Oncology and Immunology.

In 2023, there was the second graduation of 10 specialists trained under the programme "Genomics and Human Health". In total, under the programme there have already been two graduations – 19 specialists, 9 of whom were employed by the Center. In September 2023, another 10 students started the first year of the programme and are undergoing practical training at the Center.



AFFORDABLE AND CLEAN ENERGY

7 AFFORDABLE AND CLEAN ENERGY



ЭКОЛОГИЯ *
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

НАУКА И УНИВЕРСИТЕТЫ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

МЕЖДУНАРОДНАЯ КООПЕРАЦИЯ И ЭКСПОРТ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

МАГИСТРАЛЬНЫЙ ПЛАН ТРАНСПОРТНАЯ ЧАСТЬ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

The Company ensures access to energy and reliable supply of energy resources to consumers and improves energy efficiency in all areas of its operations and environmental performance of its products**.

* Russian national projects: environment, science and universities, international cooperation and exports, modernization and expansion of trunk transport infrastructure.

** The Company's direct impact on stakeholders.



7.1. Improving the Company energy efficiency in all operating segments

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

In 2023, the total consumption of fuel and energy resources by the Company amounted to 19 million toe.

Sustainable use of fuel and energy resources and implementation of energy-saving technologies is based on the principles and approaches of the **Energy management system** set forth in the [Company's energy efficiency and energy saving Policy](#).

Since 2013, **Energy Efficiency Commission** has been functioning in the Company, which ensures implementation of advanced methods and approaches to energy efficiency management and development of **Energy Management System** in accordance with the requirements of the international standard ISO 50001.



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

Currently, 44 Group subsidiaries, which account for 97% of the Company's total energy consumption in 2023, have been certified under the ISO 50001 international standard "Energy Management System".

The key element of the Energy Management System is Rosneft's Energy Saving Programme, which is developed for a five-year period and is updated annually. By implementing Rosneft's Energy Saving Programme in 2023, the actual savings of fuel and energy resources amounted to 329 thousand toe.

Savings of fuel and energy resources achieved through implementation of the [Energy Saving Programme](#) are incorporated in management's list of key performance indicators (KPIs).

In accordance with the updated Energy Saving Programme for 2024-2028, the anticipated fuel and energy resources savings over five years will amount to 2.54 million toe.

Please see subsection 13.4. for more information.

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

To minimize environmental footprint and take climate action, the Company consistently implements measures aimed at improving environmental performance of its retail business, including development of gas filling infrastructure in the Russian Federation and expansion of charging infrastructure for electric vehicles at the Company's retail stations.

[Rosneft, as an environmentally responsible company, constantly improves and expands the development and production of advanced types of petroleum products with improved environmental characteristics.](#)



The Company continued sales of fuel with improved environmental and performance characteristics – Pulsar branded fuel, Euro-6 gasoline and AI-100 gasoline – and plans to increase production of RMLS 40 environmentally friendly residual marine fuel.

The Euro-6 gasoline contains:

- less sulfur, which helps to increase the service life of the exhaust gas neutralization system;
- retains its composition unchanged and does not oxidize for a long time which has a positive effect on the engine operation;
- contains less benzene and aromatic hydrocarbons, and, consequently, lower exhaust gas toxicity;
- contains less olefin hydrocarbons, which means that fewer deposits accumulate on the internal parts of the engine;
- contains fewer impurities that have a negative impact on the operation of the engine.

The use of Euro-6 makes it possible to reduce emissions from the exhaust system of a vehicle, including:

- **total hydrocarbon emissions – up to 24%;**
- **emissions on non-methane hydrocarbons – up to 27%;**
- **particulate emissions – up to 64%.**



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT



In 2023, the Company produced a significant volume of highly eco-friendly fuels at its refineries: high octane AI-100 gasoline, as well as AI-95-K5 Euro 6 gasoline.

At present, a number of the Company's refineries are producing environmentally friendly low-sulfur marine fuels that meet the requirements of the IMO international organization introduced on January 1, 2020: FCM-A, FCM-1, DMF-I, DMF-III, RMLS. Bunkering using such fuels helps to minimize the environmental footprint of transport.

[The Company sells the Euro-6 fuel with improved operational and environmental characteristics](#) at 756 retail sites in 11 regions of its retail operations: the Republic of Bashkortostan, the Krasnodar Territory, the Republic of Adygea, the Nizhny Novgorod, Tula, Kaluga, Ryazan, Vladimir, Chelyabinsk, and Moscow Regions, and in Moscow.

Pulsar branded fuel

At the year-end 2023, Pulsar branded fuel was offered at 1,250 sites of Rosneft's retail network in 31 regions of Russia.

The unique technology of Rosneft branded Pulsar fuel is based on an effective formula of detergent components, which ensures sustainable engine tuning by keeping the fuel system clean during long-term operation. Thus, the process of creating fuel-air mixture is optimized, and its combustion is ensured as effectively as possible. The result is improved fuel efficiency, stable and reliable operation of the fuel system while maintaining the basic performance characteristics of a vehicle.

Pulsar branded fuels are produced at Rosneft's own tank farms using high-tech equipment in line with unified quality requirements for branded fuels in all regions where the Company operates.

Development of electric vehicles charging infrastructure

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



Development of electric vehicle charging stations is carried out in partnership with Russia's largest electric power companies. In 2021, the Company signed a number of cooperation agreements providing for development of the EV charging infrastructure.

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

At the end of 2023, the Company was operating 78 EV charging stations, including 68 fast chargers (50–150 kW) and 10 slow chargers (22 kW) at its retail sites. The Company has EV charging stations in ten regions, including the Moscow region, St. Petersburg, the Leningrad region, the Lipetsk region, the Voronezh region, the Republic of Buryatia, the Krasnodar Territory, the Tver region, the Kemerovo region and the Tula region.

The Company continues expanding the sales of environmentally friendly and cost-effective NGV fuel. As of the end of 2023, the Company's gas-filling infrastructure consisted of 25 facilities in 11 regions of the Russian Federation.

Securing the share of gas in the Company's hydrocarbon production mix at over 25% will contribute to promoting sustainable and environmentally friendly consumption.

The Company has been working on increasing the effective use of associated petroleum gas (APG) as part of the Gas Investment Programme implementation.

In 2023, the Company commissioned 12 new facilities, including facilities for gas reinjection, power generation, gas treatment and utilization, and gas transmission infrastructure, as part of implementation of measures under the Company's Gas investment programme aimed at increasing the effective use of associated petroleum gas. The Programme covers all regions of Company operations.

The Company applies an integrated approach to greenfields development, which provides for the necessary activities aimed at achieving the required APG utilization rate by a specific deadline. These activities become part of the process design package.

In 2013–2023, Rosneft's capital expenditure on APG utilization projects amounted to about 225 billion rubles.

7.3. Ensuring affordable, reliable energy supplies to consumers, including the emerging markets

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

The Company has established a diversified energy supply system accessible to consumers from countries with different levels of economic development, meeting all current energy security requirements and offering a wide range of cooperation options, including tender sales and long-term contracts.



The Company has been successfully developing cooperation with key foreign partners despite attempts on the part of unfriendly countries to increase sanctions pressure on the energy industry. Further strengthening of partnerships with companies from Asia and other regions of the world will contribute to the growing global role of the Northern Sea Route (NSR) as a key transport corridor.

Please see subsection 2.1. for more information.

7.4. Innovation activities

Leadership in innovation and R&D is an important growth driver for the Company.

Rosneft's innovation activities focus on development and application of new technologies, types of products and approaches to business process management.

The Company has adopted and regularly updates the [Innovative Development Programme](#) aimed at making the Company one of the world's technological leaders in the energy industry. Innovative R&D activities are an important factor of the Company development.

Priority innovative activity areas include:

- development of new technologies, equipment and materials to improve energy efficiency of production processes and develop new types of reserves, including development and introduction of proprietary tools for geological and hydrodynamic modeling of fields and interpretation of well-logging and well testing studies, including introduction of the digital service "Well Testing"⁵ and providing a unified information platform that ensures interaction of all participants in the business process of geophysical survey: Group's oil producing subsidiaries, service organizations, corporate research and development companies and the Company's headquarters;

⁵ Is implemented on the basis of the RN-KIN IS – an information system for design and monitoring of hydrocarbon field development. RN-KIN has the advanced functionality required by petroleum engineers and uses advanced technologies to manage a wide range of business processes, from geology and development to field development.

- development of new products, improving the Company's product mix;
- process-focused and other innovations aimed at improvement of operational safety and business-streams efficiency;
- introduction of smart production processes and development of dedicated software.

Under the Innovative Development Programme, the Company developed and successfully tested on a commercial scale environmentally improved technologies for production of an oxide hydrogenation catalyst and production of environmentally clean K5 grade diesel fuel. While working on the innovative project, only proprietary packages of catalysts ranked by catalytic activity were used, located in the protective and main catalytic layers of the process unit.

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In terms of optimizing refinery operations by **expanding production of domestic catalysts** in 2023, it can be noted that domestic catalysts will continue to be used at the Company's refining facilities:

- commercial batches of in-house produced diesel hydrotreating catalyst were used at diesel hydrotreating units at the Ufa Refinery, Novoil and Achinsk Refinery;
- commercial batches of in-house produced hydrodeparaffinization and isodeparaffinization catalyst were used at units at the Kuibyshev and Saratov refineries.
- commercial batch of in-house produced reforming catalyst was used at the Achinsk refinery's catalytic reforming unit.



Under a pilot project, the introduction of icon-based self-checkouts was launched at retail sites. The new cash desks automate the process of paying for fuel and related products and help make purchases without a cashier. In 2023, icon-based self-checkouts were installed at 22 Rosneft retail sites. The main advantage of such cash desks is enhanced throughput capacity of the retail sites and reduced customer service time. The self-checkouts operate on Russian-made digital platforms.

There are plans to replicate the new product at more than 300 retail sites in 2024-2025.

As of the end of 2023, "Retail Trade Management" information system was in operation at 820 retail sites/fueling complexes. This system makes it possible to improve the operational efficiency of the retail network by using unified automation software solutions and regional offices and unified support for the retail sites/fueling complexes network, by creating a three-level management and control environment.

To optimize delivery of petroleum products, the Company's Retail business unit has launched and is implementing a targeted programme for equipping road tankers with electronic sealing systems. In 2021-2023, 327 road tankers were equipped with such technology, which is 41% of the total number of the operating fleet of road tankers.

Please see subsections 3.6, 6.3, 13.5, 14.3. for more information.

DECENT WORK AND ECONOMIC GROWTH



The Company provides support to employees' families and creates a favourable social environment, contributes to sustainable development of the national economy, improves operational efficiency, promotes productivity growth, provides a safe working environment for employees as well as for suppliers and contractors and establishes a sustainable procurement system throughout the entire value chain**.

* Russian national projects: workforce productivity, housing and the urban environment, small and medium entrepreneurship, education.

** The Company's direct impact on stakeholders.



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

[The Rosneft-2030 Strategy](#) incorporates strategic guidelines, goals and targets that contribute to sustainable development of the national economy, the energy industry and related industries and regions of Company operations, as well as make a material contribution to implementing the national priorities of the Russian Federation. Rosneft contributes to technical upgrade of separate country's specific Russian industries, creation of new production facilities, high-performance jobs and value-adding products by switching to long-term contracts with consumers, suppliers and contractors, as well as to a system of anchor orders.

The Company is included on the list of systemic organizations of the Russian economy in terms of the fuel and energy industry. The geography of the Company's retail business is extensive and includes about 3 thousand retail sites in 61 regions of Russia, which makes it possible to meet the energy needs of consumers throughout the territory of the Russian Federation.

Rosneft is developing the Vostok Oil project, the largest project in the global oil and gas industry. The project covers **52** license blocks in the north of the Krasnoyarsk region and in the Yamalo-Nenets Autonomous District. The resource base amounts to **6.5 billion tonnes** of premium low-sulfur oil.

The oil-loading terminal at the new seaport "Sever Bay" will provide transshipment of oil from Vostok Oil fields for further shipment by tanker fleet along the Northern Sea Route.



Acting in the interests of ensuring the technological and industrial sovereignty of the Russian Federation, the Company has been developing a modern shipbuilding project for the industry in the Far East.

With the aim of developing the Northern Sea Route and enhancing the efficiency of continental shelf development in line with Decree No. 524 of the President of the Russian Federation dated 21.07.2014 "On the Development of Shipbuilding in the Far East", the Company has been implementing the Programme for the establishment of a shipbuilding cluster in the Far East based on Zvezda Shipyard.

Zvezda Shipyard is the most advanced shipyard in Russia, which specializes in construction of all types of offshore production platforms, icebreakers and large-capacity civil ships – the backbone of the Russian Arctic fleet. Rosneft, as the project operator, is providing pilot loading with a portfolio of 28 vessels. In total, Zvezda's order portfolio contains **about 60 civil vessels with enhanced environmental performance** (including icebreaking LNG tankers). An industrial cluster for production of ship associated hardware is being established around Zvezda Shipyard, with due account for the tasks set on import substitution and on increasing the level of localization.



The shipyard's capabilities allow applying the most efficient method of construction – large-block construction, which is employed today by the world's leading shipyards: ships are assembled from blocks weighing **up to 3,500 tonnes**.

The shipyard has already completed the key process tasks, the main facilities have been commissioned and are in operation – the hull production block, paint booths, block assembly shop, an open heavy fitting-out building berth with a fleet of unique cranes, and **the most advanced and efficient pipe-processing shop in Russia**. Upon completion of construction of all facilities, the equipment capabilities of Zvezda shipyard will enable it to process **330,000 tonnes of metal per year**. Zvezda shipyard is a leading employer in the region. Currently, the company already employs **about 11 thousand employees of the shipyard and contractor organizations**.

