



APPROVED BY

Rosneft Board of Directors

Decision dated 25 October 2018

Minutes dated 29 October 2018, № 10

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Rosneft Order № 788

COMPANY POLICY

HEALTH, SAFETY AND ENVIRONMENT

№ P3-05 P-11

VERSION 1.00

(with the amendments approved by the decision of the Board of Directors of PJSC “NK “Rosneft” (minutes of the meeting of 29.09.2023 № 4), put into effect by the order PJSC “NK “Rosneft” from 30.10.2023 № 00412-23)

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INTRODUCTORY PROVISIONS

PURPOSE

This Policy states the Company's position in industrial safety, labor protection and environmental protection (including road safety, fire safety, radiation safety, gas safety, well control safety, the integrity of production facilities, the prevention of fire, and the response to those).

This Policy also standardizes the principles and approaches in HSE to ensure the continuous improvement of the Rosneft HSE integrated management system.

This Policy has been developed considering the requirements of applicable legislation, including the Federal Law № 7-FZ dated 10.01.2002 on environmental safety, the Federal Law № 116-FZ dated 21.07.1997 on process safety of hazardous facilities, and the enactment of the RF Government Order № 1243 “Approval of the Requirements for the Documentary Support of Industrial Safety Management Systems” dated August 17, 2020, as well as international standards and best practices in HSE.

SCOPE

This Policy is binding for all employees of Rosneft and Controlled Group Companies, which have no special procedure for the shareholders / participants to exercise their rights according to Charters of the subsidiaries, shareholders’ and other agreements with companies partners.

VALIDITY PERIOD AND AMENDMENT PROCEDURE

This Policy is a local normative document of permanent validity.

This Policy, and changes thereto, shall be approved, invalidated and amended by resolution of the Board of Directors of PJSC Rosneft Oil Company and put into effect by Company Order.

1. TERMS AND DEFINITIONS

CORPORATE GLOSSARY TERMS

This Policy uses the terms of the Corporate Glossary: *Integrated System of Health, Safety and Environment Management, Group Company (GC), Accident, HSE Risk, Integrity of the Process Facility*.

TERMS FROM EXTERNAL DOCUMENTS

This Policy uses the terms of the following external documents: *Accident [article 1 of Federal Law № 116-FZ dated July 21, 1997, Industrial Safety of Hazardous Facilities], Road Traffic Safety [article 2 of Federal Law № 196-FZ dated December 10, 1995, Road Traffic Safety], Hazardous Industrial Factor [article 209 of Labor Code of the Russian Federation № 197-FZ dated December 30, 2001], Dangerous Industrial Factor [article 209 of Labor Code of the Russian Federation № 197-FZ dated December 30, 2001], Specially Protected Natural Areas [Federal Law № 33-FZ dated March 14.03.1995, Specially Protected National Areas], Environmental Protection [article 1 of Federal Law № 7-FZ dated January 10, 2002, Environment Protection], Labor Safety [article 209 of Labor Code of the Russian Federation № 197-FZ dated December 30, 2001], Fire [article 1 of Federal Law № 69-FZ dated December 21, 1994, On Fire Safety], Fire Safety [article 1 of Federal Law № 69-FZ dated December 21, 1994, On Fire Safety], Industrial Safety [article 1 of Federal Law № 116-FZ dated July 21, 1997, On Industrial Safety of Hazardous Facilities], Labor Conditions [article 209 of Labor Code of the Russian Federation № 197-FZ dated December 30, 2001].*

TERMS FOR THE PURPOSES OF THIS DOCUMENT

ENVIRONMENTAL IMPACT – an impact of economic and other activities implications of which lead to changes of the environmental quality.

RELATED PARTY – partners and counterparties of the Company, industry and Russian business communities, non-profit organizations and NGOs, academic institutions, employees of the Company, and others interested in co-operating with the Company, or dependent to varying degrees on the activities carried out by the Company where it operates, with the exception of state authorities and administration.

COMPANY FACILITY – construction sites, buildings, structures, premises (incl. office premises), roads, railways, equipment, facilities, stations, hazardous facilities, technical devices (used at the hazardous facilities), transport, special purpose vehicle, territory and other engineering structures.

CONTRACTORS – legal entities and individuals (including subcontractors), which conduct work / render services under contracts using their own resources and/or using third-party organizations, which are sub-contractors to the Customer.

PROCESS FACILITY – buildings, structures, premises (including office buildings), process systems (units, stations), roads, railways, vehicles and special equipment used in process, management and administrative activities.

