

ENVIRONMENTAL REPORT

«SURGUTNEFTEGAS» PJSC



2023

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

"Surgutneftegas" PJSC is one of the largest private vertically integrated oil companies in Russia. In changing economic conditions, amid escalating geopolitical risks, the Company continues its sustainable, efficient, reliable operation, in compliance with the requirements of the Russian environmental legislation, taking into account the provisions of international conventions and treaties, and adheres to the corporate Environmental policy. We duly fulfill incurred liabilities.

Even during the period of exceptional sanctions pressure and liberalization of technological and environmental requirements for conducting economic activity, it is a matter of principle for "Surgutneftegas" PJSC not to put environmental protection projects on hold, regress back to the use of "dirty" technologies or worsen operating results.

The Company continues to invest significant financial resources in the construction and modernization of environmental facilities, improving the environmental safety of production, energy efficiency and biodiversity conservation. For years we have been ensuring persistently high level of capital investments. In the last ten years alone, RUB 251 billion have been invested.

The Company started import substitution in advance and in the face of restrictive measures from unfriendly states (a ban on the import of highly technological equipment to Russia), supports domestic manufacturers, uses the best available technologies, machinery and equipment and is engaged in innovative developments.

In terms of the level of rational use of associated petroleum gas, "Surgutneftegas" PJSC has long held a leading position in Russia with an indicator

of more than 99%. In order to minimize the environmental impact from production processes, the Company applies pipes and fittings with an anti-corrosion coating. The Company has a 100% receipt inspection of pipe products. The Company's own factory has manufactured more than 5 million meters of pipes with an internal anti-corrosion coating.

We rely on ourselves, develop scientific and technical activity, improve personnel competencies. The Company's personnel acknowledge all environmental risks, understand the importance of passing on the natural wealth inherited from their ancestors to future generations. Our task is to prevent any environmental incidents at oilfield facilities, to reinforce the title of a company with high production standards and care about environment while ensuring reliability of all production processes, facilities integrity, safe and accident-free operation of the equipment.

We live and work on the same land with the keepers of the ancestral traditions of the northern territories, treat the indigenous people with unconditional respect, provide them with aid and assistance. In particular, in 2023 the Company's quarterly compensatory payments to the indigenous population increased by more than 2,5 times.

"Surgutneftegas" PJSC values its reputation of a reliable partner, its status of sustainable, effective and highly technological enterprise. We aim at long-term development and continue to move forward ensuring the high quality of work on the search, exploration and production of hydrocarbons, and systematically reducing the negative environmental impact.

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

The national development goals of Russia in accordance with the national Ecology program are: a comfortable and safe living environment, effective waste management, elimination of dangerous objects of accumulated environmental damage, reduction of pollutant emissions, environmental restoration of water bodies, creation of new specially protected natural reservations.

Important components of the Company's Ecology program, which is systematically and consistently implemented by "Surgutneftegas" PJSC, are safe waste management, the use of the best available technologies, biodiversity conservation, air and water resources protection.

**"Surgutneftegas" PJSC
environmental
information**



**"Surgutneftegas" PJSC
environmental reports**



The Company increases fund investments into environmental protection programs aimed at a consistent reduction of the negative impact of production, rational use of natural resources and preservation of the favorable environment. The Company keeps a balance of environmental, social and economic interests, contributes to the sustainable development of the regions of its presence and improves the quality of people's lives.

"Surgutneftegas" PJSC annually publishes environmental reports and other up-to-date information about its environmental activities on the official website (www.surgutneftegas.ru), section "Responsibility" (subsection "Ecology").

**Request form for
the public**



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.

All facilities of "Surgutneftegas" PJSC that have a negative environmental impact are registered in line with the existing legislation requirements. The Company operates 97 oil production facilities, 2 oil and gas refining facilities and 7 waste management facilities. These facilities are classified as I category facilities that have a negative environmental impact. In order to improve the results of production and business activities and minimize the negative impact on the environment, the Company enhances energy efficiency and environmental friendliness of production, applies modern practical solutions and best available technologies, develops business

processes by implementing modern information systems.

The Company constructs and modernizes environmental facilities, annually increases resource-saving capacities, renews the fleet of machinery and equipment. 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;

1 gas compression and treatment unit;

2 gas treatment units;

113 initial water separation units (IWSUs);

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;

44 single and multiple cell sludge storage ponds with a total capacity of 98.5 thousand cubic meters;

10 units for thermal oil sludge decontamination with a total capacity of 70 thousand cubic meters per year;

6 landfills for disposal of solid household and industrial waste designed to dispose of production and consumption waste with a total capacity of 2,040 thousand cubic meters;

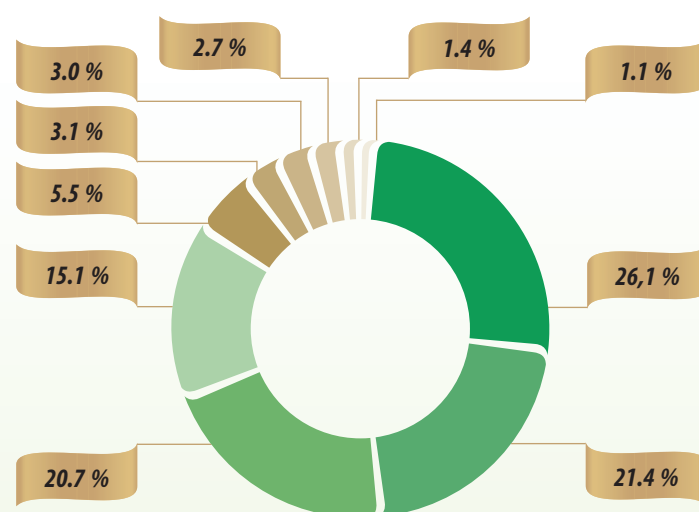
28 Forsazh-2M mobile units for thermal decontamination of production and consumption waste with a total capacity of 21.0 thousand tonnes per year.

KEY ASPECTS OF THE COMPANY'S ENVIRONMENTAL ACTIVITY

"Surgutneftegas" PJSC ensures reliability of business processes, production facilities integrity, safe and accident-free operation of the process equipment. The Company is distinguished by high standards of environmental and social responsibility and sustained financial performance targets. In 2023, RUB 38.4 billion were allocated for the implementation

of the Ecology corporate program. In 2024, it is planned to invest more than RUB 35 billion for this purpose. "Surgutneftegas" PJSC carries out efficient, responsible and safe production, ensures the environmental safety of all processes, implements cutting-edge environmental technologies, uses natural resources in the most efficient way.

Investments in environmental protection measures in 2023



- 26.1% – Collection, treatment and utilization of wastewater
- 21.4% – Environmental safety of oilfield facilities and equipment
- 20.7% – Air protection and climate change prevention
- 15.1% – Construction of environmental facilities
- 5.5% – Safe waste management
- 3.1% – Well sites reclamation
- 3% – Overhaul of environmental facilities
- 2.7% – Prevention and elimination of oil contamination consequences, reconstruction of production facilities
- 1.4% – R&D activities, environmental protection services, environmental education, specialist training and certification in the field of environmental protection.
- 1.1% – Natural environment and production facilities monitoring



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 and integrated approach to the environmental management of the Company make it possible to mitigate environmental risks, achieve consistent results, sustain development of "Surgutneftegas" PJSC and improve the quality of life in the regions of its operations.

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



2



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

In order to maintain a balance between the development of industrial complexes and the preservation of the environment, improving the quality of life of people, including representatives of the small-numbered indigenous peoples of the North, the Company has built an environmental management system, which priorities 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, social responsibility of the business.

This Environmental policy of "Surgutneftegas" PJSC defines the strategy for sustainable development of the enterprise and is a priority, which is fundamental for the immediate and long-term planning of the Company's environmental activity.

The personnel of the Company, its contractors and subcontractors are to comply with the principles of the Environmental policy of "Surgutneftegas" PJSC as well as the Policy on interaction with the small-numbered indigenous peoples of the North, the requirements of environmental legislation of the Russian Federation.



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, management activities 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 activity.

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

THE COMPANY'S RESPONSIBILITIES

In accordance with the basic principles of the Environmental policy, "Surgutneftegas" PJSC undertakes the following responsibilities:

- To comply with the legislation of the Russian Federation in the fields of environmental protection and sanitary and epidemiological welfare of the population.
- To conduct a strategic environmental assessment, including assessment of a cumulative effect from an aggregate impact while implementing large-scale infrastructure projects of the Company.
- To conduct a comprehensive environmental impact assessment of projects from construction to decommissioning of facilities.
- To additionally assess environmental risks while developing project documentation for the construction of facilities in environmentally sensitive and valuable areas.
- To ensure efficient environmental activity and improve its control system.
- To 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.
- To enhance energy efficiency of production processes at all production stages.
- To reduce motor fuel consumption and improve the environmental performance of the Company's vehicles.
- To ensure rational nature management, mitigation of a negative impact on the environmental components and compensation of possible damage to the environment.
- To apply the "green office" principles.
- To 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.
- To 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 activity.
- To take account of interests and rights of the small-numbered indigenous peoples of the North to lead the traditional way of life and preserve their traditional settlement territories historically inhabited by their ancestors.
- To 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.
- To organize environmental education of the Company's employees and develop their skills regularly.
- To ensure wide availability of environmental information on the Company's business activity, transparent environmental activity and decisions made in this area.
- To 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, management 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 business activity 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 business activity.
- 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.



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

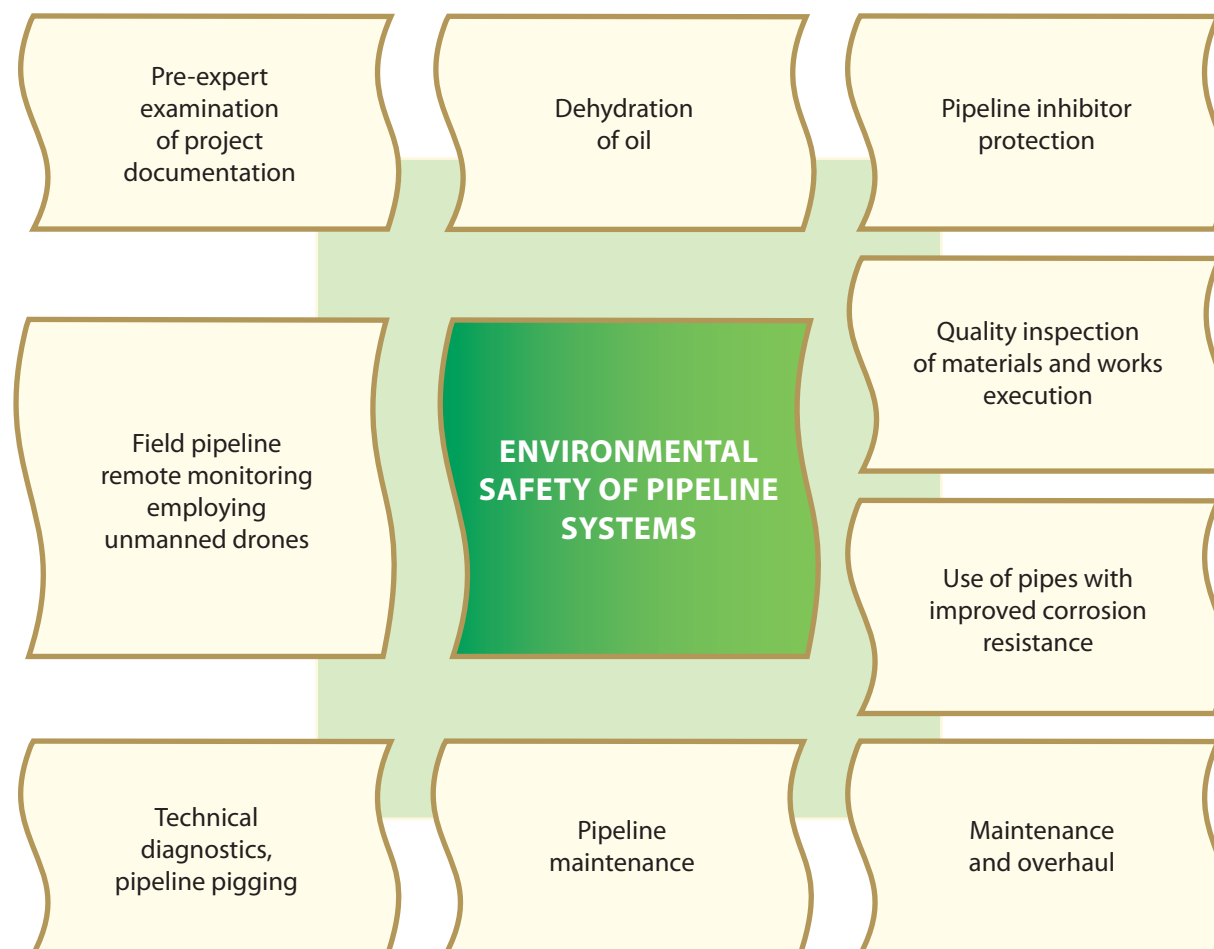


ACCIDENT RISK MITIGATION MEASURES

The environmental safety of the oil production facilities of “Surgutneftegas” PJSC is mainly based on the level of operational reliability of the field pipeline systems, which is ensured by a combination of several properties – preservability, durability and dependability.

The reliability of pipeline systems is ensured by the corrosion resistance of pipes, fittings and shutoff valves used for the construction and overhaul of pipelines, as well as additional corrosion protection means. The Company's

pipelines are designed for long-term reliable operation in a corrosive environment while maintaining the original quality. Quality control of materials and work execution is ensured at all stages of the technological process.



QUALITY INSPECTION OF MATERIALS AND WORKS EXECUTION

All pipe products used for construction of “Surgutneftegas” PJSC field pipeline systems undergo multilevel quality control. Inspection control is carried out at manufacturing plants, receipt inspection of pipes using both destructive and non-destructive methods – upon admission to the Company, operational inspection – during construction and installation work.

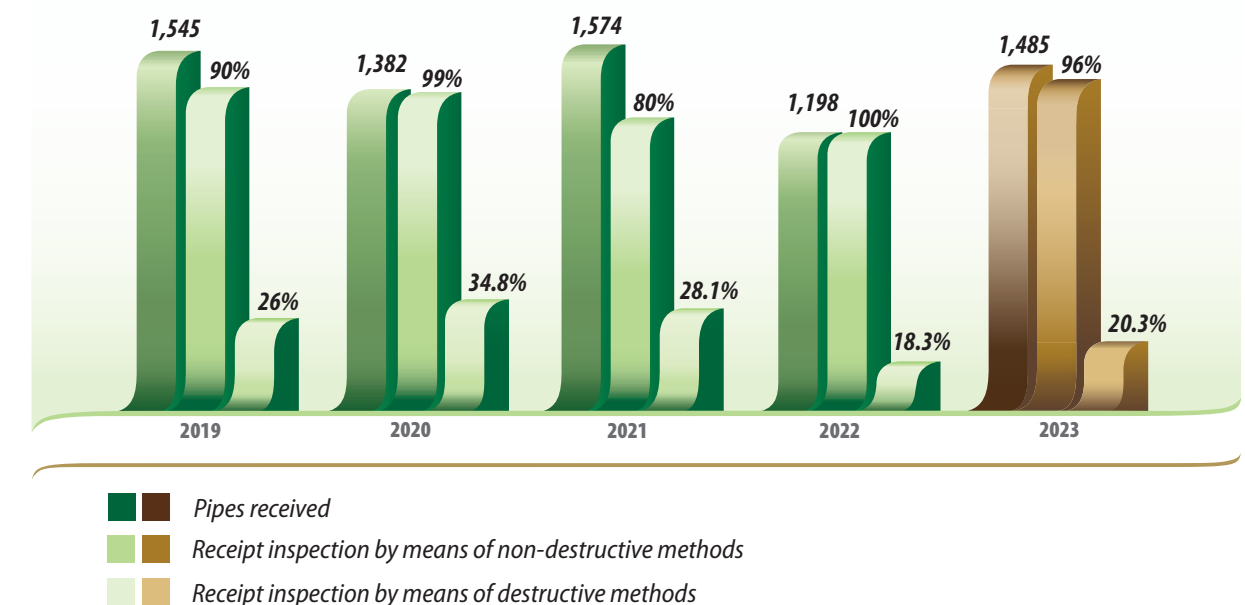
Inspection control of compliance with the manufacturing technology of pipe products at manufacturing plants is performed by independent accredited organizations that confirm that the Company uses high-quality pipe products.