8.2. Health protection, ensuring safe working conditions. Promoting labor safety of suppliers and contractors

Please see subsection 3.5. for more information.

8.3. Creation of favourable social environment

Please see subsection 3.5. for more information.

8.4. Family support

The Company provides social protection for employees and their families, job retention and guaranteed integration into the labor community for employees upon their return from maternity leave.

Labor dynasties are the backbone and pride of Rosneft. These dynasties pass on experience, skills and mastery from generation to generation. Rosneft facilities currently employ representatives of 27 labor dynasties with a total working experience of over 7,500 years.

In the Group subsidiaries, payment for the period of temporary incapacity to work due to pregnancy and childbirth is made on the basis of average earnings. The Company also provides payments to employees in connection with the birth of a child/death of a close relative, including additional days of paid vacation.

Rosneft provides assistance for construction of social and health care facilities for children in the regions of Company operations.

Rosneft implements major social and infrastructure projects in the field of education and helps its partners to develop their facilities and infrastructure. The Company annually provides funding to equip educational institutions with PCs, interactive and laboratory equipment, as well as renovate classrooms and laboratories.

For example, with Rosneft's support, a new health care facility was opened in the suburbs of Ufa, which can accommodate 320 residents daily and is designed to serve 12,000 people from three neighboring settlements. The medical center is equipped with all necessary equipment for examination and provision of primary medical care to adults, children, including infants.



8.5. Freedom of association and collective bargaining

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

Almost 70% of the Company's employees are covered by collective employment agreements.

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

Rosneft pays particular attention to the Social partnership development programme. The work is carried out in two main areas:

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

At the year-end 2023, the Group's subsidiaries had 147 primary trade union organizations, which are part of Rosneft's ITUO structure. As of the end of the reporting period, the number of the Company's employees who are trade union members exceeded 142 thousand people (42.7% of the total headcount).

The Interregional Trade Union Organization participates in development and implementation of all socially important projects of Rosneft and cooperates with major Russian organizations in various areas of activity, taking care of improving the welfare of the Company's employees.

→ Industry social partnership.

Throughout 2023, Rosneft employees held regular consultations with chairmen of both primary and united trade union organizations of the Group's subsidiaries on HR policy issues raised by labor collectives by developing the Social partnership programme. A constructive dialog between the management of Rosneft's ITUO and the Company continued.

At year-end 2023, over 145 Group subsidiaries interacted with the All-Russian Industry Association of Oil and Gas Industry Employers. Through established dialogue, the Employers' association advocates their interests both in the Industry commission for regulation of social and labor relations in the oil and gas industry and in government authorities. Furthermore, given the high level of benefits, guarantees and compensations provided to employees, the Company's subsidiaries are included in the register of socially oriented employers in the oil and gas industry of the Russian Federation, which strengthens Rosneft's position as a socially responsible employer.



8.6. Productivity growth and efficiency improvement

The Company is focused on incremental operational efficiency, productivity growth and added value creation.

The Company has elaborated and is implementing a set of measures aimed at improving labor productivity, including measures to increase profitability. Labor productivity indicators are part of management KPIs. The set of measures aimed at improving labor productivity is integrated into the business planning process and Rosneft's the Long-Term Development Programme, the performance results of which are annually audited by an external auditor and reviewed by the Company's Board of Directors.



Labor productivity growth targets are incorporated into the KPIs of managers at all levels.



At year-end 2023, the Company met its labor productivity target.

In 2023, the Company's subsidiaries took part in all-Russian competitive events aimed at developing professional excellence and mentoring:

- Zvezda Shipyard – 1st place in the "Breakthrough technologies for improving labor productivity" nomination in the "Best mentoring practices of the Primorsky region" contest;
- RN-Komsomolsk Refinery – 1st place in the "Best mentoring practice in production organizations" nomination in the Khabarovsk region;
- Orenburgneft – 1st place in the nomination "Best mentoring practices to improve labor productivity" in the Orenburg region;
- Samaraneftegas – 2nd place in the nomination "Breakthrough labor productivity technologies" of the All-Russian phase of the contest "2023 Best mentoring practices".

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

The project of pre-university training and career guidance “Rosneft-classes” is implemented in 21 regions of the Russian Federation. The total number students is 2.4 thousand people from 58 schools in 50 residential areas.

The project's efficiency is evidenced by employment of Rosneft Classes graduates with specialized education at the Company's facilities. Since 2012, more than 1,200 graduates of specialized classes have joined the teams of 78 Rosneft subsidiaries.

The corporate system of continuous education “School – Higher school – Enterprise” is a key element of the [corporate Youth policy](#).

The share of workers in Rosneft's personnel structure is over 50%, and the demand for workers is constantly growing. To ensure a constant inflow of young workers, the Company develops cooperation with professional educational organizations (colleges, technical schools, colleges) and participates in modernization of the secondary vocational education (SVE) system in the Russian Federation.

In 2023, a total of 65 SVEs from 18 regions became partners of the 77 subsidiaries of the Company under long-term cooperation agreements. Over the reporting period, 5,528 students of core professions and specialties underwent practical training at the Company's facilities, and 1,440 graduates of SVEs were employed within the Company's perimeter.

The main governmental area of modernization of the secondary vocational education system is the Federal project “Professionalitet”, implemented with the support of the President and the Government of the Russian Federation in close cooperation between educational organizations and business. A number of the Company's subsidiaries participate in the “Professionalitet” project as an industrial partner in the regions where they operate.

In 2023, cooperation with 80 Russian and foreign universities, 31 of which are Rosneft's partner universities, was developed on the basis of cooperation agreements. Such agreements with universities allow the Company to actively develop cooperation in the field of personnel training and advanced training, research and innovation activities, improve the scientific and educational infrastructure of universities to train highly qualified specialists to meet the current needs of the business.

Please see section 4.2. for more information.



8.8. Establishing sustainable procurement system along the entire value chain

Rosneft has been one of the largest consumers of goods, works and services among Russian companies over the past few years. The Company's continuous development requires involvement of a huge number of products, application of advanced technologies, and engagement of best contractors and suppliers.

The Company expects its suppliers and contractors to adhere to the principles stipulated by international regulations and [public corporate documents related to human rights](#), which are aimed at observing human rights, health and safety, environmental protection, ensuring security, prevention of corruption, fraud and conflict of interest, statutory compliance with the legislation and promotion of economic and social development.

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

- competitiveness,
- relevance,
- efficiency,
- nondiscrimination.

The Company is guided by the principles of efficiency, feasibility and competitiveness in its procurement activities. Of particular importance is the supplier/contractor's relevant experience, material and production stocks, labor and financial resources. At that, the Company is focused on building long-term integral relations with suppliers and contractors, which imply fulfillment of obligations under work/service agreements, equipment supply, and ensuring a high level of local content. Compliance with the above requirements in combination with a competitive commercial offer allows a supplier to qualify for new contracts.



An important criterion for choosing suppliers and contractors is the contractor's compliance with the values and standards established by the Company in the field of occupational health and safety.



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT



In 2023, the Company continued fulfillment of the adopted Roadmap for implementation of approaches to observing human rights in its interaction with suppliers of goods, works and services.

To ensure compliance with the principles of fundamental international human rights documents, the Company adopted a Declaration of human rights observance when interacting with suppliers of goods, works and services.

The Declaration is posted on the Company's official website, and the requirement to comply with all the principles, set forth in the Declaration, is incorporated into tender documentation.

The Company expects its suppliers and contractors to pay special attention to protecting health, maintaining the right to a favourable environment, creating comfortable and safe working conditions for their employees in accordance with the Company's applicable occupational safety requirements, and in accordance with the requirements regulated by the Constitution of the Russian Federation, the Labor Code of the Russian Federation, sanitary and epidemiological rules and regulations and/or other legal documents of the jurisdictions/regions where they operate, as well as rules of international law.

Expansion of competition and access of market participants to procurement are ensured by organizing all competitive procurement procedures in electronic form on the electronic trading platform of JSC TEK-Torg (in the Rosneft section).



8.9. Improving the Company energy efficiency in all operating segments

Please see section 7.1. for more information.

8.10. Creating decent living and working conditions in remote regions

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In the reporting year, Rosneft continued its efforts aimed at improving living and working conditions for employees of the Group's subsidiaries and contractors at the Company's oilfields.

In 2023, social welfare services were provided in more than 300 rotational camps, 200 stand-alone administrative and accommodation complexes and buildings, 20 stand-alone dormitories and mobile housing units.

In 2023, the Company continued implementation of measures aimed at improving the quality of social and amenity services, such as: innovative projects and services ("offsite catering" with ordering meals via WEB and mobile apps; introduction of QR codes to get feedback from consumers and user satisfaction survey of the quality of services provided; "VR" training of canteen staff; automation of accounting and control of maintenance of facilities), which improved the quality and social and amenity services.

Furthermore, the following additional activities were successfully implemented at the Company's facilities during the reporting period:

- catering under the "street food" concept ("street food" – sale of hot dogs, sandwiches, doughnuts and other highly-demanded dishes) was organized;
- "Cook & Chill" industrial catering technology (thermal cooking and freezing) was introduced in a number of subsidiaries as a safe alternative to buying food in a canteen, allowing to provide catering services at night, delivery to remote sites without being tied to the working hours of catering and sales outlets;
- new stores, cafeterias were opened, and vending machines with an expanded range of food products were installed on the territory of the oil fields.

With the aim of creating a comfortable working environment/high-performance workspace, Rosneft has developed **a standard approach to arranging and ensuring a comfortable, up-to-date, safe environment for employees** at the Company's production facilities and fields, with monitoring the quality of production and amenity services, and a capability for statistical data analysis by different criteria and reporting.



As part of the concept development, the main emphasis is on building a modern, safe and comfortable environment using the best international practices in the field of innovation and digitalization of service delivery with a view of finding effective solutions in the interests of Rosneft, as well as their further development and operation.

At that, introduction of innovative technologies will help to achieve savings of critical resources, and improve the services efficiency with an increase in their quality.

The objective of the concept is to work out a standard set of services for providing and managing the quality of social and welfare services, as well as to create and implement an innovative digital platform for providing and managing services at the Company's facilities, united into a unified network through the (industrial) Internet of Things.

Temporary living quarters for employees of the Vostok Oil project

Temporary living quarters were built for comfortable and safe accommodation of Vostok Oil employees waiting for rotation. The basis of the living quarters is an innovative concept of a single space made up of modules connected with each other by insulated passages. This is essential for living in the Far North, where the temperature can drop below -50°C and negatively affect the regularity of air service.



**SMART
CAMP**



Intelligent systems of a Smart camp

To ensure the highest standards, the Company developed a new approach in organizing employee accommodation services. Unlike traditional mobile housing units, the concept of the new camps involves creation of a hotel complex, where state-of-the-art digital solutions are implemented to organize the everyday life of the employees.

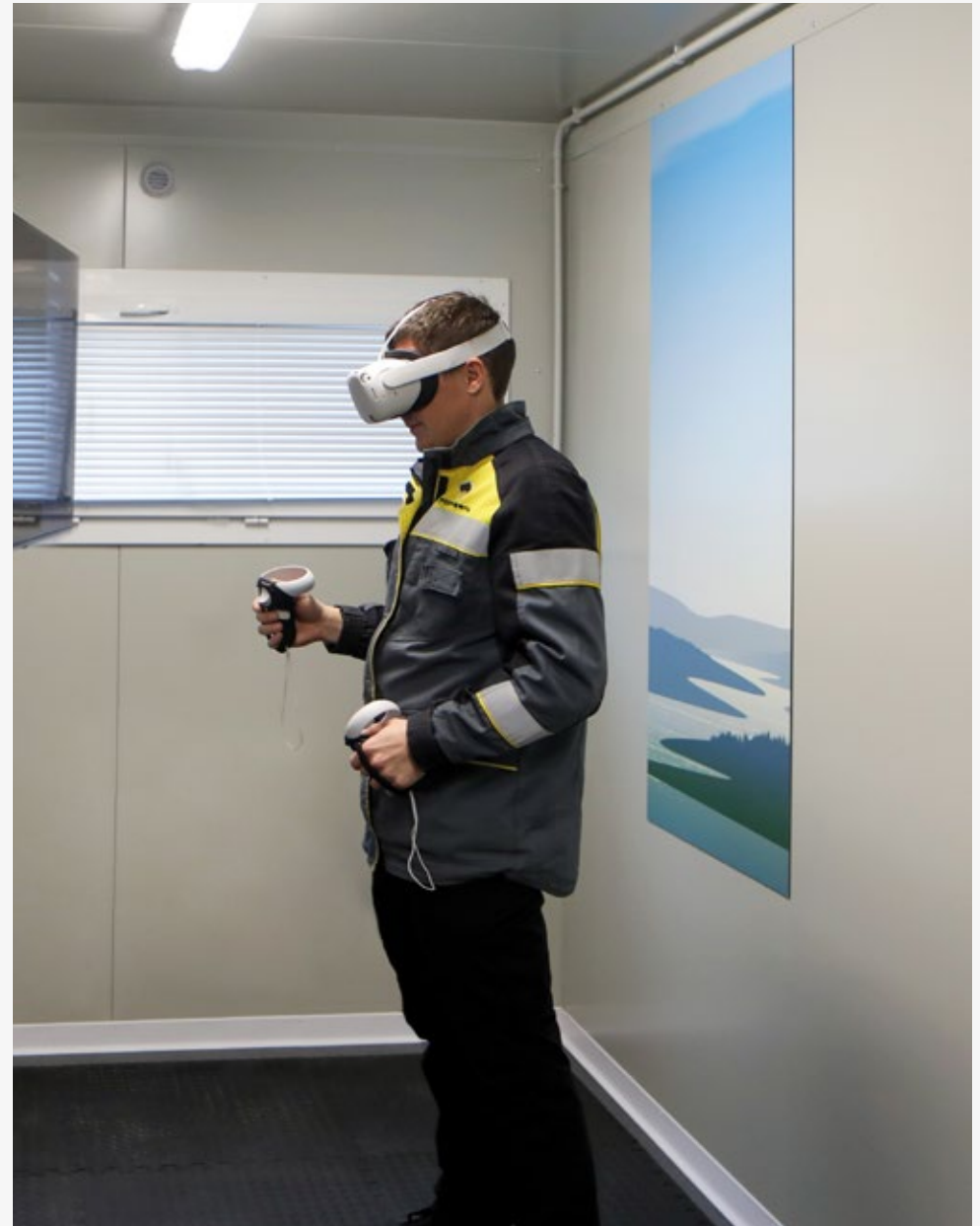
When implementing Smart camp solutions, principles that ensure comfortable living, safety and health of employees were embedded.

