COMMITMENT TO HIGH ETHICAL PRINCIPLES OF BUSINESS CONDUCT

Rosneft respects and strictly observes human rights and freedoms across all its activities in accordance with the Universal Declaration of Human Rights, the Social Charter of the Russian Business, generally recognized norms in the field of protection of human rights and freedoms, as well as in accordance with the applicable legislation of the Russian Federation and other countries of the Company’s operations.

Approaches to human rights observance

As a responsible producer, Rosneft is committed to the principles of Sustainable development of the UN Global Compact, the UN Sustainable Development Goals are taken into account in the Company’s strategy. The Company is also guided by the requirements of the International Labor Organization.

The principles of the fundamental international documents in the field of human rights are enshrined in the Company’s Position paper in the field of human rights, Rosneft’s Code of Business and Corporate Ethics and the Company’s local regulatory documents, approved by the Company’s management, integrated into corporate business processes and applied to all the companies of the Group.

Rosneft expects all its business partners, suppliers and contractors to recognize fundamental human rights and freedoms and to follow the pivotal principles in this area across their activities, as well as the corporate Declaration on Respecting Human Rights when interacting with the suppliers of goods, works and services.

The Code of Suppliers of Goods, Works, and Services in the Area of Human Rights Observance is the extension of the comprehensive work on the Company's compliance with human rights and freedoms throughout its supply chain of goods, works and services. Rosneft expects that its suppliers and contractors will implement the Code and will adhere to it when carrying out their activities.

The Company regularly conducts training of employees, suppliers and contractors in the field of human rights observance.

The words “Rosneft Oil Company”, “Rosneft”, “Company” mean either Rosneft Oil Company or Rosneft Oil Company and its subsidiaries subject to the context.
The Company has organized and is carrying out the process of evaluation of the effectiveness of human rights observance (due diligence).

HUMAN RIGHTS OBSERVANCE (DUE DILIGENCE)

- Identification of the risks and consequences
- Evaluation of the risks and consequences
- Monitoring the effectiveness of the measures taken to mitigate the risks
- Taking measures to mitigate the risks
- Information disclosure and communication

The Company has the necessary procedures in place, aimed at rapid response to complaints and accusations in the field of observance of the human rights. The key tools in this area are the security hotline and the business ethics hotline.
The **Strategy and Sustainable Development Committee** of the Board of Directors analyzes risks and opportunities, including those related to human rights observance, and brings relevant information to the notice of the Board of Directors of Rosneft Oil Company.

**THE PROCESS OF IDENTIFICATION, ASSESSMENT AND RESPONSE TO THE RISKS**

- As part of the corporate-wide "Risk Management and Internal Control System", the Company's management (at various organizational levels, including the level of the Group's subsidiaries and the Company's level) regularly identifies and evaluates the key risks as well as develops measures to mitigate them. Strategic risks / threats are evaluated annually and the risks of the current business operations - on a quarterly basis.

- Risk reporting is brought to the notice of the Board of Directors, top managers and employees of the Company and includes all the necessary information about the risks, such as their assessment, as well as a description of measures aimed at mitigating the risks to an acceptable level.

- When prioritizing the key risks the Company uses a broad range of tools, including quantitative assessments based on statistical data and expert evaluations, as well as the expert opinions of the Company's top managers, managers of the Company units and managers of the Group's subsidiaries.

- The results of prioritization of the Company's key risks are used while developing the risk management measures.

- Strategic risks are assessed by the Company's management in the context of strategic threats that can have a negative impact on the target indicators of the Company's development strategy.
The Company assesses the risks associated with human rights at all the assets where operating activities are carried out, and assumes that suppliers and contractors observe the human rights too.

THE COMPANY FOCUSES ON THE RISKS RELATED TO HUMAN RIGHTS IN THESE AREAS*:

- **Environmental protection**
  - accidents and environmental damage
  - Adjustment of the business to address the climate change

- **Occupational and process safety**
  - Injuries to the Company's employees and contractors resulting in lost time
  - destruction of buildings/process units at operational sites caused by technical accidents, uncontrolled explosion/release of hazardous substances

- **Labor relations**
  - violation of the employee's labor rights

- **Security**
  - gaps in the system of cybersecurity, reliability and security of IT systems
  - security problems in the footprint regions outside the Russian Federation (including terrorist threats, wars and other conflicts, social unrest, epidemics, pandemics, diseases, etc.)

