

SAVING THE PLANET FOR THE BENEFIT
OF THE CURRENT AND FUTURE
GENERATIONS: SUSTAINABLE FOREST
MANAGEMENT



RESPONSIBLE BUSINESS CONDUCT IS ONE OF THE COMPANY'S CORE VALUES



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

"As a responsible producer and participant in the UN Global Compact, the Company is committed to the sustainable development, conservation and restoration of natural resources".

FOREST MANAGEMENT - A PREREQUISITE FOR SUSTAINABLE DEVELOPMENT

Rosneft prioritizes environmental safety and minimal impact on the environment. [Rosneft-2030 Strategy: Reliable Energy and Global Energy Transition](#), approved by the Company's Board of Directors, provides for reducing the Company's carbon footprint while further increasing operational and financial efficiency.

The strategic emission reduction goals confirm Rosneft's position as a responsible energy supplier and one of the leaders of the energy transition in the Russian Federation.

The President of the Russian Federation has repeatedly emphasized, that "the Russian foreign affairs agenda has always been and remains constructive", "we are focused on joining efforts on crucial issues like [the climate agenda](#)", "environmental and climate projects in our country will play a leading role in global efforts in [climate conservation](#) by virtue of Russia's size, place and role in the world".

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 Climate Agreement and the UN Sustainable Development Goals.



FOREST MANAGEMENT - A PREREQUISITE FOR SUSTAINABLE DEVELOPMENT

The Paris Climate Agreement, to which the Russian Federation is a party, promotes environmental projects aimed at absorbing carbon from the atmosphere, and makes it possible for companies to consider the results of project activities when complying with their voluntary climate commitments.

Under the Paris Agreement, Russia plans to limit economy-wide greenhouse gas emissions by 2030 to 70% of 1990 levels, taking into account the maximum possible absorptive capacity of forests and other ecosystems and subject to sustainable and balanced socio-economic development of the country, while targeting to achieve net zero – or the balance of emissions and sequestration - by 2060.

The President of the Russian Federation underlined the high potential of gaining a competitive advantage in this sphere: “By virtue of its natural advantages, Russia can maintain a special place in the global market for carbon units. To achieve this, we need to use the forests and lands more effectively and enhance their absorption capacity. We must increase reforestation areas, fight wildfires, and expand pristine nature reserves, sanctuaries and national parks... While introducing new soil-recovery agro-technologies”.

These tasks are reflected in the Rosneft-2030 Strategy.

“Russia has enormous potential for emission absorption with its forests, tundra, agricultural lands and marshlands. Our country has a fifth of the world’s forests; they occupy almost 10 million square kilometres”, [V.V. Putin](#)



GLOBAL FORESTRY

According to the UN Food and Agriculture Organization's [Global Forest Resources Assessment 2020](#): the world's total forest area is **4.06 billion hectares** (31% of total land area). More than half (54%) of the world's forests are in five countries - **the Russian Federation (20%)**, Brazil (12%), Canada (9%), the United States (8%) and China (5%).

Russia has the world's largest forest area



The world's forests store **662 billion tonnes of carbon** in living biomass (44%), in soil organic matter (45%), and the remainder in dry wood (4%) and forest litter (6%). Over the past 30 years, forest biomass carbon stocks have decreased by almost 6 billion tonnes. The reduction is mainly due to changes in carbon stocks **resulting from deforestation and forest degradation**.

According to [the National Report on the Inventory of Anthropogenic Emissions from Sources and Removals by Sinks of Greenhouse Gases not regulated by the Montreal Protocol for 1990-2020](#), Russian forests absorb more than 600 million tons of carbon annually.



THE COMPANY'S APPROACH TO FOREST MANAGEMENT

Rosneft recognizes the importance of forests and other ecosystems for current and future generations. The Company strives to rule out the destruction of natural ecosystems and land clearing by burning or clear-cutting in the course of its activities. Rosneft undertakes to eliminate the consequences of deforestation and to restore or compensate for legacy deforestation.

The Company's forestry commitments are in line with the UN Sustainable Development Goals, the principles of openness and stakeholder engagement, and take into account the rights of local communities.

