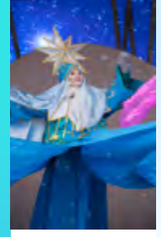
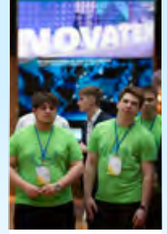
Sustainability
report
2024

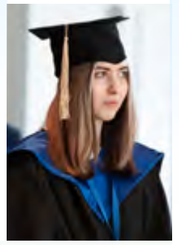
More affordable and reliable energy

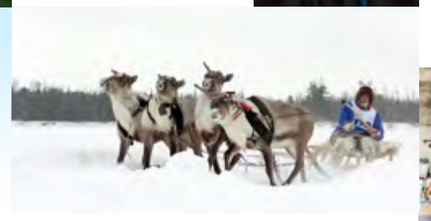


for the benefit of society

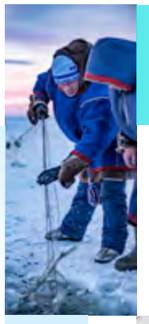



















More affordable and reliable energy for the benefit of society

NOVATEK is one of the largest global natural gas producers based in Russia. Our products boast one of the industry's lowest carbon footprints. Since the Company's inception in 1994, we have been guided by our commitment to responsible business principles, focusing on the supply of affordable and reliable energy, meeting the increasing consumer demand, and driving the global energy transition.

Growing a sustainable business



For more details, see p. 28.

Shaping a low-carbon future



For more details, see p. 66.

Preserving nature for future generations



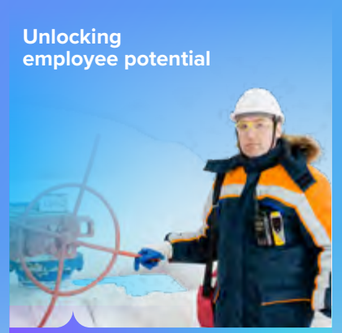
For more details, see p. 98.

Ensuring production safety



For more details, see p. 132.

Unlocking employee potential



For more details, see p. 152.

Contributing to regional development



For more details, see p. 172.

Letter from the Chairman of NOVATEK's Management Board 4
Determining Material Topics 6

1. Strategy Review

1.1. Key Operating and Financial Highlights of 2024 8
1.2. ESG Highlights in 2024 12
1.3. Business Model 14
1.4. Impact Compass 18
1.5. Responsible Investments in the Infrastructure of Our Operating Regions 20
1.6. Sustainable Development Strategy 22
1.7. Contribution to the UN Sustainable Development Goals and Russia's National Development Goals 24

2. Sustainability Management

Letter from the Chairman of NOVATEK's Board of Directors 29
2.1. Sustainability Management System 30
2.2. Sustainability Risks and Opportunities 38
2.3. Ethics 42
2.4. Information Security 49
2.5. Digitization 51
2.6. Innovation 54
2.7. Supply Chain 59

3. Climate Change

Global Climate Action Agenda 68
3.1. Energy Transition and the Role of Natural Gas 68
3.2. Management Approach 72
3.3. Key Metrics and Solutions for Boosting Carbon Efficiency 82

4. Environment

4.1. Management Approach 100
4.2. Biodiversity 108
4.3. Emissions 121
4.4. Waste 123
4.5. Water Resources 126

5. Safety

5.1. Management Approach 134
5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies 139
5.3. Preventing Work-Related Injuries 145
5.4. Occupational Health 149
5.5. OHS Training for Employees 149

6. Employees

6.1. Management Approach 154
6.2. Diversity and Inclusion 160
6.3. Employee Training and Development 162
6.4. Employee Motivation and Social Support 166

7. Local communities

7.1. Management Approach 174
7.2. Contribution to Regional Development 180
7.3. Corporate Volunteering 190

Other Information 192
Glossary 194
Contacts 198

8. Appendix

Appendix 1. Key Sustainability Risks and Opportunities 200
Appendix 2. Stakeholder engagement 204
Appendix 3. ESG Data 208
Appendix 4. Key indicators GRI, SASB, IPIECA 215
Appendix 5. Compliance with TCFD 234
Appendix 6. Compliance with TNFD 236
Appendix 7. Independent Auditor's Limited Assurance Report 238

About the Report

PAO NOVATEK's Sustainability Report 2024 (the "Report") was published on 30 April 2025. The Report has been approved by PAO NOVATEK's Board of Directors (Minutes No. 277).
An independent auditor verified the selected information included in the Report.

For more details, see Appendix 7. Independent Auditor's Limited Assurance Report, p. 238.

Standards and recommendations

International

GRI SASB
Verified by an independent auditor

TCFD Task Force on Climate-related Financial Disclosures
AccountAbility Institute of social and ethical accountability

ipieca
Sustainability reporting guidance for the oil and gas industry IPIECA/API/OGP

TNFD
Taskforce on Nature-related Financial Disclosures

Russian

- Recommendations of the Bank of Russia on non-financial disclosures
- Draft Sustainability Reporting Standard of the Russian Ministry of Economic Development
- Draft Federal Law On Public Non-Financial Reporting
- Recommendations of the Russian Union of Industrialists and Entrepreneurs (RSPP) on non-financial disclosures

How to use the interactive report

Back to table of contents

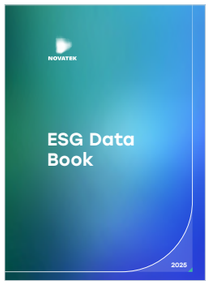
Company's ratings, awards and achievements

p. 62

Link to more detailed information in the Report



Download Annual Report novatek.ru



Download ESG Data Book novatek.ru

Letter from the Chairman of NOVATEK's Management Board

More affordable and reliable energy for the benefit of society

NOVATEK celebrated its 30th anniversary in 2024. Since inception, we have transformed a small regional company into one of the world's largest producers of natural gas and have significantly increased the output of affordable and reliable energy for the benefit of society.



Leonid Mikhelson,
Chairman of the Management Board
PAO NOVATEK

We have developed a range of competitive advantages that we leverage to remain highly resilient and are continuing to grow steadily despite external headwinds. Timely strategic decisions, a strong commitment, and bold innovation have put the Company among the global oil and gas industry leaders in both operational performance and carbon efficiency.

More affordable and reliable energy

Our current resource base comprises 17.5 billion barrels of oil equivalent, including 2.4 trillion cubic meters of natural gas – the third largest reserve globally. Cumulatively, we have produced more than 1.2 trillion cubic meters of natural gas since the Company's inception. Over these years, we have built efficient production facilities that support a full-cycle operation – from gas extraction to liquefaction and processing. These include two unique large-scale LNG plants in the Arctic, medium- and small-scale LNG plants, and gas condensate processing and fractionation facilities.

Lower carbon footprint

In the context of energy transition, NOVATEK sees itself taking the role of a supplier of the cleanest fossil fuel and plans to ramp up natural gas production while maintaining an unwavering focus on improving carbon efficiency to provide affordable and reliable energy to the growing global population.

Ensuring that the energy transition aligns with – rather than undermines – other UN Sustainable Development Goals is of critical importance. To achieve this, energy must be both affordable and in sufficient supply to support the provision of additional resources, particularly in rapidly growing emerging markets. Our LNG supply best meets these criteria. As one of the industry leaders in carbon efficiency, NOVATEK continues its efforts to further reduce the carbon footprint of its products while ramping up production volumes. In 2024, our direct GHG emissions intensity in LNG production declined 7% to 0.224 tons of CO_2 eq. / ton of LNG, with methane emissions intensity down 10% to 7.9 tons / mmboe. Our GHG emissions intensity across the entire value chain has been reduced to 45.1 g CO_2 eq. / MJ, the lowest figure among the largest publicly traded oil and gas companies.

The use of NOVATEK's products also supports our customers in decarbonizing their production processes, as they gradually transition from more carbon-intensive fuels to natural gas and LNG. For the convenience of our customers, in 2024, we began issuing statements on the carbon footprint of the LNG that we supply, providing them with accurate and reliable information on GHG emissions at each stage of the production cycle.

For the benefit of society

By adhering to the principles of responsible business conduct, which include respect for human rights and consumer interests as well as legal and environmental compliance, NOVATEK has built an impeccable reputation and earned the trust of stakeholders throughout its 30 years of operation.

As our business expands, we are able to increase investments in the development of our regions of operation. In fact, over the past fifteen years, these investments have surpassed RR 32 billion, including RR 17 billion directed toward infrastructure. We have built dozens of social infrastructure facilities, including schools, childcare centers, and sports complexes, and invested in the development of tourism attraction projects across regions from Murmansk to the Yamal-Nenets Autonomous Region. During the year, our external social spending reached RR 7.5 billion, up 25% year-on-year.

By launching projects of unprecedented scale and complexity, the Company has created tens of thousands of jobs and established well-coordinated, efficient teamwork across its operations. To drive seamless operations, we rely on more than 22 thousand employees, from geologists and innovative engineers to managers. Together, they form a team that proves every day that nothing is impossible for NOVATEK.

To ensure a high quality of life for our employees, we have expanded social support by raising spending on social programs for employees and their families by 20% in 2024. As a consequence, we have maintained employee turnover at 5%, the lowest in the industry. Training sessions, courses, and specialized events organized by the Company to boost OHS management performance have contributed to a further 7% reduction in our lost time injury frequency rate (LTIFR) in 2024.

Our proven track record of navigating crises shows that today's impossibilities may become tomorrow's realities. As a member of the UN Global Compact, NOVATEK remains committed to upholding the highest international standards of responsible business conduct.

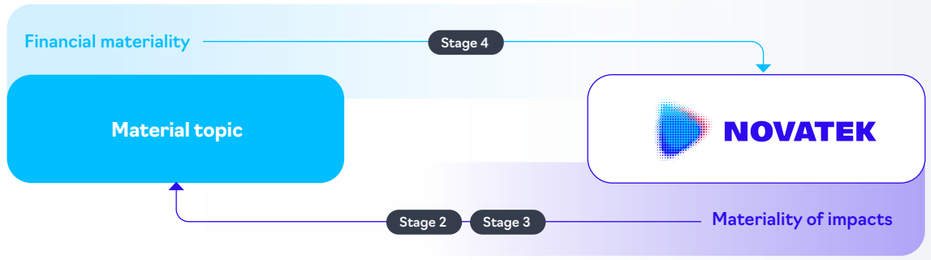
Thank you to everyone who believes in NOVATEK. Together, we are shaping the energy of the future – affordable, reliable,and for the benefit of us all.

Determining Material Topics

NOVATEK identifies and assesses the impacts of its operations on various sustainability aspects along the entire value chain, from hydrocarbon production to the use of finished products, while determining how the external environment affects the Company's business, strategy, and financial planning. This approach enables us to apply the double materiality principle and ensures the sustainability of the Company's business model.

In preparing this Report and determining material topics, the Company also adhered to the double materiality principle and took into account the requirements of the Global Reporting Initiative Standards (the "GRI Standards"), including GRI 11: Oil and Gas Sector 2021 ("GRI Oil & Gas"), the Oil & Gas Exploration & Production Sustainability Accounting Standard of the Sustainability Accounting Standards Board ("SASB"), and focused on the approaches stipulated by IFRS S1[1] General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1"), and the approaches of the International Organization of Securities Commissions (IOSCO).

Double materiality principle



Stages of determining material topics

Stage 1 Generating a list of relevant topics
Analyzing material topics from GRI Oil & Gas and SASB industry standards as well as the reports of major international and Russian industrial companies; analyzing stakeholder requests and appeals as well as criteria for assessing sustainability ratings.

Stage 2 Generating a list of impacts
Mapping impacts proposed by GRI Oil & Gas and SASB standards as well as assessments of cumulative impacts of the Company's projects on the economy, environment, and people, including human rights, to the relevant first stage topics.

For more details on Company impacts, see Section 1.4. NOVATEK Impact Compass, p. 18.

Stage 3 Assessing the strength of the Company impact on relevant topics (materiality of impacts)
Surveying stakeholders on the strength of the Company impact on relevant topics.

Stage 4 Assessing the strength of the impact of relevant topics on the Company (financial materiality)
Quantitatively assessing risks (analyzing the impact of risk consequences on the Company in quantitative terms in case of risk materialization) from the Company Risk Map related to each material topic, ranking topics based on the quantitative risk assessment.

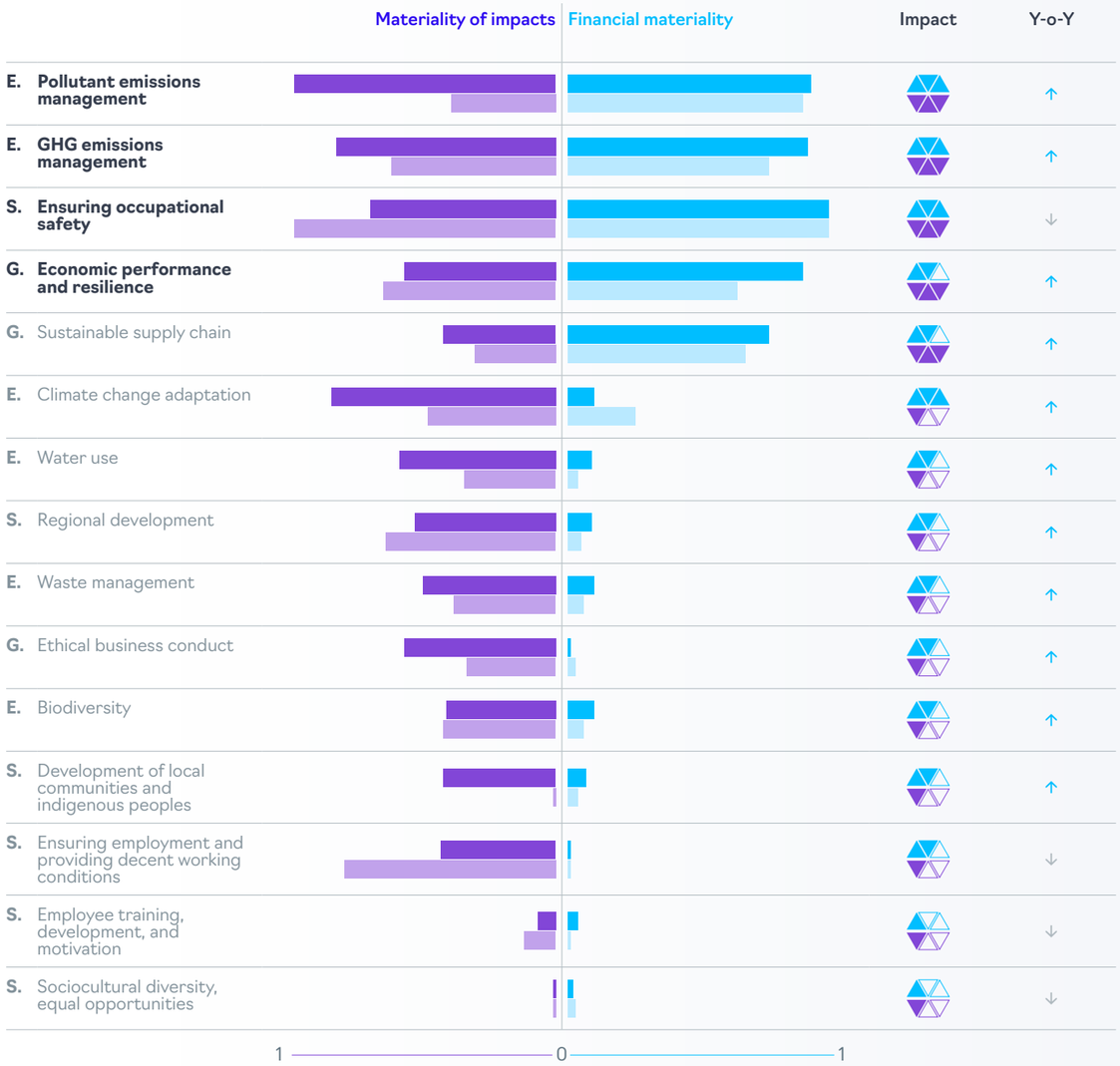
For more details, see Appendix 1. Key Sustainability Risks and Opportunities, p. 200.

Stage 5 Prioritizing topics
Final ranking of topics.

The result is the approval of material topics by the Board of Directors.

[1] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial information.

Correspondence of significant topics



Materiality of impacts

Very high | High | Moderate

Financial materiality

E. Environmental
S. Social
G. Governance

2024
2023

The material topics disclosed for 2023 remained relevant in 2024 as the Company's core activities have not changed. At the same time, the diagram above shows the change in the strength of impact by material topic based on the results of our risk assessment and stakeholder survey. Each material topic is fully disclosed in the Report in accordance with GRI standards, with a focus on the first four topics that have the maximum impact and risk score.

Key Operating and Financial Highlights of 2024

The unwavering focus on improving efficiency and applying innovative approaches enables us to post strong results even amid external constraints.

In 2024, global natural gas consumption – bolstered by stable liquefied natural gas (LNG) supplies – hit an all-time high[1] amid surging worldwide energy demand. Most LNG demand growth came from rapidly developing Asian economies, primarily China and India.

Amid rising global gas demand, LNG is emerging as the go-to fuel to support energy system resilience. The cumulative annual capacity of regasification terminals reached 1.2 billion tons of LNG[2].

With LNG imports poised for strong growth amid rising global demand and expanding regasification capacity, the Company is well-positioned for geographic expansion.

Expanding the resource base and production

The Company's resource base is concentrated in the Yamal-Nenets Autonomous Region, Russia's largest and one of the world's most prolific areas for gas production and reserves. All of the Company's proved hydrocarbon reserves are classified as conventional, enabling low exploration and production costs while avoiding environmentally intensive technologies. With over 30 years of expertise, the Company leverages innovative exploration and development methods, along with continuous monitoring of prospective targets in strategically important regions, to effectively expand its resource base and support the advancement of its LNG projects.

As at 31 December 2024, NOVATEK's subsidiaries and joint ventures held a total of 82 subsoil licenses for areas within Russia.

Beyond its conventional exploration and production licenses in the region, the Company also holds five CO_2 injection licenses for pilot carbon capture and storage projects.

For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82.

Cutting-edge exploration and development techniques drive both the expansion of NOVATEK's resource base and higher gas recovery rates, while also mitigating environmental risks.

For more details, see Section 2.6. Innovation, ↗ p. 54.

At the end of 2024, the Company's aggregate proved hydrocarbon reserves (SEC)[3] totaled 17,506 million boe (including its share in joint ventures) and comprised 2.4 trillion cubic meters of natural gas and 190.5 million tons of liquid hydrocarbons. Thanks to active exploration and acquisition of new licenses, our average 5-year reserve replacement rate totaled 139%[4]. Our 2024 hydrocarbon production totaled 667 million boe (84.1 billion cubic meters of natural gas and 13.8 million tons of liquid hydrocarbons), up 3.4% year-on-year.

17.5
bln boe
total proved hydrocarbon reserves (SEC) at the end of 2024

667 ↑3,4%
mmboe of hydrocarbons
hydrocarbon production in 2024

139%
reserves replacement ratio in 2020–2024

1 Gas Market Report Q1-2025 // IEA.
2 GIIGNL Annual Report 2024.
3 Reserve classification in accordance with the reserves definitions of the U.S. Securities and Exchange Commission.
4 The reserve replacement rate represents the change in proved reserves, increased by production during the year, divided by total production for the same year.

Development of LNG projects

The Company implements large- and medium-scale projects targeting foreign markets as well as small-scale projects aimed at expanding the domestic LNG market. NOVATEK's core production facilities are located in the Yamal-Nenets Autonomous Region, in close proximity to the Company's raw materials base.

Large- and medium-scale projects

NOVATEK's large-scale projects, Yamal LNG and Arctic LNG 2, operate in the harsh Arctic climate on the coast of the Ob Bay in the Kara Sea. Thanks to its production base's strategic location, the Company can deliver LNG by sea via the Northern Sea Route (NSR) in both directions – westbound and eastbound – enabling optimal supply route selection.

Our medium-scale LNG project, Cryogas-Vysotsk, is located in the Leningrad Region, at the port of Vysotsk on the Baltic Sea.

The Company's LNG supplies support global climate goals by helping reduce emissions in countries that switch from coal- to gas-fired power generation and by maintaining the stability of energy systems.

For more details, see Chapter 3. Climate Change, ↗ p. 66.

Small-scale projects

The development of the Company's small-scale projects supports increased domestic LNG consumption, both as a motor fuel and as an off-grid solution replacing carbon-intensive and less environmentally friendly fuels such as diesel and fuel oil.

NOVATEK's first small-scale LNG plant was launched in 2020 in Magnitogorsk (Chelyabinsk Region). In 2024, the Company commissioned two more small-scale LNG plants located in special economic zones in the Moscow and Samara Regions. These plants supply LNG to the domestic market for use as motor fuel.

The Company is building another small-scale plant in a special economic zone in the Tula Region, which is set to become the largest LNG plant in the Central Federal District.

The launch of new small-scale LNG facilities shortens LNG transport routes and supports its supply for off-grid solutions and as motor fuel in the Central, Volga, and Southern Federal Districts.

For more details, see Chapter 3. Climate Change, ↗ p. 66.

NOVATEK is a pioneer of Russia's LNG industry in the Arctic and one of the largest exporters globally. The Company's core strategic priorities include developing a competitive LNG platform and securing LNG sales in key markets.



Processing

Purovsky Plant

Located in the Purovsky District of the Yamal-Nenets Autonomous Region, the Purovsky Plant is the central link in our vertically integrated value chain. The plant processes gas condensate, which, following stabilization, is transported to the Ust-Luga Complex for further processing.

With its own railway line connected to the Russian rail network, the Purovsky Plant is able to streamline delivery processes, reduce costs, cut transportation times, and ensure reliable supplies.

13.2 ↓1,3%
mln tons
de-ethanized gas condensate processed in 2024

Ust-Luga Complex

The Company's Gas Condensate Fractionation and Transshipment Complex is located in the port of Ust-Luga on the Baltic Sea. The Complex processes stable gas condensate produced at the Purovsky Plant into light and heavy naphtha, jet fuel, gasoil, and fuel oil as a marine fuel component. The Complex uses a ground flare system, which eliminates air emissions of particulate matter from combustion products and helps reduce greenhouse gas emissions. Finished products are exported by sea.

7.4 ↑5,6%
mln tons
stable gas condensate processed in 2024

Sales

In 2024, natural gas sales volumes, including LNG, totaled 77.8 billion cubic meters, down 1.1% year-on-year.

We sell natural gas in Russia primarily through trunk pipelines and regional distribution networks while LNG is marketed through our wholesale channels and own refueling complexes.

As part of its sales channel development strategy, the Company makes efforts to further expand its network of LNG retail stations along major federal highways. In 2024, a new station was opened on the M-7 Volga Federal Highway in the Nizhny Novgorod Region, and the total number of the Company's LNG retail stations in Russia reached 15.

77.8 ↓1,1%
bcm
total natural gas sales, including LNG, in 2024

For more details, see Chapter 3. Climate Change ↗ p. 66.

Financial results

We rely on our strong operating and financial performance and conservative financial policy to responsibly meet our commitments to stakeholders and consistently deliver shareholder distributions.

1,546 ↑12,7%
RR bln
sales revenues for 2024

553.4 ↑4,6%
RR bln
normalized profit attributable to shareholders of PAO NOVATEK excluding the effect of foreign exchange gains (losses) in 2024

For more details, see the ↗ Disclosable Consolidated Financial Statements for 2024.



Expert

In 2024, Expert RA rating agency affirmed PAO NOVATEK's credit rating at ruAAA (the highest level) with a stable outlook.

ACRA

The ACRA rating agency also affirmed PAO NOVATEK's credit rating at the highest level (AAA(RU)) with a stable outlook.

The highest credit ratings from leading rating agencies in Russia indicate the Company's high creditworthiness, financial reliability, and resilience.

NOVATEK's strong financial performance supports the scaling of its sustainability programs and projects.

Sustainability investments[1] in 2024

23 ↑22%
RR bln

[1] Sustainability investments include spending on environmental protection, occupational health, fire safety, facility security, social programs for employees, social support for regions of operation, and investments in renewables and R&D. The 2023 sustainability investment amount was restated (recalculated) to RR 18.8 billion (from RR 19.3 billion).

ESG Highlights in 2024

Sustainability is an integral part of NOVATEK's culture. The Company continues investing in the development of environmental and social-impact projects, strengthening its focus on climate and technological sovereignty.

Sustainability investments[2]

23.0 RR bln ↑22%

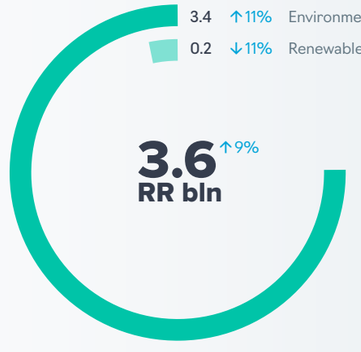


Maintaining high carbon efficiency and preventing negative environmental impact

286 kg of CO_2 eq. / boe ↓1%
GHG Intensity[1]

98.6% ↑0,2 p.p.
associated petroleum gas (APG) utilization rate

95% ↑6 p.p.
proportion of waste directed to recovery and disposal





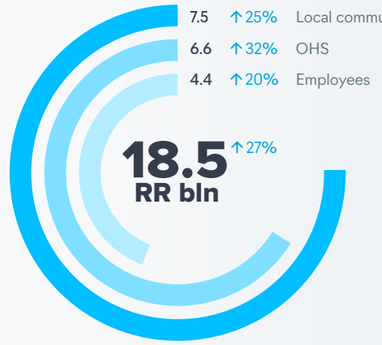
Employee and community relations

0.26 lost time injury frequency rate (LTIFR) ↓7%

5% employee turnover (flat year-on-year)

59 average training hours per employee ↑9%

more than 30 public consultations as part of the Environmental and Social Impact Assessment (ESIA) procedure



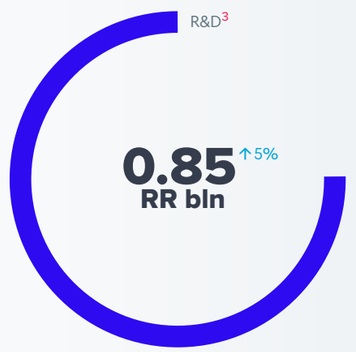


Adoption of innovations and sustainability practices

19% proportion of sustainability-related items on the overall agenda of the Board of Directors ↓8 p.p.

100% proportion of new suppliers evaluated for environmental and social impact (flat year-on-year)

2 patents registered in 2024



1 The GHG intensity index is calculated as the ratio of other indirect (Scope 3) GHG emissions from use of sold products (Category 11) to the volume of sold products. To account for various types of organic fuel (oil and natural gas), their consumption is expressed in a single energy equivalent – barrel of oil equivalent (boe).

2 The 2023 sustainability investment amount was restated (recalculated) to RR 18.8 billion (from RR 19.3 billion).

3 The 2023 R&D investment amount was restated (recalculated) to RR 809 million (from RR 1.4 billion).

Business Model

Being the largest Russian LNG actor and one of the largest natural gas producers in the world, NOVATEK is committed to producing and liquefying natural gas in the most efficient and environmentally friendly way possible. The Company's business model is based on vertical integration and covers the entire gas and liquid hydrocarbon production cycle.

The Company's business model covers the entire natural gas and liquid hydrocarbon production cycle, including exploration, production, processing, and sales.

Exploration and development enables maximum recovery of hydrocarbons, which are then processed using cutting-edge technologies and equipment and marketed with a focus on optimizing logistics and reducing costs.

Final products are supplied to power plants and chemical and petrochemical industries, and are used for heating industrial facilities and households as well as for fueling LNG-powered transport.

What we do

Stages of our product life cycle

Exploration

- Conducting geological exploration, seismic studies, and modeling
- Construction of exploration wells, drilling

Production

- Construction of production wells, drilling
- Gas, gas condensate, and oil production
- Production enhancement

Liquefaction and processing

- Gas liquefaction at the Company's large-, medium-, and low-scale LNG plants
- Stabilization and fractionation of gas condensate

Sales

- Sales of LNG on foreign markets and on the domestic market through a network of own LNG retail stations
- Gas sales on the domestic market through gas pipeline networks
- Sales of stable gas condensate, petroleum products, and other liquid hydrocarbons

End customers

- Households
- LNG-powered vehicles
- LNG-powered tankers
- Industrial enterprises
- Petrochemical plants
- Power plants

Core business processes

Natural gas and LNG

90.6% gas

17.5 **bln boe**
proved hydrocarbon reserves

9.4% gas condensate and oil

82.5% gas

0.7 **bln boe**
hydrocarbon production

17.5% gas condensate and oil

LNG projects



Stabilization of gas condensate



Fractionation of stable gas condensate



0.6 **bln boe**
sales volume

Other products

SGK, petroleum products, and crude oil

[1] Based on the results of a stakeholder survey.

Why we do it

NOVATEK strives to provide businesses and the population with affordable and reliable low-carbon energy by meeting the increasing demand while contributing toward global climate goals. The Company takes into account the needs of stakeholders by managing its positive and negative impacts in line with our corporate Sustainable Development Strategy.

NOVATEK's strategic sustainability priorities

- Ensure safe working conditions and contribute to community development
- Reduce and prevent negative environmental impacts
- Increase the efficiency and sustainable use of natural resources
- Climate resilience

How we do it

Efficiently

- Continuously improving performance and controlling costs
- Upgrading production assets
- Sustainably using natural and energy resources

Smartly

- Building in-house R&D capabilities
- Applying the best available technology

Safely

- Integrating HSE management systems into all production processes
- Protecting production assets against adverse weather and climate conditions
- Ensuring work safety

Responsibly

- Preventing environmental pollution, reducing climate impact, and preserving biodiversity
- Ensuring decent pay and preventing discrimination
- Cooperating with environmental organizations, the scientific community, and the indigenous peoples

What's the impact[1]

Strenght of current and potential impacts

For more details, see Section 1.4. Impact Compass ↗ p. 18

Value chain

Transportation

- By pipeline
- By tankers
- By rail

Value chain

NOVATEK's value chain encompasses all key stages – from exploration and production to the processing and sale of hydrocarbons. Our high-quality resource base, proprietary technologies, and a successful track record of large-scale projects give us a unique competitive edge, enabling us to generate added value for our stakeholders.

	Exploration	Production	Liquefaction and processing	Sales		
Our competitive advantages	**Extensive and high-quality resource base**	• **Modern production assets** • **Effective cost control**	• **Successful track record of LNG project execution** • **Own technology solutions**	**Diversified sales channels**		
Elements of NOVATEK's business strategy	**Expand the resource base** Ensuring long-term sustainability and stability by increasing hydrocarbon reserves	**Grow the production and processing of natural gas and other hydrocarbons** Higher production volumes support revenue growth and enable the distribution of profits to shareholders	**Build competitive and scalable LNG facilities** Increasing export potential and investing in the development of high-tech production	**Optimize marketing channels** Expanding market presence and improving customer experience through effective marketing strategies	**Maintain a low-cost structure** Enhancing competitiveness through cost optimization and improved operational efficiency	**Drive sustainable development** Efforts to reduce environmental and climate impact risks, enhance resource efficiency, and support social initiatives contribute to strengthening the Company's competitiveness and improving quality of life in its regions of operation

Shareholders and investors	Customers	Partners, suppliers, and contractors	Employees and trade unions	Local communities	Government authorities	Industrial community
Stakeholder value created by the Company						
82.15 RR per share final dividend for 2024	**77.8 bcm** natural gas sales volumes, including LNG, in 2024	**RR 968 bln** amount of goods and services supplied to the Company in 2024	**RR 11 bln** expenses on social programs for employees and OHS in 2024	**RR 7.5 bln** external social expenses in 2024		
Contributing to long-term development and asset value maximization	Stable supplies of natural gas, lower carbon LNG, gas condensate, oil, and refined products	Cooperation and joint initiatives	Creating new jobs, investing in human capital development, and fostering a safe and secure work environment	Job creation and local infrastructure development	Implementing initiatives to support Russian manufacturers and promote production localization	Cooperation and expert support

Impact Compass

The chart shows key groups of potential impacts that NOVATEK's operations can have across the value chain: exploration, production, liquefaction, and processing as well as through sales of finished products. The impacts were identified based on completed ESIAs and the industry profile. The key groups of potential impacts across the entire value chain – from exploration to sales of finished products – disclosed for 2023 remained relevant in 2024, as the Company's core activities have not changed.

Pollutant emissions management

- Implementing programs to reduce air pollutant emissions
- Lower air quality, ill human health, and impact on ecosystems

Water use

- Reducing pollutant discharges, recirculating water supply
- Limited access to water, water pollution, ill human health, and impact on ecosystems

Waste management

- Waste recovery, encouraging responsible waste management
- Generation, storage, and landfilling of industrial (including hazardous) waste

Biodiversity

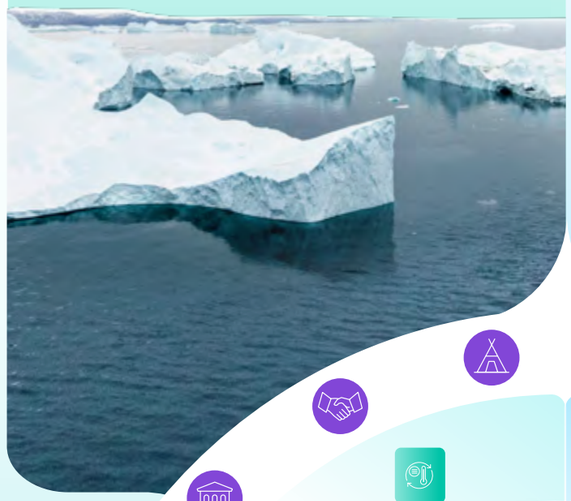
- Implementing biodiversity conservation programs, reintroducing endemic species
- Fragmentation and contamination of habitats, propagation of invasive species

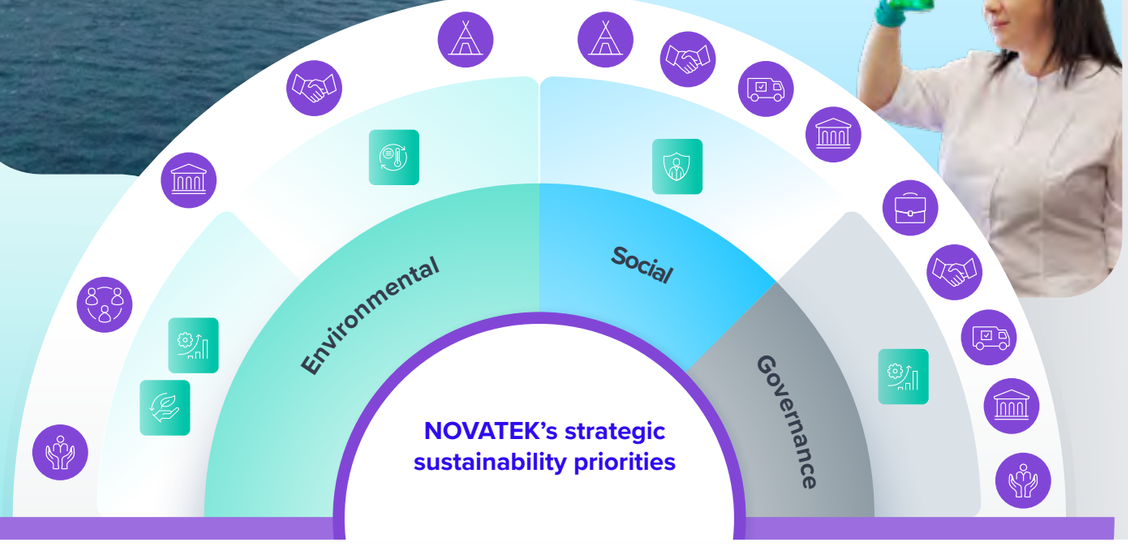
GHG emissions management

- Improved energy efficiency, APG utilization, and energy management
- Impact of GHG emissions on the climate over a 10–30 year horizon

Climate change adaptation

- Decarbonization and development of low-carbon operations, facilitating the transition to a low-carbon economy
- Realization of climate risks, impacts related to lower demand for oil and natural gas





Ensuring occupational safety

- Promoting OHS and safety culture
- Work-related injuries and occupational diseases, loss of asset integrity, and industrial accidents

Development of local communities and indigenous peoples

- Supporting and taking into account the interests of local communities and indigenous peoples of the Far North
- Infringements on the rights of local community members and the indigenous peoples of the Far North

Employee training, development, and motivation

- Training employees and young talent, increasing employee engagement and satisfaction
- Failure to meet employee training obligations

Sociocultural diversity, equal opportunities

- Providing equal opportunities
- Breaches of rights and discrimination of employees



Regional development

- Higher employment and income of local residents, tax payments
- Strain on local infrastructure, rising prices, and exposure to fluctuations in demand for oil and natural gas

Ensuring employment and decent working conditions

- Creating jobs with decent working conditions in our regions of operation
- Failure to meet employment obligations, restricted local employment

Economic performance and resilience

- Creating distributed economic value, developing in-house R&D capabilities, and ensuring effective end-of-life asset planning
- Stakeholder income loss and disruption of operations resulting from external threats, including cyberattacks, data breaches, and sanctions

Sustainable supply chain

- Improving business processes across all supply chains, supporting SMEs
- Local supplier dependence on the Company and shifts in supply chains

Ethical business conduct

- Combating corruption across the entire value chain
- Potential breach of business ethics principles and anti-corruption laws

For more details on the Company's impact management, see Appendix 2. Key Groups of Impacts of ↻ PAO NOVATEK's Sustainability Report 2023, p. 198.

NOVATEK's strategic sustainability priorities

- Ensure safe working conditions and contribute to community development
- Increase the efficiency and sustainable use of natural resources
- Reduce and prevent negative environmental impacts
- Climate resilience

Stages of the product life cycle

Exploration | Production | Liquefaction and processing | Sales

- Positive impacts
- Negative impacts

Materiality of impacts

Financial materiality: Very high | High | Moderate

Key stakeholder groups

- Shareholders and investors
- Employees and trade unions
- Customers
- Industrial community
- Government authorities
- Partners, suppliers, and contractors
- Local communities

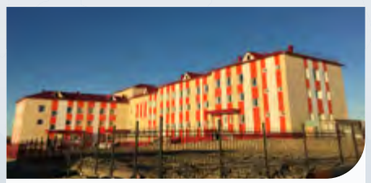
Responsible Investments in the Infrastructure of Our Operating Regions





Investment structure by project category, %

42	Area improvements and comprehensive development
19	Development of sports facilities
19	Development of educational facilities
10	Development of tourism attraction projects
10	Other



1 **Construction of social infrastructure facilities**

In the village of Seyakha, apartment buildings, a kindergarten, a boarding school dormitory building, helipads, a venison processing shop, and more were built; in the village of Yar-Sale, a nursing home and reindeer herding facilities were built and water treatment facilities were retrofitted

6.0 RR bln

2011 — Yamal-Nenets Autonomous Region, Seyakha village, Yar-Sale village



2 **Construction of a school**

A boarding school for 800 children was built

3.0 RR bln

2014 — Yamal-Nenets Autonomous Region, Gyda village



3 **Construction of a sports and recreation complex with an artificial ice rink**

A multi-purpose sports and recreation complex (a sports ground with a frame-and-canopy structure and artificial ice) was built for the Gymnasium municipal preschool educational institution

1.7 RR bln

2014 — Yamal-Nenets Autonomous Region, Salekhard



4 **Construction of a sports and recreation complex with a swimming pool and an ice rink**

A sports and recreation complex was built, featuring a multi-purpose gym, a swimming pool, and a training ice rink with artificial ice

1.6 RR bln

2014 — Yamal-Nenets Autonomous Region, Labytnangi



5 **Recreational cluster**

A new urban cluster featuring comfortable public spaces and modern infrastructure for social, educational, tourist, transportation, and engineering purposes was created

1.3 RR bln

2020 – present — Leningrad Region



6 **Construction of a fish factory on the Sob River**

A full-cycle fry rearing facility was built, enabling end-to-end operations from in-house broodstock roe collection to the release of juveniles into the natural environment

1.2 RR bln

2013 — Yamal-Nenets Autonomous Region, Kharp settlement



7 **Establishment and equipping of a network of multifunctional public service centers**

The regional network of innovative multifunctional public service centers was expanded

1.0 RR bln

2015 — Yamal-Nenets Autonomous Region



8 **Construction of reindeer herding facilities**

Reindeer herding facilities were built. The site also houses a diesel substation, diesel fuel storage tanks, fire tanks, and clean water storage tanks

0.5 RR bln

2015 — Yamal-Nenets Autonomous Region, Gyda village



9 **Construction of a recreational area**

Design and construction of a recreational area at the site of the Kharbeisky natural geological monument

0.3 RR bln

2021 — Yamal-Nenets Autonomous Region, Priuralsky District



10 **Renovation of Murmansk State Technical University**

The assets of Murmansk State Technical University were renovated, façades and internal premises were upgraded, and new modern laboratories were set up

0.2 RR bln

2022 — Murmansk

Sustainable Development Strategy

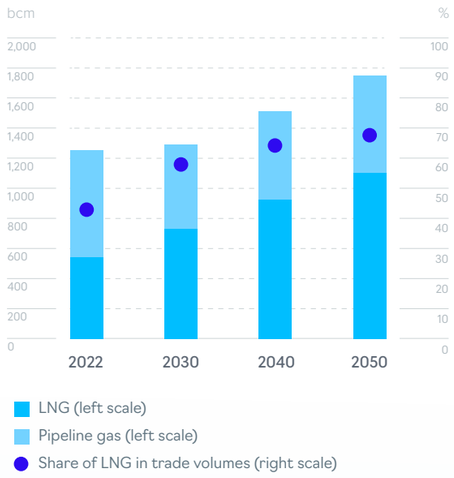
In the context of energy transition, NOVATEK sees itself taking the role as a supplier of the cleanest fossil fuel and plans to ramp up natural gas production while maintaining high carbon efficiency to provide affordable energy to the growing global population

Natural gas is an integral component of energy transition strategies in many regions around the world due to its wide availability – it can be delivered via pipeline or as LNG by sea to virtually any region – and its relatively low carbon intensity. According to the Gas Exporting Countries Forum (GECF) outlook[1], global demand for LNG will continue to grow and is expected to more than double by 2050, reaching 805 million tons per year. Apart from maintaining its leadership among global LNG importers in the upcoming decades, the Asia-Pacific region will also show the fastest growth rates compared to other regions. The region is expected to contribute 74% of the overall trade in LNG by 2050.

As part of its broader strategic vision, the Company is focused on expanding its production base for the exploration, extraction, liquefaction, and supply of natural gas – a versatile energy resource with the lowest carbon footprint among fossil fuels – while maintaining a strong emphasis on performance improvement and the adoption of cutting-edge technologies. These efforts, on the one hand, help make natural gas more accessible to the world's growing population and, on the other, support climate action by replacing high-carbon energy sources.

In implementing its business strategy, NOVATEK adheres to responsible business principles, balancing operational and financial efficiency with care for nature and people. The sustainable development strategy embedded in NOVATEK's business strategy is aligned with the national development goals of the Russian Federation through 2030 and for the future until 2036 (RF NDGs), the UN Sustainable Development Goals (UN SDGs), and provisions of the Paris Agreement.

Global natural gas trade by flow type and share of LNG trade outlook, 2022–2050



NOVATEK's strategic priorities for a sustainable future

As part of its strategic sustainability priorities, PAO NOVATEK's Board of Directors approved four climate change and two environmental targets to 2030 back in 2020. In 2024, the Company continued implementing measures to achieve these goals.

All target indicators show significant progress against the 2019 base year. At the same time, factors such as the launch of new projects, capacity utilization, and repairs may impact the year-on-year volatility of indicators.

1 2024 GECF Global Gas Outlook 2050 // GECF.



NOVATEK's mission and vision

Ensuring sustainable and innovative energy production with a minimal carbon footprint

NOVATEK's business strategy

1. Expand the resource base
2. Increase hydrocarbon production

3. Sustainable development

4. Maintain a low-cost structure
5. Optimize marketing channels
6. Build competitive and scalable LNG facilities

Strategic sustainability priorities and the UN SDGs	The Company's strategic environmental and climate change targets	Key programs and activities
Increase the efficiency and sustainable use of natural resources	Increasing the APG utilization rate to 99% from a 2019 baseline by 2030, %	• Treating and feeding APG into trunk pipeline networks • Injecting APG into reservoirs for enhanced oil recovery
Reduce and prevent negative environmental impacts	Reducing air pollutant emissions intensity by 20% to 0.102 tons / mboe from a 2019 baseline by 2030, t / mboe	• Using smokeless flares • Conducting well tests without releasing gas into the atmosphere
	Increasing the proportion of waste directed to recovery and disposal to 90% by 2030, %	• Waste recovery • Waste disposal at in-house facilities
Climate resilience	Reducing GHG emissions intensity in LNG production by 5% (to 0.25 tons of CO_2 eq. / ton of LNG) from a 2019 baseline by 2030, tons of CO_2 eq. / ton of LNG	Implementing initiatives under the Comprehensive Climate Change and Environmental Targets Program
	Reducing GHG emissions intensity in the upstream segment by 6% (to 11.71 tons of CO_2 eq. / mboe) from a 2019 baseline by 2030, tons of CO_2 eq. / mboe	Carrying out studies of wells without releasing gas into the atmosphere
	Reducing methane emissions intensity by 4% (to 9.96 tons / mmboe) from a 2019 baseline by 2030, tons / mmboe	• Adopting advanced techniques to monitor methane leaks • Reducing APG flaring
Ensure safe working conditions and contribute to community development		

As a result of the measures implemented, the Company's LNG has one of the lowest carbon footprints among major international oil and gas companies.

For more details, see Chapter 3. Climate Change, ↗ p. 66

Contribution to the UN SDG and Russia's National Development Goals



2 2030 target.

Contribution to the UN Sustainable Development Goals and Russia's National Development Goals

NOVATEK prioritizes five UN SDGs based on its own strategy and industry profile. A number of the Company's programs and activities are aligned with each priority UN SDG. Quantitative indicators presented in the table below are used to assess progress on each of the UN SDGs. In the reporting year, new indicators were also added to this list to reflect the Company's contribution to the achievement of Russia's national development goals (RF NDGs) through 2030 and for the future until 2036.

Risks

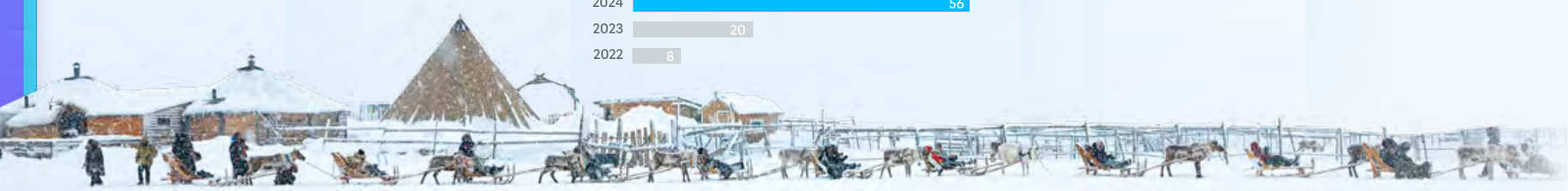
- Climate
- Technological
- Environmental
- Social
- Force majeure
- Russia's National Development Goals

Priority UN SDGs

The Company also contributes to other UN SDGs

UN SDGs / Targets UN SDGs / RF NDGs	The Company's priorities and key initiatives	Key quantitative metrics	Risks
Targets: 3.6, 3.8, 3.9, 3.d **RF NDG** 1. Preservation of the population, strengthening health, and improving the well-being of people, supporting families	**Reducing LTIFR among Company employees** Organizing strategy sessions toward an integrated transformation of safety culture	LTIFR 2024 0.26 2023 0.28 2022 0.40 2021 0.64 Following improvements to the methodological approach made in accordance with the GRI and SASB recommendations, since 2023, calculations of LTIFR and severe injury rates have reflected the number of people who were injured or died from work-related injuries rather than the number of accidents. The rates for 2021 and 2022 were restated accordingly. For more details, see Chapter 5. Safety, p. 132.	
	Voluntary health insurance (VHI) for Company employees Maximum coverage of employees with the VHI program: outpatient care, dental care, and emergency and scheduled hospital treatment	**Spending on VHI programs,** RR mln 2024 550 2023 365 2022 301 2021 260 **The Company's spending on organizing healthcare events for employees and their families,** RR mln 2024 1,215 2023 822 2022 651 2021 548	
	Assisting seriously ill children in desperate need in meeting their healthcare needs • Developing healthcare across regions of operation and providing highly qualified medical aid as part of the Health Territory and Targeted Therapy projects • Providing financial support to relevant non-profit organizations	**The number of seriously ill children that received help under the Health Territory and Targeted Therapy projects,** people 2024 74 2023 1,441 2022 809 2021 790 The decrease was due the completion of the Health Territory project in 2024. **The Company's spending on programs supporting the health of local community members,** RR mln 2024 56 2023 20 2022 8	

UN SDGs / Targets UN SDGs / RF NDGs	The Company's priorities and key initiatives	Key quantitative metrics	Risks
Targets: 4.1, 4.3, 4.a, 4.c **RF NDG** 2. Self-fulfilment of each person, unlocking their talents, and educating a patriotic and socially responsible person	**Ensuring that NOVATEK employees have access to quality education** • Implementing the Steps in Discovering Talents program • Holding the annual forum of executives • Developing remote learning programs for all employees	**Average training hours per employee,** hours 2024 59 2023 54 2022 54 2021 41	
	Supporting educational institutions and running youth education programs • Running the Grants for Schoolchildren and Grants for Teachers programs • Running the Gifted Children and NOVATEK-University training and development programs for gifted school and university students • Implementing initiatives to support culture and education	**The Company's spending on initiatives and projects promoting traditional Russian spiritual, moral, and cultural and historical values,** RR mln 2024 234 2023 85 2022 234	
Targets: 7.2, 7.a **RF NDG** 4. Ecological well-being	**Continuously improving energy efficiency** Implementing the Comprehensive Program of Energy-Saving Measures	**Integrated energy savings,** th. GJ 2024 7,933.0 2023 7,902.9 2022 6,790.1 2021 43,2 The 2021 data include initiatives to reduce electricity consumption. In 2023 and 2024, the calculations included additional initiatives, including to reduce fuel gas consumption within the organization. The 2022 metric was restated accordingly. **The Company's environmental expenses,** RR mln 2024 3,429 2023 3,088 2022 2,570 2021 2,908	
	Expanding the use of renewables Ramping up renewable energy purchases to replace energy produced through hydrocarbon combustion	**Renewable and low-carbon energy consumption,** th. kWh 2024 71,405 2023 76,968 2022 23,239 2021 209 Renewable energy consumption at own telemechanics units; consumption of renewable energy purchased through free bilateral contracts in 2022 and 2023; consumption of low-carbon energy purchased along with associated generation attributes in 2024.	