A complex of the process equipment for conducting an automated radiographic and ultrasonic pipe quality inspection operates at the Central pipe base for receipt inspection using non-destructive methods.

The receipt inspection is performed by destructive methods in order to assess the quality of the steel in use. In the reporting year, the accredited laboratory carried out receipt inspection of more than 300 kilometers of pipes (20.3% of the total number of the received pipes) using destructive methods. Non-compliance with specifications was not revealed. This shows the consistently high quality of the oil and gas pipes used in the Company, compliance with the requirements as to the chemical composition, structure and mechanical properties of the metal.

IN 2023, THE INSPECTION OF OVER 1,400 KILOMETERS OF PIPES WAS CARRIED OUT USING NON-DESTRUCTIVE METHODS

Receipt inspection of pipes for oil and gas pipelines, kilometers



USE OF PIPE PRODUCTS WITH AN INTERNAL COATING

“Surgutneftgas” PJSC performs a full cycle of applying an internal anti-corrosion coating (IAC) to pipes and pipeline fittings. The use of pipes with improved corrosion resistance is one of the main conditions for the durability and reliability of the Company’s pipelines.

The in-house plant for application of an internal anti-corrosion polymer coating on pipes and pipeline fittings has been successfully operating since 2014. It is a highly technological efficient production organized according to international standards, using cutting-edge technologies and the best materials (powder paint and a primer) with proven quality characteristics.

For the whole period of operation, the Company has produced more than 5,800 kilometers of pipes and 226,000 pipeline fittings with IAC. “Surgutneftgas” PJSC is working on expanding the range and increasing the manufacture

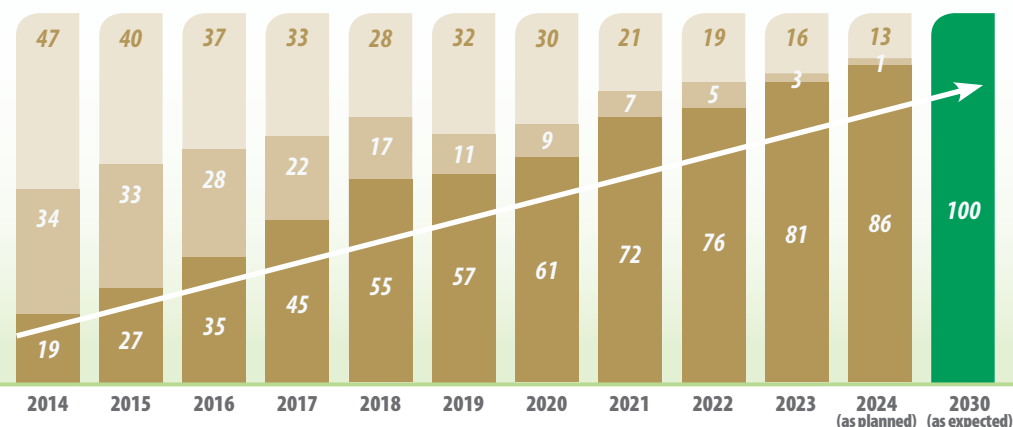
of products with IAC. In 2023, the Company manufactured 800.6 kilometers of pipes and 27,258 pipeline fittings with IAC.

Surgutneftgas operates over 9,500 kilometers of oil and gas pipelines; 7,800 kilometers of those have IAC (the total amount of pipes with IAC is 81%).

We are expected to have 10,100 kilometers of pipelines with IAC by the end of 2024. In the reporting period, in accordance with the Company’s capital construction plan and overhaul program, 894.5 kilometers of pipelines for various purpose with IAC were put into operation.

“SURGUTNEFTGAS” PJSC OPERATES OVER 9,300 KILOMETERS OF FIELD PIPELINES FOR VARIOUS PURPOSE WITH IAC

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



- Internal anti-corrosion coating
- Inhibitor protection
- No protection



To protect welded pipe joints and pipeline fittings with IAC, the Company uses protective sleeves of its own production and thus ensures reliability of welded joints. 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 80,000 pieces manufactured in 2023.

Operation of field pipelines is carried out in strict compliance with the effective regulations and environmental safety standards.

“Surgutneftgas” PJSC pays close attention to the diagnostics of the technical condition and the assessment of possible risks of field pipelines. Inspection of field pipeline routes, especially in places of crossings over water obstacles, is carried out consistently.

The Company ensures reliable and safe operation of tank farms, tests leak resistance of the barriers. All facilities of “Surgutneftgas” PJSC comply with the project documentation and regulation requirements.

PIPELINE INHIBITOR PROTECTION

Due to inhibition, the probability of the Company's pipeline failures is reduced tenfold. Inhibition is the most effective and advanced protection measure against corrosion attack during an operation of pipelines without an internal anti-corrosion coating.

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. In 2023, the Company provided inhibitor protection for 1,868 kilometers of field pipelines, including 291 kilometers of oil and gas

pipelines, 1,568 kilometers of oil pipelines and 9 kilometers of low-pressure water lines.

The inhibition process is controlled by remote metering systems: 123 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. Thus, timely detection, correction or elimination of deviations in the injection mode of corrosion inhibitors are conducted.

THE LEVEL OF CONTROL OVER INHIBITOR PROTECTION INJECTION IS 100%



INDUSTRIAL ENVIRONMENTAL CONTROL

- Key areas of the industrial environmental control
- The results of the industrial environmental control



4



KEY AREAS OF THE INDUSTRIAL ENVIRONMENTAL CONTROL

“Surgutneftgas” PJSC employs a system of two-level industrial environmental control (IEC). First Deputy Director General of “Surgutneftgas” PJSC, the Chairperson of the Company’s Ecological Council, manages this vertically integrated system.

The Company monitors that the inspected facilities comply with the requirements of environmental legislation, environmental safety standards and in-house standards. The IEC system controls compliance with 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.

Compliance with environmental requirements is monitored during both scheduled and unscheduled inspections with sampling and issuing relevant acts and protocols. 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 current production issues (including those of compliance with the environmental legislation) are worked through at the monthly meetings of the Company’s management chaired by Director General of “Surgutneftgas” PJSC.

In order to minimize the environmental risks, reduce the impact of production on the environment, and use natural resources rationally, the results of IEC are analyzed in detail by the Company’s Ecological Council, which makes effective managerial decisions, in particular, sets personal environmental performance targets for a number of the Company’s business units heads. Performance indicators in the field of environmental safety are treated as the key aspects for evaluation of quality of work when summing up the results of annual economic competitions among the Company’s personnel, in particular, well workover and servicing crews, drilling crews and teams engaged in construction of wells.

THE RESULTS OF THE INDUSTRIAL ENVIRONMENTAL CONTROL

In 2023, during industrial environmental control, measures for inspections of production facilities of “Surgutneftgas” PJSC were fully carried out, including detailed documentary checks, on-site scheduled and unscheduled inspections.

Inspections of oilfield facilities compliance with design solutions and industrial and environmental safety requirements were conducted. Steel tanks for oil and petroleum products storage were inspected as well.

In 2023, there were 1,237 inspections in total and 2,643 facilities were inspected. All identified shortcomings were eliminated.

Line maintenance personnel of the Company’s oil and gas production divisions monitors the conditions of pipeline routes, their elements and fittings by means of GPS and evaluates

the routes in the web-application “Inspection routes control”. We pay close attention to control of field pipelines in places of crossings over water obstacles.

The Company steadily mitigates the risks of accidents at field pipelines, ensuring the required level of environmental safety of production processes.

“Surgutneftgas” PJSC minimizes the risks of accidents at field pipelines associated with uncontrolled release of oil and oil products, ensures the required level of environmental safety of production processes.

Levels of control	2021			2022			2023		
	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	518	1,016	1,896	805	1,644	3,288	1,044	1,827	4,111
Level II control	92	578	835	207	835	1,147	193	816	1,228



ENVIRONMENTAL ACTIVITY



5



“Surgutneftegas” PJSC ensures sustainability of production processes, performs comprehensive work in order to prevent potential threats related to all kinds of risks, including environmental and climate risks.

The main activity of “Surgutneftegas” PJSC (production, treatment and transportation of hydrocarbons) is associated with the potential risk of possible accidental failures of process equipment, which can cause oil and oil products spills, damage the environment and have a negative impact on the Company’s activities. Such accidents result in the need to eliminate damage caused to environmental components and lead to civil legal liability of the Company.

In order to mitigate the environmental risks, assess the impact on the environment, “Surgutneftegas” PJSC annually develops a comprehensive program of environmental protection measures, which includes the following activities:

- prevention of the environmental risks impact (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.

Within the framework of the corporate insurance system, “Surgutneftegas” PJSC constantly maintains voluntary insurance of the environmental risks associated with the production operations. The subjects of the insurance are oil and gas pipelines, other processing units and facilities. The Company regularly monitors the negative impact and the environmental condition at the oil fields and subsoil plots for prospecting, exploration and hydrocarbons production.

In order to reduce the environmental risks, the Company invests significant efforts and 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.

“Surgutneftegas” PJSC increases the energy efficiency of production, reduces harmful emissions from associated petroleum gas flaring, utilizes waste, reclaims forests, creates 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 pays close attention to the universal threat of global warming, the negative outcomes of which may lead to permafrost degradation in the northern areas, flooding of the areas of the Company’s operations, possible structure and communication damage. “Surgutneftegas” PJSC takes into account environmental risks, possible outcomes of the climate change when designing capital construction facilities in the permafrost soil regions. In order to increase the level of industrial and environmental safety of facilities, the Company takes a number of measures to prevent damage to buildings and communications in case of permafrost degradation.

For ten years, the Company has been employing a vertically integrated management system that combines environmental management and industrial environmental control systems. In order to reduce the negative impact on the environment, the Company invests substantial funds in implementation of environmental protection measures, particularly, in utilization of associated petroleum gas.

Since 2017, “Surgutneftegas” PJSC has been running the Ecological Council, which includes top managers of the Company and coordinates the activities of the Company in the field of environmental protection and use of natural resources, which are of fundamental importance, effectively manages the environmental risks, ensures compliance with the principles of corporate Environmental policy.

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 the Republic of Sakha (Yakutia).

A characteristic feature of these regions is 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 blocks are distinguished by the processes of natural groundwater flooding and swamp formation. The areas of the production activity of the Company further north are located in the zone of island and sporadic spreading of permafrost. Such dangerous natural processes as tornadoes, avalanches, hurricanes, earthquakes, landslides and mudslides are by no means associated with Western and Eastern Siberia 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.

When choosing the location for the Company’s production facilities, natural environment features of the region are taken into account; when designing production facilities, a set of measures is carried out to mitigate the risks of a negative impact on the environment.

Nearly all of the Company’s facilities are built outside the flooding area except the few

facilities which location in the flood plains of large rivers is determined by geological conditions (2% of occurrence of rated high water level is the flooding criterion during the design of well pads). A wide range of measures for protection from damage and a negative impact on the environment is taken during the construction of such facilities:

- construction works are carried out during the period when the flood level does not exceed the surface level of construction works;
- ensuring stable earthfill of the pads and reinforcement of fill-up soil slopes, calculation of the earthfill for design high water level 2% probability of exceeding;
- double diking;
- drilling on flooded areas with waste disposal.

In order to minimize natural environment risks during the flood period, “Surgutneftegas” PJSC annually implements a wide range of measures: sites cleanup of snow and waste, equipment moving-out, stocking of materials and equipment and soil, drain tank pump off, preparation of the equipment for localization and elimination of possible pollutions, industrial environmental control and visual monitoring of watercourse condition.

In order to mitigate natural environment risks during the period of extremely low temperatures, the Company annually implements a range of measures. In particular, training and practical exercises on working out the actions of personnel 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 for maintaining an increased level of readiness in connection with dangerous weather events, the availability and operational capacity of an emergency reserve of equipment and material and technical resources.

THE COMPANY'S ACTIVITY AIMED AT CLIMATE CHANGE PREVENTION

In the field of climate regulation, "Surgutneftegas" PJSC implements a development strategy with a much lower level of greenhouse gas emissions.

To prevent global climate change and reduce greenhouse gas emissions, the Company has developed a range of measures, including:

- climate change management;
- carrying out pre-engineering work, design and project documentation analysis 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;

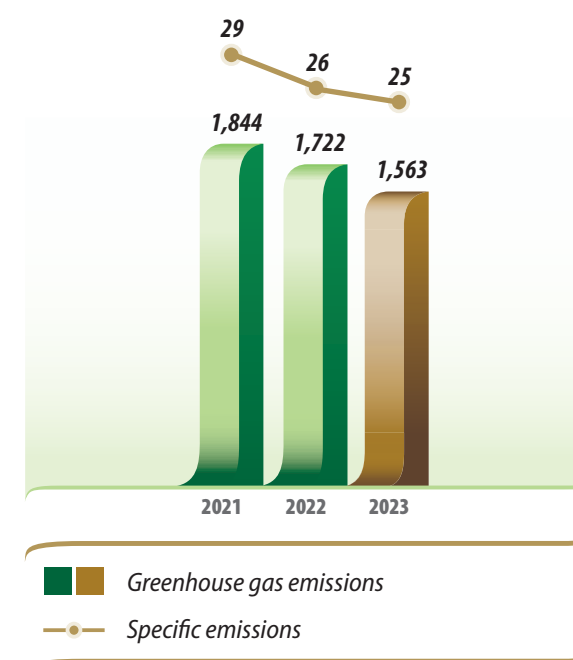
- expanding areas of low-carbon energy resource use such as gas, renewable resources;
- producing and consuming eco-fuel;
- performing regular operating setup of fuel-fired equipment;
- transiting fuel-consuming equipment to eco-fuel and electric drive;
- developing the system for greenhouse gas emissions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

In 2023, the successful implementation of the corporate program for the climate change prevention allowed "Surgutneftegas" PJSC to reduce the level of gross greenhouse gas emissions from oil production and gas processing by more than 9% compared to the previous year.

IN COMPARISON WITH 2022, GREENHOUSE GAS EMISSIONS WERE REDUCED BY 9%



Greenhouse gas emissions (thousand tonnes in CO₂-equivalent) and specific pollutant emissions into the atmosphere per unit of produced hydrocarbons (kg CO₂-equivalent/tonnes) in oil production and gas processing



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

"Surgutneftegas" PJSC 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 according to the legislation of the Russian Federation and international standards in the field of climate change. In 2023, the main share (69%) of direct greenhouse gas emissions from oil production and gas processing into the ambient air came from fuel consumption, 18% from APG flaring, 13% from fugitive emissions.

2. Rational use of associated petroleum gas

Reduction of greenhouse gas emissions and decrease of associated petroleum gas flaring due to its rational use are the priorities of the Company's activity to prevent climate change.

For 12 years, "Surgutneftegas" PJSC has confidently held leading positions in the Russian oil and gas industry with an APG utilization rate of more than 99%. In 2023, the level of rational use of associated petroleum gas was 99.29%.

