



# ENVIRONMENTAL REPORT

"SURGUTNEFTEGAS" PJSC



2022

MESSAGE FROM ANATOLY S. NURYAEV,  
FIRST DEPUTY DIRECTOR GENERAL  
OF "SURGUTNEFTGAS" PJSC

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**Anatoly S. Nuryaev,**  
First Deputy Director General  
of "Surgutneftegas" PJSC

"Surgutneftegas" PJSC is a globally renowned highly effective company, one of the largest in the Russian oil and gas sector. In the current difficult conditions, we continue to work efficiently and reliably, fully taking into account the environmental factor. Our priority is to consistently comply with the environmental legislation of the Russian Federation, follow international agreements and conventions, and implement environmental initiatives of our own.

We were the first among the oil and gas companies in Russia to build and successfully operate a unique facility – a plant for applying an internal anti-corrosion coating on pipes and fittings of pipelines. This is what we pride ourselves on. We use the best technologies and the most reliable materials, strive to make all pipelines of the Company safe in the coming years. Now almost 80% of oil and gas pipelines have an internal coating, the next stage is the introduction of an anti-corrosion coating of pipelines of the reservoir pressure maintenance system.

Every year, the Company increases the amount of funds aimed at implementing measures for environmental protection, rational nature management, biodiversity conservation, improving the environmental safety of production, as well as for the construction and modernization of environmental facilities, including its own facilities for the recycling, decontamination and utilization of waste. In the last five years alone, RUB 138 billion have been invested.

We ensure a high technological level of production processes in accordance with the criteria of economic and environmental efficiency and we are looking into the future with confidence. It is the environmental friendliness of production that is the main strategic task of "Surgutneftegas" PJSC. The most fundamental issues are resolved at meetings of the Environmental Council with the participation of the Company's management. We take all measures to preserve and protect the environment, act proactively and avoid reputational risks. The Company provides environmental briefings to its employees, and every one of them understands that accidents lead to serious losses and inevitable penalties, whereas mitigating the environmental impact reduces the costs of current activities.

In the past, we witnessed the barbaric attitude of some foreign oil and gas companies to the Siberian subsoil and fragile ecosystems, and this strengthened our determination to ensure natural and resource saving in all regions of our presence and minimal environmental impact of Surgutneftegas facilities on the environment. Because the places where we operate must remain clean. The staff of the Company and its contractors have great respect for our native land, its subsoil resources and carefully consider the interest and needs of the small-numbered indigenous peoples of the North engaged in traditional industries. By showing sincerity, caring for man and nature alike, "Surgutneftegas" PJSC stands for the preservation of the cultural and natural heritage of the territories of its operations.



# 1 KEY AREAS OF THE COMPANY'S ENVIRONMENTAL ACTIVITY

Key areas of the Ecology program

Key aspects of the Company's environmental activity





## Key areas of the Ecology program

Since 2022, the Russian Ministry of Natural Resources has been improving the sphere of subsoil use for further development after the largest package of amendments to the Federal Law on Subsoil Reserves in almost three decades became effective. "Surgutneftegas" Public Joint Stock Company gradually improves the environmental safety of production processes, works according to the best modern standards with the least possible damage to the environment, adheres to its Environmental policy.

Up-to-date information about the Company's environmental activity is published

on the official website of "Surgutneftegas" PJSC ([www.surgutneftegas.ru](http://www.surgutneftegas.ru)), section "Responsibility", subsection "Ecology". The Company works in the interests of the local population, organizes long-term cooperation with the regional authorities, municipalities, public organizations representatives, cooperates with supervisory agencies. Since 2004, all environmental reports of Surgutneftegas, data on environmental monitoring, conducting drills on elimination of oil and oil product spills, scientific research in the areas of the Company's operations and other materials are publicly available.

"Surgutneftegas" PJSC  
environmental  
information



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"Surgutneftegas" PJSC  
environmental reports



"Surgutneftegas" PJSC systematically and consistently implements the Ecology corporate program. Its key areas are:

- construction of environmental facilities, including air protection facilities, waste decontamination and utilization facilities;
- air protection and climate change prevention;
- protection and rational use of water resources;
- industrial waste decontamination and utilization;
- protection and rational use of land;
- monitoring of environmental components and control of production facilities operation;
- ensuring environmental safety of oil production facilities, including pipelines;
- environmental education and professional training of employees;
- application of the "green office" principles in each administrative building of "Surgutneftegas" PJSC;
- biodiversity conservation in the areas of the Company's operations;
- R&D activities in the field of environmental protection.

In accordance with the established requirements of the legislation, "Surgutneftegas" PJSC registered all the facilities that have a negative environmental impact. The Company operates 97 oil production facilities, one oil refining facility and 22 waste management facilities that are classified as I category facilities that have a negative environmental impact. In order to minimize the negative impact of such facilities and consistently improve business processes and the results of business and operation activities, we implement modern information systems, deploy the best available technologies and undertake complex breakthrough projects.

Considering environmental business as an important part of the management system, Surgutneftegas builds and modernizes environmental facilities, upgrades its fleet of machinery and equipment, increases resource saving capacities, enhances energy efficiency and environmental friendliness of production. The Company's assets include:

- 1 gas processing plant;
- 22 gas turbine power plants (GTPP) and 7 gas reciprocating engine power plants;
- 33 compressor stations;
- 3 associated petroleum gas (APG) processing units;
- 113 initial water separation units;
- 6 centers for oily soil decontamination;
- 3 centers for sludge decontamination with sludge storage ponds, units for oily fluid recovery and Heater-Treater three-phase separators;
- 5 mobile units for tank cleaning and initial oil sludge treatment, including three-phase centrifuges;
- 41 single and multiple cell sludge storage ponds with a total capacity of 94 thousand cubic meters;
- 10 units for thermal oil sludge decontamination with a total capacity of 70 thousand cubic meters per year;
- 5 landfills for disposal of solid household and industrial waste designed to dispose of production and consumption waste with a total capacity of 1,924 thousand cubic meters;
- 30 Forsazh-2M mobile units for thermal decontamination of production and consumption waste with a total capacity of 22.5 thousand tonnes per year.

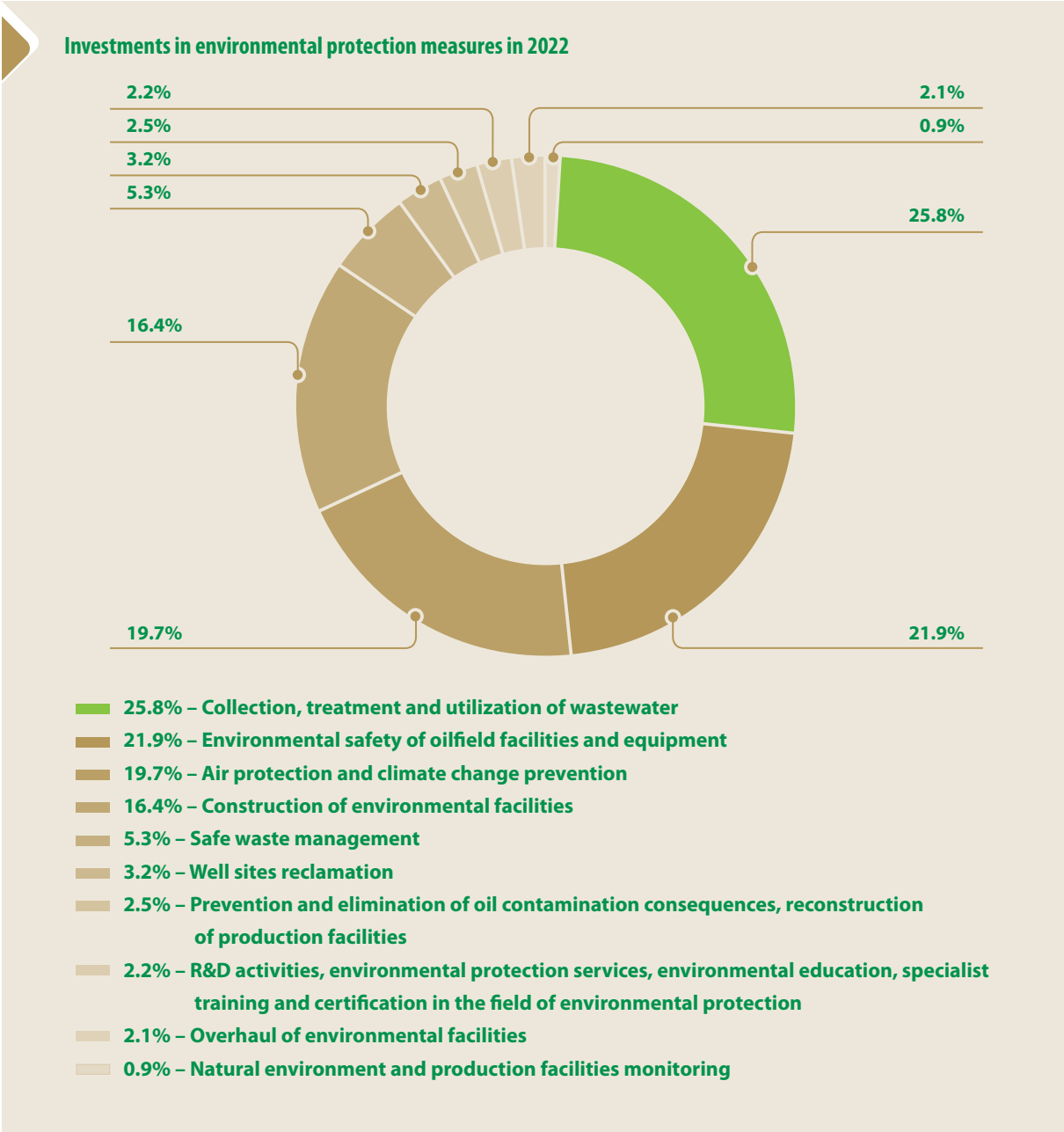


# Key aspects of the Company's environmental activity

“Surgutneftegas” PJSC stands out by its financial stability, operational reliability of production facilities, including drilling and oilfield equipment, a high degree of environmental responsibility and social standards. In 2022, the investments of Surgutneftegas in environmental activity amounted to RUB 34.7 billion; in 2023, the Company is planning to invest RUB 34.9 billion into the Ecology corporate program.

“Surgutneftegas” PJSC carries out responsible, safe and accident-free production, ensures the safety of all environmental processes, implements current environmental technologies, uses natural resources in the most efficient way.

Construction, repair and replacement of pipelines, protection of oilfield equipment and facilities from corrosion, prevention and elimination of consequences related to the equipment failures incidents,



land reclamation, air protection, industrial wastewater utilization, safe waste management, environmental monitoring and R&D activities are the key aspects of the environmental activity of “Surgutneftegas” PJSC.

Comprehensive planning, modern approach to the environmental management of the Company helps to mitigate environmental risks, achieve consistent results, sustain development of the Company and improve the quality of life in the areas of its operations.

In Khanty-Mansiysky Autonomous Okrug – Yugra, which is the main region of the Company’s

operations, the representatives of the regional and federal bodies such as the Department of Subsoil Use and Natural Resources of Khanty-Mansiysky Autonomous Okrug – Yugra, the Federal Agency for Subsoil Use, Rosprirodnadzor and other related authorities determine the winners and laureates of the annual ecological competition among oil and gas companies. In 2022, “Surgutneftegas” PJSC was recognized for the ninth time as the winner in the category “Enterprises annually producing over 5 million tonnes of oil”.

Victory in an environmental competition





# 2

## BASIC STRATEGIC DOCUMENTS IN THE FIELD OF ENVIRONMENTAL MANAGEMENT

Environmental policy

The Company's responsibilities

Basic principles of the policy on interaction with  
the small-numbered indigenous peoples of the North





## Environmental policy of “Surgutneftegas” PJSC and Policy on interaction with the small-numbered indigenous peoples of the North are the basic strategic documents of the Company in the field of environmental management.

The priorities of “Surgutneftegas” PJSC are preventing of accidents, readiness to eliminate possible consequences of a negative environmental impact, establishing of facilities and technologies for recycling, decontamination and utilization of waste, rational use of natural and energy resources, environmental friendliness of all production processes as well as the social responsibility of the business.

While ensuring the efficiency, safety and reliability of production, the Company obliges the employees of its business units and the personnel of contractors and subcontractors to comply with the requirements of environmental legislation of the Russian Federation, the principles of Environmental policy of “Surgutneftegas” PJSC as well as Policy on interaction with the small-numbered indigenous peoples of the North.

## BASIC PRINCIPLES OF THE ENVIRONMENTAL POLICY OF “SURGUTNEFTEGAS” PJSC

- Systematic minimization of the negative environmental impact of technological processes and mitigation of the environmental risks through implementation of the best available technologies as well as scientific and technical achievements.
- Giving priority to prevention of the negative environmental impact over mitigation of its consequences.
- Maintaining industrial and environmental safety in line with up-to-date international standards and requirements.

- Rational use of natural resources based on implementation of innovative environmentally friendly and resource saving technologies.
- Systematic control over compliance with industrial and environmental safety requirements.
- Preservation of the primordial living environment, traditional way of life, housekeeping activities and industries of the small-numbered indigenous peoples of the North.

- Environmental monitoring in the areas of the Company's operations.
- Improvement of environmental activity and environmental management system in the business units of the Company.
- Improvement of the personnel's environmental skills.
- Cooperation with parties concerned, public organizations and the media.

- Transparency of the socially significant information on the Company's environmental efforts.

The Environmental policy of the Company is subject to revision, adjustment and improvement in case Surgutneftegas changes its development priorities and operational conditions.





