



**ROSNEFT**

**SAVING THE PLANET FOR THE BENEFIT  
OF THE CURRENT AND  
FUTURE GENERATIONS:  
ROSNEFT WASTE MANAGEMENT AND  
REMEDIATION**



## RESPONSIBLE BUSINESS CONDUCT – ONE OF THE COMPANY’S MAIN VALUES

*“As a responsible producer and a member of the UN Global Compact, the Company is focused on prudent development of natural resources and minimization of the environmental footprint.”*


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


## EFFECTIVE WASTE MANAGEMENT AND REMEDIATION – A KEY FACTOR IN MINIMIZING THE ENVIRONMENTAL FOOTPRINT

As a responsible producer, Rosneft is committed to the sustainable development principles of the UN Global Compact while [the UN Sustainable Development Goals are incorporated into the Company strategy](#). In particular, Rosneft strives to consistently reduce its waste generation.

The Company **progressively introduces the initiatives encouraging transition to the circular economy\*** in its operations and aims at incremental waste processing and recycling (drilling, chemical (including plastic), and electronic waste). Rosneft introduces systems and procedures that facilitate minimal waste generation and incremental waste reuse.

**As part of the Rosneft Environmental Development Concept**, the Company set a “zero legacy”\*\*\* target by 2035 :

 Remediating 100% of the legacy polluted land.

 Eliminating 100% of the legacy oily waste.

*The targets apply to all Company subsidiaries, with 2019 as the baseline year.*

**The Company's plans comply with the UN Sustainable Development Goals, the Environmental Safety Strategy of the Russian Federation, the Decree of the President of the Russian Federation "On National Development Goals of the Russian Federation for the period up to 2030" and Regulation of the Government of the Russian Federation No. 326 dated 15.04.2014 "On approval of the State Program of the Russian Federation "Environmental Protection".**

\* Circular economy is focused on maintaining the value of products, materials, and resources for the maximum possible period by their return to the production cycle at the end of their utilization with minimal waste generation.

\*\*Legacy – waste and polluted land, generated in the past periods as a result of third parties` business activities on the territories and (or) sites of Company operations.



Circular economy principles – prevention, reduction and recycling (processing and reuse) - are applied with a view to reducing waste generation and reusing the materials during new projects development.

## SYSTEMIC APPROACH TO WASTE MANAGEMENT AND REMEDIATION

### Environmental and waste management

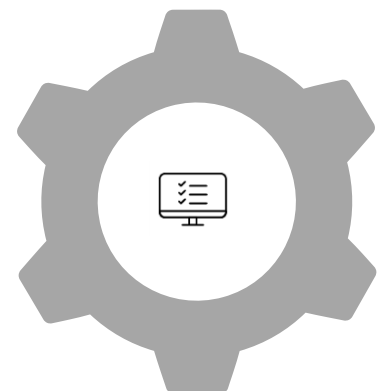
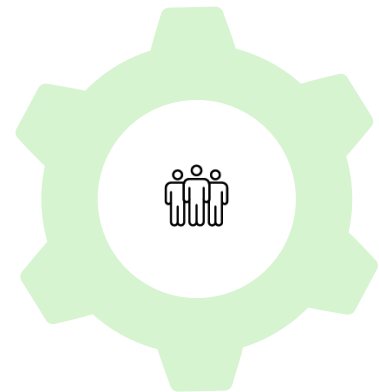
- Commitment to the Rosneft-2022 Strategy and the 2035 Environmental Development Concept in the area of minimizing the environmental footprint.
- Development of environmental competencies.
- An integrated environmental indicator that includes waste management and remediation targets is part of top management KPIs.
- Application of the HSE Control System.
- Compliance with the ISO 14001:2015 Environmental management System international standard.

### Innovation and R&D

- Application of best available technologies for waste reduction and recycling and land remediation.
- Establishment of innovative partnerships in the area of waste recycling.
- Automation of environmental data analytics for performance assessment and control over strategic objectives achievement. The data is published annually.

### Supply chain and procurement

- Extending environmental and waste treatment commitments, uniform principles and corporate requirements to supplies and contractors.
- Regular audits and on-site execution control in line with the normative requirements.





The short-term goal – to reduce the accumulated drilling and oily waste by 15 %.

## WASTE MANAGEMENT

Rosneft has the Waste management standard that regulates waste disposal activities. The zero discharge principle is applied in Rosneft offshore drilling.

In 2020, the Company processed **4.7 mln tonnes of drilling waste** and **850 thousand tonnes** of oily waste.

 **33 %** achieved reduction of accumulated drilling waste



Rosneft implements a number of actions aimed at decreasing the environmental impact of waste treatment:

- Infrastructure development for industrial waste treatment grounds;
- Equipping assets with modern oil sludge processing equipment.