At present, 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 fully extract the gas saturated with heavy hydrocarbons from the oil emulsion.

The Company successfully applies a 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 and pumped into oil-bearing formations to maintain reservoir pressure. APG is used to fuel various equipment for the Company's own production needs in all the areas of its operations. APG flaring is done mainly to maintain pilot burners needed for the safe operation of field facilities.

100% OF "SURGUTNEFTEGAS" PJSC FLARES ARE EQUIPPED WITH GAS METERING INSTRUMENTS

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

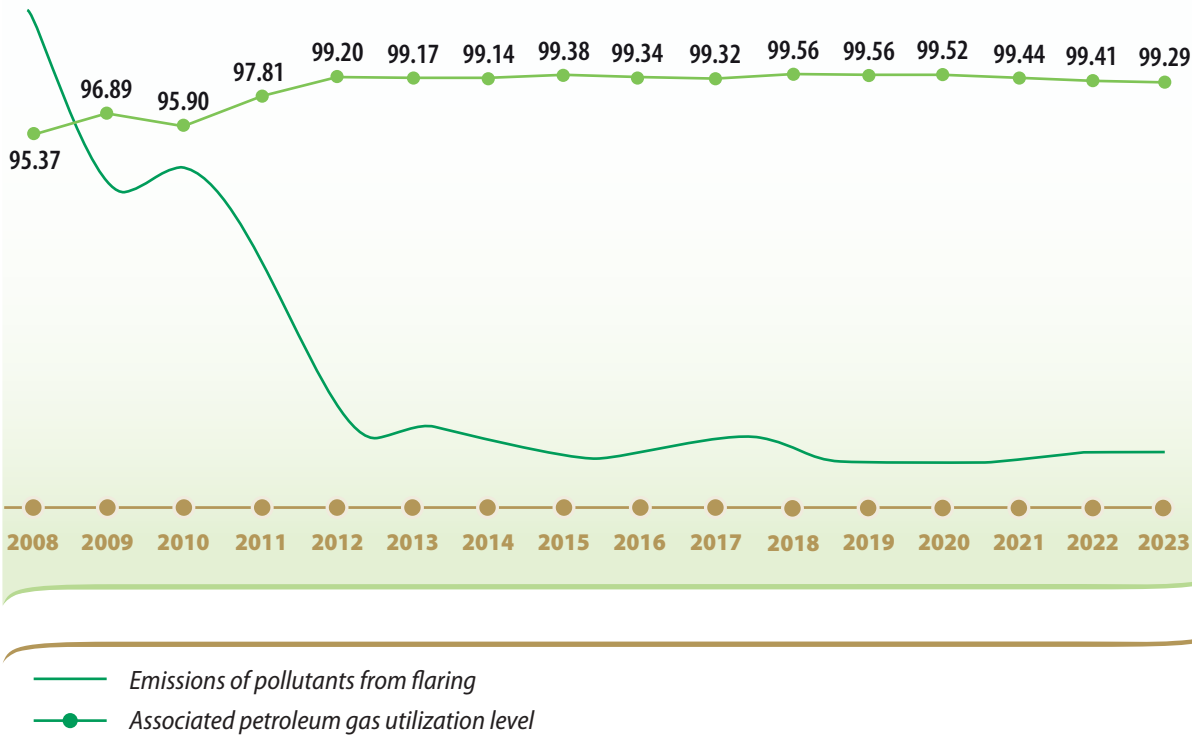
In the reporting period, the amount of funds transferred to the construction and technical

reequipping of the Company's facilities for utilization of associated petroleum gas reached 70% of the total of its capital investments in construction of environmental facilities. In particular, investments in construction of facilities for the rational use of APG amounted to more than RUB 4.05 billion.

IN 2023, "SURGUTNEFTEGAS" PJSC PREVENTED 20 MILLION TONNES (IN CO₂-EQUIVALENT) OF GREENHOUSE GAS EMISSIONS INTO THE ATMOSPHERE DUE TO THE HIGH LEVEL OF EFFICIENT APG UTILIZATION



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



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

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 to increase the operational reliability during the design, construction and operation of facilities, monitors the quality of materials and works execution at all stages of the technological process.

The design of capital construction facilities in the northern regions is performed taking into account possible negative outcomes related to permafrost degradation, increased precipitation and flooding of the territory of the Company's operations due to global warming.

The Company ensures environmental safety of the oil production facilities using pipes with an internal anti-corrosion coating, inhibitor protection of pipelines and other efficient methods of corrosion protection. "Surgutneftegas" PJSC implements a multilevel quality control of all pipe products, necessary for construction of field pipeline systems. Special attention is paid to the diagnostics of technical condition and the assessment of possible risks during the operation of field pipelines, which is carried out in accordance with the current safety standards and rules.

The Company's out-of-staff accident rescue units are on constant alert to eliminate oil spills. "Surgutneftegas" PJSC has minimized the consequences of oil spills, pollution of environmental components, ambient air in particular.

IN 2023, WE SPENT RUB 381.64 MILLION ON PROTECTION OF OILFIELD EQUIPMENT AND FACILITIES FROM CORROSION

4. Improved energy efficiency and resource saving

By improving energy efficiency of production, "Surgutneftegas" PJSC ensures resource saving and reduction of harmful emissions from associated petroleum gas flaring. The Company takes into account its own risks and creates guaranteed energy sources that can ensure the continuity of technological operations, eliminate possible interruptions in energy supply in the event of serious consequences of a climate change. Surgutneftegas has 29 small-scale power generation facilities (22 gas turbine power plants and 7 gas reciprocating engine power plants)

that 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's energy policy. Close attention is paid to increasing the efficiency of technological processes, reducing the level of consumption of fuel and energy resources. The Company operates an automated control system for technological processes and energy consumption which has been introduced in order to improve the energy management system and to reduce financial and energy costs of production.

IN 2023, RUB 465 MILLION WAS INVESTED TO IMPROVE ENERGY EFFICIENCY AND SAVE RESOURCES

The Company implements a program for energy saving and improved energy efficiency, which covers all spheres of its activity: well drilling, artificial lift and oil recovery enhancement, oil treatment and transportation, gas production, transportation and processing, water injection, 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 2023, the specific indicator of energy consumption per unit of produced hydrocarbons amounted to 73.5 kg of conventional fuel per tonne of oil.

Over 12 years of the implementation of the program for energy saving and improved energy efficiency, 3.9 million tonnes of equivalent fuel were saved, including more than 175 thousand tonnes during the reporting period. This contributed to the reduction of greenhouse gas emissions by more than 380 thousand tonnes in CO₂-equivalent.

IN 2023, SAVINGS FROM FUEL AND ENERGY CONSUMPTION AMOUNTED TO 4.2%

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 for 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 in Khanty-Mansiysky Autonomous Okrug – Yugra, from the end of 2023 the Company has been using solar panels for recharge 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.

6. Forest reclamation

For a long time, "Surgutneftegas" PJSC has been carrying out comprehensive work on annual restoration of trees and shrubs. The Company finances measures for planting common pine saplings, delivered from plant nurseries, on huge territories. In particular, in 2023 the area of restored land plots was more than 1,122 hectares.

Surgutneftegas takes the fire prevention measures, that are of the utmost importance, as planned and when needed. The Company traditionally provides aid to the municipalities by participating in cleaning of unauthorized landfills, preventing littering of forest areas located in close proximity to production facilities.

"SURGUTNEFTEGAS" PJSC PLANTED MORE THAN 3.3 MILLION SAPLINGS OF CONIFEROUS TREES IN 2023

THE COMPANY'S ACTIVITY AIMED AT AIR PROTECTION

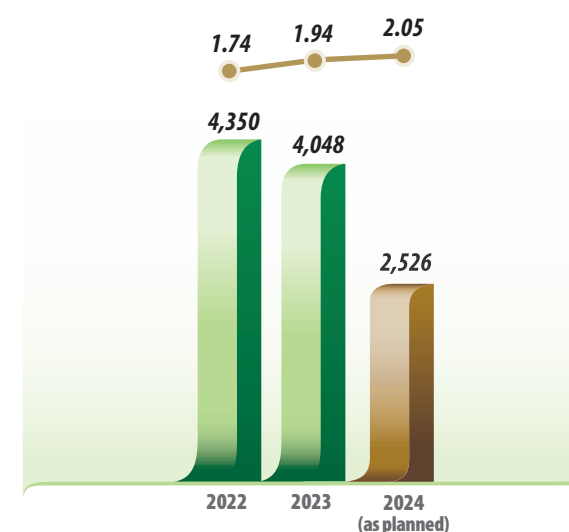
For the purpose of reduction of the negative impact on ambient air, "Surgutneftegas" PJSC implements the following measures:

- investing in construction and technical reequipment of air protection facilities, upkeep and operation of fixed assets for ambient air protection and climate change prevention;
- 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;
- regulation and reducing of 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;
- taking comprehensive measures to improve the environmental safety of production, including in order to prevent accidents;
- 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;
- development of technical solutions for the creation of automatic emission control systems;
- maintenance of special laboratories for the control of atmospheric air pollution;
- systematic monitoring of the requirements of the air protection legislation by business units of the Company;
- improvement of arrangement and quality of air protection in the Company.

RUB 7.94 BILLION – INVESTMENTS OF "SURGUTNEFTEGAS" PJSC IN AIR PROTECTION MEASURES, MAINTENANCE AND OPERATION OF FIXED ASSETS FOR AMBIENT AIR PROTECTION IN 2023

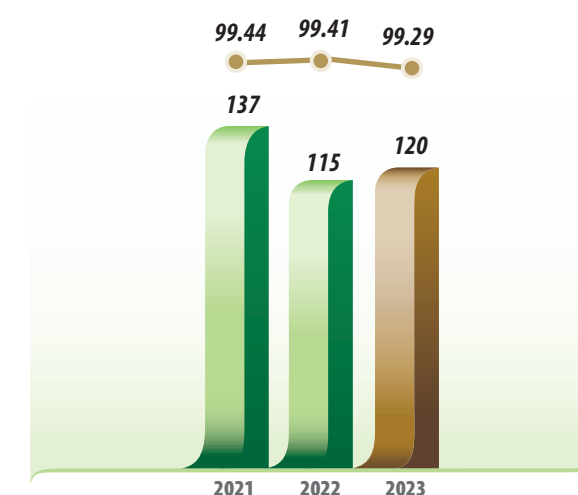


Investments in air protection facilities construction and specific pollutant emissions into the atmosphere per unit of produced hydrocarbons



■ Investments in air protection facilities construction, RUB mn
 — Specific pollutant emissions, kg/tonnes

Air pollutant emissions into the atmosphere and associated petroleum gas utilization level



■ Emissions into the atmosphere, '000 tonnes per year
 — Associated petroleum gas utilization level, %

In 2023, the Company completed the construction of the third stage of the gas turbine electric power station at the Talakanskoye oil and gas condensate field and the reequipping of the low pressure separation compressor station at the Lenskoye oil and gas condensate field in the Republic of Sakha (Yakutia). Surgutneftegas completed the construction of field and industrial pipelines in Khanty-Mansiysky Autonomous Okrug – Yugra in the territory of the Fedorovskoye and Zapadno-Surgutskoye fields, in Eastern Siberia – in the territory of Talakanskoye oil and gas condensate field.

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 (1.9 kg per tonne of hydrocarbons produced);

- gas emissions from stationary sources during oil production and gas processing were reduced by 9%;
- gas treatment units detected more than 186 tonnes of solid pollutants;
- substances which destroy the ozone layer (about 2% of the total coolant consumption) were suspended;
- emissions from motor vehicles decreased by 6% due to their increased fuel efficiency and using of environmentally friendly fuel (by 93% of the total fuel used);
- no above-limit emissions occurred.



100% COMPLIANCE WITH THE EMISSIONS STANDARDS AT STATIONARY SOURCES

Due to changes in legislation and the introduction of technological regulation in the Russian Federation, “Surgutneftegas” PJSC has created a system for developing draft regulations and obtaining a new type of permits – the integrated environmental permit. This is a single permit document with mandatory requirements in the field of environmental protection in various areas, including emissions

into ambient air, discharges into water bodies, waste management and so forth. As part of these works, during the reporting period, integrated environmental permit was received for 41% of the facilities of the I category of negative environmental impact. No later than the second quarter of 2024, the integrated environmental permit will be provided for the rest of the Company’s facilities of this category.



THE COMPANY'S ACTIVITY AIMED AT PROTECTION AND RATIONAL USE OF WATER RESOURCES

Corporate measures for the protection of water resources aimed at rational water use, reuse of wastewater in the production and prevention of water bodies pollution and depletion. In 2023, the Company's fund investments amounted to more than RUB 1.4 billion in construction of water protection facilities.

Most of the Company's subsoil plots are located in the Middle Ob, a wetland area that is unique in scale, with many rivers, streams and lakes. The distinctive features of large rivers, the main part of which has been studied, are spring-summer floods and high waters. Given the specifics of the region, the Company follows a special management procedure that allows it to ensure a high level of protection of water bodies.

In the reporting year, "Surgutneftegas" PJSC practiced to survey 38 unstudied water bodies,

data about which are not available in the State Water Register. In 2024, it is additionally planned to survey 32 water bodies in order to ensure the implementation of production programs of the Company's business units and timely registration of permits for the use of water bodies.

According to the results of environmental monitoring, the impact on the environment at all subsoil plots of the Company is characterized as acceptable.

SPECIFIC WATER CONSUMPTION OF "SURGUTNEFTEGAS" PJSC IS LESS THAN 2 CUBIC METERS OF WATER PER TONNE OF HYDROCARBONS PRODUCED

The Company abstracts surface and ground water in strict compliance with its project and regulatory documents. Groundwater reserves were assessed at all water intake points used for public and drinking water supplies 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. Sanitary protection zones were installed for the Company's water intakes used for public and drinking water supplies.

100% OF WATER INTAKE POINTS OF THE COMPANY ARE EQUIPPED WITH WATER METERING INSTRUMENTS

In 2023, more than 4,268 thousand cubic meters of fresh water were produced from underground water bodies for public and drinking water supplies and technological support of the facilities of "Surgutneftegas" PJSC. All treated wastewater serves as injectant for the reservoir pressure maintenance system, which

significantly decreases freshwater intake from the surface and underground water bodies. During the reporting period, a total of about 411.4 million cubic meters of wastewater was pumped, 8.4 million cubic meters of which was treated public wastewater, including 6.6 million cubic meters in the Republic of Sakha (Yakutia).



"Surgutneftegas" PJSC data on water consumption, water discharge

Indicator	Unit	2022	2023	2024 (as planned)
Water production	'000 cub m	103,887.73	101,683.30	100,154.91
incl. fresh subsoil	'000 cub m	4,378.56	4,268.10	4,310.78
Surface water abstraction	'000 cub m	14,155.81	13,664.34	15,338.74
Specific water consumption	cub m/t	1.74	1.85	1.81
Wastewater injection	'000 cub m	399,499.95	411,410.50	416,280.80
incl. public wastewater	'000 cub m	6,087.35	8,488.22	2,089.33
Wastewater discharge into water bodies	'000 cub m	24.95	20.73	25.85



For more than 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 designed to separate water-oil emulsion and bring water to the requirements of the relevant standards. IWSUs based on three-phase separators enable to efficiently separate produced formation water for its further use in the reservoir pressure maintenance system, it thereby helps to reduce the corrosion of pipelines and accident risks, to prevent 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 activity, with the exception of industrial facilities in the village of Vitim in the Republic of Sakha (Yakutia). There, the use of wastewater in the reservoir pressure maintenance system is impossible due to the considerable remoteness from the fields, therefore, all public wastewater enters the biological treatment facilities, and after treatment it is discharged into the Romanovsky Klyuch brook; the volume of water disposal at the end of the reporting period was less than 21 thousand cubic meters.