## The Company's responsibilities

To adhere to the basic principles of the Environmental policy, "Surgutneftegas" PJSC undertakes the following responsibilities:

- Comply with the legislation of the Russian Federation in the fields of environmental protection and sanitary and epidemiological welfare of the population.
- Conduct a strategic environmental assessment, including assessment of a cumulative effect from an aggregate impact while implementing large-scale infrastructure projects of the Company.
- Conduct a comprehensive environmental impact assessment of projects from construction to decommissioning of facilities.
- Additionally assess environmental risks while developing project documentation for the construction of facilities in environmentally sensitive and valuable areas.
- Ensure efficient environmental activity and improve its control system.
- Improve industrial and environmental safety at the Company's facilities, assume required measures to mitigate accident risk of oilfield equipment and provide integrity of pipeline systems.
- Enhance energy efficiency of production processes at all production stages.
- Reduce motor fuel consumption and improve the environmental performance of the Company's vehicles.
- Ensure rational nature management, mitigation of a negative impact on the environmental components and compensation of possible damage to the environment.
- Apply the "green office" principles.
- Implement all possible measures on biodiversity conservation, preservation of animal migration paths in the areas of operations, timely reclamation of disturbed lands as well as reduction of natural landscapes fragmentation by laying linear facilities in the existing utility line areas and placing site facilities on previously disturbed lands within existing industrial sites.
- Avoid carrying out works in the territory of World Natural Heritage sites and wetlands having international significance and in specially protected natural reservations when designing site structures and oilfield infrastructure facilities. In the absence of such possibility – observe a special mode of business activities.
- Take account of interests and rights of the small-numbered indigenous peoples to lead the traditional way of life and preserve their traditional settlement territories historically inhabited by their ancestors.
- Observe current rules and standards of the Company's employees' conduct when implementing the Company's projects, including waste management standards and prohibition of hunting, fishing and gathering wild-growing herbs, and require the contractors to comply with these rules and standards.
- Organize environmental education of the Company's employees and develop their skills regularly.
- Ensure wide availability of environmental information on the Company's business activities, transparent environmental activity and decisions made in this area.
- Apply environmental standards of the Company to the activity of contractors.

## Basic principles of the policy on interaction with the small-numbered indigenous peoples of the North

- Compliance with federal and regional legislation aimed at protecting the rights and legitimate interests of the small-numbered indigenous peoples of the North.
- Preservation of the primordial environment, traditional way of life, housekeeping activities and industries of the indigenous population.
- Recognition of the importance of land, water bodies, wild-growing herbs and game animals, maintaining environmental resource potential of the ecosystems as the basis for the traditional nature management of the small-numbered indigenous peoples of the North.
- Rational use of land and natural resources in the places of traditional residence and traditional housekeeping activities of the small-numbered indigenous peoples of the North.
- Respect for the ethnic identity, culture and local customs of the indigenous people.
- Maintaining a balance between the interests of the Company and of the small-numbered indigenous peoples of the North by imposing mutual self-restrictions and obligations.
- Ensuring participation of representatives of the small-numbered indigenous peoples of the North in decision-making on placement of business assets in the territory of their living and traditional housekeeping activities.
- Conclusion of economic agreements and treaties as the most important tool of equal partnership with the indigenous people in order to compensate for the limitation imposed on the traditional use of natural resources.
- Transparency and availability of the socially significant information on the Company's environmental efforts, the state of the natural environment and the relations with the small-numbered indigenous peoples of the North.





# 3 ENVIRONMENTAL SAFETY OF OILFIELD FACILITIES AND EQUIPMENT

Accident risk mitigation measures

Quality inspection of materials and works execution

Use of pipe products with an internal coating

Pipeline inhibitor protection

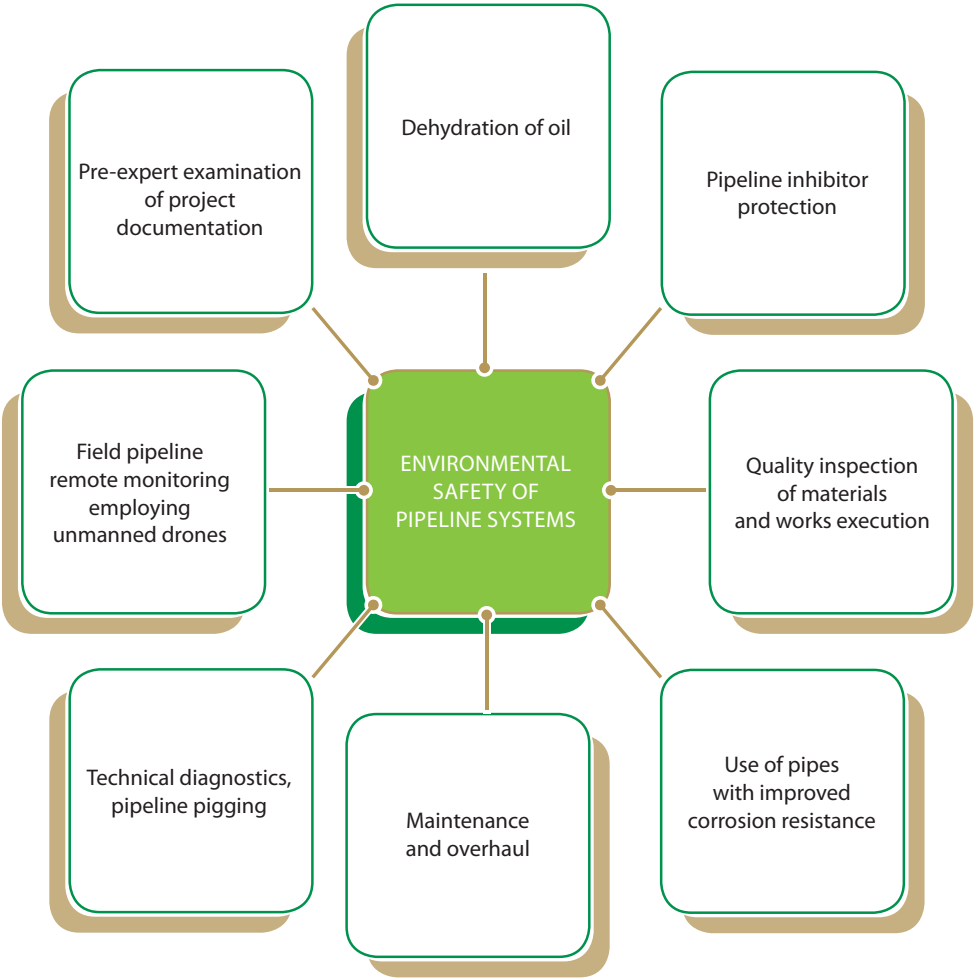




In terms of environmental safety in production Surgutneftegas implements a long-term comprehensive program on increasing the operational reliability of the field pipelines.

One of the main reasons of disruption of the pipeline and fittings integrity is the corrosion which occurs as a result of the aggressive transported liquids. "Surgutneftegas" PJSC monitors the quality of materials and works execution, ensuring

ongoing accident-free operation of pipelines at all stages of the technological process. In order to mitigate the accident risks, the Company applies effective measures for quality control of construction and safe maintenance of oilfield equipment and facilities.



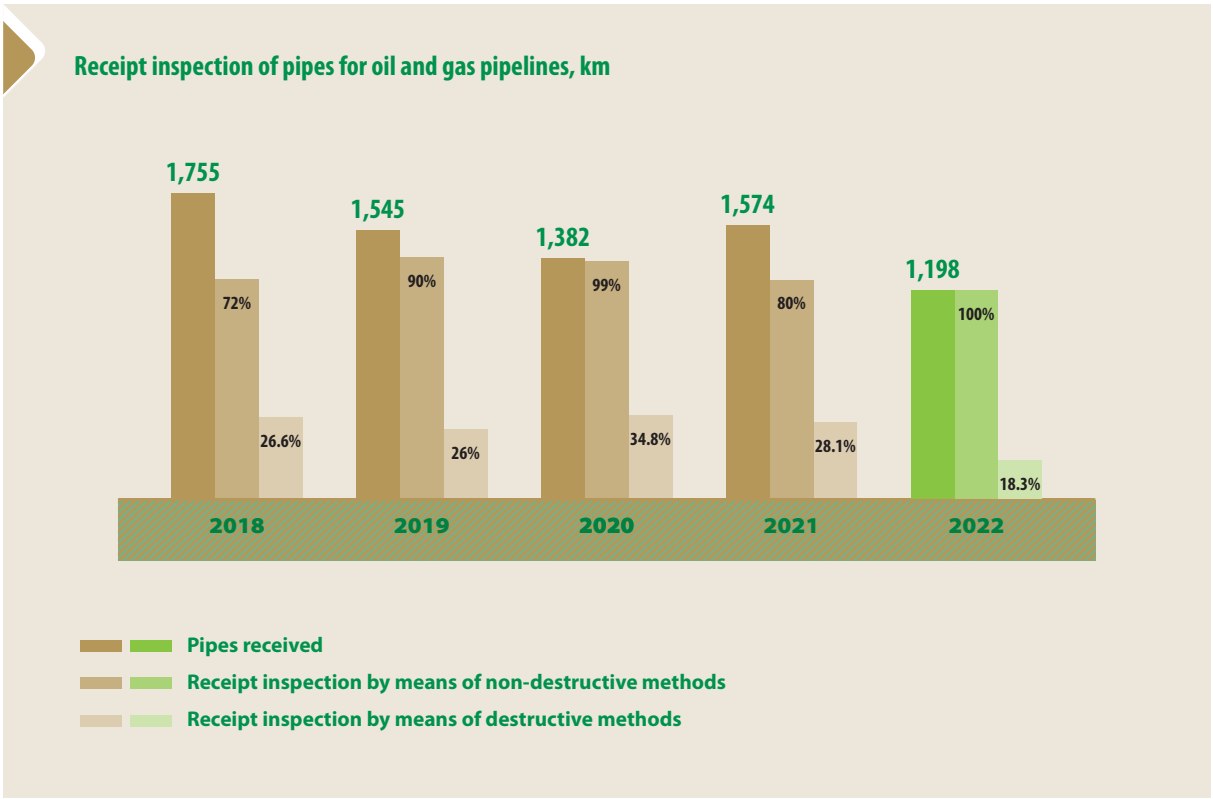
Ensuring environmental safety of pipelines



During construction of field pipeline systems, "Surgutneftegas" PJSC comprehensively checks the quality of pipe products, demands an inspection at the manufacturing plants, performs a receipt inspection of pipes using both destructive and non-destructive methods, and organizes operational inspection during construction and assembly works.

All pipes that come to the Company for construction of oil pipelines and oil and gas pipelines undergo a receipt inspection for compliance with the technical requirements using non-destructive methods (radiographic and ultrasonic methods), which are carried out in an automated mode using a complex of technological equipment. In 2022, the inspection of over 1,350 kilometers of pipes was carried out using non-destructive methods. In order to assess the quality of the steel in use, an inspection of 219.1 kilometers of pipes (18.3% of the total number of the received pipes) was performed using destructive methods.

There were no non-compliant pipes revealed for the reporting year as a result of the receipt inspection using destructive methods. Requirements as to the chemical composition, structure and mechanical properties of metal of pipes are met by manufacturers in full. The Company uses high-quality pipe products, which is confirmed by independent accredited organizations involved in the inspection control of compliance with the technology of manufacturing pipe products.





# Use of pipe products with an internal coating

The promising area of work to minimize environmental risks, in particular to prevent accidents in field pipelines, is the use of pipes with improved corrosion resistance, especially with an internal anti-corrosion coating (IAC). “Surgutneftegas” PJSC performs the entire cycle of applying such a coating to pipes and pipeline fittings.

The highly technological production of IAC application, organized according to international standards, works stably and efficiently, the quality of work is controlled. Use of pipes with improved corrosion resistance guarantees integrity and reliability of the Company’s field pipelines under a high corrosion activity of watered oil.

Since 2014, the Company has produced over 5,000 kilometers of pipes and 199,000 pipeline fittings with IAC. Surgutneftegas is working on expanding the range and increasing

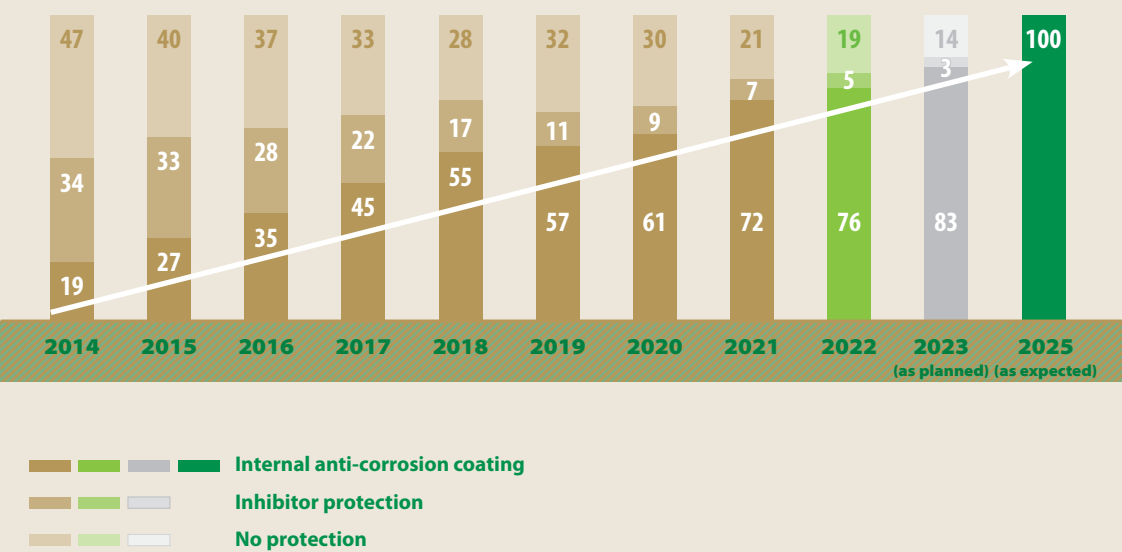
the manufacture of products with an anti-corrosion coating.

In 2022, the Company manufactured 838.2 kilometers of pipes and 25,585 pipeline fittings with IAC. The Company operates over 9,300 kilometers of oil and gas pipelines; 7,000 kilometers of those have IAC (the total amount of pipes with IAC is 76%). The total length of field pipelines of various purpose with IAC in the Company is more than 8,300 kilometers.

Surgutneftegas produced 5 million meters of pipes with IAC using advanced technologies and materials



Ensuring environmental safety of the operated oil and gas pipelines, %



In 2022, 955.6 kilometers of pipelines of various purpose with IAC were built. This work is being carried out in accordance with the capital construction plan and overhaul program of the Company. We are expected to have 9,300 kilometers of pipelines with IAC by the end of 2023.

The Company uses protective sleeves of its own production and thus ensures reliability of welded pipe joints with IAC. Throughout the operation of the complex for the manufacture of sleeves and application of IAC, more than half a million protective sleeves have been produced, including more than 79,000 pieces manufactured during the reporting period.

“Surgutneftegas” PJSC operates field pipelines in compliance with the effective regulations and environmental safety standards, pays close attention to the diagnostics of the technical condition of field pipelines. The Company consistently inspects pipeline routes (close attention is paid to crossings over water obstacles) and strengthens control over the condition of pipeline elements and fittings.

Surgutneftegas ensures reliable and safe operation of tank farms, tests leak resistance of the barriers. All facilities comply with the project documentation and regulation requirements.