For more details on progress toward set targets, see the relevant sections of this Report.
For more details on risks, see Appendix 1. Key Sustainability Risks and Opportunities, p. 200.

Risks

- Climate
- Technological
- Environmental
- Social
- Force majeure
- Russia's National Development Goals

Priority UN SDGs

The Company also contributes to other UN SDGs

UN SDGs / Targets UN SDGs / RF NDGs	The Company's priorities and key initiatives	Key quantitative metrics	Risks
Targets: 8.5, 8.8 **RF NDG** 1. Preservation of the population, strengthening health, and improving the well-being of people, supporting families **RF NDG** 3. Comfortable and safe living environment **RF NDG** 5. Stable and dynamic economy **RF NDG** 7. Digital transformation of public and municipal administration, economy and social sphere	**Providing quality employment and ensuring equal pay for equal work** • Making cost-of-living adjustments to employee salaries and social benefits • Running social programs	Average pay, RR th. 2024 275 2023 261 2022 222 2021 185 The Company's spending on financial assistance programs for employees in difficult life situations, RR mln 2024 1,233 2023 1,137 2022 847 2021 803 The Company's spending on corporate private pension programs and/or long-term savings plans, RR mln 2024 243 2023 214 2022 159 2021 139	
	Contributing to the economic and social development of our regions of operation by creating jobs, improving infrastructure, and running programs aimed at improving living standards for local communities • Constructing, refurbishing, renovating, upgrading, and equipping social infrastructure facilities • Running charity projects as well as sports, cultural, and educational programs	External social expenses, RR bln 2024 7.5 2023 6.0 2022 3.3 2021 3.2 The Company's spending on improving urban amenities and supporting the comprehensive development of cities and other settlements, RR bln 2024 1.5 2023 2.2 The Company's spending on providing access to mobile and internet services in remote regions, RR bln 2024 1.9	

UN SDGs / Targets UN SDGs / RF NDGs	The Company's priorities and key initiatives	Key quantitative metrics	Risks
Target: 13.2 **RF NDG** 4. Ecological well-being	**Increasing LNG production to 57 million tons per year by 2030** Constructing new production facilities	LNG production volume, mln tons 2030 57 2022 22 2021 20 Considering 100% of the share (13 million tons considering the proportionate share in the production of joint ventures in 2022).	
	Supplying LNG to consumers in areas remote from existing gas transmission infrastructure by 2025 Developing own network of LNG retail stations to facilitate a wider use of LNG-powered commercial vehicles	Sales of LNG through LNG fueling stations, th. tons 2024 42 2023 53 2022 51 2021 22	

UN SDG targets

3.6	Halve the number of global deaths and injuries from road traffic accidents	**4.c**	Substantially increase the supply of qualified teachers, including through international cooperation for teacher training
3.8	Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality, and affordable essential medicines and vaccines for all	**7.2**	Increase substantially the share of renewable energy in the global energy mix
3.9	Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	**7.a**	Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
3.d	Strengthen the capacity for early warning, risk reduction and management of national and global health risks	**8.5**	Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
4.1	Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	**8.8**	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
4.3	Ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university	**13.2**	Integrate climate change measures into national policies, strategies and planning
4.a	Build and upgrade education facilities that are child, disability, and gender sensitive and provide safe, non-violent, inclusive, and effective learning environments for all		



Sustainability Management

2024 highlights

851 ↑5%
RR mln[1]
R&D spending

1.4
RR bln
spending on digital projects

100%
of new suppliers screened against social and environmental criteria (flat year-on-year)

Russia's national development goals
- Stable and dynamic economy
- Technology leadership
- Digital transformation of public and municipal administration, economy and social sphere

External documents

- United Nations Global Compact
- International and national risk management and internal control standards (COSO, GOST R ISO 31000-2019, etc.)
- National legislation and regulatory requirements

Corporate documents

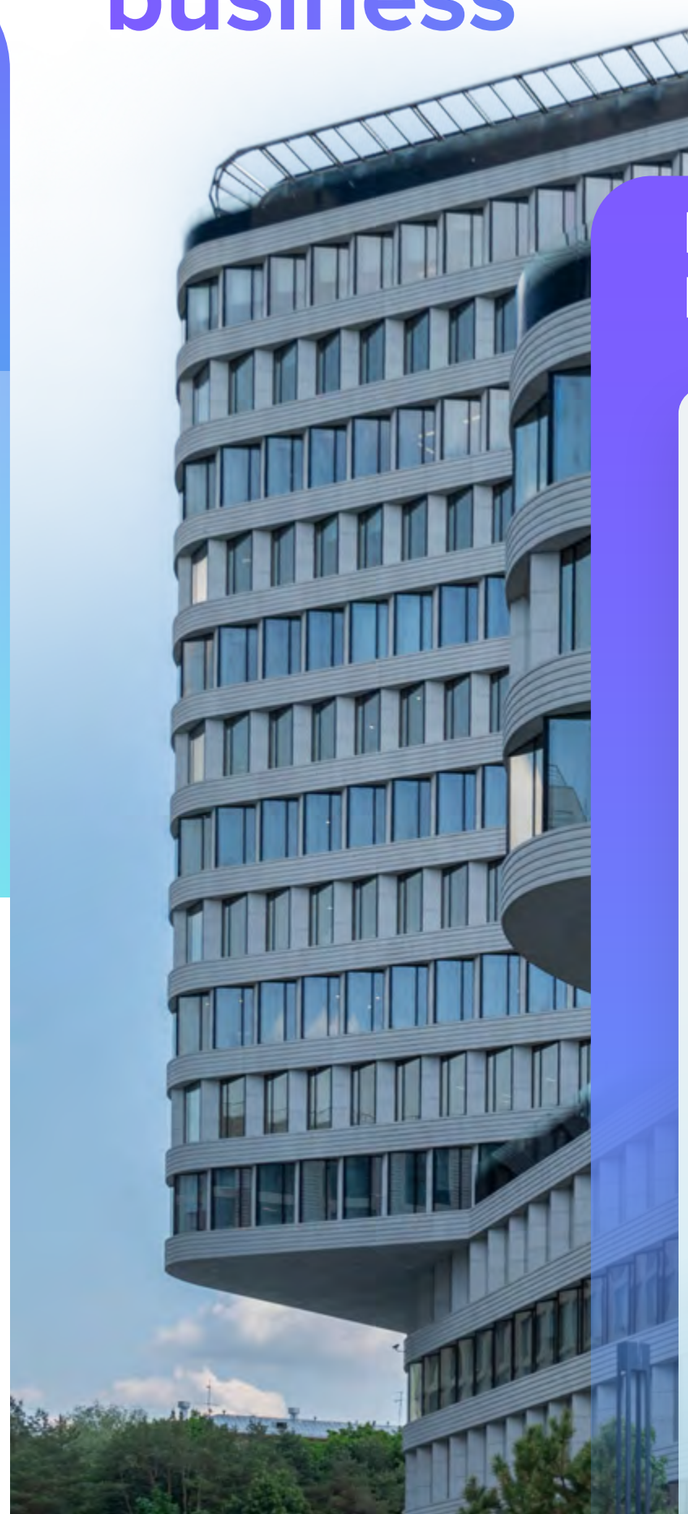
- Regulations on the Board of Directors
- Committee regulations
- Regulations on Risk Management and Internal Control System
- Anti-Corruption Policy
- Code of Business Conduct and Ethics
- Supplier Code of Conduct
- Human Rights Policy
- Regulations on the Management of Conflicts of Interest

Material topics



[1] The 2023 R&D investment amount was restated (recalculated) to RR 809 million (from RR 1.4 billion).

Growing a sustainable business



Letter from the Chairman of NOVATEK's Board of Directors

I am pleased to highlight that, despite the challenges of 2024, NOVATEK's performance has confirmed the strength of our strategy and management system. As a result, NOVATEK maintained robust business growth while making a meaningful contribution to the UN Sustainable Development Goals and Russia's national development goals.

In 2024, guided by best practices in corporate governance, we conducted another external evaluation of the performance of the Board of Directors and its committees. The results confirmed the Board's effectiveness and its fulfillment of key responsibilities. One of the key strengths noted by external experts was the Board's balanced composition in terms of skills and professional experience. Independent directors are actively involved in meetings and help to facilitate constructive discussions resulting in optimal decisions.

Our commitment to responsible business conduct and enhanced transparency has earned strong recognition both in Russia and abroad. During the year, NOVATEK shares were included in all sustainability indices of the Moscow Exchange.

In early 2025, NOVATEK improved its position in the ESG Corporate Rating by ISS (Institutional Shareholder Services Inc.), the world's leading provider of ESG ratings, to C+, significantly above the industry average.

On behalf of the Board of Directors, I would like to thank all shareholders and stakeholders for their trust in the Company and its management, and for their confidence in our long-term growth potential, and am pleased to present NOVATEK's Sustainability Report 2024.



Alexander Natalenko
Chairman of the Board of Directors
PAO NOVATEK

Sustainability Management System

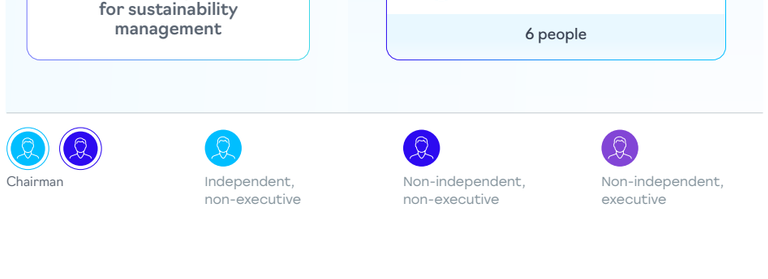
NOVATEK deems it strategically important to integrate sustainability principles at every level of corporate governance.

For more details on the corporate governance system, see ↗ PAO NOVATEK's Annual Report 2024.



The Company implements advanced international and national management system standards and takes an integrated approach to sustainability management. NOVATEK's divisions and business units are involved in regulating these aspects both at the strategic and operational levels.

Sustainability governance structure



ESG ratings and awards

Recognition of the high quality of ESG management, progress, and disclosures by rating agencies and in competitions boosts stakeholder confidence and improves access to capital markets. For example, when the Company scored higher in the RAEX ESG ranking, its shares were included in the MOEX–RAEX ESG stock index for the first time in early 2025.

International recognition

In early 2025, NOVATEK improved its position in a major international sustainability rating, ESG Corporate Rating by the ISS (Institutional Shareholder Services) rating agency to C+, significantly above the industry average[1].

The score was informed by 2024 disclosures. The Company has significantly improved its performance in the social dimension by disclosing information on the implementation of responsible procurement and human rights practices.

NOVATEK's ESG ratings, indices, and awards in 2024

Sustainability indices of the Moscow Exchange		
RSPP	**RSPP ESG indices** A is the highest group, C is the lowest group	**Group A of the Responsibility and Transparency Index** **Group A of the Sustainable Development Vector Index**
RAEX / MOEX	**RAEX ESG Index** The index includes shares of 15 issuers with the highest scores in the RAEX ESG ranking	**Shares included in the MOEX–RAEX ESG Balanced Index for the first time**

ESG ratings, indices, and competitions		
MOEX	27th Moscow Exchange Annual Report Competition	Winner in the **Best Disclosure of ESG Information** category
Expert	ESG Transparency Ranking of Russian Companies and Banks	**Industry leader** in the ESG transparency ranking among oil and gas companies
RBC NCR	ESG index by RBC and NCR rating agency	**The highest level of transparency**
RAEX	RAEX ESG ranking	**Industry leader** in the **E and S** categories[2]
Arctic & CSR Arctic Russia ACRA RM	Ranking of 20 Russian companies operating in the Russian Arctic zone	**Highest level of responsibility**

1 On a scale where A+ is the best score and D– is the worst score. The industry average was calculated for 97 international oil and gas companies.
2 As of 1 October 2024 // ↗ ESG ranking of companies (October 2024).

Role of NOVATEK's senior governance bodies in sustainability management

General Meeting of Shareholders

The General Meeting of Shareholders is NOVATEK's highest governance body. NOVATEK pays particular attention to the effectiveness of interaction with its shareholders and strives to maximize the transparency and completeness of the information provided to them. Shareholders may contact the Company to obtain necessary clarifications or ask questions regarding its operations, including sustainability aspects, during Annual General Meetings of Shareholders.

For more details on the General Meeting of Shareholders, see NOVATEK's Articles of Association, pp. 8–10.

Board of Directors

The Board of Directors is directly involved in the Company's sustainability efforts. It determines strategic focus areas across all pillars, from climate, biodiversity, and water resources to human rights protection and engagement with indigenous peoples of the Far North. The Board of Directors also approves sustainability reports and their material topics.

In the 2024 corporate year[1], the Board of Directors approved PAO NOVATEK's updated Code of Business Conduct and Ethics and Regulations on Risk Management and Internal Control System.

The Board of Directors elected at the Annual General Meeting of Shareholders held on 21 April 2023[2] counts nine directors, including five independent directors. Thus, independent directors make up the majority of the Board of Directors, accounting for 56% of its total membership.

The Board of Directors is currently chaired by Alexander Natalenko.

To ensure fairness and transparency in the decision-making process, the Board of Directors considers the outcomes of its engagement with a wide range of stakeholders as well as their views. This approach helps the Company enhance the effectiveness of its impact management by fostering strategic partnerships that seek to maximize shareholder value.

For more details on communication mechanisms, see Appendix 2. Stakeholder Engagement, p. 204.

Structure of the Board of Directors upon election

Independence

56% of directors are independent

Tenure

67% of directors have served on the Board of Directors for less than seven years

Gender diversity

11% of directors are women

Age diversity

22% are aged between 30 and 50

78% are aged over 50

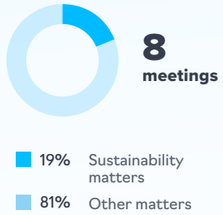
Expertise and training

Strategic planning, oil and gas (including geology), international cooperation, risk management (including climate risks), finance and auditing, HR management, sustainable development and climate change, and sanctions policy (including key trends and risks)

For more details on the Board of Directors, see PAO NOVATEK's Annual Report 2024.

During the 2024 corporate year, eight meetings of the Board of Directors were held, where six different sustainability matters were addressed.

Key sustainability matters addressed at meetings of the Board of Directors in the 2024 corporate year[1]



Key sustainability matters addressed at meetings of the Board of Directors in the 2024 corporate year	Relevant stakeholders
Approval of PAO NOVATEK's Sustainability Report 2023	
Approval of PAO NOVATEK's revised Code of Business Conduct and Ethics	
Approval of material topics for PAO NOVATEK's Sustainability Report 2024	
Approval of a new version of PAO NOVATEK's Regulations on Risk Management and Internal Control System	

To ensure the effectiveness of corporate governance and sustainability management, NOVATEK conducts a regular performance evaluation of the Board of Directors and its committees: once every three years, an independent consultant is engaged to conduct an external evaluation, with self-evaluation conducted in intervening years.

In 2024, an external evaluation was conducted of the performance of the Board of Directors and its committees for the 2022–2024 period. The results confirmed the Board's effectiveness and its fulfillment of key functions in line with applicable standards and best practices. One of the key strengths noted by external experts was the Board's balanced composition in terms of skills and professional experience.

Independent directors are actively involved in meetings and help to facilitate constructive discussions resulting in optimal decisions. The results of the evaluation were also used to inform further performance improvements.

Based on the recommendations from the previous external assessment conducted in 2021, NOVATEK took steps to expand the mix of Board members' sustainability-related skills and industry expertise, strengthened the Audit Committee by including independent directors, and approved PAO NOVATEK's Board of Directors Succession Policy.

On top of that, in 2024, an independent external evaluation confirmed that NOVATEK's internal audit function complied with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors.

Shareholders and investors | Government authorities | Partners, suppliers, and contractors
Employees and trade unions | Local communities | Industrial community

1 The 2024 corporate year is counted from the date of the Annual General Meeting of Shareholders on 18 March 2024 to the Annual General Meeting of Shareholders on 17 April 2025.

2 In accordance with Federal Law No. 519-FZ, On Amendments to Certain Legislative Acts of the Russian Federation and Suspension of Certain Provisions of Legislative Acts of the Russian Federation, dated 19 December 2022, in 2023, NOVATEK's General Meeting of Shareholders resolved to elect members of the Company's Board of Directors for a term until the third Annual General Meeting of Shareholders from the date of election. Accordingly, in 2024, the election of the Board of Directors was not included in the agenda of the Annual General Shareholders Meeting.

Board committees

NOVATEK has three standing committees of the Board of Directors, along with one subcommittee, each actively engaged in sustainability management within their respective areas of expertise. The Remuneration and Nomination Committee and the Subcommittee on Climate and Alternative Energy play the most active roles in addressing sustainability matters.

Key sustainability matters addressed during the 2024 corporate year

Remuneration and Nomination Committee

Sustainability functions of governance bodies

- Establishing effective and transparent remuneration of members of the Company's governance bodies and building up their expertise
- Planning HR management activities
- Conducting an annual review of reports on the Company's performance in industrial safety, environmental protection, climate impact, corporate governance, and social activities; reviewing the Company's Sustainability Report



6 meetings

71% Sustainability matters

29% Other matters

Key sustainability matters addressed in the reporting period	Relevant stakeholders
Non-financial reporting matters, including the approval of PAO NOVATEK's Sustainability Report 2023	
PAO NOVATEK's sustainability progress and results	
Review of the 2024 Report on Social and Charitable Activities in the Regions of Operation	
Review of the HSE performance report and HR management policy performance report of PAO NOVATEK for 2024	
External performance evaluation of the Board of Directors and Board committees	

Strategy Committee

Sustainability functions of governance bodies

- Defining strategic goals and overseeing the implementation of the Sustainable Development Strategy
- Making recommendations on the dividend policy
- Evaluating the long-term effectiveness of the Company's operations



4 meetings

20% Sustainability matters

80% Other matters

Key sustainability matters addressed in the reporting period	Relevant stakeholders
Matters relating to liquid hydrocarbons sales	
Approaches to building a target IT architecture and implementing IT projects	

Subcommittee on Climate and Alternative Energy under the Strategy Committee

Sustainability functions of governance bodies

- Providing recommendations to the Board of Directors on matters related to NOVATEK's climate and decarbonization strategy, renewable development, and low-carbon fuel production



5 meetings

100% Sustainability matters

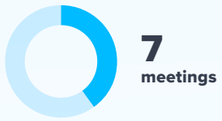
0% Other matters

Key sustainability matters addressed in the reporting period	Relevant stakeholders
Development of PAO NOVATEK's position as a participant in the Conference of Parties (COP29) to the UN Framework Convention on Climate Change as well as analysis of current trends resulting from the Conference	
PAO NOVATEK's carbon credit market activities	
Implementation status of CO_2 capture and underground storage projects and large-scale low-carbon hydrogen and ammonia production projects	

Audit Committee

Sustainability functions of governance bodies

- Overseeing the internal and external audit activities
- Supervising the performance of the risk management (including climate risks), internal control, and corporate governance systems



Key sustainability matters addressed in the reporting period	Relevant stakeholders
External evaluation of the quality of PAO NOVATEK's internal audit activity	
PAO NOVATEK's risk and opportunity maps	
Current status of PAO NOVATEK's opportunities	
Final report on reliability and effectiveness of risk management, internal control, and corporate governance systems	
Implementation of PAO NOVATEK's Code of Business Conduct and Ethics	
Implementation of PAO NOVATEK's Anti-Corruption Policy and development of recommendations for the approval of its revised version	
Implementation status of information security measures at PAO NOVATEK, including information on import substitution	

For more details on Board committees, see PAO NOVATEK's Annual Report 2024.

Executive bodies

The Management Board, a collegial executive body, is in charge of NOVATEK's day-to-day operations. The Board of Directors elects the members of the Management Board from among the key employees of the Company. The management of sustainable development issues, including information disclosure and stakeholder engagement, is coordinated by a dedicated unit.



Remuneration of members of the Company's governance bodies

The procedure for determining the remuneration and expense reimbursement for members of the Board of Directors is established by the Regulations on Remuneration and Compensations Payable to Members of NOVATEK's Board of Directors, approved by PAO NOVATEK's Annual General Meeting of Shareholders. Shareholders may also exercise their voting rights in accordance with the "one share, one vote" principle in determining remuneration amounts.

The procedure and criteria for determining the remuneration and expense reimbursement for the Chairman and members of PAO NOVATEK's Management Board are established by the Regulations on the Management Board and the NOVATEK Group's Executive Bodies and Other Key Employees Remuneration and Expense Reimbursement Policy. Remuneration of members of the Management Board consists of salaries and bonuses. Among the key performance indicators that affect remuneration, the Policy also takes into account sustainability-related performance indicators.

For more details on the governance body's remuneration system, including details on remuneration amounts, see PAO NOVATEK's Annual Report 2024.

Sustainability-related key performance indicators

Sustainability-related KPIs are aimed at achieving NOVATEK's strategic, environmental, and climate change targets. To assess the achievement of KPIs, the Company has developed a set of KPI metrics and assigned a weight to each KPI.

The HSE Management System performance index accounts for 10%–15% within the overall set of KPIs for the Company's top managers[1]. The level of KPI achievement is based on performance across a range of metrics.

Sustainability-related key performance indicators

Industrial and fire safety	Occupational health	Environmental protection	Climate
Accidents, fires, and incidents Accidents, fires, and incidents at hazardous production facilities that result in production being discontinued	**Frequency of accidents** The frequency of work-related accidents resulting in lost time due to injury during the reporting period. In the event of a work-related fatality, the entire integral indicator is considered not to have been achieved	**Penalties for violations of the law** Results of inspections by government authorities that revealed violations of the law leading to significant penalties, as well as significant above-limit environmental charges	**GHG emissions intensity** *in the upstream segment* Avoiding exceeding GHG emissions intensity limits for the upstream segment against the base year[2] *for the processing segment* Avoiding exceeding GHG emissions intensity limits for the processing segment against the base year[3] *in LNG production* Avoiding exceeding GHG emissions intensity limits in LNG production against the base year[4]
Penalties for violations of the law Results of inspections by government authorities that revealed violations of the law, leading to significant penalties	**Penalties for violations of the law** Results of inspections by government authorities that revealed violations of the law, leading to significant penalties		

1 Top managers – General Directors, Deputy General Directors of subsidiaries and affiliates of the NOVATEK Group, members of the Management Board and Directors of departments of PAO NOVATEK.
2 2016.
3 2017.
4 2018.

Sustainability Risks and Opportunities

NOVATEK's business model is based on a robust risk and opportunity management system, helping the Company achieve its operational and strategic goals while minimizing potential threats. NOVATEK is constantly improving its risk management practices and optimizing its portfolio of insurance programs.

Risk management and internal control system

NOVATEK operates a multitier risk management and internal control system (RMICS). The system is structured in accordance with international and Russian best practices, incorporating concepts from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Institute of Internal Auditors (IIA), recommendations from the Bank of Russia, etc.

For more details on the main principles, approaches, goals, objectives, composition, responsibilities, and interaction procedures of the participants, see PAO NOVATEK's Regulations on Risk Management and Internal Control System.

For more details on relevant standards and internal documents as well as the RMICS model and participants, see PAO NOVATEK's Annual Report 2024 and the Company website.

Risk and opportunity management

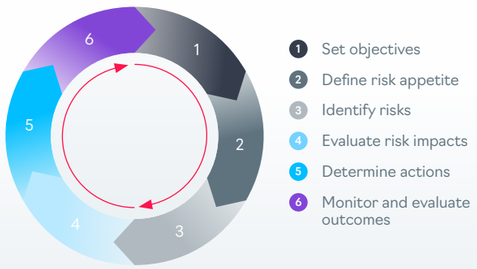
NOVATEK regularly monitors changes in the market environment, geopolitical situation, and regulatory and legal framework to assess their potential impact on the achievement of the Company's operational and strategic goals.

PAO NOVATEK's Board of Directors approves the key principles and approaches for establishing the RMICS and sets the level of risk appetite. The Audit Committee of the Board of Directors regularly reviews reports of the Company's management on the status of risk and opportunity management, assesses the appropriateness of the established level of risk appetite, and, if necessary, instructs management to run an in-depth analysis of individual risk areas within the Company's activities.

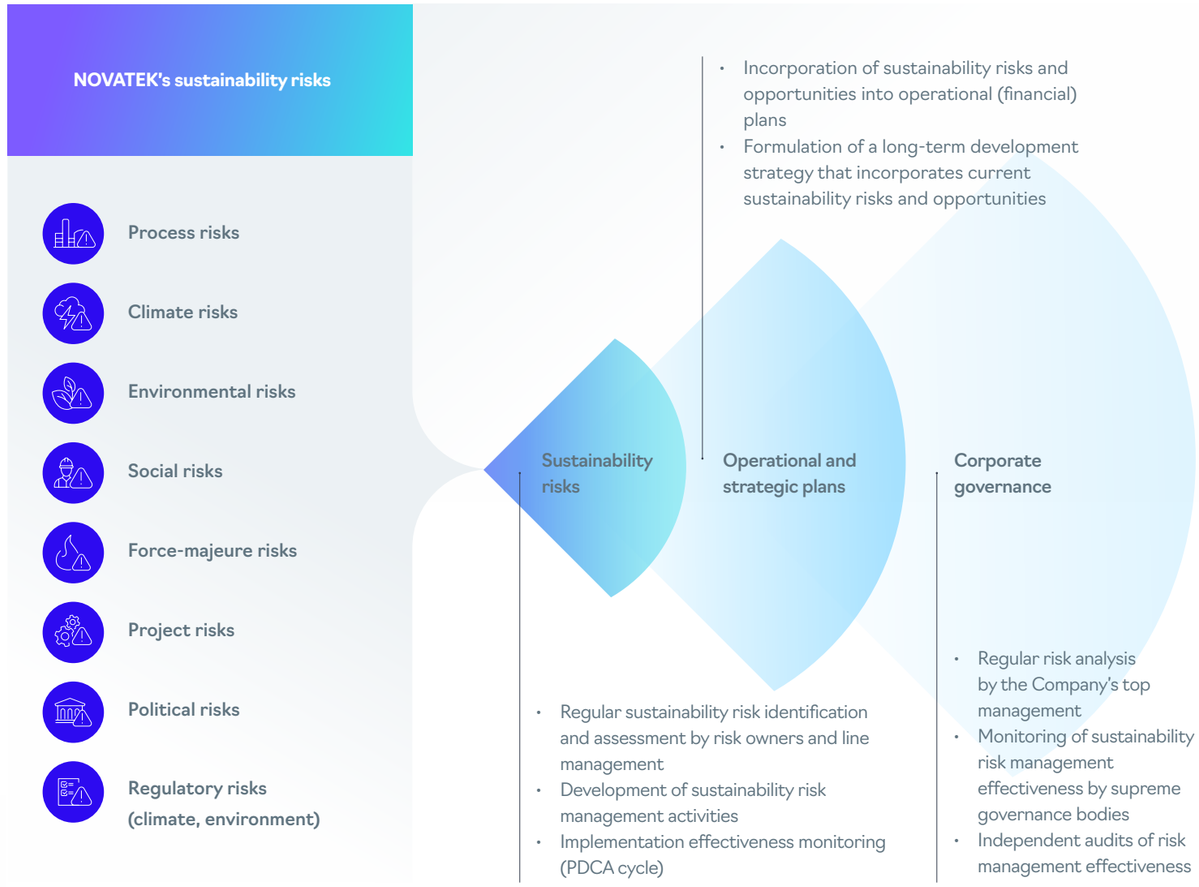
A dedicated unit is responsible for coordinating the Company's risk management activities and securing insurance coverage for the Company. NOVATEK regularly identifies and assesses risks and opportunities and defines actions to manage them at all levels of corporate governance.

In 2024, the Company took further steps to improve the effectiveness of its risk management and ensure sustainable development amid external challenges and restrictions.

NOVATEK's risk management process



Integrating sustainability risks into NOVATEK's overall risk management process



The Company uses risk and opportunity maps to describe risks and opportunities. The Risk Map categorizes all risks, including sustainability-related risks that may threaten the achievement of the Company's goals on a planning horizon from one to three years. The Risk Map is updated on an annual basis and is subject to review by both the Management Board and the Audit Committee of the Board of Directors.

Changes to NOVATEK's Risk Map in 2024:

- identification of new risks driven by external restrictions imposed on the Company's operations, including during 2024;
- implementation of a range of measures to adapt to existing restrictions and those newly imposed in 2024;
- refinement of risk assessments and relevant measures across all risk groups, including estimates of property damage, losses resulting from suspension or curtailment of production activities, and environmental impacts of potential accidents;
- updates to the implementation status of measures aimed at achieving the Company's environmental targets by 2030, as well as to the impact status of climate and force majeure risks.

An annually updated Opportunities Map is used to streamline opportunities that, if implemented, have the potential to generate additional economic benefits. In 2024, NOVATEK's Opportunities Map to 2031 was developed and submitted to the Management Board and the Audit Committee for review, along with the information on the current status of the Company's opportunities.

Most of the Company's opportunities are related to climate change and address both its physical impacts and urgent issues concerning the global climate agenda.

For more details on NOVATEK's key sustainability risks and opportunities and measures to manage them, see Chapter 3. Climate Change, ↗ p. 66, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.

The Company regularly plans and implements measures to improve the risk management system and foster a risk culture. Specifically, in 2024:

1. Throughout the year, PAO NOVATEK's current and newly hired managers received training according to the developed risk management training course. The course introduces the fundamentals of risk management and practices for identifying and assessing risks and developing risk management measures at the Company. 100% of PAO NOVATEK's managers completed the course.
2. The Audit Committee of PAO NOVATEK's Board of Directors reviewed the current approach to defining risk appetite and resolved that it is consistent with the Company's operating environment.
3. The Audit Committee of PAO NOVATEK's Board of Directors was briefed on risk management matters concerning the Company's subsidiaries and affiliates.
4. Corporate governance bodies were informed of the most significant instances of risk materialization, including those that could impact the materialization of climate and environmental risks across the NOVATEK Group and the achievement of its 2030 climate change targets.
5. The Company's Risk Map for 2025–2027 and Opportunities Map to 2031 were updated.

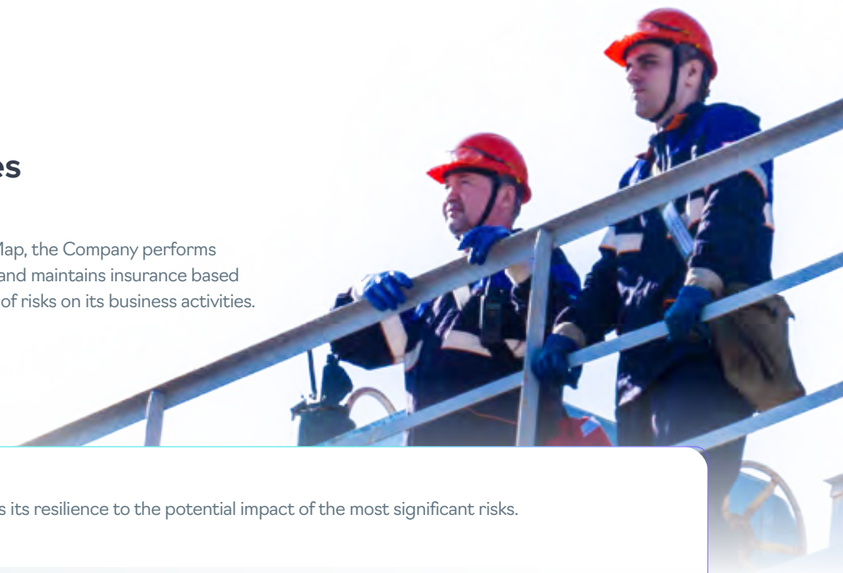
NOVATEK's risk management system development objectives for 2025 and for the short term:

- Continue training Company employees according to the developed training course
- Analyze risks in the Company's most critical areas of activity (including upon request from top management) and roll out risk-based decision-making practices
- Update the Company's Risk Map and Opportunities Map



Risk management activities

Along with implementing measures from the Risk Map, the Company performs stress testing, develops business continuity plans, and maintains insurance based on a systematic approach to mitigating the impact of risks on its business activities.



Stress testing

NOVATEK uses various stress testing tools to assess its resilience to the potential impact of the most significant risks.

Insurance stress testing

annual scenario modeling of emergencies to determine potential damage to property and losses from business interruption under various risk scenarios.

Sensitivity analysis for financial planning

strategic and operational planning as well as the planning and implementation of major investment projects taking into account external environment factors that most significantly affect financial performance, including internal carbon pricing.

For more details on internal carbon pricing, see Chapter 3. Climate Change, ↗ p. 66.

Scenario modeling of climate change

stress testing of foundation strength and production cycle safety during the design and construction of buildings and other permanent structures to assess vulnerabilities to changes in environmental parameters, followed by the development of climate change adaptation plans.

Business continuity plans

The Company develops business continuity plans for serious accident and fault risk scenarios at process facilities to enable prompt responses, cost reductions, and expedited restoration of production at critical process sites. NOVATEK continued its business continuity planning in 2024.

Risk insurance

NOVATEK makes active use of compulsory and voluntary insurance programs, engaging the largest and most reliable Russian insurance providers.

For more details on PAO NOVATEK's insurance programs, see ↗ PAO NOVATEK's Annual Report 2024.

Ethics

NOVATEK's corporate culture is based on international and Russian best practices and aims to maintain trust and mutual respect, both within the Company and in its relationships with business partners. Zero tolerance for human rights violations, corruption, and fraud is crucial to the Company's long-term success and to the well-being of society as a whole.

Since 2021, NOVATEK has been a signatory to the UN Global Compact, a major international initiative aimed at implementing 10 principles of responsible business conduct related to human rights, labor, environment, and anti-corruption.

NOVATEK is committed to integrating the Global Compact principles into its operations and regularly reports on its progress. The Company's internal regulations, such as its Code of Business Conduct and Ethics, Supplier Code of Conduct, Human Rights Policy, and Anti-Corruption Policy, include key provisions of the UN Global Compact, cover all Group subsidiaries and affiliates, and are approved by the Board of Directors.

Ethics and human rights matters are overseen by the Board of Directors and its committees – the Audit Committee and the Remuneration and Nomination Committee. At its meetings in 2024, the Remuneration and Nomination Committee reviewed matters related to employees' rights to a safe environment and decent working conditions, while the Audit Committee discussed the Risk Map, including human rights risks, and the report on queries to the Ethics and Human Rights Hotline.

At the executive level, responsibility for ethics and human rights matters is distributed among Deputy Chairpersons of the Management Board, who are in charge of various business areas, including HR management, economic security, and the HSE supply chain.

For more details on integrating the UN Global Compact principles into the Company's corporate governance system, see PAO NOVATEK's Sustainability Report 2023, p. 41.

Code of Business Conduct and Ethics

The mission of the Code of Business Conduct and Ethics (the "Code") is to communicate NOVATEK's core values and ethical principles to all stakeholders. The Chairman of the Management Board is responsible for upholding Code compliance, and the Audit Committee of the Board of Directors provides general compliance oversight. This Committee annually reviews reports on the operation of the Ethics and Human Rights Hotline and any identified Code violations. NOVATEK has a dedicated unit to ensure its compliance with business ethics and human rights standards, including monitoring and methodological support.

In 2024, the Code was supplemented with provisions on the key goals and objectives of the Ethics and Human Rights Hotline, the procedure for filing and reviewing reports on violations of human rights and freedoms, and PAO NOVATEK's approach to taxation.

The Company's approach to ethics is based on five key principles



1. Knowledge of and compliance with legislation
2. Transparency, reliability, and integrity
3. Respect for property rights
4. Professionalism and effectiveness of work
5. Respect for human rights

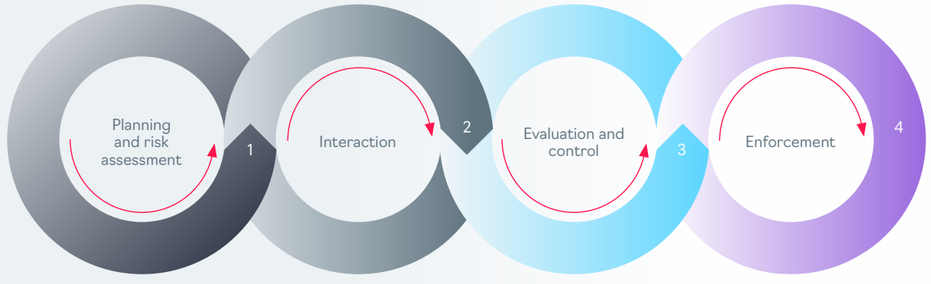


Compliance 2024 award

NOVATEK's Deputy Director of the Anti-Corruption Policy and Corporate Ethics Department won the Compliance 2024 annual award in the Proactive Response to Modern Challenges and Threats category. The award recognized the successful implementation of a comprehensive set of measures to ensure compliance with human rights and freedoms, business ethics, and the Anti-Corruption Policy across PAO NOVATEK's projects.

Respecting human rights

Stages of the human rights protection procedure



The Company views respect for human rights as a fundamental part of its business practices in interactions with all stakeholders, including employees, contractors, and local communities.

The Company implements regular human rights protection procedures when engaging with all stakeholders at all stages, from planning and risk assessment to human rights enforcement and the development of corrective actions.

NOVATEK places a heightened emphasis on respecting human rights in its relations with employees, local communities, and contractors and strictly prohibits the use of child and forced labor.



Focus areas of the Company's human rights activities

Employee rights



- Prevention of forced and child labor (in 2024, the Company identified no operations or suppliers exposed to such risks)
- Protection from any kind of discrimination or persecution
- Securing the right to collective bargaining and freedom of association (in 2024, 90% of employees were covered by collective bargaining agreements)
- Informing employees about the Company's obligations to protect human rights

For more details on protecting employees' rights, see Chapter 6. Employees, p. 154.

Rights of local communities



- Respect for the right of the indigenous peoples of the Far North to preserve traditional ways of life
- Ensuring the free, prior, and informed consent[1] procedure under Yamal LNG and Arctic LNG 2 plans to promote the sustainable development of the indigenous peoples of the Far North
- Regular monitoring for potential rights violations, control over the quality of ecosystem services and the effectiveness of activities promoting the sustainable development of local communities

For more details on protecting the rights of local residents and the indigenous peoples of the Far North, see Chapter 7. Local Communities, p. 176.

Human rights in the supply chain



- Observance by the Company and contractors of human rights in the supply chain
- Mitigation of risks for contractors when working at NOVATEK's production facilities
- Audit of suppliers for conformity with social and environmental criteria (all new suppliers were audited in 2024)
- Monitoring the aggregate environmental and social impacts of suppliers and the Company
- Conducting due diligence procedures that take into account human rights risks

For more details, see Section 2.7. Supply Chain, p. 59.

NOVATEK seeks to eliminate any potential negative impacts of its operations on human rights through due diligence procedures. For example, the human rights impact assessment of the Arctic LNG 2 project was followed up by a Human Rights Action Plan, with 2024 key measures including analyzing stakeholder queries, providing training for employees and contractors, holding consultations with indigenous women, and assessing the effectiveness of reindeer crossings and the accessibility of ecosystem services. Measures for protecting the rights of the indigenous peoples of the Far North were also added to stakeholder engagement plans.

[1] Free, prior, and informed consent – the right of indigenous peoples and communities to make go/no-go decisions to control business projects before they affect their traditional crafts and occupations.

Approach to human rights risk analysis with the Arctic LNG 2 project as an example

1 Analysis of commitments related to human rights

- Policy commitments
- Regular HR audits
- Remediation process established
- Availability of grievance mechanisms

2 Human rights context

- Legal and institutional framework for human rights
- Actual human rights status, including key affected stakeholder groups at risk

3 Assessment of potential impact on human rights

- Analysis of potential impact on human rights
- Listing and ranking human rights impacts based on their scale, scope, remediability, and the likelihood of risk occurrence

4 Response and proposed actions

- Measures to mitigate human rights impacts
- Measures to prevent future impacts

Anti-corruption

The Company's anti-corruption system in place combines strict compliance with international and Russian laws and high ethical standards. NOVATEK has zero tolerance to dishonest and illegal business practices and voluntarily implements additional measures to prevent corruption.

The Audit Committee of the Board of Directors annually reviews the Anti-Corruption Policy implementation roadmap for the coming year and the results of the measures implemented in the previous reporting period. The director of the responsible unit, who reports to the Deputy Chairman of PAO NOVATEK's Management Board in charge of economic security and anti-corruption, is responsible for implementing a range of measures to avoid corruption offenses and prevent corruption.

NOVATEK regularly identifies, analyzes, and assesses potential external risks, both in general and in specific areas. In line with PAO NOVATEK's Anti-Corruption Policy implementation roadmap for 2024, the Company approved the Corruption Risk Management Procedure in 2024. The corruption risk assessment methodology is based on the requirements of Russian laws, recommendations of the Russian Ministry of Labor and Social Protection, and the Company's internal regulations. NOVATEK plans to complete a corruption risk identification and assessment in 2025, subsequently compiling a list of positions exposed to a high risk of corruption and developing a Corruption Risk Mitigation Action Plan.

No incidents of violation of anti-corruption laws were recorded in the reporting period. Accordingly, no internal reviews of violations were conducted.

Corruption Risk Management Procedure

Identifying the most corruption-prone business processes

Determining critical points
of subprocesses with features that create risks of corruption offences

Identifying
- corruption schemes (ways of committing corruption offenses)
- corruption-prone positions

Ranking each corruption risk
1. likelihood
2. potential impact
3. criticality

- Corruption risk map
- List of corruption-prone positions
- Corruption Risk Mitigation Action Plan

Conflicts of interest

NOVATEK considers conflicts of interest the main driver of corrupt behavior and requires its employees to avoid such situations. This and other requirements are outlined in the Code of Business Conduct and Ethics, Regulations on the Management of Conflicts of Interest, and Anti-Corruption Policy, which also defines the principles of managing conflicts of interest.

To control risks associated with conflicts of interest, the Company has implemented a routine of regular employee disclosure of such information in relevant declarations. Job applicants are also required to fill out a conflict of interest questionnaire.

In the reporting year, the Company carried out a random audit of conflict of interest declarations to verify the completeness and accuracy of the information provided. No violations were identified. A more in-depth review revealed eight conflict of interest cases, which were thoroughly investigated and resolved through corrective actions.

Key principles of managing conflicts of interest

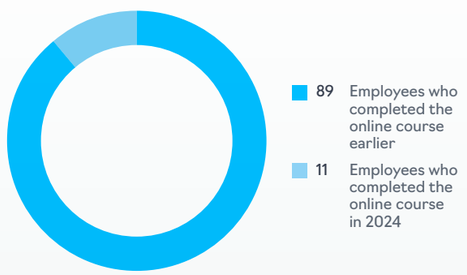
1. Mandatory written disclosure of conflicts of interest
2. Confidentiality of the processes of disclosing and managing conflicts of interest
3. Regularity of disclosure by completing declarations
4. Individual approach to reviewing and managing each case
5. Legal compliance and balance of interests
6. Protection of employees against retaliation for reporting a conflict of interest

Training in the basics of anti-corruption behavior, principles of business ethics, and respect for human rights

The Company offers various training formats to inform employees and contractors about the provisions of the Anti-Corruption Policy, Code of Business Conduct and Ethics, Human Rights Policy, and the Company's related practices. In addition, all new employees are required to have an in-person briefing on the Anti-Corruption Policy, business ethics, and human rights. For management, the Company provides consulting on corruption prevention.

An online course themed the Basics of the Company's Anti-Corruption Policy and Employee Anti-Corruption Conduct is available to all employees through the intranet portal. It is compulsory for all new hires. Regular advanced trainings are provided to Company officials and employees responsible for anti-corruption management, with relevant supporting certificates issued upon completion.

Proportion of employees who have completed the Basics of the Company's Anti-Corruption Policy and Employee Anti-Corruption Conduct online course, %



The Company also provides in-person training on pressing matters related to the Anti-Corruption Policy, business ethics, and human rights for various categories of employees. This training was completed by managers in 2023 and by specialists in 2024, reaching a total of 2,671 employees.

Average hours of anti-corruption training per year per employee amounted to 0.47 hours in 2024, up 4% year-on-year.

In 2024, the Company launched a new online course on business ethics and human rights, covering various aspects of human rights protection and business ethics principles. The course is designed for educating all employee categories. In the reporting year, 13,068 employees took the course.

In the reporting year, the Company also conducted training on the NOVATEK Group's supplier (contractor) behavior standards for contractor and subcontractor employees. This course covers various aspects of ethical business conduct and respect for human rights.

Grievance mechanisms

NOVATEK has multiple feedback mechanisms in place, available 24/7, for stakeholders to submit complaints and queries in both Russian and English. PAO NOVATEK's Ethics and Human Rights Hotline is available for queries related to violations of business conduct and human rights. PAO NOVATEK and its subsidiaries maintain security hotlines for reporting concerns regarding conflicts of interest and corruption. In addition, local query and grievance channels have been set up in NOVATEK's regions of operation.

For contact details for queries, see the Appendix Contacts, p. 198.

Reports on queries to the Ethics and Human Rights Hotline and security hotlines, identified violations, and response measures taken are regularly reviewed by the Audit Committee of the Board of Directors. The effectiveness and reliability of the Ethics and Human Rights Hotline are confirmed through external or internal audits as necessary.

For all contact details for queries, see the Appendix Contacts, p. 198.

During the reporting period, the Ethics and Human Rights Hotline received a total of 18 reports regarding potential violations of human rights and freedoms or ethical norms and principles. The Company reviewed all submitted queries within the prescribed period, identifying no violations.

In 2024, the security hotlines received a total of 595 reports. More than half of these reports were concerned with the execution of contracts for residential natural gas supply as well as operation of the Company's fueling facilities. All reports were examined and addressed on a case-by-case basis.

Queries and complaints filed to security hotlines in 2024, %



- 58 Residential natural gas supply
- 18 Operations at the Company's fueling facilities
- 16 Delayed payment of wages to contractor or subcontractor employees
- 4 Provision of domestic and daily needs
- 4 Failure to take measures to ensure the departure of contractor and subcontractor employees from the fields of operation

On top of that, the Yamal LNG and Arctic LNG 2 projects have established additional channels for various stakeholder groups, including indigenous peoples of the Far North, to submit complaints, queries, requests, and suggestions on a range of issues, including feedback regarding the operation of the grievance mechanisms themselves. The procedures for receiving and processing queries and complaints, including turnaround times and the sequence of actions, are established in applicable internal regulations. Queries can be made in person, by phone, or via e-mail.

For more details on the queries recorded at the Yamal LNG and Arctic LNG 2 projects and the Company's corresponding responses, see Chapter 7. Local Communities, p. 176.

Anti-trust measures

NOVATEK strictly abides by anti-trust laws applicable in the countries where it operates and supports fair, competitive behavior and mutual respect among market participants. The Company regularly assesses the risks of violating applicable laws to prevent monopolistic and anti-competitive business practices and develops relevant risk management activities.

In the reporting period, NOVATEK was not a defendant in any lawsuits for obstructing competition or violating anti-trust laws.

Approach to taxation

As one of the largest taxpayers in its regions of operation, NOVATEK strictly complies with Russian tax legislation and does not engage in tax base erosion practices or use offshore entities for tax minimization. The Company views tax payments to local budgets as an important factor contributing to the sustainable social and economic development of its regions of operation. To underscore its commitment to tax compliance and promote transparency in its business practices, NOVATEK formalized its approach to taxation in its Code of Business Conduct and Ethics in 2024.

As part of tax monitoring, the Company provided the Russian Federal Tax Service with remote access to the accounting systems and tax reporting of 18 subsidiaries and affiliates of PAO NOVATEK. By cooperating with the Federal Tax Service, NOVATEK can ensure a high level of transparency and minimize the risks of disagreements and disputes with tax authorities.

Compliance with tax obligations, in particular tax payments, is overseen by the Audit Committee of the Board of Directors through regular monitoring of the Company's financial performance. NOVATEK regularly discloses its tax expenses in its consolidated financial statement disclosures.

The reliability of information about the Company's taxation is verified by an independent auditor as part of audits of financial statements.

For more details, see the Financial Results section on the Company's website.

NOVATEK assesses its tax risks to ensure compliance with its tax obligations as part of its risk management. NOVATEK's internal audit function evaluates results of the Company's activities in this area as part of its audit engagements.

Anyone with relevant information can report suspected violations of the Company's tax obligations to the 24/7 Ethics and Human Rights Hotline in a convenient form, including anonymously.

For more details on the Ethics and Human Rights Hotline, see Section 2.3. Ethics, p. 47.

In 2024, no complaints from stakeholders regarding the Company's non-compliance with tax laws were registered.

Transfer pricing

The Company's transfer pricing activities are fully compliant with OECD BEPS Project.[1]
In addition, NOVATEK strictly complies with the local laws of all jurisdictions in which it operates.

[1] The Action Plan on Base Erosion and Profit Shifting of the Organization for Economic Co-operation and Development.

Information Security

NOVATEK takes a responsible approach to information security, ensuring business process continuity and stakeholder confidence in the Company. The Company takes a systematic approach to strengthening the security of its IT infrastructure, promptly detecting vulnerabilities, threats, and incidents, and responding to them effectively.

