

APPROVED

by Resolution of the Board of Directors
of JSC INK-Capital
Minutes No. 127 dated December 14, 2022

**SUSTAINABLE DEVELOPMENT AND ESG
POLICY
OF JSC INK-CAPITAL
(Revision 2)**

Irkutsk

2022

CONTENTS

I.	GENERAL PROVISIONS	3
II.	TERMS AND DEFINITIONS.....	4
III.	SCOPE OF APPLICATION	4
IV.	SUSTAINABLE DEVELOPMENT PRINCIPLES AND FOCUS AREAS OF THE GROUP	4
V.	INFORMATION DISCLOSURE AND REPORTING ON SUSTAINABLE DEVELOPMENT	6
VI.	FINANCING OF EVENTS RELATED TO SUSTAINABLE DEVELOPMENT	7
VII.	POLICY IMPLEMENTATION	8
VIII.	FINAL PROVISIONS	8
	SUSTAINABLE DEVELOPMENT, ESG AND INTEGRATED MANAGEMENT SYSTEM GLOSSARY.....	9



Link of Mission with sustainable development

Responsible business conduct is an integral part of the Group's activities. The Group makes its contribution to the achievement of Sustainable Development Goals, 8 of which, based on the Group's nature of business, are identified as priority goals.



I. GENERAL PROVISIONS

- 1.1 The Sustainable Development and ESG Policy (hereinafter referred to as the Policy) is a document that defines the Group's principles and focus areas in the field of sustainable development and ESG factors management.
- 1.2 The Group is one of Russia's largest independent producers of hydrocarbons and their refined products. The Group is engaged in geological study, exploration and development of oil and gas fields in the Irkutsk Region, the Republic of Sakha (Yakutia) and the Krasnoyarsk Region, where it carries out production, processing, and transportation of hydrocarbons. Rational use of natural resources is an integral principle of the Group in all its activities. In line with the idea of responsible production and consumption of resources, the Group has been gradually diversifying its activities, creating, and developing new areas of production in gas processing, gas chemistry, inorganic chemistry, helium production, thereby reducing the Group's impact on climate and adapting to future changes.
- 1.3 The Group adheres to a comprehensive solution of the tasks facing it. Sustainable development is an integral part of the Group's goal setting. In its activities, the Group applies an integrated approach to solving the assigned tasks, striving for a long-term balance between economic benefits, business continuity, creation of favorable living conditions and work of its Employees, meaningful stakeholders engagement, and care for nature for the benefit of present and future generations.
- 1.4 This Policy is a fundamental high-level document of the Group's Integrated Management System and was developed as part of implementation of the Concept of Sustainable Development and ESG (Environmental, Social, Governance) factors. The main focus areas and commitments of the Group in the field of sustainable development are also set out in the following documents:
 - Corporate Governance Code of JSC INK-Capital;
 - Code of Ethics of JSC INK-Capital;
 - Risk and Business Continuity Management Policy of JSC INK-Capital;
 - Environmental Policy of JSC INK-Capital;

- Climate Policy of JSC INK-Capital;
- Energy Policy of JSC INK-Capital;
- Occupational Health and Safety Policy of JSC INK-Capital;
- Social Responsibility Policy of JSC INK-Capital;
- Human Rights Policy of JSC INK-Capital;
- Stakeholder Engagement Policy of JSC INK-Capital;
- Human Resources Management Policy of JSC INK-Capital;
- Compliance Policy of JSC INK-Capital;
- Anti-Fraud, Anti-Corruption and Anti-Legalization of Proceeds Received from Crime (Anti-Money Laundering) Policy of JSC INK-Capital;
- Internal Control Policy of JSC INK-Capital;
- Procurement Policy of JSC INK-Capital;
- Supplier Conduct Policy of JSC INK-Capital.

II. TERMS AND DEFINITIONS

- 2.1 Terms and definitions used herein are specified in the Sustainable Development, ESG and Integrated Management System Glossary (Appendix 1 to the Policy).

III. SCOPE OF APPLICATION

- 3.1 The Policy applies to all companies within the Group.

IV. SUSTAINABLE DEVELOPMENT PRINCIPLES AND FOCUS AREAS OF THE GROUP

4.1. The Group's principles regarding reduction of greenhouse gas emissions (decarbonization).

- 4.1.1. Recognizing the importance and significance of reducing greenhouse gas emissions into the atmosphere, the Group strives to contribute to the implementation of the goals and objectives of the Paris Agreement, adopted on December 12, 2015 at the 21st session of the UN Climate Change Conference (hereinafter referred to as the Paris Agreement) and at its later sessions to the extent that they are compatible with the laws of the Russian Federation, goals and objectives determined by the government of the Russian Federation.