## Pipeline inhibitor protection

**Inhibitor protection is the most effective and advanced measure against corrosion attack during an operation of pipelines without IAC. “Surgutneftegas” PJSC ensures the highest level of control over inhibitor protection injection.**

In 2022, the Company provided inhibitor protection for 1,975 kilometers of field pipelines, including 455 kilometers of oil and gas pipelines, 1,511 kilometers of oil pipelines and 9 kilometers of low-pressure water lines. The inhibition process is controlled with the use of telematics, which makes it possible to timely detect, correct or eliminate deviations in the injection mode of corrosion inhibitors.

154 injection units, which are fitted with gauges that show chemicals level in the tank

and with flow-meters, transfer operating parameters to the automated control system for technological processes “OKO-TSITS OGPD”.

In the process of inhibition control, the effectiveness of achieving the target parameters, the volume and completeness of the execution of the main measures and operations are determined, the scheme of inhibitor protection and the organization of work are adjusted.

**Due to inhibition, the probability of pipeline failures is reduced 10-fold**





# 4 INDUSTRIAL ENVIRONMENTAL CONTROL

Key areas of the industrial environmental control

The results of the industrial environmental control





The Company employs a system of two-level vertically integrated industrial environmental control (IEC) which is supervised by First Deputy Director General of “Surgutneftegas” PJSC, the Chairperson of the Company’s Ecological Council.

The IEC system controls compliance with the environmental legislation, environmental safety standards, the legislation requirements in terms of ambient air and water bodies protection, waste management, reclamation of polluted lands, environmental and sanitary-epidemiological rules set out by internal documents of the Company and project documentation resolutions.

Both scheduled and unscheduled (without notifying the inspected parties) inspections of compliance with environmental requirements are carried out, samples are taken and relevant acts and protocols are drawn up. Based on the results of ecoanalytical control, measures are developed to eliminate the identified deviations, and the deadlines for their implementation are set. Control over the fulfillment of orders and the elimination of remarks is constantly carried out using the information system.

The meeting of the Company’s management is held every month and it is chaired by Director General of “Surgutneftegas” PJSC. At such meetings, among other issues, the current issues of compliance with the environmental legislation are worked through. In order to reduce the impact of production on the environment, use natural resources rationally and decrease environmental risks, the results of IEC are analyzed in detail by the Company’s Ecological Council, which makes effective managerial decisions and sets personal environmental performance targets for a number of the Company’s business units heads.

When summing up the results of annual economic competitions among the Company’s employees, in particular, well workover and servicing crews, drilling crews and teams engaged in construction of wells, performance indicators in the field of environmental safety are treated as the key aspects for evaluation of quality of work.

In 2022, activities for inspections of production facilities of “Surgutneftegas” PJSC, including detailed documentary checks and on-site scheduled and unscheduled facility readiness inspections, were performed in full in terms of IEC.

Additional inspections of facilities compliance with design solutions and industrial and environmental safety requirements were conducted in order to eliminate the risk of accidents and incidents associated with uncontrolled release of oil and oil products.

In the reporting period, there were 1,012 inspections in total, and 2,479 facilities were inspected. All identified shortcomings were eliminated.

Level of control	2020			2021			2022		
	number of inspections	number of inspected facilities	number of comments	number of inspections	number of inspected facilities	number of comments	number of inspections	number of inspected facilities	number of comments
Level I control	183	818	1,871	518	1,016	1,896	805	1,644	3,288
Level II control	39	184	354	92	578	835	207	835	1,147

Line maintenance personnel of the Company’s oil and gas production divisions inspect the conditions of the pipeline routes, their elements and fittings by means of GPS and routes uploaded into the web-application “Inspection routes control”. The Company pays close attention

to field pipelines in places of crossings over water obstacles.

“Surgutneftegas” PJSC steadily mitigates the risks of accidents at field pipelines, ensuring the required level of environmental safety of production processes.





# 5 | ENVIRONMENTAL ACTIVITY





### The Company calculates the possibility of environmental and climate risks, performs comprehensive work in order to prevent potential threats and provide sustainability of production processes taking all possible factors into account.

Production operations of Surgutneftegas are associated with the risk of damaging the environment as a result of possible accidental failures of process equipment for hydrocarbon production, treatment and transportation as well as accidents that can cause oil and oil product spills. Such accidents result not only in the need to eliminate damage caused to environmental components, but also in civil legal liability, and they can have a negative impact on the Company's activities.

In order to mitigate the environmental risks and assess the impact on the environment, we annually develop a comprehensive program of environmental protection measures which includes the following activities:

- ▶ preventing the impact of environmental risks (protection of oilfield equipment and facilities from internal and external corrosion, improving the reliability of oilfield facilities, construction and operation of facilities of various environmental protection purposes);
- ▶ mitigation of the negative impact on ambient air;
- ▶ rational use of associated petroleum gas and water resources;
- ▶ safe waste, soil and process liquids management;
- ▶ reclamation of disturbed lands.

The Company regularly monitors negative impact and the environmental condition at the oil fields and subsoil blocks for prospecting, exploration and production of hydrocarbons.

Within the framework of the corporate insurance system, we constantly maintain voluntary insurance of the environmental risks associated with the production operations. The subjects of said insurance are oil and gas pipelines, production complexes and facilities of the Company.

In order to mitigate the environmental risks, the Company invests significant funds (over 20% of the Company's investments into environmental protection measures) in maintaining reliability and increasing the level of environmental safety of the production facilities. This makes it possible to minimize the negative impact of "Surgutneftegas" PJSC on the environment, work without exceeding permissible exposure standards and avoid accident risks with environmental consequences at infrastructure facilities.

The Company is actively engaged in increasing the energy efficiency of production, reducing harmful emissions from associated petroleum gas flaring, waste utilization, reclaiming forests and creating reliable and guaranteed energy sources to maintain the continuity of all its technological operations and eliminate possible energy supply disruptions in case of severe climate change consequences.

The Company takes into account environmental risks and pays close attention towards the world trend of global warming, which can lead to structure and communication damage and other negative outcomes related to possible permafrost degradation and flooding of the areas of the Company's operations in the northern regions.

Taking into account possible outcomes of the climate change, "Surgutneftegas" PJSC designs capital construction of facilities in the northern regions with permafrost soil and takes other measures to improve industrial and environmental safety at the facilities and prevent structure and communication damage in case of permafrost degradation.

Since 2013, the Company has been employing a vertically integrated management system that combines environmental management and industrial environmental control systems. In order to minimize the negative impact of drilling waste on the environment, Surgutneftegas invests substantial funds in implementation of environmental protection measures, including utilization of associated petroleum gas.

Since 2017, for the effective environmental risks management and to ensure compliance with the principles of the Environmental Policy, "Surgutneftegas" PJSC has been operating the Ecological Council, which includes top managers of the Company. The Ecological Council coordinates the activities of "Surgutneftegas" PJSC in the field of environmental protection and use of natural resources, which are of fundamental importance.

Thus, since 2018, the Ecological Council has been setting personal environmental performance targets for the number of the Company's business units heads; such targets were developed on the basis of the results of IEC. Performance indicators in the field of environmental safety are also used in annual economic competitions held among the employees of the Company, in particular well workover, servicing and drilling crews.

The key territory for the operation of "Surgutneftegas" PJSC is located at the West Siberian Plain, which is characterized by a high level of marshiness and the abundance of lakes. The main production cluster of the Company is located within the Lena Plateau of the Central Siberian Plateau in Yakutia.

These regions are characterized by a complex of dangerous natural exogenic processes caused by geomorphic and lithologic local conditions: seasonal freezing and thawing of ground, frost heaving and erosional relief transformation by the constant watercourses. Western Siberia is also associated with processes of natural groundwater flooding and swamp formation. The northern areas of the production activity of the Company are located in the zone of island and sporadic spreading of permafrost. At the same time, such dangerous natural processes as tornadoes, avalanches, hurricanes, earthquakes, landslides and mudslides are by no means associated with either of the regions.

In general, the level of danger of exogenic geological processes when developing the territory of "Surgutneftegas" PJSC operations is assessed as low, and the engineering-geological and hydrological conditions as unchallenging.

Selection of the production facilities arrangement of the Company is carried out taking into consideration natural environment

features; designing the site structures includes a range of measures to mitigate a negative impact on the environment.

Most of "Surgutneftegas" PJSC facilities are built outside the flooding area except the few, an arrangement in flood plains of which is determined by geological conditions (2% of occurrence of rated high water level is the flooding criteria during the design of well pads). Measures for protection from damage and negative impact on the environment taken during the construction of such facilities:

- ▶ during the construction period, when the water-table uprising level is below surface level of construction works;
- ▶ earthfill structure of the drilling pads and reinforcement of side slopes of fill-up soils;
- ▶ double diking device;
- ▶ drilling on flooded areas with waste disposal.

In order to mitigate natural environment risks during the flood period, "Surgutneftegas" PJSC annually implements a wide range of measures, including sites cleanup of snow, waste, equipment moving-out, drain tank pump off, preparation of the equipment for localization and elimination of possible pollutions, stocking of materials and equipment and soil, tightened industrial environmental control over the oil production facilities and ongoing monitoring of watercourse condition.

In order to mitigate natural environment risks during the period of extremely low temperatures, the Company annually implements a wide range of measures, including training and developing practical skills of the employees at hazardous production facilities in case of emergency situations in low temperature conditions. The operational capacity of water heat tracers and electric heating devices is checked; the high-level alert procedures are checked in connection with dangerous weather events, the availability and operational capacity of an emergency reserve of equipment and material and technical resources is checked as well.



# The Company's activity aimed at climate change prevention

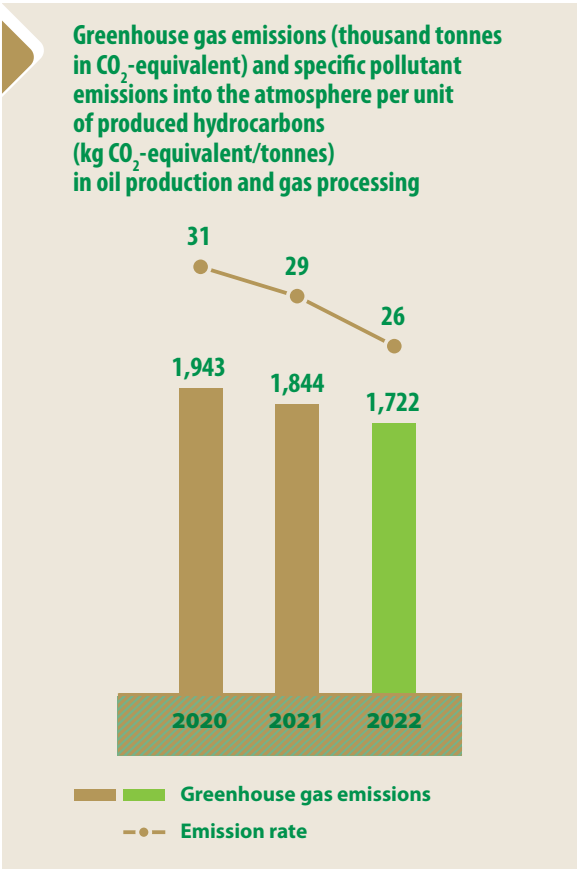
The Company's activity in the decrease of carbon footprint is coordinated by the effective climate change management team which implements the enterprise development strategy aimed at lower greenhouse gas emissions.

In order to prevent global climate change and reduce greenhouse gas emissions, "Surgutneftegas" PJSC introduces a range of measures as follows:

- climate change management;
- carrying out pre-engineering work, design and examination of project documentation in environmental safety and environmental impact assessment;
- constructing facilities for utilization of associated petroleum gas, and providing their technical reequipment, reconstruction and upgrading;
- increasing the efficient use of associated petroleum gas;
- implementing programs for improved energy efficiency and resource saving;
- implementing complex measures for environmental safety of the oil production facilities;
- taking measures to reduce hydrocarbon losses and increase its processing;

- expanding areas of low-carbon energy resource use such as gas, renewable resources;
- producing and consuming eco-fuel;
- performing regular operating setup of fuel-fired equipment;
- transiting fuel-consuming equipment to eco-fuel and electric drive;
- developing the system for greenhouse gas emissions recording and control;
- looking for effective approaches to safe greenhouse gas utilization;
- reclaiming forests.

In 2022, the successful implementation of the corporate program for the climate change prevention allowed the Company to reduce the level of gross greenhouse gas emissions from oil production and gas processing by more than 7% compared to the previous year.



In comparison with 2021, greenhouse gas emissions were reduced by 7%



## KEY AREAS OF THE COMPANY'S ACTIVITY AIMED AT CLIMATE CHANGE PREVENTION

### 1. Improved performance of the systems for greenhouse gas emissions recording and control

In accordance with the requirements of the legislation of the Russian Federation and international standards in the field of climate change, the Company develops a corporate system for recording and managing greenhouse gas emissions, maintains a database of impact sources, generates information about greenhouse gas emissions, monitors the state of ambient air in all regions of its operations, and processes and analyzes the information received. The main share (93%) of direct greenhouse gas emissions

into the ambient air comes from fuel consumption, 4% from fugitive emissions, 3% from APG flaring.

### 2. Rational use of associated petroleum gas

Reduction of greenhouse gas emissions and associated petroleum gas flaring due to its rational use are the business priorities of "Surgutneftegas" PJSC in terms of climate change prevention.

For 11 years, Surgutneftegas has confidently held leading positions in the Russian oil and gas industry in terms of associated petroleum gas utilization, and this figure exceeds 99%. In the reporting year, the level of rational use of associated petroleum gas was 99.41%.

The Company operates 29 small-scale power generation facilities that contribute

to the reduction of gas flaring, 24 low pressure separation compressor stations, and one gas compression and treatment unit that can allow to fully extract the gas saturated with heavy hydrocarbons from the oil emulsion.

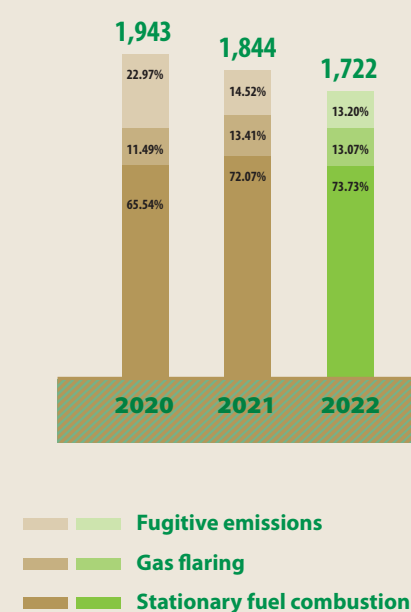
Along with the construction and operation of the small-scale power generation facilities, "Surgutneftegas" PJSC successfully applies rational approach to the use of associated petroleum gas in other lines of business as well. APG is sent to the Company's gas processing plant, pumped into oil-bearing formations to maintain reservoir pressure, and is used throughout the Company's business activity as fuel for its own production needs in various equipment. APG flaring is done mainly to maintain pilot burners needed for the safe operation of field facilities.