Introducing waste into the production cycle and decreasing the volume of generated disposable waste are the top priorities of the environmental activity of "Surgutneftegas" PJSC. The Company develops and implements innovative technologies for effective recycling, decontamination and utilization of waste.

As a result of its business activities, "Surgutneftegas" PJSC annually generates about 1 million tonnes of waste, most of which (about 70%) are drill cuttings. The Company's specific indicator of waste generation

and burial is low and amounts to 0.019 tonnes and 0.003 tonnes per 1 tonne of produced hydrocarbons respectively. To ensure safe waste management, the Company designs, builds and operates production facilities, upgrades them.

FOR 2023, MORE THAN RUB 1,428 MILLION WAS INVESTED IN THE CONSTRUCTION OF WATER PROTECTION FACILITIES

In 2023, due to the record capital investments in the construction of water protection facilities, the Company commissioned Heater-Treater units at the Yaunlorskoye and Lenskoye oil and gas condensate fields; wastewater treatment stations at the Vachimskoye and Zapadno-Chigorinskoye oil and gas fields, Yaunlorskoye oil and gas condensate field, Rogozhnikovskoye, Solkinskoye, Bitemskoye, Severo-Labatyuganskoye and Muryaunskoye oil fields; a complex of facilities for the placement of associated and used water at the Severo-Labatyuganskoye oil field; a vehicle washing facility at the Zapadno-Surgutskoye oil field and Bystrinskoye oil and gas condensate field, and other facilities. Drain tanks were installed at 19 well pads, ramps were reconstructed at 23 well pads.

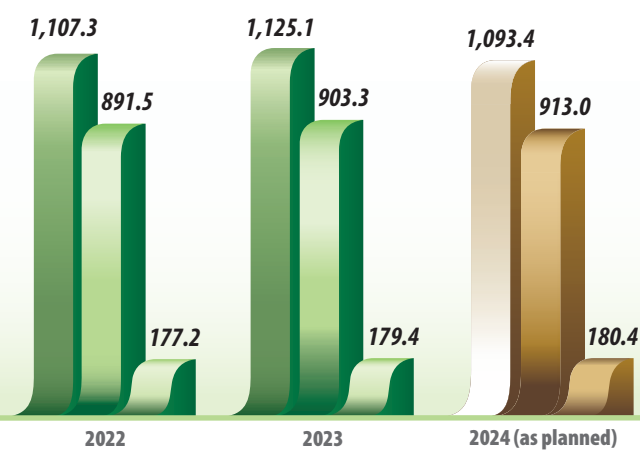
For 2024, more than RUB 730 million is planned to be spent on the construction of water protection facilities of the Company. The Company plans to construct Heater-Treater units at the Tukanskoye, Zapadno-Surgutskoye and Ai-Pimskoye oil fields, Central Block of the Talakanskoye and Savuyskoye oil and gas condensate fields; stations for wastewater treatment at the Bitemskoye oil field and Vachimskoye oil and gas field; wastewater and treatment facilities at the Zapadno-Surgutskoye and Severo-Labatyuganskoye oil fields, Zapadno-Chigorinskoye oil and gas field; vehicle washing facilities of Utility Vehicles Service OGPD "Komsomolskneft" in the village of Fedorovsky.

Waste management in "Surgutneftegas" PJSC

Indicator	2022	2023	2024 (as planned)
Waste generated, incl. waste accumulated, '000 tonnes	1,107.27	1,125.15	1,093.40
incl. drilling and capital construction waste	796.12	788.47	765.00
Waste utilized, '000 tonnes	796.92	799.70	803.33
incl. drilling and capital construction waste	639.63	620.77	565.00
Waste utilization level, %	71.97	71.08	73.47
incl. drilling and capital construction waste, %	80.34	78.73	73.86
Waste decontaminated, '000 tonnes	94.57	103.61	109.67
incl. drilling and capital construction waste	72.61	78.57	85.50
Waste disposed and buried, '000 tonnes	177.19	179.42	180.40
incl. drilling waste	61.13	61.64	114.50



Waste management in “Surgutneftegas” PJSC



- Waste generated, incl. waste accumulated
- Waste utilized and decontaminated
- Waste disposed

“Surgutneftegas” PJSC refused to use toxic chemicals for the preparation of drilling fluids in order to minimize the negative impact of drilling waste on the environment. At subsoil plots in Western Siberia, we use the unique pitless well drilling technology that was developed by the Company’s specialists together with leading

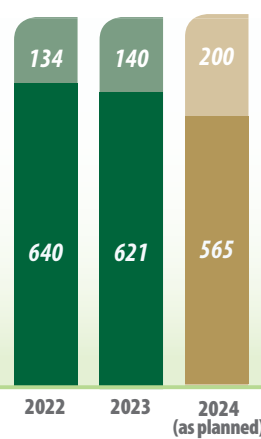
scientists of the Russian Academy of Sciences, taking into account the specifics of production activities and the territorial characteristics of the region. This technology allows the Company to drill wells in areas with high water content and special environmental status, using large-tonnage drilling waste as soil during earth fill construction on well pads.

THE LEVEL OF UTILIZATION OF DRILL CUTTINGS GENERATED IN “SURGUTNEFTEGAS” PJSC IS 79%

The nature- and resource-saving effect of the pitless well drilling technology has been repeatedly confirmed by the state environmental expertise at the federal level. The experience of “Surgutneftegas” PJSC in involving drill cuttings

in the production process is recommended for wide application in a letter from the Ministry of Natural Resources and Environment of the Russian Federation submitted to the Federation Council of the Federal Assembly of the Russian Federation.

Drill cuttings utilization as soil during earth fill construction on development and exploratory drilling sites, '000 tonnes



- Utilization
- Disposal, decontamination

Drill cuttings and oil sludge (which account for 1.4% of the total amount of waste generated in the Company) are sent year-round to sludge storage ponds, where they are prepared for subsequent decontamination. “Surgutneftegas” PJSC operates 44 single and multiple cell sludge storage ponds.

In 2023, the use of the panning and thermal methods made it possible to decontaminate 90.53 thousand cubic meters of oil sludge and oily soils, and prevent the disposal of toxic waste. Thermal decontamination of oil sludge is carried out using 10 “Szhigatel” incineration units. Decontamination of oil sludge and oily soils by panning is carried out in six centers and at three utilization lines by means of oil sludge phase separation units.

Decontamination of oil sludge and oily soils

Indicator	2022	2023	2024 (as planned)
Waste generation, incl. waste accumulation, '000 cub m	89.89	90.53	91.52
Decontamination, '000 cub m, incl.:	89.89	90.53	91.52
using “Szhigatel” incinerators	61.25	61.19	60.55
at panning centers	28.64	29.34	30.97
Decontamination level, %	100	100	100

THE LEVEL OF DECONTAMINATION OF OIL SLUDGE GENERATED IN “SURGUTNEFTEGAS” PJSC IS 100%

Used oil products, including oils generated by the Company are completely disposed of into commercial oil after cleanup (settling). Thermal decontamination of solid oily waste, oily

rags and filters is carried out using 28 “Forsazh-2M” units. In 2023, we decontaminated 0.46 thousand tonnes of such waste.



Waste utilization and recycling

Indicator	2022	2023	2024 (as planned)
Used oil products utilization, '000 tonnes	2,804	2,695	3,269
Used tires recycling, '000 tonnes	2,907	2,546	2,977
Paper and plastic recycling, '000 tonnes	0,319	0,303	0,260

THE LEVEL OF UTILIZATION OF USED OIL PRODUCTS
AND WORN-OUT TIRES IS 100%

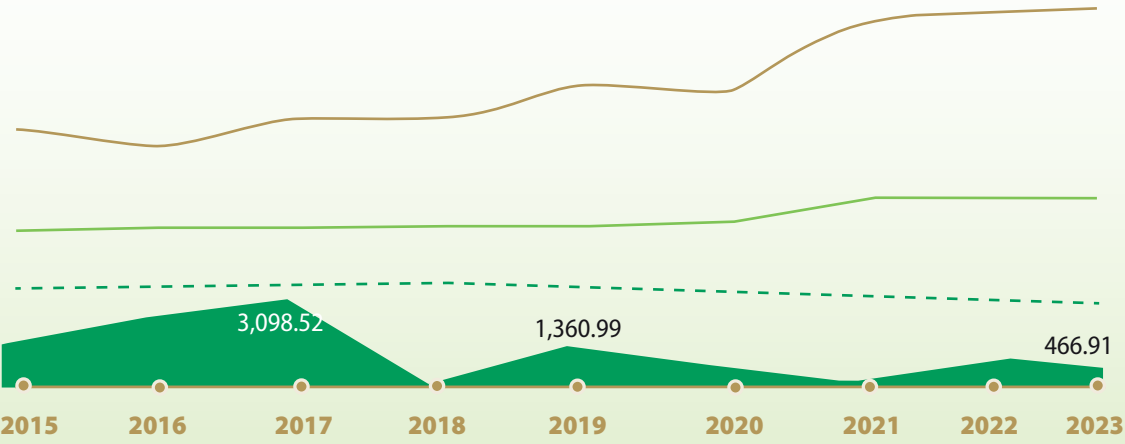
“Surgutneftegas” PJSC independently recycles discarded tires with metal and fabric cords into a certified product – rubber chips, which are used to modify bitumen at the Company’s asphalt-concrete plants and offered for sale to third-party consumers as a material for the production of safe coatings for children’s playgrounds and sports grounds. Products obtained by the Company

as a result of grinding paper and polymer-containing waste and pressing cardboard are also in demand on the recyclables market.

Utilization
of worn-out tires



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



- Waste utilized, treated and decontaminated, '000 tonnes
- Number of facilities for safe waste management, pcs
- - - Hydrocarbon production, '000 tonnes
- Investment in construction of facilities for safe waste management, purchase of equipment, RUB mn



THE COMPANY'S ACTIVITY AIMED AT COMPLIANCE WITH REQUIREMENTS FOR MANAGING PRODUCTION WASTE OF HAZARD CLASSES I-II

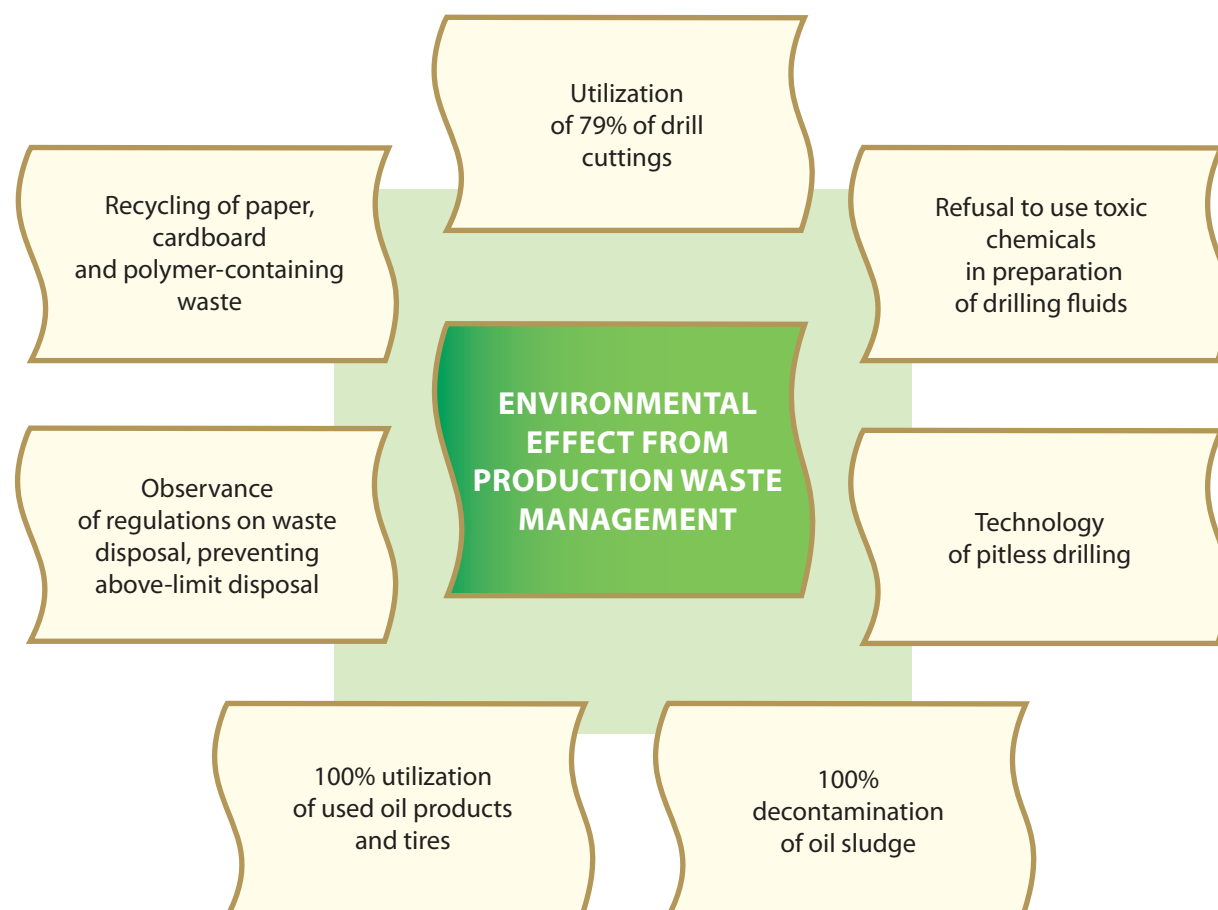
In accordance with the requirements for managing production waste of hazard classes I and II, "Surgutneftegas" PJSC interacts with the federal operator determined by the Government of the Russian Federation and works in the state information system for accounting and control of managing production waste of hazard classes I and II.

In the reporting period, there were 79 service agreements concluded with the federal operator to provide safe management of this waste. The Company transferred 19,397 tonnes of mercury containing waste and 43,987 tonnes of non-disassembled storage batteries for decontamination.

"SURGUTNEFTEGAS" PJSC DECONTAMINATES WASTE OF HAZARD CLASS II ON ITS OWN

The corporate waste management license includes 44 storage battery sites which make it possible for Surgutneftegas to implement a full cycle of safe management of disassembled storage batteries that fall into hazard class II. In 2023, the Company independently utilized more than 68 tonnes of spent electrolyte and decontaminated more than 308 tonnes of lead-acid batteries with unbleached electrolyte.

Thanks to its participation in the safe management cycle of hazard class II waste, "Surgutneftegas" PJSC earns profit from selling derivative products, including lead, which is a valuable secondary raw material. In the reporting year, more than 400 tonnes of products (spent lead-acid batteries) were sold to outside consumers.



Land reclamation

“Surgutneftegas” PJSC annually leases land plots that are owned by the central or local government to use them for prospecting and exploratory drilling, seismic surveys and hydrocarbons production, and upon completion of work it performs the technical and biological reclamation of disturbed lands. The Company returns land plots to the Forest Fund of the Russian Federation in time and in the manner prescribed by law.

In the reporting year, more than 161 thousand hectares of land were in use by “Surgutneftegas” PJSC. The Company places its production facilities in a comprehensive and compact manner to occupy the smallest possible area according to design materials.

The Company leases land plots exclusively for production purposes; upon completion of work, it, without fail, carries out technical and biological

reclamation of disturbed lands, returns them in a condition suitable for further use in accordance with their intended purpose.