- **Supply chain**
  - violation of human rights by suppliers and contractors

Additional information on the risks in the field of Sustainable development (ESG-risks) is published in the Sustainability Reports.

*The list of human rights observance areas gets permanently updated based on requirements of all stakeholders as well as best Russian and international practices.
The Company takes necessary measures to control and mitigate the risks associated with human rights observance at all the assets where operating activities are carried out, and assumes that the suppliers and contractors will be taking similar measures.

MEASURES FOR RISK MITIGATION

- **Environmental protection**
  - implementation of programs for sustaining of the core assets and development projects in oil refining and petrochemistry
  - insurance program for core production assets
  - improving the safety culture of employees: training, conducting briefings, motivation and commitment to safety issues
  - Improvement of HSE leadership and zero tolerance of managers at all levels to violations
  - development and implementation of the corrective measures based on the lessons learned
  - control over the organization of equipping of motor vehicles of the Group's subsidiaries and contractors with on-board vehicle monitoring systems and video recorders

- **Occupational and process safety**
  - improvement of the human resources management processes in ensuring labor rights of employees

- **Labor relations**
  - raising the level of user awareness about the current IT threats, cybertraining of employees
  - diverse measures, depending on the specifics of the situation in each specific case, including procedures to reduce costs, as well as to ensure the safety of employees

- **Security**
  - The Company encourages suppliers to implement the principles set out in the Code of Suppliers of Goods, Works, and Services in the Area of Human Rights Observance

*Additional information about the Company’s risk management and mitigation is disclosed in the Position paper “Rosneft: contributing to implementation of UN Sustainable Development Goals”.*
The Company has adopted policies and issued Position papers that help to mitigate the risks associated with human rights observance at all the assets where operating activities are carried out.

**CORE POLICIES, STANDARDS, POSITIONS**

**Environmental protection**
- The Company’s HSE Policy
- Integrated HSE Management System
- The Company’s regulation "Risk management in HSE"
- Rosneft’s Carbon Management Plan through 2035
- The concept of Company’s environmental development
- The Company's policy in the field of energy saving and energy efficiency
- Position papers on the targeting to achieve zero fatal injuries, sustainable approach to preservation of water resources, preservation of biodiversity, waste management and remediation

**Occupational and process safety**
- The Company’s Policy on Sustainable Development
- Code of Business and Corporate Ethics
- The Company’s Position paper in the field of human rights

**Labor relations**
- The Company’s Information Security Policy
- The Company’s Policy on Personal Data Processing
- Integrated HSE Management System

**Security**
- Code of Rosneft’s suppliers of goods, works, and services
- Declaration on Respecting Human Rights when interacting with suppliers of goods, works and services.
- The Policy on Combating Corporate Fraud and Involvement in Corruption Activities

In 2019, Rosneft published **Key Tax Principles** approved by the Chief Executive Officer. The Company’s actions in the tax area are based on strict and timely compliance with the tax laws of footprint countries. As per the corporate regulatory documents the functions and the tasks of the Tax Department of the Company include control of compliance with the Key Principles.
INTERACTION WITH STAKEHOLDERS

Taking into account the interests of stakeholders is an important component of assessing human rights observance which is carried out through the formation of a transparent, fertile, mutually beneficial partnership with a broad range of stakeholders.

The main results of the interaction are published in the Sustainability Report.

Among the most vulnerable groups whose rights can be potentially violated as a result of the Company’s operations are the indigenous peoples of the North.

The representatives of the indigenous people of the North are involved in decision-making processes which may affect their interests. The Company ensures the right for participation of the representatives of the indigenous people of the North in the decision-making processes at the stages of environmental impact assessment and public environmental assessment.
INTERACTION WITH THE STATE AUTHORITIES

In accordance with the Rosneft’s Code of Business and Corporate Ethics, the Company does not participate in financing of the activities of political parties and movements. Rosneft complies with all the requirements of the legislation, including regulations in the field of business conduct, fully pays taxes and wages, carries out professional management in the field of employee health, labor safety and ecology.