JOB-RELATED INJURIES – the number of injuries (or damage to health) sustained by employees or other individuals participating in the operations of the employer, over a certain period of time, in the performance of their duties under an employment contract, or whilst traveling to or from work using employer vehicles, where the injured individual needs to be transferred to different job (for more than 1 shift), or suffers the permanent loss of ability to work, or having caused their death.

SUBCONTRACTOR – company involved by contractor to perform works at the customer facilities.

DANGEROUS EVENT – any unplanned event in the Company's operations that caused, or could have caused, damage to people, the environment, assets or the reputation of the Company.

LABOUR CONDITIONS – factors within the process environment or labor process that affect employees' health and ability to work.

PROCESS SAFETY – the system of protection of individuals and the public from accidents at hazardous process facilities [Federal law dated 21.07.1997 № 163-FZ Industrial safety at hazardous production facilities].

2. DESIGNATIONS AND ABBREVIATIONS

ROSNEFT TOP MANAGEMENT – person or group of persons (employees) in charge of the Company specific activity areas and Company management on the top level.

COMPANY – a group of legal entities of various organizational and legal forms, including PJSC Rosneft Oil Company, where the latter acts as the main or predominant (participating) entity.

HSE – Health, Safety and Environment, including road safety, fire, radiation, gas and blow-out safety, prevention of fires and accidents, and emergency response.

CONTRACTOR – contracting or subcontracting company

TOP MANAGERS – Rosneft senior executive responsible for the efficient performance and strategic development of the supervised business area and (or) business process of the Company and any manager holding a position equivalent to his/her position by virtue of the decision of the Rosneft Chief Executive Officer: Vice President, Leader in the rank of Vice President, Chief Accountant, Head of Service directly reporting to the Rosneft Chief Executive Officer, and Press Secretary.

COMPANY HSE REQUIREMENTS – local normative documents, directives and other Company internal documents, which contain requirements, conditions, prohibitions, restrictions, etc and which affect HSE security.

SUBSIDIARY – a business entity with 20% or more shares or equity interest directly and/or indirectly owned by Rosneft Oil Company.

3. STATEMENT ON HSE POLICY

3.1. COMPANY HSE GOAL

PJSC Rosneft Oil Company, being a leader in the Russian oil and gas industry and one of the largest companies in the global energy industry, is aware of the nature and scale of the impact of its operations, understands its responsibilities and has the strategic goal of achieving industry leadership in accident-free operations, ensuring safe working conditions for personnel, and continuously mitigating the environmental footprint from Company operations.

3.2. COMPANY HSE COMMITMENTS

To achieve this goal, the Company undertakes the following commitments as part of its HSE integrated management system:

- to prioritize people's safety, life and health over business performance;
- to prioritize preventive actions over containment and accident response actions;
- to use natural resources rationally within its operations, to take action to protect, replenish them, and to ensure reclamation of the disturbed land;
- to mitigate the environmental footprint resulting from Company operations;
- to take action to reduce the impact on climate change from Company operations;
- to ensure that actions are in place to protect ecosystems and biodiversity, including offshore projects, and projects within protected environmentally sensitive territories.

3.3. COMPANY HSE PRINCIPLES

In its HSE activity the Company complies with the following Principles.

3.3.1. HSE LEADERSHIP AND SAFETY CULTURE

Rosneft leaders provide clear HSE direction, strive for continuous HSE risk reduction and provide the resources required to achieve this, set accountabilities and responsibilities in HSE, and create a safety culture where the Company:

- demonstrates leadership and adherence to maintaining the effectiveness and continuous improvement of the Company HSE integrated management system, states the importance of fulfilling all applicable HSE commitments by each employee of the Company and its contractors in accordance with their capabilities;
- authorizes all Company employees and contractors to stop the job if it endangers human life or health, or impacts the environment;
- actively consults with its employees at their workplaces, and with their representatives on HSE requirements' compliance.
- urges all employees to demonstrate and maintain safety leadership, supporting the development of a strong labor safety culture and protection of the environment.
- requires all Company employees and contractors to be responsible for their own safety, the

safety of others, and to protect the environment at their workplaces;

- develops a balanced system of personnel motivation to support safe work and rewarding good HSE performance, as well as taking disciplinary action for the violation of HSE requirements;
- clearly states that mandatory compliance with HSE requirements is a key condition of employment for all employees of the Company, and contractor companies;
- clearly states the Company's zero tolerance to the use, storage and bringing of alcohol, drugs, toxic and other psychotropic substances onto Company facilities.