For the purposes of APG utilization and reduction of the negative impact on climate, the Company constructs facilities for rational use of APG and provides their technical reequipment, reconstruction and upgrading.

In 2022, the amount of funds transferred to the construction and technical reequipment of facilities for utilization of associated petroleum gas reached 76% of the total amount of capital investments of "Surgutneftegas" PJSC in construction of environmental facilities.

The successful implementation of the corporate program for the utilization of associated petroleum gas in the reporting period allowed the Company to reduce the level of gross greenhouse gas emissions from flares by more than 9% compared to the previous year.

Greenhouse gas emissions in oil production and gas processing (thousand tonnes in CO<sub>2</sub>-equivalent) by types of production processes (%)

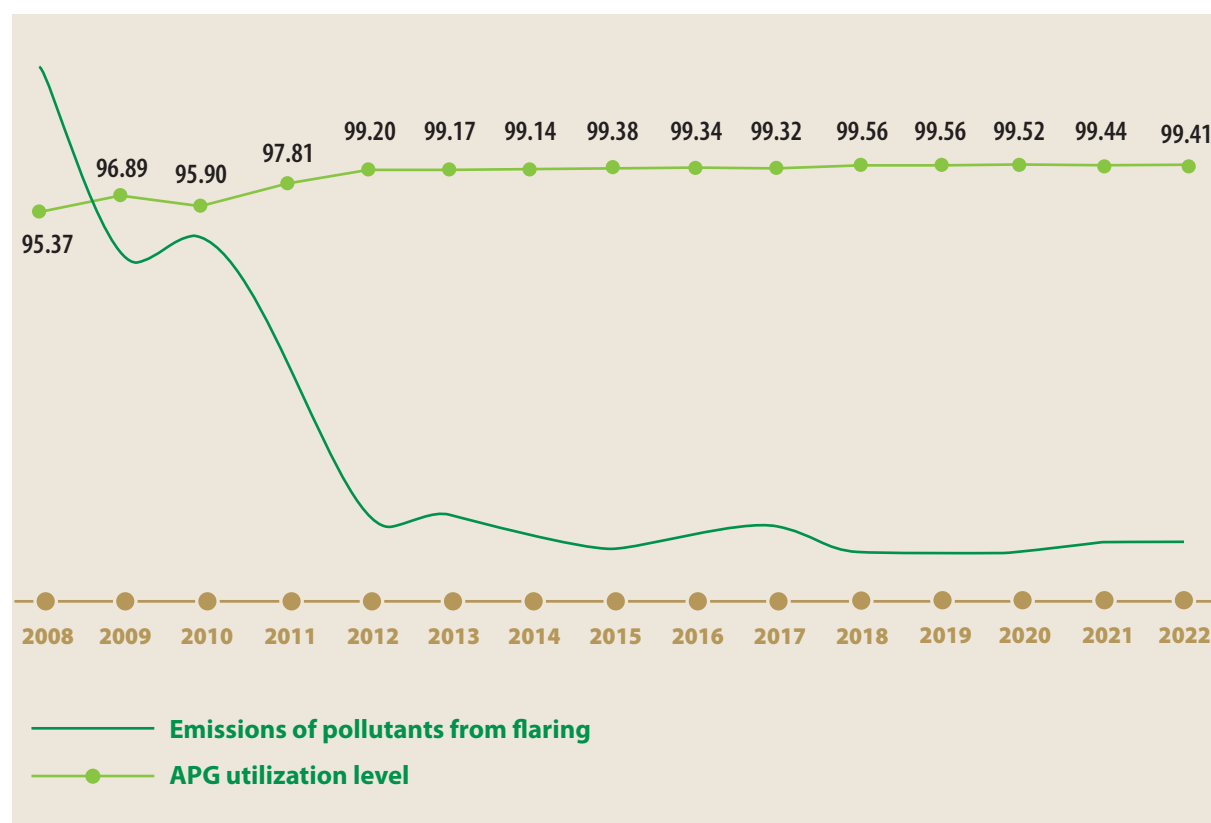


RUB 4.35 billion – investments in construction of facilities for the rational use of APG in 2022





### Associated petroleum gas utilization level and emissions of pollutants from flaring, %



In 2022, "Surgutneftegas" PJSC prevented 20 million tonnes (in CO<sub>2</sub>-equivalent) of greenhouse gas emissions into the atmosphere due to the high level of efficient APG utilization

In 2022, we spent more than RUB 343 million on protection of oilfield equipment and facilities from corrosion

### 3. Increasing the level of environmental safety of the oil production

A significant part of the Company's investments into environmental protection measures is aimed at increasing the level of environmental safety of production facilities and equipment.

"Surgutneftegas" PJSC takes measures for increasing the operational reliability during the design, construction, and operation of facilities. Quality inspection of materials and works is the important aspect of the technological process at all stages.

"Surgutneftegas" PJSC designs capital construction of facilities in the northern regions taking into account possible negative outcomes related to permafrost degradation, increased precipitation, and flooding of the areas of operations due to global warming.

The Company applies inhibitor protection of pipelines, uses pipes with an internal anti-corrosion coating and other efficient methods of corrosion protection, to ensure environmental safety of the oil production facilities. All pipe products necessary for construction of "Surgutneftegas" PJSC field pipeline systems undergo multilevel quality control. Maintenance of field pipelines is carried out in accordance with the current safety standards and rules. The Company pays close attention to the diagnostics of the technical condition and evaluation of possible risks of further operation of field pipelines.

In order to eliminate oil and oil products spills, the Company operates the out-of-staff accident rescue unit whose professional actions minimize oil spills consequences, pollution of environmental components, ambient air in particular.





### 4. Improved energy efficiency and resource saving

"Surgutneftegas" PJSC improves the energy efficiency of production, works to reduce harmful emissions from the burning of associated petroleum gas, takes into account its own risks and creates guaranteed sources of energy that can ensure the continuity of technological operations, eliminate possible interruptions in energy supply in the event of serious consequences of climate change. The Company operates 29 small-scale power generation facilities (22 gas turbine power plants and 7 gas reciprocating engine power plants) which generate electricity through efficient APG utilization.

The reduction of greenhouse gas emissions in "Surgutneftegas" PJSC is ensured by increasing energy efficiency and resource saving. Rational use of energy resources is the cornerstone of the Company energy policy. Close attention is paid to increasing the efficiency of technological processes, reducing the level of consumption of fuel and energy resources. An automated control system for technological processes and energy

consumption has been introduced in order to improve the energy management system and to reduce financial and energy costs of production.

The Company implements the program for energy saving and improved energy efficiency, which covers all spheres of its activity: well drilling, artificial lift and oil recovery enhancement, water injection, oil treatment and transportation, gas production, transportation and processing, power generation, capital construction, well servicing and workover, and major repair of buildings and facilities. The program includes introduction of energy saving technologies and new energy efficient equipment as well as organizational and technical measures to reduce energy consumption. In 2022, the specific indicator of energy consumption per unit of produced hydrocarbons amounted to 70 kg of conventional fuel per tonne of oil.

Since the beginning of the implementation of the program for energy saving and improved energy efficiency in 2011, the total savings of conventional fuel amounted to 3.7 million tonnes. In 2022, the Company saved more than 194 thousand tonnes of equivalent fuel.

**In 2022, we spent RUB 359 million on the improvement of energy efficiency and resource saving**

### 5. Introduction of renewable energy resources

"Surgutneftegas" PJSC introduces technologies on the basis of renewable energy resources: solar systems for water heating at the Company's facilities located in Krasnodarsky Krai, solar collectors to hot water supply in the territory of the Republic of Sakha (Yakutia), which makes it possible to save 57 thousand kWh of electricity.

In order to supply electricity to remote facilities, from the third quarter of 2023, it is planned to introduce solar panels for storage batteries that ensure the operation of electric drive valves installed on oil pipelines.

According to preliminary estimates, the introduction of sources that convert solar energy into electric energy reduces greenhouse gas emissions by more than 12 times as a result of refusal from diesel fuel.

**In 2022, savings from fuel and energy consumption amounted to 4.5%**

### 6. Forest reclamation

For a long time, the Company has been actively performing annual forest restoration works. The Company allocates significant financial resources to renew regional forests with Siberian pine seedlings from plant nursery. The Company regularly and when necessary performs fire prevention measures, as well as measures to clean up unauthorized landfills, prevent littering of adjacent forest areas.

**"Surgutneftegas" PJSC planted 4,6 million of greenery in 2022, which amounts to 2,300 hectares of forest**





# The Company's activity aimed at air protection

In order to mitigate the negative impact on ambient air, "Surgutneftegas" PJSC, together with utilization of associated petroleum gas and improved energy efficiency, takes the following measures:

- investing in construction and technical reequipment of air protection facilities, upkeeping and operation of fixed assets for ambient air protection;
- development and pre-expert examination of project documentation, obtaining permits in ambient air protection;
- performing regular operating setup of fuel-using equipment;
- application of effective technologies for detecting and reduction of hydrocarbon emissions into the atmosphere, reduction of hydrocarbon losses;
- using gas treatment units, controlling their efficiency, performing routine repairs and overhaul;
- decreasing emissions during the periods of adverse meteorological conditions;
- using of eco-fuel, introduction of "clean" energy resources;
- renewal of motor vehicle fleet and increase of fuel efficiency of motor vehicles;
- performing regular checks of transport and other vehicles for compliance with technical standards for emissions;
- transition of the equipment to coolants, which are safe for the ozone layer;
- using the forest rehabilitation technology, which decreases the volume of pollutants emissions into the atmosphere;
- working to improve environmental safety of production;
- development of the system for recording and control of emissions of pollutants, including greenhouse gases and chemicals that destroy the ozone layer;

- development and compliance with the regulations on the allowable impact;
- industrial environmental control of emissions from stationary sources;
- taking comprehensive environmental safety measures to prevent accidents;
- development of technical solutions for the creation of automatic emission control systems;
- maintenance of special laboratories for the control of atmospheric air pollution;
- improvement of arrangement and quality of air protection in the Company.

**RUB 6.8 billion – investments of "Surgutneftegas" PJSC in air protection measures, maintenance and operation of fixed assets for ambient air protection in 2022**



In the reporting year, we completed the construction of the compressor unit at the GTPP of the Russkinskoye oil field in Khanty-Mansiysky Autonomous Okrug – Yugra and continued the construction of the third stage of an electric gas turbine station at the Talakanskoye oil and gas condensate field in the Republic of Sakha (Yakutia). For 2023, it is planned to complete the construction of the third stage of the electric gas turbine station at the Talakanskoye oil and gas condensate field, reequip the low-pressure separation compressor station at the Lenskoye oil and gas condensate field in the Republic of Sakha (Yakutia) as well as the field gas pipelines on the territory of the Khanty-Mansiysky Autonomous Okrug – Yugra and the Republic of Sakha (Yakutia).



**Emissions of pollutants into the atmosphere decreased by 16% in comparison with 2021**

- In 2022, successful air protection activities and investments allowed the Company to achieve the following environmental effect:
- the specific indicator of air pollutant emissions into the atmosphere was kept low (1.74 kg per tonne of hydrocarbons produced);
  - gross pollutant emissions from stationary sources decreased by 16%, emissions from associated petroleum gas flares decreased by 3% in the context of increased hydrocarbon production;

- gas treatment units detected more than 213 tonnes of solid pollutants;
- substances which destroy the ozone layer (2% of the total coolant consumption) were withdrawn;
- emissions of pollutants from motor vehicles decreased by 5% due to their increased fuel efficiency and by 94% due to use of environmentally friendly fuel;
- all emissions standards at each source were met, no above-limit emissions occurred.



“Surgutneftegas” PJSC ensures that specific water consumption level has been kept at a minimum level of less than 1.74 cubic meters of water per tonne of produced hydrocarbons. The Company implements measures to provide water resources protection aimed at rational water use, reuse of wastewater in the production and prevention of water bodies pollution and depletion.

The main production operations of Surgutneftegas for the extraction of hydrocarbons is carried out at licensed blocks in Western and Eastern Siberia. The Republic of Sakha (Yakutia) is one of the most lake regions of Russia and Khanty-Mansiysky Autonomous Okrug is among the most wetland ones. In the working area in Yugra, hydrological conditions are characterized by high water content with a wetland up to 75%.

There are many lakes, streams, small and large rivers in the area, the peculiarity of which are spring-summer floods and high waters. A special procedure for conducting business activities of the Company helps to ensure a high level of water bodies protection. According to the results of environmental monitoring, the impact on the environment at all licensed blocks of the Company is characterized as acceptable.

100% of water intake points of “Surgutneftegas” PJSC are equipped with water metering instruments

The Company performs surface and ground water abstraction in compliance with the project and regulatory documents. In 2022, fresh groundwater reserves were assessed at all water intake points used for domestic and drinking water supply and operating underground aquifers with a production volume of more than 100 cubic meters per day, and appropriate additions were made to license agreements for the use of subsoil. Appropriate sanitary-epidemiological approvals are obtained, the projects according to which sanitary protection zones of 17 water intakes for the extraction of groundwater domestic and drinking water supply were installed, were approved by the executive authorities of the subject of the Russian Federation.

In the reporting period, more than 4,378 thousand cubic meters of fresh water were produced from underground water bodies for household, drinking, production and technological support of the production facilities of “Surgutneftegas” PJSC. All treated wastewater from the Company field facilities serves as injectant for a reservoir pressure maintenance system to significantly decrease freshwater intake from the surface and underground water bodies. In 2022, a total of about 399.5 million cubic meters of wastewater was pumped, 6.1 million cubic meters of which was treated household wastewater, including 4.04 million cubic meters in the Republic of Sakha (Yakutia).

Information on water consumption, water discharge

Indicator	Unit	2021	2022	2023 (as planned)
Water production	’000 cub m	84,784.07	103,887.73	102,805.08
incl. fresh subsoil	’000 cub m	4,195.10	4,378.56	4,291.00
Surface water abstraction	’000 cub m	14,119.93	14,155.81	14,481.66
Specific water consumption	cub m/t	1.58	1.74	1.78
Wastewater injection	’000 cub m	411,110.34	399,499.95	405,434.54
incl. household wastewater	’000 cub m	5,565.05	6,087.35	2,171.53
Wastewater discharge into water bodies	’000 cub m	20.97	24.95	21.93

For 25 years “Surgutneftegas” PJSC has been implementing a comprehensive program on increasing the operational reliability of the oil production facilities involving the construction of initial water separation units (IWSUs) mounted at booster pump stations. Initial water separation units are designed to separate water-oil emulsion and bring water to the requirements of the relevant standards. Initial water separation units based on three-phase separators enable to efficiently separate produced formation water for its further use in the reservoir pressure maintenance system. It thereby reduces the corrosion of pipelines, cuts down accident risks, helps to avoid pollution of gathering grounds and water bodies with oil emulsion and highly saline formation water.