The use of more than **20 cutting-edge digital technologies** has increased economic efficiency by optimizing help staff, automating routine tasks and the need to provide services 24 hours a day.

“Smart camp” intelligent systems include:

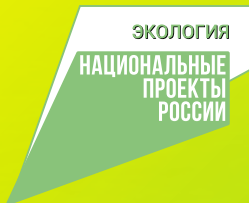
- **Innovative systems that ensure security:**
 - recognition of vehicle registration plates and vehicle categories,
 - robotic access pass issuance system based on self-service terminals,
 - facial recognition technology;
- **Telecom and IT services of the Smart camp:**
 - wireless network of the latest world standard Wi-Fi 6,
 - mobile network of telecom operators,
 - corporate telephony and data transfer,
 - videoconferencing of work groups,
 - access to TV broadcasting via satellite communication systems;
- **Corporate transport monitoring and management system;**
- **Smart camp comfort services:**
 - information kiosk;
 - room stock management;
 - video-analytics of traffic and movement at the site;
 - smart home or home automation;
 - mobile app for guests;
 - remote and VR-training;
 - telemedicine;
 - quality assessment system;
 - dining room meal management, menu on information panels;
 - smart cash register;
 - unified dispatching service;
 - technical maintenance of life support systems.

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

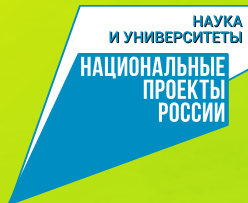


CLIMATE ACTION

13 CLIMATE ACTION



*



Rosneft strengthens its position as a reliable producer and supplier of energy resources while minimizing its impact on climate and environment as well as applying viable means of carbon offsets**.

.....

* Russian national projects: environment, science and universities.

** The Company's direct impact on stakeholders.



13.1. Risks and opportunities related to climate change

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

Responsible approach to management and agility of the Company's business model ensure high adaptability to possible changes in the energy landscape and include:

- implementing refinery development projects, increasing output of products with improved environmental performance;
- reducing greenhouse gas emissions, including methane, and increasing energy efficiency;
- developing, producing and stepping up sales of new types products that ensure high fuel efficiency;
- developing new environment-conscious business segments.

Rosneft develops various scenarios of global energy evolution. The Company's strategic planning and engagement in consideration of industry documents takes into account risks and opportunities for Rosneft and the energy sector of the Russian Federation, as well as for the global oil and gas industry, associated with climate change and transition to the low-carbon energy. The Company undertakes measures to control greenhouse gas emissions aimed at reducing the carbon footprint at its main production facilities.

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

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

In terms of climate action, the Rosneft-2030 Strategy provides for target indicators⁶:

- **Short-term targets:** by 2025 – 5% reduction in absolute Scope 1 and Scope 2 GHG emissions.
- **Mid-term targets:**
 - by 2030 – zero routine flaring of associated petroleum gas (the goal is in line with the World Bank's Zero Routine Flaring of Associated Petroleum Gas by 2030 initiative);
 - by 2030 or earlier – reduction of unit Scope 1 and Scope 2 greenhouse gas emissions in Upstream to less than 20 kg CO₂-eq./boe;
 - by 2030 – decline in methane emissions intensity less than 0,2%;
 - by 2035 – reduction in absolute Scope 1 and Scope 2 greenhouse gas emissions by more than 25%.
- **Long-term target:** by 2050 – net zero (carbon neutrality) (Scope 1 and 2).

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

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

Please see further information on the Rosneft-2030 Strategy in subsections 3.1, 3.2, 4.1, 9.2, 11.1.

⁶Reduction targets are set as compared to the 2020 baseline and cover 100% of Scope 1 and 2 emissions in the Company's reporting perimeter, unless otherwise noted.



||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In 2023, GHG emissions from the Company's operations totaled 77.15 million tonnes of CO₂ – eq., including 62.47 million tonnes of CO₂ – eq. of direct emissions (Scope 1) and 14.68 million tonnes of CO₂ – eq. of indirect emissions (Scope 2) associated with procurement of electricity and energy⁷. The reliability of the Company's greenhouse gas emissions data for 2023 was verified by an independent party – TsATR-audit services LLC (B1 group of Companies).

Rosneft develops staff competencies in decarbonization and carbon footprint reduction on a regular basis. In 2023, the Company continued internal corporate training on "Carbon Management". Over the reporting period, more than 83 thousand employees of the Company received training. Such a significant coverage was achieved through the use of remote training modes. All Company employees are expected to complete the training, in line with Rosneft's plans.

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

Starting from 2019, Rosneft has been a member of the **Methane Guiding Principles industry initiative**, which includes a number of leading international oil and gas companies and focuses on reducing methane emissions across the natural gas value chain.

In 2023, acknowledging the importance of methane emission reduction, the Company continued implementation and scaling up of a comprehensive programme for detection and elimination of fugitive sources of hydrocarbon (including methane) emissions using unmanned aerial vehicles (UAVs) and portable ground survey devices. The programme was scaled up and implemented in 27 Upstream subsidiaries.

UAV surveys were carried out at 13 subsidiaries, including hard-to-reach facilities and long sections of pipelines. The programme covered 94 production facilities and about 2.5 thousand km of pipelines (a 50% increase compared to the previous period). In the reporting year, ground monitoring surveys using portable systems were carried out at 25 subsidiaries, and a total of 846 facilities were surveyed.

In the reporting year, for the first time, the Company also conducted surveys at Sakhalin-1 project facilities, including the onshore "Odoptu" and "Chayvo" oil and gas treatment facilities and the offshore stationary platform "Berkut".

In addition, Rosneft launched a project to adapt technologies for controlling fugitive emissions of methane and other hydrocarbons to improve industrial safety at production facilities of its refining assets. In the reporting year, surveys were conducted at Angarsk Petrochemical Company, Novokuibyshevsk Petrochemical Company and Novokuibyshevsk Lubricants and Additives Plant. The goal of the project is to assess the applicability of methods, technologies and the potential for scaling up the programme, first of all, to refining and petrochemical operations, and in the future – to the entire value chain.

⁷ 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.



In 2023, air and ground monitoring of methane emission sources covered more than 800 sites at 27 production facilities. As a result, a set of measures was developed to eliminate detected methane emissions.



Rosneft will continue improving its carbon reporting system in accordance with the Russian legislation, recommendations of the Bank of Russia, and adopted international approaches, with due account of recommendations of the TCFD (Task Force on Climate Related Financial Disclosures). In 2023, the IFRS Foundation was given responsibility for monitoring companies' climate-related disclosures. Climate change issues and related risks and opportunities are effectively integrated into the corporate governance system, that includes the Strategy and Sustainable Development Board Committee.

In the context of measures taken to prevent accidents related to deformation of footings and foundations, and also for adapting to climate change in the Arctic zone, the Geotechnical Monitoring (GTM)⁸ Competence Center is functioning with the aim of centralized management of the process of development and implementation of geotechnical monitoring at the Company's facilities.

Rosneft carries out research and development activities, which resulted in:

- forecast climatic data of meteorological parameters (air temperature and humidity, average monthly precipitation, wind speed, soil surface temperature, snow cover thickness and density, radiation balance) up to 2080. Climate mapping by meteorological parameters for 2050 and 2080 was prepared;
- forecast calculation data, including monthly averages of ice concentration and thickness up to 2080 in the water area of the Arctic seas of the Russian Federation under climatic models. Maps of ice conditions for 2050 and 2080 were drawn using forecast data;
- development of digital geocryological maps of the shelf of the East Siberian and Chukchi Seas at a scale of 1:2,500,000.

The work on introduction of space technologies for monitoring deformation of buildings and structures is in progress in cooperation with Roscosmos State Corporation and with the support of the Ministry of Energy of the Russian Federation.

⁸ Geotechnical monitoring is a system of comprehensive control, forecasting and management of the condition of footings and foundations with the aim of ensuring mechanical safety in construction and operation of structures, as well as timely prevention and reduction of the probability of accidents associated with deformation of footings and foundations.

In 2023, for the eighth time in a row, [Rosneft joined the leaders of Russia's ESG stock indices](#), including the Moscow Exchange-RSPP "Responsibility and Openness" index and the Moscow Exchange-RSPP "Sustainability Vector" index.

In 2023, Rosneft reaffirmed its leading positions in sustainable development in the Russian and international oil and gas industry. The Company was included in the Moscow Exchange – RAEX "ESG Balanced" Index, comprising 15 shares of issuers with the highest ESG values – ranking by RAEX-Analytica, the largest agency of non-credit ratings.

Rosneft became the best Russian oil and gas company in the World Benchmarking Alliance's international rating in the field of sustainable development, which evaluates the contribution of the world's 100 largest companies to the achievement of the UN Sustainable Development Goals every two years, and was ranked among the top 10 companies by a number of indicators .

In 2023, Rosneft joined the group of companies with high social rating indicators (top-2) as assessed by ISS, the largest international provider of services in the field of sustainable development and responsible investment.

13.2. Improving the Company energy efficiency in all operating segments

См. подраздел 7.1.

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

Please see subsection 7.2. for more information.

13.4. Low-carbon development initiatives

[The Strategy "Rosneft-2030: Reliable Energy and Global Energy Transition"](#) provides for reduction of the Company's carbon footprint with further improvements in operational and financial efficiency.

Rosneft is strengthening its position as a reliable producer and supplier of energy resources while minimizing its impact on climate and environment.

Please see subsection 13.1. for more information.

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

Please see subsection 11.1. for more information.

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

The Company's low-carbon development initiatives include:

→ energy saving and energy efficiency improvement;

Please see subsection 7.1. for more information.

In 2023, successful implementation of the corporate [Energy Saving Programme](#) enabled reduction of absolute greenhouse gas emissions in the amount of 1 million tonnes of CO₂-eq.

Please see subsections 7.1, 7.2. for more information.

→ beneficial use of associated petroleum gas (APG) and reduction of methane emissions;

Please see subsections 7.2, 13.1. for more information.

- ensuring that gas accounts for more than 25% of the Company's hydrocarbon production as the lowest-carbon and cleanest fossil fuel;
- development of pilot projects on carbon dioxide capture and underground storage (CCS), which provide for capturing carbon dioxide and its further reinjection into deep-seated strata, thus ensuring its safe storage on a permanent basis;
- evaluating projects for production of new "clean" products, including blue hydrogen, ammonia and other sustainable fuels.

To achieve the goals set out in The Rosneft–2030 Strategy, the Company intends to apply emission-offsetting mechanisms in particular by increasing CO₂ uptake in the forestry sector along with the use of greenhouse gas emission reduction technologies.

Rosneft considers forest-climatic projects as one of the levers for achieving operational carbon neutrality in the long term. **[The Company is implementing a comprehensive forest-climatic project in cooperation with the Government of Krasnoyarsk region.](#)** The expected effect is an increase in the GHG sink in the amount of 10 million tonnes of CO₂-eq. The comprehensive forest-climatic project of Rosneft is not just planting seedlings and other forestry activities, but a large-scale endeavor to create and develop a new area of ecosystem services.



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, the preparatory stage of the comprehensive forest-climatic project was completed: domestic and foreign experience in delivery of forest-climatic projects was analyzed, gaps in legislation were identified. In addition, scientifically justified conclusions were obtained on the types of promising forest-climatic projects to be implemented in Krasnoyarsk region, a calculator was developed to assess their carbon and economic efficiency, and recommendations on project monitoring were presented.



The forest-climatic project will complement the Company's ongoing reforestation activities.

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

Please see subsections 7.1, 7.2. for more information.

Rosneft traditionally pays particular attention to conservation and restoration of natural resources. In 2023, the Company and Group subsidiaries planted almost 10 million young trees of various species.

13.5. Innovative activities

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

Please see subsection 7.4. for more information.

PARTNERSHIPS FOR THE GOALS

17 PARTNERSHIPS FOR THE GOALS



МЕЖДУНАРОДНАЯ
КООПЕРАЦИЯ И ЭКСПОРТ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ *

ОБРАЗОВАНИЕ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

Through the implementation of its own projects and initiatives, the Company actively contributes to the sustainable development of the energy sector to ensure, among other things, promotion of the UN Sustainable Development Goals agenda**.

.....
* Russian national projects international cooperation and exports, education.
** The Company's impact on stakeholders.



17.1. Participation in global initiatives

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

Rosneft also shares the general principles and values of the Universal Declaration of Human Rights, Declaration of the International Labour Organization on fundamental principles and rights at work, supports initiatives aimed at sustainable development, higher transparency, combatting corruption, respecting the fundamental human rights, closing the inequality gap, and protecting the environment.