Rosneft conducts regular audits and monitors on-site operations in accordance with the regulatory requirements of Russian law.

Sustainable forest management contributes to the conservation of ecosystems and biodiversity (for more information about the Company's projects, see slide 15).

The company traditionally pays special attention to activities aimed at conserving biodiversity, in particular, projects to study bioindicators of ecosystems and unique representatives of fauna under the threat of extinction.

Within the framework of the National Project "Ecology", the Company continues projects on the study, monitoring and protection of Arctic animals, which are indicators of the region's ecosystems.

The Company extends its commitments, uniform principles and corporate requirements in the field of environmental protection, including forestry maintenance, to suppliers and contractors.

13 CLIMATE ACTION



15 LIFE ON LAND



INCREASING REFORESTATION AREAS





FLAGSHIP CLIMATE-RELATED FORESTRY PROJECT

Rosneft has launched a large-scale integrated climate-related forestry project **with a cumulative absorption potential of 10 million tonnes of CO₂-equivalent.**

The Company initiated the project jointly with the Government of the Krasnoyarsk region involving leading Russian scientific organizations in the field of forestry. The project is unique for Russia due to a broad range of participants and the scale of planned carbon sequestration.

The integrated climate-related forestry project was supported by the President of the Russian Federation.

In 2022, Rosneft and [Saint Petersburg State Forest Technical University named after S.M. Kirov](#) signed an agreement within the framework of the XXV St. Petersburg International Economic Forum. The agreement is aimed at developing methodological support for the climate-related forestry project, drawing up generic design documentation, and assessing the project carbon efficiency.

At the VII Eastern Economic Forum, Rosneft concluded an agreement with the Siberian Federal University on scientific research as part of the methodological support for the climate-related forestry project.

Recommendations on projects in the area of reforestation, afforestation, protection and preservation of forests of high conservation value, as well as on their specific locations, will be drawn up on the basis of site inventory in the Krasnoyarsk region. The project also provides for looking into a possibility of developing an **improved methodology for assessing the carbon sequestration potential of natural ecosystems, and carrying out applied and fundamental scientific research**, including selection and genetic research for developing fast-growing tree species adapted to the weather conditions of the Krasnoyarsk region.

Natural carbon sequestration projects will be an additional leverage for the development of the large-scale low-carbon Vostok Oil project, which the Company has been implementing in the north of the Krasnoyarsk region.

KRASNOYARSK REGION – THE CROWN JEWEL OF SIBERIA



approx. 2.4 mln sq. km

the area of the Krasnoyarsk region – **1/7th of the Russian land territory, approx. 10x UK, approx. 8x Italy, approx. 7x Germany, more than 4x France***



3 thous. km

the length of the Krasnoyarsk region – from the Arctic Ocean to Southern Siberia, equal to the length of the Antarctic Continent



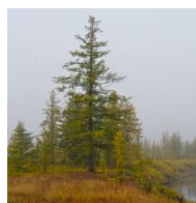
164 mln ha

the forest area of the Krasnoyarsk region more than 20% > Australia's forest area** more than 2 times > India's forest area



more than 2/3

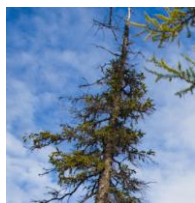
of the Krasnoyarsk region is covered with forests



~ 42%
larch



18%
birch***



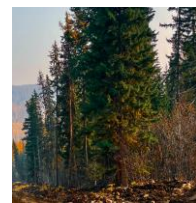
~ 13%
pine



> 9%
cedar



~ 7%
spruce



~ 6%
fir

*Source: [The World Bank Data](#)

**Australia and India are among [the top 10 countries](#) with the largest forest area

***including dwarf birch; the distribution of the remaining tree species (~ 5%) is available in [the open data section of the Ministry of Forestry of the Krasnoyarsk Territory](#)



COOPERATION WITH THE FEDERAL FORESTRY AGENCY

Rosneft and the [Federal Forestry Agency](#) signed a long-term cooperation agreement at the XXV St. Petersburg International Economic Forum.