“Surgutneftegas” PJSC does not discharge wastewater into water bodies in the territories of its business activities, with the exception of industrial facilities in the village of Vitim in the Republic of Sakha (Yakutia). This village is located at a considerable distance from the nearest oil field of the Company, hence the use in the reservoir pressure maintenance system is impossible. All household wastewater of “Surgutneftegas” PJSC industrial facilities in the village of Vitim enters the biological treatment facilities, and after treatment it is discharged into the Romanovsky Klyuch brook; at the end of the reporting period, the volume of water disposal was 25 thousand cubic meters.

In 2022, the Company invested more than RUB 759 million in construction of water protection facilities. The Company commissioned a Heater-Treater unit at the Fedorovskoye field, constructed a station for biological treatment of wastewater at the Tonchinskoye field, treated wastewater pumping units at the Yaunlorskoye oil and gas condensate field, at the field named after N. K. Baibakov and the Rogozhnikovskoye field, a sewer overflow station of the Zapadno-Surgutskoye oil field and other facilities. Drain tanks were installed at 24 well pads, ramps were reconstructed at 44 well pads.

For 2023, more than RUB 1 million is planned to be spent on the construction of water protection facilities

The Company plans to construct Heater-Triter units at the Yaunlorskoye oil and gas condensate field, Tukanskoye and Ai-Pimskoye oil fields; stations for wastewater treatment at the Vachimskoe oil and gas condensate field; Rogozhnikovskoye, Solkinskoye, Muryaunskoye and Tukanskoye oil fields; vehicle washing facility at the Zapadno-Surgutskoye oil field; a complex of facilities for the placement of associated and used water at the Severo-Labatyuganskoye oil field.



As a result of its business activities, “Surgutneftegas” PJSC annually generates about 1 million tonnes of waste, the main part of which (about 72%) is drill cuttings. We strive to decrease the amount of waste generated and reduce its level of danger for the environment.

The Company designs, builds and operates production facilities, upgrades them, develops and implements innovative technologies for effective recycling, decontamination and utilization of waste. For many years, introducing waste into the production cycle and decreasing the volume of generated

disposable waste have been the top priorities of the Company’s environmental activity. Surgutneftegas has been steadily keeping the specific indicators of waste generated and disposed low, 0.016 tonnes and 0.003 tonnes per 1 tonne of produced hydrocarbons respectively.

Waste management in “Surgutneftegas” PJSC

Indicator	2021	2022	2023 (as planned)
Waste generated, incl. waste accumulated, '000 tonnes	1,170.01	1,107.27	1,084.10
incl. drilling waste	789.22	796.12	748.00
Waste utilized and treated, '000 tonnes	793.89	796.92	775.08
incl. drilling waste	635.76	639.63	606.00
Waste decontaminated, '000 tonnes	83.12	94.57	103.02
incl. drilling waste	60.72	72.61	80.36
Waste disposed, '000 tonnes	259.49	177.19	206.00
incl. drilling waste	84.50	61.13	61.10

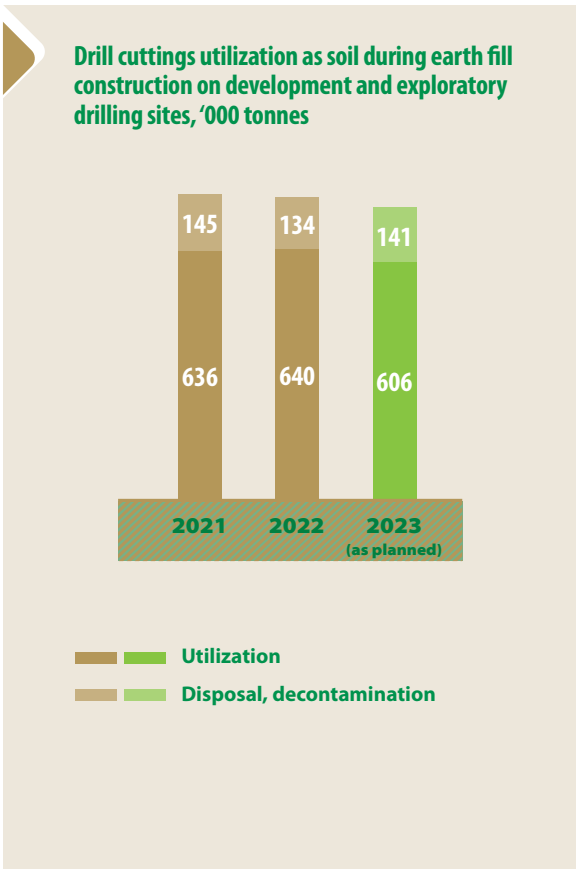


“Surgutneftegas” PJSC does not use toxic chemicals for the preparation of drilling fluids. To minimize the negative impact of drilling waste on the environment, we use the technology of pitless drilling developed by the Company’s specialists together with leading scientists of the Russian Academy

of Sciences considering the specifics of activities and regional features of Western Siberia. This technology allows the Company’s drilling crews to work in areas with high water content and a special environmental status. Large-tonnage drilling waste is used as soil during earth fill construction on well pads.

The indicator of utilization of drill cuttings generated in “Surgutneftegas” PJSC is 80%

The technology for the involvement of drill cuttings in the production process has repeatedly passed the examination of the State Environmental Expert Commission at a federal level. Considering the nature- and resource-saving effect of this technology, the Russian Ministry of Natural Resources recommended that the Federation Council of the Federal Assembly of the Russian Federation disseminate the experience of “Surgutneftegas” PJSC.



Utilization of used tires





## Waste management

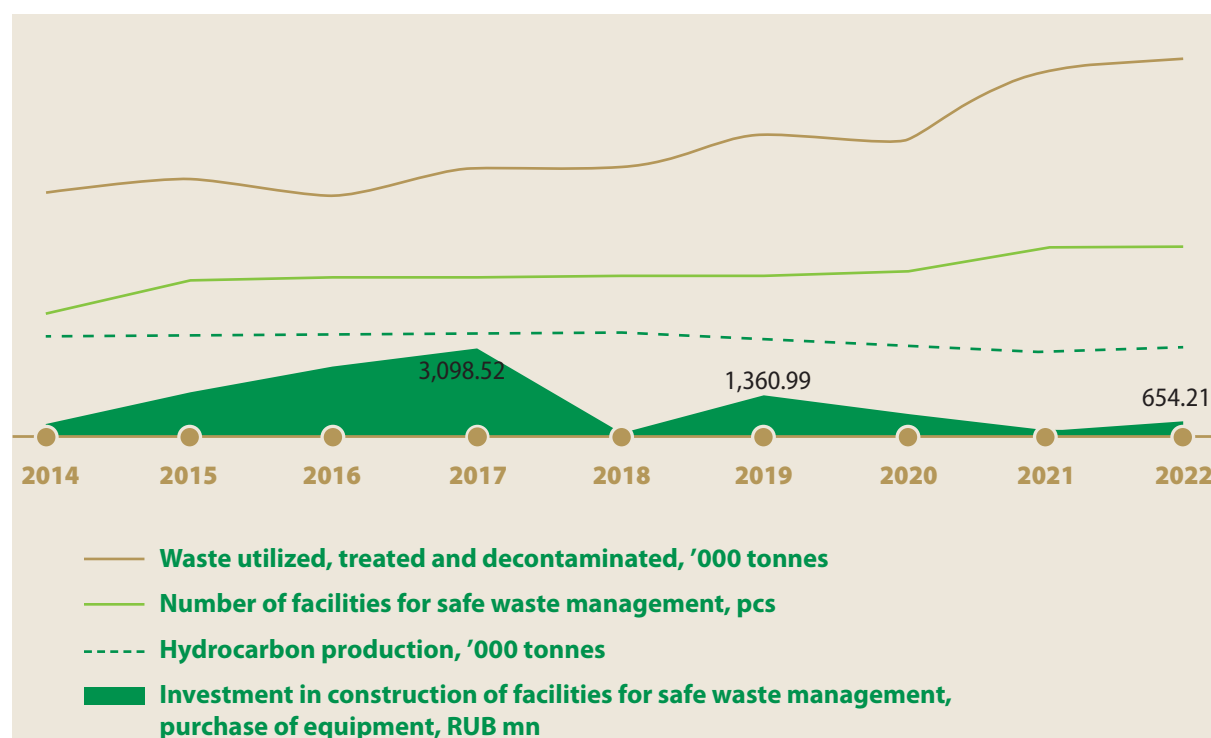
### Decontamination of oil sludge and oily soils

Indicator	2021	2022	2023 (as planned)
Waste generation, incl. waste accumulation, '000 cub m	84.03	89.89	86.69
Decontamination, '000 cub m, incl.:	84.03	89.89	86.69
using "Szhigatel" incinerators	61.59	61.25	60.71
at panning centers	22.44	28.64	25.98
Decontamination level, %	100	100	100

**The indicator of decontamination of oil sludge generated by the Company is 100%**

Used oil products, including oils generated by the Company, are fully utilized into commercial oil after clean-up (settling). The Company uses 30 Forsazh-2M thermal destruction units for thermal decontamination of oily waste cloth, filters and other solid oily waste (0.52 thousand tonnes in total in the reporting period).

### Hydrocarbon production, waste utilization, treatment and decontamination, investments in construction of facilities and purchase of equipment for safe waste management



### Waste utilization and recycling

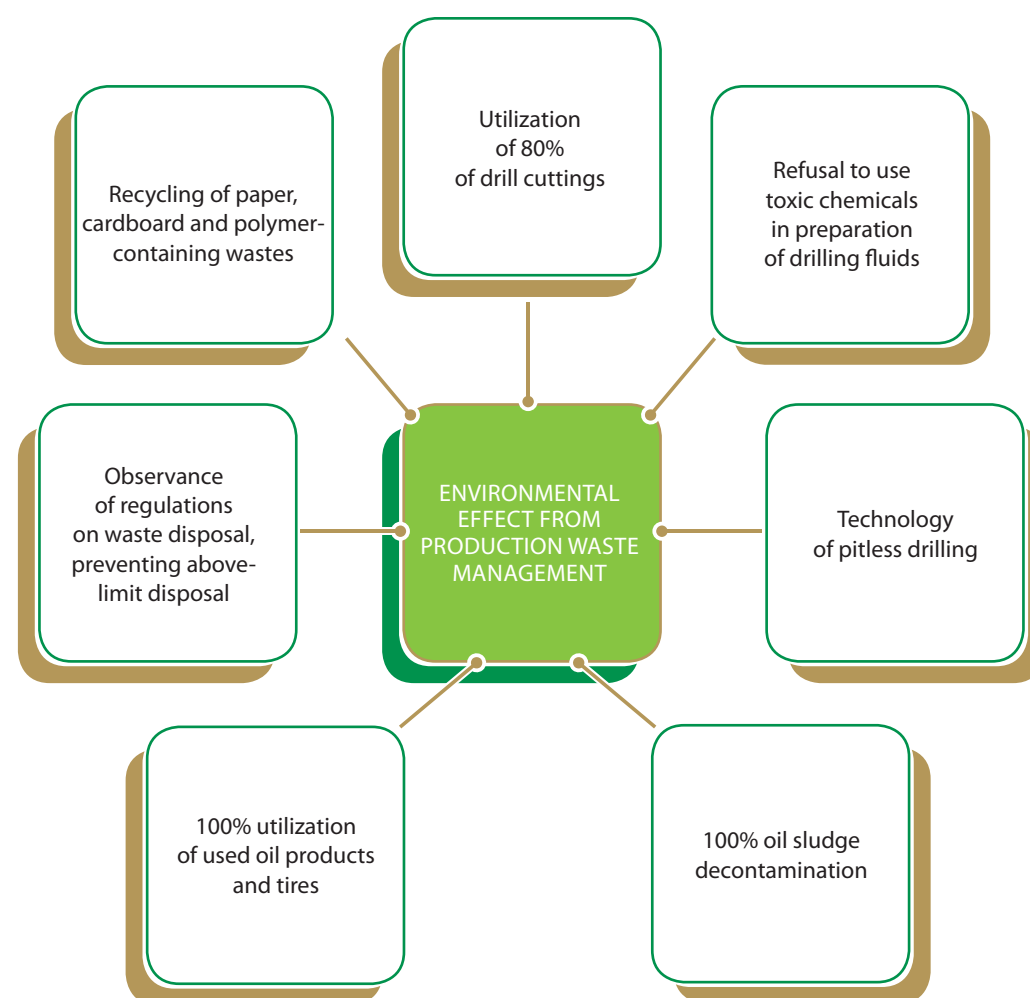
Indicator	2021	2022	2023 (as planned)
Used oil products utilization, '000 tonnes	2.401	2.804	3.154
Used tires recycling, '000 tonnes	2.527	2.907	2.844
Paper, plastic recycling, '000 tonnes	0.340	0.319	0.266

**The indicator of utilization of used oil products and worn-out tires is 100%**

"Surgutneftegas" PJSC uses its own facilities for recycling. All worn-out car tires, tires with metal and fabric cords are recycled into a certified product (rubber pellets) used to modify bitumen at the Company's asphalt-concrete plants. Recycled materials obtained by grinding paper and polymer-containing waste and pressing cardboard are sent for sale to third-party consumers.







"Surgutneftegas" PJSC promptly responded to the introduction of new requirements for managing production waste of hazard classes I and II. We organized interaction with the federal operator determined by the Government of the Russian Federation. In particular, we fine-tuned the work in the state information system for accounting and control of managing production waste of hazard classes I and II. Thus, in 2022, there were 96 service agreements concluded with the federal operator to provide safe management of this waste: transfer of 22.440 tonnes of mercury containing waste and 63.047 tonnes of non-disassembled storage batteries for further decontamination.

In accordance with environmental and industrial safety requirements, the Company equipped 47 storage battery sites included in the corporate license for waste management. This allows us to implement a full cycle of safe management of disassembled storage batteries that fall into hazard class II. In the reporting year,

160 tonnes of products (spent lead-acid batteries, no electrolyte) were sold to outside consumers, 68.267 tonnes of spent electrolyte were utilized and 317.334 tonnes of lead-acid batteries with unbleached electrolyte were neutralized in in-house production.