Дополнительно см. подразделы 10.6, 13.1.

17.2. Participating in sustainable development of the energy sector

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

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

→ changing the regulatory environment, developing fiscal initiatives aiming at improving efficiency of development of the resource base, oil refining and petrochemical industry;

- building up integrated supply chains, developing new technological solutions;
- expanding partnerships with industry members, as well as cooperation in the field of HSE;
- the Company took part in the round table "Clean earth: soils – the basis of ecological systems in Russia" organized by the All-Russian ecological platform "Clean Future", where it shared a whole range of methods and technologies developed by the Company's ecologists to restore biological productivity of soils in the conditions of northern latitudes. Among them are winter reclamation technology, the use of specialized equipment for work in areas with a high degree of swampiness: amphibious excavators on pontoon-caterpillar chassis, multifunctional snowmobiles of various modifications, small-sized transporters with high maneuverability;
- the Company attended meetings and round tables of the Federation Council Committee on agricultural and food policy and nature management and the Committee on ecology, natural resources and environmental protection of the State Duma of the Russian Federation to discuss issues related to development and implementation of geotechnical monitoring at facilities in the Arctic zone of the Russian Federation.





Since 2013, Rosneft has provided organizational support for holding the Energy panel session as part of the St. Petersburg International Economic Forum.

The Energy panel is a key session of the forum, which traditionally brings together leading representatives of the oil and gas industry from around the world for an open exchange of views on topical issues that the international energy community is facing, with due account for transformations that are taking place in the energy sector.

At the SPIEF-2024 Energy Panel, Rosneft's Chief Executive Officer presented a keynote speech entitled "Energy transition and phantom barrels: Abandon hope, all ye who enter here. Not everyone will be taken to the bright future of the global energy industry!" with a detailed analysis of the situation on the energy market, including a well-reasoned criticism of the current concept of "green" transition and the need to find a balanced way of the global energy development with a focus on the interests of the majority.

The Company continues to enhance international cooperation in the field of education.

In 2023, Rosneft entered into a number of agreements with leading universities and companies in China and Qatar, which are the world's largest educational centers, and which accumulate all advanced educational methods and practices, shape world-class knowledge bases, and implement breakthrough scientific and research projects:

- **Memorandum on cooperation in scientific and technical research and development signed between Rosneft and Tsinghua University (China);**
- **Agreement on cooperation development in the field of education and training signed between Rosneft and China National Petroleum Corporation (CNPC);**
- **Agreement in the field of education and science signed between Rosneft, Qatar University and Ufa State Petroleum Technical University;**
- Agreement on cooperation in education and science signed between Rosneft, China Petroleum University and Gubkin Russian State University of Oil and Gas (RSU).

Together with foreign partners, the Company's employees are trained in online and offline formats in the most relevant and demanded areas of business.

Please see subsections 8.1, 9.2. for more information.



17.3. Effective partnership with state organizations, businesses and society

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

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

The Company interacts with concerned parties on a systemic basis. In 2023, Rosneft continued its participation in improvement of regulatory and legal regulations in the field of environmental protection; the Company reviewed draft regulatory legal acts and submitted proposals for their improvement. In particular, this work was carried out on draft regulatory legal acts related to forest legislation, state environmental expertise, air protection, waste management and other environmental issues.

Together with the Government of the Krasnoyarsk region, the Company drafted proposals to amend the Forest Code of the Russian Federation so as to create legal conditions for implementation of forest climate projects on a systematic basis, in addition to the regulatory framework for implementation of climate projects in general. The Company also submitted proposals to the Russian Ministry of Natural Resources and Environment to clarify the methodology for assessing greenhouse gas absorption.

Please see subsections 2.3, 16.3. for more information.

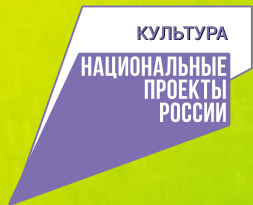
As part of the support of small and medium sized enterprises (SMEs), the Company also interacts with JSC Corporation SME in terms of organizing training seminars on participation of SME entities and self-employed citizens in the procurement of Rosneft and the Group's subsidiaries. The Company actively promotes the participation of SMEs in small purchases at the Section "Corporate Online Store" of JSC TEK-Torg (KIM). Participation in the KIM provides SMEs with a simplified participation procedure of submitting and registration of bids and direct access to small volume procurements.

In terms of training new highly qualified personnel and supporting education in the oil and gas sector, a two-year Master's degree programme is being implemented at the Department of supply chain management in the oil and gas industry of the Gubkin Russian State University of Oil and Gas (established with the Rosneft support).

In 2022 and 2023, there was a graduation of Masters in supply chain management who completed their two-year training. Graduates of the programme were 19 masters, 4 of them received a diploma with honors. Rosneft Supply chain management and specialists with extensive experience in procurement, implementation of best practices and international projects, as well as leading industry and international experts took part in the training of master's students. In the fall of 2023, 21 part-time master's students started their studies.



NO POVERTY



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

.....

* Russian national projects: culture, education, health care.

** The Company's direct impact on stakeholders.



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

Rosneft is one of the largest publicly traded oil and gas companies in the world in terms of crude oil reserves and production, as well as it is a strategic systemic company of the Russian energy industry and the national economy as a whole, contributing 4.1% of GDP, 3.8% of investments, and making a significant contribution to the country's budget system.

Please see subsections 3.5, 8.1, 8.10. for more information.

Rosneft is one of the largest employers in Russia. In 2023, the Company's average headcount amounted to 322.5 thousand people.

1.2. Social responsibility and social investments

As a socially responsible company, Rosneft ensures long-term, fruitful relations with the regions where it operates, and maximizes the social orientation and efficiency of its projects to improve the quality of life of people in the regions.

The Company's support of the social sphere is aimed at strengthening social stability and implementing a responsible policy that directly improves the quality of life of the population in the regions where it operates, namely:

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

Development and support of the volunteer activities

In 2023, Rosneft subsidiaries held more than **2 thousand volunteer events** involving **111 thousand employees of the Company**, among them:

- more than 500 volunteer corporate projects to support children, including children of the newly joined territories. Support was provided to about **30 thousand children**;
- more than 115 volunteer corporate projects to support the elderly, veterans, lonely and socially vulnerable categories of population. More than **5 thousand elderly people** received assistance, including 2 thousand veterans of the Great Patriotic War;
- 195 **donor** campaigns involving almost **12 thousand Rosneft volunteers**;
- more than **600 volunteer corporate projects involving environmental initiatives**, in which more than 55 thousand Rosneft volunteers took part.

In cooperation with the "Movement of the Firsts", Rosneft subsidiaries organized **more than 70 volunteer corporate projects** in 2023. Oilmen familiarize pupils with the industry professions, organize excursions to corporate museums, organize joint environmental volunteer campaigns, etc.

In December 2023, the corporate volunteer programme "PLATFORM OF GOOD DEEDS" was awarded **3rd place in the International Award "We Are Together" in the category "Responsible Business"**.



ZERO HUNGER



Rosneft ensures equal access to energy resources, which contributes, among other things, to smooth functioning of transport and agriculture. The Company provides supplies to remote regions and promotes social and economic development**.

* Russian national projects: culture, modernization and expansion of trunk transport infrastructure, housing and the urban environment.

** The Company's influence on stakeholders.



2.1. Meeting the energy demand

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

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

Rosneft is consistently developing the infrastructure for engagement with:

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

With due account for active development of the road network in Russia, it is planned to build about 30 new highway facilities with a renewed concept in order to shape a comfortable environment for a proper rest on the road, which primarily involves offering cafes, including plans to introduce an "open" kitchen option (cooking in the sales area). In addition to a restaurant/café, the Company retail sites will have separate fueling areas for cars and trucks, rest areas for drivers, children's playgrounds, and electric charging stations. Development of the highway retail site network is focused on the key federal highways in Central Russia, new highways M-11 "Neva", Central Ring Road and M-12 "Vostok", highways of Krasnoyarsk region.

One of Rosneft's lines of business is supply of petroleum products across the Russian Federation. The geography of the Company's retail business is vast and includes about 3 thousand retail sites in 61 Russian regions.

Please see subsection 7.3. for more information.



2.2. Supplying remote regions and promoting the infrastructure sharing

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

The Company's subsidiaries contribute to oil product deliveries to Russia's northern areas.

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

In 2023, about 20 thousand products from the lists of socially important and essential goods were sold at retail sites located in remote areas with a reduced competitive environment. The pilot project involved 48 sites in 18 Group subsidiaries, where the range of groceries, gastronomy and non-food products was expanded.

Rosneft supports local producers in all regions of its presence and includes products of local brands in the assortment matrix of stores and cafes at retail sites. At least 20% of the assortment matrix of stores and cafes at retail sites is made up of products from regional manufacturers based on demand-driven sales analysis. Such an approach makes it possible to create a balanced competitive retail offer for the customers of the Company's retail sites network.

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

2.3. Supporting indigenous peoples of the North and local communities

The Company respects cultural heritage and rights of indigenous people of the North, contributes to preservation of traditional lifestyles, indigenous habitat, and development of traditional natural resource use.



Rosneft supports projects aimed at preserving the unique ethnic cultures and traditions of the indigenous peoples of the North and local communities.

The Company supports construction of houses and purchase of life support equipment in remote settlements, improvement of territories and social infrastructure of settlements, and conducts various activities to preserve traditions, language and culture of the local population.

Activities are directed toward supporting the traditional way of life and preserving the territory of ancestral residence of indigenous peoples of the North and their unique cultural heritage, toward implementing programmes to relocate local residents from emergency housing, repairing and building infrastructure in settlements, improving living conditions and purchasing equipment and fuel and lubricants for crafts activities, participating in exhibitions, sports and ethno-cultural events, competitions with national aspects, developing national crafts, supporting educational programmes, and ensuring recreational summer rest.



2023: PROGRESS TOWARDS GOALS ACHIEVEMENT



[In 2023, the next, sixth ECOARCTICA Environmental Forum was held. In 2023, the Forum took place in two regions of the Company's presence.](#)

In April, the event was organized by RN-Vankor, the largest oil production subsidiary of the Krasnoyarsk region, operator of the Vankor cluster oil fields development. The event was supported by the administration of the Taymyr Dolgano-Nenets Municipal District and the Russian Geographical Society. The forum was held in Dudinka and was traditionally dedicated to discussing issues of safe development of the Arctic, reducing the environmental impact of economic and industrial activities and supporting the traditional way of life of the indigenous peoples of the North living on the Taimyr Peninsula.

The key event of the forum was a round table attended by representatives of legislative and executive authorities, Rosneft subsidiaries in Krasnoyarsk region, public, scientific and environmental organizations. Employees of RN-Vankor, Vostsibneftegas, Slavneft-Krasnoyarskneftegas presented reports on production and environmental performance results for 2022. Scientists from the Arctic Science Center, the Center for Marine Research of Lomonosov Moscow State University, and the Siberian Federal University spoke about the results of a ten-year study of biological indicator species of the Arctic zone and development of a microbial preparation for cleaning marine areas from hydrocarbon pollution. Ecologists held environmental lectures and a quiz for students of the Taimyr College and pupils of Rosneft Classes in Dudinka.

[The ECOARCTICA forum was concluded with celebration of the Reindeer Breeder's Day in the Nosok settlement.](#)

In September, RN-Shelf-Arctic LLC was the organizer and title sponsor of the forum events in Naryan-Mar city (Nenets Autonomous District). The programme included a round table "Preservation of Unique Water Bodies", a series of career guidance lectures for high school students and an environmental volunteer campaign under the federal project "Clean Arctic".

Total number of participants who attended all events of the forum amounted to more than 770 people.



The northern parts of Krasnoyarsk region have been inhabited for centuries by indigenous peoples who preserve their traditional way of life, economic activities and crafts and have self-awareness of independent ethnic communities.

The resettlement of indigenous minorities of the North from emergency and dilapidated housing located in the Taimyr Dolgano-Nenets Municipal District makes a significant contribution to the social and economic development of the Extreme North. With the Company's support, mobile hut / shed was purchased for the rural settlement of Karaul. Six families of indigenous minorities received new apartments in Nosok settlement.

ROSPAN International and RN-Purneftegas: a long-term project "**Northern Friendship**" aimed at preserving the culture and traditions of forest Nenets is being implemented starting from 2019.

One of the striking projects among the Company's many social and charitable programmes aimed at developing national communities and associations is the **revival of the Kharampur national settlement**, which was founded in the 1920s as a trading post. With Rosneft's help, Kharampur has become a **cultural center for the forest Nenets people**, whose population is now about 2,000 people. Oilmen have built a clubhouse, a library, and 20 permanent cottages resembling the traditional dwelling of a rawhide tent in the national village. A boarding school was also built in the village, where children of reindeer herders and fishermen learn their native language and traditional crafts.

RN-Purneftegas annually allocates funds to public organizations and administration of the Purovsky District to support the agricultural sector, which employs the majority of Kharampur residents.

To celebrate the International Day of the World's Indigenous Peoples, Krasnoyarsk hosted the Festival of northern culture in 2023. The event was organized by Slavneft-Krasnoyarskneftegas and Vostsibneftegas, which are Rosneft's production subsidiaries in Krasnoyarsk region.

The main event of the Festival was an exhibition-fair of national art, where traditional items of clothing, reindeer fur products, jewelry and paintings of northern peoples were presented. The open-air exhibition delighted city residents until the end of summer.

Samotlorneftegas is implementing a unique IT project in KhMAO-Yugra involving Internet connection for khanty and mansi families who live in their ancestral lands and lead a traditional way of life. Over three years, 60 access points have been installed in 7 districts of the district, thus providing almost 3.5 thousand people with access to the World Wide Web.