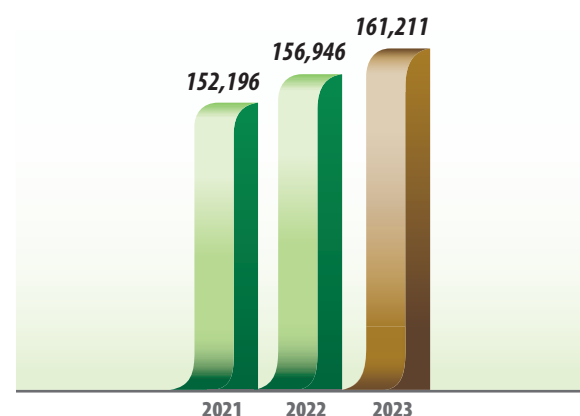
Strong discipline in the workplace, perfect quality of facilities construction and strict compliance with the environmental legislation enables “Surgutneftegas” PJSC to minimize the negative environmental impact of the Company’s production processes.

SURGUTNEFTEGAS RETURNED 5,822 HECTARES OF LANDS TO THE FOREST FUND OF THE RUSSIAN FEDERATION IN 2023

“Surgutneftegas” PJSC applies an individual approach for every land plot subject to the type of landscape, climatic conditions and other distinguishing characteristics. During reclamation, the Company uses equipment and materials that minimize damage and reduce temporary load on soils. After reclamation is completed, our employees continue monitoring young plants and set out new ones if necessary.

“Surgutneftegas” PJSC carries out constant industrial environmental control during all land use operations ranging from design and construction of infrastructure facilities and field development to the return of reclaimed lands to the Forest Fund of the Russian Federation.

Land area in use by
“Surgutneftegas” PJSC, ha



Pollution prevention and elimination

“Surgutneftegas” PJSC adheres to the precautionary principle and considers prevention of negative incidents a priority. At the same time, the Company has all the capabilities to clean up oil and oil product spills and further reclaim disturbed land plots. The Company’s employees are ready to react immediately to any unforeseen situation.

The Company operates the out-of-staff accident rescue unit consisting of eight squads set up at oil and gas production divisions of “Surgutneftegas” PJSC and at the lubricants and chemical additives facility of Vitim in the technical maintenance and equipment completing base in the Republic of Sakha (Yakutia). In 2021, the out-of-staff accident rescue unit was recertified to perform the works for elimination of oil and oil product spills, search and rescue operations in the territory of the Russian Federation, excluding internal sea waters and territorial sea.

The Company’s out-of-staff accident rescue unit is outfitted with modern equipment, special vehicles, means of communication and materials for eliminating oil spills on the surface of water bodies, in the coastal zone and on land, as well as for land reclamation.

The procedures for the out-of-staff accident rescue unit are provided for in plans for prevention and elimination of oil and oil products spills. In accordance with the requirements of the legislation of the Russian Federation, “Surgutneftegas” PJSC developed 11 plans in 2023. All plans were agreed upon by the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) and received approval based on the results of comprehensive exercises for the out-of-staff accident rescue unit and the confirmation of the Company’s readiness to localize and eliminate oil and oil products spills.

The superb professional training of employees, coherence among rescuers and the adequate level of equipment and materials availability allow the out-of-staff accident rescue unit to act efficiently 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.

In 2023, “Surgutneftegas” PJSC conducted comprehensive exercises involving the representatives of the Ministry of the Russian Federation for Civil Defense,

Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM of Russia), the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) and the Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor). They attested to the Company’s readiness to effectively eliminate the maximum volumes of oil spills possible for its facilities (up to 20,000 cubic meters) in the most unfavorable conditions: at extremely low temperatures, with a snow cover of 1.5 meters or more, in conditions of insufficient visibility, without roads, driveways, etc. Based on the results of the comprehensive exercises in the Republic of Sakha (Yakutia), the intergovernmental commission noted the exemplary condition of the facilities of “Surgutneftegas” PJSC, a high level of environmental safety, strict compliance with environmental requirements and a well-structured system of interaction with executive authorities.

The Company possesses modern materials and equipment, special oil-gathering machinery, vehicles and necessary means of communication to eliminate the consequences of oil and oil products spills and to reclaim polluted land plots.

**Readiness
to localize and
eliminate oil spills**



**Comprehensive
exercises
for the out-of-staff
accident rescue unit
in Yakutia**



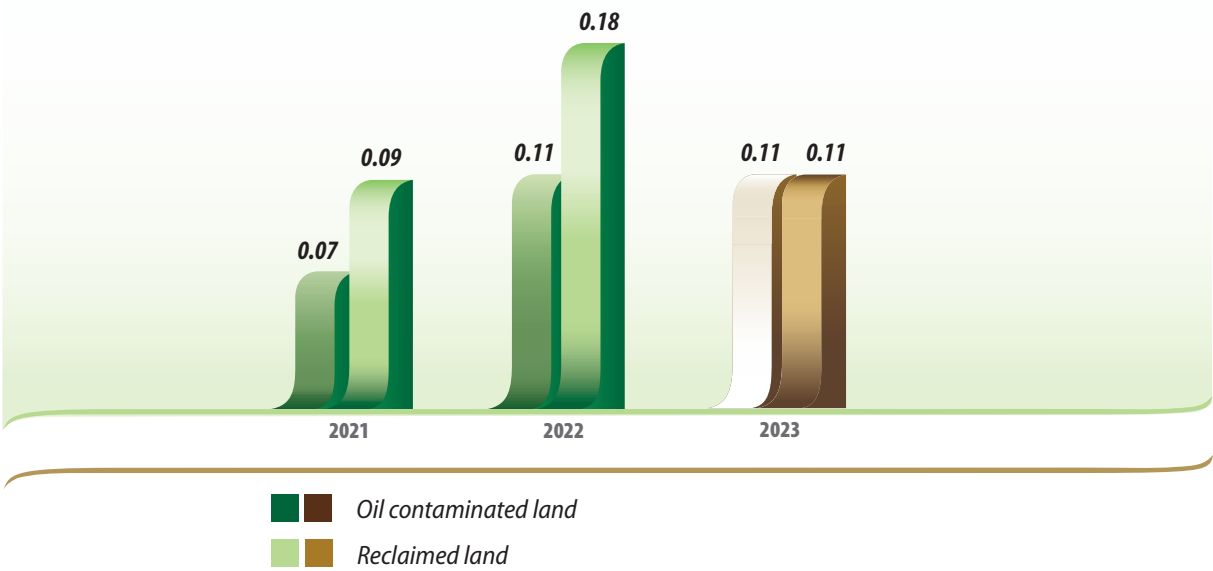
Oil spill response fleet includes the following equipment and materials	
Oil skimmers designed to operate under diverse weather and climatic conditions	167
Skimmer boats for skimming of oil on the surface of rivers and lakes, including shallow water trimarans	10
Self-contained pumps	77
Easy-to-assemble aluminum and steel pipes	13.41 km
Rapid deployment booms made of frost-proof materials, including for onshore protection	20.30 km
Absorbent booms	46.50 km
Mobile tanks for temporary storage of oil	47
Sprinklers for biological agents and bacteria treatment	18
Units for producing thermally exfoliated graphite absorbent (U-STRG)	9
Multifunctional floating platforms for water bodies and inshore zone integrated treatment	28
Vacuum dump trucks and tank trucks for pumping out and transporting oil products from the areas of spills	87
Dump trucks for soil transportation	136
Caterpillar all-terrain vehicles	22



In 2023, there were two 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 was due to corrosion; the total spill area was 0.11 hectares.

The works for elimination of oil spills have been performed in full; 0.11 hectares of disturbed land plots have been reclaimed in accordance with land reclamation projects approved and agreed by state authorities.

Reclamation of oil contaminated lands of “Surgutneftegas” PJSC, ha



Reclamation of lands disturbed during construction of sludge pits

For more than a quarter of a century, “Surgutneftegas” PJSC has been actively employing the technology of forest rehabilitation of sludge pits, developed by the Company’s employees together with scientists from Sukachev Institute of Forest of the Siberian Branch of the Russian Academy of Sciences.

Thanks to the technology of forest rehabilitation of sludge pits, which obtained an approval from the State Environmental Expert Commission at a federal level, 1,974 land plots of “Surgutneftegas” PJSC have been successfully restored. The uniqueness of the technology lies in the use of natural mechanisms for ecosystem restoration: sludge pits are not filled with imported soil, the decontaminated drill cuttings contained in them are subsequently converted into soil forming material. We set out willow and reed mace

along the perimeter of sludge pits; subsequently, sludge pits get filled with local highly productive plant communities which spread by self-seeding, grow well and turn into fully fledged areas of young forest in 10–15 years.

Assessment of the state of ecosystems at the well sites



SCIENTIFIC OPINION



L.P.Kapelkina,
Doctor of Biological
Sciences, Chief
Researcher of the
St. Petersburg Federal
Research Center
of the Russian Academy
of Sciences

The St. Petersburg Scientific Research Center for Ecological Safety of the Russian Academy of Sciences, which is currently a separate division of the St. Petersburg Federal Research Center of the Russian Academy of Sciences, has been cooperating with “Surgutneftegas” PJSC for over 25 years.

Our cooperation began with the study of drill cuttings generated during drilling with biodegradable polymer fluids. Having received encouraging information about the absence of pronounced toxicity of drill cuttings based on the results of laboratory studies, we approached the Company with a proposal

to conduct comprehensive field studies to learn about the impact of drill cuttings and mining operations on wetland ecosystems.

Since 1998, we have been monitoring terrestrial and aquatic ecosystems near the drilling sites of the Tyansky subsoil plot. Specialists from different fields took part in this comprehensive environmental work. Scientists from Komarov Botanical Institute of the Russian Academy of Sciences examined the state of vegetation; scientists from the Zoological Institute of the Russian Academy of Sciences conducted research on the animal world; scientists from the State Hydrological Institute looked into the hydrological state of the territories. Experts from Berg State Research Institute on Lake and River Fisheries (now the St. Petersburg branch of the Russian Federal Research Institute of Fisheries and Oceanography) studied the state of aquatic ecosystems and fish productivity of surrounding water bodies; scholars from the Scientific Research Center for Ecological Safety of the Russian Academy of Sciences delved into initial soil formation and features of soils formed on drill deposits and were responsible for overall project management.

In the anniversary year, the results of 25 years of monitoring were summarized. It is pleasant to know that Surgutneftegas fulfills its obligations to minimize the impact on the environmental components



and restore the natural state of ecosystems.

Due to an increase in the thickness of the bulk root layer and the formation of areas with different hydrothermal regimes, more favorable conditions for plant growth have been created at the reclaimed well pads over a quarter of a century, which encourages the formation and development of more diverse vegetation.

Here, on the raised ground, forest plantations with various types of trees, shrubs, herbaceous plants and mosses are formed. The formation of plant communities goes towards the development of forest ecosystems. The emerging habitats increase the total biomass and productivity of plant communities in the study area and generate additional food supply for the animal world. This is evidenced by the traces of deer and hares, the emergence of anthills, and an increase in the number of birds at the well pads.

There are two unique technologies developed and applied in Surgutneftegas that should be recognized as appropriate and successful:

1. the technology of forest rehabilitation of sludge pits without filling them with imported sand and with the use of cuttings of local willow and reed mace for planting; 2. the technology of pitless drilling with drill cuttings utilized as soil for earth filling of the well sites. Long-term monitoring of the natural environment at the well sites confirmed the appropriateness and effectiveness of these technologies used by “Surgutneftegas” PJSC.

We consider studying the state of ecosystems in the vicinity of drilling sites and addressing the issues of reclamation of disturbed lands, geochemical and ecotoxicological assessment of drill cuttings, their utilization, and other environmental issues to be mutually useful, and we hope to continue cooperation between science and industry.



FOREST PROTECTION

Most land plots used by “Surgutneftegas” PJSC are located in the territory of the Forest Fund of the Russian Federation. The Company never uses forests and lands for its business activities without obtaining permits (title documents).

Siberia is famous for its abundant forests. The western part is especially valued for its vast tracts of cedar forests; the eastern part can boast not only cedar woodlands, but also widely distributed Daurian larch. Every year, forest restoration activities compensate for the inevitable cutting down of trees necessary to carry out

geological research and field development. The Company has been steadily allocating significant financial resources for the restoration of forests (RUB 191.4 million in the reporting year). The Company is engaged in growing new highly productive forests consisting of coniferous trees – common pine and Siberian spruce.



“Surgutneftegas” PJSC takes care of maintaining the ability of the soil to self-recover and performs gross amount of works in forests during winter with a stable snow cover. We manage to avoid additional load on the soil, disturbance of the soil cover by means of special vehicles with wide pneumatic wheels.

At the request of the heads of the families of the small-numbered indigenous peoples of the North, permanently residing in the territories of traditional nature management, the Company restricted access to the forests in order to prevent conflicts between the indigenous population and residents of nearby settlements, who like fishing, hunting and collecting wild berries.

In spring and summer, the Company’s employees take part in volunteer cleanups to get

rid of numerous unauthorized landfills in forests, on the banks of rivers and lakes, where people usually picnic. The lack of basic environmental culture results in massive piles of rubbish that can be picked up only with trucks.

“Surgutneftegas” PJSC annually takes fire prevention measures in order to protect production facilities and adjacent forest areas from fire. The Company’s employees are trained and ready to respond promptly in case of possible fires, and the equipment in use is fitted with spark arresters. Mineralized fire barrier strips stretching in total for over 313 kilometers are created or being cut through along the borders of the forests. We set up and operate 33 stations with fire-fighting equipment, erected and updated 982 fire safety banner stands.

INDICATORS OF AN ENVIRONMENTAL IMPACT

For 10 years, “Surgutneftegas” PJSC has been applying a comprehensive approach to addressing environmental protection issues and thus has maintained a leading position among Russian oil and gas companies in the field of environmental protection. 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	2020	2021	2022	2023
1	Oil production	’000 tonnes	54,752.0	55,454.5	59,579.6	56,361.9
2	Hydrocarbon production	’000 tonnes	61,994.10	62,636.42	66,182.77	62,056.20
3	Gross pollutant emissions into the atmosphere	’000 tonnes	122.8	137.0	115.4	120.1
4	Specific pollutant emissions into the atmosphere per unit of produced hydrocarbons	kt/t	1.98	2.19	1.74	1.94
5	APG utilization level	%	99.52	99.44	99.41	99.29
6	Waste generated	’000 tonnes	1,149.9	1,146.7	1,073.3	1,085.9
7	Waste utilized in in-house production	’000 tonnes	725.1	689.4	701.1	695.4
8	Waste decontaminated in in-house production	’000 tonnes	66.5	82.8	94.3	103.3
9	Transferred to external companies	’000 tonnes	240.4	248.4	186.5	196.2
10	Specific indicator of waste burial per unit of produced hydrocarbons	t/t	0.005	0.004	0.003	0.003
11	Water consumption	’000 cub m	97,702.57	98,904.00	118,043.54	115,527.64
12	Specific water consumption per unit of produced hydrocarbons	cub m/t	1.576	1.579	1.743	1.853
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	147,158	150,369	152,196	156,946
15	Total land area in use at the end of the year	ha	150,369	152,196	156,946	161,211
16	Disturbed land area at the beginning of the year	ha	8,173	7,531	3,449	4,055
17	Disturbed land area at the end of the year	ha	3,742	1,218	0	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
21	Number of oil, oil products and produced water spills	spills	3	2	3	2

No	Name of specific indicator	Unit	2020	2021	2022	2023
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	%	93.93	93.65	94.21	93.00
24	Boiler and furnace fuel consumption:					
	Fuel oil	tonnes	351	368	367	372
	Diesel fuel	tonnes	2,964	4,233	22,755 *	23,333 *
	Oil	tonnes	25,401	41,234	39,418	27,135
	Gas	’000 cub m	2,964,168	2,994,759	3,223,215	3,241,395
25	Motor fuel consumption:					
	Gasoline	liters	17,491,173	17,329,787	16,817,637	16,604,958
	Diesel fuel	liters	303,520,654	314,127,484	288,543,855	279,679,475
	Kerosene	liters	59,480	11,101	582	1,630
26	Vehicles total mileage	km	469,436,804	462,851,163	469,329,573	466,890,440
27	Volume of reduction of fuel and energy consumption	tonnes of equivalent fuel	198,243	201,390	194,684	175,402
28	Consumption of electrical energy from external sources for in-house needs	mn kWh	5,084	5,165	6,224	6,257
29	Electrical energy saving	mn kWh	570	578	560	504
30	Consumption of thermal energy from external sources for in-house needs	Gcal	124,513	150,126	137,856	136,480
31	Thermal energy saving	Gcal	13,598	13,579	11,382	12,306
32	Supply of electrical energy to external consumers	’000 kWh	499,243	532,945	523,083	530,707
33	including in-house generated (Eastern Siberia)	’000 kWh	190,280	203,011	207,015	202,437
34	Supply of thermal energy to external consumers	Gcal	20,582	23,816	20,309	20,109
35	including in-house generated	Gcal	20,359	23,541	20,069	19,869

*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).