Information security matters are reviewed annually by committees of the Board of Directors. At the executive level, information security matters are the responsibility of the Deputy Chairman of the Management Board in charge of economic security and anti-corruption. The Company's key principles and approaches to information security management are outlined in its Information Security Policy.

In 2024, the Audit Committee of the Board of Directors reviewed a status update on information security measures at PAO NOVATEK, including information on import substitution.

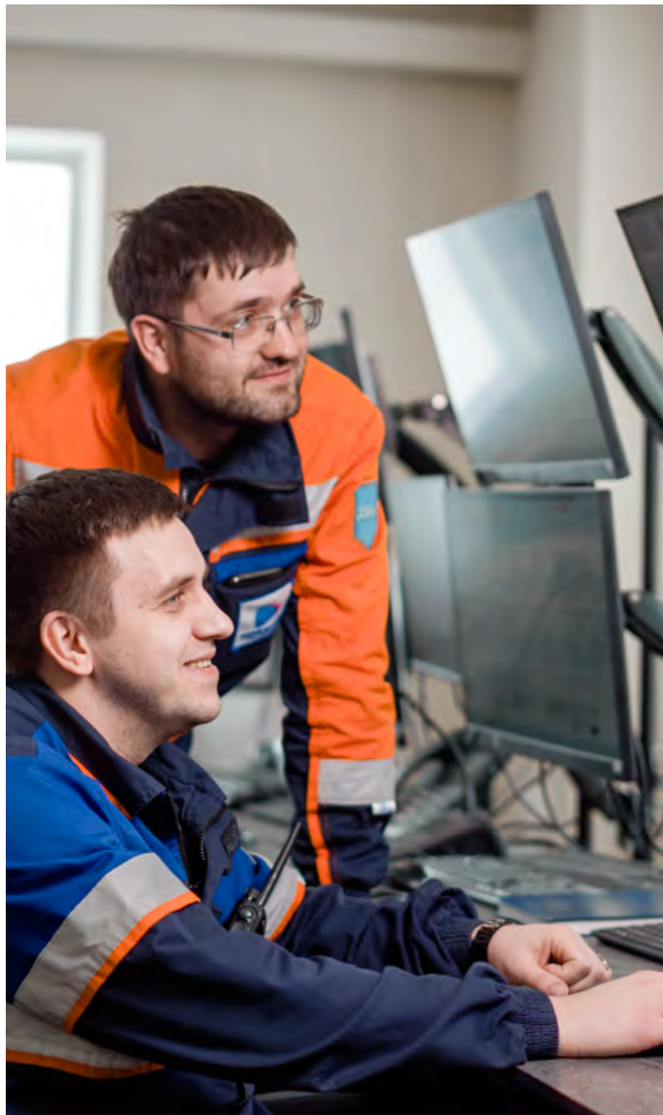
Risk management

Vulnerability detection and management, including with the involvement of licensed external contractors, along with the deployment of a centralized remote access control system for contractors, are key measures for mitigating and preventing the Company's information security risks.

To minimize information security risks, NOVATEK regularly conducts training and awareness programs for its employees on cybersecurity and data protection. To promptly respond to information security incidents, the Company has in place a 24/7 Monitoring Center.

For more details on force majeure risks, see Appendix 1. Key Sustainability Risks and Opportunities, p. 200.

To prevent security threats, test the performance of the information protection system, and verify its compliance with applicable laws, NOVATEK regularly conducts both internal and external audits of its information security system. For example, in 2024, the Company conducted an internal audit of its IT and information security management systems and inspected the information security infrastructure at three of its subsidiaries. The Company promptly addressed the non-conformities identified during the audit. In addition, NOVATEK engaged an independent expert to conduct an external audit of its information security system. Its results have been incorporated into the Company's operational practices.



Digitization

Key initiatives

In the reporting period, the Company prioritized two key information security challenges: threat prevention and import substitution.

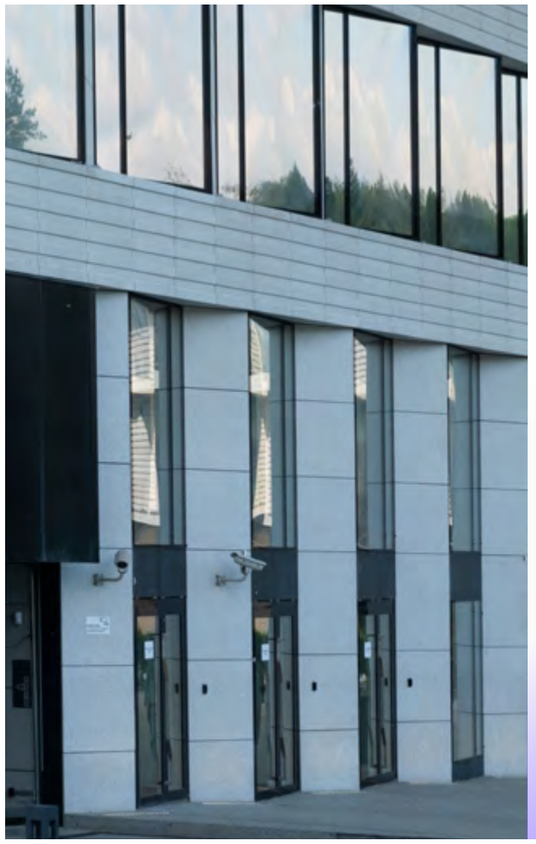
Through systematic efforts to replace foreign information security solutions, the Company fully transitioned its software and hardware systems to those made either in Russia or in friendly countries during the reporting year, in accordance with Executive Order of the Russian President No. 250 dated 1 May 2022.

NOVATEK is currently selecting and testing Russian-made operating systems and application software.

Pursuant to Resolution of the Russian Government No. 1912 dated 14 November 2023,[1] the Company has also prepared plans to prioritize trusted hardware and software for use at significant critical information infrastructure facilities.

In 2024, NOVATEK recorded over 14 million information security incidents aimed at compromising the Company's IT infrastructure. The total number of attacks increased by 15% year-on-year, with a broader range of cyberthreats observed. Nevertheless, the Company's information security system proved highly effective.

To minimize the number of information security incidents and improve corporate digital literacy, the Company regularly informs employees about the importance of following cybersecurity principles and safe internet practices, including the detection and prevention of phishing and other cyberattacks. In the medium term, NOVATEK plans to introduce a dedicated training course for employees involving simulated attacks.



No serious information security incidents, including those related to data leaks, occurred during the reporting year. The Company did not receive any substantiated complaints from regulatory authorities or third parties regarding breaches of customer privacy or the loss of personal data.

The development and integration of digital solutions into the Company's business processes are key to building a high-tech business and contribute to enhanced industrial safety, improved operational efficiency, and the advancement of technological sovereignty.

In the reporting year, the Strategy Committee of NOVATEK's Board of Directors reviewed the key approaches to IT development in the Company.

Digitalization issues are reviewed by the Board's committees. At the executive level, information technology (IT) matters are the responsibility of the Deputy Chairman of the Management Board.

Key approaches to IT development in the Company

Priority tasks

- Deployment of digital tools, according to priorities and impacts on business
- Creation of a corporate digital platform
- Implementation of the import substitution program

Approach to implementing IT projects

- Focus on results for business
- Rapid deployment and iterative refinement during operation
- Transformation and greater business process efficiency when implementing digital tools
- Balanced development of the in-house IT team

To prioritize digital initiatives in 2024, an IT Development Committee was set up, comprising the Deputy Chairpersons of the Company's Management Board.

Additionally, a subsidiary IT company was incorporated to develop in-house IT capabilities, ensure technological independence, and enhance IT efficiency. The new subsidiary will be responsible for introducing new and advancing existing information systems in the Company.

NOVATEK regularly conducts training courses on the use of software and new technologies to help employees adapt, enhance their qualifications, and develop their skills. Training and knowledge testing take place on digital platforms, which makes the process convenient and transparent for all participants.

For more details on employee training, including on the online platform, see Section 6.3. Employee Training and Development, p. 162.

[1] Resolution of the Russian Government No. 1912, On the Procedure for the Transition of Critical Information Infrastructure Entities in the Russian Federation to the Priority Use of Trusted Hardware and Software at their Critical Information Infrastructure Facilities in the Russian Federation, dated 14 November 2023.

Key projects

To enhance process digitization and enable faster responses to external changes, NOVATEK compiled a consolidated list of over 200 medium-term IT initiatives during the reporting year. These include projects to create digital twins and predictive analytics tools and introduce end-to-end integrated planning across natural gas production, liquefaction, and shipping. 40% of these initiatives are scheduled for launch in the near future. The Company assessed the cost and implementation timelines of these initiatives, analyzed their potential economic impact, and selected the most significant projects for near-term execution. Operational management of the consolidated project portfolio was automated using the 1C platform.

In 2024, the key digital projects focused on the development of the OSNOVA corporate ERP system[1] and the KAPITAN maritime transportation management system, import substitution, and the deployment of new geological software. Spending on digital projects totaled RR 1.4 billion in the reporting year.

1.4
RR billion
spending on digital projects in 2024



NOVAtech, NOVATEK's IT Technology Forum

In 2024, NOVATEK organized its first IT Technology Forum in Moscow, with over 100 Company employees and heads of IT functions at subsidiaries participating. Managers, specialists, and guest experts discussed the current status of NOVATEK's IT landscape maturity, existing challenges, and activity plans for the coming years. NOVATEK plans to hold the IT Technology Forum on a regular basis.

Digitizing field development and operations management

As part of its ongoing import substitution efforts, NOVATEK introduced new geological software during the reporting year. The Company collaborated with industrial competence centers and industry partners to replace foreign software that did not meet its requirements.

One of NOVATEK's enterprises piloted the Digital Field project, which leverages real-time data and digital modeling to optimize production and reduce losses by enabling timely issue detection and rapid decision making. After analyzing the results of the Digital Field project, the Company plans to roll it out across other NOVATEK Group companies.

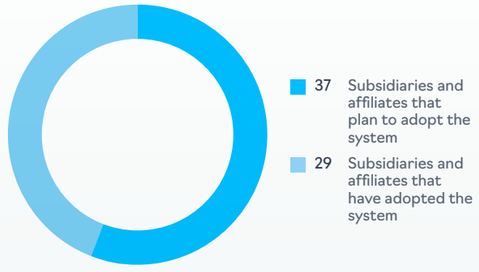


The OSNOVA corporate ERP system

NOVATEK has continued to deploy OSNOVA, an ERP system using the 1C platform. The purpose of the system is to automate business processes and enhance their efficiency through standardization and improved transparency, achieved by consolidating large volumes of data across key stages such as production, inventory procurement, service delivery, warehousing, and others. The tool enables improved planning of maintenance and repair activities, reduces procurement costs and warehouse surplus, and optimizes document management.

The OSNOVA corporate ERP system is already up and running at PAO NOVATEK and 29 subsidiaries and affiliates, automating the management of procurement, warehouse inventories, vehicle fleets, maintenance and repair activities, and subsoil use and licensing documentation as well as systematizing regulatory and reference information. In the medium term, NOVATEK plans to roll out the system across the entire Group.

Adoption of the OSNOVA system, entities



Arctic fiber-optic communication line in the Yamal-Nenets Autonomous Region

NOVATEK is building a fiber-optic communication line (FOCL) in the Arctic, on the Yamal and Gydan Peninsulas. The total length of the Arctic FOCL will be about 830 km. This project contributes to Russia's national development goals by advancing digital transformation and providing access to mobile and internet services in remote regions of the country.

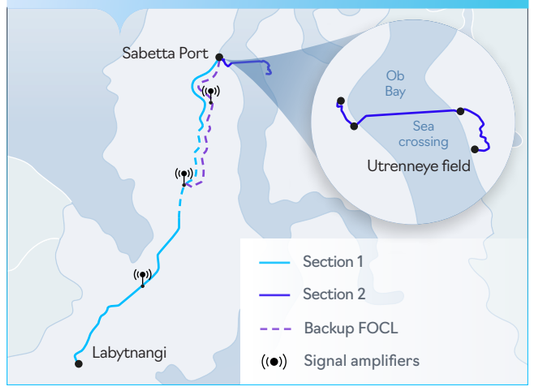
In the reporting year, 73% of the first section (748 km) was installed. In 2025, the first section is slated for completion and the construction of the second section is to start. The FOCL project is scheduled for completion in 2026.

The Arctic FOCL project will:

- provide NOVATEK's LNG projects in the Arctic with high-speed access to the Company's centralized web resources and the internet;
- enable the Company to optimize the use of other communications channels at the production facilities;
- contribute to improving the quality of telecom services and internet access for the residents of Sabetta.

RR 1.9 bln
NOVATEK's expenses on the FOCL project amounted in 2024

FOCL route map



[1] An ERP system is an automated enterprise resource planning system designed to monitor the entire production cycle.

Innovation

Innovation is an important element of NOVATEK's sustainability agenda. The Company implements its projects and develops products and solutions using the best available technologies, and actively collaborates with experts and research institutions.

Management approach for innovation

NOVATEK is Russia's leader in developing and using LNG technologies. In 2010, the Company opened NOVATEK STC, a single R&D hub that develops proprietary technologies and registers patents for NOVATEK's inventions.

The center provides full-cycle R&D support across the entire value chain – from exploration to production – and is accredited in the national system, confirming its high level of expertise in work safety and quality assurance.

Growth strategy: evolving the innovation engine

Over the 30 years of its operation, the Company has confidently evolved from applying global and Russian best practices to building its own R&D function capable of independently conducting scientific research and delivering market-leading solutions. An important driver of NOVATEK's technology leadership is its in-house Laboratory and Research Center at STC, which performs a full range of laboratory tests on rock samples, hydrocarbon fluids, and materials and reagents used in well construction. It also conducts environmental media studies.



Commissioning of a unique Russian-built facility for studying fluid properties

Developed by a Russian enterprise in accordance with the technological requirements of the STC Laboratory and Research Center, the facility enables thermodynamic studies of gas condensate reservoir fluids to support reserve estimation and forecasting of hydrocarbon production volumes. Following its commissioning, the facility has delivered more accurate fluid measurements and faster maintenance compared to its foreign counterparts.

Before commissioning	After commissioning
Large "dead"[1] volumes and low accuracy of measurements	High measurement accuracy due to lower "dead" volumes
Lengthy and complex pre-test preparation	Shorter preparation time required for testing and data processing due to technology solutions and specialized workflow management software
Previously available only from foreign manufacturers	A fully functional domestic alternative to imported solutions

[1] The dead volume is the total volume of the equipment's cavities, which is not taken into account in calculations of thermodynamic parameters.

NOVATEK employees are actively involved in innovation through the Innovator corporate system, where they can submit their ideas. The Company implements the most successful projects, providing financial rewards to their creators.

At the end of 2024, 23 NOVATEK Group subsidiaries and affiliates were connected to the system. During the year, employees submitted 1,947 ideas through the Innovator system. Over its eight years of operation, 5,764 ideas have been submitted through the system, with 1,248 approved for implementation and 598 actually implemented, generating a total economic benefit of RR 9.2 billion.

For more details on the mechanism of the Innovator system, see Sustainability Report 2023, p. 56.

In addition to focusing on in-house developments and implementing employee initiatives, in 2024, the Company continued to strengthen external partnerships with developers, research teams, innovative companies, and young scientists through its Innovation Platform – an online portal for submitting solutions to NOVATEK's technological challenges. In the reporting period, the Company received 53 proposals from potential partners. Of these, 33 passed the preliminary expert evaluation, and three progressed to pilot testing, supervised by NOVATEK STC.

NOVATEK also actively collaborated with Russia's leading research institutes and enterprises to design core process equipment. To reduce the cost of field studies, the Company actively employs digital twins of core technological components of critical equipment during the design phase.

For more details on collaborations with technology partners, see Section 2.7. Supply Chain, p. 59.

Cooperation with INTI



Since 2023, NOVATEK has been a founding member and active participant in the activities of the Institute of Oil and Gas Technology Initiatives (INTI), established in 2020 to develop Russian standards and a conformity assessment framework for new technologies in the national energy sector.

NOVATEK–INTI collaboration focus areas

Focus area	2024 progress and future plans
1 **Developing standards for designing large-scale LNG production facilities**	The LNG Committee continued to work on developing standards for design and industrial safety of LNG production facilities
2 **Creating a single industry-wide framework of technical standards and regulations**	• R&D projects focused on small-scale LNG facilities to reduce their construction costs • Development of RBI[2] standards to support amendments to regulations of the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia and federal standards and rules
3 **Contributing to the development of an INTI standard**	An automated system for monitoring and optimizing the operation of industrial flare systems to reduce greenhouse gas and hazardous emissions

[2] RBI (Risk-based inspection) - management of inspections taking into account risk factors.



NOVATEK STC as an aggregator of R&D capabilities

During the reporting year, NOVATEK actively contributed to the development of cross-industry cooperation.

NOVATEK STC organized Tech Week, which combined the 2nd All-Russian Hydraulic Fracturing Summit, an Institute for Oil and Gas Technology Initiatives conference, an exhibition of the latest equipment from Russian manufacturers, and themed sessions with major oil and gas companies.

During the summit, industry participants discussed current trends and innovative approaches in hydraulic fracturing, shared experiences in production enhancement and technology development and improvement, and highlighted significant progress in environmentally safe hydraulic fracturing technologies as well as the importance of research to optimize the process.

NOVATEK showcased its progress in producing hard-to-recover gas reserves using the most accessible, environmentally safe, and efficient technologies developed in-house by the Company's STC.



NOVATEK's participation in technology events in the oil and gas industry

NOVATEK attended the **TNF Industrial and Energy Forum 2024** – one of the largest cross-industry platforms in Russia that brings together oil and gas equipment manufacturers, oilfield services companies, subsoil users, and federal and regional authorities. In the reporting year, the event gathered a record 12 thousand participants. Developers presented their ideas and solutions, 24 of which were picked by NOVATEK STC experts for piloting.

High-performance solutions for the oil and gas industry were also the central **topic of the 2nd TNF Technology Summit**, which took place in December 2024 in Tyumen. More than 400 company executives and industry experts discussed new methods for accelerating production and advancing resource development.

12
thousand participants
visited the TNF Forum 2024

ПРОМЫШЛЕННО ЭНЕРГЕТИЧЕСКИЙ ФОРУМ

Key innovation focus areas

NOVATEK has integrated more than 40 best available technologies (BATs) into its core production processes, including natural gas and oil extraction, wastewater treatment, emission reduction measures for hazardous substances, and other processes.

For more details on NOVATEK's BATs and their uses, see Sustainability Report 2023, p. 54.

NOVATEK's key focus areas in innovation are closely aligned with its business strategy and include the following directions:

Field development

By leveraging innovative technologies, such as multistage hydraulic fracturing followed by zero-emission flowback, well injection technology for low-permeability reservoirs, downhole distributed temperature sensing, and others, NOVATEK can achieve high profitability of hydrocarbon production, maximize the utilization of available resources, and reduce emissions of pollutants and greenhouse gases.

LNG production

The Company's unique proprietary technologies, including the Arctic Mix technology based on mixed refrigerants as well as the Arctic Cascade and Arctic Cascade Modified liquefaction technologies, simplify equipment maintenance, reduce NOVATEK's capital expenditures, and enhance its ability to operate in the harsh Arctic environment.

Occupational health and safety

To provide geological and technological support for drilling operations, NOVATEK is developing an AI-powered digital platform that significantly reduces the risk of accidents and optimizes the well drilling process.

Energy transition and decarbonization

The introduction of technologies such as low-carbon hydrogen production and ammonia cracking to produce hydrogen enables the Company to make its operations not only more efficient but also more environmentally friendly by minimizing carbon dioxide emissions.

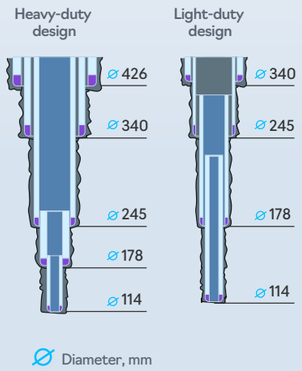
In 2024, NOVATEK successfully completed a pilot operation project to finalize the development of Russian-built equipment, including downhole pressure and temperature sensors with surface electronics for wells with multistage hydraulic fracturing. The Company also conducted field trials of Russian-made mapping and rotary steerable systems, and sand control sensors. In 2025, the Company plans to continue its import substitution efforts.

For more details on the Company's key innovation focus areas, see Sustainability Report 2023, p. 58.

Improving resource efficiency in developing hard-to-recover reserves

In 2024, NOVATEK implemented several innovative solutions simultaneously at one of NOVATEK Group fields to enable gas production from hard-to-recover Jurassic reserves. These included optimizing well design by reducing metal intensity through the elimination of intermediate casing, and applying early production technology using three-phase separators[1]. The Company has been optimizing Jurassic well casing design since 2021 and aims to multiply the number of wells employing the lightweight design over time.

Optimized casing design for drilling Jurassic wells



1 Equipment for purification of well products from solids, process fluids and formation water during well development after multistage hydraulic fracturing.

Patented inventions

NOVATEK continuously invests in research and/or development (R&D), bringing its proprietary inventions from development to implementation. This approach reinforces the Company's leadership in LNG production and sales, while also opening opportunities to enter promising markets for low-carbon gas-based chemicals.

In 2024, NOVATEK's total R&D spending was RR 851 million, up 5% year-on-year[1].

In 2024, NOVATEK registered two patents in Russia for its proprietary inventions, related to

1. a method for developing gas condensate wells following hydraulic fracturing;
2. improving the performance of downhole equipment.

At the end of the reporting year, the Company had a total of 38 valid patented inventions, over 60% of which were actively used in operations. 23% of all NOVATEK's inventions are related to enhancing LNG production efficiency. The rest of its developments are related to upgrading chemical engineering processes.

NOVATEK protects its intellectual property rights in other jurisdictions by patenting inventions of particular significance. For example, the Company held patents for its proprietary natural gas liquefaction technology in six foreign jurisdictions at the end of 2024.

In the reporting year, the Company also received three state registration certificates for its software solutions: a wellbore trajectory planning module, geological support for drilling operations, and software for processing reservoir fluid analysis data from the on-site testing unit. All software solutions are used in operations and contribute to greater business process efficiency.

R&D investments, %



- 74 LNG technologies
- 26 Projects in decarbonization, low-carbon technology deployment, and energy efficiency

For more details on the method for developing gas condensate wells following hydraulic fracturing, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↪ p. 82.

NOVATEK's software developments in 2024

	Purpose	Value
Wellbore trajectory planning module	Improve well drilling quality and production efficiency	Interactive geologic map with real-time data adjustment capability
Geological support for drilling operations	Optimize well placement	High accuracy, import substitution potential, scalability
Software for processing reservoir fluid analysis data from the on-site testing unit	Control of equipment used for fluid analysis and data processing	Real-time data visualization and phase identification from video footage

1 The 2023 R&D investment amount was restated (recalculated) to RR 809 million (from RR 1.4 billion).

Supply Chain

NOVATEK is committed to sustainable supply chain management and building long-term and mutually beneficial relationships with its partners. At the executive level, supply chain management matters are the responsibility of the Deputy Chairman of the Management Board – Director for Supply Chain Management.

The Company encourages counterparties to conduct business responsibly. To reduce dependence on imported equipment, NOVATEK is conducting joint R&D with major Russian enterprises.

In the context of national and corporate strategic goals, by transforming its supply chain into a sustainable one, NOVATEK is making a significant contribution to technological sovereignty and structural adaptation of the Russian economy.

In 2024, NOVATEK continued its active collaboration with leading Russian research institutes and enterprises to design and manufacture process equipment for large-scale LNG projects. The Company was directly involved in all core processes of equipment manufacturing – from engineering design to supervision of key production operations.

Roadmap for developing LNG production equipment until 2030

In 2024, the Russian Government and NOVATEK signed an agreement of intent to develop the LNG production equipment segment until 2030.

A roadmap signed by the Russian Ministry of Industry and Trade, the Russian Ministry of Energy, and NOVATEK serves as the primary mechanism for implementing the agreement. The roadmap outlines 22 R&D projects aimed at bringing import-substituting equipment for LNG projects into production and operation. R&D is performed by leading Russian engineering companies. Particular emphasis is placed on developing testing capabilities as LNG projects have stricter requirements for equipment reliability. A test bench for cryogenic dynamic equipment has already been commissioned, while test benches for other equipment and components are being developed as part of the relevant R&D projects.

ТЕХНОЛОГИЧЕСКОЕ РАЗВИТИЕ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

Concept of Technological Development of the Russian Federation until 2030[2]

R&D implementation status as of the end of 2024, units



- 8 Prototypes manufactured, testing completed or commenced
- 8 R&D completed
- 6 Prototyping commenced

2 Approved by Instruction of the Russian Government No. 1315-r dated 20 May 2023.

Approach to procurement and sourcing

NOVATEK and its subsidiaries and joint ventures follow a single set of principles in procuring inventories, works, and services, in line with PAO NOVATEK's Purchasing Policy, the Regulations on Procurement of Materials, Equipment, Works, and Services for NOVATEK, Supplier Code of Conduct, Anti-Corruption Policy, Code of Business Conduct and Ethics, and Human Rights Policy.

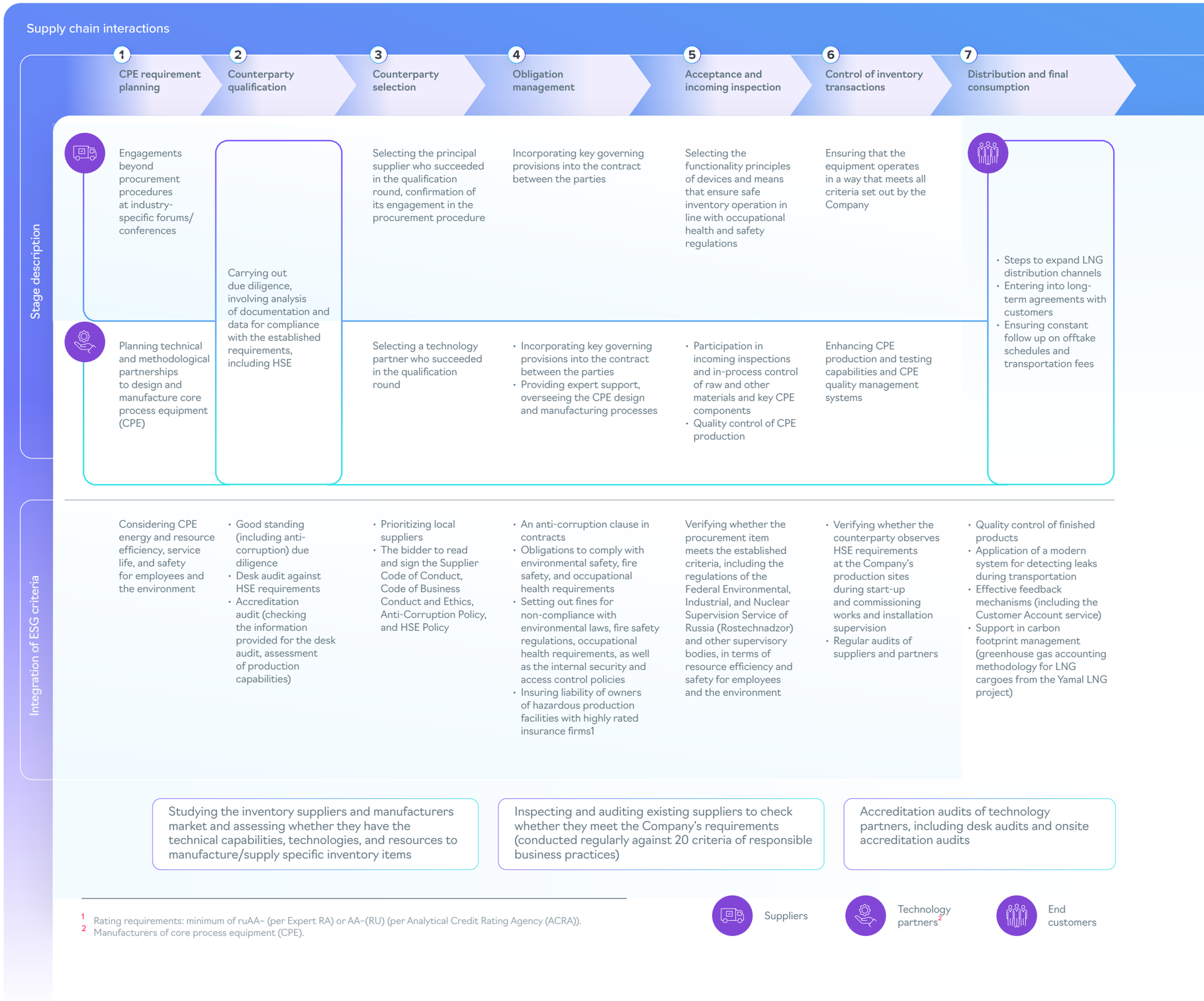
NOVATEK only works with partners who are committed to business ethics and human rights, including prevention of child and forced labor, and comply with anti-corruption requirements. The Company focuses on cooperating with local suppliers and on localizing production to reduce reliance on imports. At each stage of supply chain management, the Company states its expectations about counterparties and monitors partners' compliance with its responsible business principles.

Providing equal opportunities in procurement

NOVATEK is committed to transparency, objectivity, equality, and non-discrimination in the procurement process. To this end, the Company sets requirements for bidders and procured items so no one bidder has an advantage while minimizing potential corruption risks and risks of non-performance or improper performance of contractual obligations.

The Company prioritizes open competitive tenders conducted through an electronic trading platform as its primary procurement format. Tenders can also be announced on the websites of PAO NOVATEK or NOVATEK Group companies. All bidders are guaranteed equal access to the relevant data about the tender conditions, procedures, and closing date. NOVATEK evaluates all bids as part of the procurement process, engaging independent experts who do not influence each other's opinion. To improve the procurement transparency and the efficiency of management decision making, the Company has started automating the procurement and inventory management process, with the OSNOVA ERP centralized information system piloted in 2024.

For more details, see Section 2.5. Digitization, p. 51.



The Company consistently monitors and regularly assesses procurement, corruption, and human rights risks, and develops measures to reduce their impact on supply chain sustainability. Procurement risks are reflected in the Company Risk Map.

For more details, see Appendix 1. Key Sustainability Risks and Opportunities, p. 200.

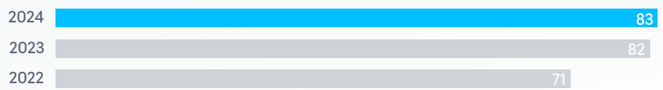
When identifying and assessing risks related to suppliers' businesses, NOVATEK considers a totality of factors, including a supplier's business profile, size, geographical location, and business reputation. In the reporting year, no incidents of child or forced labor were recorded among NOVATEK's suppliers.

Quantitative metrics of procurement performance

In 2024, goods and services worth RR 968 billion were supplied to the Company.

As a result of NOVATEK's import substitution efforts, the proportion of goods and services supplied by local counterparties is increasing annually, reaching 83% (RR 806 billion) in 2024.

Proportion of spending on local counterparties[1] in total procurement (in cash equivalent) in 2022–2024, %



Supplier evaluation system

The Company has in place a qualification process to evaluate its counterparties before adding them to its pool of accredited suppliers. The qualification process comprises desk audits and onsite accreditation audits. If a potential or accredited supplier fails to meet NOVATEK's requirements, the Company provides feedback, which the counterparty can use to close the gap within an agreed timeframe. This approach provides organizations excluded from the tender process with an opportunity to participate in future NOVATEK tenders.

NOVATEK also includes supplier questionnaires as part of desk audits of potential suppliers to assess what responsible business practices they have in place (including management of relevant risks). Candidate companies undergoing the accreditation process are required to complete a specialized questionnaire. NOVATEK uses questionnaire responses, along with other factors, to inform go/no-go decisions on business cooperation.

Quality control of high-tech equipment

NOVATEK's technology partners are subject to design and engineering supervision and operational quality control by NOVATEK's in-house experts. This enables the Company's experts to engage deeply in the design and quality assurance processes involved in high-tech equipment manufacturing.

In 2024, onsite inspections initiated by NOVATEK extended beyond process equipment manufacturers to include their suppliers of materials and sub-suppliers of core process equipment.



[1] Local counterparties are suppliers of goods and services operating in the Russian Federation.

Quantitative results of supplier evaluation

In 2024, NOVATEK conducted accreditation audits against responsible business conduct criteria for 68 companies, including 88% of new suppliers and 12% of existing ones that had previously been accredited.

The accreditation audits found negative environmental impacts at 32% of suppliers. Most comments were related to potential impacts (e.g., expired licenses or opacity around whether any improvement notices had been issued by regulators). A total 35% of suppliers were found to have negative social impacts (up 13 p.p. year-on-year), including actual OHS violations.

A number of suppliers found to have significant actual and potential negative social and environmental impacts have since taken corrective actions to address non-compliances. In the reporting year, the Company conducted reinspections, including one onsite and ten desk audits. The follow-up desk audits showed that 100% of suppliers had already remedied the non-compliance and improved their environmental and social performance. The average timeframe for taking corrective actions remained unchanged year-on-year at three months. NOVATEK reserves the right to suspend cooperation with such counterparties until non-compliances are addressed.

Evaluation of suppliers for environmental and social impact

	2022	2023	2024
Number of suppliers evaluated for environmental and social impact (as part of accreditation audits) including:	**93**	**141**	**68**
new suppliers	–	134	**60**
proportion of new suppliers, %	–	95	**88**
existing suppliers	–	7	**8**
proportion of existing suppliers, %	–	5	**12**
Number of suppliers producing significant potential or actual negative environmental impacts, as identified during evaluation including:	36	20	**22**
proportion of suppliers who had agreed upon the Company's recommendations for reducing or eliminating their negative environmental impact as of the end of the reporting year, %	8	10	**23**
Number of suppliers producing significant potential or actual negative social impacts, as identified during evaluation including:	36	31	**24**
proportion of suppliers who had agreed upon the Company's recommendations for reducing or eliminating their negative social impact as of the end of the reporting year, %	8	16	**21**
Proportion of new suppliers screened against social and environmental criteria, %	100	100	**100**

In the reporting year, the Company also conducted 40 technical audits of manufacturers from Russia and friendly countries to assess their production capabilities to manufacture core process equipment for existing and future LNG projects.

Relations with suppliers and consumers in 2024

In 2024, NOVATEK maintained its partnerships with Russian suppliers of process equipment for large-scale LNG projects in order to reduce reliance on foreign equipment suppliers. The Company has achieved significant success not only in engineering design, but also in manufacturing engineering and in production of first article samples. Deliveries under contracts were enabled through prompt and productive communication between project teams, which helped to develop optimal technical and logistical solutions and prevented the use of non-conforming materials and components.

Quality management system

NOVATEK adheres to high standards of product quality and safety throughout the supply chain. For all stable gas condensate (SGC) sold, mandatory safety data sheets are issued in accordance with UN recommendations and form a mandatory part of the technical documentation for chemical products. Safety data sheets contain information on how to handle the product safely in the course of industrial activities, storage, transportation, and disposal (removal) as well as in a domestic setting.

In addition, the management system at OOO NOVATEK-Purovsky ZPK has been certified to **ISO 9001 Quality management systems**. 100% of the plant's sold products (SGC and other liquid hydrocarbons) meet all of the standard's relevant criteria. The plant is also registered under the International Accreditation Forum (IAF) system, guaranteeing that its certificate of conformity is recognized worldwide.

NOVATEK regularly makes customer monitoring efforts and interviews its major customers to assess their satisfaction with product quality and develop new offers.

Training for bidders

In 2024, NOVATEK held a webinar for 150 partner companies, focusing on the mechanics of participating in procurement through the new section of its trading platform. The webinar covered matters such as monitoring NOVATEK tenders, registration, operation, and submission of bids on the trading platform in the Procurement. Business section. NOVATEK plans to run such webinars on a regular basis.



Climate Change

2024 highlights

384 ↑8%
th. kWh
total output of self-generated renewable electricity in 2024

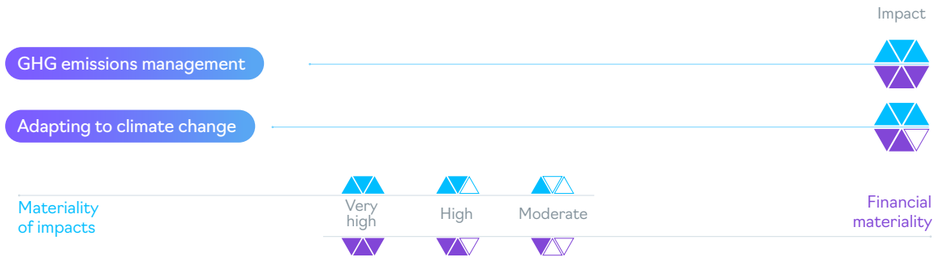
8.40 ↓1%
tons of CO_2 eq. / mboe
GHG emissions intensity in the upstream segment in 2024

7.87 ↓10%
tons / mmboe
methane emissions intensity at upstream, processing, and LNG facilities in 2024

Russia's national development goals
Ecological well-being

Shaping a low-carbon future

Material topics



External documents

- UN Global Compact, UN Framework Convention on Climate Change, Paris Agreement
- ISO 14064-1, Greenhouse Gas Protocol, Methane Guiding Principles
- National legislation and regulatory requirements

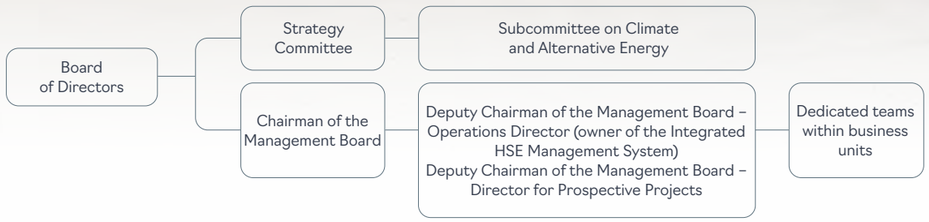
Corporate documents

- Energy Efficiency and Energy Saving Policy
- Occupational Health, Industrial and Fire Safety, and Environmental Policy
- Greenhouse Gas Emissions Management System (GHGEMS) Standard
- Comprehensive programs for environmental targets and energy-saving measures





Organizational structure



Global Climate Action Agenda

Climate change is a source of major risks and threats, ranking among the top five global challenges for humanity over the next decade[1], and is most pronounced in the Arctic region.

Avoiding and minimizing the effects of climate change, coupled with the effective capitalization upon the opportunities it presents, represent a strategic challenge for all countries and are the primary focus of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. In particular, the parties to the Paris Agreement, including Russia, have set a common goal: to keep the global average temperature rise to well below 2.0 °C above pre-industrial levels by the end of the 21st century. To achieve this goal, each country establishes and periodically updates nationally determined contributions (NDCs). The pace and nature of these contributions vary significantly depending on the level and speed of economic development, the availability of natural resources, existing renewable energy capacity, and the potential for its future expansion.

Energy Transition and the Role of Natural Gas

Given that GHG emissions associated with energy production and consumption are responsible for over 75%[2] of all anthropogenic GHG emissions, the transformation of energy systems constitutes a critical challenge.

The energy transition concept involves the gradual replacement of high carbon-intensive fossil fuels – primarily coal and oil – with lower carbon-intensive energy sources, including renewable energy and hydrogen. Natural gas plays a special role in the energy transition, boasting a lower carbon footprint compared to other fossil fuels, while also contributing to global energy security thanks to its widespread availability.

Meanwhile, energy consumption is outpacing the development and deployment of renewable energy capacity needed to meet growing demand and support the phase-out of fossil fuels as part of the energy transition. Within this context, in recent years, there has been a growing demand for energy from all available sources, including fossil fuels. Developing countries, with their rapidly growing populations and economies, are the key driver of increasing energy consumption and demand for energy resources. Global gas demand reached an all-time high in 2024[3], increasing by over 100 billion cubic meters, partly driven by the growth in LNG supplies. A further contributing factor to the growing demand for natural gas is the expansion of its applications (both as an energy source and as a feedstock for the production of low-carbon hydrogen and ammonia)[4].

The energy transition also entails optimizing the structure and operation of energy systems, including improving the efficiency of existing energy resource use – a critical factor in ensuring a just transition to more flexible, resilient, and stable energy systems. This view is shared, in particular, by many BRICS[5] countries, which are home to nearly half of the world's population and account for more than one-third of global gross domestic product[6]. BRICS member countries endorse the use of all available fuels – including natural gas, hydrogen, and ammonia – alongside the adoption of technologies aimed at reducing and capturing GHG emissions[7].

Natural gas is the lowest-carbon fossil fuel

Key competitive advantages of natural gas include its versatility, the lowest carbon footprint among fossil fuels, and its ability to serve as a backup energy source when renewable energy use is limited – for example, due to weather conditions. All of this positions natural gas in alignment with the three core dimensions of the energy trilemma[8] – energy security, energy equity, and environmental sustainability – which explains its stable demand and continued competitiveness in the global market[9].

The use of natural gas as a relatively low-carbon fuel enables the development of the following processes that contribute to the reduction of GHG emissions

- Coal replacement
- Oil replacement
- Support for renewables
- Carbon capture and storage
- Low-carbon hydrogen production
- Reduction of pollutant emissions

A timely transition from coal and oil to natural gas, the deployment of carbon capture and storage technology, and the production of low-carbon ammonia and hydrogen can help achieve a net-zero balance between GHG emissions and removals in the energy sector[10].

In addition, comprehensive measures to improve carbon efficiency play a significant role in achieving global climate goals. These include eliminating methane leaks, increasing energy efficiency, using renewable energy sources, deploying carbon capture and storage technology, and applying GHG offset mechanisms in hard-to-abate sectors. These measures make it possible to minimize the carbon footprint of natural gas or reduce it to near zero.

For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, p. 82.

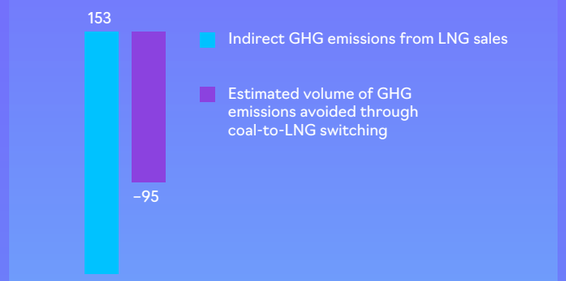


1 The Global Risks Report 2025 // WEF.
2 Energy and climate are inextricably linked. Climate Change // IEA.
3 Gas Market Report, Q1-2025 // IEA.
4 Can Natural Gas Be Part of a Low-Carbon Future? // Scientific American.
5 BRICS – an acronym formed from the first letters of the English names of the five key member countries: Brazil, Russia, India, China, and South Africa.
6 GDP at purchasing power parity (PPP) and population data, 2024 // World Bank.
7 Kazan Declaration: Strengthening Multilateralism for Just Global Development and Security, 2024 // 16th BRICS Summit.
8 World Energy Trilemma Framework 2024 // World Energy Council.
9 Global Energy Perspective 2023: Natural gas outlook // McKinsey & Company.
10 The role of gas in the energy transition 2024 // S&P Global.

The role of NOVATEK in the energy transition

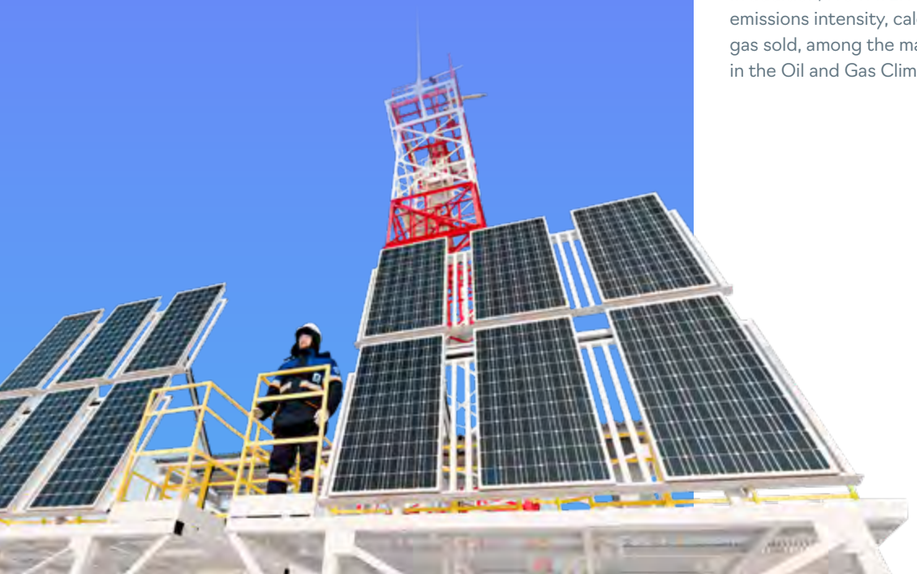
Increasing total LNG deliveries from the Company's projects to 57 million tons per year by 2030 could help avoid 95 million tons of CO_2 eq. annually, assuming that customers switch from coal to LNG[1].

Other indirect (Scope 3) GHG emissions from targeted annual LNG sales (57 mln tons in 2030), mln tons of CO_2 eq.



NOVATEK takes a systematic approach to improving its carbon efficiency and deploys the latest available solutions to decarbonize its business processes. As a result, the carbon footprint of the Company's LNG is among the lowest in the industry.

For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82.



Benchmarking NOVATEK's GHG emissions intensity performance

NOVATEK is leading the industry on carbon efficiency. Specifically, we boast the lowest GHG emissions intensity in the upstream segment among the major oil and gas companies participating in the Oil and Gas Climate Initiative (OGCI)[2].

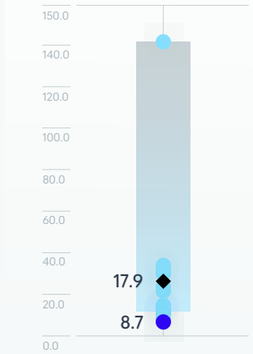
These impressive results are driven by NOVATEK's high-quality resource base advantageously located in the northern latitudes, the use of advanced natural gas production technologies, and the active implementation of measures to enhance energy efficiency and reduce greenhouse gas emissions. For example, the Company leverages proprietary developments and employs specialized mobile flowback and well-testing packages to conduct well testing without releasing gas into the atmosphere.

For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82.

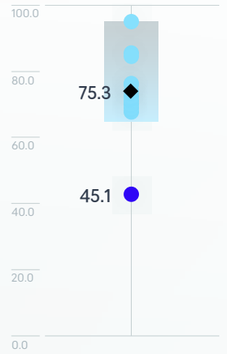
NOVATEK's product-level GHG emissions intensity – calculated across key life cycle stages throughout the entire value chain – is also the lowest among the major oil and gas companies participating in the Oil and Gas Climate Initiative. This is due to the structure of the product mix dominated by natural gas, LNG, and light products.

In addition, NOVATEK demonstrates the lowest methane emissions intensity, calculated relative to the volume of natural gas sold, among the major oil and gas companies participating in the Oil and Gas Climate Initiative.

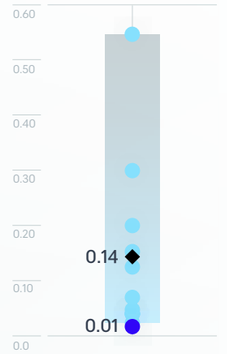
GHG emissions intensity in the upstream segment (Scope 1 and 2), kg of CO_2 eq. / boe[3]



GHG emissions intensity (Scope 1, 2 and 3), grams of CO_2 eq. / MJ[4]



Methane emissions intensity[5], %



- NOVATEK, 2024
- Average for OGCI member companies, 2023
- ◆ Average estimate for OGCI member companies, 2023

Methane regulation

The European Union's regulation on methane emissions in the energy sector, which came into force in 2024[6], requires importers of energy resources into the EU to disclose methane emissions data across their supply chains and implement mitigation measures.

By integrating systems for tracking, collecting, and consolidating GHG emissions data, including methane, into the Company's LNG projects from the outset, we have ensured the reliability of emissions measurements. Proactive efforts to develop proprietary methodologies for calculating the carbon footprint of LNG cargoes, along with their validation and verification, have enabled us to provide customers with accurate and reliable information on GHG emissions, including methane, at each stage of the LNG cargo production cycle.

For more details on the Company's measures to reduce methane emissions (use of smokeless flares, leak monitoring), see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 72.

For more details on the process of issuing emissions and carbon footprint statements for LNG cargoes shipped to customers, see Section 3.2. Management Approach in the Climate Change chapter, ↗ p. 82.

1 Avoided GHG emissions were calculated by comparing GHG emissions produced by LNG and coal firing with due regard to their calorific capacity in TJ and considering the relevant emission factors applied by the Intergovernmental Panel on Climate Change (IPCC).
2 Oil and Gas Climate Initiative. Progress Report Chapter 4 // ↗ OGCI.
3 GHG emissions intensity in the upstream segment is calculated as the ratio of gross GHG emissions (Scope 1 and 2) in the upstream segment to the annual volume of hydrocarbon production, in accordance with the OGCI methodology. The upstream segment also includes hydrocarbon exploration. Data for OGCI member companies are available in the OGCI Performance Data, Progress Report Chapter 4 // ↗ OGCI.
4 GHG emissions intensity is calculated as the ratio of gross GHG emissions (Scope 1, 2 and 3) over the entire product life cycle – from resource extraction to end use by the consumer – to the annual production volume expressed in energy units (MJ). The calculation uses API Compendium factors and takes into account Category 11 of other indirect (Scope 3) GHG emissions. Publicly available data from the top 12 OGCI member companies was used for benchmarking. These companies use their own estimation methodologies, based on international standards and industry guidelines (↗ TPI).
5 Methane emissions intensity is calculated as the ratio of gross methane emissions to the annual volume of natural gas sold, in accordance with the OGCI methodology. Data for OGCI member companies are available in the OGCI Performance Data, Progress Report Chapter 4 // ↗ OGCI.
6 Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942 (Text with EEA relevance) // ↗ European Union.