- 4.1.2. Confirming its commitment to the principles of sustainable development in the field of climate change and environmental protection, the Group developed a decarbonization strategy to become a constituent part of the climate strategy. The decarbonization strategy is aimed at minimizing impacts on the climate through identification and mitigation of climate risks and facilitating low-carbon development with account taken of the Group's strategic priorities. In order to take actions on greenhouse gas emissions reduction (hereinafter referred to as the Actions), the Group implements the following:

- enhancing operation efficiency to reduce operating costs;
- utilization and rational use of associated petroleum gas, including by developing gas chemistry business;
- enhancing energy efficiency of its production facilities;
- re-use, recycling, and utilization of materials and resources;
- investing in land use based on regenerating technologies (including reforestation);

- implementing projects and investment that contribute, directly or indirectly, to decarbonization and transition to low-carbon economy;
- investigating opportunities of entering the national and global market of carbon quotas trading (as they develop) to compensate for greenhouse gas emissions and (or) enhance economic efficiency of the Actions.

4.2. Alignment of the Group’s Mission and Values with the sustainable development principles

As an integral part of the corporate culture, the Group’s Mission and Values lay the groundwork for the Group’s commitment to the Concept of Sustainable Development and ESG Factors.

The Group’s principles of sustainable development and ESG are inseparably linked to its Values: Safety, Teamwork, Leadership, Responsibility and Independence.

4.2.1 Responsible attitude to sustainable development.

The principle of responsible attitude to sustainable development and social responsibility are fundamental factors in the implementation of any projects of the Group.

Strategic planning of the Group's activities is based on striving for a balance between environmental protection, social policy, and business development.

Guided by the recommendations of the leading representatives of various types of social institutions in the field of sustainable development and the best international practices, the Group has been continuously improving the applied ESG-management mechanisms and introducing new ones in order to increase the efficiency of its activities.

The Group has a responsible attitude to environmental protection and attributes priority to solution of environmental problems by introducing circular economy approaches in production, protecting biodiversity and reducing specific emissions and discharges of pollutants, as well as minimizing the Group's impact on the environment.

As part of the climate agenda, the Group has been working out measures to adapt to climate change at its production facilities, ensuring safety and continuity of business processes.

Understanding and sharing its responsibility to future generations, the Group has been taking measures to reduce the carbon footprint of its activities. To achieve this, the Group is looks to manage its emissions of greenhouse gases and to introduce tools and mechanisms to reduce them.

4.2.2 Independence and human rights.

The Group respects every person’s rights integrity, their dignity and freedom, and means to ensure protection thereof.

The Group strives to create conditions for everyone to express their own opinion, as well as for training and succession of generations. The Group does not tolerate any form of discrimination and stands for equality of rights regardless of gender, race, language, national or social origin, religion, political and other beliefs, sexual orientation, or other status.

4.2.3 Safety as a priority.

The main asset of the Group is its Employees. The Group values human life and health above all.

By safety, the Group understands that safety is applicable to and covers such areas as production, working conditions, life and health of Employees and the population of the territories of its operation, as well as environmental protection, economics, information technologies, etc. The Group's activities are aimed at continuous improvement of working conditions of its Employees and a decrease in the number of occupational injuries, occupational diseases, and incidents (accidents and fires).

The Group adheres to zero tolerance concept in such critical area of its activities as occupational injuries and makes its best efforts to achieve this goal.

The Group operates in strict compliance with the applicable laws and relies on the best global practices in order to ensure safety of its operations.

4.2.4 Teamwork and openness.

In engaging with all stakeholders, the Group aims to build a long-term mutually beneficial cooperation and expects its partners and Counterparties to share its position in adherence to the principles of sustainable development and ESG.

The Group's planning of activities related to sustainable development and ESG is integrated into its relations with governmental and local authorities, partners, Counterparties, educational institutions, non-governmental organizations and associations, residents of the territories of the Group's operation (including indigenous small-numbered peoples of the North).

The Group strives to build good relationships with authorities and people, contributes to the development of culture, sports, healthcare in the regions, and participates in the development of programs of socio-economic cooperation and partnership that contribute to the development of the territories of its operation.

In interaction with governmental authorities and management, as well as with any Stakeholders, the Group strictly adheres to the anti-corruption principle.

Engagement with all Stakeholders is based on the principle of openness and transparency.