In the Republic of Sakha (Yakutia), Taas-Yuryakh Neftegasodobycha provides substantial support to the clan communities of the Sadynsky national Evenki heritage, as well as to the settlement of the Botuobuyinsky heritage, about the past and present of which a book is planned to be published.

RN-Yuganskneftegas oilmen provide reindeer-breeder camps with construction materials and equipment, deliver foodstuffs to the places of residence, pay for medical treatment and education, and prepare children for the school year. RN-Yuganskneftegas has repeatedly won the annual district contest "Black Gold of Yugra" for its cooperation with the indigenous population.

QUALITY EDUCATION



ОБРАЗОВАНИЕ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ *

НАУКА
И УНИВЕРСИТЕТЫ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

ЦИФРОВАЯ
ЭКОНОМИКА
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

Rosneft has established a unified corporate system of continuous education, which supports secondary and higher vocational education in the country**.

.....
* Russian national projects: education, science and universities, digital economy.
** The Company's direct impact on stakeholders.



4.1. Corporate system of continuous employee education

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

Competent and highly qualified employees are the main asset of the Company and a prerequisite for its sustainable development. The Company has established a uniform corporate system of continuous learning and education that reaches out to all business segments, staff categories and is accessible to more than 322.5 thousand of Company employees.

Rosneft has in place Standards "On organizing personnel training" and "**Personnel assessment and development by competencies**". Corporate and managerial competencies are assessed based on the Rosneft Corporate and Managerial Competencies Model approved by the Chief Executive Officer. The Model reflects the Company's culture and values, and contains description of managers' competencies. Using the Model, 22.8 thousand people were assessed in 2023.

Within the framework of continuous employees' education:

- in 2023, the Company's education and training infrastructure is represented by 45 corporate training centers. An internal training system is being developed to ensure knowledge retention and sharing within the Company. Internal resources – in-house training centers, trainers, experts and mentors at production facilities – provide 71% of the total training volume (937.2 thousand person-courses per year);
- in 2023, Rosneft's compulsory, vocational and managerial training amounted to 1.3 million person-courses, which exceeded the 2023 target by 18% and the actual 2022 target by 166%; internship and experience exchange programmes with international partner companies are being implemented;
- to develop managerial skills, training is provided under MBA and EMBA programmes, "Leaders of the Future".

Development of professional competencies is facilitated by 348 specialized corporate vocational training programmes.

The Company uses cutting-edge digital technologies in the educational process. The "blended learning" format is in an active use, when part of the audience attends the training in person and part – in the online space, or when part of the modules/separate blocks of the programmes are held in person and part – in remote and online format.

Such a flexible approach blurs the boundaries between instructors and trainees in Russia and abroad, and makes it possible to implement training plans for the Company's employees.

Rosneft classes represent the first stage of the corporate system of continuous education "Schools – College/University – Enterprise", aimed at vocational guidance for schoolchildren and enhanced preparation for entry to oil and gas universities of the country.





4.2. Supporting secondary and higher professional education

The Company cooperates with educational organizations in Russia and abroad to develop new training programmes, shape an advanced educational community and train highly qualified personnel.

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

- In 2023, cooperation with 80 Russian and foreign universities, including 31 partner universities of Rosneft, was developed on the basis of cooperation agreements;
- The work of 29 proprietary academic departments was supported, with 97 employees of the Company involved in scientific and educational activities.

Agreements with universities enable the Company to actively develop cooperation in personnel training and retraining, scientific and innovative activities, improve the scientific and educational infrastructure of universities so as to train highly qualified specialists to meet the current needs of the business.

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, as part of implementation of Cooperation Agreements with higher education institutions:

- Implementation of the master's programme "Genomics and Human Health" on the basis of Lomonosov Moscow State University was continued;
- A new master's programme "Algorithmic Biology" is being implemented at the Moscow Institute of Physics and Technology in the interests of the Company;
- To successfully implement a comprehensive forest-climatic project, Rosneft, in partnership with the Kirov St. Petersburg State Forestry University and the Siberian Federal University, implemented additional education programmes for the Company's employees, as well as targeted innovation projects;
- A cooperation agreement was signed between Rosneft and the Far East Federal University, and the first stage of the Shipbuilding Competence Center was put into operation – "Engineering Development" thematic module with a total area of 1,000 square meters;
- The XI Festival "Rosneft's Future" was organized and held jointly with the Siberian Federal University. The Festival was attended by more than 500 students from among Rosneft Classes graduates, as well as students of target training and specialized training programmes from 33 universities of the country;
- **Projects for development of scientific and educational infrastructure of colleges and universities are being implemented.**





Within the frames of cooperation with higher education institutions, charitable aid funds are allocated to:

- Improvement and development of resources and equipment, educational and methodological base of educational organizations;
- Supporting activities of proprietary academic departments and graduate schools of partner universities to meet the needs of the Company's strategic projects, supporting implementation of educational programmes in a network form;
- Development of targeted training and support for students motivated for professional activity within Rosneft's perimeter, undergraduates undergoing internship in Rosneft's structural subdivisions, as well as promising teachers through corporate scholarships and grants.

In 2023, a total of 683 corporate scholarships and 256 corporate grants were awarded, including 160 grants to perform exploratory research on topics approved by Rosneft's Scientific and Technical Council⁹.

⁹Since 2019, Rosneft has been annually allocating grants to partner universities for scientific and teaching staff to carry out exploratory research in the interests of the Company. In 2023, a total of 22 partner universities took part in the grant programme, implementing exploratory research on 40 topics.

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

Please see subsection 8.7. for more information.

The specialized "Rosneft Classes" are founded in the regions of the Company's production activities on the basis of the best general educational institutions.

Rosneft takes a comprehensive approach to **improving social well-being of indigenous minorities** in the regions of its operations.

The Company is implementing an **accessible Internet project** aimed at creating equal digital opportunities for residents of large cities and hard-to-reach settlements. As part of the project implementation "IT Camp of reindeer breeder. Camp school-garden", indigenous children aged three to seven have the opportunity to receive primary education. In 2018–2023, a total of 77 communication stations were installed with Rosneft's support, which made it possible to provide **internet access to about 3.5 thousand residents of tribal lands in KhMAO–Yugra**.



GENDER EQUALITY

ДЕМОГРАФИЯ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

ОБРАЗОВАНИЕ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

Rosneft provides equal opportunities for professional growth and development of employees, implements succession pool programmes, and supports families of employees**.

.....
* Russian national projects: demography, education.

** The Company's influence on stakeholders.



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

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



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

The Company provides equal opportunities for professional growth and employee development. The share of women among the Company's employees remained virtually unchanged and amounted to 33.1%. The share of women among managers at the end of 2023 amounted to 23.6%, while the share of women among top managers and senior executives of Group companies increased to 19.8%.

In line with global trends in HR management, Rosneft has introduced an **improved methodology for selecting candidates and for building-up a high-quality talent pool**. Assessment of workforce capacity is carried out in a unified format and using unified criteria.

Individual development plans are elaborated for all candidates, including master classes, remote training, implementation of business-critical projects and mentoring. For high-potential candidates, mentors from the top management are nominated, as well as an opportunity to study at corporate MBA and "Leaders of the Future" programmes. **In 2023, 280 people completed training programmes.**

The **talent pool system and mentoring** are important elements of measures to support gender equality in the Company, including its management team.

In 2023, the Company approved more than 1,000 pool of candidates for top-level management positions (women account for 25%), of which 331 were high-potential candidates.

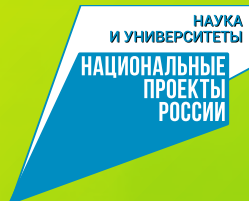
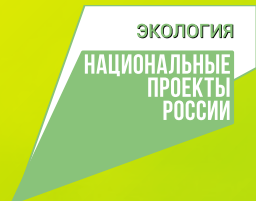
5.2. Supporting family and childhood

Please see subsection 8.4. for more information.



CLEAN WATER AND SANITATION

6 CLEAN WATER AND SANITATION



Rosneft effectively uses water resources in its operations and provides for their protection and recovery**.

.....

* Russian national projects: environment, science and universities.
** The Company's direct impact on stakeholders.

6.1. Water management

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

The Company is committed to ensuring the effective use of water resources in its operations and is taking action for their protection and recovery.

The Company carries out work at all stages of the production cycle to ensure responsible use of water resources. The corporate **Programme for improving environmental efficiency** and plans for upgrading production facilities are designed for reducing water intake from natural sources, increasing the share of recycled and reused water, environmentally safe treatment of associated produced water, and introduction of state-of-the-art wastewater treatment systems.

Wherever possible, the Company uses under-bottom pipe laying technologies when constructing water crossings under new projects. Wherever this is not possible, all necessary measures are taken to prevent harm to water resources.



Rosneft's Environmental Development Concept until 2035 sets the following goal: a 10% reduction of fresh¹⁰ water consumption by 2030 via incremental reuse and improved purification efficiency, with new projects having maximum water reuse.

¹⁰Fresh water is water taken from surface and underground sources, and water received from third parties under water supply contracts

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, current expenditures on water management (intake, treatment, transportation and discharge of effluents) amounted to RUB 6.5 bln. The share of recycled and reused water in 2023 amounted to 92.6% of the total volume of water used for production needs.

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

6.2. Water treatment and recycling programmes

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

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In the reporting year, RN-BashNIPneft engineers and RN-Vankor oilmen developed and commissioned an additional produced water discharge unit with a capacity of 10,000 cubic meters per day at the Vankor oilfield. The unit was put into operation as part of RN-Vankor's innovative approach to field development and Rosneft's high environmental responsibility.

Treated produced water is reused in formation pressure maintenance systems at the Vankor oilfield. The new technology allows for rational use of water resources. The early water discharge unit reduces the load on the field's oil gathering pipeline system, as well as on the oil treatment unit. The optimized water treatment unit is designed to effectively collect oil and settle mechanical impurities without interfering with the main flow due to water-repellent materials and variable profile.

Rosneft is planning to replicate the solution across the entire Vostok Oil project; in particular, three more units of this type will be built at the Vankor oilfield.

In 2022, Orenburgneft built about 10 km of high-pressure water pipelines at the Volostnovsko-Zemlyanskiy cluster and arranged a formation pressure maintenance system. As a result, fresh water consumption for reinjection was reduced by 62%. In 2023, the subsidiary continued to reduce the volume of fresh water consumption for reinjection by constructing high-pressure water pipelines. In the reporting year, a total of more than 12 km of water pipelines were constructed at the Volostnovsko-Zemlyanskiy cluster, Baklanovskoye and Rodinskoye fields, which enabled the Company to convert local injection wells to injection of produced water and reduce the volume of fresh water consumption for reinjection.

Currently, revamping of treatment facilities is underway at a number of the Company's refineries (including the Syzran Refinery, Kuibyshev Refinery, Novokuibyshevsk Refinery, Komsomolsk Refinery, Achinsk Refinery, Ryazan Refinery, and Tuapse Refinery).



6.3. Innovative activities

Rosneft owns licenses for strains of pure growth bacteria and microbial species, which are designed for decontaminating sea areas and coastlines of northern seas.

The Company implements innovative projects aimed at developing technologies for utilization of drilling waste, oil sludge, hydrocarbon pollution of the seas, oil spill response, and cleaning of soils from oil and petroleum products.



INDUSTRY, INNOVATION AND INFRASTRUCTURE



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

.....
* Russian national projects: digital economy, science and universities.
** The Company's direct impact on stakeholders.



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

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

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

9.2. Creating economic value

Continued steady growth of the Company's reserves continues, as a result of introduction of advanced technologies and scientific developments at promising and mature fields.

The Company's integrated business model ensures sustainability of the business and aims to capitalize on opportunities arising from changes in the global energy mix, structural transformation of commodity markets and technology development. Such an approach, along with effective management of the investment portfolio, corporate management system and establishing partnership relations with stakeholders, contributes to the growth of business profitability, added value creation along the entire value chain and the most complete development of the resource potential, in line with global energy development trends (including development of new categories of reserves and production regions).

In 2023, a key example of economic value creation is the Company's EBITDA growth of 17.8% year-on-year, while maintaining leadership in per unit production costs (\$2.6/boe).

Rosneft is implementing the largest investment programme in the country's economy, providing orders to Russian contractors in adjacent industries, particularly in Siberia and the Far East, and in the Arctic zone regions.

Implementation of the strategy made it possible in 2022–2023 to ensure growth of oil and gas reserves (replenishment of production with reserve additions exceeding 100%) and growth of hydrocarbon production (gas production in 2023 doubled compared to 2013 and reached the strategic target of over 25% of the Company's total production).

Please see subsections 8.8, 11.1, 12.3. for more information.

The Strategy "Rosneft–2030: Reliable Energy and Global Energy Transition" defines strategic goals and priorities for all business segments. Growth of profitability and increased distributions to Rosneft shareholders is one of the Company's key strategic goals.



9.3. Innovative activities

Please see subsection 7.4. for more information.

9.4. Ensuring sustainable functioning of the infrastructure

Adherence to communication rules and [information security](#) requirements is a mandatory element of corporate culture and an important condition for daily activities, including joint work with business partners. At the same time, special attention is paid to convenience of communication and development of new types of services, taking into account the increased mobility of employees and access to corporate information resources and systems.

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

The Company continuously monitors compliance with the requirements of the Russian legislation on critical information infrastructure (CII) security in the Group's subsidiaries. 143 Group subsidiaries are implementing Action plans for 2022-2024 in order to fulfill the requirements of the Decree of the President of the Russian Federation "On Additional Measures to Ensure Information Security of the Russian Federation

To improve the efficiency of response and minimize consequences of cyber-attacks on CII facilities, training sessions are held to respond to cyber incidents and take measures to eliminate consequences of cyber-attacks. In 2023, 47 training sessions were held.

