



METHANE
GUIDING
PRINCIPLES

Methane Guiding Principles Signatory Reporting

Rosneft

January 2022





COMPANY: **ROSNEFT**

YEAR OF JOINING METHANE GUIDING PRINCIPLES: **2019**

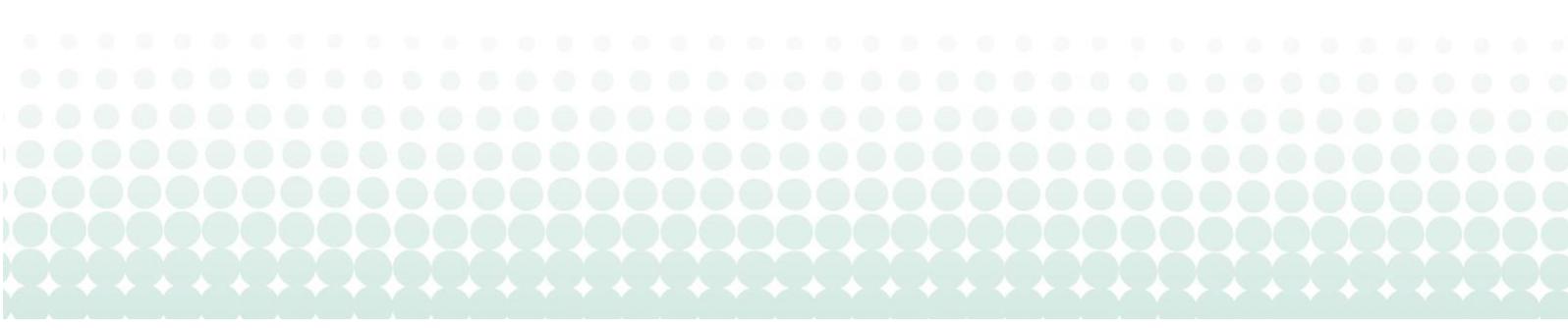
SENIOR REPRESENTATIVE: **Eric Liron, Rosneft's Vice President for Internal Services**



Principle One: Continually reduce methane emissions

- Please state what specific activities or projects your company has undertaken to reduce methane emissions. Please refer to the previous year's annual MGP reporting where applicable to refer to intended activity. Link to sustainability report where relevant to provide further detail.
- Describe how the reduction was achieved including description of the asset type, technology type, timeframe. What was the end result?

Provide data to support your description e.g. the actual amount of emissions reduction achieved, or the reduction in methane intensity.



2021 completed activity	2022 intended activity
<ul style="list-style-type: none"> • In December 2021, the Company announced a new methane target of < 0.2% by 2030. • As part of Rosneft’s actions to achieve methane reduction goals, the Company developed a plan to detect, quantify and reduce methane emissions across all upstream sources. This work started in 2020 with the successful delivery of three pilots for detection and quantification of methane emissions at upstream subsidiaries. In 2020 the Company reduced the volume of absolute methane emissions for 16 % in comparison with the level of 2018. • In 2021, Rosneft continued the deployment of methane detection technology using drones and IR cameras across an additional 10 Subsidiaries with an overall upstream coverage between 2020 and 2021 of around 70%. The work in 2021 involved inspections of over 4000km of pipelines across these Subsidiaries and identifying methane sources and repairing any leaks detected. • In 2021 the company committed to a ‘Zero Routine flaring’ of Associated Petroleum Gas (APG) by 2030 in alignment with the World Bank 2030 Initiative. Flaring is the most significant source of methane emissions for Rosneft. • Methane Emissions data for 2021 are not yet available as it is still being internally verified and normally available later and published in the sustainability report. • In 2020 however the construction of 21 APG facilities was completed, and the volume of gas injected was around 189 million cubic metres. 	<p>In 2022, plans are in place to complete methane detection and quantification activities across the remaining Rosneft upstream sites to reach 100% coverage of upstream sites over 2.5 years.</p> <p>Rosneft will also continue to eliminate the sources of methane emissions identified in the surveys from 2021 .</p> <p>Work will continue on the Company’s plans for increasing APG utilization and decreasing flaring as per internal targeted dates. This will continue to reduce methane emissions associated will flaring.</p>



Principle Two: Advance strong performance across the gas supply chain

Please include answers to the following questions:

1. Did you participate in any methane research or plan to do so?
 - Did you conduct any outreach on methane management?
 - Describe what action you have taken to engage industry players across the value chain to better understand how to achieve robust methane emissions management. Outreach activity could include training sessions, participation in webinars, influencing of NOJV partners, or publication of guidance. Activity could also include commercial incentives or engagement with investors to drive better performance by others.
 - Provide details of any outcomes that resulted from your action.