**"Surgutneftegas" PJSC decontaminates waste of hazard class II on its own**

"Surgutneftegas" PJSC participates in the cycle of safe management of waste of hazard class II and earns profit from the sale of derivative products, including lead, which is a valuable secondary raw material.





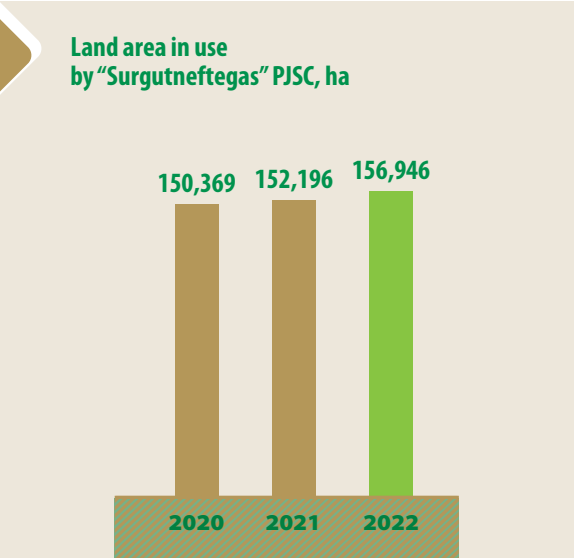
LAND RECLAMATION

**“Surgutneftegas” PJSC rationally uses land resources, reclaims and returns land plots to the Forest Fund of the Russian Federation without delay. They are given back in a timely manner, within the time limits established by law, in accordance with the Company’s project data that underwent a state expert review.**

In 2022, more than 156 thousand hectares of land were in use by “Surgutneftegas” PJSC. The Company places all of its production facilities in an efficient and compact manner. “Surgutneftegas” PJSC annually leases land plots for prospecting and exploratory drilling, development drilling, seismic surveys and production of mineral resources. After the completion of work, the Company performs the technical and biological reclamation of disturbed lands without delay. The plots are returned in a condition suitable for their further use in accordance with their intended purpose.

**In the reporting year, Surgutneftegas returned 5,281 hectares of land to the Forest Fund of the Russian Federation**

“Surgutneftegas” PJSC uses modern equipment and materials for rehabilitation. There is an individual approach for every land plot during the reclamation. The type of landscape, climatic conditions and other individual characteristics of the territory are taken into account. After reclamation is completed, our specialists continue monitoring young plants at the restored land plots and, if necessary, set out new ones.



The Company carries out industrial environmental control during all land use operations ranging from design and construction of infrastructure facilities and field development to reclamation of disturbed lands and their return to the Forest Fund of the Russian Federation.

POLLUTION PREVENTION AND ELIMINATION

**“Surgutneftegas” PJSC has every opportunity for elimination of oil and oil product spills as well as further in-house reclamation of disturbed lands, but its priority remains to prevent potential threats of negative incidents and their consequences.**

The Company sticks to the Federal plan for the prevention and elimination of oil and oil products spills approved by the Ministry of Energy of the Russian Federation and the Ministry for Emergency Situations of the Russian Federation. Specialists of the out-of-staff accident rescue unit are always ready to promptly start the most active actions in any unforeseen situations. The unit consists of eight squads set up at oil

and gas production divisions of the Company and at the lubricants and chemical additives facility of Vitim in the technical maintenance and equipment completing base in the Republic of Sakha (Yakutia). The rescuers of the unit annually work out the most difficult introductory tasks at comprehensive oil spill response exercises held in the territories of the Company’s operations in Western and Eastern Siberia. A high level of equipment availability, impeccable professional training of the rescuers, skills brought to automatism and, of course, complete mutual understanding and support allow the squads to efficiently act in any conditions despite the type of terrain, weather or season, and to avoid the spread of oil and oil products spills and the death of animals. The Company regularly renews the operated fleet of machinery and equipment to eliminate contamination, oil and oil products spills consequences from local to federal level and reclaim polluted land plots.

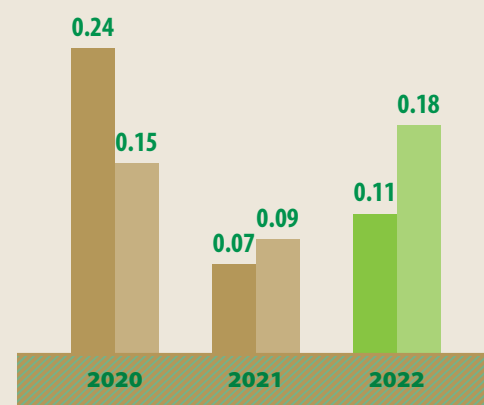
Oil spill response fleet includes the following equipment and materials	
Oil skimmers designed to operate under diverse weather and climatic conditions	167
Skimmer boats for skimming of oil on the surface of rivers and lakes, including shallow water trimarans	10
Self-contained pumps	78
Easy-to-assemble aluminum and steel pipes	13.70 km
Rapid deployment booms made of frost-proof materials, including for onshore protection	20.34 km
Absorbent booms	46.83 km
Mobile tanks for temporary storage of oil	49
Sprinklers for biological agents and bacteria treatment	21
Units for producing thermally exfoliated graphite absorbent (U-SRTG)	9
Multifunctional floating platforms for water bodies and inshore zone integrated treatment	26
Vacuum dump trucks and tank trucks for oil products pumpdown and transportation from the areas of spills	77
Dump trucks for soil transportation	134
All-terrain vehicles with excavators and other equipment	22



In the reporting year, there were three incidents of pipeline depressurization with a spill of process liquid; one of them occurred due to unauthorized (criminal) tie-in into the pipeline, the other two were due to corrosion. The total spill area was 0.11 hectares. The works for elimination of oil spills have been performed in full.

In accordance with land reclamation projects approved and agreed by state authorities, in 2022, restoration work was carried out on five plots with a total area of 0.18 hectares. Such land plots were excluded from the Register of territories and water bodies of Khanty-Mansiysky Autonomous Okrug – Yugra contaminated by oil, oil products and produced water; no violations were detected. During the reporting period, there were no claims for environmental damages to the Company.

Reclamation of oil contaminated lands of "Surgutneftegas" PJSC, ha



Oil contaminated land  
Reclaimed land

Exercises of the out-of-staff accident rescue unit



## RECLAMATION OF LANDS DISTURBED DURING CONSTRUCTION OF SLUDGE PITS

**For 25 years, "Surgutneftegas" PJSC has been actively employing the technology of forest rehabilitation of sludge pits that obtained an approval from the State Environmental Expert Commission at a federal level.**

The uniqueness of this technology, developed by the employees of Surgutneftegas together with the scientists of V. N. Sukachev Institute of Forest, Siberian Branch of the Russian Academy of Sciences,

lies in the maximum use of natural mechanisms for ecosystem restoration. For a quarter of a century, the Company has successfully restored 1,968 land plots thanks to the technology of forest rehabilitation.

A set of measures implemented in accordance with this technology eliminates the need to cover sludge pits with soil; the decontaminated drill cuttings in them are subsequently converted into soil forming material. Fast-growing reed mace and willow are planted along the perimeter of the sludge pits, then the entire territory is filled with local highly productive plant communities that demonstrate excellent survival. After 10-15 years, full-fledged areas of young forest appear on the site of sludge pits.





**“Surgutneftegas” PJSC issued title documents allowing the use of all the Company’s land plots, most of which are located in the territory of the Forest Fund of the Russian Federation.**

Forests are one of the key resources of the planet. The forest potential must be constantly increased in the interests of future Russian generations. In order to preserve and increase forest resources, the Company takes an active part in the artificial reclamation of forests.

Forced felling of trees to carry out the geological study of the subsoil and develop mineral resources is balanced by the cultivation of new highly productive forests consisting of valuable coniferous trees. More than 4,600 thousand common pine saplings were planted in 2022.

**The Company spent RUB 430.8 million on forest restoration in the reporting year**

To avoid additional load on the soil as well as disturbance of the soil, Surgutneftegas uses special equipment with low ground pressure. The Company strives to accomplish most work in the forests in winter time, provided there is enough snow, in order to maintain the ability of soil to self-recover.

“Surgutneftegas” PJSC restricts the free entry access mode into the forested areas bordering traditional nature management areas and places of residence of the small-numbered indigenous peoples of the North at the request of the heads of the families of the Khanty, Nenets and other peoples. Thus, it is possible to avoid conflicts between the aboriginal population and numerous fishermen, hunters and gatherers of wild berries (residents of nearby settlements).

The Company’s employees annually participate in volunteer clean-ups in forests, especially the areas located near rivers, streams and lakes. Numerous unauthorized landfills are formed mainly in the favorite places of people’s recreation. In 2022,

we cleared forest areas near the Pim River and Blue Lakes in Surgutsky District of Khanty-Mansiysky Autonomous Okrug – Yugra; several streams and sections of the Lena, Biryulyakh, Gadala, Nyunyali, Dyasyktakh rivers at the Lensky nomad camp in the Republic of Sakha (Yakutia). The employees of Bystrinskneft oil and gas production division were presented with a letter of gratitude from the Surgut regional forestry for the assistance rendered and provision of special equipment to eliminate unauthorized landfills in forest areas.

In order to protect production facilities and adjacent forest areas from fire, “Surgutneftegas” PJSC annually takes fire prevention measures. The Company’s employees are ready for a prompt response in case of possible fires, and the machinery in use is fitted with spark arresters. We set up and operate 63 stations with fire-fighting equipment, erected and updated 624 fire safety banner stands. Mineralized fire barrier strips stretching in total for 225.4 kilometers are created or being cut through along the borders of the forests.



**“Surgutneftegas” PJSC maintains leadership among Russian oil and gas companies in terms of preserving the environment. Year after year, the Company has been showing the numbers which indicate that it has a minimum negative impact on the environmental components.**

No.	Name of specific indicator	Unit	2019	2020	2021	2022
1	Oil production	'000 tonnes	60,757.5	54,752.0	55,454.5	59,579.6
2	Hydrocarbon production	'000 tonnes	68,427.97	61,994.10	62,636.42	66,182.77
3	Gross pollutant emissions into the atmosphere	'000 tonnes	126.8	122.8	137.0	115.4
4	Specific pollutant emissions into the atmosphere per unit of produced hydrocarbons	kt/t	1.85	1.98	2.19	1.74
5	APG utilization level	%	99.56	99.52	99.44	99.41
6	Waste generated	'000 tonnes	944.8	1,149.9	1,146.7	1,073.3
7	Waste utilized in in-house production	'000 tonnes	574.8	725.1	689.4	701.1
8	Waste decontaminated in in-house production	'000 tonnes	63.6	66.5	82.8	94.3
9	Transferred to external companies	'000 tonnes	183.5	240.4	248.4	186.5
10	Specific indicator of waste burial per unit of produced hydrocarbons	t/t	0.004	0.005	0.004	0.003
11	Water consumption	'000 cub m	103,437.28	97,702.57	98,904.00	118,043.54
12	Specific water consumption per unit of produced hydrocarbons	cub m/t	1.512	1.576	1.579	1.743
13	Discharge of wastewater into surface water bodies	cub m	0	0	0	0
14	Total land area in use at the beginning of the year	ha	142,659	147,158	150,369	152,196
15	Total land area in use at the end of the year	ha	147,158	150,369	152,196	156,946
16	Disturbed land area at the beginning of the year	ha	10,287	8,173	7,531	3,449
17	Disturbed land area at the end of the year	ha	4,271	3,742	1,218	0
18	Polluted land area at the beginning of the year	ha	0	0	0	0
19	Polluted land area at the end of the year	ha	0	0	0	0
20	Amount of oil (oil products) spilled (remained) as a result of pipeline ruptures and accidents	kg	0	0	0	0

No.	Name of specific indicator	Unit	2019	2020	2021	2022
21	Number of oil, oil products and produced water spills	spills	1	3	2	3
22	Share of above-limit payments in the total amount of the negative environmental impact payments	RUB/RUB	0.000	0.000	0.000	0.000
23	Share of environmentally friendly fuel (high-octane gasoline Euro 4-5, diesel Euro 3-4-5, gas motor fuel) in the total amount of fuel used	%	94.05	93.93	93.65	94.21
24	Boiler and furnace fuel consumption:					
	Fuel oil	tonnes	536	351	368	367
	Diesel fuel	tonnes	19,228	2,964	4,233	22,755*
	Oil	tonnes	29,730	25,401	41,234	39,418
	Gas	'000 cub m	3,140,088	2,964,168	2,994,759	3,223,215
25	Motor fuel consumption:					
	Gasoline	liters	18,871,398	17,491,173	17,329,787	16,817,637
	Diesel fuel	liters	305,539,769	303,520,654	314,127,484	288,543,855
	Kerosene	liters	47,135	59,480	11,101	582
26	Vehicles total mileage	km	480,282,201	469,436,804	462,851,163	469,329,573
27	Volume of reduction of fuel and energy consumption	tonnes of equivalent fuel	93,797	198,243	201,390	194,684
28	Consumption of electrical energy from external sources for in-house needs	mn kWh	5,954	5,084	5,165	6,224
29	Electrical energy saving	mn kWh	743	570	578	560
30	Consumption of thermal energy from external sources for in-house needs	Gcal	144,644	124,513	150,126	137,856
31	Thermal energy saving	Gcal	17,211	13,598	13,579	11,382
32	Supply of electrical energy to external consumers	'000 kWh	578,547	499,243	532,945	523,083
33	including in-house generated (Eastern Siberia)	'000 kWh	190,893	190,280	203,011	207,015
34	Supply of thermal energy to external consumers	Gcal	25,183	20,582	23,816	20,309
35	including in-house generated	Gcal	25,034	20,359	23,541	20,069

\* The increase in the amount of boiler and furnace fuel is associated with the classification of oil products used for the operation of diesel power plants as this type of fuel (according to the methodology of Rosstat)



Close attention is paid to the control of the condition of environmental components at the subsoil blocks of “Surgutneftegas” PJSC. Any changes arising under the influence of various factors are detected in a timely manner by the effective system of long-term environmental monitoring. The results of research confirm that the negative impact on the components of the natural environment is minimal.

Production environmental monitoring is performed to control compliance with environmental quality standards, prevent a negative impact of business activities on the environment and provide rational natural resources management and reproduction.

Studies of initial (background) contamination and local environmental monitoring are carried out at the subsoil blocks of “Surgutneftegas” PJSC. Production environmental monitoring is performed in the vicinity of man-made facilities, including well sites, waste disposal facilities (sludge pits, landfills, sludge storage ponds), flares, and pipeline crossings over the watercourses.