In 2023, we recorded 20 DDoS attacks¹¹ on the Company's resources, 5.5 million network attacks were blocked, and more than 37 thousand malicious and phishing emails were blocked.



¹¹ DDoS (Distributed Denial of Service) is an overloading of an information system with an excessive number of requests, blocking the processing of requests.

REDUCED INEQUALITIES



Rosneft makes a significant contribution to the stability of the budget system and facilitates Russia's social and economic development. The Company is committed to the principles of high social responsibility and ensuring a decent standard of living for its employees**.

.....
* Russian national projects: demography.
** The Company's influence on stakeholders.



10.1. Partnerships and social investments in the regions of operations

Please see subsection 1.2. for more information.



10.2. Fiscal stability and budget revenues assurance

While maintaining the status of the country's largest taxpayer over the many years, the Company makes a significant contribution to ensuring the stability of the budget system and contributes to Russia's social and economic development.

In 2023, Rosneft followed [the Key taxation principles](#) that stipulate the unconditional and timely fulfillment of legal requirements as the basis of the Company's activities in the tax sphere. This document, published by the Company in 2019 (the first among the largest companies in the Russian oil and gas sector), reflects the main principles and objectives in the field of taxation that highlights the establishment a sustainable tax environment, and sets a standard of a responsible tax behavior based on the principles of openness and transparency in the tax sphere.

Please see subsection 1.1. for more information.

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

Please see subsection 5.1. for more information.

10.4. Social policy

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

The Company is striving to maintain the labour remuneration at a level that exceeds an average salary in the regions of Company operations, conducting an annual salary indexation.

A Collective employment agreement template is in place with the most possible list of benefits, guarantees and compensations that the Group subsidiaries can introduce to ensure additional social protection of employees.

In 2023, a total of 108 Group subsidiaries became participants of the Industry agreement across companies of the oil and gas industry and construction of oil and gas facilities in the Russian Federation for 2023–2025. All obligations assumed by the subsidiaries are performed in full.



10.5. Supporting indigenous peoples of the North and local communities

Please see subsection 2.3. for more information.



10.6. Compliance and combatting corruption

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

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

The Company's principles and approach are stipulated in the following local regulatory documents:

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

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

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

Rosneft's Board of Directors (Audit Committee of the Board of Directors) has approved strategic documents¹² and principles for conducting such work, with regular performance assessment; Audit findings¹³ of risk management process and internal control in preventing and combatting corruption were reviewed and approved.

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

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

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

Over the reporting period:

- the Company employees received information on typical corporate fraud and corruption violations (including conflict of interest management);
- relevant structural subdivisions received information on statutory acts and governmental initiatives on combatting corruption on a regular basis;
- the risk of corporate fraud and corruption was assessed/re-assessed on a quarterly basis in accordance with the approved methodology;
- anti-corruption expertise of draft local regulatory documents was carried out on the ongoing basis.

¹² The Company's Policy on combatting corporate fraud and involvement in corruption activities was approved by the resolution of Rosneft Board of Directors (Minutes № 19 of May 21, 2018). The Policy was updated in 2021 (Minutes № 21 of April 05, 2021).

¹³ Audit findings for 2021 were reviewed and approved by Rosneft Board of Directors (Minutes № 27 of April 04, 2022).

The Company carries out a set of measures aimed at the use of transparent mechanisms and implementation of effective procurement procedure. The Company expects its contractors to adhere to the Company's Policy "On combatting corporate fraud and involvement in corruption", as well as to introduce Ethics Code of suppliers of goods, works and services in the course of their operations.

The Company manages conflicts of interest at all management levels. Rules for prevention and avoidance of conflicts of interest are set forth in the **Corporate Governance Code, the Code of Business and Corporate Ethics, the Company's Policy on Combatting Corporate Fraud and Involvement in Corruption, as well as in the Company's Policy on Conflict of Interest Management**. The Regulations define classification of conflicts of interest, including conflicts of interest between shareholders and members of the Company's management bodies (for example, adoption of resolutions by the Company's management bodies that may lead to deterioration in the Company's financial and economic performance; failure to disclose information by the Company in accordance with the law or provision of incomplete information by the members of the Company's management bodies on positions held in management bodies of other organizations, on holding shares (equities) in other organizations, other information to be provided in pursuance of the legislative requirements, requirements stipulated in the Company Charter and local regulatory documents).

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

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



Report on performance results in the field of conflict of interest management in the Company for the previous period was approved by Audit Committee under the Rosneft Board of Directors¹⁴.

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

The Company operates a 24/7 Security Hotline to report on suspected and actual cases or indications of corporate fraud, corruption and conflict of interests.

The amount of damages identified/prevented amounted to 197.7 million rubles. Employment contracts with 56 employees were terminated and disciplinary penalties were imposed on 152 employees. Findings of 37 inspections were sent to law enforcement authorities.

Members of Rosneft Board of Directors Audit Committee are updated on the [Security Hotline](#) performance on a quarterly basis.

¹⁴ Minutes № 1 of 24.08.2023.

Rosneft Security Hotline 8 (800) 500-25-45

On a regular basis, the Company interacts and exchanges the information with the state regulatory and supervisory authorities.

"The Anti-corruption" subsection of the Company's official website contains the following information:

- [the Company's statement on zero tolerance of corruption](#);
- applicable anti-corruption legislation;
- local regulatory documents of the [Company on combatting corruption](#);
- [Security Hotline contact details](#) and etc.

Please see subsection 12.3. for more information.

10.7. Creating favourable social environment

Please see subsection 3.5. for more information.

SUSTAINABLE CITIES AND COMMUNITIES

11 SUSTAINABLE CITIES AND COMMUNITIES



The Company's activities contribute to improving the quality of life in cities and other settlements, ensuring environmental sustainability and reducing impact on the environment. Rosneft supports cultural and heritage preservation projects**.

* Russian national projects: housing and the urban environment, tourism and hospitality industry, culture, environment.

** The Company's direct impact on stakeholders.



11.1. Meeting the growing demand for energy resources

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

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



THE ROSNEFT–2030 STRATEGY PROVIDES FOR:

- production target of 330 million toe;
- maintaining leadership in unit production costs;
- increasing the share of gas in the Company production mix to 25%;
- increasing the light products yields at the Company's refineries in the Russian Federation to 69% by continuing the current upgrades.

Please refer to Sections 3.1, 3.2, 4.1, 9.2, 13.1 for additional information on the "Rosneft–2030" Strategy.

The main goals of Rosneft in the field of gas monetization are to supply gas to the Company's consumers and to expand the portfolio of long-term contracts that guarantee the commercialization of its gas production.

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

The Company's hydrocarbon production in 2023 amounted to 269.8 million toe.

Gas production increased up to 92.7 billion cubic meters¹⁵ and reached the strategic target of over 25% of the Company's total production mix.

The Company currently supplies gas to more than 40 regions of the Russian Federation, acting as the main supplier in a number of them.

11.2. Improving living standards in cities and other residential areas



¹⁵ Excluding gas used for other process needs.

The Company's activities contribute to higher living standards, ensuring environmental sustainability and reducing the environmental footprint of the automobile transport. Rosneft is constantly improving characteristics of its motor fuels and expanding the geography of its supplies, as well as the range of available products and additional services at its retail sites (including non-fuel business).

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, the Company continued to sell fuels with improved environmental and operational characteristics (Pulsar branded fuel and gasoline Euro-6).

Development of gas filling infrastructure in Russia is one of Rosneft's priorities in retail business: using gas as a motor fuel makes it possible to improve efficiency of vehicle operations by reducing the cost of transportation and significantly reducing the negative impact of motor transport on the environment.

Rosneft's retail network of filling stations develops charging infrastructure for electric vehicles as part of cooperation with Russia's largest electric power companies. Rosneft retail sites have installed and are operating charging stations for electric vehicles, as well as fast charging stations.

The Company takes care of every guest by shaping a cafe offer to meet different needs: for a quick snack, "on the go" format, as well as the possibility of having a proper breakfast or lunch: hot dogs, pastries, confectionery products, ready to eat hot dishes. At the year-end 2023, about 1.5 thousand retail sites provide a full-fledged offer of meals on the road – coffee, pastries, hot dogs and burgers. Jointly with partners, the Company implements programmes to provide insurance and financial services, there are pharmacies at filling stations, and some filling stations have car washes and service centers. The programme of installing food trucks in different locations is expanding.

Please see subsection 3.2. for more information.
Please refer to subsection 7.2. for additional information.

11.3. Environmental policy and commitments

Rosneft's HSE Policy lays down a strategic goal to achieve global leadership positions in the field of accident-free operations, safe working conditions for the Company's employees and to minimize environmental footprint in the regions of the Company's operations. The Policy also defines the Company's commitments, of which the environmental ones include:

- rational use of natural resources in the course of the Company's business activities, implementation of measures for their protection, restoration, and remediation of disturbed area;
- reduction of the environmental footprint of the Company's business activities;
- implementation of measures aimed at preserving ecosystems and biodiversity, among other things, when implementing offshore projects and projects in specially protected natural areas.

The Company strives to reduce the environmental footprint of its operations, monitors compliance with the requirements of environmental legislation, develops corporate programmes, and organizes and participates in voluntary environmental events.

The [Environmental Development Concept](#) for the period until 2035 sets the following environmental indicators:

- reclamation of 100% of contaminated legacy lands;
- elimination of 100% of legacy oily waste;
- reduction of "fresh" water consumption by 10% by 2030;
- 15% reduction in total non-greenhouse gas emissions;
- 15% reduction of sulfur dioxide and nitrogen oxide emissions.

Through the mechanism of socio-economic cooperation agreements, regions receive additional budgetary funds necessary for development of territories and conducting environmental protection activities (see subsection 1.2).

The Company's "green" investments in 2023 amounted to almost RUB 64 bln.



11.4. Supporting indigenous people of the North and local communities

Please see subsection 2.3. for more information.

11.5. Culture and heritage

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

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

One of the key achievements in 2023 was the Company's participation in the International Exhibition and Forum "Russia" organized at VDNKh (Russian Exhibition of Economic Achievements) following the decree of the President of the Russian Federation Vladimir Putin. Rosneft opened its own exhibition pavilion at VDNKh, which was built according to the architectural design project using digital equipment and interactive exhibits.

Visitors to the Company's pavilion could learn about the history of development of the global and domestic petroleum industry, as well as about Rosneft, its projects and scientific developments. [The pavilion regularly held special event days and weeks on various topics, which included popular science lectures and master classes.](#) Rosneft's participation in the International Exhibition and Forum "Russia" demonstrates the Company's commitment to openly share its knowledge and achievements.



In 2023, with the support of Rosneft, the State Hermitage Museum in St Petersburg opened three rooms of the renovated exposition "Culture and Art of China" dedicated to the Qing period of the 17th-16th centuries. The exposition is located in the Main Museum Building.



Thanks to Rosneft's support, the Shostakovich St. Petersburg Philharmonic has organized modern and large-scale projects that have graced the cultural life of St. Petersburg and the entire Russia.

Rosneft has been actively supporting the concert activities of the St Petersburg Academic Philharmonic since 2015. In June 2023, the Company supported a tour of the Shostakovich Academic Symphony Orchestra, the merited orchestra of the Russian Federation, to the largest cities of China. The tour started on June 15 in Beijing and ended with a performance in Shanghai on June 25. The orchestra also performed in Tianjin, Wuhan, Nanjing and Guangzhou.

The Company was the general sponsor of the children's musical project "White Steamboat". With Rosneft's support, regular gala concerts of the 18th All-Russian Children's Music Festival "White Steamboat" were held in Moscow and St. Petersburg. The project participants performed at the Tchaikovsky Concert Hall in Moscow and at Mariinsky Theatre hall.

The concerts were attended by children from orphanages, children from large and low-income families from all over Russia, as well as children with disabilities.

With the Company's sponsorship, the Sretensky Monastery Choir had a successful tour in May-June 2023. The choir presented a new musical and dramatic play dedicated to the 78th anniversary of the Victory in the Great Patriotic War. The premiere of the festive programme took place in Moscow. On May 9, the choir sang for veterans who became guests of the concert. As part of the tour, the choir performed in the cities of the Company's presence – Irkutsk, Krasnoyarsk, Nefteyugansk, Tyumen, and Nizhnevartovsk.

Rosneft was the general sponsor of the Mariinsky Theatre Ballet performance "One Thousand and One Nights" at the Qatar National Convention Centre, which was successfully held in December 2023. About 4,000 people attended the ballet.

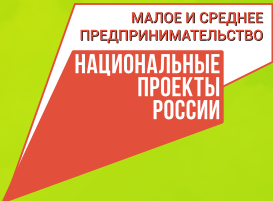
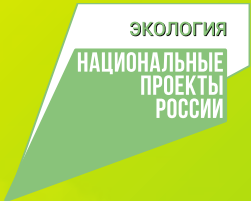
Please refer to Section 1.2 for more details.



11.6. Creating favourable social environment

Please refer to subsection 3.5.

RESPONSIBLE CONSUMPTION AND PRODUCTION



Seeking to prevent possible negative impact, the Company is committed and takes all necessary actions to ensure environmental protection, conservation and restoration of natural resources, including continuous improvement of products, production processes and also working conditions of the Company's employees and partners**.

.....
* Russian national projects: environment, small and medium entrepreneurship.
** The Company's direct influence on stakeholders.