Operating in Russia and other countries of the world, the Company constantly interacts with the authorities, building constructive relations with them, while being guided by the norms of applicable legislation and high standards of corporate and business ethics. This expands the Company's capabilities and contributes to the creation of favorable conditions for business development.

The Company does not allow any forms of illegal business conduct, bribery, corruption, fraud or money laundering, securities trading with the use of insider information. When performing their official duties, employees are guided solely by the interests of the Company.

In accordance with the Policy on Combating Corporate Fraud and Involvement in Corruption Activities, the Company ensures coordination of actions of all the participants of the system of combating corporate fraud and involvement in corruption activities, as well as interaction with state authorities, local self-governing bodies and law enforcement agencies while combatting corporate fraud and involvement of the Company in corruption activities.

Currently, there is no legislative enactments in the Russian laws that regulate lobbying activities.
ENSURING FAIR REMUNERATION AND WORKING CONDITIONS

In all the regions the Company operates exclusively in accordance with the requirements of the legislation.

Rosneft strives to maintain the amount of remuneration at a level that exceeds the average wage in the regions where the Group's companies operate. The Company annually analyzes the salary rates in the countries of its presence, hiring consultants if necessary. The average monthly salary in the Group's companies exceeds the minimum wage, which cannot be lower than the subsistence rate established in accordance with the [interchapter 133 of the Labor Code of the Russian Federation](#), as well as the average salary* in most regions of its presence. The Company conducts an annual indexation of wages.

Overtime work is paid in accordance with the [interchapter 152 of the Labor Code of the Russian Federation](#). The specific amount of payment for overtime work can be defined by a collective agreement, a local regulatory act or an employment contract. By the request of the employee, increased pay for overtime work can be compensated by providing additional time off, but not less than the duration worked overtime. Work performed in excess of the norm of working time on weekends and non-working days and holidays is paid at a higher rate or compensated by providing another day off in accordance with the [interchapter 153 of the Labor Code of the Russian Federation](#). In accordance with the [interchapter 91 of the Labor Code of the Russian Federation](#), the working time does not exceed 40 hours per week. The duration of overtime work, in accordance with the [interchapter 99 of the Labor Code of the Russian Federation](#), does not exceed 4 hours for each employee for two consecutive days and 120 hours per year. The work of employees, working on rotation is regulated by the [chapter 47 of the Labor Code of the Russian Federation](#).

The Company expects that business partners, including suppliers and contractors, work in strict accordance with the law.

Additional information about the Company's contribution to the Goal 8 "Decent work and Economic growth" is published in the Position Paper: "Rosneft: contributing to implementation of UN Sustainable Development Goals".

* Comparison of the average monthly salary in the Group's companies with the average level of remuneration by region - Appendix 1 of the Sustainability Report, pp. 216-217.
COLLECTIVE BARGAINING AGREEMENT

The Company does not tolerate any form of harassment or discrimination.

Rosneft supports freedom of association, recognizes the inviolability of employees' right to conclude collective agreements and the rights of each employee to collective representation of interests, including through trade union organizations, excluding any possibility of a hostile, humiliating or insulting atmosphere for human dignity.

More than 71.3% of the Company's employees are covered with collective agreements.

The Company supports the practices of its business partners regarding freedom of association and collective labor agreements and expects that suppliers will respect the right of their employees to the freedom of assembly, formation of trade unions, associations and collective bargaining.

In accordance with Code of Suppliers of Goods, Works, and Services in the Area of Human Rights Observance, the Company expects that the supplier carries out constructive interaction with trade unions to resolve disputes, does not discriminate against employee representatives and does not interfere with the performance of their representative functions. Where these rights are restricted by the national law, the supplier promotes alternative means of employee representation, including working committees and forums.

The Company provides training for suppliers and contractors, including seminars and round tables.
Rosneft applies uniform transparent approaches to the system of remuneration, evaluation, motivation and promotion of the employees. The Company provides equal opportunities for professional growth and development of the employees.