4.2.5 Striving for leadership in the field of sustainable development.

The Group strives for continuous improvement in the implementation of the principles of sustainable development and the obligations the Group has undertaken thereby. The Group is open to cooperation with all Stakeholders in achieving sustainable development goals. For the purpose of sharing experience and improving interaction, each year the Group holds the Baikal Risk Forum, where practical cases on various topics, including sustainable development, are discussed.

The Group applies innovation technologies in its activities, including research and development and patenting the results of such research and development. In addition, the Group updates operational processes, engaging in engineering, automation, and digitalization.

The Group contributes to the budget of the Russian Federation, as well as to the development of the territories in which it operates. The Group is a responsible and bona fide taxpayer.

Implementation of an effective corporate governance system is an important aspect in the sustainable development of the Group. In addition to strict compliance with the laws of the Russian Federation on corporate governance, JSC INK-Capital (as the holding company of the Group) seeks to build a corporate governance system within the Group in accordance with the basic principles established by the Corporate Governance Code recommended by the Central Bank of the Russian Federation (Letter No. 06-52/2463 issued by the Central Bank of Russia on April 10, 2014), the Corporate Governance Code of Great Britain, as well as with the best global practices.

The Group abides by the laws of the Russian Federation, as well as by the best global practices on business ethics and prevention of corruption.

V. INFORMATION DISCLOSURE AND REPORTING ON SUSTAINABLE DEVELOPMENT

5.1 The Group strives to ensure openness and transparency of its activities in the field of sustainable development and ESG for all Stakeholders.

5.2 The Group plans to disclose on its website (www.irkutskoil.ru – Russian version, www.irkutskoil.com – English version) an annual integrated report, including both a sustainability (ESG) report and annual report (in Russian and English).

5.3 In preparation of the annual integrated report, the best global practices, as well as international and Russian standards for the preparation of non-financial reporting, will be taken into account.

VI. FINANCING OF EVENTS RELATED TO SUSTAINABLE DEVELOPMENT

6.1 In order to finance sustainable development actions and projects (including actions that contribute to the implementation of a long-term strategy aimed at the reduction of direct greenhouse gas emissions and (or) at the implementation of energy efficient and low-carbon projects, or projects having a positive environmental impact), implemented by JSC INK-Capital and its affiliates, including transitional (adaptation) ones, it is planned to use various instruments for attracting debt financing (including bonds issue, lending, subsidies for respective projects, etc.), which, among other things, may comply with the requirements of the laws of the Russian Federation in this area, consistent with international principles, including the principles of the International Capital Market Association (ICMA) (hereinafter referred to as Financial Instruments for Sustainable Development).

Among the Financial Instruments for Sustainable Development, it is planned to issue, inter alia, bonds, which may correspond to:

- the principles of transition bonds; or
- the principles of green bonds; or
- the principles of social bonds; or
- the sustainable bond standards or sustainable development principles.

6.2 Project assessment and selection process.

The analysis of projects submitted for obtaining financing through the use of Financial Instruments for Sustainable Development (already implemented, current and (or) future) will be carried out by a specially created working group. The proposed projects are expected to have a positive effect (impact) on the environment and (or) comply with the principles specified in Clause 6.1 of this Policy, or the criteria (requirements) established by the laws of the Russian Federation.

The results of such analysis, including assessment of the projects' compliance, will be reviewed by the Authorized Committee under the Board of Directors, which will issue respective recommendations.

6.3 Management of funds raised through Financial Instruments for Sustainable Development.

The funds raised through the use of Financial Instruments for Sustainable Development will be used to finance and (or) refinance, in whole or in part, the Group's expenses for the relevant projects in accordance with the intended purpose of the financial instrument used in each specific case.

For transparency in the projects' implementation, JSC INK-Capital plans to introduce a system for monitoring implementation of the projects and appropriate procedures to control the intended use of funds raised through the use of Financial Instruments for Sustainable Development.

Control over the intended use of funds raised through the use of Financial Instruments for Sustainable Development is carried out by the Authorized Committee under the Board of Directors.

6.4 Reporting and verification.

In the event of bonds issue, JSC INK-Capital is planning to engage a specialized organization to obtain an independent conclusion on compliance with (verification):

- principles specified in Clause 6.1 of this Policy, and (or) having a positive environmental impact; and (or)

- requirements stipulated by the laws of the Russian Federation.

JSC INK-Capital plans to regularly prepare and disclose on the website of the Group (www.irkutskoil.ru – Russian version, www.irkutskoil.com – English version) reports on issued verified bonds (except for bonds issued to refinance already implemented sustainable development projects, including those aimed at preserving and protecting the environment) until their maturity date or until the project implementation, which will include details on the entire amount of funds raised and spent and (or) on achievement of the target project indicators (hereinafter referred to as reporting on verified sustainable development bonds).