The Company implements innovative projects for developing technologies on drilling waste and oil sludge disposal [and soil cleaning from oil and oil products.](#)



**Short term target - 30 % reduction of accumulated contaminated lands.**

## LAND REMEDIATION

Rosneft has the standard “**Procedure for disturbed and polluted lands remediation management**”. In order to reduce the unfavourable impact, the Company implements the Environmental Efficiency Improvement Program, the Pipeline Reliability Improvement Program, and activities aimed at production upgrades and remediation of mechanically disturbed and polluted land remediation activities, with the application of best available technologies. In 2020, the Company remediated 14957 hectares of disturbed land thanks to the ongoing activities. **The total polluted acreage reduced by 10 % year on year.**

**The company applies advanced technologies and innovations for remediation in complex climate conditions.**

- RN-Yuganskneftegaz specialists developed an automated environmental monitoring and reporting system. Stock-taking of contaminated areas is conducted by the decryption of distant probing materials with further field inspections of the identified polluted areas.
- **Samotlorneftegaz specialists apply drones** for 24 hour monitoring of the field pipelines and the entire infrastructure.

In 2020, the Company started the implementation of a new large-scale **2020-2025 Pipeline Reliability Improvement Programme**, which covers 23 oil and gas producing subsidiaries.

**The main objectives of the 2020-2025 Programme include:**

- A 20% reduction of field pipeline failures compared to 2019.
- Increase of in-line inspection scope to control pipeline condition.
- Selection, testing and implementation of new technologies, and materials, which secure corrosion and sediments protection.
- Development and implementation of a toolkit for operational control and analysis of field pipelines operation and condition.

**The 2020-2025 Pipeline Reliability Improvement Programme provides for an upgrade of over 7 thousand kilometres of pipelines, and major and maintenance repairs of over 6 thousand kilometres of transportation networks.**

*\* The targets apply to all Company subsidiaries, with 2020 as the baseline year.*

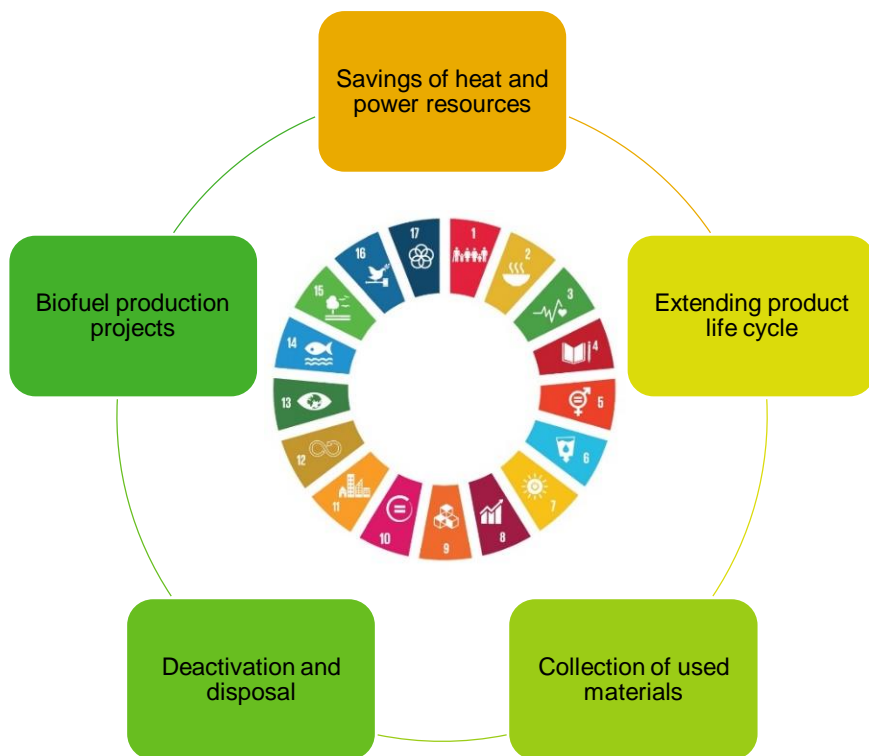
*\*\* Short-term goals – goals for 2 years (2021-2022).*



The Company has been stepping up the introduction of the Green Office principles aimed at reduced resources consumption, heat and power energy savings, improved working and environmental conditions.

## STRIVING TO PROGRESSIVELY INTRODUCE CIRCULAR ECONOMY PRINCIPLES

Rosneft works on implementing **circular economy principles** at current operations and new project execution.



A separate collection and transfer system for plastic, metal and electronic waste, paper, cardboard, glass recycling is being actively implemented.

In 2020, a Rosneft Moscow office received a Green Office status, confirmed by BREEAM In-Use certificate – one of the most recognized global real estate environmental assessment standards.