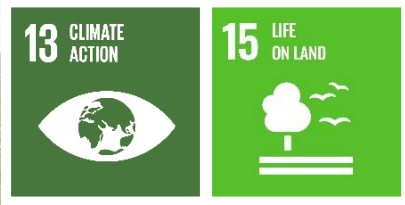
Under the agreement, Rosneft and the Federal Forestry Agency will cooperate with a view to establishing the necessary conditions for implementing climate-related forestry projects.

The agreement also envisages joint work on developing the regulatory framework related to the methodology of assessing the forest absorption capacity, and promoting investments in climate-related forestry projects in Russia.



Importantly, Rosneft and the Federal Forestry Agency will also join forces in **advocacy and knowledge-sharing activities related to forest conservation opportunities, and will jointly support educational and research programmes, as well as staff training in carbon management.**

Cooperation with the Federal Forestry Agency will facilitate establishing the necessary conditions for implementing climate-related forestry projects according to international and Russian standards as well as the Company's carbon management goals.



INCREASING REFORESTATION AREAS

Rosneft is committed to the principles of environmentally sustainable forest management and continuously implements forest restoration initiatives.



In 2021, more than 30 Group subsidiaries carried out an unprecedented initiative on setting out young plants in the regions of their operations. The biggest contributors included Bashneft-Dobycha, RN-Uvatneftegaz, RN-Yuganskneftegaz, Samotloneftegaz, Slavneft-Krasnoyarskneftegaz, Bashneft-Retail, the Achinsk Refinery, the RN-Komsomolsk Refinery and the Syzran Refinery.

Employees of Slavneft-Krasnoyarskneftegaz planted over **600 thousand young trees of spruce and pine** in the Krasnoyarsk region.



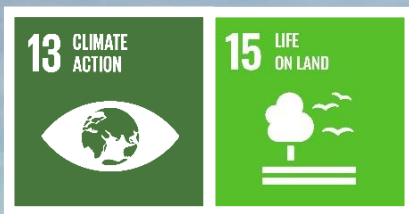
In 2021, employees of RN-Yuganskneftegaz planted over **700 thousand seedlings of softwood** while the woodland area exceeded 176 hectares, which is 25% more than in 2020.

In 2021, Rosneft planted about 9.3 million of various young trees.



FIGHTING WILDFIRES





EFFECTIVE RISK MANAGEMENT

Rosneft regularly assesses how climate change may affect its long-term performance targets. **When considering climate risks and opportunities, [the Company takes into account TCFD* recommendations.](#)**

Wildfires are included in the list of hazards that the Company analyzes as part of the strategic risk assessment related to climate change in the regions of its operations (**physical long-term and physical acute climate risks** - TCFD Chronic/TCFD Acute).

As part of the corporate enterprise-wide risk management framework, the management consistently identifies, assesses and works out measures to minimize the key risks, including the strategic risks/threats (on an annual basis), and the risks related to current financial and operating activities (on a quarterly basis). **Risk reports are communicated to the Audit Committee of the Board of Directors and the Board of Directors.**

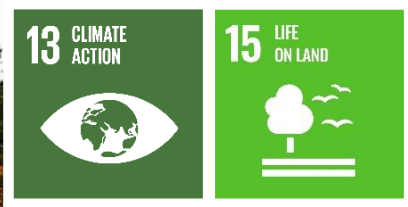
Rosneft implements measures to minimize the impact of risks on an annual basis.

In 2021, Group subsidiaries developed and implemented **action plans with a view to ensuring fire safety and combatting wildfires.** This work was carried out for the timely prevention of wildfires in the forest areas adjacent to fields, oil production facilities and production sites.

The Company monitored the fire situation in the areas of its operations jointly with the forest protection divisions of the constituent territories of the Russian Federation. **In 2021, wildfires did not pose a threat to Company facilities.** Rosneft's emergency prevention policy made it possible to eliminate the risk of emergencies at the Company's facilities in 2021.

Rosneft takes a systemic approach to risk management that includes climate-related risks.

* Detailed information on climate risks and opportunities is presented in the Sustainability Report 2021. TCFD – Task Force on Climate-related Financial Disclosures.