Management Approach

As part of managing its climate agenda, NOVATEK drives innovation and enhances production efficiency to reduce greenhouse gas emissions, mitigate climate-related risks, and capitalize on related opportunities.

For more details, see Section 2.1. Sustainability Management System, ↪ p. 30.



Climate change management system

The Company takes a systematic approach to managing climate-related issues, which includes:

- Implementing initiatives to adapt to climate change and mitigate its impacts
- Monitoring greenhouse gas emissions
- Participating in discussions on climate agenda trends, investing in R&D, integrating best practices

Strategic management of climate-related aspects at NOVATEK is provided by the Board of Directors and the Subcommittee on Climate and Alternative Energy of the Board's Strategy Committee. In 2024, Subcommittee meetings reviewed matters related to the implementation status of carbon capture and storage projects, low-carbon ammonia production, the Company's activities in the carbon credit market, and current climate agenda trends following the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP29).

At the executive level, the Deputy Chairman of the Management Board – Director for Prospective Projects is responsible for addressing climate-related issues, including the implementation of decarbonization projects. Matters related to GHG emissions management fall within the authority of the Deputy Chairman of the Management Board – Operations Director, who is also in charge of the Integrated HSE Management System.

☆ **Matters related to the implementation of the Company's climate agenda are included in the senior management's incentive system and set out in relevant KPIs.**

In 2024, we continued enhancing our internal regulatory framework on climate change and energy efficiency. The Board of Directors approved the Energy Efficiency and Energy Saving Policy of the NOVATEK Group, which sets out the fundamental principles of its energy management system and defines its goals and objectives in energy efficiency and the sustainable use of energy resources.

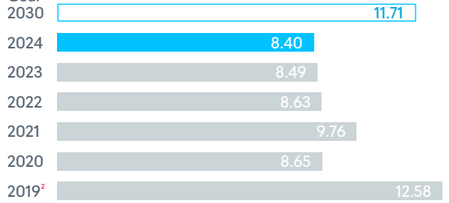
Strategic climate change targets

In the reporting year, the Company continued its implementation of measures designed to achieve the 2030 climate change and environmental targets approved by the Board of Directors. These targets were set with due regard to the need to hold the increase in the global temperature to well below 2 °C under the Paris Agreement[1]. The measures were summarized in the 2030 Comprehensive Climate Change and Environmental Targets to 2030 Program approved by PAO NOVATEK's Management Board in 2020 (the Comprehensive Climate Change and Environmental Targets Program).

All target indicators show significant progress against the 2019 base year. At the same time, factors such as the launch of new projects, capacity utilization, and repairs may impact the year-on-year volatility of indicators.

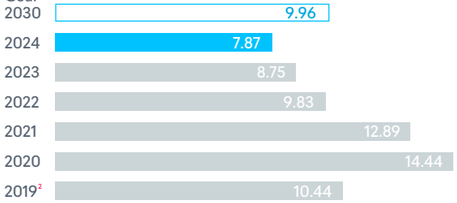
Reduce direct GHG emissions intensity in the upstream segment by 6%

Direct GHG emissions intensity in the upstream segment, tons of CO_2 eq. / mboe



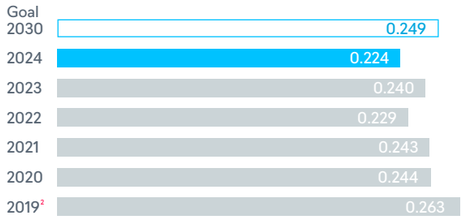
Reduce methane emissions intensity in the upstream, processing, and LNG segments by 4%

Methane emissions intensity in the upstream, processing, and LNG segments, tons / mmboe



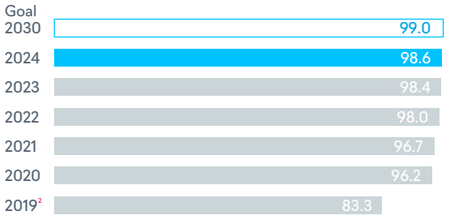
Reduce direct GHG emissions intensity in LNG production by 5%

Direct GHG emissions intensity in LNG production, tons of CO_2 eq. / ton of LNG



Increase the APG utilization rate to 99%

APG utilization, %



1 The RCP 4.5 (Representative Concentration Pathway) scenario under the Paris Agreement, which was suggested and calculated by the Intergovernmental Panel on Climate Change.

2 2019 baseline.

GHG emissions management

The Company maintains a corporate GHG emissions management system, which was verified in 2022 for compliance with ISO 14064:1 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals[1].
An independent audit confirmed this compliance in 2024.

As part of this system, the Greenhouse Gas Emissions Management System corporate standard (the "Standard") is in effect. It provides for conducting GHG emissions inventories at controlled entities within NOVATEK, calculating GHG emission factors, compiling a GHG inventory, preparing reports in accordance with Order of the Russian Ministry of Natural Resources and Environment No. 371, and communicating with stakeholders.

NOVATEK annually quantifies its Scope 1, 2 and 3 GHG emissions and analyzes the data across the entire Company and individual subsidiaries, while consistently improving its disclosure practices by expanding the scope of reporting. The Company compares the collected data against the intensity targets set for its business segments (upstream, hydrocarbon processing, and LNG production) to track progress toward achieving them.

When calculating GHG emissions, the Company is guided by generally accepted international and Russian guidelines and standards[2], and uses automated systems for accounting for these emissions.

In 2024, an independent audit by Bureau Veritas Certification Rus was conducted, providing reasonable assurance for the Company's 2023 Scope 1, 2 and 3 GHG emissions data[3].

NOVATEK has also been disclosing GHG emissions and energy efficiency to the global Carbon Disclosure Project (CDP) initiative for over 15 years now.

The annual GHG emissions estimate enables timely updates to the Company's information on climate-related risks and opportunities. The Standard provides for unscheduled assessments of risks and opportunities in the event of target changes or upon request from stakeholders.



1 ISO 14064-1:2018. Greenhouse gases. Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

2 Greenhouse Gas Protocol: Guidelines of the International Group of Liquefied Natural Gas Importers (Greenhouse Gas Protocol), Order of the Russian Ministry of Natural Resources and Environment No. 371 On Approval of Methods for Quantification of Greenhouse Gas Emissions and Greenhouse Gas Removals, dated 27 May 2022, Order of the Russian Ministry of Natural Resources and Environment No. 330 On Approval of the Methodological Guidelines on the Quantification of Energy Indirect Greenhouse Gas Emissions, dated 29 June 2017; Guidelines of the Intergovernmental Panel on Climate Change (IPCC).

3 According to ISO 14064-1, reasonable assurance means level of assurance where the nature and extent of the verification activities have been designed to provide a high but not absolute level of assurance on historical data and information.

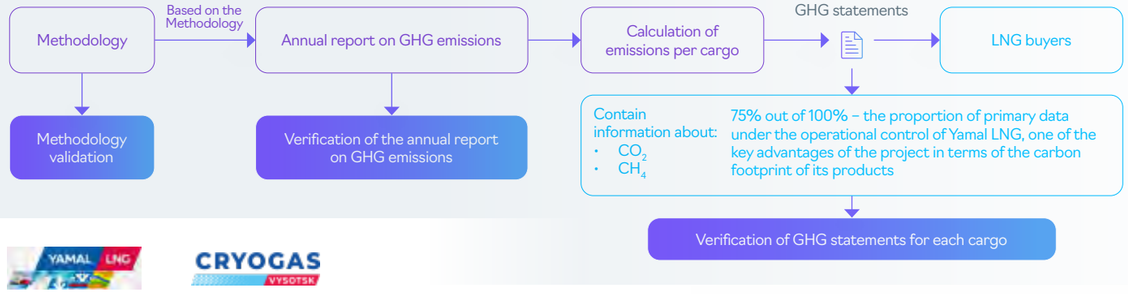
Quantification of product carbon footprint

In 2024, NOVATEK continued scaling its successful practice in developing methodologies for calculating the carbon footprint of LNG cargoes. The Company began providing carbon footprint statements for LNG cargoes, based on these methodologies. The statements provide consumers with reliable and accurate information, incorporating over 75% primary data, and include GHG-specific data across the stages of gas production, gathering, transportation, liquefaction, and LNG maritime shipping. At the customer's request, the statements may also include emissions from the regasification stage through to final consumption, calculated using key emission factors specific to the country or the global market.

>100 statements were issued during the reporting year

Based on customer feedback, the statement format was improved and additional metrics were incorporated.

NOVATEK's LNG carbon footprint statement preparation procedure



In 2022, the first methodology for the Yamal LNG project was developed according to international standards and subsequently validated by an independent organization holding international accreditation. In 2023, a similar methodology was developed and validated for the Cryogas-Vysotsk project, while in 2024, a further methodology was also developed and validated for the Ust-Luga Complex.

Statements are issued in accordance with
- ISO 14064-1:2018 and ISO 14067:2018 standards;
- Greenhouse Gas Protocol;
- Guidelines of the International Group of Liquefied Natural Gas Importers (GIIGNL).

Average GHG emissions intensity by life cycle stage for LNG produced at the Company's plants in 2024

Life cycle stages of the LNG value chain						
Production	Collection and transportation	Liquefaction	Maritime transportation	Offloading and regasification	Distribution	Final consumption
18 kg of CO_2 eq. / ton of LNG	**0.4** kg of CO_2 eq. / ton of LNG	**224** kg of CO_2 eq. / ton of LNG	Depending on the delivery destination	At the customer's request		

In 2022, the Company introduced an internal carbon pricing mechanism outlined in the Procedure Rules for the Drafting, Agreement, Approval, Monitoring, and Updating of PAO NOVATEK's Investment Projects to assess the impact of carbon regulation risks on the economics of its investment projects.

The Company applies a differentiated approach to setting its internal carbon price:

- in respect of projects envisaging sales of products in the domestic market: USD 10 per ton of CO_2[1];
- in respect of export-oriented projects: USD 40 per ton of CO_2[2].

In 2024, the review of all investment projects by the Company's Investment Committee included an assessment of the impact of internal carbon pricing on their financial viability. Approved investment projects are highly resilient to carbon pricing.



Engaging stakeholders on climate change

NOVATEK engages with various stakeholder groups – government authorities, the business community, research organizations and NGOs – to communicate its position on climate change mitigation and to exchange innovative ideas, knowledge, and expertise.

For example, in 2024, NOVATEK joined the Russian Gas Society, an oil and gas industry association. Through this membership, the Company contributes to both the development of the legislative framework for the gas sector and discussions on climate change and decarbonization.

Российское Газовое Общество

In addition, NOVATEK collaborates with the Arctic and Antarctic Research Institute (AARI). In partnership with AARI, a new wintering complex was launched into pilot operation in 2024 at Russia's Vostok Research Station in Antarctica focused on Antarctic research as well as environmental and climate change monitoring.

AARI Arctic and Antarctic Research Institute

For more details on the Company's partnerships on climate-related issues, see Sustainability Report 2023, p. 79

1 The benchmark for pricing is set by Resolution of the Russian Government No. 1441 dated 18 August 2022.
2 This price was determined based on industry practices and the estimated cost of implementing measures to reduce GHG emissions.

Climate-related risks and opportunities

The Company analyzes and considers the impacts of climate-related risks and opportunities on its operations.

For each risk, there are measures in place to prevent or reduce its potential negative impact, including regular follow-up.

NOVATEK's Risk Map and Opportunities Map include several climate-related risks and opportunities.

For more details, see Section 2.2. Sustainability Risks and Opportunities, p. 38, and Appendix 1. Key Sustainability Risks and Opportunities, p. 200.

To ensure more comprehensive and accurate accounting for climate-related risks and opportunities, in 2024, the Company

1. updated its climate-related risk assessments and management plans (TCFD classification)
2. updated the list of measures to maximize the Company's climate-related opportunities (TCFD classification)
3. continued implementing measures to minimize the climate impact and reduce the carbon footprint of the Company's products
4. continued to research the influence of global and Russian initiatives to mitigate anthropogenic impact on climate

Managing NOVATEK's climate-related risks and opportunities

Implementation of measures

- Climate risk monitoring
- Climate-related opportunity monitoring
- Environmental monitoring and measurements
- Decarbonization, renewable energy promotion, and low-carbon energy projects



Corporate governance

- Regular review of the climate action agenda by supreme governance bodies
- Incorporation of global initiatives on carbon footprint reduction, renewable energy development, and carbon regulation
- Monitoring progress toward climate change and environmental targets
- Regular monitoring of the implementation of measures to manage climate-related risks and opportunities

Strategy and financing

- Monitoring progress toward climate change targets
- Monitoring progress toward environmental targets
- Incorporating climate change adaptation measures into the Company's financial planning

Climate-related risk assessment and analysis

NOVATEK identifies and analyzes climate-related risks as part of its environmental, socio-economic, and public health impact assessment during the implementation of the Company's key production projects, including those in the Arctic zone.

Two indicators are used to assess climate-related risks:

- **risk criticality** (high, medium, or low), which takes into account the likelihood of occurrence and a quantitative assessment of potential impacts, including potential damage to assets, business interruption losses, increased costs, and other consequences;

High | Medium | Low

- **potential impact of the risk on the achievement of the Company's strategic goals** (short-term, medium-term, and long-term). The impact on achieving goals is assessed under the assumption that triggers or consequences listed in the short-term risk table have occurred.

S Short-term | M Medium-term | L Long-term

	Risks	Measures
Physical risks		
Short-term climate change M Low	Extreme / abnormal weather and as a consequence: • minor damage / short-term suspension of gas, condensate, or oil production processes • delayed deliveries of raw materials, equipment, and finished products	✓ Online monitoring of the impact of climatic conditions on operations (geotechnical and geocryological monitoring, observations at geodynamic testing facilities, leveling, etc.) ✓ Complying with HSE requirements in severe weather situations ✓ Monitoring and maintaining a stable temperature under the foundations of buildings and other permanent structures ✓ Integrating climate-related risks into the Company's investment projects and day-to-day operations
Long-term climate change L Low	• Permafrost thawing and as a consequence: – reduced durability of the foundations of buildings and other permanent structures – substantial damage / long-term suspension of gas, condensate, or oil production or processing – delayed deliveries of raw materials, equipment, and finished products • Loss of customers and market share • Significant increase in insurance premiums	✓ Integrating climate-related risks in the design and construction of production facilities and infrastructure ✓ Assessing the impact of long-term climate change on the Company's operations. Modeling the independent or combined impacts of changes in external environmental factors and assessing their impact on the Company's operational and financial activities, including: – higher ambient temperatures in the Far North and the Arctic zone – changes in the global sea level and the level of the Arctic Ocean (flood risks) – permafrost thawing under the foundations of buildings and other permanent structures – changes in the timing of ice on and off dates and ice cover duration affecting navigation along the Northern Sea Route

	Risks	Measures
Transition risks		
Laws and regulations M Low	• Higher costs due to new or stricter climate regulations • New regulatory requirements for business activities and reporting	✓ Monitoring and analyzing global and Russian initiatives to mitigate anthropogenic impact on climate ✓ Factoring in internal carbon pricing when evaluating the performance of the Company's investment projects ✓ Considering requirements of Russian laws, stock exchanges, and other regulators regarding business activities and climate reporting
Technology L Low	• Higher costs due to changes in operating processes to ensure compliance with environmental requirements • Inability to use modern foreign technologies to produce competitive low-carbon products • Higher prices for energy and other commodities as non-renewable energy sources are phased out	✓ Developing technologies and implementing projects to reduce GHG emissions and boost energy efficiency ✓ Researching and making early R&D investments to develop low-carbon energy technologies ✓ Assessing the applicability of available renewable energy technologies and equipment ✓ Supporting government initiatives and expanding the Company's network of LNG retail stations in Russia
Market M Low	• Lower demand (revenues) due to changing consumer preferences • Additional investment due to market uncertainty • Lower margins due to higher prices for raw materials and energy	✓ Monitoring market preferences and meeting consumer demands by taking measures to reduce the carbon footprint of the Company's products ✓ Sharpening the long-term competitive edge of the Company's products by deploying a range of technology solutions to reduce their carbon footprint as well as by generating and purchasing renewable energy ✓ Exploring and implementing promising projects that use natural gas as a feedstock for the low-carbon energy production
Reputation L Low	• Changes in consumer preferences regarding the Company's products • Investment losses due to the stigma associated with upstream operations and the use of non-renewable energy • Withdrawal of key stakeholders (such as banks, investors, stock exchanges, etc.)	✓ Integrating the market situation and existing restrictions into the Company's strategic climate change and environmental targets to 2030 ✓ Developing short- and long-term sales strategies from market forecasts and consumer preferences, with due regard to changes in supply destinations ✓ Integrating climate-related risks into the Company's investment projects and day-to-day operations

Climate change adaptation

The Company's upstream facilities are concentrated in the Russian Arctic, a region experiencing the highest rates of climate change. Accordingly, climate change adaptation is a key priority for the Company.

The Company conducts research, evaluation, forecasting, and monitoring of permafrost conditions and cryogenic processes during the front-end engineering, design, construction, and operation of buildings and structures.

Project-specific solutions implemented by the Company incorporate physical risks associated with climate change and are identified with due regard to various climate change scenarios, such as:

- a potential rise in temperatures by up to 4 °C;
- an associated rise in the upper soil temperature up to 2 °C



Climate change adaptation measures

Climate-related risk assessment	Structure-soil system monitoring	Annual inventory of buildings and structures located in permafrost areas
To assess climate-related risks, the Company has developed and implemented Procedure Rules for the Unified Assessment of Risk Factors Associated with the Operation of Facilities in Permafrost Areas	The Company monitors structure-soil systems in accordance with specifically developed and implemented Procedure Rules for Setting Up Geotechnical Monitoring at Facilities Located in Permafrost Areas	The Company regularly monitors over **5 thousand temperature measurement wells, 34 thousand heat pipes**, and **24 thousand structural monitoring points** (deformation markers) across various facilities
Prevention or control of permafrost degradation	**Identification of climate-related hazards[1] to gravity-based structures (Arctic LNG 2 project) and associated environmental impacts[2]**	**Effectiveness of adaptation measures**
• During the winter season, accumulated snow is removed from surface areas, while during the warm season, meltwater and rainwater are managed through directed runoff • Disturbance of the vegetation cover is not permitted, or it must be restored (including through landscaping) • The operational temperature of production facilities is monitored, and vents in ventilated building crawl spaces are opened during the winter months • Thermal insulation materials are used, engineering protection measures are implemented, and heat pipes are installed	• Design solutions incorporate a multiple safety factor • Design considerations include both projected changes in climate parameters and the potential for natural disasters and other emergencies, whether natural or man-made • The collected data are analyzed and, if required, additional research is conducted, with measures to stabilize the geotechnical system being further worked out and implemented	New 4D modeling systems are being rolled out to forecast the development of adverse geocryological processes, along with digital geocryological profiles (digital twins of facilities) which reflect the current geocryological conditions and risk forecasts. The information is automatically updated based on real-time, round-the-clock data feeds

1 Hazard Identification.
2 Environmental Impact Identification.

For more details on the Company's climate change adaptation measures, see Sustainability Report 2023, p. 83.



Leveraging climate-related opportunities

In 2024, the Company continued identifying and assessing climate-related opportunities in accordance with TCFD recommendations.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate-related opportunities

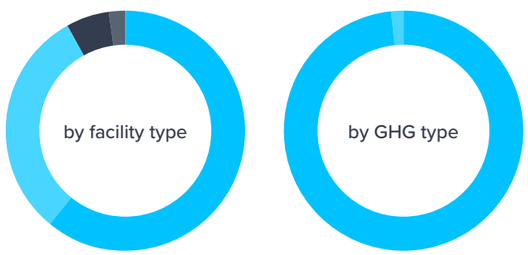
	Risks	Measures
Resource efficiency	• Cutting logistics costs to supply products to Asia-Pacific countries by expanding navigation via the Northern Sea Route • Reducing product carbon footprint and GHG emissions by accelerating product supplies via the Northern Sea Route	✓ Further implementation of NOVATEK's experimental programs to expand the navigation window in the eastern sector of the Northern Sea Route
Energy sources	• Ramping up production and supplies of LNG, an in-demand energy resource with a relatively low carbon footprint • Low-carbon hydrogen / ammonia for energy storage	✓ NOVATEK's expansion of its natural gas production resource base ✓ Expanding the use of low-carbon technologies and optimizing LNG production processes (e.g., Arctic Mix technology, etc.) as well as developing low-carbon energy production projects (hydrogen, ammonia) with CO_2 capture and underground storage
Products and services	• Expanding the lineup of low-carbon energy products • Supporting Russian and international climate initiatives • Providing CO_2 underground storage services	✓ Developing proprietary R&D products and designing production facilities for low-carbon products
New markets	• Boosting the Company's competitive edge through the development of the Russian market for natural gas as an NGV fuel • Entering new markets by expanding the lineup of low-carbon energy products	✓ Constructing and commissioning new small-scale LNG projects in Russian regions ✓ Expanding the LNG retail station network by developing small-scale LNG projects ✓ Implementing projects based on proprietary technologies for the production of low-carbon products
Resilience	• Developing decarbonization initiatives across Company projects and renewable energy capacity • Participating in the regulated carbon offset market	✓ Developing technologies for carbon capture, injection, and storage in geological formations ✓ Using cogeneration technologies for heat generation ✓ Using renewable energy ✓ Implementing climate projects

Key Metrics and Solutions for Boosting Carbon Efficiency

Quantitative metrics related to greenhouse gas emissions

In 2024, direct (Scope 1) GHG emissions totaled 9,572 thousand tons of CO_2 eq., up 1% year-on-year. The key driver of increased GHG emissions was higher fuel gas consumption within the organization due to production ramp-up and the expansion of LNG operations. The increase in emissions was partially offset by reduced gas flaring during well-testing and flowback operations, achieved through the use of mobile flowback and well-testing packages that operate without releasing gas into the atmosphere, a decrease in process wastewater flaring due to its injection into absorbing wells at the Yurkharovskoye field (the Company's first climate project), and an increase in APG utilization.

Breakdown of direct (Scope 1) GHG emissions in 2024, %



Total GHG emissions, th. tons of CO_2 eq.

	2022	2023	2024
Direct (Scope 1) GHG emissions	9,423	9,482	**9,572**
Energy indirect (Scope 2) GHG emissions[1]	167	173	**178**
Other indirect (Scope 3) GHG emissions (from use of sold products)[2]	181,328	176,397	**181,658**
Including by category:			
Category 11 – Use of Sold Products	174,912	170,031	**174,332**
Category 9 – Downstream Transportation and Distribution (pipeline gas)	6,416	6,366	**7,088**
Category 4 – Upstream Transportation and Distribution	–	–	**238**

Direct GHG emissions intensity in the upstream segment decreased by 1% to 8.397 tons of CO_2 eq. / mboe. Direct GHG emissions intensity in LNG production was 0.224 tons of CO2 eq. / ton of LGN, down 7% year-on-year. The reduction in GHG emission intensities demonstrates the Company's steadfast commitment to its strategic goals and the strength of its emissions management amid growing production.

Methane as a percentage of total direct GHG emissions was flat year-on-year at 1.6%.

Energy indirect (Scope 2)[1] GHG emissions amounted to 178 thousand tons of CO_2 eq., up 3% year-on-year, due to an increase in the consumption of purchased energy to support growing production.

Other indirect (Scope 3) emissions from use of sold products (Category 11) and downstream transportation and distribution (Category 9) totaled 181,420 thousand tons of CO_2 eq., up 2.8% year-on-year, due to higher sales volumes.

NOVATEK is committed to continuously expanding its data collection scope, increasing transparency and disclosure. In 2024, the Company quantified, for the first time, other indirect emissions from upstream transportation and distribution (Category 4), coming in at 238 thousand tons of CO_2 eq. and bringing total other indirect (Scope 3) GHG emissions for 2024 to 181,658 thousand tons of CO_2 eq.

Direct (Scope 1) GHG emissions intensity

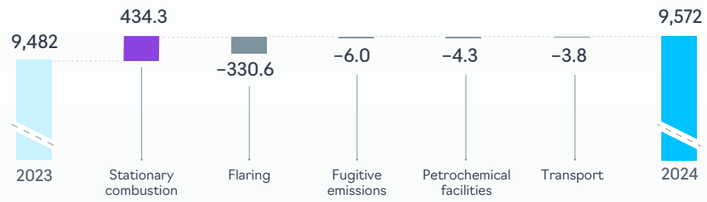
	2022	2023	2024
Upstream facilities, tons of CO_2 eq. / mboe	8.627	8.494	**8.397**
Processing facilities, tons of CO_2 eq. / tons of processed hydrocarbons	0.035	0.038	**0.029**
LNG production facilities, tons of CO_2 eq. / tons of LNG	0.229	0.240	**0.224**

Other indirect (Scope 3) GHG emissions intensity – measured as the amount of GHG emissions per unit of sales in a single energy equivalent (GHG intensity index[3]) – decreased by 1% year-on-year to 286 kg of CO_2 eq. / boe.

GHG intensity index, kg of CO_2 eq. / boe



Change in direct (Scope 1) GHG emissions, th. tons of CO_2 eq.



1 Energy indirect (Scope 2) GHG emissions were calculated using the location-based method. This method shows the average emissions intensity across grids for the region where electricity is consumed.
The calculation was made in line with the Concept for Calculating and Publishing GHG Emission Factors for the Russian Power System. The concept was developed in 2022 by NP Market Council Association and AO TSA and received an international statement of validation.

2 Other indirect (Scope 3) GHG emissions from the use of the Company's production volumes are calculated using emission factors for natural gas used as fuel, approved by Order of the Russian Ministry of Natural Resources and Environment No. 371, On Approval of Methods for Quantitative Determination of Greenhouse Gas Emissions and Greenhouse Gas Removals, dated 27 May 2022, and using the Technical Guidance for Calculating Scope 3 Emissions, GHG Protocol, version 1.0, with the assumption for Category 11 (Use of Sold Products) of the GHG Protocol guidance that oil and natural gas liquids are sent for processing, while other produced products are combusted as fuel.

3 Calculated as the ratio of other indirect (Scope 3) GHG emissions from use of sold products to the volume of sold products. To account for various types of organic fuel (oil and natural gas), their consumption is expressed in a single energy equivalent – barrel of oil equivalent (boe).

Initiatives for boosting carbon efficiency

As the industry leader in carbon efficiency, NOVATEK continues its efforts to mitigate its climate impact, contributing to both global and national climate agenda goals, while increasing the supply of affordable and reliable low-carbon energy.

NOVATEK's Contribution toward the Strategy of Socio-Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions until 2050

NOVATEK is making a significant contribution to the implementation of the Strategy of Socio-Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions until 2050 (the "Strategy")[1] by developing cutting-edge technology solutions and promoting natural gas as a transition fuel with a relatively low carbon footprint on the path toward flexible, sustainable, and resilient energy systems.

The majority of the Company's carbon efficiency initiatives, including the construction of large-, medium-, and small-scale LNG plants, the expansion of LNG sales as a fuel, the development of carbon capture and storage projects, and the issuance of carbon offsets, are directly aligned with the core pillars of the Strategy[2].

Improving carbon efficiency across all stages of the product life cycle

		Key projects	2024 highlights	GHG emissions reduction / avoidance in 2024
Direct (Scope 1) GHG emissions				
	Reduction of stationary combustion	Comprehensive Program of Energy-Saving Measures	**7,933.0 th. GJ** – energy saved through the Comprehensive Program of Energy-Saving Measures (7,902.9 th. GJ in 2023)	**518.5 th. tons of CO_2 eq.** – emissions avoided through the energy-saving program
		Use of cogeneration technologies		**141 th. tons of CO_2 eq.** – emissions avoided through the use of cogeneration technology
	Reduction in flaring	Industrial wastewater disposal (climate project)	**1,200 cubic meters per day** – design capacity of the wastewater treatment and injection site	**255 th. tons of CO_2 eq. per year** – average annual emissions reduction
		Use of smokeless flares		**5.2 th. tons of CO_2 eq. per year** – emissions reduced through the use of smokeless flares
		APG Utilization Program	The APG utilization rate grew to **98.6%** in 2024 (98.4% in 2023)	**42 th. tons of CO_2 eq.** – emissions avoided through higher APG utilization
		Conducting wells tests using mobile flowback and well-testing packages without releasing gas into the atmosphere	**434 mln cubic meters** ↑ 6x year-on-year – volume of avoided gas flaring	**1,493 th. tons of CO_2 eq.** – emissions avoided through well testing with mobile flowback and well-testing packages without releasing gas into the atmosphere
		Screw compressor relocation		**8.7 th. tons of CO_2 eq.** – emissions avoided through implementing the initiative
Energy indirect (Scope 2) GHG emissions				
	Use of renewables within the organization	Expansion of renewable self-generation capacity	**384 th. kWh** – renewable electricity generation in 2024 (354 th. kWh in 2023)[4]	**14 th. tons of CO_2 eq.** – GHG emissions avoided through the use of low-carbon energy
		Low-carbon energy purchases[3]	**255.68 th. GJ** – volume of purchased low-carbon electricity with generation attributes[5] in 2024	
Other indirect (Scope 3) GHG emissions from use of sold products				
	Gas and LNG production increases	Expanding the resource base	In 2024, gas production grew by **2%** (to 84.08 bcm)	
		Exploring new LNG projects		
	Expanding sales channels for marketing LNG as a motor fuel	Implementing new small-scale LNG projects	**69 th. tons** – sales of small-scale LNG as a motor fuel in the domestic market (89 th. tons in 2023)	**36 th. tons of CO_2 eq.** – estimated GHG emissions reduction by NOVATEK consumers as a result of switching to LNG as a motor fuel
		Expanding the use of LNG as a motor fuel		

1 Directive of the Russian Government No. 3052-r, On the Strategy of Socio-Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions until 2050, dated 29 October 2021.
Draft Roadmap to Implement the Strategy of Socio-Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions until 2050.

2 According to the target (intensive) scenario designed to ensure global competitiveness and sustainable economic growth of Russia amid the global energy transition.

3 Low-carbon energy means energy produced either by a combustion-free generation facility using renewable energy sources, or by a nuclear power plant.

4 Hereinafter, this refers to energy generation from the Company's own small-scale renewable installations at telecontrol points. It is not subject to regulation under Federal Law No. 35-FZ On Electric Energy, as the volume of energy produced does not meet the minimum threshold established by law for generation facilities to qualify for the subsequent registration of generation attributes.

5 Acquisition of generation attributes through green certificates at NOVATEK Ust-Luga in 2024.

Boosting energy efficiency

NOVATEK is enhancing the energy efficiency of business processes across its operations, thereby driving GHG emissions reductions and cutting operating costs.

An energy management system is in place at the Company. NOVATEK is considering ISO 50001 certification for the system.

We use cogeneration to enhance energy generation efficiency at new construction projects. Cogeneration means generation of two or more forms of useful energy using heat from the exhaust gases of gas turbine and gas piston installations, which is a secondary energy resource.

In 2024, secondary energy-based heat generation totaled 3 million GJ, up 15% year-on-year. Direct GHG emissions avoided in 2024 are estimated at 141 thousand tons of CO_2 eq.

7,933.0
th. GJ
reduced energy consumption in 2024

518.5
th. tons of CO_2 eq.
the volume of GHG emissions avoided in 2024

In early 2024, the Board of Directors approved the Energy Efficiency and Energy Saving Policy of the NOVATEK Group, which outlines key principles and objectives, including reducing the product-level carbon footprint through the use of advanced technologies and energy-efficient equipment as well as increasing the share of renewable energy and low-carbon fuel consumption.

Furthermore, the Regulations on the Development and Implementation of the Energy Saving and Energy Efficiency Program were agreed upon.

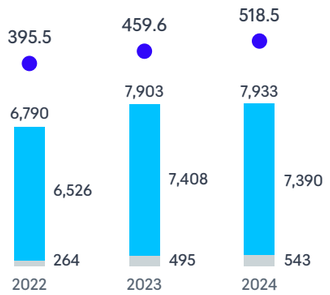
In 2024, NOVATEK continued to implement energy-saving measures in accordance with its Comprehensive Program of Energy-Saving Measures for 2024–2026. The program envisages the deployment of energy-saving technologies and advanced energy-efficient equipment, as well as energy consumption reduction across all areas of operations.
The program includes measures such as reducing natural gas consumption within the organization by redistributing raw material flows in gas flaring systems, optimizing compressor equipment operation, commissioning industrial wastewater disposal facilities, modernizing heating systems and eliminating electric heating, and upgrading lighting systems by replacing mercury-containing floodlights and lamps with LED fixtures.

In 2024, the Company made strong progress on the program, matching the previous year's performance by reducing energy consumption by 7,933.0 thousand GJ and avoiding 518.5 thousand tons of CO_2 eq. in GHG emissions.

Energy consumption, mln GJ[1]

	2022	2023	2024
Energy consumption	**16.69**	**17.29**	**18.56**
Electricity	**13.13**	**13.45**	**14.41**
Purchased electricity Including:	2.61	2.85	2.90
Low-carbon energy purchased along with associated generation attributes	–	–	0.26
Renewable energy purchased through free bilateral contracts	0.08	0.28	–
Energy purchased through free bilateral contracts	–	–	0.35
Self-generated electricity	10.63	10.69	11.60
including from renewable energy sources	0.001	0.001	0.001
Electricity sold to the grid and to consumers	0.11	0.09	0.09
Heat	**3.56**	**3.84**	**4.15**
Supporting heat generation from non-renewable energy sources	0.99	1.18	1.09
Self-generated heat from secondary energy sources (cogeneration)	2.49	2.61	3.00
Purchased heat	0.08	0.05	0.06

Total reduction in energy consumption driven by energy-efficiency and energy-saving measures, th. GJ[2]



In 2024, total energy consumption was 18.56 million GJ, up 7% year-on-year, driven by production ramp-up and the expansion of LNG operations.

Electricity intensity in natural gas production remained unchanged from the previous year at 2.6 kWh / thousand cubic meters. Electricity intensity in gas liquefaction decreased by 2% to 97.5 kWh / ton.

1 Energy consumption is calculated as the sum of purchased energy and supporting power generation, net of sales to the grid and to consumers. The following conversion factors were used: 1 thousand kWh = 3.6 GJ, and 1 Gcal = 4.187 GJ. The following factor was used to recalculate fuel consumption: 1 toe = 29.31 GJ, and 1 toe = 1 cubic meter * 1.154.

2 The reduction in energy consumption includes the annual impact of measures implemented within the four years preceding the reporting period. This metric does not include measures with a spillover effect on energy-saving that are part of other programs. Initial values posted prior to the implementation of energy-efficiency initiatives are used as the baseline to calculate consumption reductions. Since 2023, the Comprehensive Program of Energy-Saving Measures for 2024–2026 has been additionally accounting for reduction in natural gas consumption within the organization.



Electricity intensity

	2022	2023	2024
Gas production, kWh / th. cubic meters	2.3	2.6	**2.6**
Condensate production, kWh / ton	11.1	9.3	**9.5**
Oil production, kWh / ton	55.3	61.3	**41.1**[1]
Condensate processing, kWh / ton	6.4	7.0	**8.9**[2]
Gas liquefaction, kWh / ton, including shipment[3]	97.8	99.3	**97.5**

The Company set a target (upper limit) for electricity intensity in gas and gas condensate production and treatment at 4.5 kWh / ton. At the end of 2024, electricity intensity was 4.43 kWh / ton, remaining below this cap. In 2024, heat and electricity intensity remained flat from the previous year (0.03 GJ / boe).

Electricity intensity at upstream facilities has also remained stable over the past four years at 0.01 GJ / boe.

Methane emissions reduction

Methane is a potent greenhouse gas contributing to climate change, as demonstrated by its global warming potential, which is dozens of times greater than that of carbon dioxide.[4] Therefore, reducing methane emissions intensity is a key priority for the Company. NOVATEK has set a target to reduce methane emissions intensity in the upstream, processing, and LNG segments by 4% (to 9.96 tons / mmboe) from a 2019 baseline by 2030.

In 2024, methane emissions totaled 6,292 tons, up 2% year-on-year[5].

The Company's efforts in this area focus on three key priorities: eliminating routine gas flaring, reducing flare header purges during LNG production, and detecting and repairing methane leaks.

Methane emissions, tons

	2022	2023	2024
Methane emissions, tons	**6,343**	**6,151**	**6,292**
Methane emissions intensity for upstream, processing, and LNG facilities, tons / mmboe	9.83	8.75	**7.87**

1 The decrease was due to the start of production from the Kharbeyskoye field.
2 The increase in this metric was due to the deployment of hydrocracking technology.
3 Starting in 2024, the calculation of this metric includes LNG production and shipments by OOO Cryogas-Vysotsk, alongside the previously included LNG and condensate volumes from OAO Yamal LNG. Figures for prior years have been restated.
4 Climate Change 2023 Synthesis Report // IPCC.
5 The 2023 methane emissions figure was restated (recalculated) to 6,151 tons (from 6,139 tons).
6 Methane Guiding Principles, MGP.

Addressing methane leaks

NOVATEK is testing various components of a comprehensive methane leak detection system that enables rapid identification of leaks across all stages of operations. In addition, as a member organization of the MGP[6] initiative of international oil and gas majors, the Company has access to best practices in this area, supporting continuous improvements to its leak prevention system.

2022

Launch of aerial monitoring:
- Unmanned aerial vehicles (drones) equipped with methane leak detectors
- Acoustic cameras and thermal imaging cameras

2023

Launch of ground-based monitoring:
- Ground-based methane leak surveys along a drone flyover route, with the resulting findings compared against data from 2022 and 2023

2024

Methane leak mitigation:
- **More than 400 leaks** were detected through aerial and ground-based monitoring at NOVATEK-Yurkharovneftegas facilities
- **98%** of methane **leaks were fixed** at NOVATEK-Yurkharovneftegas production facilities

The primary leak fixing measures included replacement of:
- leaking valves
- gland seals
- gaskets in flange connections

Reduction in flaring

Lower flaring, including APG combustion, significantly contributes to the overall reduction of direct GHG emissions. In 2024, GHG emissions from flaring decreased by 17% to 1,648 thousand tons of CO_2 eq.

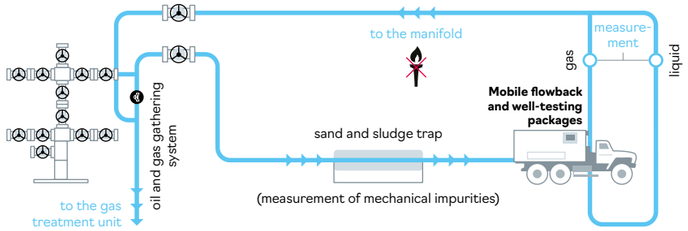
Flaring reductions in 2024 were mostly driven by well testing without releasing gas into the atmosphere enabled by mobile flowback and well-testing packages; industrial wastewater disposal as part of a climate project at the Yurkharovskoye field; implementation of the APG utilization program; and the relocation of a screw compressor from the Khancheyskoye field.

As part of its Comprehensive Climate Change and Environmental Targets Program, in 2024, the Company completed a project to relocate a screw compressor unit from the Khancheyskoye field to the booster compressor stations site of the East-Tarkosalinskoye field. The project is aimed at achieving 99% APG utilization by 2030. This initiative not only optimized APG utilization but also resulted in cost savings on the procurement, installation, and commissioning of new equipment. Low-pressure APG flaring decreased by 2.5 million cubic meters per year.



Zero-flaring well testing and flowback operations

In 2024, the Company continued conducting gas-dynamic and gas-condensate well tests using mobile flowback and well-testing packages without releasing gas into the atmosphere. Mobile flowback and well-testing packages are used to perform measurements that support subsequent hydrocarbon reserve estimation and asset parameters determination throughout the field development life cycle. By using these systems, we can reduce natural gas losses and cut GHG and pollutant emissions by routing well fluids, after measurement, into a gas gathering system for further treatment instead of flaring.



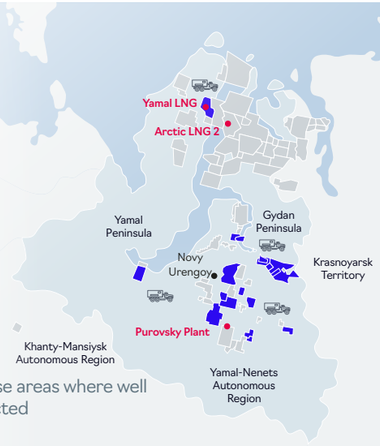
In 2024, the Company patented a new method of gas condensate well flowback after hydraulic fracturing.

Key outcomes of using mobile flowback and well-testing packages to conduct well testing without releasing gas into the atmosphere in 2024

28 ↑3x year-on-year
number of wells tested

1,493
th. tons of CO_2 eq.
GHG emissions avoided

434 ↑6x year-on-year
mln cubic meters
volume of avoided gas flaring



The locations of fields and license areas where well testing operations were conducted

Methods of well flowback after hydraulic fracturing

Hydraulic fracturing

Conventional method → **Modified method**

Well flowback is carried out in multiple stages to remove solids (proppant) and process fluids from the well effluent: the total well effluent is disposed of by burning in a horizontal flare over a period of 3–10 days, until the hydrocarbon stream is completely purified.

Result: significant losses of gas, gas condensate, and oil, as well as the release of hazardous substances into the atmosphere.

Separation of well fluids from solids (proppant) and process fluids:
- first stage – separation from solids: use of a specialized three-phase separator, consisting of a choke manifold and a solids filter. After accumulating in the filter, solids are measured and disposed of through a horizontal flare;
- second stage – separation from process fluids and produced water: mobile flowback and well-testing packages equipped with three-phase separators are used, dividing the well effluent into three phases: gas, gas condensate (oil), and water. Each phase can be independently routed via a dedicated line to its designated destination: gas and gas condensate (oil) are directed to the oil and gas gathering system, while process fluids and produced water are sent to a horizontal flare for disposal.

Benefits: reduced losses of gas, gas condensate, and oil, as well as lower emissions of hazardous substances.

Well start-up

Using renewables

NOVATEK uses small-scale renewable installations at telecontrol points located in Far North areas remote from general infrastructure. In 2024, the number of such installations totaled 187 – up 7% year-on-year. In 2024, renewable electricity output totaled 384 thousand kWh, up 8% year-on-year (354 thousand kWh in 2023). Renewable energy generation stood at 0.01% of NOVATEK's total electricity output. The use of renewable installations at telecontrol points delivered a total reduction of 164 tons of CO_2 eq. in indirect GHG emissions.

In addition to self-generation, NOVATEK purchases low-carbon energy to mitigate energy indirect (Scope 2) GHG emissions at its Ust-Luga Complex and the Cryogas-Vysotsk project. The Company purchases energy through free bilateral contracts (FBCs) and, starting from 2024, also acquires generation attributes[1]. In 2024, the Company purchased attributes representing 71,021 thousand kWh.

Thus, the Company's total consumption of energy from renewable sources and low-carbon energy amounted to 71,405 thousand kWh, down 7% year-on-year. Its share in our total energy mix was 1.8%. The reduction in low-carbon energy consumption was primarily due to the exclusion of the amount of low-carbon energy sourced through FBCs[2] from the overall total.

GHG emissions avoided through the replacement of conventional generation with renewables and low-carbon energy totaled

14
th. tons of CO_2 eq.

Total investment in renewables (procurement and installation of solar panels and wind turbines), RR mln



Renewable and low-carbon energy consumption, th. kWh

	2022	2023	2024
Consumption of energy self-generated from renewable sources, including:	322	354	**384**
solar modules	206	209	**262**
wind turbines	116	145	**122**
Consumption of purchased low-carbon energy, including:	22,917[3]	76,614	**71,021**
energy purchased along with associated generation attributes	–	–	**71,021**
energy purchased through free bilateral contracts[4]	22,917[5]	76,614	**–**
Total	**23,239**	**76,968**	**71,405**

In 2024, investments in renewable energy totaled RR 218 million, down 11% year-on-year, representing 0.2% of total investments[6]. The year-on-year decrease in renewable energy investments was due to the completion of the wind energy potential assessment on the Yamal Peninsula.



1 In accordance with amendments to Federal Law No. 35-FZ On Electric Power (as amended on 25 October 2024).
2 In accordance with amendments to Federal Law No. 35-FZ On Electric Power (as amended on 25 October 2024).
3 The 2022 figure was restated in the 2023 reporting (from 22,884 thousand kWh).
4 Electricity under FBCs was sourced from nuclear plants and wind farms. Under Federal Law No. 35-FZ On Electric Energy, starting from the 2024 reporting year, energy purchased through FBCs can no longer be recognized as renewable unless accompanied by associated generation attributes. The total amount of energy purchased through FBCs was 98,156 thousand kWh in 2024.
5 The 2022 figure was restated in the 2023 reporting.
6 The share of renewable energy investments is calculated from the total investments made by NOVATEK Group companies that invested in renewable energy in the reporting year (OOO NOVATEK-Tarkosaleneftegas, OOO Yargeo, OOO Obskiy Gas Chemical Complex, OOO NOVATEK-Yurkharovneftegas, AO ARCTICGAS, OOO NOVATEK STC, OOO Arctic LNG 1, and OOO NOVATEK-Kostroma).

Implementation of decarbonization projects

NOVATEK views its decarbonization projects as an additional lever for reducing the climate impact of its operations and continues to consistently integrate new technologies into its business.

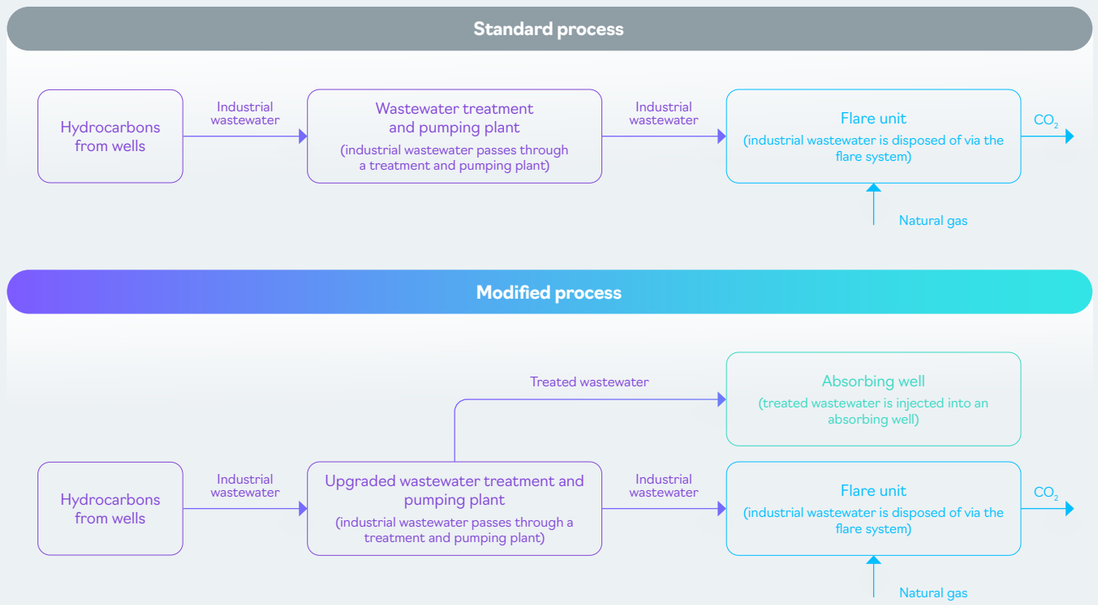
Climate project registration and carbon offset issuance

In 2024, NOVATEK registered its first climate project with the Russian Carbon Units Registry.[1] The total expected GHG emissions reduction over the project life cycle is 2.5 million tons of CO_2 eq. In early 2025, 476 thousand carbon units were issued (one ton of CO_2 eq. corresponds to one carbon unit).

The project is being implemented at the Yurkharovskoye field in the Yamal-Nenets Autonomous Region and is part of the Company's Comprehensive Climate Change and Environmental Targets Program.

The Project helps drive down GHG emissions from natural gas combustion that occurs during industrial wastewater disposal by more than 95% by treating this wastewater before injecting it into dedicated absorbing wells.

Industrial wastewater disposal at the Yurkharovskoye field



2.5
mln tons of CO_2 eq.
total expected GHG emissions reduction over the project life cycle

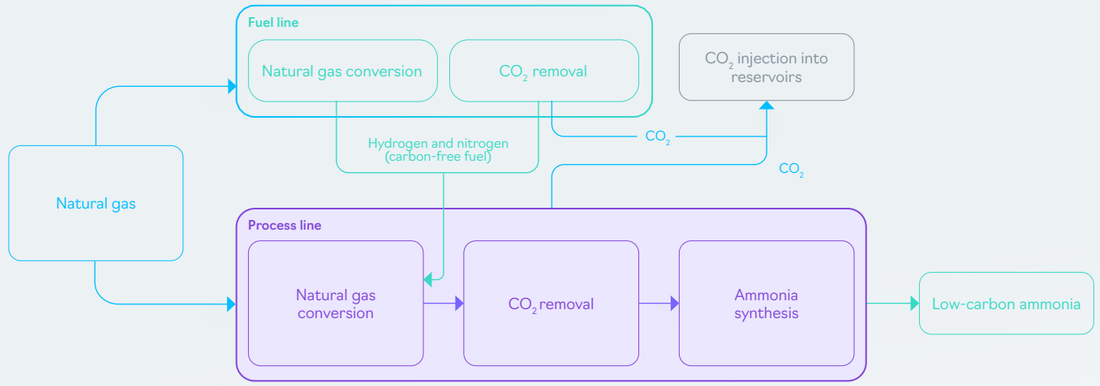
The Company will subsequently evaluate the potential for registering further environmental initiatives as climate projects, using both the Russian Carbon Units Registry and established international carbon trading platforms.

[1] Register of Carbon Units.

Low-carbon ammonia production technology

In 2023, the Company was granted a patent for a large-scale low-carbon ammonia production technology centered around the steam methane reforming (SMR) method.