GENDER EQUALITY AND WOMEN’S EMPOWERMENT

In 2020, the share of female employees accounted for 32.4%.

- Among managers — 23.6%,
- among top managers and senior executives of the Group’s companies — 15%,
- on the Company’s Management Board — 11.1%.

In 2021, the former Federal Foreign Minister of European Affairs and Integration of the Republic of Austria Karin Kneissl joined the Board of Directors for the first time.

Rosneft develops the competences of its employees. In 2020, the scale of mandatory, professional and technical as well as managerial training amounted to 761.9 thousand man-courses, which exceeds same number from 2019 by 20%. The Company ensures equal opportunities by means of training and internal communications.

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

In Group subsidiaries maternity leave payments are based on the average salary. The Company provides assistance for construction of social and health care facilities for children as part of the social and economic partnership with the regions.

When establishing the management bodies, including senior executive bodies, Rosneft strives to ensure diversity in terms of gender, age, education, skills and other aspects that may contribute to better decision-making for the Company’s governance.
The transition to a low-carbon economy creates new opportunities for learning and development.

FAIR TRANSITION TO A LOW-CARBON ECONOMY

As part of its contribution to the implementation of the UN Sustainable Development Goals, the Company promotes the sustainable development of the economy, its technical modernization, the creation of new production facilities and high-performance jobs. In the context of the transition to a low-carbon economy and as part of the implementation of the Carbon Management Plan through 2035, the Company is committed to continue creating new jobs, take part in a social dialogue, and constructively interact with all stakeholders, including employees, trade unions, suppliers and contractors, investors, and representatives of the indigenous peoples of the North.

The Company takes into account the possible risks of employee relocation caused by the consequences of climate change, and the risks of the lack of necessary competences on the labor market. In order to mitigate the risks the Company provides new and equal opportunities for training and development.

At Rosneft, the training and development of personnel are strategically important tasks. The Company provides its employees with opportunities for continuous improvement of professional and personal skills and competences. Educational and consulting companies, as well as the lecturers of Russian and international universities are involved in the training. The training programs are customized to the current and strategic objectives of the Company.

In 2020, the Company organized employee training on carbon management issues. More than 15 informational sessions were held for managers and employees of various departments of the Company's Head Office and the Group's subsidiaries, including those involved in the implementation of pilot projects for detecting methane leaks. Starting from 2021, the sessions are held on a regular basis as part of corporate training.

The Company, in partnership with the International Center for Research and Development (RICRD, Qatar), implemented an educational course "Digital Transformation – a step into the digital era" with the involvement of leading experts of the international market.
Vostok Oil project will include the highest standards of environmental protection, social responsibility and carbon management.

VOSTOK OIL
CREATION OF A NEW OIL AND GAS PROVINCE
IN THE FAR NORTH

With Vostok Oil project our Company started full field development of Taimyr fields in 2020. Vostok Oil is a project with low lifting costs and with a carbon footprint which is 75% lower than other major oil projects in the world. Its resource base is over 6 billion tons of high premium low sulfur oil. The high quality of the crude oil means that refineries will not have to build new units which will materially reduce greenhouse gas emissions.

The project will create tens of thousands new jobs. Execution of Vostok Oil project will drive development of adjacent industries such as machinery manufacturing, metals production, power generation, road construction, regional aircraft infrastructure and ship building. It will have a significant multiplier effect contributing up to 2% per year to the GDP.

With regard to Vostok Oil HR support one of the top priorities is timely and high quality trailing of competent work force and professionals. In order to do this in 2020 Rosneft jointly with the Ministry of Education and Science of Krasnoyarsk Province designed and put in place a comprehensive program for cooperation with colleges of the province and the Oil and Gas School of Siberian Federal University which covers these areas:

• updates and development of new training programs to meet the demands of the business;
• newly developed software and equipment to organize high-quality training process.
• internships for students and placements for teachers at production sites of Rosneft subsidiaries in Krasnoyarsk Province.

At the engineering phase Vostok Oil plans for the use of the cutting edge environment protection technologies – from drilling of wells to the special design of pipelines and tankers for crude oil export.