The reporting on verified sustainability bonds will be assessed annually by relevant independent appraisers (if required to do so).

VII. POLICY IMPLEMENTATION

7.1 The Group guarantees that all internal acts and regulation documents comply with the provisions of the Policy.

7.2 The Policy is communicated to Stakeholders through internal and external communication mechanisms adopted and used in the Group

The Policy in Russian and English is available on the Group’s web-site (www.irkutskoil.ru – the Russian version, www.irkutskoil.com – the English version).

7.3 All Employees and Management shall comply with the Policy and refrain from any action prohibited by the Policy or otherwise creating a risk of violation of the Policy, to the extent stated in the Policy.

7.4 The Authorized Committee under the Board of Directors shall control compliance with the Policy, implementation of the Group’s projects (portfolio of projects) related to sustainable development.

VIII. FINAL PROVISIONS

8.1 This Policy becomes effective upon its approval by the Board of Directors.

8.2 Additions and amendments to the Policy are approved by the Board of Directors.

8.3 The Group undertakes to improve this Policy taking into account new sustainable development and ESG standards in the Russian and international practices, interests of the shareholders of the Group and other Stakeholders, and amendments of the laws of the Russian Federation.

8.4 If, as a result of any changes in the laws of the Russian Federation, the Company Charter, or on other grounds, some clauses of the Policy shall become invalid and be deemed unenforceable or void, such clauses are not to be applied. Until the relevant amendments are introduced into the Policy, the Group and Stakeholders shall act in accordance with applicable laws of the Russian Federation, the Company Charter, and the Policy provisions to the extent not conflicting with them.

**SUSTAINABLE DEVELOPMENT, ESG AND INTEGRATED MANAGEMENT SYSTEM
GLOSSARY¹**

Term	Definition
TCFD (Task Force on Climate-related Financial Disclosures)	The Task Force on Climate-Related Financial Disclosures created by the Financial Stability Board.
Anti-Corruption Reservation (Anti-Corruption Reservation for Compliance with Anti-Fraud and Anti-Corruption Laws)	An appendix to a contract including employment agreement, contract, which is concluded by any entity of the Group, or a section of such documents, governing the agreement between the parties regarding anti-corruption actions in the course of performance of their mutual obligations and the consequences which follow in case such agreement is broken.
Anti-Corruption Laws and Standards	Applicable laws and standards of the Russian Federation on anti-fraud, anti-corruption, anti-legalization (anti-money laundering) of proceeds received from crime, as well as relevant foreign and international laws and standards, including the regulatory documents referred to in Chapter 9 of the Policy (in each case, as amended).
Anti-Corruption Monitoring	Monitoring of activities which are undertaken by the Group to prevent and combat corruption in order to ensure the assessment of efficiency of such activities, provide assessment and forecast of corruption factors and signals; review and assess the data obtained in the course of monitoring; develop forecasts of the future situation and development trends of related activities.
JSC INK-Capital, Company	Joint Stock Company INK-Capital.
Beneficiary Owner	A physical person, who ultimately, directly or indirectly (through a Third Party, including a legal entity, several legal entities, or a group of associated legal entities) owns (has a predominant participation interest of more than 25 percent in the charter capital) the client, which is a legal entity, or directly or indirectly controls activities of the client, including the ability to determine the decisions made by the client, or is otherwise considered as the beneficiary owner in accordance with the Anti-Corruption Laws and Standards. The beneficiary owner of the client which is a physical person is considered the above-mentioned person, except the cases where there is a reason to believe that the beneficiary owner is another physical person.
Charity	Voluntary giving, on a non-profit basis (pro-bono or on preferential terms), of property, including monetary funds, to citizens or entities; non-profit delivery of works, services, and other forms of support.
Close Relatives	Any of the following: husband, wife, parents, children, adoptive parents, adopted children, siblings, grandfather, grandmother, grandchildren, and other persons who are considered as “close

¹ Terms and definitions used herein are used for the purposes of certification of the Integrated Management System in the scope not contradicting to the effective law of the Russian Federation.