Large-scale low-carbon ammonia production technology



The TANDEM process utilizes steam–oxygen reforming of natural gas to produce syngas, which is then purified from CO_2 and used for marketable ammonia. The use of this technology reduces the carbon footprint of the final product.

The now-patented process design unlocks annual low-carbon ammonia production capacity of

~ 1 mmtpa
per process train

This solution will capture

up to 97% CO_2 emissions,
followed by underground storage in reservoirs located on peninsulas

In 2024, the technical and design documentation for main technological equipment was finalized, and the feasibility of manufacturing it within Russia and friendly countries was confirmed. The key technical solutions of that technology for various projects are planned to be developed at a later stage.

Pursuant to the Carbon Border Adjustment Mechanism (CBAM), starting in 2026, companies importing ammonia-based fertilizers into the European Union will be required to purchase certificates covering the GHG emissions generated during ammonia production. This will serve as an incentive to reduce the carbon footprint of ammonia production.

For more details, see Section 2.6. Innovation, p. 54.

Storing carbon dioxide underground

In 2022, we completed the first stage of international certification for sites designated for long-term underground storage of CO_2 on the Yamal and Gydan Peninsulas. Each geological reservoir has a minimum storage capacity of 600 million tons of CO_2.

In 2024, in line with the previously approved program and methodology, we launched a series of experiments on core[1] samples from wells drilled on the Yamal Peninsula.

The initial conditions of the selected core samples were examined and documented prior to CO_2 exposure. A CO_2-infused fluid was prepared, and subsequent measurements of the samples' behavior under fluid pressure were conducted at predetermined time intervals.

Upon completion of the experiments, quantitative and qualitative characteristics of the geological storage rock alterations caused by the CO_2-containing fluid will be obtained, and the risks of CO_2 back-migration to the surface due to reservoir system leakage will be assessed.

Expansion of LNG distribution channels

We sell most of our LNG to international markets, with Asia-Pacific markets offering the greatest potential. To ensure the reliable and secure transportation of produced LNG, we are optimizing delivery routes.



Wind energy

As part of NOVATEK's wind development efforts, a series of wind measurements was carried out in 2022–2023, culminating in an assessment of the Yamal Peninsula's wind energy potential. In 2024, a wind measurement cycle was initiated on the Gydan Peninsula.

Early findings already indicate significant wind energy potential on the Gydan Peninsula, with a capacity factor exceeding 40% – surpassing the average for onshore wind farms in both Russia and globally. Final conclusions regarding wind energy potential will be made upon completion of the year-long wind measurement cycle. Electricity generated by wind farms will be used by our production assets to reduce the carbon footprint of their products.

Expansion of LNG production

NOVATEK's business strategy is based on the premise that LNG will play an increasingly prominent role in the global energy mix due to its transport flexibility and relatively low carbon footprint. Therefore, the Company is actively allocating capital toward expanding its resource base and operational capabilities to support existing and planned LNG projects, while also increasing overall production volumes.

In the reporting year, the Company continued to advance its small-scale project portfolio, bringing online new production capacity in the Moscow and Samara Regions. 2025 will also see new capacity added with the planned launch of a small-scale plant in the Tula Region. These projects are designed to facilitate the shift of domestic consumers from higher-carbon fuels to liquefied natural gas.

For more details, see Section 1.1. Key Operating and Financial Highlights of 2024, ↗ p. 8.

1 A cylindrical rock sample produced from a well during drilling using a core sampler.

Expanding navigation along the Northern Sea Route

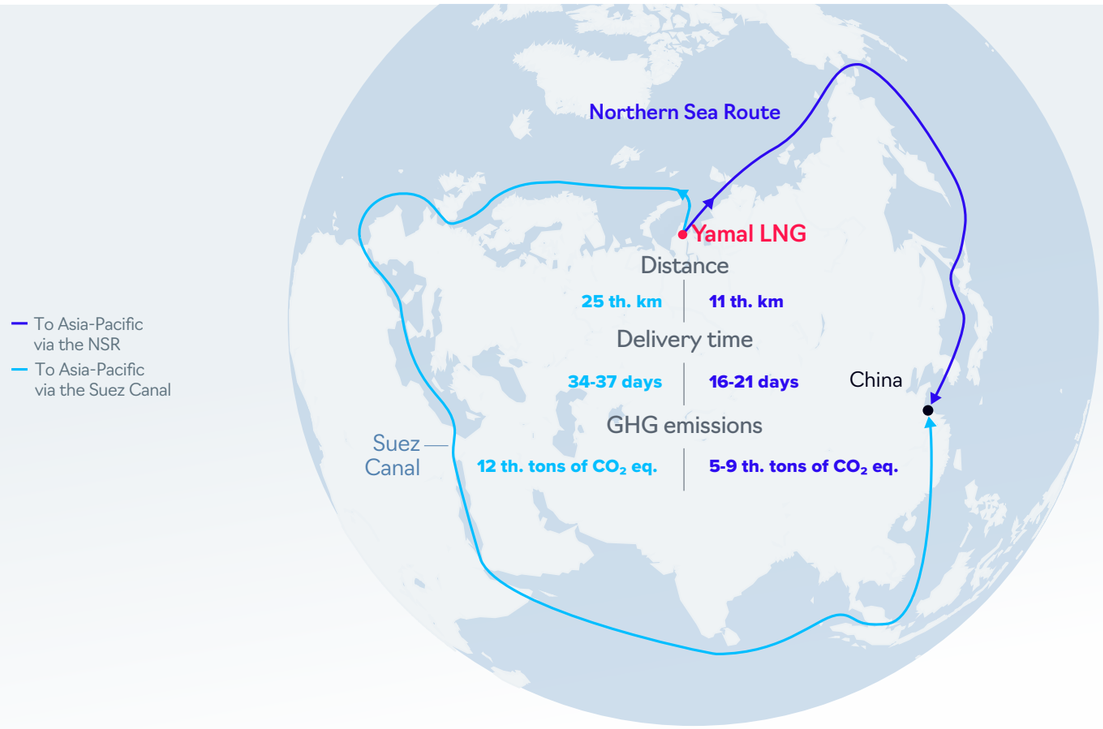
Thanks to its production base's unique location, the Company can deliver LNG by sea via the Northern Sea Route (NSR) in both directions – westbound and eastbound – enabling optimal supply route selection based on customer location and weather conditions.

By using the NSR for LNG shipments to the Asia-Pacific region, we can reduce delivery times compared to the alternative route via the Suez Canal, thus generating an average GHG emissions reduction of 7 thousand tons of CO_2 eq. per journey during the summer navigation season. Moreover, the relevance and competitiveness of LNG shipments via the NRS have increased amid maritime security concerns in the Red Sea region.

At the same time, navigation along the Northern Sea Route is largely constrained by harsh climatic conditions, requiring the Company to take additional measures. One such measure was the construction and commissioning of Arc7 ice-class LNG tankers. Unmatched globally, these unique vessels are capable of year-round operation in the harsh Arctic environment, ensuring all-season cargo delivery to customers via the shortest routes while minimizing the need for icebreaker escort.

In addition, we are developing the KAPITAN digital maritime transportation management system, aimed at enhancing shipping efficiency and navigational safety. The digital system enables logistics management and real-time ice condition monitoring, providing the crews of chartered vessels with access – via an external portal – to optimized route planning and informed ice condition assessment. The system helps minimize downtime risks, shorten cargo delivery times, and strengthen oversight of the environmental aspects of transportation.

We are actively investing in the expansion of Arctic production, port, transport, and communications infrastructure to improve the efficiency of navigation along the Northern Sea Route, thereby making a significant contribution to the social and economic development of Russia's regions.



The Company also supplies LNG within Russia. Sales channels to market LNG as a motor fuel include retail sales via NOVATEK's network of LNG retail stations and wholesale, including for fueling stations of third parties.

In 2024, total domestic sales of LNG as a motor fuel declined by 22% to 69 thousand tons. The decrease was driven by reduced wholesale volumes for refueling LNG-powered vehicles and weaker sales through the Company's own network of LNG retail stations. The decline in domestic sales of LNG as a motor fuel was primarily due to limited demand, reflecting the slow uptake of LNG-powered vehicles owing to their higher cost.

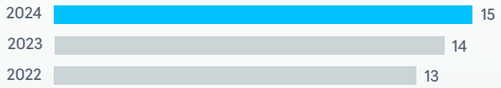
For more details on domestic LNG sales volumes and the expansion of the LNG retail station network footprint, see Section 1.1. Key Operating and Financial Highlights of 2024, ↗ p. 8.

To stimulate demand for natural gas, NOVATEK has partnered with leading truck manufacturers on joint programs to promote LNG as a motor fuel and raise awareness among potential consumers about its benefits. In 2024, the Company provided support for a conference held in Magnitogorsk with a focus on natural gas vehicle (NGV) machinery. The event was aimed at manufacturers, operators, and leasing companies active in the NGV sector.

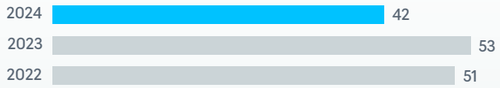
In addition, government support measures aimed at lowering the purchase price and operating costs of LNG-powered vehicles, along with the expansion of the LNG retail station network, are an important factor in encouraging their adoption.

LNG sales through LNG retail stations

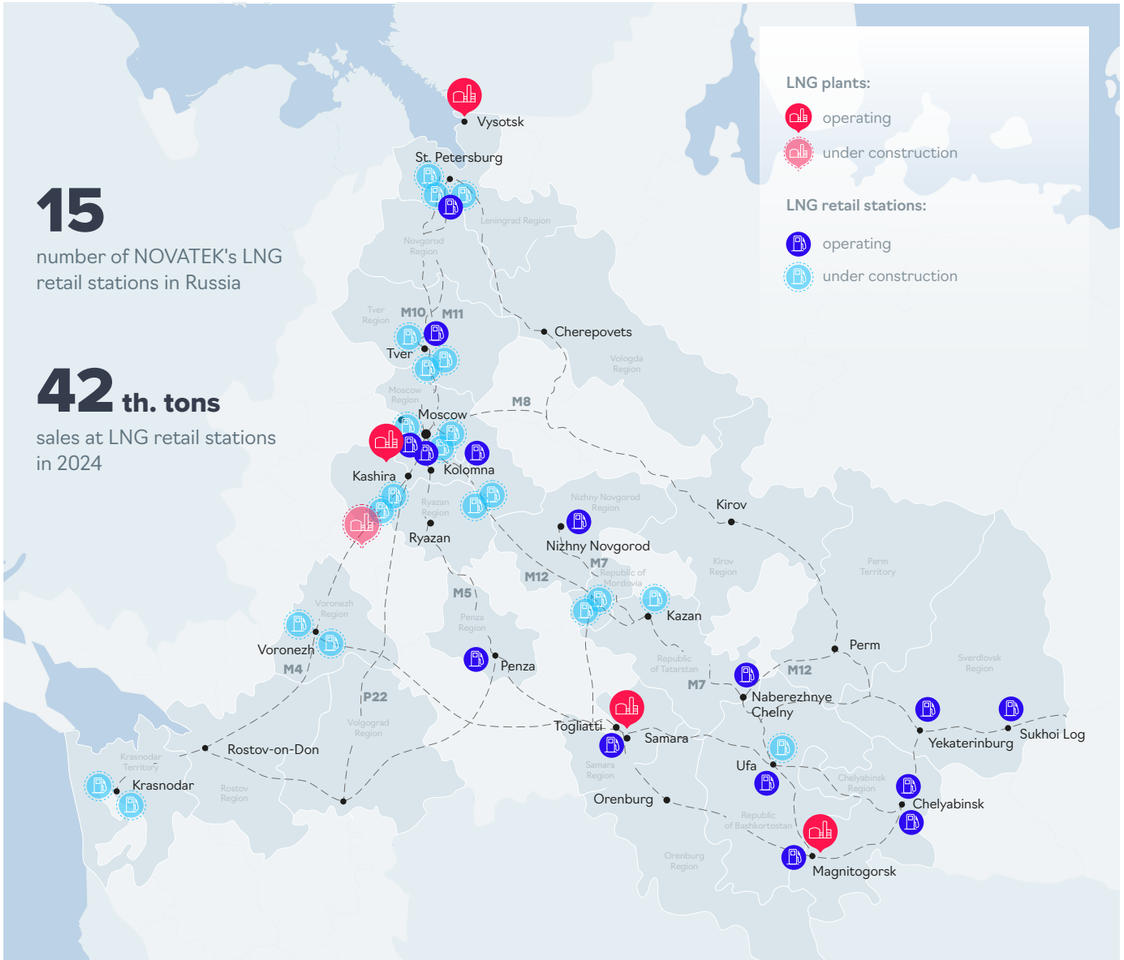
Number of NOVATEK's LNG retail stations in Russia



Sales at LNG retail stations, th. tons



Small-Scale LNG project footprint



By converting to LNG as a motor fuel, NOVATEK's customers avoided 36 thousand tons of CO_2 eq. GHG emissions in 2024.

In 2024, NOVATEK also continued supplying LNG to boiler facilities in the Murmansk Region to replace diesel fuel and fuel oil. In addition, the Company supplied LNG to two customers in the Sverdlovsk and Saratov Regions.

LNG-powered vehicles

Switching from conventional fuels (gasoline and diesel) to LNG-powered vehicles contributes not only to reducing environmental impact but also to achieving significant economic benefits.

Benefits of minimized environmental impacts

- Elimination of particulate matter and sulfur compound emissions, which are primary components of smog
- A **65%** reduction in the emissions intensity for carbon monoxide and heavy hydrocarbons
- Reduction in the emissions intensity for nitrogen oxides[1]

Benefits of maximized economic efficiency

- A two- to threefold increase in vehicle range on a single fill-up
- Cost minimization is achieved through the use of an LNG-powered engine, which is **12%** more economical than a conventional engine when all expenses are taken into account[2]

The result is an increased capacity to transport larger payloads with a lower associated carbon footprint.



1 M.A. Ovsyannikov, S.A. Vorobyev. The outlook for LNG technology in road transport in the Northwestern Federal District. Analysis of the State of Infrastructure, Existing LNG Fueling Stations and Plants // ↗ Eurasian Scientific Journal, (2), 19-24.

2 J.W. Jeong, S. Woo, B. Koo & K. Lee. Analysis of hybrid electric vehicle performance and emission applied to LPG fuel system // ↗ Fuel, 380, 133225.

Environment

2024 highlights

3.4 ↑11%
RR bln
environmental expenses

95% ↑6 p.p.
proportion of waste directed to recovery and disposal

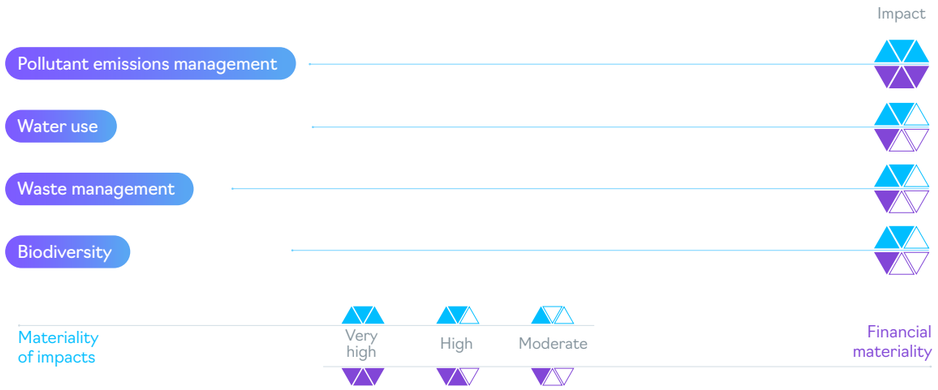
5.0
mln
fish fry were released into water bodies as part of compensatory fish stocking (flat year-on-year)

Russia's national development goals
- Comfortable and safe living environment
- Ecological well-being



Preserving nature for future generations

Material topics



External documents

- UN Global Compact
- ISO 14001:2015 – Environmental management systems. Requirements with guidance for use
- Guidelines and policies of the World Bank
- Equator Principles[1]
- IFC Performance Standards on Environmental and Social Sustainability
- National legislation and regulatory requirements

Corporate documents

- Occupational Health, Industrial and Fire Safety, and Environmental Policy
- Standards of the Integrated HSE Management System
- Comprehensive Climate Change and Environmental Targets Program
  Environmental protection and stewardship activity plans
- Action plans for environmental protection and rational use of natural resources

Organizational structure



[1] The Equator Principles are the principles of risk management adopted by international financial institutions to identify, assess, and manage environmental and social risks in the implementation of projects.

Management Approach

NOVATEK recognizes the value of preserving the natural environment in its regions of operation. The Company views the prevention of negative environmental impacts and sustainable use of natural resources as its top priority.



Management of environmental topics

HSE matters are monitored at the Company's highest governance level by the Remuneration and Nomination Committee of the Board of Directors, and at the executive level by the Deputy Chairman of the Management Board – Operations Director, who is also in charge of the Integrated HSE Management System. In addition, the Subcommittee on Climate and Alternative Energy sitting under the Strategy Committee of the Board of Directors reviews the Company's performance and makes recommendations to the Board of Directors regarding climate-related matters and progress toward environmental targets.

Key environmental regulations

Russian environmental laws

NOVATEK's Occupational Health, Industrial and Fire Safety, and Environmental Policy

- Comprehensive Climate Change and Environmental Targets Program
- Standards of the Integrated HSE Management System
- Environmental protection and stewardship activity plans

The Company's environmental protection activities are guided by the Precautionary Principle, also called the Precautionary Approach, that is implemented as part of ESIA.

An Environmental and Social Impact Assessment (ESIA) is carried out by independent experts prior to the start of construction or retrofitting activities for key production facilities. The assessment aims to minimize potential harm and mitigate negative environmental impacts throughout the entire project life cycle – from design to decommissioning.

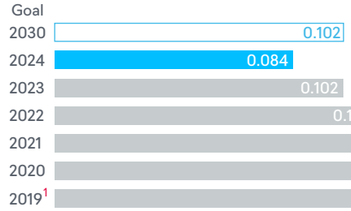
Strategic goals in environmental protection

Reducing and preventing negative environmental impacts is a core priority of NOVATEK's Sustainable Development Strategy. The Company has in place environmental targets to monitor progress yearly from a 2019 baseline.

The achievement of these goals is supported by environmental protection measures implemented at every stage of the production facilities' life cycle, complemented by a series of specialized initiatives carried out under the Comprehensive Climate Change and Environmental Targets Program.

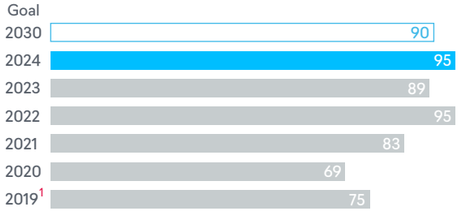
Reduce pollutant emissions intensity by 20% by 2030

Pollutant emissions intensity, th.tons / mboe



Increase the proportion of waste directed to recovery and disposal to 90%

Proportion of waste directed to recovery and disposal, %



Environmental protection measures implemented throughout the life cycle of the production facility

Environmental impact assessment within design documentation

1	2	3	4	5
Locating potential deposits	**Geological exploration**	**Development/ production**	**Development/operation/ abandonment**	**Field closure**
Acquiring an oil and gas exploration and production license	Environmental protection measures: air, subsoil, flora and fauna, water resources, aquatic biological resources, soil and land resources, waste management			Land reclamation

[1] Baseline.

The Company is progressively integrating circular economy practices into its operations, which include utilizing treated produced water for reservoir pressure maintenance during hydrocarbon production, implementing a closed-loop water cycle at Cryogas-Vysotsk, and repurposing a portion of waste materials as recyclable materials.

To achieve strategic goals under the Comprehensive Climate Change and Environmental Targets Program, the following initiatives aimed at reducing pollutant emissions intensity were implemented during the reporting period.

Priority medium-term activities conducted in 2024 under the Comprehensive Climate Change and Environmental Targets Program

	Impact	
Gas-dynamic and gas-condensate well tests without releasing gas into the atmosphere conducted at 21 fields For more details, see Section 3.2. Key Metrics and Solutions for Boosting Carbon Efficiency p. 82.	**434** **mln cubic meters** volume of avoided gas flaring	**1,493** **th. tons of CO_2 eq.** reduction of GHG emissions
Utilization of air assisted smokeless flares for associated petroleum gas combustion	**100%** reduction of soot emissions	**>90%** reduction of CO_2 and methane emissions

Environmental management system

PAO NOVATEK has an Integrated HSE Management System (IMS) in place. The IMS defines the principles and approaches to environmental protection, including identifying and assessing environmental aspects and risks, planning and implementing measures, informing and engaging with employees, and generating regular reports.

In 2024, the Integrated Management System successfully underwent another surveillance audit for compliance with ISO 14001:2015, conducted by an independent certification body. As of the end of the reporting year, 65% of NOVATEK's production enterprises – specifically 11 out of 17[1] hydrocarbon production, processing, and transportation entities – were certified to these standards.

Acquisition of Integrated Environmental Permits



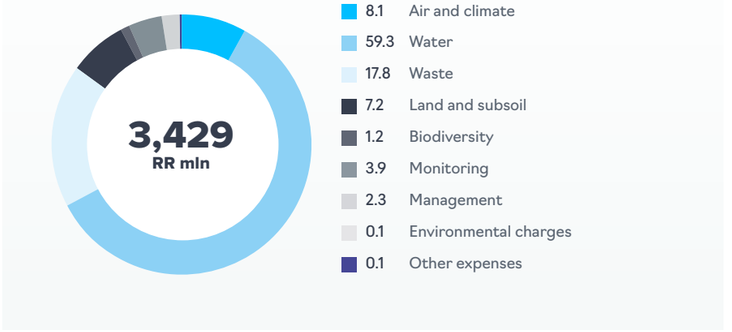
In 2024, NOVATEK obtained Integrated Environmental Permits for all Category I facilities within its Group that have the highest negative environmental impact. Two of these facilities are listed in the officially approved Top 300 list of the Russian Ministry of Natural Resources and Environment[2]:

- gas, gas condensate, and oil production facility at the Yaro-Yakhinskoye oil and gas condensate field of AO Arcticgas;
- oil and gas production facility at the Yarudeyskoye field of OOO Yargeo.

The permit acquisition process confirmed that all facilities met the applicable requirements and did not require environmental performance improvement programs.

NOVATEK provides annual funding to support the successful implementation of initiatives as part of the Integrated Management System and to advance measures aimed at achieving environmental protection targets. In 2024, spending on environmental protection totaled RR 3.4 billion, up 11% year-on-year. The bulk of these expenditures (RR 2,034 million) was allocated to water protection measures, primarily due to ongoing efforts to upgrade and operate wastewater treatment facilities. The chart below details total spending on environmental protection, including expenditures under the Comprehensive Climate Change and Environmental Targets Program, which received RR 1,093 million in funding.

NOVATEK Group's environmental expenses, %



The Company is subject to regular inspections by supervisory bodies responsible for environmental protection and sustainable management of natural resources. In 2024, 290 inspections were conducted: four scheduled and 286 unscheduled, conducted by the Russian Federal Service for Supervision of Natural Resources (Rosprirodnadzor) to form the environmental supervision body's opinion and carry out preventive measures by government. The inspections identified 45 violations, with fines imposed for five of them. During the reporting period and in the beginning of 2025, the Company paid RR 240 thousand in fines for violations identified in 2024, and RR 76 thousand for violations identified in prior reporting periods.

Charges for excess pollutant emissions and discharges as well as for excess industrial waste disposal in 2024 totaled RR 66 thousand, down 98% year-on-year. Lower charges were driven by obtaining permits for emissions, discharges, and waste storage. Charges for excess emissions and discharges constituted 2% of the total environmental impact fees for the reporting period.

No significant environmental incidents occurred in 2024, including spills[3] with environmental consequences that led to the disruption or shutdown of critically important facilities.



1 Excluding pilot projects (Arctic LNG 1 and Arctic LNG 3) and facilities at the design stage (OOO Murmansk LNG, OOO Murmansk-Transgas, and OOO Obskiy Gas Chemical Complex).

2 On the approval of the list of facilities with a negative environmental impact, classified as Category I, which account for at least 60 percent of total pollutant emissions and discharges in the Russian Federation // Russian Ministry of Natural Resources and Environment.

3 Thresholds for significant spills are determined in accordance with applicable Russian laws and regulations and the Company's relevant internal regulations. The maximum estimated volume of oil and petroleum product spills is 0.5 tons or more for water bodies, and 3 tons or more for land.

Environmental risk management

Arctic ecosystems are highly sensitive to anthropogenic stress. The primary risk they face is global climate change, which results in rising average annual temperatures, permafrost thaw, the northward migration of more thermophilic species, and other related impacts. NOVATEK continuously assesses and monitors identified risks. The Company's environmental protection activities are part of its multitier risk management and internal control system.

All of the Company's enterprises implement a set of environmental protection measures in compliance with applicable regulatory standards, ensuring robust management of environmental risks. These measures include:

- **An assessment of potential environmental impacts as part of EIA and ESIA procedures**
- **Environmental monitoring**
- **Environmental operational control**
- **Interaction with government authorities during inspections of Company enterprises**
- **Engagement with host communities**

For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.

Environmental monitoring

Environmental monitoring within the footprint of the Company's production facilities is conducted annually by independent specialized organization, as well as by NOVATEK STC starting from 2023. Such monitoring serves as an effective method for assessing environmental conditions, identifying "red flag" locations, and making timely adjustments to NOVATEK's environmental policy.

During environmental monitoring, NOVATEK seeks to account for the fragility of soil and vegetation. Specifically, Yamal LNG uses low-pressure tire vehicles to preserve the soil and vegetation layer in the tundra zone.

Areas covered by monitoring

Marine ecosystems



Water areas and coasts:

- the Kara Sea near the Ob Bay
- the Barents Sea near the Kola Bay and the Ura Bay
- the Baltic Sea near the Luga Bay and the Vyborg Bay
- the Bechevinskaya Bay near the Avachinsky Gulf

Terrestrial and freshwater ecosystems



Areas in:

- Yamal-Nenets Autonomous Region
- Khanty-Mansiysk Autonomous Region
- Leningrad Region
- Murmansk Region
- Kamchatka Territory

Environmental monitoring and assessment process

Monitoring

Visual

- Examining the condition of the local terrestrial and aquatic flora, animals, and microorganisms
- Recording and studying signs of dangerous exogenous (including cryogenic) and hydrological processes

Tool-based

- Taking samples of:
  - snow
  - soils and ground of surface and groundwater
  - and bottom sediments of water bodies
- Measuring air pollution
- Measuring hydrological and hydrochemical parameters

Methods

Inspection and photographing of the areas along the routes with subsequent data analysis

- Sampling
- Sample analysis in certified laboratories

Assessing the condition of environmental components and their change over the year

Integrated environmental assessment of territories (enables an overall assessment of the environmental conditions across facility footprint)

Estimated parameters

- total snow cover pollution index
- surface water pollution index
- bottom sediment characteristics in terms of petroleum products content
- total soil pollution index
- and soil characteristics in terms of petroleum products content

Threshold range:

1–1.5 points – background pollution (good)
1.5–2.5 points – low pollution (satisfactory)
2.5–3.5 points –moderate pollution (non-hazardous)
3.5–4.5 points – high pollution (hazardous)
4.5 and more – extremely high pollution (critical)

Studies conducted in 2024 showed that the conditions of environmental components in the target sections of 38 fields and license areas were designated as satisfactory with a low level of environmental pollution.

Company enterprises also operate a multitiered system of environmental operational control, which encompasses monitoring emissions and discharges, ensuring compliance with permissible water withdrawal and discharge limits, overseeing waste management, assessing the effectiveness of gas cleaning systems and wastewater treatment facilities, and more.

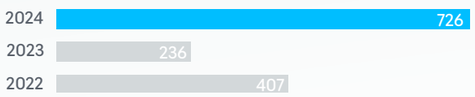
Accredited chemical and analytical laboratories, fully equipped with necessary instrumentation, are used to ensure timely analysis. The results of environmental operational control are used to analyze and optimize technological processes. Findings from the control activities in 2024 suggest that process equipment is functioning within normal operating parameters.

Environmental protection training

The Company engages external providers to deliver employee training in environmental protection. In 2024, 726 specialists, including managers and young professionals, successfully completed upskilling programs. Annual fluctuations in the number of trainees are due to the cyclical nature of programs held once every three to five years.

To share experience and develop new competencies, Company employees also participate in external environmental education events conducted by third parties. In 2024, Yamal LNG employees participated in a Moscow Zoo workshop on preventing polar bear conflicts and in a conference of the Russian Ministry of Natural Resources and Environment on the monitoring of the Ob–Yenisei estuarine region.

Number of employees trained in environmental protection, people



Number of employees trained in environmental protection in 2024, %



- 35 Environmental safety for handling hazardous waste
- 15 Environmental safety for managers and general business management specialists
- 15 Professional training for persons authorized to handle Class I–IV hazardous waste
- 1 Environmental safety for managers and specialists of environmental departments and environmental control systems
- 34 Other environmental protection programs

Field development projects, along with the construction or refurbishment of process and ancillary facilities were reviewed. During the discussions, participants studied ESIA materials, received clarifications on their concerns, and had the chance to voice their views, including through voting, on the initiatives proposed by the Company. All projects presented for public consultation received majority support from the participating stakeholders. The Arctic LNG 2 and Yamal LNG projects have in place grievance mechanisms to facilitate a constructive dialogue with all stakeholders.

The Company supports various environmental initiatives and events held for local communities. For example, in 2024, NOVATEK was among the official sponsors of the Ecosystem: Protected Territory National Environmental Youth Forum held on the Kamchatka Peninsula. Following the forum, the participants developed a comprehensive guide for engaging in naturalist, research, and scientific activities. This innovation is poised to contribute to the development of young naturalist organizations across Russian regions.

For more details on engagements with host communities, see Chapter 7. Local Communities, ↗ p. 180.

In 2024, as part of ongoing dialog with regulators, PAO NOVATEK signed a cooperation agreement with the Federal Service for Supervision of Natural Resources.

Stakeholder engagement on environmental issues



NOVATEK plans its activities with due consideration for the interests of host communities, indigenous peoples, and other stakeholders, engaging with them through public consultations. In 2024, a total of over 30 consultations on the ESIA results were organized, including public hearings in the Nadymsky, Yamalsky, Tazovsky, Purovsky, and Krasnoselkupsky Districts of the Yamal-Nenets Autonomous Region; the Zapolyarny District of the Nenets Autonomous Region; the Vyborgsky and Kingiseppsky Districts of the Leningrad Region; the Kamchatka Territory; and the Chukotka Autonomous Region.

NOVATEK's role in environmental initiatives

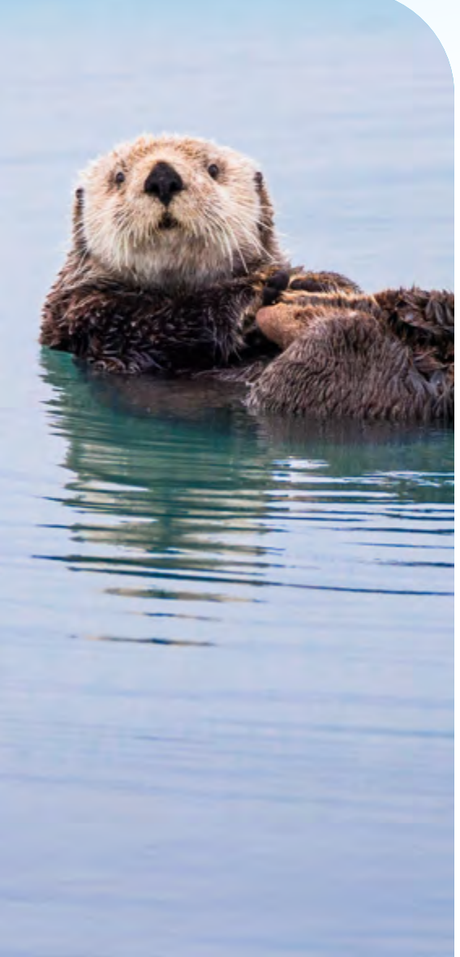


NOVATEK employees participate in environmental initiatives on an annual basis. In 2024, the number of participants (including employees and their families) exceeded 1.4 thousand people. They took part in community clean-up days such as Green Spring, Green Russia, and initiatives like Thank You for Keeping the Tundra Clean, Water of Russia, Save the Forest, Memory Garden, and Clean Cause. Employees and their families cleared over 1,000 ha of land from garbage (250 cubic meters) and planted more than 3.5 thousand seedlings (conifers, ash, oak, and birch trees).



Biodiversity

The Company is strongly focused on the biodiversity conservation of Arctic ecosystems. NOVATEK monitors the environmental impacts of its business processes on environmental components and associated ecological risks. The Company implements restoration and support measures to ensure the conservation of biodiversity.



Management of biodiversity conservation topics

Matters of biodiversity conservation are part of NOVATEK's Occupational Health, Industrial and Fire Safety, and Environmental Policy and are always included in EIAs prepared for the Company's projects in accordance with Russian and, for some projects, international requirements. Engineering and design documentation for production facilities provides for the prevention, mitigation and offsetting of negative impacts of the planned activities on biodiversity components. The adequacy and effectiveness of these steps are confirmed by follow-up environmental monitoring in areas potentially affected by the projects.

NOVATEK's environmental management is guided by generally accepted principles and approaches to biodiversity conservation, including the ecosystem approach and the application of a hierarchy of measures to mitigate impacts.

NOVATEK's biodiversity conservation activities are governed by its Occupational Health, Industrial and Fire Safety, and Environmental Policy as well as the Biodiversity Conservation Management standard. These documents outline NOVATEK's fundamental principles and approach for conserving biodiversity and preventing its degradation, in line with the key goals and targets of the Kunming-Montreal Global Biodiversity Framework[2]. Furthermore, the standard establishes the Company's approach to assessing the biodiversity impacts of NOVATEK's planned activities.

Biodiversity conservation measures are developed within biodiversity conservation programs and plans, adhering to the "like-for-like or better" principle articulated in Performance Standard 6 of the International Finance Corporation[3]. This principle mandates the restoration of biodiversity values impacted by each project or biodiversity offsets in the same or greater amount.



Biodiversity conservation matters are incorporated into NOVATEK's environmental management system

List of the Company's negative impacts on biodiversity within the areas affected by NOVATEK enterprises[1]

TNFD impact drivers (Taskforce on Nature-related Financial Disclosures)	Potential impact	Affected ecosystems
Habitat conversion	• Loss of habitats during construction • Disruption of ice cover integrity due to vessel movements • Habitat fragmentation by linear infrastructure and other types of development as well as by hydraulic structures	Terrestrial, Freshwater, Marine
Environmental pollution	• Pollution due to waste disposal, wastewater discharge, and air emissions at levels of impacts higher than significant • Physical pollution (noise, light, vibration, etc.) at levels of impacts higher than significant	Terrestrial, Freshwater, Marine
Harvesting of biodiversity resources	• Animal mortality due to road collisions • Loss of vegetation cover during construction	Terrestrial
Invasive alien species introduction	• Introduction and increase in population of invasive alien species	Terrestrial, Freshwater, Marine



1 The Climate Change factor is not presented in the infographic due to the global nature of the impact and the inability to isolate the effect on biodiversity specifically as a result of NOVATEK's impact.
2 Kunming-Montreal Global Biodiversity Framework // UN.
3 Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources // International Finance Corporation (IFC).

A corporate biodiversity conservation program is implemented at the Yamal LNG project, systematizing biodiversity conservation measures aligned with the provisions of the Ecology national project and the Business and Biodiversity initiative. The Company plans to develop a similar program for the Arctic LNG 2 project. Efforts to establish biodiversity monitoring programs similar to those created in the previous reporting period were ongoing in 2024.

Within tundra ecosystems where NOVATEK's largest enterprises operate, natural vegetation communities provide the foundation for animal life and generate ecosystem services for local residents.

The Company recognizes the interconnection between biodiversity and climate change and therefore pays particular attention to the implementation of measures to conserve tundra ecosystems.

Hierarchy of mitigation measures implemented at the Yamal LNG and Arctic LNG 2 projects

1 Preventing

- Consideration of the location of UNESCO sites, protected areas of federal significance, and Ramsar sites when planning locations of industrial facilities to avoid impacts on these areas
- The presence of marine mammal observers on project vessels, operating under approved protocols for dealing with marine mammal sightings
- Monitoring of the Sabetta seaport waters to early detect and prevent invasive species introductions
- Use of tankers and gas carriers equipped to prevent the accidental introduction of alien species
- Control of grass seed mixture application to prevent the introduction and spread of invasive plant species



2 Impact minimization

- Minimization of landscape fragmentation and the area of disturbed lands by consolidating linear structures (such as electric lines, pipelines, and roads) into a single corridor
- Environmental operational control to prevent excess pollution levels
- Conducting construction activities during stable low temperatures and ample snow cover
- Employing slope stabilization techniques (e.g., biomats with biodegradable materials to build a layer of fertile soil, fertilizers, and seeds of grass varieties suited to the area) to prevent erosion



3 Ecosystem restoration

- Land reclamation on areas decommissioned from industrial use
- Healthy Tundra, a project to restore tundra ecosystems



4 Offsetting

- If restoration at the original site is impossible, damage is fully offset, e.g., by stocking fish into water bodies



Biodiversity impact assessment

NOVATEK avoids extracting and processing natural resources in UNESCO sites, federal-level protected areas, and Ramsar sites while also refraining from operations in areas that are home to valuable and protected plant and animal species. Such areas are identified during environmental impact assessment.

Biodiversity impact assessment is incorporated into mandatory environmental and social impact assessment (EIA and ESIAs), which is conducted at the engineering and design stage of Company production facilities. The outputs of these activities undergo multiple stages of validation during the engineering and design documentation approval stage, which includes public consultations and environmental expert review. In addition to the mandatory EIA procedure, the Company also conducts environmental and social impact assessments (ESIAs) at its major LNG projects, with the adequacy and effectiveness of measures confirmed by follow-up environmental monitoring in areas that might be affected by the projects.

According to ESIA, the environmental impacts of the Arctic LNG 2 and Yamal LNG projects are localized and so not exceed moderate levels, provided that environmental safeguards are in place during project implementation. To mitigate these impacts, the controlled entities develop and implement specific plans and measures.

Apart from ESIAs, the Arctic LNG 2 and Yamal LNG conduct assessments of critical habitats, examining their status in line with Performance Standard 6 of the International Finance Corporation.

Particular attention is paid to evaluating the impacts of its operations on ecologically or biologically significant marine areas[1]. They include several shelf areas in the Russian Arctic and offshore of the Kamchatka Territory, waters of which are used by the Company for navigation and maritime transport infrastructure. The area affected by the Yamal LNG project also includes the Ob Bay – an ecologically or biologically significant marine area. Appropriate monitoring of the Ob Bay and adjacent parts of the Ob-Yenisei shallow water zone of the Kara Sea is carried out on a regular basis. In 2024, monitoring of marine ecosystems covered the waters and shores of the Kara Sea (Ob Bay), the Barents Sea (Kola Bay, Ura Bay), and the Baltic Sea (Luga Bay, Vyborg Bay) as well as the Avachinsky Gulf in potentially affected areas.

[1] Ecologically or biologically significant areas are special areas in the ocean that are vital for sustaining healthy functioning of the ocean and the many ecosystem services that it provides.

Compliance of Arctic LNG 2 with the TNFD recommendations and the No Net Loss principle[1]

1 Biodiversity impact assessment



The initial step for the enterprise to implement these recommendations is conducting impact assessments at the design stage of facilities to consider the unique characteristics of each area, prevent impacts on the most significant sites, and minimize potential impacts on all other areas.

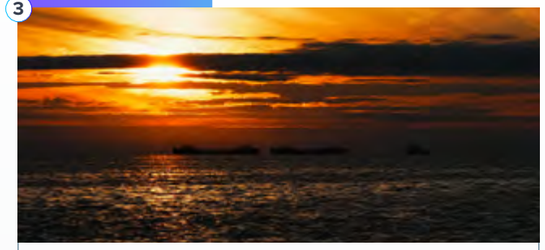
2 Strategic planning

The Arctic LNG 2 project takes steps to conserve biodiversity, including flora and fauna. Biodiversity impact mitigation measures are incorporated in action plans to manage certain types of impacts (e.g., Action Plan for preventing the proliferation of invasive species, etc.) as well as in the draft Biodiversity Management Plan currently implemented at the Company.

The enterprise has the following strategic documents in place:
- No Net Loss / Net Gain Strategy;
- Biodiversity Management Plan (BMP);
- Biodiversity Monitoring and Evaluation Program (BMEP).

The plans form a part of the management system.
Plans for 2025 include finalizing the development of the Biodiversity Action Plan (BAP).

3 Verification of action results



The enterprise has developed a Biodiversity Metric framework comprising a system of bioindicators and biodiversity parameters. Habitat condition properties for different biodiversity species have been defined, and a habitat condition scoring system has been proposed.

Biodiversity conservation measures include biodiversity monitoring based on environmental and social impact assessment and covering the Salmanovskiy (Utrenniy) license area and the Ob Bay. In 2024, biodiversity monitoring covered the following:

- **Biodiversity of terrestrial and freshwater ecosystems of the Salmanovskiy (Utrenniy) license area**
- **The marine environment of the water area of the Utrenniy Terminal**
- **The emergence of invasive species in the marine environment**

4 Biodiversity conservation management

Management of biodiversity matters within the Arctic LNG 2 project relies on the mitigation hierarchy and is consistent with the LEAP (Locate, Evaluate, Assess, Prepare) approach used by the Taskforce on Nature-related Financial Disclosures (TNFD).

[1] The No Net Loss principle implies that business operations are conducted so as to prevent biodiversity loss and ecosystem degradation ↗ United Nations Environment Program.

Aligning the Arctic LNG 2 biodiversity management system with the LEAP methodology

L – **Locate –** locating the impact

E – **Evaluate –** evaluating dependencies and impacts

A – **Assess –** assessing risks and opportunities

P – **Prepare –** preparing to respond and report

Biodiversity monitoring

Step 1. Identifying impact

Step 2. Identifying stakeholders

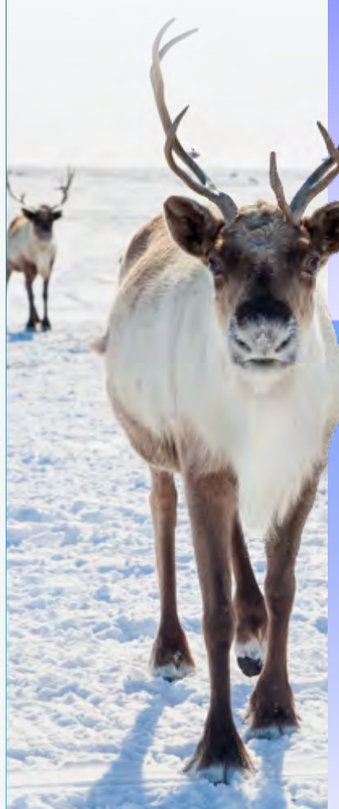
Step 3. Identifying effective mitigation methods

Step 4. Determining the types of planned projects

Step 5. Preparing public documents

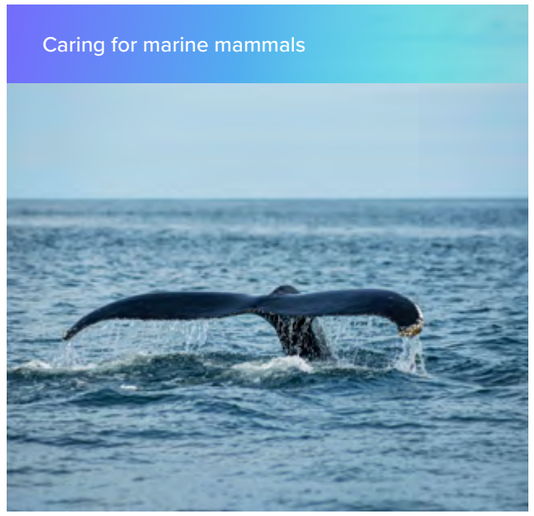
Step 6. Engaging stakeholders

Step 7. Generating new ideas



The project involves an adaptive approach, whereby mitigation measures may be reviewed based on biodiversity monitoring and assessment findings, and through collaboration with environmental organizations and the expert community.

The project's contracts with contractors incorporate environmental protection requirements aimed at preventing environmental impact. They include mandates such as using best available technology for environmental protection, staying within designated work site boundaries, prohibiting fishing, hunting, and other interactions with wildlife, forbidding the collection of wild plants, etc.



NOVATEK continued its initiative to conduct marine mammal observations (including cetaceans, seals, walruses, and polar bears) from vessels transporting LNG and stable gas condensate along the Northern Sea Route (NSR).

To do this, special logbooks are kept aboard ships in which captains record all encounters with animals along their vessels' routes. Recorded data include the coordinates of the encounter, the distance to the animals, the number of animals observed, and their species. If an animal is dangerously close to a gas carrier's route, the captain can decide to change the vessel's speed or course in accordance with protocol for dealing with animal sightings.

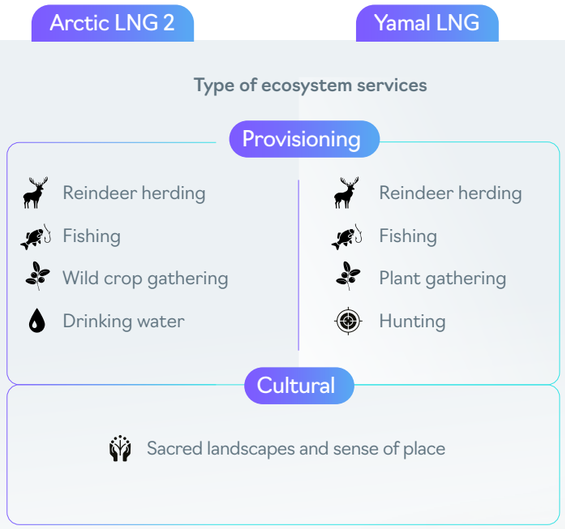
Since 2023, NOVATEK has been holding a competition among its vessels for the highest number of recorded encounters with marine mammals. Awards for the most recorded encounters were given to the crews of three vessels in 2024. During the reporting year, a total of 158 animal encounters were recorded on vessels navigating the NSR. A decision was made to alter the vessel's course in 34 cases, reduce speed in two cases, and bring the vessel to a temporary stop in one case. No protective action was required in the remaining cases.

Ecosystem services

Ecosystem services represent the benefits that ecosystems provide to humans, significant for maintaining their life and comfort. A healthy environment, economic prosperity, food produce, health treatments, aesthetic pleasure, and new knowledge are examples of the benefits derived from ecosystem services.

NOVATEK recognizes the value of ecosystem services – both for the Company itself and for local communities. In this regard, NOVATEK undertook an in-depth analysis of ecosystem services in 2022 at its key projects, Arctic LNG 2 and Yamal LNG. The primary beneficiaries of the identified ecosystem services are communities of the indigenous peoples of the Far North.

Prioritized ecosystem services at the Arctic LNG 2 and Yamal LNG projects[1]



[1] The ecosystem services are classified according to the Common International Classification of Ecosystem Services (CICES) V5.1. Guidance on the Application of the Revised Framework // Fabis Consulting Ltd.

Based on the study results, the enterprises took steps to mitigate their impacts on prioritized ecosystem services, including the initiation of a grievance mechanism, the construction of crossing over linear structures along reindeer migration paths, and the installation of fish protection structures to preserve juvenile fish. The enterprises also monitor the condition of cultural heritage sites (sacred sites) and biodiversity. In 2024, a monitoring visit was conducted at Arctic LNG 2, which included data mapping pertaining to the quality and availability of ecosystem services as well as climate change. Additionally, a briefing was provided to inform about safe behavior in the tundra, taking into account the presence of industrial facilities associated with the project. Furthermore, discussions and consultations are being held with the indigenous peoples of the Far North to identify and address prevailing issues, particularly regarding overgrazing.

To minimize impacts on the indigenous peoples of the Far North, preserve and facilitate the sustainable development of indigenous people's traditional uses of natural resources, and improve the quality of ecosystem services, the Company has prepared the Plan to Promote the Sustainable Development of the Indigenous Peoples of the Far North. Monitoring the effectiveness of its initiatives in 2024, NOVATEK initiated the first phase of community monitoring, which encompasses, among other aspects, a comprehensive assessment of the accessibility and quality of ecosystem services pertinent to the indigenous communities of the Gyda and Antipayuta tundras.

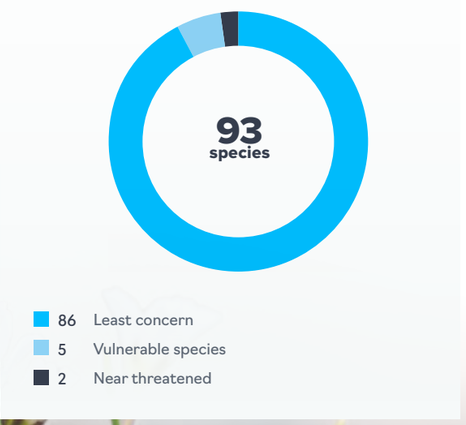
For more details on engagements with the indigenous peoples of the Far North, see Chapter 7. Local Communities, p. 180.