In 2023, actual payments of “Surgutneftegas” PJSC for the negative environmental impact amounted to RUB 36.18 million.

INDUSTRIAL ENVIRONMENTAL MONITORING

When carrying out work at the subsoil plots of “Surgutneftegas” PJSC, special attention is paid to monitoring changes in the state of natural environmental components under the influence of the Company’s business activities. The effective long-term monitoring system makes it possible to timely identify and efficiently eliminate possible adverse changes. Long-term studies confirm a minimal negative impact on the components of the natural environment.

At the subsoil plots, “Surgutneftegas” PJSC carries out production environmental monitoring (PEM) to control compliance with environmental quality standards, prevent and timely eliminate the consequences of a potential negative impact of the Company’s business activities on the environment and ensure maximum conservation, rational use and restoration of natural resources.

The Company conducts a study of the initial (background) contamination of environmental components before starting field development and monitors their current state during the exploitation of oil fields. PEM is also carried out at man-made facilities, including flares, pipeline crossings over the watercourses, well sites, waste disposal facilities (sludge pits, landfills, sludge storage ponds).

In the reporting year 2023, the condition of environmental components at 128 subsoil plots of “Surgutneftegas” PJSC 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 8,081 control points, including:

- 1,300 points during sampling under projects and programs for monitoring subsoil plots;
- 2,259 points for monitoring waste disposal facilities;
- 4,522 points for monitoring well pads built using technology of pitless drilling.

“Surgutneftegas” PJSC has a 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 143 measurement techniques; the production and research laboratory of OGPD “Talakanneft” – for 72 techniques. Physical and chemical testing laboratories of the R&D and production workshops of six oil and gas production divisions are accredited to use 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 which are accepted by regulatory bodies when exercising regulation and supervisory functions.

In 2023, we continued with the Program for monitoring the state of surface waters of Sacred

Lake Imlor. Samples were taken at monitoring points on the lake itself and other large water bodies that have a hydrological connection with it.

Employees 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.

In the reporting period, the Company’s costs for monitoring natural environmental components as well as industrial environmental and analytical control of industrial facilities amounted to more than RUB 404 million; it is planned to increase funding to RUB 440 million in 2024.

The monitoring results indicate a favorable environmental situation in the areas where “Surgutneftegas” PJSC operates. The impact of production facilities is characterized as acceptable, i.e. ensuring respect for the quality of the natural environment.





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

Biodiversity conservation

Biodiversity conservation is a key area of the environmental policy of “Surgutneftegas” PJSC, contributing to the maintenance of environmental balance and preservation of the original state of the territory where the Company operates.

Every year, “Surgutneftegas” PJSC increases the funding for the biodiversity conservation program. A record amount of money was allocated in the reporting period. The activities of this program are aimed at preventing

(minimizing) the impact of production activities on the environment, preventing the depletion of water, land and biological resources in the areas where the Company operates.

SURGUTNEFTEGAS INVESTED MORE THAN RUB 10.9 BILLION IN THE BIODIVERSITY CONSERVATION PROGRAM IN 2023

The main vectors of the Company's biodiversity conservation program are:

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

Traditionally, we monitor species that indicate biodiversity at the Company's licensed blocks in Khanty-Mansiysky Autonomous Okrug – Yugra, the Republic of Sakha (Yakutia) and Tyumenskaya Oblast. Scientists from Lomonosov Moscow State University and research centers of the 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 that indicate the biological diversity of key biocenoses (birds, mammals, vascular plants, mosses and lichens).

In the reporting period, as part of the corporate forest restoration activities, more than 3,140 thousand saplings of common pine and almost 188 thousand saplings of Siberian spruce were planted – these coniferous trees have the best survival rates. Every year “Surgutneftegas” PJSC allocates significant financial resources to replenish the forests of Western and Eastern Siberia. The saplings, corresponding to the climatic

zones of the regions, are delivered from plant nurseries.

For a long time, the Company has been taking compensatory measures for the artificial reproduction of aquatic biological resources. Over the past five years alone, more than 200 million young fish (including such species as nelma, muksun, sturgeon, salmon) worth almost RUB 340 million have been released into the water bodies of Khanty-Mansiysky Autonomous Okrug – Yugra, the Republic of Sakha (Yakutia), Tyumenskaya Oblast, Irkutskaya Oblast, Krasnodarsky Krai and Krasnoyarsky Krai.

314 MILLION DIFFERENT YOUNG AND LARVAL FISH HAVE BEEN RELEASED INTO WATER BODIES OVER 11 YEARS



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

In 2023, “Surgutneftegas” PJSC allocated more than RUB 88 million for the restoration of aquatic biological resources. With the assistance of the Company, the population of whitefish species in regional rivers and lakes was replenished with young and larval peled, nelma and muksun; in total, more than 17 million fish were released.

In the reporting period, scientists from the Institute for Biological Problems and Cryolithozone of the Yakutsk Scientific Center of the Siberian Branch of the Russian Academy of Sciences continued monitoring biological resources and cryolithozone at the subsoil plots of “Surgutneftegas” PJSC in the Republic of Sakha (Yakutia) within the biodiversity conservation program. Experts assess the man-made impact of the oil and gas industry on the environment, analyze the transformation of ecosystems and predict further changes. The received

materials and recommendations are used during development of mitigating and compensatory environmental protection measures in the Company’s project documentation.

Over the years, the Company has been performing biological monitoring in Numto nature park and areas adjacent to the park within the biodiversity conservation program in Khanty-Mansiysky Autonomous Okrug – Yugra. Soil scientists, geobotanists, chemists and other specialists from the Company’s own R&D and Project Design Institute take part in a number of studies. In particular, they monitor the hydrological regime of wetlands and evaluate the effectiveness of culverts. In general, “Surgutneftegas” PJSC attracts leading Russian scientific organizations that have extensive experience in conducting research in the region.



In 2023, on the occasion of the 270th anniversary of the oldest Russian university – Lomonosov Moscow State University – book “Identification of lichens of Russian wetlands” was published. The publication is recommended for botanists, wetland scientists, geographers and employees of specially protected natural reservations. The book is largely based on materials obtained by biologists and soil scientists during expeditions to Numto nature park (research work has been carried out for a long time by Moscow scientists at the request of “Surgutneftegas” PJSC).

The Company fully implements measures to minimize environmental risks, mitigate a negative impact of its business activities on the hydrology of wetlands, as well as bird safety measures. We annually update the unique geographic information system – a database which contains information on discovered habitat of rare

and endangered biota representatives of the nature park.

The Company’s production facilities do not violate the ecological framework of the specially protected natural reservation and do not have a negative impact on the ecosystem of Numto nature park. These are the results of research work that has been carried out in these territories for 12 years.

Next year, together with scientists from Yugansky State Nature Reserve, “Surgutneftegas” PJSC will begin to develop a program for the conservation of rare bird species in the territory of the Company’s activities in Beloyarsky District of Khanty-Mansiysky Autonomous Okrug – Yugra. The Company’s plans for 2024 include developing an agreement on interaction with the State Hydrological Institute in order to organize joint activities to minimize the impact of the Company’s business activities on the hydrology of wetlands.



Restoration of water biological resources



SCIENTIFIC OPINION



N.A. Avetov, Candidate of Biological Sciences, leading researcher at the Faculty of Soil Science, Lomonosov Moscow State University



E.A. Shishkonakova, Candidate of Geographical Sciences, senior researcher at Dokuchaev Soil Science Institute, member of the Expert Council under the Committee on Agricultural and Food Policy and Environmental Management (Ecology and Environmental Protection section) of the Federation Council of the Federal Assembly of the Russian Federation

As an environmentally responsible company, "Surgutneftegas" PJSC pays significant attention to preserving biodiversity in the area of its operations. From 2012 to the present, as part of soil biological monitoring, Ecomax LLC with the help of the scientists from the country's leading scientific institutions (Lomonosov Moscow State University, Dokuchaev Soil Science Institute, Laboratory of Wetland Ecosystems of the Federal Research Center "Karelian Scientific Center of the Russian Academy of Sciences") and the institution responsible for specially protected natural reservations in Khanty-Mansiysky

Autonomous Okrug – Yugra (Yugansky State Nature Reserve) has been implementing an important environmental project that makes it possible to assess the impact of oil production infrastructure on the ecosystems of Numto nature park, the territory of which is located in close proximity to oil fields.

Long-term observations allow for tracking important trends in changes in flora and fauna (primarily ornithologic fauna), including assessing the impact of climate fluctuations on these changes, identifying the possibilities of invasive species to penetrate natural wetland communities and establishing the dynamics of transformation of landscapes of permafrost wetlands (flat- and high-mound palsa mire), observing the habitats of rare and protected species of plants and animals. When monitoring, a lot of attention is paid to the eutrophication of wetland vegetation in the contact strip between production sites and wetland phytocenoses: the nature of eutrophication, the component composition of vegetation, dynamics, connection with production processes at the sites (construction of well pads, drilling, oil production). The condition of reclaimed (mainly by planting willows) former production surfaces adjacent to the well pads and their natural colonization are also observed during the monitoring.

The representatives of Ecomax LLC have repeatedly appeared in the regional press (TV company "SurgutInform-TV", newspapers "Neft Priobya" and "Surgutskaya Tribuna"), where they explained how the monitoring was carried out, informed the audience (TV viewers and readers in Khanty-Mansiysky Autonomous Okrug – Yugra) about the state of flora and fauna in Numto nature park and Surgutneftegas activities to preserve ecosystems located in the landscapes adjacent to the park. Such speeches have contributed and will continue to contribute to the creation of a positive image of the Company's activities aimed at nature conservation, especially in the territories directly adjacent to specially protected natural reservations, as well as those used by the local population (Khanty, Nenets) for their traditional housekeeping activities.



Conducting soil biological monitoring acquires particular national significance in light of the law adopted in 2023 on the national background monitoring of permafrost, which provides, among other, for systematic environmental support of projects on developing permafrost territories. Meanwhile, permafrost wetlands occupy at least 15% of the territory of Numto nature park and

the adjacent fields of "Surgutneftegas" PJSC. Located in the extreme south of the permafrost zone of Western Siberia, this territory is most vulnerable to man-made impacts in the context of global warming. The initial degradation of permafrost on the flat- and high-mound palsa mire occurs for natural reasons. The scientific research showed no evidence of destructive man-made processes.



O.G. Strelnikova, Honored Ecologist of Yugra, member of the Russian Bird Conservation Union, head of the Department for Environmental Education and Ecotourism of Yugansky State Nature Reserve

Since 2012, "Surgutneftegas" PJSC, being a conscientious user of natural resources, has been conducting biological monitoring at the subsoil plots adjacent to the boundaries of Numto nature park. Moreover, the monitoring had started even before the development of licensed blocks began,

and still continues at all stages of the creation of oil production infrastructure. The analysis of monitoring data shows that there has been no depletion of flora and fauna in the territory of the Company's activities; the number of background species is quite stable; sightings of particularly rare (Red Book) species are recorded every year. Rare species such as peregrine falcon, gyrfalcon, white-tailed eagle, osprey and pale harrier continue to nest at the subsoil plots. Nesting and successful hatching of gray crane chicks (Red Book of Khanty-Mansiysky Autonomous Okrug – Yugra), a species very sensitive to any anthropogenic influences, were noted here.

The Company's management always takes into account the opinion of environmental experts. Thus, when a peregrine falcon nesting territory was discovered in a license block, Surgutneftegas installed BFDs (bird flight diverters) on power transmission lines.

Support of specially protected natural reservations and other territories with a special mode of management

In accordance with license agreements, "Surgutneftegas" PJSC 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 planning business activities in sensitive areas, "Surgutneftegas" PJSC necessarily performs a spatial analysis of environmental risks and makes environmental and biological assessment of a priority development territory.

The Company prospects, explores and produces hydrocarbons, constructs infrastructure and develops fields on these lands in adherence to the licenses for subsoil use.

"Surgutneftegas" PJSC strives to preserve the original state of the leased land plots, cares for the sustainability of ecosystems and their biodiversity, respects traditional industries and unique culture of the small-numbered indigenous peoples of the North, makes a significant contribution to the development of the areas of its business activities. The Company has built an effective system of interaction with the indigenous population living in harsh climatic conditions. Surgutneftegas ensures the reduction of the environmental impact of oil production, the maximum preservation of the unique environment of indigenous peoples which is passed down through generations and necessary for their traditional way of life.

In order to support specially protected natural reservations and other territories with a special mode of management, "Surgutneftegas" PJSC ensures the achievement of the following goals and the solution of the following tasks:

- to 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;
- to minimize a negative environmental impact by reducing emissions, effluents and waste, eliminating any man-made impact outside the areas designated for production facilities;

- to eliminate the vehicles and personnel presence and movement outside the boundaries of industrial sites and facilities designated for this purpose without proper authorization;

- to 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;

- to 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;

- to limit unauthorized access to traditional nature management areas and specially protected natural reservations;

- to supervise observance of the code of conduct by the employees working within the boundaries of specially protected natural reservations and in adjacent territories.

As part of cooperation with Numto nature park, "Surgutneftegas" PJSC allocated RUB 4.6 million for the implementation of the agreement in 2023. Funding is provided for scientific research and renovation of the institution's materials and equipment. In particular, in October, the Company delivered power tools and a "Buran" snowmobile, intended for carrying out environmental protection measures and winter route registration, for the inspectors to the park's territory by helicopter, and sleds to set

up an ecological trail to the park's visitor center in the village of Numto. A network of permanent recording sites and routes has been created on the territory of the nature park, where monitoring work is carried out annually. Over the entire period of research, the main geological, geomorphological and geocryological features of the specially protected natural reservation were identified; the hydrology and hydrological regime, soils and landscape structure of the territory were described; the flora and fauna of the nature park (38 species of mammals, 160 species of birds as well as hundreds of species of higher vascular plants, bryophytes and lichens) were studied quite fully.

During the reporting year, we carried out comprehensive environmental monitoring and landscape monitoring in the park. These included an assessment of the state and dynamics of vegetation cover and productivity of reindeer moss, studies of the state of animal populations and communities, field registration of terrestrial vertebrates in the zone of traditional extensive nature management in the park, and also identification of areas of transformation of natural complexes under the influence of natural and anthropogenic factors.