Term	Definition
	relatives” in accordance with the Anti-Corruption Laws and Standards.
HR Block	A structural division of Limited Liability Company Irkutsk Oil Company, responsible for recruitment of personnel and personnel record, record management, organizational and staff activities, establishment of salary system, budgeting payroll, organizing and holding trainings of Employees and other Relevant Persons.
Renewable energy sources	Energy sources that come from natural sources or processes that are constantly replenished during a plant, animal, or human life cycle. Renewable energy sources include solar energy, wind energy, water energy, biomass energy, etc.
Bribery	A type of corrupt activities including proposal, promise, bribe, request, consent, bribe taking, mediation in bribery or bribe provocation in accordance with the Anti-Corruption Laws and Standards.
Hotline	A system which collects and processes information regarding indications and facts of bribery and corruption, violation of Anti-Corruption Laws and Standards, regulatory documents, and the Code of Ethics, as well as presumed cases of intentional acts or omissions which negatively affect assets of the Group and their effective utilization, reputation of the Group or otherwise infringe interests of the Group or applicable laws. The purpose of the Hotline is to create an opportunity for any person to report (anonymously or openly) about violations which already taking place or yet to happen with regard to the activity of the Group.
Group	The Company and companies that constitute one group in accordance with the applicable laws of the Russian Federation or that are controlled by the Company in accordance with the International Financial Reporting Standards.
Sanctions Compliance Group	Employees of the Group responsible for the implementation of the Sanctions Policy (if available).
IAD (Internal Audit Department)	A structural division of Limited Liability Company Irkutsk Oil Company, which is responsible for audit procedures.
Due Diligence	A principle based on rationality and integrity, in accordance with which, execution of business operations or making managerial decisions should be based on the data sufficient for developing a reasonably justified opinion on whether a counterparty or potential employee have lack of integrity signs. The term “due diligence” shall in each case be interpreted in accordance with the applicable laws.
Officials	Persons who, on a permanent or temporary basis, or based on special authorization, represent legislative, executive and judicial powers of any state, as well as persons exercising administrative functions including organizational-administrative or administrative-economic functions in governmental bodies and local governments of any state, governmental and municipal organizations, Armed Forces or other military organization in Russia, governmental and municipal entities, profit and non-profit (including international and foreign) organizations, or governmental and other authorities of foreign countries, state or municipal institutions, as well as international organizations, as

Term	Definition
	well as other persons identified as "officials" in the Anti-Corruption Laws and Standards.
Position in the Russian Governmental Body	A position in the governmental or municipal body included on the List of Positions of the Federal State Service. To be appointed to this position a person or federal public servant should disclose information about his/her income, property and property obligations as approved by the Russian Federation President's Decree No. 557 dated May 18, 2009 (as amended) or regulatory legal acts replacing such Decree.
Stakeholder	A person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity or perceive themselves as the latter.
Procurement	The sequence of steps to select a Supplier to award a contract for procurement of Materials and Resources / works / services, as governed by the internal acts and regulation documents of the Group.
Procurement Activities	A combination of actions to procure Materials and Resources / works / services taken in accordance with the procedure established in the Group and in order to satisfy the Group's needs. Procurement activities start with the approved plan of procurement of Materials and Resources / works / services and end with the discharge of obligations by Supplier and the Group.
Kyoto Protocol	An international treaty aimed to reduce the emission of greenhouse gases in the atmosphere that contribute to global warming. Being an addition to the UN Framework Convention on Climate Change held in 1992, the Kyoto Protocol was named for the Japanese city in which it was adopted on December 11, 1997 and entered into force on February 16, 2005. The main goal of the agreement was stabilization of greenhouse gas concentrations in the atmosphere at a level that would minimize the dangerous human interference with the climate system.
Code of Ethics	The Code of Ethics of the Company approved by the Board of Directors.
Audit Committee	The Audit Committee under the Board of Directors.
Counterparties	Any Russian or foreign legal entities and individuals and (or) organizations interacting with the Group on the basis of contracts or other legally binding agreements, as well as within the framework of pre-contractual relations.
Conflict of Interests	Any situation or circumstances where personal interest (direct or indirect) of a Relevant Person influences or may influence proper execution of his/her duties, or other functions, where there is or there could be a contradiction between personal interest of an Employee and rights and legitimate interests of the Group, which can result in infringement of rights, legitimate interests, property and/or business reputation of the Group, and the term "conflict of interests" shall in each case be interpreted in accordance with the applicable laws. Personal interest means interest of a Relevant Person acting on behalf of or in the interests of the Group and which is connected with an opportunity for a Relevant Person to get money, valuables or other property or property services, other property rights for himself/herself or Third parties in the course of