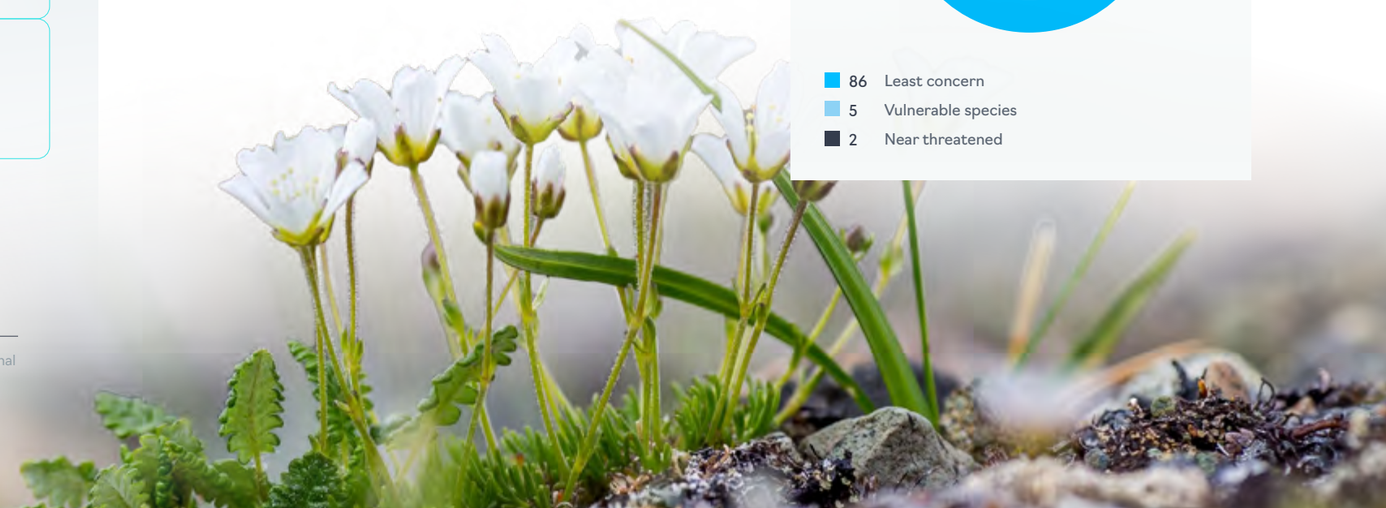
Biodiversity monitoring

NOVATEK annually conducts monitoring studies of flora and fauna in each of the Company's operating regions. They cover both operational sites and surrounding areas. Monitoring makes it possible to identify changes in biodiversity status, track the environmental impact of operations, and evaluate the effectiveness of the environmental protection measures implemented.

As part of monitoring programs, the Company's enterprises track the number of species on the Red List of the International Union for Conservation of Nature (IUCN) with habitats in areas affected by the Company's operations. In 2024, 93 threatened species were recorded, with the majority being species classified under the "least concern" category.

IUCN-listed animal species with habitats in areas affected by NOVATEK's operations, units





The Company's subsidiaries conduct their own additional programs for the research and monitoring of terrestrial and aquatic ecosystems. One of the approaches used is examining the populations of individual indicator species and species important to ecosystem function.

Research conducted in 2024 revealed no negative trends in species diversity or in the composition and structure of natural communities.

NOVATEK's biodiversity indicator monitoring

Ecosystem	Indicator	Results of monitoring in 2024
Arctic terrestrial ecosystems ● Yamal LNG	Arctic fox The proportion of breeding dens over the year	In 2024, the density of breeding dens amounted to 3.5 per 100 square km, and the average for all years is 5.4 ± 0.7 per 100 square km. Den density data from current and past periods **points to a stable Arctic fox population.** In 2024, automatic cameras were installed near 21 dens where cub sightings or clear signs of their presence had previously been recorded.
Wetlands ● Yamal LNG ● Arctic LNG 2	Long-tailed duck Average breeding density	The breeding density of the long-tailed duck was 0.9 broods per 10 square km, indicating a low level of brood abundance. However, the overall abundance of the long-tailed duck remained within the range of multi-year averages (16.5 individuals / square km), **indicating a stable condition for the species.** Monitoring studies conducted since 2013 have revealed a four-year cycle in the breeding success of the long-tailed duck. Overall, ornithological research conducted in 2024 documented over 50 bird species.
Marine ecosystems ● Yamal LNG ● Arctic LNG 2	Ringed seal Extrapolated seal abundance	An area of 13.4 square km was surveyed, with the area covered by cameras (overall footage area) totaling 422 square km. An analysis of historical data was conducted, resulting in the replacement of the previously accepted monitoring indicator (seal breathing hole density) with extrapolated seal abundance. The density of seal breathing holes is used as an auxiliary criterion. Abundance estimates and breathing hole density data collected over the entire observation period **indicate a relatively stable condition of the ringed seal population in the northern part of the Ob Bay.**

Status indicator

Biodiversity in NOVATEK's operating areas and its monitoring



Water area of the Utrenniy terminal

The hydrobiont communities observed at all sampling stations exhibited taxonomic and quantitative characters typical of the summer – fall period in the survey area. The fish food base is consistent with the established baseline for the survey area, both in terms of zoobenthic biomass and the set of dominant invertebrate groups.

No invasive species were found.



Port Sabetta

In 2024, hydrobiont sampling was carried out at ten monitoring sites in the Sabetta port water area. The results obtained show that the measured indicators fall within the range of multi-year and seasonal fluctuations and are comparable to historical baseline data and the findings of previous studies.

No invasive species were detected in the Sabetta port water area in 2024.



Ob Bay water area

Monitoring is focused on collecting data on the condition of all components of the Ob Bay ecosystem and on developing effective environmental risk control measures. In 2024, data on bottom-layer hydrologic parameters were obtained from two autonomous bottom hydrologic stations. The collected data provide detailed insights into the extent of Arctic water penetration into the inner areas of the Ob Bay. During the search for and recovery of autonomous bottom hydrological stations, concurrent shipboard surveys of marine mammals and avifauna were conducted. Observations conducted in 2024 indicate no negative trends in the condition of the Ob Bay waters.



Salmanovskiy (Utrenniy) license area

The purpose of the studies is to assess the status of plant communities and fauna of terrestrial and freshwater ecosystems as well as anthropogenic impact on their components.

Botanical surveys were carried out, along with monitoring of abiotic conditions, ornithological observations, mammal studies, hydrobiological and ichthyological research.

The monitoring identified no significant negative trends in species diversity or in the composition and structure of flora and fauna caused by activities within the Project.



South-Tambeyskiy license area

The purpose of the studies is to assess the intensity and extent of anthropogenic impact on tundra vegetation communities, their response to human activity, and the effectiveness of the environmental protection measures implemented.

As a result of field surveys conducted in 2024 in the area, a total of 143 vascular plant species, 90 moss species, and 48 lichen species were identified. The results of studies at sample sites indicate a relatively satisfactory condition of the vegetation cover. No ongoing negative trends were identified in species diversity or in the composition and structure of natural communities.

Engagement with the expert community on biodiversity

NOVATEK consults various expert organizations, research institutions, and scientific establishments to assess its biodiversity impact and formulate strategies for conserving biodiversity.

In the reporting year, the project launched in 2022 and focused on the reintroduction and acclimatization of rare and protected plant species for the Arctic LNG 2 project continued in collaboration with the Polar Alpine Botanical Garden and Institute named N.A. Avrorin (PABGI).

Project for the reintroduction and acclimatization of rare species of the Gydan tundra

Plant sampling at the Salmanovskiy (Utrenniy) license area in 2022

→ Planting of selected species at the Polar Alpine Botanical Garden and Institute named N.A. Avrorin (PABGI)

→ Assessment of the condition of cultivated plants

Parameter	Result
Survivability	50 – 100%
Blooming	Abundant
Seed maturation	+

→ Possibility of using germinated seeds for reintroduction back into their native habitat

Cultivated species

	Survivability
Thymus reverdattoanus	100%
Saxifraga cespitosa	100%
Bromopsis vogulica	100%
Eremogone polaris	100%
Parrya nudicaulis	50%
Delphinium middendorffii	50%

The environmental value of the project

The project confirmed the possibility of cultivating rare tundra plant species beyond their natural range, with successful seed production. Seed propagation offers significant potential for the reintroduction of certain protected species, as it enables the production of a large quantity of planting material at once and simplifies delivery to planting sites.

The results demonstrate the high effectiveness and potential for reintroducing several rare Gydan tundra plant species into the natural environment of the Salmanovskiy (Utrenniy) license area.

The Company also participates in scientific events to share experience in biodiversity conservation. In 2024, the results of monitoring research conducted at NOVATEK's facilities were presented at the All-Russian Scientific Conference "Fundamental and applied aspects of living organisms' adaptation to changing environmental conditions of the North: research, innovations, and prospects", held in Petrozavodsk.

Activities to restore biodiversity

Following the steps of the mitigation hierarchy, NOVATEK undertakes restoration and compensatory actions:

- including land reclamation;
- reforestation and afforestation;
- fish stocking.



Land reclamation

Ensuring the environmental safety of land resources and soil cover during well drilling includes land reclamation and timely waste management. The completion of construction or production from an area of a field is followed by a phased reclamation process to restore vegetation cover and return the land to beneficial use.

In 2024, 174 ha of disturbed land were reclaimed. There were no lands contaminated as a result of significant spills in the reporting year.

In summer 2024, monitoring of land recovery progress was carried out at Yamal LNG project sites to evaluate the effectiveness of restoration measures implemented in previous years. Observations suggest that applying environmental restoration methods supports more effective recovery of tundra ecosystems.

Area of cleared and restored forests in 2024, ha





Compensatory reforestation and afforestation

Compensatory reforestation and afforestation are nature-based solutions[1] that not only support biodiversity conservation but also enable carbon sequestration, thereby helping to mitigate the effects of climate change. Compensatory reforestation is conducted in the areas affected by wildfires and logging activities that are not directly linked to NOVATEK's operations.

In 2024, reforestation activities were carried out in the Yamalo-Nenets Autonomous Region (Nadymsky and Purovsky Districts) and the Murmansk Region, in areas approved by the relevant authorized body for artificial reforestation, with a total reforested area of 293 ha. The significant increase in the reforestation area in 2024 reflects the Company's 2023 business activities on state forest lands, which affected 226 ha and resulted in obligations to reforest an equivalent area. The reforestation activities were carried out using Scots pine, an economically valuable forest-forming species, selected as the only suitable option based on seed zoning requirements for cultivating planting stock.

[1] Nature-based solutions are actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously ensuring human well-being and biodiversity conservation // UN Biodiversity Lab.

Emissions

Expanding the footprint of the Live, Forest! campaign

In 2024, NOVATEK-Tarkosaleneftegas joined the Live, Forest! environmental campaign. As part of the initiative, almost 3,500 birch, alder, cedar, and pine seedlings were planted near Lake Okunevoye in Tarko-Sale. Sixty NOVATEK-Tarkosaleneftegas employees took part in planting the trees.

In total, during the summer period, NOVATEK employees participated in planting approximately 5,500 tree seedlings and 2,000 shrubs in the Purovsky District.





Compensatory fish stocking

During the reporting period, the Company's enterprises focused on stocking fish into rivers of the West Siberian fishery basin within the Khanty-Mansiysk Autonomous Region, Yamal-Nenets Autonomous Region, and the Tyumen Region. Fish stocking was carried out jointly with the Russian Federal Research Institute of Fisheries and Oceanography. The juvenile fish were raised at a specialized fish breeding facility under conditions closely replicating their natural habitat to support successful adaptation after release into the wild. Activities related to the artificial reproduction of valuable fish species are performed annually according to the volumes set by the Federal Agency for Fishery.

The total number of fry released by the Company into rivers amounted to 5.0 million. Fish released into water bodies included juvenile Siberian sturgeon (a Red Data Book-listed species, approximately 44 thousand), muksun (a member of the whitefish species that is declining in numbers, approximately 2.5 million), broad whitefish (2.4 million), peled (approximately 5 thousand), and nelma (approximately 89 thousand).

5.0
mln
the total number of fry released into rivers



Healthy Tundra project

During the reporting period, work continued under Yamal LNG's ongoing Healthy Tundra environmental restoration project, focused on conserving and restoring natural tundra ecosystems by incorporating the traditional knowledge and skills of the indigenous peoples of the Far North.

In 2024, a site along Lake Glubokoye was chosen for the project. The site restoration project included soil stabilization and erosion control through terracing, which involved the formation of vegetation cover. Indigenous people of the Far North, along with students from Gubkin University participating in internship programs, contributed to the project. Indigenous families harvested local plant seeds, collected 80 sacks of willow cuttings, and took part in the implementation of the project. All tasks were completed manually or using small mechanized tools. Follow-up monitoring of restoration processes suggests a positive momentum in the recovery of vegetation communities at the restoration sites.

Management approach for pollutant emissions

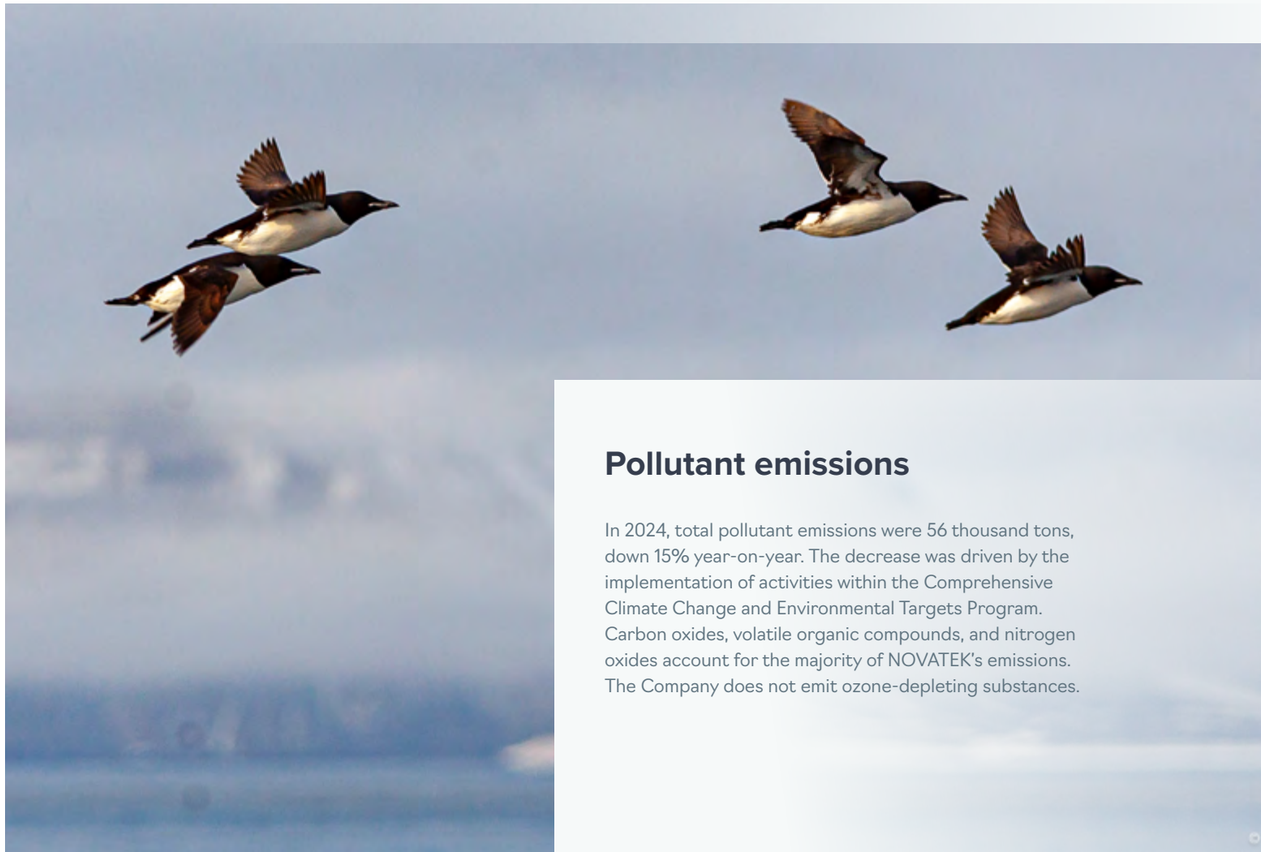
Air emissions of pollutants and greenhouse gases are one of the unavoidable environmental impacts of oil and gas production companies, including NOVATEK. Reducing their volume is one of the Company's core business activities.

NOVATEK's projects aimed at reducing pollutant emissions include the use of smokeless flaring technology. During the combustion of associated petroleum gas, this technology achieves a 97% reduction in methane emissions and a 100% reduction in soot emissions.

Air pollutant emissions monitoring

Regular monitoring of pollutant emissions is a key measure in the Company's environmental risk management system, designed to minimize the risk of exceeding maximum permissible concentrations in the ambient air.

Monitoring involves annual instrumental controls of emissions at several sources. It is performed by independent accredited laboratories. Monitoring results are submitted to supervisory authorities in accordance with the established procedure.



Pollutant emissions

In 2024, total pollutant emissions were 56 thousand tons, down 15% year-on-year. The decrease was driven by the implementation of activities within the Comprehensive Climate Change and Environmental Targets Program. Carbon oxides, volatile organic compounds, and nitrogen oxides account for the majority of NOVATEK's emissions. The Company does not emit ozone-depleting substances.

Air pollutant emissions, tons

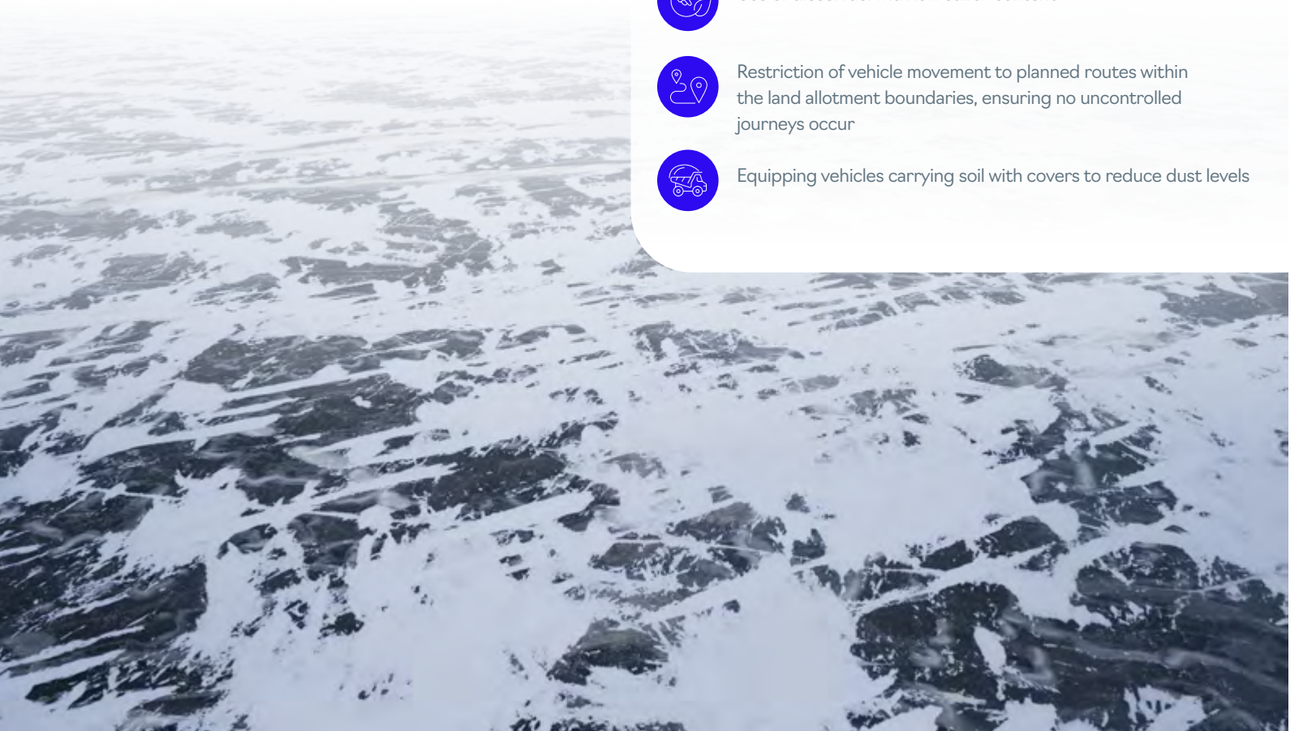
	2022	2023[1]	2024
Total air pollutant emissions, including:	**70,796**	**65,779**	**56,049**
Main pollutants			
particulate matter	2,819	1,190	**1,125**
carbon oxide	34,949	31,086	**23,242**
nitrogen oxides (NO_2 equivalent)	13,083	12,471	**11,003**
sulfur dioxide	399[2]	74	**202**
hydrocarbons (including methane)	6,344	6,152	**6,292**
volatile organic compounds	13,138	14,752	**14,153**
Other	64	54	**32**

The efficiency of the undertaken measures contributed to the reduction of pollutant emissions intensity by 18% year-on-year decrease to 0.084 tons per thousand boe.

1 The 2023 pollutant emissions figure was restated (recalculated) to 65,779 tons (from 65,654 tons).
2 The increase in sulfur dioxide emissions is due to the commissioning of new facilities at OOO NOVATEK-Tarkosaleneftegas.

In 2024, Arctic LNG 2 implemented the following measures to reduce air pollution:

- Starting and warming up vehicle engines according to an approved schedule, including mandatory testing for exhaust pollutants
- A ban on the nighttime operation of machinery with running engines, which is not involved in construction processes
- Use of diesel fuel with low sulfur content
- Restriction of vehicle movement to planned routes within the land allotment boundaries, ensuring no uncontrolled journeys occur
- Equipping vehicles carrying soil with covers to reduce dust levels



Waste

Management approach for waste

The primary source of waste generation for NOVATEK is minerals mining, a process that produces drilling waste. To mitigate the impact of the drilling waste and other industrial and consumer waste, NOVATEK employs a systematic approach to waste management, which covers the entire waste life cycle, from setting up temporary waste storage facilities to waste disposal, recovery, or landfilling. All NOVATEK's subsidiaries and joint ventures keep primary records of waste generation and movements to monitor waste data.

Adhering to a resource-based view, the Company offers part of the waste generated by its enterprises for sale as recyclable materials.

Waste generation

In the reporting period, the Company's enterprises generated 117.7 thousand tons of waste, up 63% year-on-year. This is primarily due to an increase in drilling waste by 21.4 thousand tons, the generation of new types of waste, and the commissioning of new facilities.

The Company's waste mix is dominated by moderately hazardous and low-hazardous wastes, with drill cuttings accounting for the largest proportion (65% of the total waste generated). A total of 76.7 thousand tons of drill cuttings were generated in 2024, up 39% year-on-year (due to increased drilling waste generation by AO Arcticgas and Yamal LNG). The increase was due to the commissioning of new production facilities. A total of 79.4 thousand tons of cuttings were directed for recovery, including carryovers from prior periods[1].

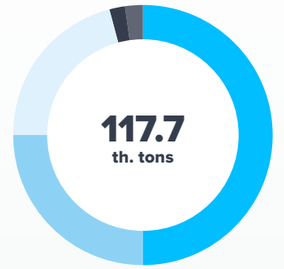
The proportion of extremely hazardous and highly hazardous waste (Hazard Classes I and II)[2] accounts for 0.1% of the total waste generated. This group primarily includes mercury-vapor lamps, fluorescent mercury-containing tubes, and spent lead-acid batteries. To reduce the generation of such hazardous waste, the Company is phasing out mercury-containing equipment.

Waste generation by hazard class, tons

Hazard class	2022	2023	2024
I – extremely high hazard	4	2	**4**
II – high hazard	35	55	**150**
III – moderate hazard	1,971	2,740	**23,647**
IV – low hazard	85,209	65,352	**87,696**
V – practically no hazard	3,840	4,098	**6,201**
Total	**91,059**	**72,247**	**117,698**

OOO NOVATEK-Chelyabinsk continued its program to move customers to paperless billing, aimed at reducing the volume of paper waste generated and the costs of printing and delivering paper bills. As of the end of 2024, about 235 thousand customers (25% of the total) opted out of paper bills. An average of about 2.3 thousand customers transition to electronic bills monthly.

Volume of waste generation by segment, %



- 50 Upstream facilities
- 25 LNG production facilities
- 21 Downstream facilities
- 2 Sales entities
- 2 Other entities
- 0 Energy service facilities

1 The drilling waste from only two controlled entities (AO Arcticgas and OAO Yamal LNG) is accounted for, the rest being owned by contractors.
2 According to Article 4.1 of Federal Law No. 89 dated 24 June 1998 and the classification of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

Waste management

The Company uses a separate waste collection and accumulation system. In 2024, 95% of waste generated was directed to recovery and disposal, up 6 p.p. year-on-year. The change is attributed to a 48% rise in the volume of recyclable waste (86.7 thousand tons) and an almost eightfold increase in the volume of non-hazardous waste disposed onsite (24.2 thousand tons). The growth in recycling volumes is due to larger quantities of drilling waste, whereas the increase in waste disposal volumes is driven by new types of waste being directed to disposal.

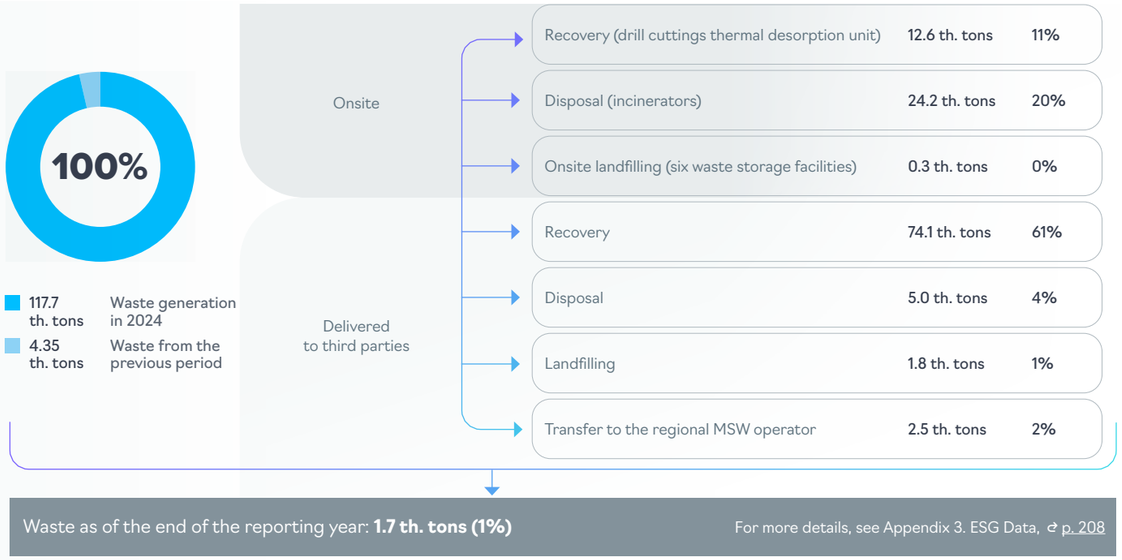
All generated waste classified as hazardous according to the Basel Convention[1] is handed over to the federal operator responsible for managing Hazard Classes I and II waste using the federal state information system for proper control and management of such waste. The Company does not carry out its own operations related to hazardous waste management. Specifically, it does not transport (including internationally), import, export, or recycle such waste.

Drill cuttings containing hydrocarbons are recovered by using thermal desorption and other physical and mechanical methods found to be acceptable by state environmental review. An example of such technologies is the drill cuttings thermal desorption unit at the South-Tambeyskoye field.

Waste by method of disposal, tons

	2022	2023	2024
Hazardous waste (Hazard Classes I–II)	21	49	**99**
recovered	17	40	**92**
disposed	4	9	**7**
Non-hazardous waste (Hazard Classes III–V)	94,780	68,739	**117,765**
recovered	85,834	58,635	**86,624**
landfilled	1,116	1,683	**2,032**
disposed	7,830	8,421	**29,109**

Production and consumption waste management



Waste as of the end of the reporting year: **1.7 th. tons (1%)**

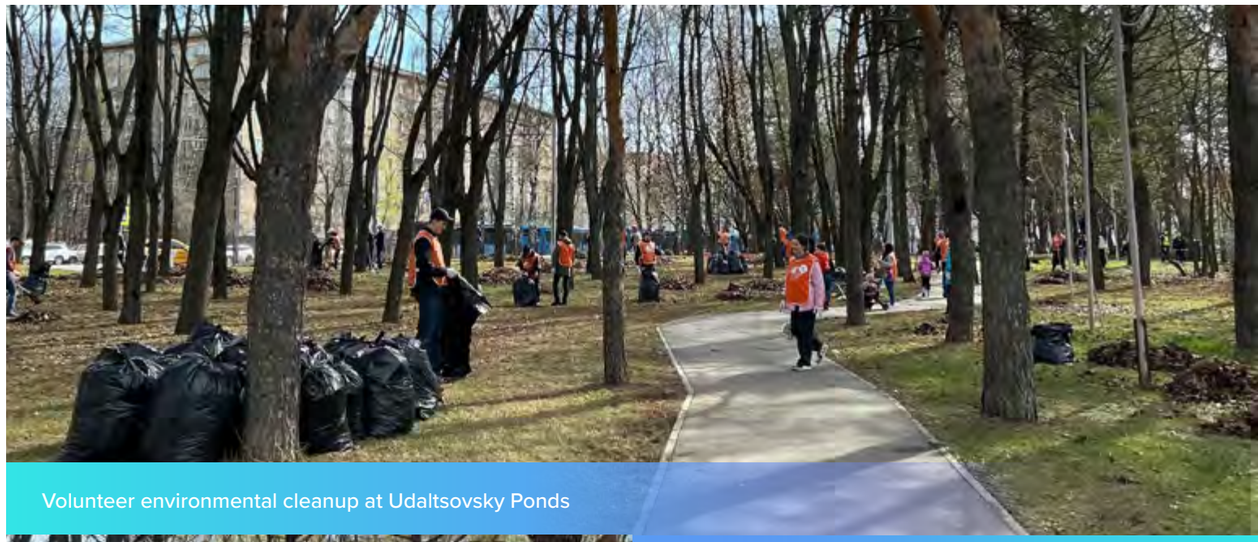
For more details, see Appendix 3. ESG Data, ↗ p. 208

[1] The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal // ↗ UNEP.

In 2024, the Recycling of Reinforced Concrete Products as a Guarantee of Sustainable Development of Arctic Regions. Example of Yamal LNG project won the Sustainable Business category of the V.I. Vernadsky Non-Governmental Ecological Foundation's Ecological Culture: Peace and Harmony international awards. The project's focus is on recycling reinforced concrete scrap to reduce the volume of waste landfilling.

NOVATEK not only effectively manages its own waste but also actively engages in cleaning public spaces by organizing, on a regular basis, environmental cleanups and initiatives. A total of 703 employees participated in the Green Spring 2024 environmental cleanup, collecting more than one thousand 240-liter bags of waste.

703
employees
participated in the Green Spring 2024 environmental cleanup



Volunteer environmental cleanup at Udaltsovsky Ponds



In 2024, NOVATEK's ProMotion Young Specialist Council, HSE Department, and a number of other organizations held a joint cleanup at Udaltsovsky Ponds in Moscow.

130
participants
employees of NOVATEK and its subsidiaries – who tidied the area adjacent to the Company's office by clearing away dry grass, leaves, and household waste

Water Resources



The Company's goal is to adhere to established water withdrawal and discharge limits, as well as wastewater quality standards, at all of its enterprises.

Management approach for water

The production cycle in oil and gas companies requires ongoing utilization of water resources. This inevitably leads to water-related impacts such as water withdrawal and wastewater discharge. The Company acknowledges its water management responsibilities and complies with applicable Russian laws concerning water consumption and water discharge, including wastewater treatment.

Although NOVATEK's core operations are situated in low water risk regions[1] the Company takes a responsible approach toward water usage, in line with the NOVATEK Group's Occupational Health, Industrial and Fire Safety, and Environmental Policy.

It is mandatory for all Company subsidiaries withdrawing water from surface water bodies to develop water management, water body protection, and aquatic biological resource and habitat conservation plans. Several NOVATEK enterprises have also developed water management plans based on the requirements set forth by international standards.

Access to water bodies for local residents within the areas affected by the Company's operations is provided in strict compliance with national legislation to avoid the risk of water scarcity for local communities.

To mitigate negative environmental impacts, including those on water bodies, NOVATEK limits the application of hydraulic fracturing and uses it in accordance with international environmental standards. The majority of the Company's hydrocarbon reserves are conventional, which allows us to avoid using hydraulic fracturing. This technology is employed only for hydrocarbon production at depths exceeding three thousand meters, and the well design, incorporating multiple casing strings, ensures operational safety.

To prevent drilling fluids from entering the surrounding environment, the Company only conducts casing tests after lowering the casing string, cementing, and curing of the cement, after wellhead refurbishment, and before any well workover activities.

Operations use non-toxic, viscoelastic fluids that are not subsequently discharged to surface or groundwater bodies. In the reporting period, no deterioration of ground or surface water quality due to hydraulic fracturing operations was observed.

Protection of water and aquatic biological resources during well drilling involves creating surface slopes on the production site toward a drainage ditch to prevent rainwater, meltwater, and wastewater from flowing beyond the well site as well as prohibiting the washing of vehicles and other similar measures.

[1] Overall Water Risk Map // Aqueduct Water Risk Atlas.



Assessment of impact on water resources and monitoring of their condition

NOVATEK assesses its potential impacts on water resources at the stage of design documentation development, engaging specialized organizations for this purpose. The assessment covers risks related to natural water withdrawal and pollution as well as to hydrological changes across the Company's operating regions. To address each risk identified, mitigation measures are developed, forming the basis for creating detailed water protection plans.

NOVATEK's facilities keep primary records of water consumption and discharge, which are submitted to responsible supervisory authorities. As part of its comprehensive environmental monitoring program, NOVATEK engages independent accredited laboratories for annual assessments of impacted surface and groundwater bodies to update their status based on their condition, track the dynamics of the Company's impacts, and determine the effectiveness of implemented water protection measures.

Control system for our impact on water resources

Impact assessment

- Assessment of potential impact on water resources
- Assessment of risks to water bodies and the hydrological regime of the area of operation

Impact control

- Record of water consumed
- Record of water discharged

Water resources monitoring

Surface water bodies

Hydrological and hydrochemical parameters of the water in water use locations, including where pipelines cross water bodies, during the construction phase

Groundwater

- Monitoring of dynamic and static groundwater levels at each well closure
- Groundwater quality control (sanitary/hygienic and bacteriological assessments)

Monitoring of the condition of underground water bodies in the area of the Company's operations is an integral part of the geological environment monitoring system. The scope and frequency of such monitoring are established separately for each project, based on valid subsoil licenses with due regard to specific local conditions.

Groundwater monitoring at Arctic LNG 2 facilities in 2024 found no clear signs of anthropogenic pollution, and the fluctuations and exceedances observed are primarily attributed to the natural characteristics of the areas under consideration.

At the Yamal LNG project, in 2024, the Company conducted subsoil monitoring at the disposal site for produced water and water used for production and other operational needs at the South-Tambeyskoye field. The monitoring included assessment of the groundwater in the absorbing layer affected by the landfilling site and a reliability assessment of technical water injection systems at the South-Tambeyskoye field. The water quality was confirmed to meet applicable legal requirements.

In 2024, the Company also conducted surface water monitoring, in full and in compliance with environmental laws.

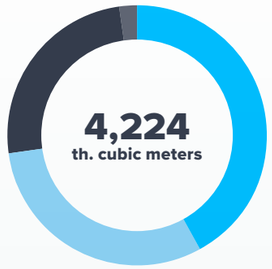


Water withdrawal

The main sources of water for NOVATEK's enterprises are surface water and groundwater. Freshwater constitutes the majority (69%) of the total water withdrawn. Seawater and other waters with salinity exceeding 1,000 milligrams per liter account for 31%. Water is withdrawn within the established limits and without significant impact on water bodies.

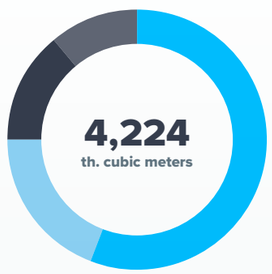
In 2024, total water withdrawal by the Company amounted to 4,224 thousand cubic meters[1] (excluding produced water reinjected for reservoir pressure maintenance), down 2% year-on-year.

Water withdrawal by source in 2024, %



- 42 Surface water
- 31 Seawater
- 25 Groundwater
- 2 Third-party water

Water withdrawal by facilities in 2024, %



- 56 Upstream facilities
- 19 Energy service facilities
- 14 LNG production
- 11 Downstream facilities

Given the remoteness of NOVATEK's production enterprises in the Yamal-Nenets Autonomous Region from developed urban and municipal water supply networks, the Company treats water for subsequent utilization at its own water treatment facilities. The Company monitors and maintains the quality of treated water at the established level.

To prevent impacts on aquatic ecosystems, water withdrawal from open water bodies during the hydraulic testing of pipelines and storage equipment is conducted outside of fish spawning seasons, in line with applicable protocols for the preservation of aquatic biological resources.

In the reporting period, 7,700 thousand cubic meters of produced water were generated during hydrocarbon production, with 61% of this volume reinjected to maintain reservoir pressure, and 39% discharged into water bodies after appropriate treatment.



Water discharge

All wastewater from stationary facilities undergoes primary treatment at enterprises' own facilities before any discharge, including water discharged in flaring and reinjected, which prevents the release of untreated wastewater into the environment.

NOVATEK's commitment to preventing wastewater pollution underlies the 2022–2024 target for the Arctic LNG 2 project to treat 100% of domestic sewage generated by the five largest contractors' rotation camps at the Salmanovskoye (Utrenneye) field at wastewater treatment facilities. In 2024, this target was successfully achieved.

Wastewater treatment comprises mechanical, membrane, biological, and physical-chemical treatment, capturing priority pollutants such as suspended particles, petroleum products, organic and inorganic compounds (salts, acids, heavy metals, synthetic surfactants, etc.).

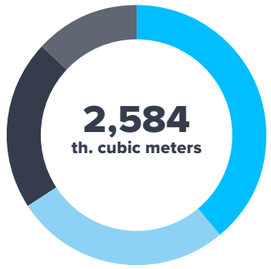
As part of the environmental operational control system, specialized laboratories monitor compliance with the established water quality standards in line with regulatory requirements. The limits in terms of salinity established for seawater are observed when discharging wastewater to the sea. Water contaminated with hydrocarbons is not permitted to be discharged into surface water bodies.

[1] Hereinafter, 1 thousand cubic meters = 1 megaliter, as per GRI 303.

To minimize wastewater volume and its impact on natural water bodies, as well as to extend the life of absorbing wells, a number of the Company's enterprises implement separate collection of industrial water and rainwater. Rainwater is discharged to water bodies, while chemically contaminated industrial wastewater is reinjected into deep wells. All wastewater is treated to comply with applicable discharge standards prior to release.

In 2024, the Company's total volume of wastewater discharge, excluding produced water used for reservoir pressure maintenance, was 2,584 thousand cubic meters (up 3% year-on-year), including 1,948 thousand cubic meters of freshwater and 636 thousand cubic meters of effluents with salinity exceeding 1,000 milligrams per liter or effluents lacking salinity data. The Company registered and remedied one wastewater management non-compliance incident in the reporting year.

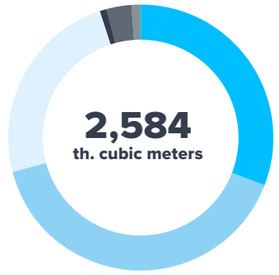
Water discharge by facilities in 2024, %



39	Upstream facilities
27	LNG production
21	Energy service facilities
13	Downstream facilities

For more details, see Appendix 3. ESG Data, p. 208.

Water discharge by destination in 2024, %



31	Surface water
40	Groundwater
24	Seawater
1	Third-party water
3	Gas flare systems
1	Storages



Water consumption

The Company keeps records of water consumption across all operational assets and is committed to sustainable water use. In 2024, water consumption amounted to 1,641 thousand cubic meters, down 9% year-on-year. The change was due to the completion of construction projects and a reduction in the number of contractors. Freshwater accounted for 60% of the total water consumption. The majority of this water was used for domestic and drinking purposes.

Water consumption, th. cubic meters



In 2024, the water consumption intensity was 2.46 cubic meters per thousand boe, down 12% year-on-year. For the Company's upstream enterprises, the water consumption intensity amounted to 3.52 cubic meters per thousand boe (down 4% year-on-year), and for downstream enterprises – to 0.02 cubic meters per ton of production (down 3% year-on-year). The decreased water consumption intensity demonstrates the efficiency of water management initiatives implemented by NOVATEK.

NOVATEK implements a number of practices aimed at reducing water consumption, such as recirculating water supply, the use of produced water for maintaining reservoir pressure (reinjecting treated produced water back into absorbing layers), etc.

A recirculating water supply scheme has been rolled out at 35% of the Company's drilling facilities now, where post-drilling mud processing water is recycled for further use in processes. Water recycling systems have also been introduced at the Cryogas-Vysotsk and Arctic LNG 2 projects. In 2024, water reuse at Cryogas-Vysotsk totaled 5.38 thousand cubic meters (21% of the enterprise's total water withdrawal).

The water recycling system at Cryogas-Vysotsk is fed, among other things, with treated meltwater produced by a special snow-melting plant.

Safety

2024 highlights

6.6 ↑32%
RR bln
spending on occupational health, fire safety, and facility security

89 ↑60%
RR mln
spending on OHS training programs

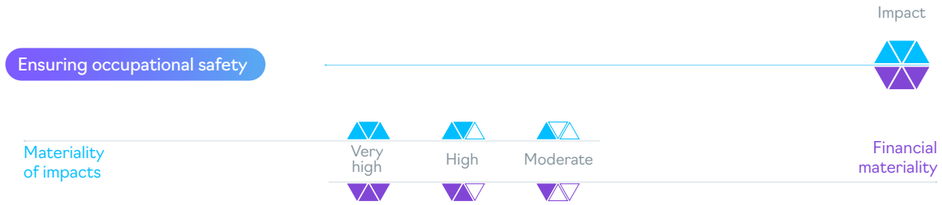
0.26 ↓7%
LTIFR

НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

Russia's national development goals
Preservation of the population, strengthening health, and improving the well-being of people, supporting families

Ensuring production safety

Material topics



External documents

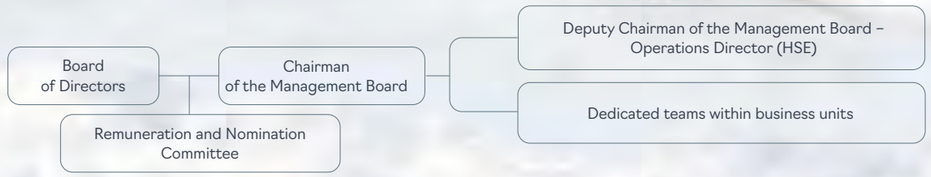
- UN Global Compact
- ISO 45001:2018
- National legislation and regulatory requirements

Corporate documents

- Occupational Health, Industrial and Fire Safety, and Environmental Policy
- Corporate occupational health and safety standards



Organizational structure





Management Approach

The oil and gas industry is exposed to risks associated with the operation of hazardous production facilities. NOVATEK is responsible for the safety of its employees and contractors, striving to identify and analyze such risks in a timely manner and take proactive measures to mitigate them.

NOVATEK's occupational health and safety management system, which is part of the Integrated Management System, covers 100% of employees and contractors across all of the Company's business units.

The effectiveness of the OHS management system is monitored both at the Company's highest governance level and at the executive level.

Specialists of the Operational Control Unit conducted 15 targeted inspections in the reporting year. Each controlled entity and contractor compiles quarterly reports on the implementation of action plans. A follow-up on previously identified violations is part of the standard control procedure.

NOVATEK's operations comply with legal requirements and internal OHS standards, rules, and procedures. The Company's relevant principles are set out in the ↗ Occupational Health, Industrial and Fire Safety, and Environmental Policy.

In the reporting period, the Company developed the Regulations on the Occupational Risk Management System at PAO NOVATEK (slated for implementation in 2025) to define the procedure for identifying and managing occupational risks specific to NOVATEK employees in line with applicable Russian occupational health laws.

The HSE Reporting at Controlled Entities corporate standard was developed to streamline the process to collect and process data received from subsidiaries and affiliates.

☆ **In 2024, the Company's OHS expenses amounted to RR 6.6 billion, up 32% year-on-year, due to an increase in procurement costs.**

The main cost item was the provision of personal protective equipment to employees.

Focus areas of the Company's OHS activities in the reporting period:

- business process automation – managing personal protective equipment, occupational health, risks, goals and activities, internal and external inspections, hazardous production facilities; incident registration, investigation, and analysis; and conducting special assessment of working conditions;
- piloting a project for AI-powered OHS exam proctoring.

15 targeted inspections
specialists of the Operational Control Unit conducted in 2024

Occupational health and safety management system

ISO 45001

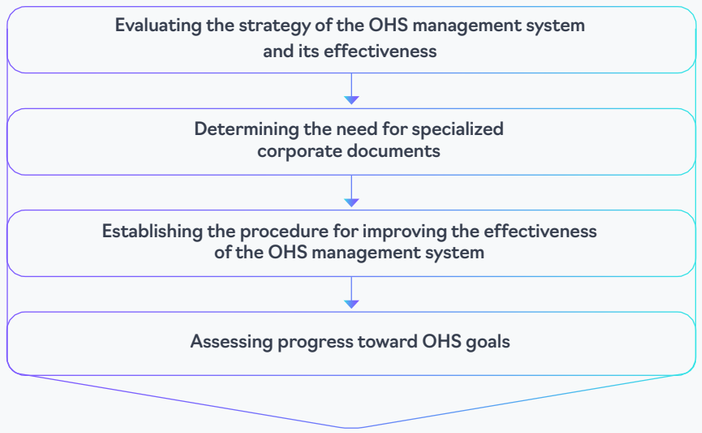
As of the end of 2024, 10 out of NOVATEK's 17 production facilities (59%) were certified to ISO 45001:2018 Occupational health and safety management system.

The Company regularly undergoes external and internal audits for compliance with the standard. In 2024, NOVATEK conducted 21 targeted and one comprehensive OHS inspection at 18 subsidiaries. Violations mainly:

- concerned legal non-compliance when organizing and carrying out hazardous activities, including in respect of electrical safety;
- operational control at hazardous production facilities;
- and compliance with blowout safety requirements at drilling and production facilities.

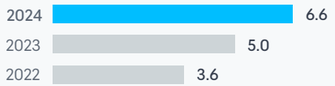
Based on the results of inspections, subsidiaries developed action plans to eliminate and prevent similar violations at other facilities.

Analysis of OHS management system's effectiveness by the Company's management

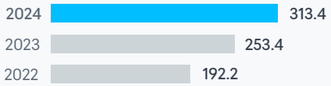


OHS costs[1]

OHS costs, RR bln



Average costs per employee, RR th



☆ **The Company's core OHS performance target is a reduction in the number of work-related fatalities.**

For more details on performance against the target, see Section 5.3. Preventing Work-Related Injuries, ↗ p. 145.

[1] According to the Disclosable Consolidated Financial Statements for 2024.

Safety culture

Occupational health initiatives and measures to improve working conditions are regularly discussed at NOVATEK's town hall meetings. The Company has the Life Saving Rules in place to protect the lives and health of employees, reduce the rate of work-related injuries, comply with regulatory requirements, and ensure decent work.

Following the safety culture maturity diagnostics conducted in the previous reporting period, NOVATEK implements measures to foster a safety culture.

In 2024, OOO NOVATEK-Purovsky ZPK and OAO Yamal LNG purchased ESMO terminals for OHS knowledge testing.

The Company encourages employees to participate in activities aimed at enhancing safety at production facilities, providing them with an opportunity to bring forward and implement their own initiatives. As part of the Innovator corporate program, in the reporting year, 299 employee ideas were implemented to increase equipment reliability and improve the occupational safety education and training process, which is more than a fourfold increase year-on-year..

For more details on the Innovator program, see Section 2.6. Innovation, p. 54.

НОВАТОР

299 employee ideas
were implemented as part of the Innovator corporate program in 2024

Life Saving Rules

In 2024, NOVATEK produced short videos to foster a safety culture at work as part of the **Ten Life Saving Rules project.**

These rules establish uniform requirements for the behavior of Company employees and contractors and seek to prevent violations.







NOVATEK employees win the Oil and Gas Olympus competition

NOVATEK employees won the Oil and Gas Olympus 2024 all-Russian professional skills competition. The event took place in Novy Urengoy and brought together the best energy sector specialists and students majoring in oil and gas. The competition spans seven categories, including Best Oil Production Operator, Best Gas Production Operator, Best Production Geologist, and Best Chemical Analysis Laboratory Technician.

For three days, the participants demonstrated their professional competencies in two blocks of the competition: answering questions in an industrial safety test and performing practical tasks in respective categories, including at AO Arcticgas site.





Matters related to working conditions and the protection of employees' health and safety are regulated by collective bargaining agreements with the involvement of trade union committees. OHS communications are also delivered consistently through:

- meetings at various levels;
- internal inspections and audits;
- feedback collection from employees;
- managing reports from contractors;
- employee training and communication;
- processing queries filed to the hotline.

Employees have the right to contact the responsible units by phone and e-mail with questions regarding OHS. All such queries are reviewed in due course.

For more details on grievance mechanisms, see Section 2.3. Ethics, p. 42.

NOVATEK regularly interacts with the professional community of the oil and gas sector to share experience in OHS. In 2024, the Company participated in the largest thematic events:

Russian Labor Safety Week

Неделя охраны труда

28th international specialized exhibition and forum Safety and Labor Protection

БИОТ 2024

HSE DAYS international project and forum

HSE DAYS

Occupational health and safety in the supply chain

Preliminary assessment of contractor OHS compliance is a key element of supply chain management.

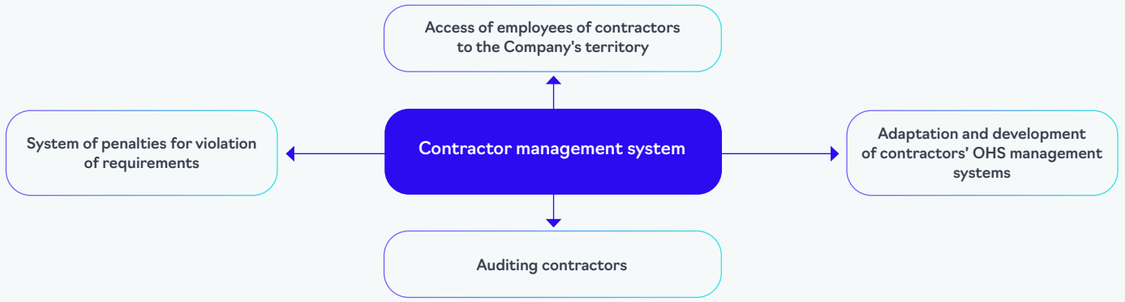
The Contractor Access System to the Company's territory involves checking the level of contractors' preparedness at the pre-qualification stage using the following criteria:

- availability of necessary documents and equipment of adequate quality;
- information on work-related injury and ill health rates;
- appropriate level of employee training;
- all necessary occupational health and safety inspections conducted in a timely manner.