An expedition of scientists from Geospectrum company (St. Petersburg) took place in the western part of Numto nature park. One of the areas of research was to determine changes in landscapes using remote sensing methods (high- and ultra-high-resolution satellite images) with the help of unmanned aerial vehicles to obtain images from different heights of 30–200 meters. At the Company's subsoil plots within the boundaries of the nature park, the Tyumen Scientific Center of the Siberian Branch of the Russian Academy of Sciences carried out studies of the flora of higher vascular plants as well as work to create a cartographic and information base of biological diversity and environmental factors on the territory of the park. In 2023, Tyumen scientists, with the support of the Company, continued to implement a scientific project to study global climate problems. Surgutneftegas pays attention to the issues related to possible climate change and provides support in the implementation of the geocryological monitoring program. In 2024, the cooperation will continue, and more than RUB 4.3 million will be allocated to the park management.

"Surgutneftegas" PJSC regularly carries out environmental monitoring in the territories of its business activities, implements all corporate environmental programs, applies an ecosystem approach, ensuring the original condition of leased land plots. The priority areas of the Company's work are compliance with environmental standards, implementation of resource-saving technologies and respect for nature.

The Company makes a significant contribution to improving the quality of life in the regions where it operates.

Surgutneftegas has installed checkpoints that restrict unauthorized access on the industrial roads in traditional nature management areas. The employees of "Surgutneftegas" PJSC and its contractors 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 for sustainable
development
of territories



EXPERT COMMENTARY



L.A. Matveeva,
director
of Numto
nature park

Numto nature park, with a total area of 597,189.5 hectares, is located in the North of Khanty-Mansiysky Autonomous Okrug – Yugra, almost in the very center of Western Siberia. The park was founded with the aim of preserving the natural and historical complex of Verkhny Kazym and Lake Numto and protecting the places of residence and economic activity of the small-numbered indigenous peoples of the North.

Nature has deposited significant reserves of hydrocarbons within the boundaries of the park. Industrial development of the territory of Numto nature park began in 1999, when “Surgutneftegas” PJSC obtained the right to conduct geological study, search and evaluation of oil and gas fields within the boundaries of Numto license block which covered almost the entire territory of the nature park. Since that year, only exploration of mineral resources had been carried out, and in 2004, as an exception, oil production began. Today, the development of oil fields is carried out in eight subsoil plots adjacent to the territory of the nature park.

Taking into account all the natural, historical, cultural and social features, a special protection regime has been established in the park, depending on the functional zone. The economic use zone allocated within the park performs a buffer function.

Measures taken in 2022 to move the production facilities of “Surgutneftegas” PJSC outside the park

strengthen its significance as a specially protected natural reservation and ensure that a balance is maintained in fulfilling environmental tasks and respecting the interests of the indigenous population.

“Surgutneftegas” PJSC and Numto nature park concluded an agreement on mutual cooperation in 2003. The funds transferred to the budget of the institution were aimed, in particular, at holding the II All-Russian Conference dedicated to the 25th anniversary of Numto nature park, carrying out R&D activities, purchasing monitoring equipment, maintaining facilities, developing the territory of the park, equipping the visitor center in Numto village.

In 2023, a number of research projects were carried out in the territory of the nature park with the financial and organizational support of the Company: “Landscape Monitoring”, “Geocryological Monitoring”, “Integrated Environmental Monitoring”, “Flora of Higher Vascular Plants of Numto Nature Park”, “Creation of a Cartographic and Information Base of Biological Diversity and Environmental Factors in the Territory of Numto Nature Park”. To ensure the effective operation of the environmental protection department, snowmobiles, aluminum boats, chainsaws, portable motor pumps, inverter generators, drag sleds, and outboard motors were purchased under the agreement.

The activities of “Surgutneftegas” PJSC in the territories adjacent to the park determine the specifics of its work, require effective protection of natural complexes and their in-depth study. At the same time, the Company provides comprehensive assistance to achieve the objectives set for the nature park. The active involvement of Surgutneftegas in the process of nature conservation has a positive effect on the development of environmental protection in Khanty-Mansiysky Autonomous Okrug – Yugra.

SCIENTIFIC OPINION



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knowledge about nature in general and its important component – permafrost, and there is constant interest in the ongoing work within the framework of environmental and geocryological monitoring on the part of “Surgutneftegas” PJSC.

The work being carried out on the geocryological monitoring network makes it possible to use instrumental methods to establish changes in permafrost temperature both over different periods of time and at different sites in different landscape and geocryological conditions.

Measurements of the depth of seasonal thawing of permafrost show how it responds to climate changes – air temperature and snow depth. At the same time, the area of permafrost degradation is determined.

Visual methods make it possible to determine which cryogenic processes are most common of the study area. Under the conditions of global warming, thermokarst and thermal denudation are well represented.

The research has determined that the area of island permafrost decreases as a result of thawing under the influence of natural processes and is not associated with man-made factors. We established that permafrost limit had shifted to the North. Currently, it runs slightly south of the border of Numto nature park. The depth of seasonal thawing increases. Processes associated with permafrost degradation are well represented.

Data obtained during environmental and geocryological monitoring are used not only for applied production tasks, but also for academic and educational purposes. Within the academic framework, the results are presented at conferences and in articles written for scientific journals. Students of the Department of Earth Cryology at the Tyumen Industrial University have written 11 coursework essays, theses and dissertations applying this information.



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Environmental and geocryological monitoring within Numto nature park has been carried out since 2019 by a team of scientists from the Tyumen Scientific Center of the Siberian Branch of the Russian Academy of Sciences, the Tyumen Industrial University and Institute of Geographic Information Systems LLC.

The employees of “Surgutneftegas” PJSC have been providing active assistance at all stages of work, from project development, drilling operation and equipment of thermometric wells, to annual monitoring. The installation of a geocryological monitoring network became possible only as a result of the assistance provided by the Company. It should be noted that we carry out joint activities to popularize

DIGITALIZATION IN THE FIELD OF ENVIRONMENTAL PROTECTION

“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 environmental services of “Surgutneftegas” PJSC monitor the state of the environment at the Company’s subsoil plots and 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.

We use comprehensive automation and a centralized system approach to 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 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 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, water consumption accounting journals in electronic form;
- formation of reports on the organization and implementation of the industrial environmental control.

In 2023, the Company finished the development of an information system of centralized accounting and implementation of measures to compensate for damage to aquatic biological resources and their habitat and launched it into pilot operation.

In order to effectively control the environmental situation at “Surgutneftegas” PJSC, minimize the negative impact of production on the environment and comply with the requirements of the environmental legislation of the Russian Federation, the priority task of the Company’s digitalization is currently being actively carried out – the solutions used are being transferred onto import-independent components for the flawless organization of digital interaction with government authorities and further development of its information technologies in the field of environmental management.



INTERACTION WITH THE SMALL-NUMBERED INDIGENOUS PEOPLES OF THE NORTH

“Surgutneftegas” PJSC makes a significant contribution to the sustainable development of the regions of its presence, contributes to the preservation of the unique way of life, traditional occupations and crafts of the Khanty, Mansi, Nenets and other indigenous peoples of the North. The Company ensures the minimum acceptable impact of its business activities on the environment.

When developing new subsoil plots, the Company does a lot of work to collect information, update materials about archaeological and ethnographic monuments, sacred places and camps of the indigenous population, grazing and calving areas for domesticated reindeer. The location of production facilities of “Surgutneftegas” PJSC in territories of traditional natural resource use is necessarily agreed upon with the indigenous people living there, both individually and during public discussions of the Company’s plans for field development.

For more than 20 years, the Company has been concluding and fully implementing agreements on the use of land plots for the purpose of subsoil use with the authorities of the regions of its presence, municipalities, communities of indigenous peoples and heads of families of indigenous peoples – the native title holders. In the reporting year, by decision of V. L. Bogdanov, Director General of “Surgutneftegas” PJSC, the amount of quarterly compensation to each family member of the indigenous peoples of the North was increased by more than 2.5 times; the Company took upon itself to pay most of their tax payments for the preferences provided (taking into account the changes made to Article 226 of the Tax Code of the Russian Federation).

According to the agreements, the Company transfers “Buran” snowmobiles, gasoline, motor boats, chainsaws and much more to the indigenous people, allocates and delivers construction materials to hard-to-reach areas. The Company pays for the education of students from among the indigenous minorities in higher and secondary specialized educational institutions and helps with further employment; funds dental care for the indigenous people. “Surgutneftegas” PJSC pays for communication and transport services, including helicopter services.

To ensure environmental safety of production, the Company uses nature- and resource-saving technologies and introduces effective innovations. The Company imposes strict requirements for geological exploration and development of oil fields bordering specially protected natural reservations.

In 2023, a new edition of the memo for the Company’s employees working at subsoil plots in Beloyarsky District of Khanty-Mansiysky Autonomous Okrug – Yugra adjacent to Numto nature park was distributed in labor teams of “Surgutneftegas” PJSC and its contractors. It was co-authored by the indigenous residents of the national village of Numto.

We restricted the unauthorized access to traditional nature management areas and specially protected natural reservations at the request of the indigenous population and government authorities. In accordance with the current special regime, the Company’s employees are not allowed to be outside the production facilities in the specially protected natural reservations. Surgutneftegas employees are not allowed to bring firearms, fishing equipment, dogs and other animals to the oil field; it is forbidden to hunt, fish or collect wild plants; it is strictly prohibited to bring explosive and hazardous chemicals and alcoholic beverages.

Utility vehicles of “Surgutneftegas” PJSC can pass through the checkpoints after inspection if a driver has a route permit. Unhindered passage through the checkpoint is allowed to the indigenous residents of these places, their relatives, and guests. 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 and timely clearing of dirt roads from fallen trees.



Oil workers respect the customs and beliefs of the northern peoples; religious sites, sanctuaries, and personal property of families are inviolable for the Company’s employees. The services supporting the small-numbered indigenous peoples of the North, established in the business units of “Surgutneftegas” PJSC and the Company’s headquarters, cooperate with the indigenous people. Service specialists are available at any time of the day to promptly resolve all emerging issues.

Every year, the Company takes part in organizing mass national holidays of the indigenous peoples of the North and finances the purchase of prizes for the winners, delivers residents of remote areas of Surgutsky and Beloyarsky Districts to Khanty-Mansiysk for the annual competition of professional skills among reindeer herders for the Cup of the Governor of Yugra. The Company’s passenger minibuses and trucks, prepared to transport reindeer, food for

them, sleds and other equipment, travel hundreds of kilometers from rural settlements and camps to Khanty-Mansiysk and back.

Every year, the Company finances the purchase of residential buildings in remote settlements of Beloyarsky District, ensures the construction and maintenance of a winter road in Numto, delivers building materials and firewood to this remote village, and provides transport for the local people to purchase large equipment and furniture.

“Surgutneftegas” PJSC considers as a priority the preservation of a favorable environment, the maintenance of ecological balance, the peaceful coexistence of industrial civilization and local communities dependent on natural resources. Corporate social responsibility provides comprehensive assistance in resolving issues related to improving the living standards of the indigenous peoples of the North, preserving their original culture and traditional environmental management.

Increase in compensatory payments to the small-numbered indigenous peoples of the North



Assistance in organizing a competition of professional skills among reindeer herders



“Surgutneftegas” PJSC effectively cooperates with scientific organizations, many of which are members of the Russian Academy of Sciences, in order to carry out research in the field of environmental safety, environmental monitoring, environmental and biological assessment of the areas where the Company operates. The Company conducts its own scientific research and expert work using vast analytical material accumulated over many years of environmental monitoring.

In the reporting year, the employees of Dokuchaev Soil Science Institute, Lomonosov Moscow State University and Yugansky State Nature Reserve continued biological monitoring at the subsoil plots of “Surgutneftegas” PJSC bordering the territories of Numto nature park. The monitoring results indicate that there are no threats from the industrial facilities of Surgutneftegas to the ecosystems or rare species of plants and animals of the specially protected natural reservation. The species composition of animal groups, including birds, remains unchanged. Moreover, in 2023, four species of birds listed in the Red Books of the Russian Federation and Khanty-Mansiysky Autonomous Okrug – Yugra (white-tailed eagle, pale harrier, osprey and peregrine falcon) were encountered. The experts assessed the ecological state of the territory and found that there were no signs of oil contamination of soil, water bodies or vegetation in Numto.

The employees of the Institute for Biological Problems and Cryolithozone of the Yakutsk Scientific Center of the Siberian Branch of the Russian Academy of Sciences carried out biological research at the subsoil plots of “Surgutneftegas” PJSC in the Republic of Sakha (Yakutia). In particular, the researchers carried out field studies of soil, vegetation, wildlife, permafrost, surface water and water biological resources. Biological monitoring allows 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 carried out monitoring of biological resources and cryolithozone in several stages and 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 is no degradation of local populations of insect species listed in the Red Book of the Republic of Sakha (Yakutia). On the contrary, rare species of bedbugs and beetles were identified in 2023. In the studied herbaceous communities, the species diversity of chortobiont invertebrates, the number of viviparous lizards, the patchiness of biotopes, and species diversity and population density of birds increased. The number of game animals in the territory of the studied subsoil plots in the Republic of Sakha (Yakutia) is stable.

In the reporting period, the Tyumen branch of the Russian Federal Research Institute of Fisheries and Oceanography carried out research work in the floodplain of the Ob River and its tributaries in the area of the Company’s planned influence. This type of research was organized in Surgutsky District for the first time. For two weeks, scientists carried out ichthyological, hydrobiological, hydrochemical and hydrological studies in several selected areas. They determined the composition of the ichthyofauna, length, total mass, fat content, sex and stage of maturity of fish as well as other indicators necessary to describe the characteristics of spawning grounds, annual fish productivity and the average density of filling spawning grounds. The scientists made a conclusion based on the observations that all the studied areas are similar in their characteristics and represent a single whole as a common biotope. Subsequently, based on the results of laboratory studies, the total annual productivity for all studied areas was determined, as well as the predicted density of spawning grounds in the floodplain of the Ob River.



The results obtained are used as objective and independent initial data for calculating the damage caused to aquatic biological resources and their habitats, and developing the Company’s compensation measures.

For a quarter of the century, “Surgutneftegas” PJSC has been cooperating with St. Petersburg Federal Research Center of the Russian Academy of Sciences, whose researchers carried out comprehensive environmental and toxicological studies of drill cuttings in 2023. The scientists have also studied the hydrobiology of reservoirs, the state

of ichthyofauna, land plots, vegetation cover and the species composition of the animal world. They identified 57 species of birds, six of which are listed in the Red Book of Khanty-Mansiysky Autonomous Okrug – Yugra. These are curlews, whimbrels, gray cranes, ospreys, white-tailed eagles, falcons. The last three species are also listed in the Red Book of the Russian Federation.

The results of the research are applied to make management decisions aimed at minimizing a negative environmental impact of the Company’s business activities.

Unique scientific research of spawning grounds in the floodplain of the Ob River



Biological monitoring of Numto nature park and territories adjacent to the park



SCIENTIFIC OPINION



*Y.A. Kapustina,
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of the Russian Federal
Research Institute
of Fisheries
and Oceanography*

The Tyumen North is rich not only in large reserves of oil and gas, but also in a variety of aquatic biological resources.

Maintaining a balance between the exploitation of deposits, business activities of fuel and energy companies and the preservation and increase of fish

stocks is a strategic task. The task is not easy, since the aquatic ecosystems of the North are characterized by high sensitivity to anthropogenic impact.

"Surgutneftegas" PJSC systematically and consistently approaches the problems of preserving aquatic biological resources of the Tyumen North. In close contact with fishery science, it works proactively, assessing environmental risks before work begins and following scientific recommendations to minimize them. The oil company helps us with expeditionary fisheries research, and for that reason our scientific analysis is based not on theoretical reasoning, but on up-to-date factual material, therefore it is accurate and reliable.

Another important part of large environmental work is restoration of water biological resources. The oil company annually replenishes the rivers of the Ob-Irtysh basin with valuable fish species.