Term	Definition
	performing his/her job or other functions. In respect of the Management, the Conflict of Interests shall also include the cases specified in the Regulations on Settlement of Conflicts.
Vision Zero	A novel approach to prevention encompassing three elements – safety, health, and wellbeing – at all production levels. The concept was developed by the International Social Security Association (ISSA). The Russian Social Security Fund joined it in January 2018.
Concept of Sustainable Development	A model of civilization development that proceeds from the need to maintain a balance between solving social and economic problems and preserving the environment. Development of the Concept is conditioned by the threat of environmental disaster caused by the negative impacts of scientific and technological progress.
Other indirect emissions (Scope 3)	Indirect emissions, not included in Scope 2, that result from an organization's activities, but are actually emitted from sources owned or controlled by other organizations.
Energy indirect emissions (Scope 2)	Emissions associated with the production and purchase of electric or heat energy used by the Group.
Corrupt Practice	External manifestations of corruption through actions.
Risk of Corruption	Circumstances and conditions which create a potential opportunity for corrupt actions.
Corruption, Corrupt Actions	<ol style="list-style-type: none"> 1. Promise, proposal or provision of financial or any other kind of benefit (property, including money and securities; property services; property rights; exemption from property obligations) to Officials in order to encourage them to take actions or as a reward for such actions (omissions) which do not comply with the principle of legality, criteria of honesty and impartiality, including for the purpose of defining the conditions of conclusion, execution or termination of transactions, performing or continuing business operations, receiving or retaining the property in business operations, getting advantages or achieving other goals. 2. Request, demand, consent to accept and acceptance of financial and any other kind of benefit from any Officials, if a person knows or assumes that in return he/she or their associated persons will need to undertake actions (omissions) on behalf of such Officials where such actions (omissions) do not comply with the principle of legality, criteria of honesty and impartiality. 3. All other actions (omissions) deemed by the Anti-Corruption Laws and Standards as malpractice, misuse of power, bribery or bribe taking, bribery mediation, commercial bribery, bribe or commercial bribe provocation, illegal remuneration on behalf of a legal entity or any actions otherwise violating the Anti-Corruption Laws and Standards. 4. Other actions related to provision/promise to provide or acceptance/request of financial or other benefits which could be deemed as not meeting the corporate ethics, be unacceptable and/or illegal. 5. Other actions (omissions) that are considered as “corruption” in accordance with the Anti-Corruption Laws and Standards.
Compliance Culture	Values, ethics, beliefs and conduct that exist throughout the Group and interact with the organization’s structures and control systems

Term	Definition
	to produce behavioral norms that are conducive to compliance (ISO 37301:2021).
Legalization (Money Laundering) of Proceeds Received from Crime	Giving a lawful status to possession, use or disposal of funds or other property obtained as a result of a crime, as well as other actions (omissions) that are considered as “legalization (money laundering) of proceeds received from crime” in accordance with the Anti-Corruption Laws and Standards.
Local Regulatory Document	An internal regulatory document which is issued in form of a long-lasting clearly understandable set of standards (rules) governing certain aspects of business activities of the Group and binding upon the employees who are covered by this document.
Materials and Resources	Materials and Resources refer to both inventory and supplies, and non-current assets (fixed assets, equipment).
Fraud, Fraud Actions	<p>Actions of Relevant Persons, Associated Persons, Third Parties, or any other persons which are:</p> <ol style="list-style-type: none"> 1) undertaken by means of deception (provision of deliberately false information, non-disclosure of true facts, fraudulent misrepresentation or misrepresentation by negligence, willful actions to mislead a person) or abuse a position of trust (using the relationship of trust based on the position or personal/friend/family relations; undertaking obligations without the intention to fulfill them); 2) aimed at theft of property or acquisition of right for a third party property (including money and securities, other property including property rights; results of work and services; protected results of intellectual activity and means of individualization equal to intellectual activity) or gaining financial or other advantage, as well as assignment to a position or avoiding obligation; and 3) other actions (omissions) that are considered as “fraud” in accordance with the Anti-Corruption Laws and Standards.
Compliance Obligations	Requirements that the Group mandatorily has to comply with as well as those that the Group voluntarily chooses to comply with (ISO 37301:2021).
Environment	The setting of the Group’s operations, including air, water, land, natural resources, flora, fauna, human beings, and the relationships between them.
Paris Agreement	<p>An agreement under the United Nations Framework Convention on Climate Change, adopted in 2015 and regulating measures reducing carbon dioxide emissions to be implemented since 2020.</p> <p>The Paris Agreement's claimed goal is to keep the rise in mean global temperature to well below 2 °C above pre-industrial levels by the year 2100, and make best efforts to limit the increase to 1.5 °C.</p>
Gift	Inventory or other benefit gained on a free-of-charge base or on a non-equivalent base and recognized as a gift according to the Anti-Corruption Laws and Standards or customary business practice.
Gift Fund	A set of inventories purchased by the Group as Protocol Gifts to Third Parties.
Accountability	Responsibility for decisions and activities to the organization governance bodies, authorities, and, more broadly, to its Stakeholders (ISO 26000:2010 (GOST R ISO 26000-2012)).