3.3.2. HSE RISK ASSESSMENT AND INTEGRITY OF PROCESS FACILITIES

The Company continuously manages its HSE risks and the integrity of its process facilities by:

- assessing and prioritizing operating risks, including transportation, that have the potential to harm people or the environment, or which can negatively impact the integrity or reliability of Company operations;
- ensuring the identification and assessment of the actual, and potential, impact of Company operations on people and the environment during all stages of operation, including FEED and design stages, and also by arranging expert reviews;
- developing, implementing and verifying the completion of activities that eliminate or mitigate HSE risks, taking into account the specifics of the operation and the integrity of Company facilities, including the risks associated with man-made and natural disasters at its process facilities;
- ensuring change is managed for all technical and organizational change with potential HSE risk, and is considered as part of the HSE risk assessment process;
- ensuring that the employees of the Company and contractors understand HSE-related risks in their daily work and how their work influences the mitigation of identified risks.

3.3.3. HSE INTEGRATED MANAGEMENT SYSTEM

The Company maintains, and seeks to continuously improve, an effective HSE integrated management system which:

- sets strategic HSE objectives and tasks, and determines the activities necessary to achieve those objectives with regard to internal and external factors influencing the Company;
- sets consistent HSE requirements on Company and contractor employees when they work at Company facilities and/or for the Company;
- ensures accurate HSE information is available to employees and third parties, and is properly documented;
- organizes the implementation of best practices and initiatives, and cutting edge technologies, systems and processes with the intent of preventing work related injuries, health deterioration, occupational illnesses, accidents, fires, climate change impact, as well as mitigating the environmental impact of operations;
- obliges the employees to plan and conduct their activities in compliance with the applicable international and national legislation, and Company HSE requirements;
- ensures that HSE rights, responsibilities and roles are allocated among the Company and contractor employees, and ensures that every employee of the Company and contractors

knows their role within the HSE integrated management system.

- ensures effective interaction with governmental authorities, R&D organizations, the public and other stakeholders on HSE issues.

3.3.4. HSE CAPABILITIES

The Company sets requirements for HSE capabilities through training, checking of HSE knowledge, on-the-job-training, and sets minimum HSE requirements to allow Company employees to work independently. It also:

- communicates information about working conditions and safety precautions at work sites to Company employees, including any specific features of the process facility;
- communicates information about the hazards at Company facilities to Company and contractor employees;
- gives opportunities to all its employees to continuously improve their HSE capabilities by participating in Company and Regulatory training courses;
- organizes training for all Company employees to ensure they have the HSE capabilities required by legislation, and by the nature of their work.

3.3.5. HSE REPORTING AND PERFORMANCE REVIEW

The Company reviews HSE performance and implements an HSE reporting system which:

- sets requirements on Company and contractor employees for timely and accurate reporting about any HSE accident or non-compliance;
- defines procedures for the investigation of all HSE accidents to identify systemic causes and preventive actions to prevent similar accidents in the future;
- organizes the sharing of Lessons Learned with all Company and contractor employees working at Company facilities;
- monitors HSE performance and takes action to change the HSE management system according to best practices.

3.3.6. HSE REQUIREMENTS COMPLIANCE CONTROL

The Company implements and improves, its system of HSE control which:

- ensures the organization of systematic control of the condition of the Company process facilities, including technical devices, materials and PPE;
- ensures the organization of systematic control of compliance with the applicable international and national legislation, and Company HSE requirements,
- ensures the analysis of, and control over the closing of, corrective HSE actions aimed at the elimination of the root cause of identified violations.
- obliges contractors to systematically control their compliance with the applicable international and national legislation, and Company HSE requirements.

4. COMMUNICATION AND DISTRIBUTION OF THE POLICY

This Policy is public in nature.

Communication, distribution and ensuring availability of this Policy is done through the established communication procedures to Company employees, and by publishing the Policy using the Company's established internal and external means of communication.

PJSC Rosneft shall also communicate this Policy to its partners and contractors, and interact with them with due regard to this Policy.

5. REFERENCES

1. The Labor Code of the Russian Federation № 197-FZ dated 30.12.2001.
2. The Russian Federation Tax Code, Part 2, № 14-FZ dated 26.01.1996.
3. Federal Law "On Industrial Safety of Hazardous Facilities" № 116-FZ dated 21.07.1997.
4. The Federal Law "On Environment Protection" № 7-FZ dated 10.01.2002.
5. Federal Law № 69-FZ of 12/21/1994 "On Fire Safety".
6. Federal Specially Protected Natural Areas Law № 33-FZ dated 14.03.1995.
7. RF Government order № 1243 “Approval of the Requirements for the Documentary Support of Industrial Safety Management Systems” dated August 17, 2020.