12.1. Environmental policy and commitments

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

The Company is committed and takes the necessary actions with a view to protecting the environment, preserving and recovering natural resources including by continuous improvement of the products, as well as processes and working environment for the Company employees and partners.

Please refer to Section 11.3 for more details.

12.2. Sustainable development and efficient use of natural resources

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

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

- extending the life of field development and increasing the oil recovery factor, in particular, by introducing modern enhanced oil recovery techniques, implementing well intervention programmes and increasing the share of highly productive horizontal and multilateral wells¹⁶;

¹⁶In 2023, the number of wells that were put back into operation exceeded 3,000 wells, and the share of the most efficient horizontal wells was 71%.

- shared use of infrastructure within cluster field development ensuring lower environmental footprint;
- effective utilization of associated petroleum gas and other byproducts of crude oil and gas production;
- transitioning to more sustainable production by improving refinery yields, undertaking refinery upgrades, and changing the product mix because of incremental environmental requirements;

The "Rosneft-2030: Reliable Energy and Global Energy Transition" Strategy provides for an increase in light products yields at the Company's refineries in the Russian Federation to 69% by continuing the current upgrades.

- applying new technologies and technological solutions in order to expand sustainable production methods and reduce the level of losses along the entire value chain. Responsible operation and preservation of the environment is an integral part of the Company's corporate culture.

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

12.3. Effective supply chain

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



||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In total, more than 860 thousand suppliers have been registered on the TEK-Torg platform¹⁷.

The Company assessed potential suppliers for compliance with the qualification requirements in the area of industrial safety, labour and environmental protection (HSE). In 2023, these requirements and lists of supporting documents were updated.

Such requirements are mandatory for procurement of works/services associated with a high risk of accidents. In accordance with international best practices, the following parameters were assessed:

- availability of a labour safety management system;
- availability of specialized services or divisions;
- provision of personal protective equipment to employees involved in the fulfilment of contracts.

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

In relation to oilfield activities (in particular drilling), a typical contract contains a separate appendix on the contractors' management of drilling waste, subject to the requirements of applicable legislation, including environmental requirements.



¹⁷ Net total since the start of operation of the electronic trading platform of TEK-Torg JS.

Individual standard qualification criteria are applied when conducting procurement procedures for works and services of environmental nature. These criteria take into account specifics of the subject of procurement (availability of necessary permits, licenses, rights to use technologies, certificates in accordance with the environmental legislation of the Russian Federation or applicable law, availability of qualified and experienced personnel, sufficiency and availability of the necessary material and technical resources, and other criteria).

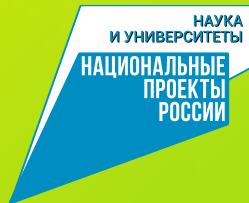


In 2023, five information seminars were organized and held to attract new Russian suppliers and contractors (Orenburg Region, Tomsk Region, Krasnoyarsk Territory, Tumen Region, Altai Territory). The purpose of these events was to raise awareness and interest of suppliers and contractors (including SMEs) to participate in the Company's procurement procedures.

Employees of Rosneft and Group Subsidiaries took part in face-to-face and online workshops organized by SME Corporation. Face-to-face workshops were held in St. Petersburg, cities of the Republic of Bashkortostan, the Republic of Sakha (Yakutia), the Republic of Khakassia, the Udmurt Republic, the Krasnoyarsk, Krasnodar and Altai Territories, Irkutsk, Sakhalin, Samara, Tyumen and Saratov Regions. Online workshops were held for representatives of all regions of the Russian Federation.

See Section 16.1 "Human rights and freedoms" for more details.

PRESERVING MARINE ECOSYSTEMS



Environmental protection is an integral part of the Company's corporate culture and social care. Rosneft pays special attention to ensuring environmental safety, conservation and restoration of natural resources in all areas of its operations.

One of the Company's strategic initiatives is to achieve a net positive impact on ecosystems through the application of conceptual approaches to biodiversity conservation and implementation of relevant programmes**.

.....

* Russian national projects: environment, science and universities.

** The Company's direct influence on stakeholders.



14.1. Biodiversity of marine ecosystems

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

The Company's biodiversity conservation activities are based on the following principles:

- taking best efforts to avoid carrying out activities in or having any impact on specially protected natural areas – protected areas of categories 1a and 1b according to the International Union for Conservation of Nature (IUCN) classification, as well as UNESCO World Heritage sites, when planning new projects in all regions of its operations,
- design of new facilities is based on the principle of environmental safety and absence of negative impact on ecosystems, which is ensured by implementation of the best available technologies, monitoring and comparison with baseline parameters.
- when implementing projects, provide for compliance with the principle of net positive impact on biodiversity in accordance with the best practices of the International Union for Conservation of Nature (IUCN).

As part of [the Rosneft-2030 Strategy](#) and the [Rosneft Environmental Development Concept](#), future projects shall comply with the principle of net positive impact on biodiversity.



On annual basis the Company carries out wellhead surveys of wells drilled in the seas earlier, carries out environmental monitoring of marine ecosystems and environmental and fishery mapping in the Company's offshore license blocks.

In 2023, Rosneft together with the non-governmental development institute Innopraktika launched a large-scale environmental project in the White Sea. Two research vessels – Professor Zenkevich and Kartesh – worked in the western and eastern parts of the White Sea. The new environmental project in the White Sea is part of Rosneft's comprehensive research programme in the Russian Arctic. Since 2012, Rosneft has organized more than **50 large-scale integrated expeditions** dedicated to comprehensive research of the region. Special attention is paid to rare and protected species, including those included in the Red List of the Russian Federation, regional Red Lists and the Red List of the International Union for Conservation of Nature.

The goal of the three-year expedition is to assess the impact of global climatic and local anthropogenic factors on ecosystems of the northern seas. Scientists will repeat the 1922-1923 research conducted by Konstantin Deryugin, an outstanding oceanologist and zoologist, in the White Sea. Comparison of the century-old results with the current data will give a comprehensive picture of natural processes that took place in the Russian Arctic. The base for the project implementation was the Lomonosov Moscow State University's White Sea Biological Station.

As a result of joint Rosneft and Innopraktika project, an extensive database of scientific data will be created and the methodological basis for monitoring the environmental conditions of the seas of the western Arctic will be developed using up-to-date technologies. This information and tools are necessary for long-term planning of sustainable development of the Russian Arctic.



As part of the Agreement on Cooperation between Rosneft and the Ministry of Natural Resources of the Russian Federation for the implementation of the federal project "Biodiversity Conservation and Development of Ecological Tourism", the Company participated in the national project "Ecology". In 2023, the results of field surveys and observations carried out in previous years were summarized and final reports and recommendations on the study of individual species were prepared.

Research activities were also continued as part of the development of the biodiversity conservation programme in the regions where Rosneft operates. The results of long-term monitoring and biodiversity conservation by all the Group Subsidiaries of the Company were compiled and analyzed, and a list of species-biological indicators was compiled based on scientifically substantiated criteria to assess the state of ecosystems in the regions of Rosneft's presence, including more than a hundred species of various taxa. As a result of this work, key bioindicator species were identified in relation to specific biomes in all regions where the Company operates, including polar bear, Atlantic walrus, and bowhead whale among marine mammals. The lists of bioindicator species were approved by the HSE Council and will be further used in the development of biodiversity conservation programmes in the regions where the Company operates in the Russian Federation.



||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In 2023, Rosneft has developed a new programme to study and conserve bioindicator species of the Arctic region. The planned research will take place from 2024 until 2027 in the north of the Krasnoyarsk Territory. During the expeditions, specialists from Russia's leading scientific institutions will carry out the first aerial survey of polar bears in the Kara Sea, study the fish of the Yenisei River estuary, and build maps of the ecological sensitivity of the shores of the Yenisei Bay and the adjacent Kara Sea waters, checking nesting sites of valuable bird species. Information on animal populations will allow scientists to draw conclusions about the condition of their habitats and develop measures to preserve the biodiversity of the Arctic region.

As part of the agreement signed with the Russian Ministry of Natural Resources in 2019, Rosneft continued to implement a corporate programme to study, conserve and monitor key species – bioindicators of Arctic ecosystem sustainability: polar bear, Atlantic walrus, wild reindeer and white gull – a rare species of gull included on the Red List of the Russian Federation.

14.2. Environmental policy and commitments

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

The key elements underlying Rosneft's project development are environmental impact assessment and interaction as part of stakeholder public discussions during project implementation.

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

All fieldwork carried out with the help of chartered vessels is allowed only after the technical audit aimed at establishing compliance with the Company's requirements.

Offshore exploration work, as well as construction of wells, is carried out upon availability of all necessary approvals and permits from authorized bodies, including approval of the state environmental experts as well as approval of the Company's business activities by the public.

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

14.3. Innovation activities

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

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

||||| 2023: PROGRESS TOWARDS GOALS ACHIEVEMENT |||||

In 2023, specialists from Rosneft's Arctic Science Centre and Innopraktika, a non-governmental development institute, started the final stage of testing a microbial product that ensures a high degree of hydrocarbon biodegradation in the marine environment and cold climate. **The tests are taking place at the White Sea Biological Station of the Lomonosov Moscow State University.** Installation of a marine aquarium system designed specifically for testing the biological product has been completed in the laboratories of the flow aquatarium systems building, which was upgraded with the Company's support. The system simulates the conditions of open water area and ensures complete safety for the environment.

The objective of the tests is to verify all the characteristics of the microbial product, develop regulations for its use and prepare a conclusion on the effectiveness of the pilot forms.

At the same time, studies on hygienic standardization of the product are being completed: experts have already proved that its components are safe for humans, warm-blooded animals and communities of marine ecosystems. Earlier, the microbial product showed high efficiency under laboratory conditions during experiments at low temperature and high salinity.

In 2023, the White Sea Biological Station of MSU also became a testing ground for the Company's research to assess the impact of global climatic and local anthropogenic factors on Arctic sea ecosystems. The specialists analyzed the current condition of the biota of the White Sea, repeating the observations of the century-old research of K.M. Deryugin, a famous zoologist (research and studies of 1922-23). Not only classical hydro biological, but also the latest molecular-genetic methods were used for this purpose.

During 2023, a hydrophobised form of the microbial product was prepared. Testing of the microbial product at the White Sea Station of the MSU also continued, and the guidelines for the use of the product were prepared. The trademark – "OCEANIDA" (text and graphic form) was acquired.

Norms for maximum permissible concentrations of pollutants in the water bodies of fishery significance were identified. An expert opinion on these standards was received from the Federal State Budgetary Institution "TsUREN" with recommendations for inclusion in the Order of the Ministry of Agriculture No. 552. Development of an environmental impact assessment of the microbial product was started.

In February 2024, work on the development of the Draft Technical Documentation for the new substance with an environmental impact assessment was completed. Currently the procedure of public hearings is underway in 25 municipalities of seven subjects of the Russian Federation (Murmansk Region, Arkhangelsk Region, Nenets Autonomous District, Yamalo-Nenets Autonomous Area, Taimyr Municipal District of Krasnoyarsk Territory, Republic of Sakha (Yakutia), Chukotka Autonomous Area. By the end of 2024, it is planned to receive an approval of the state environmental experts for "OCEANIDA" microbial products.

By the end of 2025, it is planned to finalize the development of industrial technology for preparation of the microbial product, taking into account all the necessary regulatory and technical documentation for its production and use. Implementation of the development within the Company's perimeter will make it possible to optimize and improve the quality of operations and reduce the risks of emergencies at the Company's license areas in the Arctic.



Rosneft is implementing a comprehensive [forestry and climatic project](#) in Krasnoyarsk Territory jointly with the Government of Krasnoyarsk Territory. This project is expected to increase the absorption of greenhouse gases to 10 million tonnes of CO₂ equivalent. Rosneft's integrated forestry and climatic project is a large-scale effort to create and develop a new area of ecosystem services. The new area of activity is being shaped including in-depth scientific research of carbon sinks through various types of forestry and climatic projects and elaboration of legal frameworks, implementation methodologies and financial assessment of such projects.

In 2022-2023, with the involvement of leading universities and research institutes in St. Petersburg and Krasnoyarsk Krai the company analyzed domestic and foreign practices of forest-climatic projects, the relevant legislative framework and methodology. Upon completion of the preliminarily stage in 2023, the Company identified the types of forest-climatic projects that could be implemented in Krasnoyarsk Krai, taking into account carbon and economic efficiency, and developed a carbon and economic efficiency assessment tool.

The Company continued its interaction with the Federal Forestry Agency in 2023, in particular, on the necessary legislative changes to create legal conditions for the implementation of forest-climatic projects. The Company's proposals were taken into account when preparing the draft law on amendments to the Forest Code. In the reporting year, proposals were also submitted to the Russian Ministry of Natural Resources to clarify the methodology for quantifying the volume of greenhouse gas sequestration.

LIFE ON LAND



The Company is committed to promoting ecosystem sustainability in the regions where it operates by minimizing impacts on vulnerable ecosystems, biodiversity, or critical components of natural ecosystems through monitoring and assessing environmental baselines**.

.....

* Russian national projects: environment, science and universities.
** The Company's direct influence on stakeholders.



15.1. Biodiversity of ecosystems

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

When implementing corporate strategic initiatives to ensure a net positive impact on ecosystems, the Company pays special attention to measures aimed at preserving biodiversity onshore ecosystems.



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

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

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

15.2. Sustainable management of natural resources and minimized environmental footprint

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

Particular attention is paid to the environmental aspect: preserving the integrity of natural environment during implementation of projects in environmentally sensitive areas.

A separate focus area is reduction of the environmental footprint through preventive and other measures.