Term	Definition
Donation	Giving things or rights in the public interests.
Regulations on Settlement of Conflicts	The Regulations on Settlement of Corporate Conflicts and Conflicts of Interest approved by the Board of Directors.
Supplier	A Russian or foreign individual or legal entity, institution or organization being party to civil relationships under a contract that performs works or provides services to the Group, and their subcontractors.
Human Rights	Rules to protect the dignity and freedom of every individual, referred to by the United Nations in the Universal Declaration of Human Rights (December 10, 1948) as "the foundation of freedom, justice, and peace in the world."
Prevention of Pollution	Application of procedures, practical methods, engineering solutions, materials, products, services or energy in order to avoid, reduce or manage (separately or as a combination) generation, emission or discharge of any type of pollutants or waste to reduce negative environmental impacts.
Representation Expenses	Expenses of the Group incurred in order to finance public functions, business negotiations, providing services to representatives of other organizations for the purpose of establishing and supporting cooperation and business contacts of the Group, including expenses within the frameworks of existing contracts and in cases set forth by the applicable laws.
Assumed Commitment	Statutory requirements to which the Group should conform, and other requirements to which the Group should conform or which it chooses to conform to.
Occupational Health and Safety	A complex system of measures to protect people at work and the working environment from hazards of production processes, including protection measures in the area of industrial, fire, process safety, civil defense and emergency response, road and labor safety.
Transparency	Openness about decisions and activities that affect society, economy and environment, and willingness to communicate these in a clear, accurate, timely, honest and complete manner (ISO Standard 26000:2010 (GOST R ISO 26000-2012)).
Protocol Gift	Inventory recorded in the Gift Fund of the Group and intended to be a gift on behalf of the Group in accordance with the Policy and other Local Regulatory Documents of the Group.
Procedures for Selecting Counterparties	The procedures for selecting Counterparties of the Group in accordance with the applicable laws and Local Regulatory Documents.
Direct greenhouse gas emissions (Scope 1)	Greenhouse gas emissions from sources owned or operated by the Group and which are under its operational or financial control.
Work (work)	An activity yielding tangible results that can be used to meet the Group's needs.
Employee	An individual in employment relationship with the legal entities of the Group, who performs work under a fixed-term or indefinite employment contract.
United Nations Framework Convention on Climate Change (UNFCCC)	An agreement signed by more than 180 countries, including all countries of the former Soviet Union and all industrialized countries, which developed general principles of countries' actions on climate change. The Convention was adopted at the Earth

Term	Definition
	Summit in Rio de Janeiro in 1992 and entered into force on March 21, 1994 (Russia ratified the UNFCCC in 1994).
Occupational Health and Safety Risk	A potential undesirable event which, if realized, may cause damage to personnel (injury or health deterioration), asset integrity and its safe operation, environment, or the Group's reputation.
Risk of Fraud	Conditions and circumstances which create a potential opportunity for fraud actions.
Compliance Risk	Likelihood of occurrence and the consequences of the Group's noncompliance with the compliance obligations
Management	Shareholders (members), Board members, sole and collective executive bodies, and other governance bodies of legal entities constituting the Group.
Sanctions Policy	The Company's Sanctions Policy approved by the Board of Directors.
Associated Persons	Physical persons and/or legal entities acting jointly with a company of the Group, and/or under control of the Group, and/or representing the Group (except for Relevant Persons) including physical persons who render services to the Group or work based on a civil contract, as well as other persons who are considered as "associated persons" in accordance with the Anti-Corruption Laws and Standards.
Internal Control System	A total of the organization structure, methodologies, and procedures approved by the Group's management as tools to ensure consistent and efficient business activities that includes supervision and inspection organized within the Group with its own efforts: <ul style="list-style-type: none"> - legal compliance; - accuracy and completeness of accounting documentation; - timely preparation of credible accounting statements; - preclusion of errors and misstatements; ensuring safeguard of the Group's assets.
Compliance Management System	A set of corporate culture elements, values, organization structure, rules and procedures governed by internal regulatory and administrative documents and guidelines of the Group ensuring unacceptability of unlawful acts within the Group.
Board of Directors	The Board of Directors of the Company.
Compliance	Meeting all the Group's compliance obligations (ISO 37301:2021).
Relevant Person	Employee, Management or other person that acts on behalf of and in the interests of the Group.
Social Responsibility	Responsibility of an organization for the impacts of its decisions and activities on society and environment, through transparent and ethical behavior (ISO 26000:2010 (GOST R ISO 26000-2012)).
Social Investments	Tangible and intangible resources of the Group allocated for implementation of social projects developed with account taken of Stakeholder interests and aimed at sustainable social and economic development of the areas where the Group operates.
Sponsorship (Sponsor Support)	Provision of funds to organize and (or) hold a sporting, cultural or any other event, create and (or) broadcast a TV or radio program, or create and (or) use other creative content.
Sponsorship	Provision of voluntary assistance by the Group to physical persons or legal entities including provision of money, services and other