☆ **In 2024, Arctic LNG 2 completed the introduction of a system of digital work permits for hazardous activities, which reduces the risk of injuries by minimizing conflicts in types of work.**

The obligation to comply with OHS requirements is set out in NOVATEK's contracts with contractors, which stipulate the contractor's liability for failure of its employees to comply with OHS regulations as well as the contractor's obligations to provide its employees with serviceable and tested protective equipment, protective clothing, tools, and devices.

Contractor management system



Contractor employees are entered in registers of access passes to the Company's production facilities. **Before being admitted to a facility, each contractor must undergo a mandatory induction briefing.** Contractor security at NOVATEK's facilities is ensured through:

- continuous communication and coordination of jobs before, during, and upon completion of the work;
- early preparation and approval of job execution projects and work permits for hazardous activities;
- defining the boundaries of hazardous areas for the time of job execution based on the impact of hazards on the premises.

The Company carries out production control over the contractor's compliance with OHS requirements at the Company's facilities. Contractors submit their OHS reporting to NOVATEK as part of **the HSE Reporting at Controlled Entities standard** adopted in 2024.

Contractor employees participate both in responding to OHS incidents and in emergency drills for employees. **In 2024, contractor representatives also participated in initiatives such as upgrades of medical stations and common areas.**

For more details on supplier occupational health, see Section 2.7. Supply Chain, ↗ p. 59.

Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies

System for assessing risks and preventing accidents, incidents, and emergencies

NOVATEK carries out regular environmental and social risk identification and assessment procedures, adds them to the Company's register, develops mitigation measures, and monitors their implementation. Company employees actively engage in this process.

All projects have to be approved by a state expert review prior to implementation to ensure their compliance with safety standards. Project documentation must contain sections dedicated to measures aimed at preventing accidents (releases, fires, and spills). These measures are proven to be effective thanks to various safety systems, including automated control systems. On top of that, all facilities run drills and develop effective emergency response action plans.

☆ **The Company applies a risk-based approach to preventing industrial accidents, enabling safety management at all stages of project implementation.**

NOVATEK has state-of-the-art notification and communication systems in place to promptly inform management and staff in the event of an emergency. In addition, the Company actively engages with local authorities, ensuring that information is promptly relayed to dispatch services, which inform local residents. Since NOVATEK also operates hazardous production facilities, the Company pays particular attention to safety and potential incident response measures, with operational control provided by standing commissions, scheduled inspections of equipment carried out, civil liability insurance taken out for organizations operating hazardous production facilities, and employees trained in industrial safety.

Emergency response action planning[1]

1. **Emergency prevention and response action plans**
   - contain step-by-step inst ructions and measures to prevent and promptly respond to possible emergencies
2. **Emergency containment and management plans**
   - describe strategies and actions to minimize damage and recover from emergencies
3. **Oil spill prevention and response plans**
   - include spill prevention measures as well as guidelines on timely and effective response when incidents occur
4. **Firefighting plans and information cards**
   - contain charts and instructions for prompt fire extinguishing, including distribution of duties and essential firefighting equipment

Hazardous production facilities operated by NOVATEK in 2024[2], pcs.



16 Class I (extremely high hazard)
62 Class II (high hazard)

In total:

+ Industrial safety management systems have been developed
+ Industrial safety declarations are available

180 Class III (medium hazard)
30 Class IV (low hazard)

1 Emergency prevention and response action plans: Resolution of the Russian Government No. 1437, On Approval of Regulations on Developing Consequences Emergency Containment and Management Plans at Hazardous Production Facilities, dated 15 September 2020.
Oil spill prevention and response plans: Resolution of the Russian Government No. 2451, On Approval of the Rules for Organizing Oil Spill Prevention and Response Measures in the Russian Federation, Except for the Internal Sea Waters and Territorial Sea of the Russian Federation, and on Invalidation of Certain Legislative Acts of the Russian Government, dated 31 December 2020.
Firefighting plans and information cards: Appendix No. 11 to Order of EMERCOM of Russia No. 467, On Approval of the Regulations on Fire and Rescue Units, dated 25 October 2017.

2 The breakdown is given in accordance with the Russian classifier (Federal Law of the Russian Federation No. 116, On Industrial Safety at Hazardous Production Facilities, dated 21 July 1997). According to international standards (IEC, API, and NFPA), only Class I and Class II production facilities are classified as hazardous.

Fire safety

The initiatives implemented by NOVATEK enable us to successfully prevent major fires and respond to hazards as they occur. The Company invests in resources and technology to maintain and improve its fire safety system and conducts relevant training for employees.

Measures to ensure fire safety in 2024

Fire safety training

10
comprehensive training exercises, including on activities under the Oil Spill Prevention and Response Plan

2,003
tactical fire exercises

21,967
fire safety briefings

803
evacuation drills

1,146 employees
trained

Emergency preparedness

31
professional emergency response and rescue teams

1,364 people
making up the emergency response and rescue teams

117 employees
are responsible for fire safety at the Company

Facilities monitoring

1,771
checks of firefighting water supply sources

33,417
fire patrols

54,107
activities to monitor the fire and gas safety of hot works

☆ **100% of protected facilities are equipped with automatic fire detection, alarm, and extinguishing systems.**



Training at the fire training facility

In 2024, NOVATEK employees responsible for ensuring fire safety at Company units received hands-on training at the fire training facility of the Orenburg branch of the All-Russian Research Institute for Fire Protection of EMERCOM of Russia. During the training, they gained the necessary practical experience and developed skills that will allow them to effectively respond to danger and provide qualified assistance to family members and colleagues in case of emergencies.



In a first for Arctic LNG 2, its fire and rescue service team took part in the multidiscipline fire and rescue open championship held as part of the 15th International Integrated Safety and Security Exhibition in 2024, placing third.

NOVATEK-Tarkosaleneftegas held a fire drill in a tank farm, involving 32 employees and three pieces of equipment to suppress a simulated fire in an oil storage tank using a combined fire suppression technology. The drill was conducted in conditions simulating real-life situations and the team demonstrated a high level of coordination.

Spill prevention

NOVATEK is predominantly a gas company, with gas condensate and oil production accounting for only 16.5% of total hydrocarbon production. Nevertheless, the Company approaches spill prevention seriously and takes all possible preventive measures despite no such incidents having occurred in 2024 and the level of risk being relatively low.

Spill prevention measures[1]

1. **Develops the Oil Spill Prevention and Response Plan to forecast and manage the risk**
2. **Secures a positive opinion from a state commission on its preparedness to contain and clean up the maximum estimated volumes of oil and petroleum product spills**
3. **At least once every three years, conducts comprehensive spill containment and response drills, involving government authorities**

When developing the Oil Spill Prevention and Response Plan, NOVATEK:

- takes into account spill thresholds for significant spills, for which response procedures are developed
- determines forecast areas of oil and petroleum product spills (subject to design spill prevention solutions), including a description of the possible nature of the environmental impact and impact on local communities
- calculates whether its own and/or third-party emergency response and rescue units and/or teams are sufficient for handling the maximum estimated volume of spills

[1] The significance of spills is determined based on the requirements of applicable laws and regulations of the Russian Federation. The maximum estimated volume of oil and petroleum product spills is 0.5 tons or more for water bodies and 3 tons or more on land.

In 2024, following regulatory changes, NOVATEK approved new oil spill prevention and response plans that now include spill scenarios with the estimated scope of and required financial support for implementing measures.

All NOVATEK Group companies allocated funds for the implementation of oil spill prevention and response plan measures by depositing provisions in current bank accounts. The Company estimated potential damage from environmental risks, including oil and petroleum product spills, and updated the environmental incident risk assessment data in the Risk Map for 2025–2027.

By 2024, the Company had developed a total of 39 oil spill prevention and response plans, four of which are applicable to offshore areas.

We also assessed the probability of large-scale oil and petroleum product spills at NOVATEK's facilities with oil spill prevention and response plans using the **Methodology for Estimating the Damage** Caused to Water Bodies Due to Water Law Violations[1] and the Methodology for Estimating the Damage Caused to Soils Subject to Environmental Protection[2].

Largest NOVATEK facilities for which oil spill prevention and response plans have been developed



NOVATEK conducts trainings and drills so that employees can practice appropriate measures in case of a spill. In 2024, we held a comprehensive drill to test Arctic LNG 2's preparedness to contain and respond to petroleum product spills in a sea port water area under real ice conditions, prior to the approval of the Oil Spill Prevention and Response Plan.

To put the Oil Spill Prevention and Response Plan into effect, NOVATEK-Yurkharovneftegas held three comprehensive drills, confirming its preparedness to respond to oil spills in Arctic winter conditions.

In the reporting period, 15 Company subsidiaries were intensively engaged in preparing to respond to possible emergencies during spring flood season by organizing hands-on water rescue trainings.

No significant spills were identified in 2024.

1 Order of the Russian Ministry of Natural Resources and Environment No. 87, On Approval of the Methodology for Estimating the Damage Caused to Water Bodies Due to Water Law Violations, dated 13 April 2009.
2 Order of the Russian Ministry of Natural Resources and Environment No. 238, On Approval of the Methodology for Estimating the Damage Caused to Soils Subject to Environmental Protection, dated 8 July 2010.

Ensuring pipeline integrity

NOVATEK implements several preventive measures to ensure the safe operation of its pipelines:

- this involves regularly analyzing accident risks taking into account corrosion and deterioration;
- using special corrosion-resistant materials and leak detectors;
- conducting in-line diagnostics, and immediately eliminating any defects found.

NOVATEK's subsidiaries and affiliates have various pipeline integrity management systems in place. For example, OOO NOVATEK-Yurkharovneftegas has implemented two-stage gas condensate pipeline integrity control, including in-line diagnostics and drain testing. At OOO Yargeo, an oil pipeline integrity management system uses a cable for continuous temperature and vibration monitoring as well as a software-based leak detection system. OOO NOVATEK-Tarkosaleneftegas conducts aerial patrols and in-line diagnostics, analyzing technical reports and eliminating any defects found. The Company recorded no changes or violations in management system operation in the reporting year.

At the end of 2024, the average service life of the Company's pipelines was 12 years, which is less than the maximum permissible standard service life (20 to 30 years) and helps prevent spills through effective control. In addition, NOVATEK maintains liability insurance during the operation of its pipelines to cover potential damage to third parties and/or the environment.

Protocols for safe drilling and abandonment

NOVATEK has the largest proportion of advanced wells in the industry, including Achimov and Jurassic wells that require a special approach in terms of industrial safety due to low permeability and high reservoir pressure. Although the Company was not engaged in offshore drilling and well development activities in the reporting year, its integrated approach to risk assessment and technology implementation helps minimize potential threats when performing such operations.

At the end of 2024, NOVATEK's asset abandonment liabilities were RR 2.6 billion.

The Company's system of measures for ensuring drilling safety is aimed at minimizing both man-made and natural impacts at all stages of operations.

NOVATEK's protocols for safe drilling

Before work starts	During the construction phase	Upon work completion
• A procedure is run to select contractors, which includes an evaluation of their ability to ensure industrial, environmental, and fire safety as well as occupational health compliance • Design documentation for the construction of wells is developed in strict accordance with technical regulations and standards	• Continuous monitoring of all key well parameters with advanced technology and software • Adhering to best practices for well management, including offshore wells • Only qualified contractors are allowed to perform well interventions • Coastal operations follow the principle of delineation of responsibility • Assigning a responsible operator, scientific and technical center, and corporate center to each well	• Meeting NOVATEK's license commitments • Well plugging and abandonment (P&A) upon completion of production, equipment removal, and land reclamation • Control over the condition of wellheads • Environmental monitoring

Transport safety

Transportation of large numbers of people by road carries certain safety risks, and NOVATEK is working to mitigate them. The Company uses passenger cars for operational needs only. The Transport Unit ensures that drivers have a Russian driver's license and comply with the work and rest schedule. The Company checks drivers' knowledge of traffic rules, analyzes the causes of road accidents, and develops measures to eliminate them.

No injuries related to road transport were recorded in 2024.

Drivers undergo medical examinations and vehicles are subject to mandatory technical inspections. These measures allow for maintaining a high level of transport safety.





Accidents and incidents

The Company takes measures to prevent emergencies and accidents, which reduces the likelihood of these events occurring but does not completely eliminate them. In addition to preventive measures, the Company develops response plans that include scenarios and required actions by employees, including managers and emergency response and rescue teams. All projects include measures to mitigate risks and prevent emergencies by applying various security systems. Despite these efforts, two incidents occurred in the reporting period, one of them resulting in two fatalities.

In January 2024, an external impact on equipment caused a loss of containment incident at the Ust-Luga Complex, followed by a fire. For safety reasons, production was shut down and employees not engaged in accident response were evacuated from the facility.

The second incident occurred in July 2024. Despite our highly developed work-related injury prevention system, an emergency occurred at a well of OOO NOVATEK-Tarkosaleneftegas, caused by the destruction of well structures, resulting in a fire and two fatalities among technical personnel. An investigation into the accident is currently underway. Based on its findings, corrective and preventive measures will be developed to improve our OHS management system.

Preventing Work-Related Injuries

Approach to reducing risks and preventing work-related injuries

NOVATEK creates a safe working environment, striving to minimize accident risks and health hazards for employees and contractors working at its operating facilities. In the context of changes in labor safety legislation, occupational risk assessment plays an increasingly important role as a basis for many management processes.

At workplaces with harmful working conditions, the Company implements measures to mitigate operational hazards, and employees employed at such workplaces get additional compensation and benefits. To facilitate the early detection of contraindications and warning signs of occupational diseases, NOVATEK organizes regular medical examinations. If an employee's health is at risk, he or she has the right to refuse to perform relevant operations.

To ensure safe operation of equipment and protection of employees, NOVATEK has in place a plan to manage key occupational risks, which includes fitting production equipment with protective and warning devices. All potentially hazardous situations that may lead to an incident are recorded in a timely manner. Each accident involving exposure to work-related health or injury hazards is followed by an unscheduled assessment of working conditions and occupational risks.

In 2024, NOVATEK maintained its focus on further improving the procedure for identifying, assessing, and mitigating and/or preventing occupational risks. The Company has developed the Regulations on the Occupational Risk Management System, which aims to identify hazardous processes, infrastructure-level failures, and potentially harmful workplace behaviors.

The Company takes a proactive approach to identifying operational hazards by identifying potential threats at early stages and taking preventive measures. All new projects undergo occupational health and safety risk assessments.

The document stipulates that effective occupational risk management involves all unit heads in hazard and risk identification and mitigation activities and assigns appropriate responsibility.

The Regulations also include a register of occupational risks, which identifies risks and develops relevant measures to prevent and/or mitigate them for each employee category and each hazard zone. All NOVATEK employees are involved in the risk identification, assessment, and management process.

Approach to occupational health and safety risk management

Hazard identification

- Detection, recognition, and description of hazards while monitoring occupational health and safety conditions and during mandatory investigation of accidents and minor injuries
- Consideration of employees' suggestions for identifying potential work-related health and/or injury hazards

Occupational risk management

- Examining the probability of occupational risk occurrence
- Determining the scale and causes of hazards
- Assessing potential impacts of occupational risks
- Developing measures to prevent injuries

Informing Company and contractor employees
about risks and mitigation measures being developed

Work-related injuries among employees

The Company runs internal investigations of incidents based on the Incident **Root Cause Analysis Standard** to enable a detailed review of the events preceding an incident and the implementation of corrective actions to prevent future incidents. **NOVATEK also informs employees about accidents and incidents through dedicated reports and holds unscheduled meetings and briefings.**

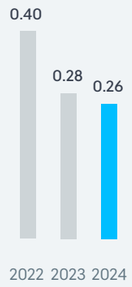
A clear indicator of workplace safety at the Company is LTIFR, which stood at 0.26 in 2024, down 7% year-on-year. The consistent steps to enhance safety culture have driven steady improvement of this metric over the past four years, proving the Company's commitment to managing risks and protecting employee health.

Through process automation, the Company has improved detection of injuries, which resulted in higher injury numbers in the reporting period. Another reason for the increase in injury rates was the changes made to the Incident Classification as of 2024:

- incidents related to ill health were moved from Level 4 to Level 3;
- the form and procedure for reporting Level 4 incidents were changed;
- new incident categories were added to the classification.



Lost time injury frequency rate (LTIFR)[1] among employees of the NOVATEK Group



Accidents and work-related injuries among employees of the NOVATEK Group

	2022	2023	2024
Total work-related accidents, units	**12**	**7**	**9**
including fatalities	1	1	**1**
including severe injuries	1	0	**0**
including minor injuries	10	6	**8**
People affected by work-related accidents, people	**12**	**9**	**10**
including fatalities	1	2	**2**
including severe injuries	1	1	**0**
including minor injuries	10	6	**8**
Minor injuries sustained at workplace (first-aid level), people	–	17	**39**
Recordable work-related injuries, people	–	26	**49**
Rates			
Fatality rate (FR)[2]	0.03	0.06	**0.05**
High-consequence injury rate[3]	0.03	0.03	**0**
Total recordable injury rate (TRIR)[4]	–	0.80	**1.30**
Near-miss frequency rate (NMFR)[5]	–	0.251	**0.026**

The Company set up dedicated commissions to investigate the causes of each accident.

Work-related injuries among contractors

NOVATEK keeps records of work-related accidents and injuries among contractors.

The Company set up dedicated commissions to investigate all accidents that occurred among contractors in 2024, in line with applicable laws. The investigation found both immediate and underlying causes of the incidents, with respective measures developed for each of them to prevent similar incidents from happening in the future.

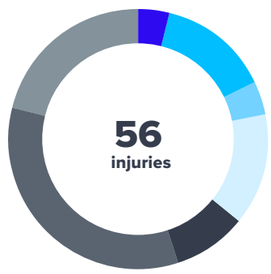
Main causes of work-related injuries among Group employees in 2024, %



- 20 Falls (from height)
- 20 Exposure to smoke, fire, and flames
- 40 Same level falls
- 10 Falling, collapsing, or sliding objects, materials, or soil
- 10 Other

In 2024, the most common cause of work-related injuries was same level falls. No injuries sustained during road accidents or from exposure to moving or flying equipment or objects were recorded in the reporting year.

Main causes of work-related injuries among contractors in 2024, %



- 4 Road accidents
- 14 Falls (from height)
- 4 Exposure to smoke, fire, and flames
- 14 Same level falls
- 9 Falling, collapsing, or sliding objects, materials, or soil
- 34 Exposure to moving or flying parts or objects
- 21 Other

1 Number of injuries (including fatalities) x 1 million person-hours / number of person-hours worked by all employees. The value recalculated per 200 thousand hours is as follows: 0.080 in 2022, 0.055 in 2023, and 0.053 in 2024.
2 Number of fatalities x 1 million person-hours / number of person-hours worked by all employees. FR recalculated per 200 thousand hours: 0.007 in 2022, 0.012 in 2023, and 0.011 in 2024.
3 Number of high-consequence injuries (excluding fatalities) x 1 million person-hours / number of person-hours worked by all employees. The value recalculated per 200 thousand hours is as follows: 0.007 in 2022, 0.006 in 2023, and 0 in 2024.
4 Number of injuries, fatalities, and minor injuries x 1 million person-hours / number of person-hours worked by all employees. First-aid level injuries are excluded from the calculation in accordance with the GRI Standards. The value recalculated per 200 thousand hours is as follows: 0.159 in 2023 and 0.259 in 2024.
5 Number of near-miss incidents x 200 thousand person-hours / number of person-hours worked by all employees. The scope includes NOVATEK-Tarkosaleneftegas and Yamal LNG.

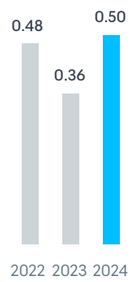
Accidents and work-related injuries among contractors

	2022	2023	2024
Total work-related accidents, units	**89**	**52**	**56**
including fatalities	3	3	**0**
including severe injuries	–	4	**7**
People affected by work-related accidents, units	**89**	**55**	**56**
including fatalities	3	4	**0**
including severe injuries	–	4	**7**
including minor injuries	–	47	**49**
Rates			
Fatality rate (FR)[1]	**–**	0.03	**0**
High-consequence injury rate[2]	**–**	0.03	**0.06**

The most common cause of work-related injuries among contractors in the reporting year was exposure to moving or flying equipment or objects.

The Company is working to reduce the injury rate among contractors, providing training and activities aimed at improving workplace safety. For example, in 2024, a Safety Day was held at the Samburgskoye field of ARCTICGAS, which was attended by Nortgas and contractor employees. The event was aimed at sharing best practices, exchanging positive OHS experience, promoting work safety, and enhancing both the theory and practical skills of working at height, first aid, and the use of personal protective equipment.

Lost time injury frequency rate (LTIFR)[3] among contractors



1 Number of fatalities x 1 million person-hours / number of person-hours worked by all employees. FR recalculated per 200 thousand hours: 0.01 in 2023 and 0 in 2024.
2 Number of high-consequence injuries (excluding fatalities) x 1 million person-hours / number of person-hours worked by all employees. The value recalculated per 200 thousand hours is as follows: 0.005 in 2023 and 0.012 in 2024.
3 Number of injuries (including fatalities) x 1 million person-hours / number of person-hours worked by all employees. The value recalculated per 200 thousand hours is as follows: 0.097 in 2022, 0.073 in 2023, and 0.100 in 2024.



Occupational Health

NOVATEK has in place a healthcare management system, which includes organizing emergency medical response, training in first aid, health monitoring, and participating in healthy lifestyle projects. The Company conducts medical examinations of shift workers in the Far North and remote sites to assess their health and detect cases of illegal substance use. Employees undergo in-depth medical examinations in order to diagnose diseases early.

Production sites have 74 medical and paramedical aid posts (including 40 contractor posts) to provide medical assistance to employees, as well as seven offices for pre-shift examinations. At remote sites, medical aid posts are equipped with in-patient facilities and an intensive-care unit, providing all the necessary medical care for employees and contractors.

Company employees are entitled to medical advice under the Voluntary Health Insurance (VHI) program and have access to health resort treatment and rehabilitation.

At workplaces with harmful working conditions, the Company has implemented a set of measures to eliminate or mitigate harmful factors. To prevent occupational diseases, NOVATEK conducts occupational risk assessments.

The range of relevant measures taken by the Company has helped to prevent occupational diseases in the past six years.

For more details on NOVATEK's social programs aimed at employee health protection, see Section 6.4. Employee Motivation and Social Support, ↷ p. 166.

OHS Training for Employees

NOVATEK conducts mandatory OHS training for its employees in accordance with Russian laws, using corporate methodologies. As part of its efforts to transform the management system and strengthen its safety culture, NOVATEK intends to focus on enhancing employee training and motivation in the coming years.

To improve employees' OHS knowledge, the Company:

- annually develops and implements a training program to upskill employees, incorporating the analysis of accident causes
- regularly trains employees and tests their knowledge in occupational health, including using a licensed software
- regularly conducts workplace safety briefings for blue-collar employees
- organizes annual employee training at training facilities in safe methods of conducting hazardous operations, such as gas-hazardous and hot works and work at height

In 2024, for employees working on a rotational shift basis, occupational health specialists organized additional pre-shift knowledge testing based on specially developed programs, involving third-party training centers followed by a mandatory practical session.

Industrial safety assessment commissions are set up at Group enterprises to evaluate staff and issue permits for them to work independently at hazardous production facilities using the Unified Testing Portal.

In the reporting period, NOVATEK piloted the Honest Exam, a proctoring system that enables recognizing prohibited actions during OHS exams by monitoring through three sources – video, audio, and desktop screen recording.

Industrial safety tournament

As part of the industrial safety week, the East-Tarkosalinskoye field hosted a tournament to test employees' knowledge of occupational safety.

Company employees competed both in theory and practice, where the practical part included provision of first aid on a simulator manikin and selection of safe working tools. During the theoretical part, participants had an opportunity to update their knowledge of the basic workplace safety principles.

The tournament became a platform for sharing experience and networking between colleagues from different shops, which helped participants to test their knowledge and increase their confidence in emergency situations.



The Helmet is Key business game

To mark the World Day for Safety and Health at Work, the Arctic LNG 2 sites, the LNG Construction Center, and the Utrenneye field teams took part in the Helmet is Key, an innovative business game aimed at enhancing safety culture and engaging employees in OHS matters.

The game brought together 35 Company employees, organized into several teams. They solved crossword puzzles themed around safety, answered questions in the What? Where? When? intellectual game, and performed other tasks to progress in the business game.



Advanced training in safe behavior in the workplace

In 2024, NOVATEK employees in St. Petersburg received training to raise workplace safety awareness as part of OHS upskilling.

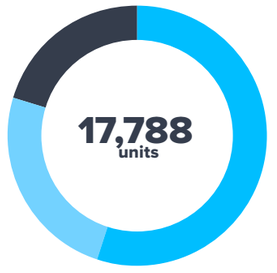
The training included a review of the trainees' personal characteristics that contribute to their tendency for safe or risky behavior and an analysis of psychodiagnostic techniques for assessing employees' propensity to take risks, methods to effectively motivate employees to work safely, and practical tools to promote the value of safe behavior.



Training facilities are an integral part of the Company's training capabilities. In 2024, six new facilities were set up. **A total of more than 7.6 thousand employees have been trained in safe working methods at the Company's training facilities.** When deciding on the facilities' location, the Company takes into account the remoteness of facilities and the presence of operational staff.

In the reporting period, the Company developed training programs for training facilities and paid attention to the selection of coaching staff, signing contracts with third-party organizations that provide training in safe methods for performing hazardous activities.

Number of OHS and first aid training programs completed by employees, units[1]



- 9,816 Occupational health training
- 4,365 First aid training
- 3,607 Occupational safety training and certification

[1] The figures for training show the number of training programs instead of the number of employees trained, since under current laws, one employee may be trained under more than one program during the year.

Employees

2024 highlights

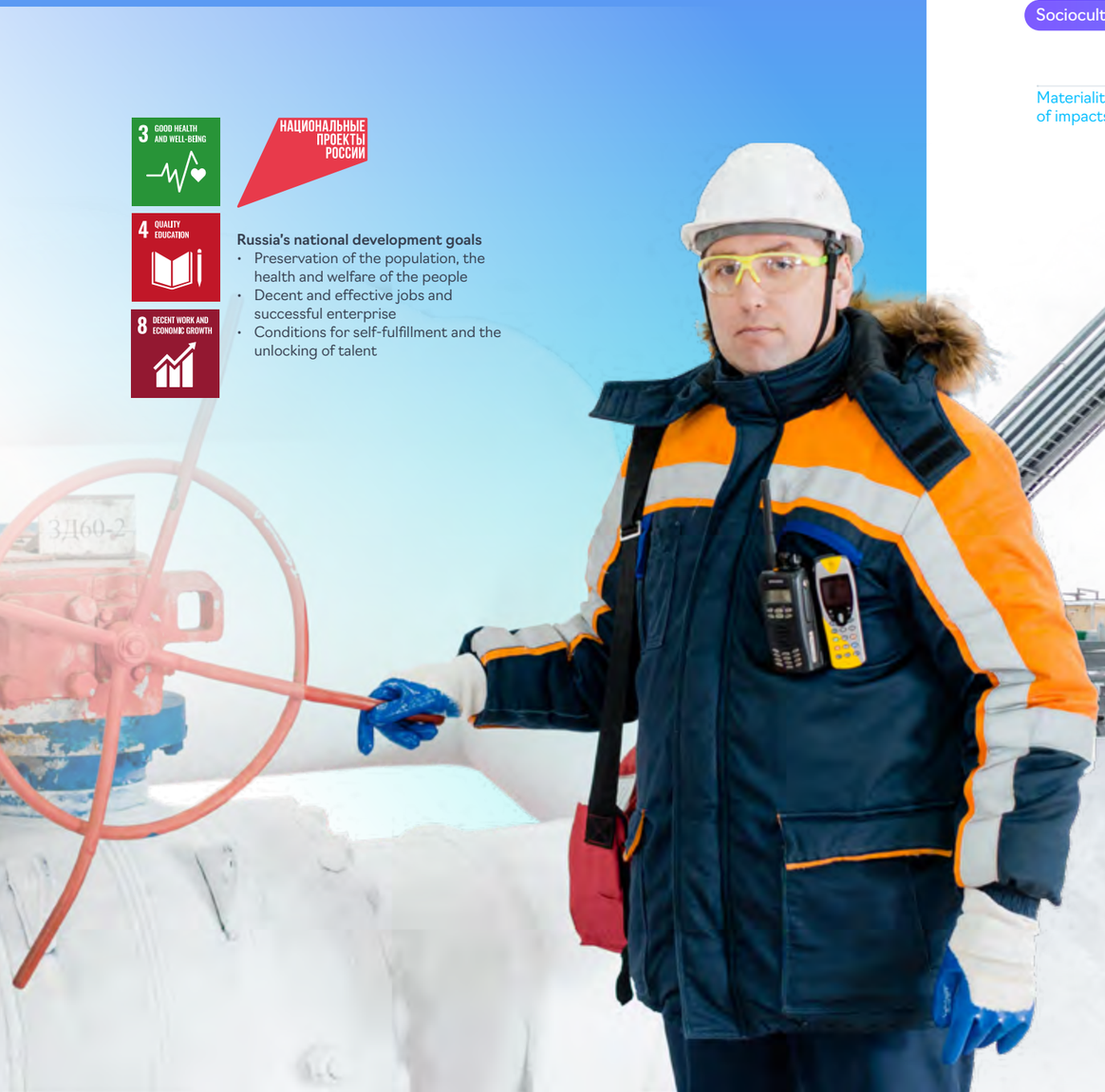
4.4 ↑20%
RR bln
spending on social programs for employees

59 ↑9%
hours
average training hours per employee

5%
employee turnover (flat year-on-year)

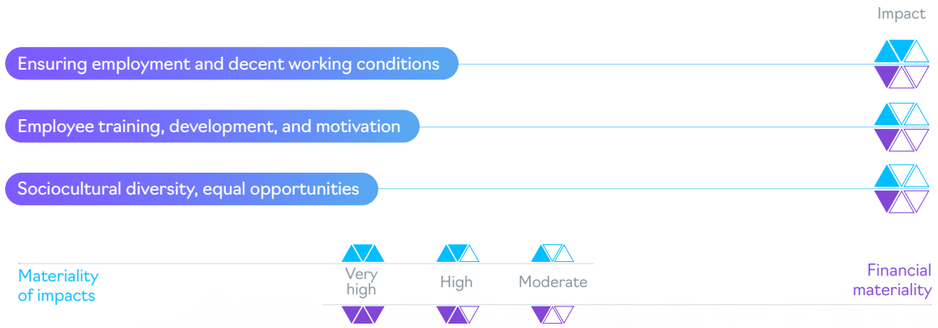
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

Russia's national development goals
- Preservation of the population, the health and welfare of the people
- Decent and effective jobs and successful enterprise
- Conditions for self-fulfillment and the unlocking of talent



Unlocking employee potential

Material topics



External documents

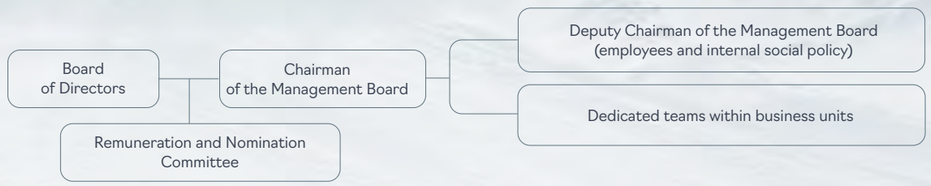
- UN Global Compact
- Universal Declaration of Human Rights
- International Labour Organization's Declaration
- Labor Code of the Russian Federation

Corporate documents

- Human Rights Policy
- Core Concept of Social Policy
- Code of Business Conduct and Ethics
- Collective Bargaining Agreement
- Internal HR management rules and regulations



Organizational structure



Management Approach

A skilled workforce is a key success factor and the driving force behind NOVATEK's innovative development. The Company is committed to the well-being of its employees and makes every effort to provide a safe, fair, and inclusive work environment.



Governance framework

NOVATEK's HR management system is designed to create the best possible conditions for employees' work and professional development. Matters related to human resource management, including diversity, equal opportunities, and the development of social support programs, are reviewed annually at the highest level – at meetings of the Board of Directors and the Remuneration and Nomination Committee. At the executive level, HR management and internal social policy, including diversity and inclusion matters, are the responsibility of the Deputy Chairman of the Management Board.

Risk management

To ensure effective HR management and address emerging issues, NOVATEK regularly identifies and assesses risks related to employee activities and incorporates them into its Risk Map. For new projects, HR risks are assessed through ESIA procedures.

To mitigate the impact of these risks, NOVATEK continuously monitors all areas related to employee activities and staffing, and focuses on building a skilled workforce, ensuring occupational health and safety, protecting human rights, and addressing related matters.

For more details on risks, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.

Principles of HR policy

NOVATEK's HR policy complies with Russian laws and international standards and is aimed at attracting and retaining the best talent while ensuring a supportive working environment. The policy is based on the principles of equal opportunity, respect for human rights, and prevention of child and forced labor, while prioritizing the development of the local labor market and social partnerships.

The effectiveness of the Company's HR policy is demonstrated, among other things, by the reduction in employee turnover over the past three years, even as NOVATEK's workforce has increased. **In 2024, employee turnover stood at 5%, one of the lowest rates in the industry.** Implementing employee well-being programs, strengthening social support to address the needs of work teams, and providing targeted assistance – all of these initiatives contribute to building employee loyalty.

For more details, see Section 6.4. Employee Motivation and Social Support, ↗ p. 166.



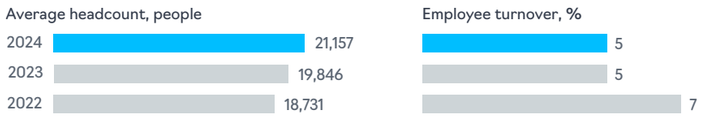
Growth strategy: supporting and developing employees for 30 years

Over the past 30 years, NOVATEK has built a comprehensive system of employee support: the Company is boosting investment in programs to improve the well-being of employees and their families, expanding financial assistance in difficult circumstances, scaling professional and personal development programs, and increasing compensation.

Comprehensive care for employees is not only integral to our corporate culture but also a key driver of NOVATEK's sustainable growth.

☆ **In 2024, the NOVATEK team was awarded the Order for Valiant Labor for their great contribution to the development of Russia's fuel and energy sector and high operational performance.**

Average employee headcount, people



NOVATEK among the best employers

In 2024, NOVATEK strengthened its status as an employer of choice by receiving a top (Gold) rating in Forbes' Best Employers ranking.

Experts evaluated companies against three ESG pillars: Environmental (E), Social (S), and Governance (G). The Company was assigned
☆ "platinum" in the G category,
★ "gold" in the S category, and
★ "bronze" in the E aspect.

Forbes





Employee profile

22,036 ↑5%
people
NOVATEK's headcount at the end of 2024

For more details on the breakdown of employees, see Appendix 3. ESG Data, p. 208.

At the end of 2024, NOVATEK's headcount was 22,036 employees, up 5% year-on-year. The increase was due to a 6% staff expansion in the Yamal-Nenets Autonomous Region, our key region of operation.

The majority of employees work full-time (99.5%) and under permanent employment contracts (91%).

In 2024, blue-collar employees made up 42% of the total headcount, white-collar employees – 39%, and managers – 19%. Given the nature of the Company's operations, its workforce is predominantly male (80%).

Breakdown of employees at the end of 2024, %



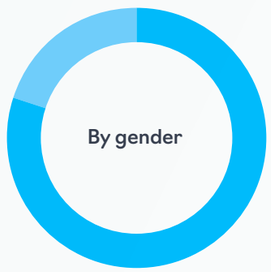
- 61 Yamal-Nenets Autonomous Region
- 13 Moscow and Moscow Region
- 6 St. Petersburg and Leningrad Region
- 6 Chelyabinsk Region
- 4 Tyumen Region
- 10 Other regions



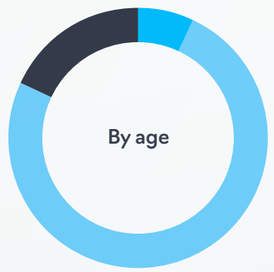
- 19 Managers
- 39 White-collar employees
- 42 Blue-collar employees



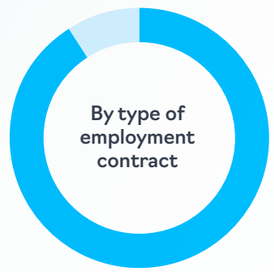
- 30 Upstream facilities
- 7 Processing facilities
- 28 LNG production
- 9 Energy service facilities
- 16 Sales and transportation
- 6 Administrative staff
- 4 Auxiliary production



- 80 Men
- 20 Women



- 7 Under 30
- 75 30 to 50
- 18 Over 50



- 91 Permanent
- 9 Fixed-term

Trade union relations and collective bargaining agreements

The Company respects employees' rights to freedom of association and actively cooperates with trade unions operating in the majority of subsidiaries and encompassing 65% of NOVATEK employees.



An open dialogue with employees allows NOVATEK to build long-term relationships with employees based on partnership principles. The Company regularly holds targeted meetings with trade unions and work teams to discuss labor relations, which helps prevent social tensions.

NOVATEK has never seen a single case of stoppages or strikes due to labor disputes throughout its 30-year history.

The Company respects employees' right to collective bargaining and fully adheres to the working conditions and social support measures outlined in collective agreements. In particular, collective bargaining agreements stipulate various work schedules, including reduced hours, shorter workweeks, flexible schedules, and remote work arrangements.

During the reporting year, a number of issues were discussed at meetings between the Company's management and work teams at key operational sites. These included proposed amendments to collective bargaining agreements, such as increasing the amount of reimbursements and financial assistance to employees in various personal circumstances as well as indexing vacation payments and social support for retirees.

In 2024, the Company allocated

7.5
RR mln
to support trade unions

90%
of employees
were covered by collective bargaining agreements for the period 2022–2024 in 2024, and all agreements were extended until 2027

Employee life cycle

As a dynamically developing and actively growing company, NOVATEK is committed to attracting and retaining talent by implementing programs that support employee comfort and well-being throughout the employee life cycle, from hiring to termination of employment.



Recruitment

The vacancy filling process is streamlined through modern digital systems (such as the E-Staff database), collaboration with recruitment agencies and job platforms as well as headhunting and employee referrals.

When filling vacancies, we give priority to internal candidates, providing our employees with opportunities for career advancement and professional growth.

Hiring and onboarding

When hiring, NOVATEK respects human rights and freedoms, complies with labor laws, the terms of the collective bargaining agreement and employment contracts, and ensures non-discrimination and equal employment opportunities for all candidates.

NOVATEK is an industry leader in terms of headcount growth thanks to a smart HR policy.

Hired graduates participate in Steps in Discovering Talents, a two-year program for onboarding young talent, with the number of participants growing each year. Based on their performance in the program, top participants may be recommended for inclusion in the talent pool.

Ongoing motivation, training, and development

We create conditions for maintaining high levels of employee motivation and satisfaction while also providing our employees with training, development, and career growth opportunities.

As part of our social policy, we support employees in various personal circumstances, with a particular focus on helping employees with children and improving employees' housing conditions.

The Company's HR policy provides for employees' right to a long period of leave, such as maternity leaves and parental leaves (until the child reaches the age of three).

For more details, see Section 6.3. Employee Training and Development, ↷ p. 162.

For more details, see Section 6.4. Employee Motivation and Social Support, ↷ p. 166.

For more detailed quantitative data on parental leaves, see Appendix 3. ESG Data, ↷ p. 208.

Termination

We strive to minimize forced exits, only resorting to dismissals when all alternatives have been exhausted. When selecting among employees with equal productivity and qualifications, priority for job retention is given to employees with more than ten years of service at the Company as well as single parents raising children under 18.

On top of that, NOVATEK gives employees at least two months' notice of organizational restructuring and provides one day per week (paid at their average pay rate) to look for another job.

We use employee exit surveys to identify reasons for leaving and develop measures to reduce employee turnover.
For example, in 2024, the remuneration policy was improved at marketing subsidiaries to reduce turnover.

~100
calendar days[1]
the average time to fill a position requiring specialized industry knowledge and high qualifications in 2024

106
employees
were in the Company's talent pool at the end of 2024, with 15 promoted to higher positions during the reporting year

2,421
employees
hired in 2024

129 ↑4%
young specialists
participated in the program in 2024

6.3
years
the average length of service with NOVATEK in 2024

4.4
RR bln
was invested in social programs to support employees, including:
>RR 1 bln – housing program funding

5%
employee turnover in 2024 (3% in the Yamal-Nenets Autonomous Region)



[1] From the moment a vacancy is opened to the candidate's first day at work (including recruitment, interviews, security vetting, etc.).

Diversity and Inclusion

NOVATEK has zero tolerance for any form of discrimination in its interactions with employees. Throughout the entire employment life cycle, we focus solely on employees' professional qualities, regardless of their gender, age, race, religion, physical capacity, or political affiliation. This principle is reflected in our Human Rights Policy.

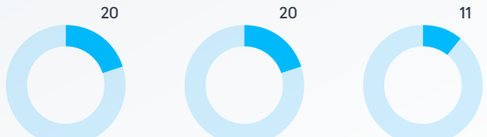
To prevent discrimination and ensure timely response to such incidents, NOVATEK maintains grievance mechanisms, including an anonymous hotline.

For more details on grievance mechanisms, see Section 2.3. Ethics, p. 42.

NOVATEK's practices in diversity, equal rights, and opportunities

Gender equality

Women's representation, %



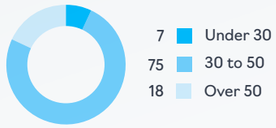
Our workforce is predominantly male, reflecting labor law restrictions, the challenges of rotational shifts in severe climates, and the remote nature of our operations. Nevertheless, the Company strives to maintain gender balance wherever possible and employs women in positions that offer more comfortable working conditions.

In addition, NOVATEK promotes the professional development of its female employees through onboarding and career development programs. For example, in 2024, women accounted for 35% of participants in the Steps in Discovering Talents program for young specialists, with an average of 15 training hours per female trainee.

NOVATEK sets equal pay rates for men and women and provides them with equal opportunities for development and career advancement.

Age diversity

Proportion of employees in different age groups in the total headcount, %



130.6 ↑37%

RR mln

amount of retirement benefits paid in 2024

For more details on youth engagement programs, see Section 6.3. Employee Training and Development, p. 162.

For more details on the corporate pension plan, see Section 6.4. Employee Motivation and Social Support, p. 166.

NOVATEK considers the needs of employees across all age brackets, offering support and development opportunities for both young specialists and senior staff.

The Company implements initiatives to attract and retain young talent, from career guidance for school students and mentoring at universities to on-the-job training for students and mentorships for young specialists under the Steps in Discovering Talents program.

To support senior employees, the Company has a corporate pension plan, and those who choose to retire receive a severance pay from NOVATEK.

Inclusion

In 2024, the Company facilitated the employment of 195 people with disabilities:

- 95 people work in NOVATEK's divisions in Moscow, St. Petersburg, and the Yamal-Nenets Autonomous Region;
- 100 people were employed through agreements with organizations for employing people with disabilities;
- In Moscow, NOVATEK exceeds the legally established employment quota both by employing workers directly and through partnership agreements.

Employment of people with disabilities, %



NOVATEK provides employment opportunities for people with disabilities, primarily through employment quotas at the Company. Depending on the region of operation, the quota ranges between 2% to 4% of the average headcount[2].

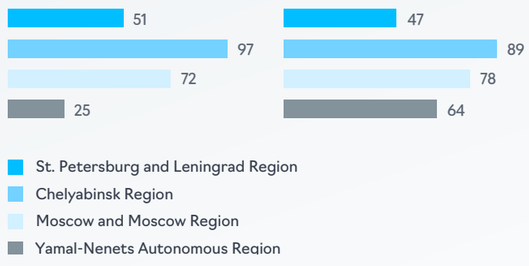
To identify such candidates, the Company cooperates with regional employment centers and centers for people with disabilities, which help recruit employees even in remote regions. NOVATEK guarantees to employees with disabilities all benefits and terms stipulated by applicable Russian laws, and ensures an accessible working environment.

If the number of new hires with disabilities is not sufficient to meet the employment quota, NOVATEK signs employment agreements with other employers. This is partly attributable to employment limitations for those with disabilities due to the specific requirements of the Company's production processes.

Local hiring

Proportion of local hires in the total headcount at the end of 2024, %

Proportion of local top managers[3] in the total number of top managers at the end of 2024, %



For more details on support mechanisms for indigenous peoples of the Far North, see Section 7.1. Management Approach, p. 174.

NOVATEK supports the development of local labor markets by prioritizing hiring and implementing programs aimed at unlocking the potential of local talent.

The proportion of local[4] employees within the Company varies from region to region. In the Yamal-Nenets Autonomous Region, where 60% of the Company's workforce is concentrated, the proportion of local hires was 25% in 2024 due to the low population density of the region. The highest proportion of locally hired employees (97%) came from the Chelyabinsk Region, which offers a larger pool of candidates with the necessary skills.

As part of its employment programs for the indigenous peoples of the Far North, the Company applies the Regulations on Hiring Members of Indigenous Peoples of the Far North at Yamal LNG and the Local Hiring Policy at Arctic LNG 2. In 2024, Arctic LNG 2 hired one indigenous employee while another one completed an internship during the summer and winter seasons. Yamal LNG employed six indigenous workers and hired seven more for seasonal work.

1 The composition of the Board of Directors, elected at the Annual General Meeting of Shareholders on April 21, 2023 for a three-year term.
2 The quota calculation is based on the average headcount in the fourth quarter of the previous year, in accordance with Resolution of the Russian Government No. 366, On Approval of the Rules for Employers to Fulfil the Employment Quota for Disabled Persons When Employing Disabled Persons in Any Position, dated 14 March 2022. The calculation covers Group companies with a headcount exceeding the limits set by local regulations in the regions of operation.
3 The graph shows the Company's regions of operation in which 85% of NOVATEK's employees are employed.
4 "Local" means the population of a certain area, regardless of their ethnic origins or culture.

Employee Training and Development

For employees to maintain high levels of professional competencies and unlock their potential, NOVATEK runs a range of educational programs aimed at improving qualifications while also developing individual skills.

Employee training and development system

In 2024, training was provided to about 14 thousand NOVATEK employees, with average training hours per employee totaling 59 (7.4 days), up 9% year-on-year. In 2024, the Company's total spending on training programs came in at RR 198 million, up 13% year-on-year. 45% of funds were allocated toward OHS training programs. Average employee training costs were RR 9.4 thousand[1].



Training programs

NOVATEK continuously improves its training system and regularly updates training programs to help employees gain up-to-date knowledge in engineering, geology, upstream operations, environmental protection, and other fields.

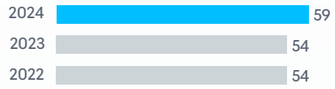
In 2024, 66% of white- and blue-collar employees took part in professional development and individual training programs. These included, among others, in-person in-house training in 16 operational areas at the Corporate Training Center of OOO NOVATEK-Yurkharovneftegas, attended by 265 employees.

To evaluate training effectiveness, the Company collects and analyzes feedback from participants on the courses taken and tests their knowledge through a remote learning platform. For example, in 2024, a total of 1,157 employees were tested through the Corporate Technical Competency Assessment System.

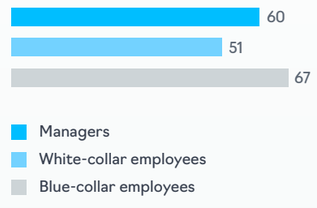
In addition to offering corporate training opportunities, NOVATEK supports employees who choose to pursue higher education by granting them days off or educational leave.

[1] The calculation is based on the average headcount in 2024.

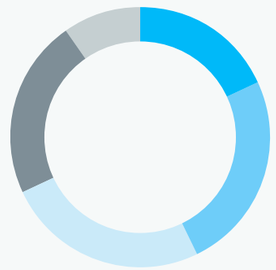
Average training hours, hours



Average training hours by position in 2024, hours



Number of employees who completed training at the Corporate Training Center in the following areas in 2024, people





Educational online platform

The corporate learning platform offers flexible formats and a wide range of courses to support on-the-job competency development. Each employee can track their progress and performance, while supervisors can monitor training outcomes via dashboards.

32 new courses were added to the platform

145 courses are available on the platform



Forum of executives

Since 2012, the Company has hosted an annual forum of executives, which serves as a platform for discussing the Group's development strategy and sharing best practices among managers of PAO NOVATEK and its subsidiaries.

In 2024, the 13th forum was held to mark NOVATEK's 30th anniversary, bringing together **165** executives to discuss topics such as strategic thinking development, innovative approaches to competitive strategy, leadership competencies, and effective teamwork.

Youth development programs

NOVATEK is advancing its continuing education program to attract highly skilled young talent.

As part of a comprehensive approach, the Company collaborates with universities and colleges through various formats to enhance the training of qualified specialists, reducing the need for additional training and onboarding.

For more details, see Section 7.2. Contribution to Regional Development, ↗ p. 180.



Master's program at Gubkin University

Since 2018, NOVATEK has been running the Cryogenic Technology and Equipment for the Gas Industry master's degree program together with Gubkin University. Company experts are involved in coordinating the training program, which takes an interdisciplinary approach by providing training in both management skills and LNG-related technical knowledge.

Students receive additional scholarships from NOVATEK for academic excellence and are offered employment opportunities by the Company upon graduation.