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

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



15.3. Promoting ecosystems sustainability in the regions of Company operations

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

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

The Center of Competence for Green Design established on the basis of the Company's research institute in Samara continued its work in order to comply with the principle of environmental safety.

In 2022-2023, feasibility studies of technical solutions to reduce methane emissions at production facilities of 21 Group Subsidiaries were carried out.

The registers (databases) of measures of Group Subsidiaries to reduce methane emissions were also updated based on the feasibility study.

Rosneft implements biodiversity conservation projects in the regions of its operations.



In 2023, more than 48 million of valuable and commercial juvenile fishes were released in the regions where the Company operates as part of artificial reproduction of aquatic biological resources.

In the reporting year, about 30 Group Subsidiaries ensured reproduction of young fish and its release into water bodies of fishery importance in the regions where the Company operates. Releases of juvenile fish were carried out jointly with representatives of territorial departments of the Federal Agency for Fishery Resources and branches of Glavrybvod Federal State Budgetary Institution, including:

- NK Kondaneft JSC released about 30 million juvenile pelyad fish into the Ob-Irtysh basin, including more than 17,000 fry of the red-listed Siberian sturgeon;
- Samotlorneftegas released more than 7 million juvenile Siberian sturgeon, muksun and chir (broad whitefish) into the water area of the Ob-Irtysh basin;
- RN-Yuganskneftegas released more than 1.3 million Siberian sturgeon, sterlet sturgeon and muksun into the rivers of Khanty-Mansi Autonomous Area-Yugra;
- Samara oil refineries contributed to stocking the Volga River with fish and released over 225,000 juvenile valuable fish species, including carp, sterlet, silver carp, and pikeperch.

Rosneft is implementing projects on the study and conservation of ecosystems and individual species of living organisms with the direct support of Rosneft Group Subsidiaries.

In the reporting year, RN-Vankor summarized the results of the first competition for grants to support scientific research of practical importance for the Dolgan-Nenets Region of the Krasnoyarsk Territory and its indigenous population. Scientific teams from leading Siberian universities, the Siberian Branch of the Russian Academy of Sciences, as well as state nature reserves took part in the RN-Vankor grant programme.

A Rosneft subsidiary supported a project to assess the condition of aquatic biological resources in the Yenisei Bay of the Kara Sea. Scientists from Krasnoyarsk Agrarian State University will study the composition of ichthyofauna in the Arctic zone of Taymyr. The project to analyse the number and distribution of birds in the Western Taymyr was also supported. Experts will identify key habitats of rare species included in the Red List of Russia and the Red List of Krasnoyarsk Territory. As a result, recommendations on wild geese protection and creation of resting areas during important periods of their life cycle will be made.



In 2023, as part of the grant programme of Vostsibneftegas JSC a study of the current state of the wolf population in Evenkiya was carried out and recommendations on regulating its numbers were developed.

Addressing the problem of household damage from wolves lies in the realm of wolf population management. To this end, scientists have developed their own methodology to estimate wolf numbers and assessed its population. In their work, the scientists studied long-term data on wolf counts in the area, the predator's impact on the deer and elk populations, prepared a map of the wolf habitat areas, and analyzed the mechanisms of population self-regulation. The researchers carried out 67 field trips, created a network of correspondent observers consisting of 538 people, and handled more than 1,200 questionnaires.

As a result of the research, data on the wolf counts were obtained. The total number of wolves on the territory of Evenkiya was 2,600 animals. In addition, proposals were made to improve the system of measures aimed at regulating the number of predators.

Employees of Group Subsidiaries together with students of Rosneft specialized classes took part in environmental protection events.

Over the last three years, Group Subsidiaries planted more than 26 million seedlings and young trees.

In 2023, Rosneft entities planted almost 10 million tree seedlings as part of reforestation activities in the Krasnoyarsk Territory, Irkutsk, Samara, Tyumen and Orenburg Regions, Khanty-Mansiysk and Yamalo-Nenets Autonomous Districts, as well as Udmurtia and Bashkiria. The planting of coniferous and deciduous trees over time creates natural protection for the local microclimate, restores local ecosystems, including lakes and rivers, and leads to higher numbers of animals living in the area, including rare species included in the Red List of the Russian Federation.



15.4. Enhanced pipeline reliability and land remediation

The Company is striving to achieve zero land contamination resulting from pipeline spills by the end of 2035 or earlier.

In 2020, the Company launched a large-scale Pipeline reliability improvement programme for 2020-2025.

Twenty oil and gas production subsidiaries of Rosneft participate in the Programme.

Consistent with the goals of [The Rosneft-2030 Strategy](#) in the field of environmental protection, the Company intends to reduce to zero generation of contaminated land resulting from spills on pipelines by 2035. Based on performance results for 2023, the indicator for reduction of contaminated land generation caused by pipeline spills is reduced by 21% as compared to the level of 2022.

To achieve this strategic goal, twenty of Rosneft's oil and gas production subsidiaries are implementing the Pipeline reliability improvement programme. The Pipeline reliability improvement programme for 2024-2028 envisages replacement of about **12.9 thousand km** of field pipelines under reconstruction plans, overhauls and running repairs.

Implementation of the Pipeline reliability Improvement Programme 2024-2028 will ensure that the level of average annual replacement of pipelines under the reconstruction, overhaul and running repair programmes is at the level required to achieve the Company's strategic indicators for reducing generation of contaminated land caused by pipeline spills.

[To minimize the impact on land, the Company has introduced and is implementing the Standard for reclamation of contaminated land, as well as the Standard requirements for control over environmental remediation works.](#) Rosneft builds and reconstructs landfills for industrial waste management, equips facilities with state-of-the-art machinery and equipment for oil sludge treatment.



[The Strategy "Rosneft-2030: Reliable Energy and Global Energy Transition"](#) envisages **100% utilization of oily waste and legacy land remediation, as well as active implementation of circular economy principles.**

2023: PROGRESS TOWARDS GOALS ACHIEVEMENT

In 2023, Rosneft developed an Action plan for implementation of circular economy principles in the Company, which includes a set of measures aimed at enhanced implementation of circular economy principles as a regulatory factor.

The Action plan provides for development of minimum technical requirements for products derived from drilling waste to be then used in business operations and correlation of the Company's drilling waste utilization products with construction materials to enable their subsequent use as analogues.

As part of the closed loop economy, a number of regulatory legal acts have been adopted in Russia, among others, establishing the obligation to: direct use of secondary raw materials in production, extended producer responsibility, etc. In 2023, the Company actively participated in discussions of these regulatory legal acts, including public discussions. Almost all of the Company's proposals were taken into account in the final documents adopted in 2023.



In 2023, the Company continued implementation of measures under the **Programme for elimination of environmental legacy**, which provides for complete elimination of contaminated land resulting from industrial activities of the Soviet period and actions of previous owners before integration of the assets into Rosneft's perimeter.

As a result of the aforementioned Programme implementation, more than 230 hectares of contaminated of legacy lands have been remediated since 2022, of which more than 80 hectares were remediated in 2023. More than 90% of remediation works on legacy lands are performed by the Company's own ecoservice – environmental remediation workshops established at the Company's key subsidiaries (including Samotlorneftegas and RN-Yuganskneftegas in Khanty-Mansi Autonomous Area).

For more information of the Rosneft-2030 Strategy, please see subsections 3.1, 3.2, 4.1, 9.2, 11.1, 13.1.

As part of achieving the strategic goal, and namely: striving to zero in generation of contaminated land caused by pipeline spills by the end of 2035, the Company has developed a target programme for establishing its own professional emergency response teams at the Group's subsidiaries to prevent, localize and respond to oil and petroleum product spills. At the first stage of the programme, the Company approved implementation of a business project for creating and equipping its own professional emergency rescue team at RN-Yuganskneftegas, which includes purchase of additional oil spill response equipment and machinery by 2025.

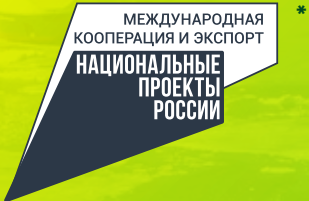


The Company developed and put into effect a local regulatory document "Standard requirements for prevention and response to oil and petroleum product spills on land and surface water bodies", which took into account changes in the legislation in this area. More than 170 oil and petroleum product spill prevention and response plans (OSRP) were updated in the Group's subsidiaries. Prior to approval of the OSRPs, the subsidiaries held comprehensive exercises to confirm readiness for oil spill response with participation of representatives of federal executive authorities, government authorities of constituent entities of the Russian Federation and local authorities, as well as representatives of emergency rescue teams.

The Company ensures prompt response to incidents by using its own or contracted emergency rescue teams. In addition, the Group's subsidiaries regularly certify and recertify their own emergency rescue teams and rescuers. In order to improve efficiency of interaction between the Company and the industry commission of the Ministry of Energy of Russia in terms of certification of emergency rescue services and rescuers in the oil and gas industry, as well as other sectors of the fuel and energy complex, the authorized representatives of Rosneft were included in the industry commission and the process of control over establishment of emergency rescue teams and rescuers was organized.



PEACE, JUSTICE AND STRONG INSTITUTIONS



The Company is committed to building partnership, long-term, fruitful, trusting and mutually beneficial relationships with stakeholders: shareholders, investors, consumers, authorities, public and the business community**.

.....

* Russian national projects: international cooperation and exports, small and medium entrepreneurship.
** The Company's influence on stakeholders.



16.1. Human rights and freedoms

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

Rosneft is a participant of the [UN Global Compact](#). The [Company's commitment to human rights](#) is reflected in the [Rosneft Code of Business and Corporate Ethics](#), as well as in the internal policies and local regulatory documents that are applicable to all subsidiaries, in which the Company possesses a majority of votes. Main mechanisms for monitoring and assessing activities in the area of [human rights](#) are also reflected.

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

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

The Company acts in strict compliance with the Social Charter of the Russian business and the Universal Declaration on Human Rights. Almost 70% of Rosneft employees are covered by collective employment agreements.

16.2. Establishing sustainable procurement system along the entire value chain

Please see subsection 12.3. for more information.





16.3. Developing stakeholder engagement

The established system of effective communications based on the principles of openness, mutual respect and responsible attitude contributes to the further development of the Company's business stream.



16.4. Compliance and combatting corruption

Please see subsection 10.6. for more information.

ROSNEFT: PRINCIPLES OF SUSTAINABLE DEVELOPMENT

List – index of relevance of topics as per the UN Sustainable Development Goals

PRINCIPLES	IMPLEMENTATION TOOLS AND APPROACHES	SECTIONS INDEX
Leading with agility in the age of energy transition	<ul style="list-style-type: none"> → Flexible business model → Balanced investment portfolio → Robustness across the cycle and value creation → Energy security and energy access 	2.1, 3.2, 7.1, 7.2, 7.3, 7.4, 8.6, 8.8, 8.9, 9.1, 9.2, 9.3, 11.1, 12.2, 13.1, 13.2, 13.3, 13.4, 16.2, 17.2
Securing people, environment and values	<ul style="list-style-type: none"> → Safety culture and performance → Working environment and benefits for employees → Security for people, business and assets 	3.1, 3.3, 3.4, 3.5, 3.6, 7.2, 8.2, 8.3, 9.4, 10.4, 10.6, 10.7, 11.6, 12.3, 13.4, 16.2, 16.4, 17.2, 17.3
Doing business the right and responsible way	<ul style="list-style-type: none"> → Integrity across all business units and operations → Transparency and reporting → Respect of human rights → Ethics, compliance and anti-corruption → Risk management 	2.1, 3.1, 3.2, 3.3, 3.5, 4.1, 4.3, 5.1, 5.2, 7.3, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.10, 9.4, 10.2, 10.3, 10.4, 10.6, 10.7, 11.6, 12.3, 13.1, 16.1, 16.3, 16.4, 17.1, 17.2, 17.3
Enhancing economic and social development	<ul style="list-style-type: none"> → Direct and indirect economic contribution → Supply chain and related industries development → Employment and workforce training → Industrial and social infrastructure → Energy access, new products and solutions 	1.1, 1.2, 2.1, 2.2, 2.3, 3.5, 3.6, 4.1, 4.2, 4.3, 5.1, 5.2, 7.2, 7.4, 8.1, 8.3, 8.4, 8.7, 8.8, 8.10, 9.1, 9.2, 9.3, 10.1, 10.2, 10.3, 10.4, 10.5, 10.7, 11.1, 11.2, 11.4, 11.5, 11.6, 12.3, 16.2
Addressing threats of climate change	<ul style="list-style-type: none"> → Climate-related governance → Emissions reductions → Energy intensity of our industrial operations → Use of our products 	3.2, 6.1, 6.2, 7.1, 7.2, 8.9, 11.2, 12.1, 12.2, 13.1, 13.2, 13.3, 13.4, 13.5, 14.1, 14.2, 14.3, 15.1, 15.2
Efficiently managing our environmental impact	<ul style="list-style-type: none"> → Environmental stewardship → Water management → Ecosystems and biodiversity 	3.2, 6.1, 6.2, 11.3, 12.1, 12.2, 12.3, 13.1, 13.4, 14.1, 14.2, 14.3, 15.1, 15.2, 15.3, 15.4
Partnering with our stakeholders	<ul style="list-style-type: none"> → Efficient partnerships → Respect of human rights → Labour rights, comfortable working conditions and social protection for our employees → Company's values across our supply chain 	1.2, 3.5, 3.6, 4.1, 4.2, 5.1, 5.2, 6.2, 7.2, 8.1, 8.3, 8.4, 8.5, 8.8, 9.2, 10.1, 10.3, 10.4, 10.7, 11.5, 11.6, 12.3, 16.1, 16.2, 16.3, 17.1, 17.2, 17.3



ROSNEFT