In the reporting year, the condition of environmental components in Khanty-Mansiysky Autonomous Okrug – Yugra, the Republic of Sakha (Yakutia), Yamalo-Nenetsky Autonomous Okrug, Tyumenskaya Oblast, Irkutskaya Oblast, and Krasnoyarsky Krai was monitored at 123 subsoil plots of “Surgutneftegas” PJSC at 5,373 control points, including:

- 1,318 points during sampling under projects and programs for monitoring subsoil plots;
- 1,208 points for monitoring waste disposal facilities;
- 2,847 points for monitoring well pads built using technology of pitless drilling.

The Company has the license to operate in the sphere of hydrometeorology and related areas, to monitor the condition of the environment, physical and chemical processes occurring in the environment, to determine the level of chemical pollution of water bodies (including hydrobiological indicators), soils, ambient air.

Testing is carried out in 11 accredited laboratories of Surgutneftegas fitted with

the best equipment. The Central Base Laboratory for Ecoanalytical and Technological Studies of the Engineering and Economic Implementation Center is accredited for 148 measurement techniques; the production and research laboratory of OGPD “Talakanneft” – for 86 techniques. Physical and chemical testing laboratories of the R&D and production workshops of six oil and gas production divisions boast from 10 to 20 techniques. Apart from in-house laboratories used for environmental monitoring, “Surgutneftegas” PJSC also engages laboratories of independent third-party organizations, the results of research of which are accepted by regulatory bodies when exercising regulation and supervisory functions.

In 2022, we continued with the Program for monitoring the state of surface waters of Lake Imlor. Specialists of the Surgut R&D and Project Design Institute “SurgutNIPIneft” of “Surgutneftegas” PJSC monitored the condition of the vegetation cover in the area of 257 waste disposal facilities.

Design solutions for field development facilities at the Vatlorskoye subsoil block were implemented with the involvement of specialized organizations that monitored groundwater in 36 observation wells.

In 2022, the Company’s costs for monitoring environmental components as well as industrial environmental and analytical control of industrial facilities amounted to more than RUB 328.3 million; it is planned to increase funding to RUB 381.5 million next year.

According to the monitoring results, the impact of production facilities is characterized as acceptable, that is, ensuring compliance with the quality of the natural environment. The general characteristics of the environmental situation in the territories of the Company’s operations are favorable.





## Biodiversity conservation and support of specially protected natural reservations and other territories with a special mode of management

### BIODIVERSITY CONSERVATION

**Measures on biodiversity conservation are an integral part of the Ecology corporate comprehensive program; they contribute to maintaining the ecological balance of the regions where “Surgutneftegas” PJSC operates.**

In 2022, we allocated more than RUB 9.8 billion for the implementation of the biodiversity conservation program. Important work is being done to continuously reduce the impact of production on the environment and prevent the depletion of water, land and biological resources. The main vectors of the program in the areas of Surgutneftegas operations are:

- protection of lands and water bodies;
- reproduction of biological resources;
- monitoring of environmental components, including study of biota;
- monitoring of biodiversity indicators species.

We continue monitoring of biodiversity indicators species at the Company’s licensed blocks in Khanty-Mansiysky Autonomous Okrug – Yugra, the Republic of Sakha (Yakutia) and Tyumenskaya Oblast. Specialists of Lomonosov Moscow State University and research centers of Siberian Branch of the Russian Academy of Sciences (the Tyumen Scientific Center and the Institute for Biological Problems and Cryolithozone of the Yakutsk Scientific Center) developed lists of species of birds, mammals, vascular plants, mosses, lichens that are biodiversity indicator species.

The Company spends a lot to restore regional forests with pine seedlings, which have the best survival rates. More than 4,600 thousand pine saplings were planted in the reporting year.

For 10 years, “Surgutneftegas” PJSC has been engaged in the reproduction of aquatic biological resources in Khanty-Mansiysky

Autonomous Okrug – Yugra, the Republic of Sakha (Yakutia), Tyumenskaya Oblast, Irkutskaya Oblast, Krasnodarsky Krai and Krasnoyarsky Krai. In the reporting period, the Company allocated more than RUB 50.7 million for the reproduction of aquatic biological resources. As a result, the population of whitefishes in the water bodies of the regions where the Company operates increased by 48.1 million young and larval peled and nelma.

**297 million young and larval peled, nelma, muksun, sturgeon and salmon have been released into water bodies for ten years**

Reproduction of aquatic biological resources



In 2022, in the Republic of Sakha (Yakutia), scientists from the Institute for Biological Problems and Cryolithozone of the Yakutsk Scientific Center of Siberian Branch of the Russian Academy of Sciences continued monitoring biological resources and cryolithozone, including assessing the anthropogenic impact of the oil and gas complex on the environment, analyzing the transformation of ecosystems and predicting further changes to use the obtained materials and recommendations during development of mitigating and compensatory environmental protection measures in the Company’s project documentation.

When placing its production facilities in the areas adjacent to Numto nature park, “Surgutneftegas” PJSC implements measures to minimize environmental risks, mitigate a negative impact of business activities on the hydrology of wetlands and avoid birds hazard.

In the reporting year, work on biological monitoring (for example, studies of soil and vegetation cover, wildlife, including

ichthyological and ornithological ones) was carried out by employees with extensive experience in monitoring in the nature park, representing leading Russian scientific organizations. A number of studies, in particular monitoring of hydrological regimes of wetlands together with performance assessment of culverts, were carried out by geobotanists, agrologists, chemists and other specialists of the Company’s own R&D and Project Design Institute.

R&D activities allow Surgutneftegas specialists to update a unique database which contains information on discovered habitat of rare and endangered biota representatives of the natural park. Biological research in the area of production facilities at the subsoil plots bordering the natural park has been carried out for 11 years as part of the biodiversity conservation program of “Surgutneftegas” PJSC. The results of scientific research confirm that the Company’s production facilities do not violate the ecological framework of a specially protected natural reservation and do not have a negative impact on the ecosystem of Numto nature park.

### SUPPORT OF SPECIALLY PROTECTED NATURAL RESERVATIONS AND OTHER TERRITORIES WITH A SPECIAL MODE OF MANAGEMENT

**“Surgutneftegas” PJSC operates using a special procedure and in adherence to the licenses for subsoil use, strictly complies with a special mode of management at the oil fields that may partially fall within the boundaries of specially protected natural reservations or are located in areas adjacent to specially protected natural reservations.**

When carrying out work on the search, exploration and production of hydrocarbons, infrastructure construction and field development, the Company makes environmental and biological





assessment of priority development territory, applies the results of a spatial analysis of environmental risks.

Surgutneftegas cares about the development and prosperity of the regions of its operation, preservation of fragile northern ecosystems, respects the traditions and customs of the small-numbered indigenous peoples of the North, their native languages, national occupations and crafts that make up the unique culture of the Siberian ethnic groups. The Company has built an effective system of interaction with the indigenous population living in harsh climatic conditions in the territories of traditional nature management, engaged in reindeer herding, fishing, gathering gifts of nature and other traditional folk crafts.

To implement the basic principles of preserving the primordial living environment and traditional way of life of the small-numbered indigenous peoples of the North, "Surgutneftegas" PJSC ensures the achievement of the following goals and the solution of the following tasks:

- minimize the number and area of industrial sites and linear facilities through implementation of the best available technologies for exploration, production and transportation of oil and gas;
- minimize a negative environmental impact by reducing emissions, effluents and waste, eliminating any man-made impact outside the areas designated for production facilities;
- eliminate the vehicles and personnel presence and movement outside the boundaries of industrial sites and facilities designated for this purpose without proper authorization;
- arrange field operations to survey areas of proposed location of industrial sites for the presence of ethno-archeological and ethnographic objects and, if any, transfer production facilities outside the area, subject to technological capabilities;
- ensure subsequent restoration of original natural functions of ecosystems, including resource capacities that preserve the traditional way of life and industries of the

small-numbered indigenous peoples of the North, through detailed survey of the areas of proposed location of industrial sites and consideration of ecosystem features at the design stage;

- limit unauthorized access to traditional nature management areas and specially protected natural reservations;
- supervise observance of the code of conduct by the employees working within the boundaries of specially protected natural reservations and in adjacent territories.

Within the framework of the agreement between "Surgutneftegas" PJSC and Numto nature park, more than RUB 14 million will be transferred in 2022-2024 to the directorate of the park to renew the materials and equipment at the institution and carry out R&D activities. During the reporting year, specialists from the Tobolsk Complex Scientific Station of the Ural Branch of the Russian Academy of Sciences studied the bottom of Lake Muvenglor by assessing the species diversity of fish, their abundance and weight. Geobotanical research was carried out by scientists from Yugorsk State University. The federal research center "Tyumen Scientific Center" of Siberian Branch of the Russian Academy of Sciences is implementing a large-scale project to study global climate problems at the Company's subsoil blocks within Numto nature park. Surgutneftegas makes a significant contribution to the development of fundamental science by supporting the program for monitoring changes in the permafrost zone.

The Company regularly conducts environmental monitoring in the territories of its business activities. Unconditional implementation of corporate environmental programs and careful treatment of nature ensure the preservation of the original state of the leased land plots. These territories are especially important for the indigenous peoples of the North that for generations preserve the way of life of their ancestors. "Surgutneftegas" PJSC ensures peaceful, mutually beneficial coexistence of industrial civilization and indigenous culture of local communities.

There are checkpoints along the Company's field roads in order to limit unauthorized access to traditional nature management areas. The employees of the Company

and its contractors are obliged to study and follow the code of conduct and rules for works arrangement within the areas of specially protected natural reservations and other areas with a special mode of management and strictly adhere to the following principles:

- understand and respect traditions, customs and rituals forming a major part of the culture of the indigenous people;
- take into account the partnership experience and continuously improve the system of relations with the small-numbered indigenous peoples of the North;
- immediately report to the Indigenous Peoples Affairs Department of Land Use Division,

Environmental Safety and Management Division of "Surgutneftegas" PJSC in the event of misunderstanding, threat of conflict or violation of the established requirements;

- resolve conflicts and clear up misunderstanding through discussion and negotiation;
- avoid conflicts between the employees of the Company and the indigenous people;
- ensure privacy of the small-numbered indigenous peoples of the North;
- adhere to environmental standards and requirements.

**Support in holding the All-Russian conference on the specially protected natural reservations**



**Concern for the sustainable development of the areas of operations**





**“Surgutneftegas” PJSC develops information technologies by introducing them into all areas of the Company’s activities in order to reach high production and financial performance targets. The Company annually generates tens of thousands of reporting documents in the field of environmental protection and nature management using information systems.**

The Company’s environmental services not only monitor the state of the environment at the licensed blocks of “Surgutneftegas” PJSC, but also improve the processes of using digital technologies and automation in document management. The volume of information processing is constantly increasing due to the transition of state authorities to digital interaction with users of natural resources. The digitalization of environmental activities makes it possible to collect, process and analyze large amounts of environmental data when developing design documentation and obtaining permits, generating and submitting reporting documents in electronic format.

Currently, we use a centralized system approach, apply complex automation for various functional blocks of environmental activities. We have created unified electronic databases and information systems, including:

- accounting for the movement of waste, including drill cuttings;
- accounting for waste disposal facilities, waste accumulation facilities, utilization and decontamination technologies;
- accounting for the results of the industrial environmental control;
- accounting for the emissions into ambient air and discharges into water bodies;
- control of salinity concentration at well pads and adjacent territories;
- remote monitoring of the environmental condition in the areas of the Company’s operations using aerial photography and satellite imagery;
- spatial analysis of environmental risks when carrying out production activities in the specially protected natural reservations;
- maintaining a register of facilities that have a negative environmental impact (NEI) and NEI facilities permits;
- maintaining a register of licenses for subsoil use for the purpose of extracting fresh groundwater, monitoring the timing of compliance within the conditions established by license agreements;
- centralized accounting for documentation related to the fulfillment of the conditions for the use of subsoil in terms of the extraction of fresh groundwater and common mineral resources (peat), the terms of water use agreements, decisions on the provision of water bodies for use;
- formation of declarations on payments for the negative environmental impact and calculation of relevant payments;
- preparation of statistical reporting, reporting on the man-made impact on the environment, measures for environmental protection and rational use of natural resources (the Ecology program), characteristics of waste disposal facilities for federal and regional waste inventories;

- preparation of reports on the volume of artesian water consumption and water discharge;
- formation of reports on the organization and implementation of the industrial environmental control.

In 2022, we continued work on the development of an electronic register of facilities that have a negative environmental impact of classes I-IV. We have collected data on waste management, launched into pilot operation the technology of keeping logs of water consumption, which are also formed as electronic documents.

The most important stage of the Company’s digitalization is the transfer of the solutions we use onto import-independent components for the flawless digital interaction with government authorities and further development of its information technologies in the field of environmental management in order to effectively control the environmental situation, minimize the negative impact of production on the environment and meet the requirements of the environmental legislation of the Russian Federation. For 2023, it is planned to develop an information system of centralized accounting and implementation of measures to compensate for damage to aquatic biological resources and their habitat.



## Interaction with the small-numbered indigenous peoples of the North

**“Surgutneftegas” PJSC takes into account the interests of the indigenous peoples of the North, preserves the primordial living environment of small ethnic groups and contributes to improving the quality of life of reindeer herding families. The unique culture, originality and traditions of the small-numbered northern peoples who do not forget their past are an important part of the spiritual heritage of multinational Russia.**

The Company contributes to the solution of social and economic problems of the indigenous population in the framework of the contracts on subsoil use of land plots. In accordance with federal and regional legislation, when developing fields, the placement of production facilities in traditional nature management areas, habitats of the small-numbered indigenous peoples of the North and specially protected natural reservations is preliminary discussed with the indigenous people.

We have built a system of long-term partnerships and solve fundamental issues at the negotiating table. During the dialog all interests are taken into account, the parties always find a compromise. Services supporting the small-numbered indigenous peoples of the North established in the business units and the headquarters of “Surgutneftegas” PJSC are in touch with the heads of families round the clock.

The Company pays monetary compensations, transfers inventory items (snowmobiles, boats, motors, power plants, building materials and much more), provides medical services, including dental treatment, transport and communication services to indigenous people.

We restricted the unauthorized access to traditional nature management areas and specially protected natural reservations at the request of the indigenous population permanently residing there. In accordance with the current special treatment regulations at the checkpoints along the Company’s field roads, guests of nomad camps can pass after receiving permission from the heads of traditional nature management areas. The Company’s transport can pass upon presentation of a trip ticket for production purposes only. The employees

of “Surgutneftegas” PJSC and its contractors are not allowed to go fishing and hunting, pick mushrooms and berries, hit the trees to shake unripe cedar cones down; it is forbidden to bring alcoholic beverages, firearms, fishing equipment, explosives and hazardous chemicals as well as dogs and other animals to the fields.