2021 completed activity	2022 intended activity
<p>In 2021, the corporate carbon management training continued with over 400 employees were trained from Corporate Departments and Subsidiaries. This programme significant content on understanding the science of methane emissions, methane sources, reduction strategies and international methane initiatives (MGP).</p> <p>Rosneft and bp are co-leading an MGP initiative to develop an online industry tool to help to improve the accuracy of reporting methane emissions from flaring. This work involves around 25 organization.</p> <p>This tool focuses on estimating and measuring flow rates to flares and targets all flare types from ground flares to modern large offshore flares. It also provides options on available technologies to optimize flare combustion efficiency.</p>	<p>Data loading and technical and legal reviews on the methane from flaring tool will be done in the first quarter of 2022. The tool will be tested and launched by end of May 2022.</p> <p>Rosneft will also participate in the MGP - Source Identification Tool – led by bp. This tool will further enhance the ability improve the identification of all sources of methane in operations.</p>



Principle Three: Improve accuracy of methane emissions data

- Describe action taken to improve methane emissions data collection methodologies. This could be application of new technology at an operated site(s), investment and participation in R&D initiatives, development of monitoring/modelling software, or support to research that improves the accuracy of the quantification of methane emissions.
- Where new technology /software has been piloted or adopted, it is helpful to describe how it works, the reasons it was selected, and how it was deployed. Any data that can be shared to demonstrate improvements is useful.
- How these new methods/technologies have been adopted into your accounting process if at all.

2021 completed activity	2022 intended activity
<p>Rosneft and bp are co-leading an MGP initiative to develop an online industry tool to help to improve the accuracy of reporting methane emissions from flaring. This tool focuses on estimating and measuring flow rates to flares, and targets all flare types from ground flares to modern large offshore flares. It also provides options on available technologies to optimize flare combustion efficiency.</p> <p>Scientific research has been organized with the relevant Rosneft Departments and methodological guidelines for the assessment of methane leaks have been developed.</p> <p>Development of software for recording and analyzing data on methane leaks was initiated in 2021. Implementation is expected in 2023.</p>	<p>Data loading and technical and legal reviews on the methane from flaring tool will be done in the first quarter of 2022. The tool will be tested and launched by end of May 2022.</p> <p>Rosneft will also participate in the MGP - Source Identification Tool – led by bp. This tool will further enhance the ability improve the identification of all sources of methane in operations.</p>



Principle Four:**Advocate sound policy and regulations on methane emissions**

Advocacy consists of active participation in legal consultation processes, external policy statements, and direct engagement with government

- Consider providing details on the region or regulation involved, how you undertook your advocacy, others involved, and the outcome.

2021 completed activity	2022 intended activity
Rosneft has contributed technical input into discussions on developing GHG regulations at the national level.	Rosneft will continue to contribute to discussions on developing GHG regulations at the national level which include methane as a greenhouse gas.

Principle Five: Increase transparency

Please include answers to the following question:

- Are you participating in OGMP 2.0 or do you intend to do so? If you are participating in OGMP 2.0 you may provide a link to the website.
- Describe what activity you have carried out e.g. providing information in relevant external reports on methane emissions data, methodologies, and progress and challenges in methane emissions management.
- If you have contributed towards the standardisation of comparable external methane reporting describe the activity you have taken.

2021 completed activity	2022 intended activity
<p>Information on methane emissions data, methodologies, progress and challenges in methane emissions management is included in corporate Sustainability Report for 2020 published in 2021.</p> <p>https://www.rosneft.com/upload/site2/document_file/Rosneft_CSR2020_ENG.pdf (page 60)</p>	<p>Data on methane emissions data for 2021 will be published in Rosneft's Sustainability Report later in 2022</p>



<p>Do you report absolute methane emissions within your sustainability report?</p> <p><i>If so provide link.</i></p>	<p>Yes / No</p> <p>Numbers for 2020 and previous years are available in corporate Sustainability Reports.</p> <p>Link for 2020:</p> <p>https://www.rosneft.com/upload/site2/document_file/Rosneft_CSR2020_ENG.pdf (page 60)</p> <p>Data for 2021 will be available later in the year.</p>
<p>Do you report a methane intensity within your sustainability report?</p> <p><i>If so provide link.</i></p>	<p>No</p>
<p>What are your organisation's total absolute methane emissions?</p> <p>Provide a figure in tonnes.</p> <p>Provide latest data publicly available.</p>	<p>Absolute methane emissions in 2020 were 138.5 thousand tons.</p> <p>Data for 2021 will be available in Rosneft's Sustainability Report which will be published later in 2022</p>
<p>State your methodology.</p>	<p>Quantitative assessment of methane emissions is made in accordance with the Methodological instructions approved by Order of the Ministry of Natural Resources of Russia No. 300 dd June 30, 2015.</p>
<p>State your reporting boundary.</p>	<p>Operating boundary</p>
<p>What are your organisation's methane intensity?</p> <p>Provide latest data publicly available.</p>	<p>Rosneft has not a published a methane emissions intensity indicator publicly</p>
<p>State your methodology.</p>	<p>Industry accepted methodology – recommended by OGCI</p>
<p>State your reporting boundary.</p>	<p>Operating boundary</p>
<p>Do you have a methane emission target?</p>	<p>Yes</p> <p>2030 in comparison with the level of 2020. Methodology OGCI, operating base</p>



If yes, please state what it is, including the boundaries and methodology.

If no, are you developing such a target? Please state your intended timeline.

In December 2021, the Board of Directors of NK Rosneft PJSC approved the Rosneft 2030 Strategy: 'Reliable Energy and Global Energy Transition'. A number of targets were approved in accordance with the Company's Net Zero by 2050 commitment (Scope 1 and Scope 2) emissions. An updated methane intensity target of < 0.2% by 2030. These targets also include 'zero routine flaring' by 2030 – 5 years earlier than previously stated in 2020.

Link: <https://www.rosneft.com/press/releases/item/208895/>