SCIENTIFIC OPINION



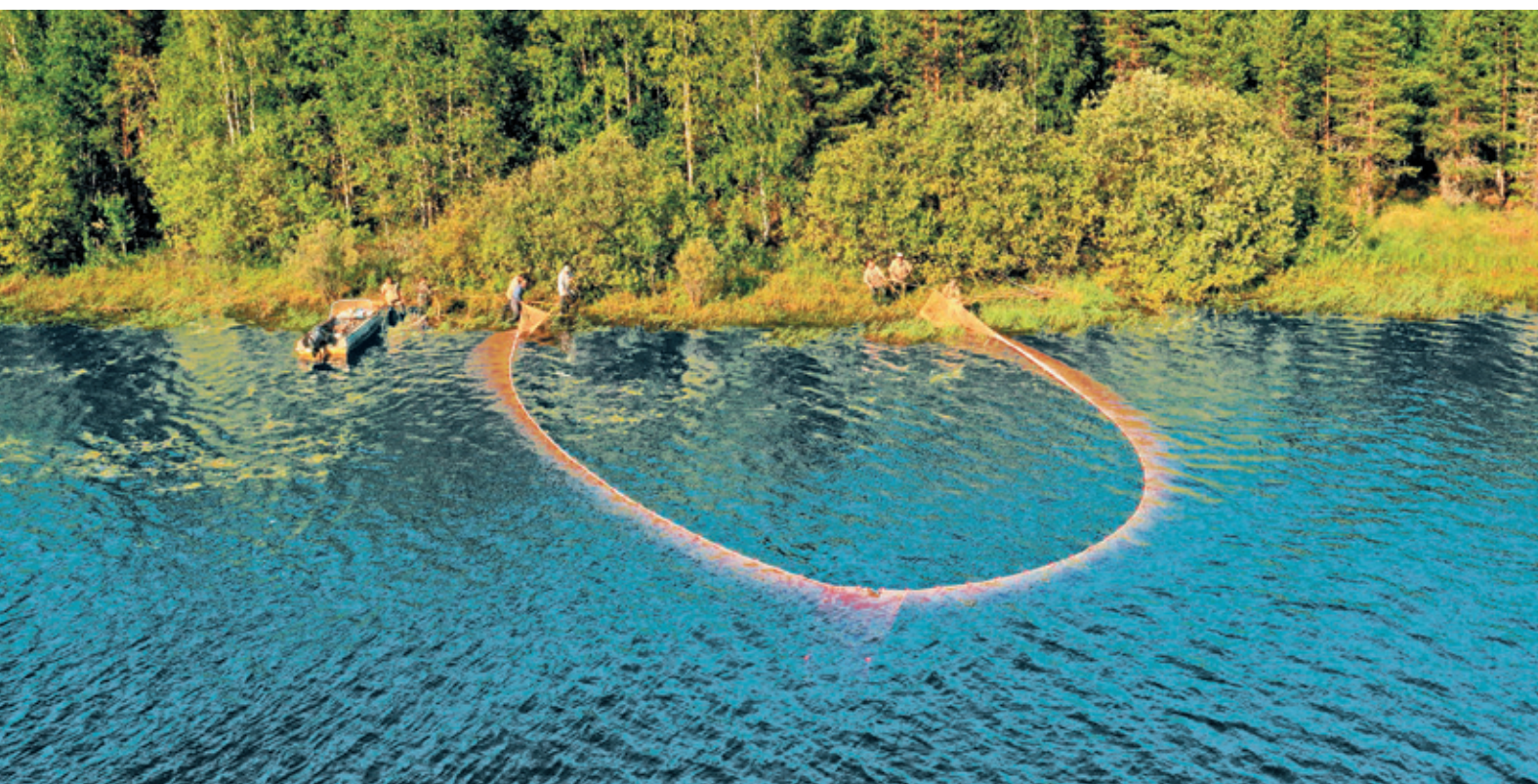
*R.V. Desyatkin,
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The Institute for Biological Problems of Cryolithozone of the Siberian Branch of the Russian Academy of Sciences was invited by "Surgutneftegas" PJSC to organize and conduct biological monitoring at subsoil plots in Lensky District of the Republic of Sakha (Yakutia) as part of the implementation of the Company's environmental policy, which is based on the legislation of the Russian Federation and its constituent entities, takes into account the main provisions of international conventions and is aimed at the harmonious development of production, social sphere and preservation of the environment.

The research work, which has been carried out since 2014, makes it possible to assess the impact of field development and operation on the main components of ecosystems using objective criteria. It was established that hydrocarbon production did not cause landscape degradation, local decline in biodiversity or deterioration of habitat conditions for flora and fauna. This is undoubtedly not only the result of mandatory measures taken, but also the consequence of effective design solutions, the use

of hard surfaces in the construction of a road network for year-round use and the utilization of a significant volume of associated gas.

V.G. Degtyarev (Doctor of Biological Sciences, the Institute for Biological Problems of Cryolithozone of the Siberian Branch of the Russian Academy of Sciences) notes that the research shows no signs of specific impacts, that is, impacts directly related to oil extraction, processing and transportation operations. In case of subsoil plots of "Surgutneftegas" PJSC, the influence of non-specific anthropogenic factors is extremely limited. This is due to the fact that the area, by its original natural characteristics, is not a particularly valuable hotspot of biodiversity, a location of unique natural objects and does not serve as a key habitat and reproduction area for animal and plant populations listed in the Red Books of the Russian Federation and the Republic of Sakha (Yakutia). The absence of any significant volumes of underground ice is also an important circumstance. In combination with properly implemented environmental protection measures and a special regime for the protection of production facilities, this made it possible to prevent the emergence of a large area of negative impact on primary ecosystems. In particular, it was possible to avoid provoking massive disturbances of permafrost, a sharp and significant increase in fire rates and the intensity of the phytopathological situation of forests and depletion of the resources of game animals. In addition, accompanying effects are clearly visible, as they are expressed in an increase in the species diversity of birds due to the patchiness of habitats and the emergence of artificial reservoirs, which are almost under a "reserve" protection regime there.



THE “GREEN OFFICE” PRINCIPLES

Environmental standards, which help reduce the cost of upkeeping office premises, apply to all administrative buildings. The Company implements the “green office” principles to reduce consumption of natural resources, electric power and waste.

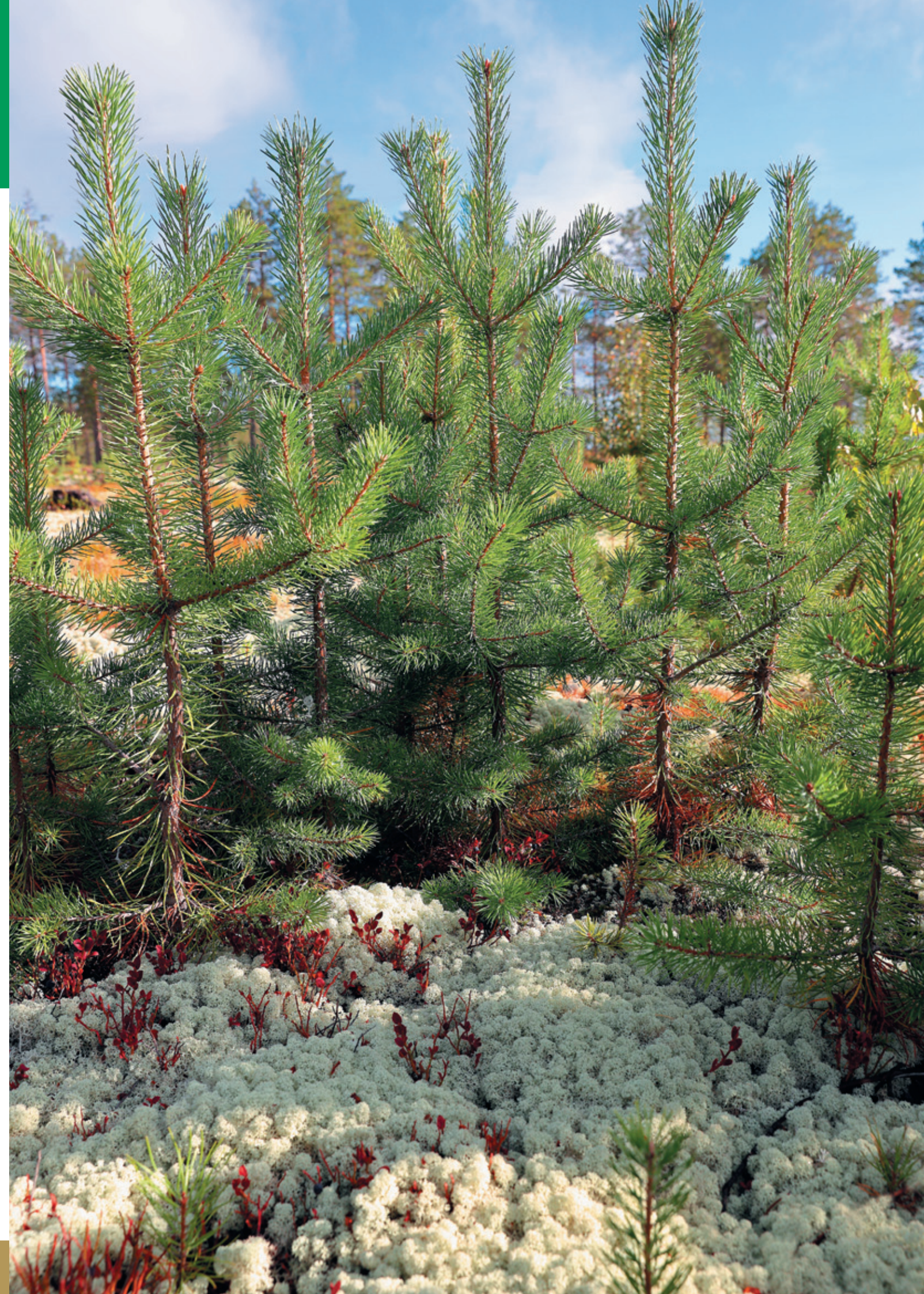
The Company adheres to the following “green office” principles:

- 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 multisystems;

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

“Surgutneftegas” PJSC uses an electronic document flow system. Paper consumption has been significantly reduced thanks to default printer settings for double-sided black-and-white printing.

Due to the in-house shredding and pressing unit for waste paper and cardboard, all paper waste is processed and sent to third-party specialized enterprises for further use. This is how waste paper collected by the Company gets a chance for a second life.



ENVIRONMENTAL EDUCATION AND PROFESSIONAL TRAINING OF EMPLOYEES

The Company attaches cardinal importance to environmental safety of production, environmental protection, careful treatment of natural resources and rational subsoil use. Environmental education helps strengthen the individual and collective responsibility of the Company's employees.

The need for environmental education is declared by the Federal Law "On Environmental Protection". As part of the Ecology program, "Surgutneftegas" PJSC promotes the environmental awareness among its employees, the understanding that everything in the world is connected and any activity must be perceived in the context of the global ecosystem. Each employee, without exception, understands that the final result depends on him/her, and non-compliance with the principles of the environmental policy of "Surgutneftegas" PJSC can provoke serious accidents.

The Company gives primary importance to minimizing environmental risks and the negative impact of production on the environment. Surgutneftegas has created a safe and comfortable working environment for its employees; the Company's management cares about protecting people's health. Employees of "Surgutneftegas" PJSC and its contractors ensure

compliance with local administrative acts regulating the procedure for carrying out various works and submit to technological discipline.

Every year, the Company's employees upgrade their skills in the field of environmental protection and environmental safety. In 2023, 30 employees completed training courses in third-party organizations. At the Polytechnic Training Center (PTC) of "Surgutneftegas" PJSC, 308 employees completed the course "Improving the qualifications of persons admitted to activities for the collection, transportation, processing, disposal of waste of hazard classes I-IV", 137 employees successfully completed the course "Provision of environmental safety by managers and specialists of the environmental departments and environmental control systems". PTC constantly improves the professional training of employees and gives them knowledge of the environmental legislation of the Russian Federation and the provisions of the Company's environmental policy.

IN 2023, 475 EMPLOYEES OF "SURGUTNEFTEGAS" PJSC COMPLETED VOCATIONAL TRAINING COURSES ON ENVIRONMENTAL PROTECTION



The Company is interested in continuous professional development of its employees. Modern approaches to environmental education and professional training of employees indicate a strong environmental consciousness of "Surgutneftegas" PJSC.

Before each work shift, we hold the induction meeting with the employees working in the territories with a special mode of business activities, including license blocks adjacent to Numto nature park. Our employees can refer to the memo on the rules of conduct in territories bordering the specially protected natural reservations and rules of cooperation with indigenous population. In 2023, the memos were updated, reprinted and distributed.

Superior production performance, high quality of work, environmental safety and accident-free operation are the main factors to determine the winners of the economic competitions of "Surgutneftegas" PJSC held among well workover, servicing and drilling crews, teams of oil and gas production shops, transport column shops, electric power supply network facilities and teams engaged in construction of wells.

Every year, the Company's young people, including environmental specialists, propose innovative solutions and demonstrate promising technological developments during the scientific and technical conference for young scientists and professionals of "Surgutneftegas" PJSC.

Developments of young scientists and environmental specialists



COOPERATION WITH PUBLIC ORGANIZATIONS AND THE MASS MEDIA

“Surgutneftegas” PJSC effectively cooperates with public organizations in terms of the implementation of socially significant projects in the regions where it operates, current events on environmental protection and environmental education. In accordance with the principles of information transparency, the Company organizes visits to production facilities by representatives of the mass media and public organizations and provides information on all aspects of the Ecology program.

In 2023, the environmental activities of “Surgutneftegas” PJSC were presented at the Russia International Exhibition and Forum (VDNKh, Moscow). The Company acted as a partner of the 5th, anniversary, All-Russia Environmental Dictation. The Company has had a friendly relationship with the Environmental Dictation over the years; thanks to the stable partnership, the environmental education project attracted a multimillion audience and became truly national.

“Surgutneftegas” PJSC supported the VIII regional competition of professional skills among reindeer herders for the Cup of the Governor of Yugra in Khanty-Mansiysk, in which indigenous people from the most remote settlements of Khanty-Mansiysky Autonomous Okrug took part. The Company annually organizes the delivery of reindeer herders from Beloyarsky and Surgutsky Districts to the capital of Yugra and back.

“Surgutneftegas” PJSC became the only oil production enterprise of Khanty-Mansiysky Autonomous Okrug – Yugra to participate in the press tour “Ecology of Yugra”, organized by the Department for Environmental, Wildlife and Forestry Affairs Control of Khanty-Mansiysky Autonomous Okrug – Yugra (environmental control authority in Yugra) as part of the XX International Ecological Campaign “Save and Preserve”. The visit to waste management facilities aroused keen

interest among the representatives of the regional media taking part in the event. The environmental control authority in Yugra noted the high level of environmental protection activities of “Surgutneftegas” PJSC, information transparency in matters related to nature management and environmental safety of production.

In 2023, regional media published articles and videos about technological processes for waste management in Surgutneftegas; research work to determine the density of spawning grounds in the flood plain of the Ob River, in the area of the Company’s planned business activities; the results of measures taken for artificial restoration of water biological resources; readiness of the out-of-staff accident rescue units of Surgutneftegas to localize and eliminate oil and oil product spills; comprehensive exercises taken by the Company’s out-of-staff accident rescue unit in Western and Eastern Siberia; cooperation of “Surgutneftegas” PJSC with leading specialized scientific organizations in Russia and other events.

***Participation in the press
tour of the environmental
control authority in Yugra***



“Surgutneftegas” PJSC, “Company”, “Surgutneftegas” 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.