Term	Definition
	support which include justification of sponsorship goals and results of investment and drafting the report on expenses.
Small and Medium-Sized Businesses	Small and Medium-Sized Business entities (listed in the Small and Medium-Sized Business Entities Register).
Third Parties	Officials, Counterparties, and other persons exercising administrative functions including organizational-administrative or administrative-economic functions in various organizations.
IACD (Internal Administrative Control Department)	A structural division of Limited Liability Company Irkutsk Oil Company, which is responsible for implementation of the Policy including, among other things, current monitoring and complex assessment of internal rules and procedures of the Group in respect of their compliance with the tasks of combating fraud and corruption, as well as initiating amendments or introduction of new Local Regulatory Documents and administrative documents.
Energy Performance Improvement	Improvement of measurable results of energy efficiency or energy consumption related to the utilization of energy as compared against the energy baseline.
Authorized Committee under the Board of Directors	Committee under the Board of Directors formed by the resolution of the Board of Directors for preliminary review of issues related to sustainable development, ESG and the Integrated Management System.
Service	An activity yielding intangible results that are implemented and consumed in the process of the activity.
Sustainable Consumption	Consumption of products and resources at the rate consistent with sustainable development.
Sustainable Supply Chain	Management of environmental, social, and economic impacts related to the operation and interaction of the supply chain members; commitment to a sustainable business approach, including observing the principles of business relationship ethics and statutory requirements, through the company's products life cycle.
Sustainable Development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The term "sustainable development" was first used in 1987 in "Our Common Future" report by the UN World Commission on Environment and Development. The states' obligations for achieving sustainable development were formulated in the Agenda 21 declaration, adopted at the UN Conference on Environment and Development (June 1992, Rio de Janeiro). The United Nations Commission on Sustainable Development was established in December 1992.
Procurement Participant (PP)	Any legal entity or individual participating in the Group's procurement procedures.
ESG Factors	Environmental, Social, and Governance (ESG) factors that all organizations regardless of their form of business organization observe in their activities and that institutional investors and financial institutions consider in their investment strategies and credit policies.
Occupational Health and Safety Goal	The goal set by the Group to achieve concrete results in accordance with the Occupational Health and Safety Policy

Term	Definition
UN Sustainable Development Goals	A set of goals (17 global goals and 169 related targets) that UN member states have committed to achieve by 2030, including Climate Action, Responsible Consumption and Production, Industry, Innovation and Infrastructure, and others.
Risk and Business Continuity Management Center	A structural division of Limited Liability Company Irkutsk Oil Company responsible for development of risk management (including risk of corruption) methodology.
Supply Chain	A linked set of resources and processes that begins with the conclusion of a contract (agreement) for supply (provision of services, works) and extends through the sourcing of raw materials, manufacturing, processing to the delivery of goods and related services to the end user (ISO 28001:2007 (GOST R ISO 28001-2019)).
Environmental Objective	A detailed requirement for performance applied to the Group or its parts stemming from the Environmental Goals, which should be imposed and met in order to accomplish those Goals.
Environmental Goal	The goal set by the Group in line with its Environmental Policy.
Environmental Aspect	An element of the Group's activity, products or services, which interacts or could interact with the environment.
Environmental Performance	The results of the Group's activities related to environmental aspects management.
Environmental Impact	A negative or positive change in the environment that is fully or partially due to the Group's environmental aspects.
Energy Objective	Measurable target of energy performance improvement
Energy Performance	Measurable result related to energy efficiency, use and consumption.
Energy Goal	The goal set by the Group in accordance with its Energy Policy.
Energy Efficiency	Ratio or other quantitative relationship between an output of performance, service, products, goods or energy, and an input of energy.
Energy	Electricity, fuels, steam, heat in hot water, compressed air, and other like media.
Ethical Behavior	Behavior that is in accordance with accepted principles of right or good conduct in the context of a particular situation and is consistent with international norms of behavior (ISO 26000:2010 (GOST R ISO 26000-2012)).