The Company ensures the inviolability of the property of the small-numbered indigenous peoples of the North as well as their places of worship and shrines. Measures are taken to ensure safe traffic at the intersection of road traffic routes with deer paths and roads of the indigenous population by sign posting, building safe crossings driveways and their timely clearing.

The Company ensures the environmental sustainability of the territories of its operations, fulfills its obligations stipulated in agreements with municipalities and regional authorities. We take part in financing social and economic projects on the infrastructure development, education and culture support, improvement of living standards of the indigenous population.

To maintain and develop traditional occupations and housekeeping activities of the indigenous people, the Company offers them employment options, organizes training and allocates jobs. Shift work allows many members of local communities to combine traditional northern crafts (reindeer herding, hunting, fishing, collecting wild plants) and employment in Surgutneftegas.

“Surgutneftegas” PJSC is a permanent partner and sponsor of annual national holidays celebrated in Surgutsky and Beloyarsky Districts of Khanty-Mansiysky Autonomous Okrug – Yugra and a regional competition of professional skills among reindeer herders for the Cup of the Governor

of Yugra. As agreed with the Department of Subsoil Use and Natural Resources of Khanty-Mansiysky Autonomous Okrug – Yugra, the Company organizes the transportation of the competitors and their escorts as well as reindeer, sacks of reindeer moss, sleds and all the necessary equipment from Numto nature park and rural settlements of Nizhnesortymsky, Kazym, Russkinskaya to Khanty-Mansiysk and back.

Every year, we build a winter road to the remote and hard-to-reach Numto national village, deliver firewood, allocate transport for indigenous people to go to Surgutsky District and shop for furniture, appliances and other household goods.

More than a thousand agreements have been signed between the heads of the territories of traditional nature management and oil and gas producing companies in Khanty-Mansiysky Autonomous Okrug – Yugra. The largest number of them is held by “Surgutneftegas” PJSC.

Assistance in organizing national holidays





**In order to make environmental protection measures more efficient and develop the environmental safety system, “Surgutneftegas” PJSC successfully cooperates with scientific institutions, carries out its own research and expert projects.**

After a two-year break in 2020-2021 caused by the adverse epidemiological situation and need to comply with quarantine measures, Surgutneftegas resumed its cooperation with scientific organizations to obtain an independent professional assessment of the environmental condition in the area of the Company's production operations in 2022.

The employees from Lomonosov Moscow State University, V. V. Dokuchaev Soil Science Institute and Yugansky Nature Reserve continued biological monitoring at the Company's subsoil plots bordering Numto nature park. Eleven years of biological monitoring confirm the absence of threats to ecosystems and rare species of plants and animals from the production facilities of “Surgutneftegas” PJSC. Scientists noted that the species composition of animal groups, including birds, had not changed. Experts assessed the ecological condition of the territory, studied the botanical composition of peat. As a result, a wide variety of soil cover was revealed and the absence of oil pollution in Numto was stated.

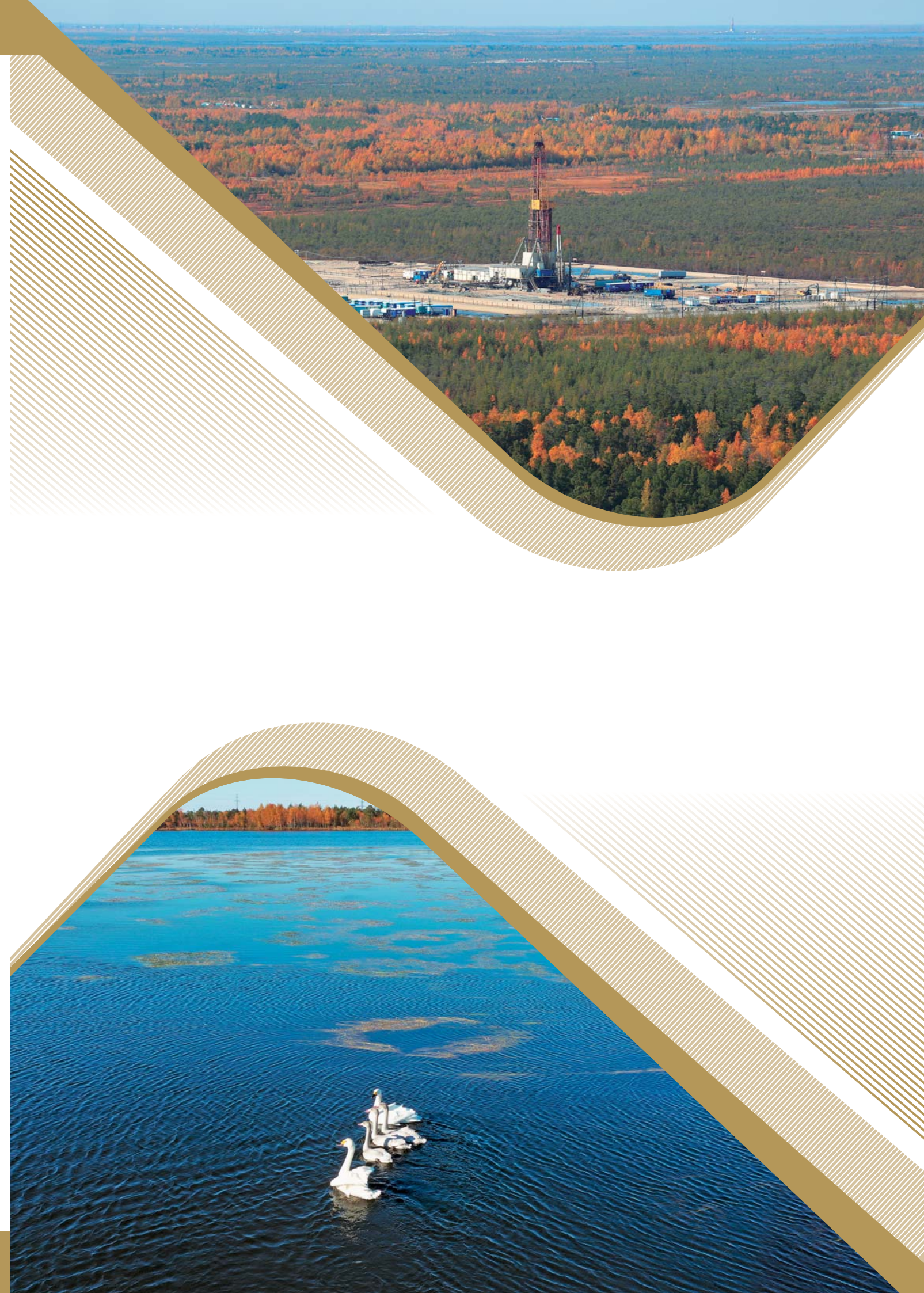
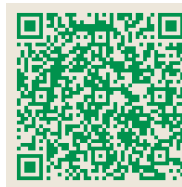
The employees of the Institute for Biological Problems and Cryolithozone of the Yakutsk Scientific Center of Siberian Branch of the Russian Academy of Sciences carried out biological research at the subsoil blocks of “Surgutneftegas” PJSC in the Republic of Sakha (Yakutia). The researchers carried out field studies of the active and upper layers of permafrost, land resources, surface water, soil, vegetation, water biological resources and wildlife. Biological monitoring is necessary

to assess the environmental parameters of the territory potentially affected by oilfield facilities and track the dynamics of changes in ecosystems over time as well as to predict further changes. The scientists, who in several stages carried out monitoring of biological resources and cryolithozone, confirmed that none of the components of the ecosystem in the studied area showed signs of negative dynamics associated with exploitation of the Company's fields. In particular, there was no degradation of local populations of insect species listed in the Red Book. On the contrary, in 2022, rare species of beetles (*Protaetia cuprea* and *Trichiusfasciatus*) were found in the herbaceous-shrub plant communities located near the flares; Diptera were found in the insect fauna of Yakutia for the first time.

In 2022, the Company continued to cooperate with the St. Petersburg Federal Research Center of the Russian Academy of Sciences, whose researchers performed comprehensive environmental and toxicological studies of drill cuttings.

We have accumulated comprehensive analytical data by means of research in the field of environmental safety, environmental monitoring and environmental and biological assessment of the territory of the Company's operations. These data allow us to increase the efficiency of our environmental activity. The results of the research are applied to make management decisions aimed at minimizing a negative environmental impact of business activities of the Company.

Conducting unique  
scientific research





We apply the “green office” principles in all administrative buildings of “Surgutneftegas” PJSC. This is a direction of the Ecology corporate program aimed at reducing the consumption of natural resources, saving electricity and reducing the amount of waste.

Modern environmental standards allow the Company to cut costs on upkeeping its office premises. We adhere to the following “green office” principles:

- usage of modern energy-saving lamps and spotlights in indoor and outdoor lighting systems;
- usage of electronic ballasts in fluorescent spotlights;
- usage of programming units and motion sensors in indoor lighting systems and daylight sensors and automatic switches in the outdoor lighting;
- optimization of operating mode of electrical equipment and heat consumption of buildings;
- replacement of air conditioners with multi systems;

- implementation of energy efficient pumping modules and ventilators;
- usage of power filters at workplaces for simultaneous switch off of several units of equipment after completing work;
- implementation of metering devices, water flow and heat consumption regulators.

The electronic document flow system and default double-sided black-and-white printing, which is set automatically for all printers, help us significantly reduce paper consumption.

All waste paper of “Surgutneftegas” PJSC gets a second life. Waste paper and cardboard are collected to be further processed with the in-house shredding and pressing unit. The recycled material is highly demanded by specialized enterprises for its further use.

Modern approaches to environmental education and professional training of Surgutneftegas employees are an indicator of a highly responsible company, which is interested in programs for continuous improvement of skills of its personnel.

Environmental safety, quality, zero accident rate and operating results are the main factors in determining the winners of economic competitions held among the teams of oil and gas production shops, well workover and servicing crews and drilling crews of “Surgutneftegas” PJSC.

Every year, the Company’s employees, including environmental specialists, demonstrate their skills in the professional skills competitions “Best-in-Profession”. Scientific and technical conference for young scientists and professionals of “Surgutneftegas” PJSC demonstrates the most promising technological developments in various areas of the Company’s activities, including Ecology.

**In 2022, 539 employees of “Surgutneftegas” PJSC completed vocational training courses**

of various works and compliance with technological discipline. Each employee, without exception, understands that the final result depends on him, and non-compliance with the principles of Environmental policy of “Surgutneftegas” PJSC can provoke serious accidents.

The Company’s management acts systematically and consistently, ensures the gradual development of personnel competencies, cares about protecting the health of employees and creates safe and comfortable working conditions for them. Much attention is paid to minimizing environmental risks and the negative impact of production on the environment.

Before each work shift, we hold the induction meeting with the personnel working in the territories with a special mode of business activities, including license blocks adjacent to Numto nature park. Our employees can refer to a memo on the rules of conduct in territories bordering specially protected natural reservations and rules of cooperation with indigenous population.

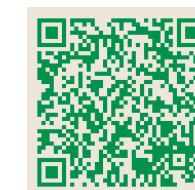
Every year, more and more employees of the Company upgrade their skills in the field of environmental protection and environmental safety. In the reporting period, 14 employees completed training courses in third-party organizations. An extensive educational process is organized at the Polytechnic Training Center of “Surgutneftegas” PJSC. 415 people successfully completed the course “Improving the qualifications of persons admitted to activities for the collection, transportation, processing, disposal of waste of hazard classes I-IV”, 110 employees completed the course “Provision of environmental safety by managers and specialists of the environmental departments and environmental control systems”.

The labor groups of the Company and its contractors ensure compliance with the environmental legislation of the Russian Federation; they operate in accordance with local administrative acts regulating the performance

**Developments of young scientists and environmental specialists**



**Environmental education in “Surgutneftegas” PJSC**





**“Surgutneftegas” PJSC follows the principle of informational transparency in matters related to nature management, environmental safety of production, interaction with the small-numbered indigenous peoples of the North. The Company contributes to sustainable development, environmental well-being of the territories of its presence, supports socially significant environmental initiatives of public organizations.**

There were two events held with the Company’s support in the reporting year: the VII World Congress of Reindeer Breeders held in Khanty-Mansiysk and the All-Russian Scientific and Practical Conference dedicated to the condition and development of specially protected natural reservations in industrial regions held in Beloyarsky. The event organized in honor of the 25th anniversary of Numto nature park brought together ecologists, geographers, historians and forestry workers from Tyumen, Yekaterinburg, Salekhard and several cities of Yugra.

On the eve of the Day of Ecologist, at the suggestion of the environmental control authority in Yugra, we participated in the live presentation on the need for comprehensive work to ensure the environmental safety of oilfield facilities made by N.V. Komarova, the Governor of Khanty-Mansiysky Autonomous Okrug – Yugra. The live broadcast was conducted from the workshop for applying an internal anti-corrosion coating to pipes and fittings of pipelines of “Surgutneftegas” PJSC.

The Company’s employees volunteer for the project named “Good little caps”. It is for charitable purposes only. In 2022, the activists of OGPD “Komsomolskneft” became the champions of the social and environmental project; the employees of the Company’s headquarters,

OGPD “Nizhnesortymyskneft” and the Surgut central base of production services for the repair and adjustment of power equipment also got good results. Together we collected more than 420 kg of plastic caps of a certain marking. They were sent for recycling, and the earned money was transferred to the charity fund for disabled children in need.

In the urban settlement of Fedorovsky (Surgutsky District), the Company’s young people joined the ecological marathon “Yugraplogging – get a clear run!”, which is a combination of jogging with picking up litter; and schoolchildren doing extracurricular course “Local Ecotourism” visited the facilities of “Surgutneftegas” PJSC located near Lake Imlor.

During 2022, regional media were publishing articles and videos about the best environmental developments made by the Company’s young scientists and professionals taking part in the 42nd scientific and technical conference of “Surgutneftegas” PJSC, about comprehensive exercises taken by the Company’s specialists of the out-of-staff accident rescue unit in accordance with the corporate Plan for the prevention and elimination of oil and oil products spills, about research work carried out at the Company’s license blocks in Western and Eastern Siberia, about the results of the measures taken for artificial restoration of water biological resources and other events.

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“Surgutneftegas” PJSC, “Company”, “Surgutneftegas”, “public joint stock company”, “joint stock company” and “we” used in the text of the Environmental Report are interchangeable terms that relate to the oil and gas production sector of “Surgutneftegas” PJSC.