FIGHTING WILDFIRES

The Company maintains fire safety at corporate facilities by a **set of preventive and response measures aimed at protecting the life and health of people and preserving the Company's property.**

Given the challenging situation with wildfires in the recent years, in 2021 Rosneft developed and enacted the **Regulations "Preparing Company Facilities for Safe Operations during the Fire Season" for facilities** that can be affected by the wildfires (forest, peat and steppe fires). The document provides for facility inspection and compliance assessment with regard to fire safety requirements, preparedness for the fire season, and corrective action. Group subsidiaries carry out tabletop drill exercises related to actions in the event of a wildfire (or a threat of a wildfire) spreading to the Company's facilities. The drill exercises also provide for practising emergency evacuation of people from the danger zone.

The Company's fire protection team trained more than 330 thousand employees of the Group subsidiaries and contractors while maintaining safety of more than 70 thousand fire hazardous operations. **321 fire tactical drills, 9,833 fire tactical drills with preparedness exercises at secured facilities, and more than 2.9 thousand emergency response training sessions were conducted.** High responsibility taken by the Company is confirmed by its participation in regional and federal public initiatives and projects.

Rosneft makes a tangible contribution to the safety of people living in the regions of Company operations. For example, in 2021, corporate fire protection teams made over 900 trips to render support to the territorial fire and rescue brigades of the Ministry of Emergency Situations of Russia.

In 2021, the Company allocated approximately 11.5 billion rubles for fire safety. As part of the corporate fire protection programme, the Company's coverage ratio of fire fighting vehicles and equipment is 92% and 100%, respectively.



SUPPORTING PRISTINE NATURE RESERVES,
SANCTUARIES AND NATIONAL PARKS



SUPPORTING INITIATIVES TO SAFEGUARD SPECIALLY PROTECTED NATURAL AREAS

Rosneft consistently supports initiatives aimed at conserving wildlife and safeguarding sanctuaries and national parks. As part of the grant programme of the East Siberian Oil and Gas Company (Rosneft subsidiary), scientists of the Forest Institute named after V.N. Sukachev of the Siberian Branch of the Academy of Sciences established a scientific rationale for creating an ethnological sanctuary for the Keto people*. The goal of the project is to protect the native environment of indigenous people. The ethno-ecological sanctuary with an area of over 760 thousand hectares will be created in the Sulomai settlement bordering on the Central Siberian state reserve. The status of a specially protected area will ensure the natural evolution of taiga ecosystems and keep intact the indigenous Keto lands.

Employees of the Ryazan Oil Refinery Company are engaged in environmental education of schoolchildren and students. The refinery supports the Oka Biosphere Reserve, which is home to rare Red Book species of flora and fauna. The Company organizes excursions and research-oriented trips for children to study the nature of their native land.

The Novokuibyshevsk Refinery sponsored an information and educational centre that was opened in the Sosново-Solonetsky forestry of the Samarskaya Luka National Park as part of the project to create a tourism cluster of the Samara region. The centre will promote public environmental awareness, encourage eco volunteering and environmental education in rural schools.

The Komsomolsky Refinery together with specialists from the Zapovednoye Priamurie Reserve launched an environmental project "Under the Strong Wing" to conserve and repopulate the Red Book Steller's sea eagle.

Rosneft and the Russian Arctic National Park are implementing an integrated project "Clean Arctic" to study the impact of economic activities on Arctic ecosystems.

* The Keto* is the smallest ethnic group living in the Evenki Municipal District of Krasnoyarsk region.



BIODIVERSITY PROJECTS OF ROSNEFT OIL COMPANY

- Supporting the programme to study and conserve the Amur tiger population
- Supporting the study of the Siberian sable migratory routes in the Evenkiysky District of the Krasnoyarsk region
- Studying the wild reindeer population in cooperation with the Siberian Federal University
- The Programme for conserving the biodiversity of marine ecosystems in the Arctic zone under the Agreement with the Ministry of Natural Resources and Environment of Russia (white seagull, walrus, polar bear, reindeer)
- A integrated project on restoring the ecosystems of the [the protected Franz Josef Land Archipelago](#) – Russia's northernmost territories



The Company's future projects must comply with the principle of net positive impact on [biodiversity](#).