9 master's students completed internships at the Company

7 graduates were employed by the Company

NOVATEK STC Geoschool

Since 2023, Geoschool has been training students from Russia's leading universities in hands-on geology and oil and gas skills. Students of Lomonosov Moscow State University and University of Tyumen take part in the program.

In 2024, students from Lomonosov Moscow State University completed an intensive two-day program, where they gained up-to-date industry knowledge and professional skills, immersed themselves in the Company's corporate culture, and developed a roadmap for building their future careers with the Company.

30 participants have completed the program since 2023



In 2024, 266 students completed internships organized by the Company's corporate resource training center at Tarko-Sale Vocational College, which trains highly sought-after specialists for employment with NOVATEK.

Apart from student-focused programs aimed at fostering future professionals, NOVATEK runs a number of initiatives to support and accelerate the development of its young employees.

The Company's production enterprises have a talent pool program designed to train promising employees for managerial positions. Every year, the program members, together with their managers, prepare individual development plans and undergo a 360-degree assessment[1] against the corporate model of management skills.
In 2024, all 106 talent pool participants successfully passed the assessment.

[1] A method of assessing employee performance through manager and colleague surveys.

Growth opportunities for young talent



Steps in Discovering Talents program

Since 2012 NOVATEK has been running a program to fast-track the onboarding of young specialists while supporting the development of their professional and personal competencies on the job.

Each participant is assigned an experienced mentor who supports their career development and assists in drafting their annual individual development plan. Progress toward the goals set is monitored monthly, with young specialists receiving feedback based on assessments of their performance.

During 2024 52 participants from the 13th stream of the program received feedback from the Company on their performance and achievements.



ProMotion Young Specialist Council

Since 2019 The Young Specialists Council has been helping to integrate young employees into NOVATEK's corporate environment. Council members lead cultural initiatives, build youth networks, promote a healthy lifestyle, and help boost the Company's brand recognition.

In 2024 A rating system was developed to enhance motivation and recognize the individual contributions of Council members actively involved in organizing activities for young employees.



Interregional Research-to-Practice Conference for young specialists

Since 2024 In the reporting year, Moscow hosted the 19th Interregional Research-to-Practice Conference, where NOVATEK's young specialists presented their innovative projects for integration into the Company's business processes.

The conference attracted strong interest from young employees, with 56 projects presented over the two days of the event in five engineering disciplines and one management-related area. Following the project competition, eight winners were selected to travel to China and gain insight into the operations of the country's oil and gas companies.

2024 highlights

- 13 streams
- 129 participants:
  - 39 people joined the program in 2024
  - 52 young specialists completed the first phase of the program
  - 38 graduates from the 12th stream completed the entire program

- >250 young employees took part in a thematic crossword dedicated to NOVATEK's 30th anniversary, expanding their knowledge about the Company
- 116 young specialists from six enterprises took part in the Experts' Cup intellectual game
- >400 employees use the Council's internal social network on the intranet portal to connect, share news, and participate in various events

- 68 participants from 15 enterprises
- 56 projects
- 6 competition disciplines
- 8 winners and 16 runners-up

Program outcomes to date:

- >250 projects implemented
- RR 109 bln – economic impact of implemented projects

Employee Motivation and Social Support

A fair incentive system and remuneration enable NOVATEK to attract and retain highly skilled employees, enhance their personal performance, and achieve the Company's strategic goals. Additionally, the Company runs social programs to improve working conditions and provide comprehensive support to employees.

Motivation and remuneration system

The Company sets a high minimum pay level, which is almost 1.3 times higher than the statutory minimum wage in its regions of operation. In addition, NOVATEK performs salary indexation on a regular basis in line with its collective bargaining agreement. Thus, in 2024, salaries of employees at Russia-based Group companies were indexed by 5%.

In 2024, the average salary across the Group (excluding top management) was RR 275 thousand (+5% year-on-year). In the Yamal-Nenets Autonomous Region, NOVATEK's core operating region, the average pay per employee was RR 267 thousand, 60% above the region's average wage[1].

Spending on employee remuneration, including payroll, amounted to RR 67.3 billion[2] in 2024.

Employee remuneration comprises fixed and variable parts, with the variable component linked to the Company's performance and the employee's individual contribution toward its goals. Compensation and benefits packages offered by the Company also form part of the remuneration.

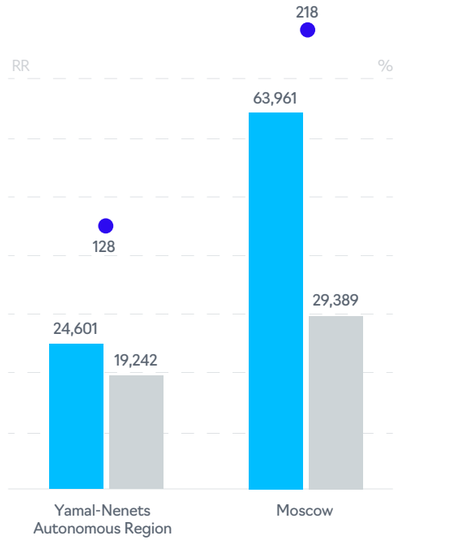
In addition, to incentivize members of the Management Board and other key employees, the Company offers KPI-linked bonuses. The KPI system is based on financial, economic, and industry-specific drivers as well as on progress toward the Company's strategic goals, including sustainability performance. Thus, the list of KPIs for top management comprises a consolidated index reflecting the performance of the HSE Management System, including climate change management.

For more details, see Section 2.1. Sustainability Management System, ↗ p. 30.

To encourage employee initiative, the Company runs the Innovator program, which offers financial rewards and corporate recognition to employees for the best business development ideas.

For more details, see Section 2.6. Innovation, ↗ p. 54.

Ratio of the minimum employee pay in the Company to the minimum wage in its largest regions of operation[1] in 2024



8th Professional Skills Contest

In 2024, NOVATEK held traditional professional skills contests aimed to unlock the creative and professional potential of employees and encourage the sharing of experiences among the best specialists.

At the regional stage, employees compete within their company, and winners are then sent to the interregional stage, which in the reporting year was held at NOVATEK-Purovsky ZPK. Over two days, the contestants completed theoretical and practical tests at operating production facilities. The winners of the competition were awarded pay supplements for the following year. In total, more than 100 specialists from 11 subsidiaries competed in seven categories.





Social policy

To increase employee loyalty, the Company runs a number of comprehensive social programs outlined in the collective bargaining agreement. All social programs are developed in close cooperation with trade unions and employees, reviewed annually to check their relevance and effectiveness, and updated to meet employees' needs.

To obtain financing, programs need to be targeted, effective and socially-oriented.

4.4 ↑20%
RR bln
spending on NOVATEK's social programs in 2024

207 ↑13%
RR thousand
spent on average per employee

Internal social expenses in 2024, %



- 28 Targeted compensation and social support payments
- 24 Repayable financial aid
- 15 Therapeutic resort treatment and rehabilitation
- 13 Voluntary health insurance for employees
- 6 Pension program
- 7 Cultural and sports events
- 4 Support for state guarantees
- 3 Other

1 According to ↗ the Federal State Statistics Service (Rosstat).
2 The Group's spending on employee compensation for the year ended 31 December 2024 was reflected in the cost items Materials, Services, and Other; General and Administrative Expenses; and Exploration Expenses of the Disclosable Consolidated Financial Statements for 2024.

Family and parenting support



Implementing programs to support family and parenting

NOVATEK pays particular attention to support measures that contribute to the family well-being of employees and provides them with financial assistance and compensation under the Targeted Compensation and Social Support Payments program:

- one-off financial assistance provided upon the birth or adoption of a child, or the legal establishment of paternity;
- one-off financial assistance for large families;
- monthly childcare allowance for employees with a child aged 0–3;
- monthly financial assistance for employees with a child not attending preschool institutions;
- quarterly financial assistance for the care of children with disabilities;
- reimbursement of summer camp voucher expenses for employees' children;
- reimbursement of expenses for paid medical services covered by the VHI program for employees' children.



Targeted compensation and social support payments

The program provides targeted, non-repayable financial assistance to employees in specific personal circumstances. In addition to benefits aimed at supporting employees' families, the program provides reimbursement of expenses for employees' fitness and wellness activities, relocation and housing arrangements as well as financial assistance in the event of natural disasters and other difficult circumstances.

Number of employees supported under the program, people



1.2 ↑9%
RR bln
program funding in 2024

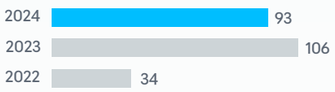


Repayable financial assistance programs

The targeted loan program has two focus areas: targeted short-term loans for education of employees' children and essential living expenses and interest-free special-purpose loans for home purchases.

The program makes a home purchase more affordable by offering employees lower down payments, extended repayment periods, and flexible terms. Special preferential loan conditions are available to young specialists and employees with large families. The program covers employees residing in nine target cities where the Company operates.

Number of families who used the program, units



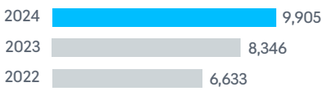
1.069 ↑7%
RR bln
total program funding in 2024, of which RR 1.026 bln was allocated to the housing program



Health resort treatment and rehabilitation

The program provides health resort vouchers for employees and their families. The Company signs contracts with health resorts which are selected based on employees' rating driven by their feedback on the resorts visited by them under the Company's program. From 2024, the health resort voucher limit per person was increased from RR 80 thousand to RR 100 thousand.

Number of employees and their family members who used the program, people



665 ↑45%
RR mln
program funding in 2024



Rehabilitation of children with special needs

The Company supports families of employees with children with special needs by providing their children with the opportunity to undergo a two-week personal rehabilitation course.

Number of children who completed a rehabilitation course, people



23 ↑14%
RR mln
the program funding in 2024



Support for large families raising four or more children

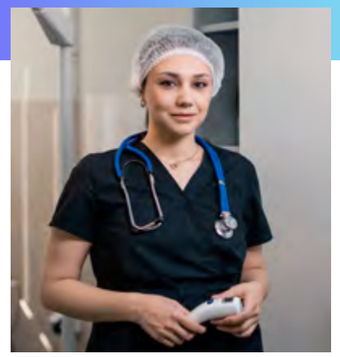
The Company has an additional support program for employees' families raising four or more children.

Program funding, RR mln



NOVATEK's social programs





Voluntary health insurance for employees

The program provides medical care, including dental care, emergency and scheduled hospital treatment, for all employees whose tenure at the Company exceeds six months (except for part-time employees also working for a third-party employer). To prevent occupational diseases, employees of NOVATEK subsidiaries and affiliates located in the Far North undergo in-depth medical examinations once every two years. In 2024, in addition to the VHI program, a regional program was introduced for employees working at the NOVATEK Group.

550 ↑51%
RR mln
program funding in 2024



Pension program

The Company continues to support employees upon their retirement and provides them with additional monthly payments. Monthly social benefits have been indexed by 5% since 2024. Average monthly benefits in Moscow, St. Petersburg, the Far North, and areas of equal status have risen to RR 15,570.

Number of pension program participants, people



243 ↑14%
RR mln
social support funding under the program in 2024



Support for state guarantees

The program provides annual reimbursement of travel expenses and baggage fees during vacations (for employees and their families living in the Far North and areas of similar status).

Number of employees who used the program, people



186 ↑15%
RR mln
program funding in 2024



Corporate awards

For their high professionalism and outstanding contributions to the Company, employees are recognized with government, industry, and corporate awards, as well as distinctions from NOVATEK's subsidiaries.

Number of employees awarded, people



54 ↑31%
RR mln
program funding in 2024



Cultural and sporting events

This program is a long-standing element of the Company's corporate culture that fosters team building The Company organizes large-scale cultural events and exhibition visits and holds corporate competitions, such as annual futsal, volleyball, swimming, freerope,[1] marathon running, and extreme running tournaments as well as sports contests for employees and their families.

304 ↑59%
RR mln
funding in 2024

[1] Freerope is an activity with elements of sports and extreme sports, where participants run an obstacle race using ropes and other elements without touching the ground.

Local communities

2024 highlights

7.5 ↑25%
RR bln
external social expenses

207.3 ↓17%
RR mln
allocated to support indigenous peoples of the Far North

Russia's national development goals
- Preservation of the population, the health and welfare of the people
- Conditions for self-fulfillment and the unlocking of talent; comfortable and safe living environment

Contributing to regional development

Material topics



External documents

- United Nations Global Compact
- Agreements with Russian regions

Corporate documents

- PAO NOVATEK's Charity Policy
- Plan to Promote the Sustainable Development of the Indigenous Peoples of the Far North

Organizational structure



Management Approach

NOVATEK builds trust-based relationships and tailors its social policy to the interests of stakeholders to ensure targeted support and to reduce exposure to social risks.

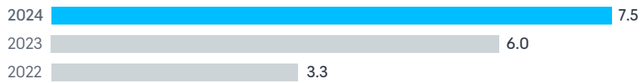


Supporting local communities is an important element of the Company's corporate social responsibility. NOVATEK contributes to improving the quality of life and well-being of local communities through social and economic partnerships, taxes, and job creation.

Regular and active stakeholder engagement through various mechanisms maximizes the focus and impact of our social policy.

At the Board of Directors level, matters related to external social policy are addressed by the Remuneration and Nomination Committee. In particular, the Committee annually reviews the Report on Social and Charitable Activities in the Regions of Operation. The Chairman of the Management Board leads local community engagement, with designated officers handling stakeholder engagement at the business unit level.

External social expenses[1], RR bln



7.5 ↑25%
RR bln
the amount of external social expenses in 2024, including

1.8
RR bln
of infrastructure investments

The increase in social spending was driven by the expansion of the Company's geographical footprint and higher expenditures on projects promoting healthy lifestyles, social protection, and support for children, people with disabilities, and senior people. The bulk of the expenses were related to projects in the Yamal-Nenets Autonomous Region; however, the Company also finances social projects in the Khanty-Mansiysk Autonomous Region, the Tyumen, Chelyabinsk, Leningrad, Murmansk, and Kostroma Regions as well as the Kamchatka Territory.

[1] According to the Disclosable Consolidated Financial Statements for 2024.

Mechanisms of local community relations

To drive sustained positive outcomes, NOVATEK applies a systematic approach to community engagement, based on unwavering respect for human rights. We strive to prevent violation of the rights and interests of local communities, prevent involuntary resettlement, and regularly evaluate the performance of ongoing social projects.

The Company listens to local community need and directs its social investments toward the most urgent social challenges in its regions of operation. To engage with local communities and identify pressing issues, including involuntary resettlement, NOVATEK regularly conducts community monitoring and public hearings, holding direct consultations with local residents, as well as uses a hotline to collect feedback.



Strategic cooperation and engagement agreements with regional governors and non-profit organizations representing the interests of a wide range of stakeholders help enhance the performance of the Company's social projects. For example, in 2024, the Company signed an additional agreement with the government of the Murmansk Region, to help retrofit and equip socially important infrastructure.

In addition, in 2024, the Company and the Government of the Yamal-Nenets Autonomous Region entered into the Agreement on the Improvement and Development of the Integrated Social and Economic Potential of the Yamal-Nenets Autonomous Region for 2025–2029.

Cooperation with Indigenous Peoples of the Far North

As NOVATEK operates near territories inhabited by the indigenous peoples of the Far North, we place particular focus on supporting them through our social initiatives. The Company undertakes initiatives and implements projects to preserve indigenous cultural and spiritual heritage, as well as traditional ways of life, including by providing material support to indigenous peoples of the Far North.

In running its social projects, NOVATEK is guided by global best practices and internal documents aimed at protecting the rights and interests of the indigenous peoples of the Far North. For example, under the Yamal LNG and Arctic LNG 2 projects in the Yamal-Nenets Autonomous Region, the Company developed plans to promote the sustainable development of indigenous peoples, incorporating input from nomadic families, impact assessments on indigenous communities, and measures to improve their quality of life.

The Company strictly observes the principle of seeking free, prior and informed consent when engaging with the indigenous peoples of the Far North. When implementing projects, the Company is required to hold public consultations with local communities and indigenous peoples of the Far North, particularly as part of Environmental and Social Impact Assessments (ESIA).
In 2024:

- three public consultations were held on the Yamal LNG project;
- two public consultations in the format of hearings were held as part of the Arctic LNG 2 project.



Nomadic families engaged in traditional economic activities within the footprint of Yamal LNG and Arctic LNG 2 projects

496
people

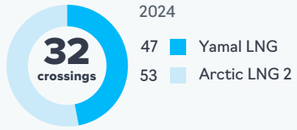
103
number of nomadic families

31
Number of families on permanent pastures

72
Number of nomadic families following migration passages and setting up temporary nomad camps



Number of reindeer crossings as of the end of 2024, %



In 2024, the Yamal LNG Project Stakeholder Grievance and Feedback Procedure was updated to align with the social sustainability and environmental standards of the International Finance Corporation. The updated procedure outlines Yamal LNG's commitments to provide open and transparent communication channels for stakeholders seeking information on the Company's environmental and social performance. In the reporting year, the Arctic LNG 2 Project updated and approved its Regulations on the Grievance Mechanism and appointed employees responsible for collecting, registering, and processing queries from indigenous communities, as well as for preparing related reports.

NOVATEK takes a comprehensive approach to preserve indigenous cultural heritage by implementing a range of initiatives.

In 2024, the Company's financing for the indigenous peoples of the Far North totaled RR 207.3 million, with most of the funding directed toward support for reindeer herding and the traditional ways of life of the indigenous communities. The Company also funds major social programs that benefit all parts of the host communities. NOVATEK actively takes part in implementing social programs to support local populations, working in partnership with non-profit organizations and associations accredited by regional governments.

NOVATEK evaluates the effectiveness of its engagements with indigenous communities and responds promptly to their queries. Throughout the implementation of the Plan to Promote the Sustainable Development of the Indigenous Peoples of the Far North (2021–2025) the Company regularly conducts independent monitoring visits. Based on their findings, NOVATEK not only evaluates the effectiveness of its investments in preserving the indigenous culture, but also identifies areas for further action.

In 2024, two monitoring visits were conducted at Arctic LNG 2 and two at Yamal LNG. The monitoring visits reported no negative responses from indigenous peoples of the Far North concerning project implementation. Moreover, some indigenous peoples see Arctic LNG 2 as a step toward a better future and already feel its positive impact in their daily lives.

Indigenous peoples of the Far North within Yamal LNG's footprint have demonstrated a high level of satisfaction and loyalty, as the Sustainable Development Plans continue to foster new opportunities and enhance their overall quality of life.

Company expenses for supporting indigenous peoples of the Far North in 2024, %





In 2023, NOVATEK and the Federal Agency for Ethnic Affairs signed an engagement and cooperation agreement to facilitate sustainable development of the indigenous peoples of the Far North. In addition, NOVATEK is implementing Plans to Promote the Sustainable Development of the Indigenous Peoples of the Far North.

NOVATEK is committed to open and transparent dialogue, offering local communities – including the indigenous peoples of the Far North – accessible channels to submit any grievances and queries. The Company operates a single ethics and human rights hotline, along with separate hotlines for the Yamal LNG and Arctic LNG 2 projects.

The Company reviews all reports on violations of human rights and the rights and freedoms of local communities in a timely and fair way. NOVATEK also upholds the confidentiality of queries and does not allow any retaliation against those who reach out to us. Where violations are identified, we immediately take action to minimize any potential negative impact of our operations on human rights.

In 2024, the Yamal LNG project hotline received 44 queries, including 32 submitted by indigenous peoples of the Far North. Queries mainly included requests of assistance with transportation and fuel or emergency medical assistance for indigenous peoples of the Far North. A total of 214 queries were received via feedback channels of Arctic LNG 2, including 118 queries from indigenous people. Most queries concerned requests for assistance in supplying firewood, food, and drinking water.

Reasons for queries to the Yamal LNG and Arctic LNG 2 hotlines from indigenous peoples of the Far North in 2024, %



ARCTIC LNG 2

YAMAL LNG

Key focus areas of the Plans to Promote the Sustainable Development of the Indigenous Peoples of the Far North as part of the Yamal LNG and Arctic LNG 2 Projects in 2024



Traditional Natural Resource Management
Supplying nomadic families with snowmobiles, veterinary medicines, and other essential items



Healthcare
Improving access to quality healthcare, including emergency medical assistance for nomadic communities



Cultural Heritage
- Financing the Russian Association of Indigenous Peoples of the North of Siberia and Far East of the Russian Federation
- Holding a festival at the Salmanovskoye (Utrenneye) oil and gas condensate field to showcase traditional Nenets culture



Affordable Energy
Purchase of two diesel power plants for the Yuribey trading post



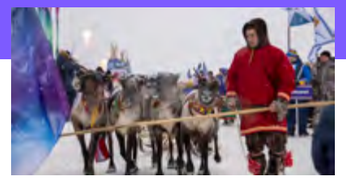
Education
Building dormitories for the boarding school in the village of Gyda



Infrastructure and Mobility
Ensuring access to air transportation for indigenous communities



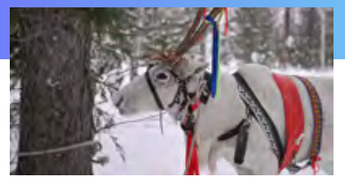
Family
Supplying nomadic families with food and essential items



Preserving and Promoting Indigenous Cultural Heritage
Holding cultural events to celebrate traditional indigenous heritage:
- 63rd Reindeer Herders and Hunters Gathering;
- Reindeer Herder's Day in Seyakha;
- International Day of the World's Indigenous Peoples



Supporting Vulnerable Groups among Indigenous Communities
- Providing material support to indigenous peoples of the Far North, supplying supplementary feeding for animals and preventing large-scale reindeer mortality, as well as delivering humanitarian aid and medical assistance
- Supporting nomadic families living within the South-Tambeyskiy license area: providing humanitarian aid to those in need



Developing Non-Governmental Organizations Representing the Interests of Indigenous Communities
- Financing improvements to the Limbya Nomad Camp ethnic park
- Financing statutory activities of the Yamal District Grassroots Movement of the Indigenous Peoples of the Far North



Enhancing the mobility of nomadic communities
Providing air transport for nomadic residents and delivering food to remote areas



Supporting Indigenous Children and Youth
Financing initiatives to support children in the Yamalsky District (including New Year celebrations and gifts)



Supporting the Elderly; Developing Civil Institutions Representing Interests of Local Retired Workers
Financing of the Retired Worker of Yamal public organization



Advancing Education Quality for Indigenous Communities
- Providing targeted training of indigenous peoples of the Far North talent for employment at energy companies and for positions in the Yamalsky District municipality
- Supporting young talents from indigenous peoples of the Far North of the Yamalsky District
- Providing material and technical assistance to the Seyakha boarding school and supporting student participation in educational events held beyond the school grounds
- Supporting student work crews (environmental cleanup of the Seyakha River bank)



Contribution to Regional Development

NOVATEK's infrastructure projects and philanthropy efforts contribute to improving the quality of life for local communities. The Company makes social investments and carries out initiatives in education, healthcare, sports, and culture, including support for the cultural traditions of indigenous peoples.

Infrastructure projects

In 2024, investments in infrastructure projects in our operating regions totaled RR 1.8 billion, down 25% year-on-year due to the postponement of some projects by regional authorities. The Company continued to participate in and finance the design, construction, and retrofit of social infrastructure facilities. Projects of this type were implemented in the Yamal-Nenets and Khanty-Mansiysk Autonomous Regions, the Tyumen, Chelyabinsk, Leningrad, Murmansk, Samara, and Kostroma Regions as well as the Kamchatka Territory.

Company investments in infrastructure projects in 2024, %



83 Area improvements and comprehensive development of cities and communities

16 Major repair of preschools and other educational institutions

1 Projects to enhance the tourist appeal of Russia

Creating a comfortable environment for residents of the Far North

The Company develops infrastructure across its footprint, creating a comfortable living environment for the local population. In 2024, NOVATEK:

- continued funding a project to build dormitories for a total of 600 beds for the boarding school in the village of Gyda (Tazovsky District, Yamal-Nenets Autonomous Region);
- financed design and engineering work for a project to build a vocational training center in Tarko-Sale;
- financed the renovation and refurbishment of Murmansk Industrial College and the Rovesnik Murmansk Children Care Center for Social Orphans;
- provided funds for a project to build and equip a number of sports facilities as part of the Company's cooperation with the St. Petersburg-based State Marine Technical University.

Community support projects

Education

For many years, NOVATEK has been developing a continuing education program – from school to university – to ensure a steady inflow of young talent with good theoretical knowledge and practical skills to the Company.

As part of its career guidance efforts, NOVATEK conducts shop-floor tours for school students to its production facilities. This way, future professionals can learn about the profession, technologies used, working conditions at production facilities, and the future of the industry. In 2024, 150 school students – finalists of the Big Break competition from 32 regions of Russia – and 39 activists from Yamal visited Yamal LNG.

NOVATEK's investments in educational projects and learning opportunities enable school and university students to receive a high-quality, future-oriented education while its internship programs help attract talent to work for the Company.

School students	University students	Employed by NOVATEK

Programs

The Grants

The program encourages and rewards talented students and teachers

- 86 grants awarded to students
- 13 grants awarded to teachers

The NOVATEK-University

The program supports students in relevant fields of study by providing scholarships, paid internships, and opportunities for employment with the Company

- 70 students completed internships
- 23 were subsequently employed

The Gifted Children

The program offers school students in-depth courses in physics, math, and engineering

- 131 participants

The Cryogenic Technology and Equipment for the Gas Industry

The Cryogenic Technology and Equipment for the Gas Industry master's degree program, developed jointly with Gubkin University, prepares specialists with both technical expertise and management skills for careers in LNG

- 9 master's students completed internships at the Company
- 7 graduates were employed by the Company

Education

NOVATEK-University program





- Novokuybyshevsk (Samara Region)
- Tarko-Sale (Purovsky District, Yamal-Nenets Autonomous Region)
- Tyumen (Tyumen Region)
- Salekhard (Yamal-Nenets Autonomous Region)
- Murmansk (Murmansk Region)

₽ RR 17.7 mln

2024 highlights:
- 128 program students studying at 38 Russian universities;
- 70 program students interned at Company enterprises, and 23 program graduates were hired by Company enterprises in 2024.

The NOVATEK-University program helps the Company build a talent pipeline to meet its workforce needs. The program provides high-quality training to university students in key areas of expertise for the Company's operation and offers opportunities for meaningful career growth.

Gifted Children program





- Samara Region
- Murmansk Region
- Yamal-Nenets Autonomous Region
- Tyumen

₽ RR 16 mln

2024 highlights:
- a total of 131 students are enrolled in the program;
- 58 school students were offered an opportunity to prepare for the Unified State Examination at the Shkolkovo online school and 24 students at the online school of St. Petersburg Polytechnic University;
- three trips were organized: to a physics and mathematics school in Tyumen, the GEOSMENA Young Russian Geologists summer camp, and the NOVATEK Is a Family festival.

The Gifted Children program is aimed at supporting and promoting engineering subjects among school students. Participants attend dedicated physics and mathematics classes to follow an enhanced program, take part in various events, and visit the Company's production facilities, which provide them with detailed insights into engineering professions and expand their understanding of the industry.

Grants program for school students and teachers





- Purovsky District, Yamal-Nenets Autonomous Region (from 2004 for school students and from 2008 for teachers)
- Murmansk (from 2024)

₽ RR 1.6 mln

2024 highlights:
- the Company's spending on the program increased by 74% in 2024 due to the launch of the program in Murmansk and the indexation of payments;
- 86 grants were awarded to school students and 13 grants to teachers.

The Grants program is aimed at expanding educational opportunities for school students and teachers. The program encourages students in grades 5–11 to take their studies seriously and raises the profile of teaching as a profession.

Growth strategy: continuous support for talented students and teachers

Over the 20 years since the program launch in the Purovsky District of the Yamal-Nenets Autonomous Region, a total of 1,950 grants have been awarded to school students as well as 127 grants to teachers since 2008.

Launch of a school for digital technologies in oil and gas geology

In 2024, the Industrial University of Tyumen and NOVATEK STC partnered to launch the first open school in Russia focused on digital technologies in oil and gas geology for school students in grades 7–11. The training program began with an online module, followed by an in-person second module held in Tyumen for students who completed the first module. School students visited industrial enterprises, took part in dedicated seminars, studied software applied by geologists and engineers, worked on a themed case study, and used the knowledge gained to prepare and present their own projects.

The school's 2024 highlights:
- the first module was taken by school students from 14 regions of Russia, including the Tyumen Region, Khanty-Mansiysk Autonomous Region, and the Yamal-Nenets Autonomous Region, with a total of 25 participants advancing to the finals.

Growth strategy: new opportunities for vocational education

For 20 years, NOVATEK has been implementing its continuous education program for school and university students to help recruit highly qualified and educated young talents from across its regions of operation. As part of these efforts, a Natural Science Center and a Corporate Resource Training Center have been set up in the Purovsky District of the Yamal-Nenets Autonomous Region.

The Natural Science Center was established in 2017 to foster school students' interest in technical and natural sciences through hands-on activities and academic olympiads. In 2024, the Center had 701 students.

In 2019, the Corporate Resource Training Center was established to train Company specialists. Its mission is to develop a new model for training and retraining employees in conditions simulating real-life production. To date, the Center has seen 217 highly sought-after specialists educated, all of whom have the opportunity to go on and join NOVATEK's workforce.

For more details on employee training, see Section 6.3. Employee Training and Development, p. 162.

₽ Investment
Host regions/ cities

Sports

NOVATEK is strongly focused on promoting sports across its footprint, placing a particular emphasis on children's and youth sports. Company employees also regularly participate in sporting events.

Youth soccer





Chelyabinsk Region
Kostroma Region

RR 46 mln

2024 highlights:
- five indoor football grounds were built for winning teams' schools in the Chelyabinsk and Kostroma Regions;
- school teams attended a master class with ambassadors of the Russian Football Union.

As part of the Step to Bigger Football project, school teams take part in annual tournaments where more than 8.5 thousand boys and girls gather.

Growth strategy: development of youth soccer

All in all, since 2013, 57 soccer grounds have been built for championship-winning schools under the Step to Bigger Football project, including 42 in the Chelyabinsk Region, 15 in the Kostroma Region.

Student basketball and youth volleyball





Moscow
Ivanovo
Yaroslavl
Tula Region
Kostroma Region

RR 20 mln to support basketball
RR 8 mln to support volleyball

2024 highlights:
- more than 800 teams and over 10 thousand athletes from 70 regions of Russia participated in the competitions;
- the Student Basketball Association interregional streetball championship was held.

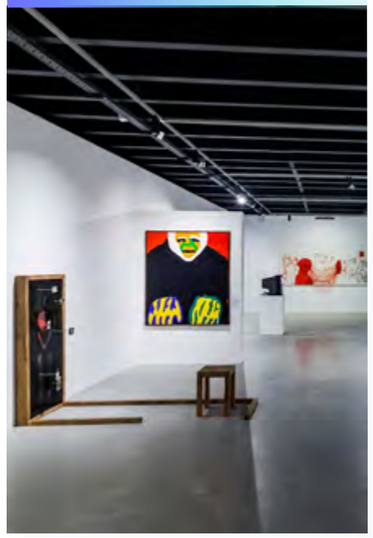
Through a partnership with the Student Basketball Association, NOVATEK provides annual support for basketball competitions among student teams from leading Russian universities.

Investment
Host regions/ cities

Culture and education

NOVATEK engages in initiatives to support culture and education.

Supporting exhibitions and educational activities



Moscow
Saratov
Paris (at the Embassy of the Russian Federation in France)

>RR 233 mln – events in Russia

2024 highlights:
- exhibitions set up by NOVATEK: at the Moscow Museum of Modern Art and at the Russian Orthodox Spiritual and Cultural Center at the Russian Embassy in France;
- the Company organized a performance of a chamber ensemble in Tarko-Sale and financed a symphony orchestra concert in the UAE, a concert to celebrate NOVATEK's 30th anniversary, and a concert in Kostroma to mark the 80th anniversary of the Kostroma Region;
- NOVATEK-sponsored performances in the Theater of Nations, the Moscow Musical Theater, and the Moscow Academic Satire Theater;
- NOVATEK-sponsored publication of the Bogolyubov and His Radishchev Art Museum art album.

Restoration of memorials

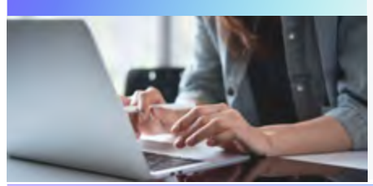


Chelyabinsk Region

RR 1.4 mln

2024 highlights:
- 79 Great Patriotic War memorials were restored or repaired;
- NOVATEK provided free gas supply to gas grid-connected Eternal Flame memorials in the Chelyabinsk Region as part of the Flame of the Victory project.

Digital Art Center



Murmansk, Murmansk Region

In 2024, NOVATEK signed an agreement with the Government of the Murmansk Region to set up Russia's first Muse Digital Art Center, offering young people living in the Arctic region additional education in IT and creative industries.

Support for children

PAO NOVATEK's charity policy aims to provide individualized help to children in desperate need in its regions of operation. In particular, the Company offers assistance in the treatment and rehabilitation of children with serious illnesses and disabilities. Additionally, the Company helps orphanages, special needs kindergartens, and government-sponsored healthcare facilities for children.

Individualized charitable assistance to children



- Murmansk Region
- Chelyabinsk Region
- Tyumen Region
- Moscow Region
- Leningrad Region
- Kostroma Region
- Kamchatka Territory
- Perm Territory
- Yamal-Nenets Autonomous Region
- Republic of Bashkortostan
- Republic of Udmurtia
- Republic of Karelia

RR 74.6 mln – the assistance to people in Desperate Need program

2024 highlights:

- 414 children and 44 adults received assistance through the Assistance to People in Desperate Need program;
- 90 parents applied to the Company for assistance to take rehabilitation courses and obtain rehabilitation equipment. As a result:
  - 49 children received assistance, including 40 who participated in rehabilitation programs in specialized centers, with paid accommodation and travel;
  - 18 rehabilitation equipment items were purchased (wheelchairs, standing frames, and other);
  - 52 children will undergo rehabilitation treatment in 2025.

Support for orphanages and kindergartens for children with special needs



- Yamal-Nenets Autonomous Region
- Moscow Region
- Chelyabinsk Region

RR 1.7 mln

2024 highlights:

- the Company purchased seasonal clothing and shoes for 150 children from three orphanages in Kolomna and also financed sightseeing trips for the children to the Etnomir park museum in the Kaluga Region and trips to museums in Moscow;
- 130 blind and visually impaired children from kindergartens received specially designed books.

NOVATEK provides help to purchase food, clothes, and books and to facilitate repairs.

Investment
Host regions/ cities

Healthcare

One of NOVATEK's charitable focus areas is support for healthcare across its footprint. While prioritizing children, over the 30 years of philanthropy, we have improved the quality of medical care for people across all age brackets.

Targeted Therapy project



- Entire territory of Russia

RR 5 mln

2024 highlights:

- 74 children underwent molecular diagnostic tests.

Run together with the Dmitry Rogachev National Medical Research Center of Pediatric Hematology, Oncology, and Immunology, the Targeted Therapy project focuses on individualized assistance to children with central nervous system tumors.

Movement project



- Perm Territory
- Kamchatka Territory
- Tyumen Region

RR 25.1 mln

2024 highlights:

- the bulk of the expenditures was spent to provide 30 adults with artificial limbs;
- assistance was provided to three children: two received prosthetic hands and one had a paid endoprosthesis surgery.

Neurokids project



- Moscow Region
- Kostroma Region
- Kamchatka Territory
- Yamal-Nenets Autonomous Region

RR 5.4 mln

2024 highlights:

Under the project, the Company paid for children's neurosurgery operations at Yu.E. Veltischev Research and Clinical Institute for Pediatrics and Pediatric Surgery: five children with cerebral palsy had spinal operations, and two children with cerebral palsy had baclofen pump implantation.

Healthcare

Atmosphere and High-Tech Equipment projects





Kostroma Region
Chelyabinsk Region
Tyumen Region
Kamchatka Territory

RR 17.9 mln – the Atmosphere project
RR 10.9 mln – the High-Tech Equipment project

2024 highlights:
- rehabilitation equipment was purchased for the Kamchatka Regional Children's Hospital;
- the Kostroma Regional Children's Hospital was renovated and received new rehabilitation equipment and a ventilator, and a boarding school for blind and visually impaired children was renovated;
- rehabilitation equipment was purchased for the Magnitogorsk Maternal Health and Childhood Protection Center, with office furniture purchased and a mini-laundry equipped for the Solnyshko children's health resort in the Chelyabinsk Region;
- rehabilitation equipment for sensory integration therapy and standing frames were purchased for the Nadezhda Children's Healthcare and Rehabilitation Center in the Tyumen Region.

Since 2023, the Company has been providing aid to children's healthcare institutions to help them purchase rehabilitation equipment and renovate rehabilitation facilities as part of the Atmosphere project. The Company also runs the High-Tech Equipment project to assist children's hospitals in acquiring high-tech equipment.

Health Academy project



Murmansk Region
Kostroma Region
Tyumen Region
Chelyabinsk Region
Yamal-Nenets Autonomous Region

RR 2.5 mln

2024 highlights:
- 12 doctors from regional partner clinics completed offsite training courses.

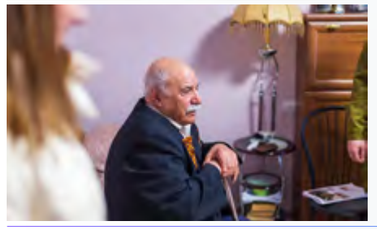
Other support projects

NOVATEK provides individualized charity support to people in need across its footprint.

In 2024, a charity auction of 372 artworks, donated by Company employees, was held. Anyone wishing to help children could also transfer money to a dedicated account. In the reporting year, the auction raised RR 10,903,535 that was allocated to help seven children with special needs.

NOVATEK-Veteran program





Yamal-Nenets Autonomous Region

RR 39.9 mln

2024 highlights:
- regular material support for retirees;
- milestone birthday celebrations for 137 retirees;
- visits to cultural events and a series of leisure classes in fine arts and clay modeling were arranged for retirees.

We leverage our NOVATEK-Veteran social protection foundation founded in 2005 to provide assistance to former employees of the oil and gas sector with a significant employment history in the Russian Far North. This corporate foundation is the only non-governmental organization in the Purovsky District of the Yamal-Nenets Autonomous Region offering assistance to retirees who previously worked in the Russian oil and gas industry.

Investment
Host regions/ cities

Corporate Volunteering

NOVATEK actively engages its employees in volunteer initiatives.

more than 1.4 thousand employees
participated in clean-up events

Our volunteer activities include assistance to children left without parental care and children suffering from various diseases, children in the care of boarding schools and rehabilitation centers, as well as elderly people and retired long-service employees. In the reporting year, NOVATEK allocated RR 0.7 million for employee volunteer projects.

Philanthropy efforts




Clean-ups

NOVATEK-Chelyabinsk employees visited the Taganay National Park, which lies in the northern part of the Southern Urals mountain ranges, and cleaned up the entrance area, shelters, and gazebos.

The volunteers cleaned up hiking trails on ten of the most famous peaks in the South Urals, planted trees as part of the Memory Garden project, helped the Save Me shelter for wild animals, and raised funds for children from low-income families.




Box of Courage

NOVATEK STC employees took part in the Box of Courage, a Russia-wide project to support seriously ill children. Under the project, patients receive toys to help relieve them during painful procedures.

In 2024, STC employee volunteers purchased more than 100 gifts to fill the Boxes of Courage and donated them to Nizhny Novgorod Regional Clinical Hospital No. 2.




Book fair

NOVATEK-Chelyabinsk employees arranged a visit to the RyzhyFest book fair of the South Urals for sponsored children from Boarding School No. 13.

The children came to the V. Mayakovsky Children's Library, one of the festival sites, to learn about recent children's literature offerings, take part in a quiz about Pushkin's fairy tales, and attend a presentation of Tommy the Penguin Goes Home, a book about Antarctica.



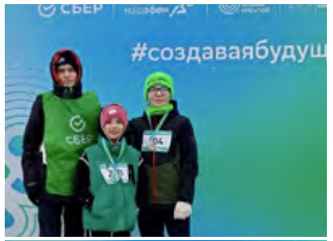

Clean-up day

NOVATEK organized a clean-up day at the Company's headquarters at Udaltsovsky Ponds in Moscow. During the event, 130 Company employees cleared away waste, dry grass, and leaves on the adjacent territory.




Tree of Wonders New Year event

Company employees have been taking part in the Tree of Wonders New Year campaign since 2018. In 2024, they sent warm wishes to the children in the care of a Noginsk boarding school in the Moscow Region and presented New Year's gifts to 280 children.





Green Marathon

NOVATEK-Yurkharovneftegaz employees took part in the Green Marathon, a large-scale charitable sports festival. The event is traditionally held on Children's Day all across Russia to raise awareness about the difficulties of inclusive education for children with special needs.

Other Information

About the Report

The information contained in the Report includes information on PAO NOVATEK and its consolidated subsidiaries and joint ventures (affiliates) (in the Report – "we", "NOVATEK", the "Company", or the "Group of Companies").

Reporting period: 1 January – 31 December 2024, unless otherwise specified in the Report.

Report boundaries

The Report covers PAO NOVATEK and subsidiaries and joint ventures of PAO NOVATEK in Russia and abroad. All material indicators are disclosed for the Group companies, based on a 100% share in joint ventures (Perimeter 1) or in proportion to the Group's ownership interest in joint ventures (Perimeter 2). Key financial indicators are disclosed within the boundaries of the Disclosable Consolidated Financial Statements (Perimeter 3).

Due to the continued relevance of the public disclosure risks, NOVATEK does not disclose the full list of companies within the Report boundaries in order to maintain shareholder value, which is largely consistent with current Russian market practices.

Reporting principles

The Report complies with the key principles for defining the Report content and quality.

Principle	Description
Accuracy	For quantitative data, the methods of data collection and calculation, permissible tolerances, and all assumptions are specified
Balance	The Company's results are disclosed in a balanced manner, undesirable results are not concealed, and deliberate presentation of information in such a way that it could be interpreted incorrectly is avoided
Clarity	Graphs, tables, and other methods of visualization are used to present information in the most accessible way Active navigation is featured for easy browsing Versions in the Russian and English languages are available
Comparability	Quantitative information is disclosed for three years with an explanation of the most significant trends Comparable data are presented in multiples
Completeness	The information is presented in an amount and form sufficient to develop an objective opinion on the Company's impact in both the short and the long term Information necessary for a reliable assessment is not intentionally omitted or excluded
Sustainability context	Information is disclosed based on major international instruments for measuring progress in sustainable development, in particular the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, etc.
Timeliness	Publication in the II quarter of 2025, which allowed for timely disclosure with sufficient time to evaluate the results of the reporting period
Assurance	All information presented undergoes internal verification and is approved by the Company's senior management In addition, selected quantitative and qualitative information in the Report was verified by an independent auditor For more details, see Appendix 7. Independent Auditor's Limited Assurance Report, p. 238

Other reports and publications of the Company

Company documents	Link
The Company's Articles of Association and internal documents	https://www.novatek.ru/en/about/management/doc/
PAO NOVATEK's HSE standards	https://www.novatek.ru/en/esg/opsustainability/ims/
Documents regulating the key aspects of sustainable development of the Yamal LNG project	http://yamallng.ru/en/progress/disclosure-of-information/
Documents regulating the key aspects of sustainable development of the Arctic LNG 2 project	https://arcticspg.ru/ustoychivoe-razvitie/raskrytie-informatsii/

Company reports	Link
Annual reports	https://www.novatek.ru/en/investors/reviews/
Sustainability reports	https://www.novatek.ru/en/esg/ratings/archive/
ESG Data Book	https://www.novatek.ru/en/esg/ratings/dataesg/
Consolidated financial statement disclosures	https://www.novatek.ru/en/investors/results/

Forward-looking statements

This Report includes forward-looking information.

Forward-looking statements include statements concerning our plans, expectations, goals, strategies, future events, our strengths and weaknesses compared to competitors, plans and goals related to projected production levels, reserves, financial condition, operations, and future development, our business strategy and anticipated industry trends, the political and legal conditions in which we operate as well as other statements, which are other than statements of historical facts. Words such as "believe", "assume", "anticipate", "target", "potential", "expect", "may", "will", "plan", "aim", "seek", and similar expressions indicate forward-looking statements, although they are not the only means of identifying such statements.

Forward-looking statements contained in this Report are based largely on our expectations, reflecting the estimates and assumptions made by our management. These estimates and assumptions reflect our judgment based on currently known market conditions and other factors, some of which are discussed below. Although we believe that these estimates and assumptions are reasonable, they inherently involve uncertainties, contingencies, and risks which are beyond our control. Moreover, management's assumptions about future events may prove to be incorrect. We caution all readers that the forward-looking statements contained in this Report are not guarantees of our future performance and we cannot guarantee that such statements will be realized or that projected events or circumstances will occur. Forecasts inherently involve risks and uncertainties, both general and specific, many of which are beyond our control, as well as the possibility that predictions, assumptions, and other forecasts will not come true. Such risks, uncertainties, and other factors include, inter alia, those listed in Appendix 1. Key Sustainability Risks and Opportunities and those listed in other sections of this Report. It should be understood that a number of important factors may cause actual results to differ materially from the plans, targets, expectations, estimates (including production plans), and intentions discussed in such forward-looking statements.

When relying on forward-looking statements, one should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social, and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events, or otherwise. We do not make any representation, warranty, or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. These cautions apply to all forward-looking statements attributable to us or to persons acting on our behalf. The information and opinions contained in this document are provided as at the date of this Report and are subject to change without notice.

Glossary

Terms and abbreviations	
AARI	Arctic and Antarctic Research Institute
ACRA	Analytical Credit Rating Agency
AGM	Annual General Meeting of Shareholders
AO	joint stock company
APG	associated petroleum gas
Bank of Russia	Central Bank of the Russian Federation
BAT	best available technology
BRICS	an acronym formed from the first letters of the English names of the five key member countries: Brazil, Russia, India, China, and South Africa
CPE	core process equipment
EMERCOM	Ministry of the Russian Federation for Civil Defence, Emergencies, and Elimination of Consequences of Natural Disasters
ESIA	Environmental and Social Impact Assessment
FBC	free bilateral contract for energy purchase/sale
FOCL	fiber-optic communication line
FPIC	free, prior, and informed consent
FZ	federal law
GHG	greenhouse gas
GOST	intergovernmental standard
Gubkin University	National University of Oil and Gas
HSE	health, safety, and environment
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMS	Integrated HSE Management System
INTI	Institute of Oil and Gas Technology Initiatives
IPCC	Intergovernmental Panel on Climate Change
IT	information technology
IUCN	International Union for Conservation of Nature
KPI	key performance indicator
Laboratory and Research Center	Laboratory and Research Center at NOVATEK's Scientific and Technical Center
LNG	liquefied natural gas
LNG retail station	a fueling station that supplies vehicles with cooled liquefied (LNG) or compressed natural gas (CNG) as motor fuel
MED	Ministry of Economic Development of the Russian Federation

Terms and abbreviations	
MSW	municipal solid waste
NGLs	natural gas liquids
NSR	Northern Sea Route
OAO	open joint stock company
OECD	Organization for Economic Co-operation and Development
OHS	occupational health and safety
OOO	limited liability company
PABGI	Polar Alpine Botanical Garden and Institute
PAO	public joint stock company
PPE	personal protective equipment
PS	performance standard
PSE	Process Safety Event
R&D	research and development
RCP	Representative Concentration Pathway
RES	renewable energy sources
RF NDGs	Russian Federation's national development goals through 2030 and for the future until 2036
RMICS	risk management and internal control system
Rosstat	Russian Federal State Statistics Service
Rostechnadzor	Federal Environmental, Industrial, and Nuclear Supervision Service of Russia
RSPP	the Russian Union of Industrialists and Entrepreneurs
SMEs	small and medium-sized enterprises
STC	Scientific and Technical Center
UAE	United Arab Emirates
UN	United Nations
UN SDGs	Sustainable Development Goals developed in 2015 by the United Nations General Assembly as a plan to achieve a better and more sustainable future for all
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
VHI	voluntary health insurance
VOCs	volatile organic compounds

Terms and abbreviations

API	American Petroleum Institute
BAP	Biodiversity Action Plan
BEPS (base erosion and profit shifting)	OECD's Action Plan on Base Erosion and Profit Shifting
BMEP	Biodiversity Monitoring and Evaluation Program
BMP	Biodiversity Management Plan
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CH_4	methane
CICES	Common International Classification of Ecosystem Services
CO_2	carbon (IV) oxide or carbon dioxide
COP	Conference of the Parties to the UN Framework Convention on Climate Change
COSO	Committee of Sponsoring Organizations of the Treadway Commission
ENVID	Environmental Impact Identification
ERP (enterprise resource planning) system	an automated enterprise resource planning system designed to monitor the entire production cycle
ESG	environmental, social, and governance: a concept, according to which a company's sustainable development is measured by environmental, social, and corporate governance factors
FR	fatality rate
GHG Protocol	Greenhouse Gas Protocol; comprehensive standardized industry frameworks and other tools to measure and manage greenhouse gas emissions
GIIGNL	International Group of Liquefied Natural Gas Importers
GRI	Global Reporting Initiative
HAZID	Hazard Identification
HCA	high consequence area: area where pipeline releases could have significant consequences for people or the environment
IEA	International Energy Agency
IEC	International Electrotechnical Commission
IIA	Institute of Internal Auditors
IOSCO	International Organization of Securities Commissions
Ipieca	International Petroleum Industry Environmental Conservation Association until 2002, the global oil and gas association for advancing environmental and social performance across the energy transition
ISO	International Organization for Standardization
ISS	US advisory firm Institutional Shareholder Services, a reputable source of ESG data for corporate investors
ISSB	International Sustainability Standards Board

Terms and abbreviations

LEAP (Locate, Evaluate, Assess, Prepare)	an approach that allows to manage risks and identify new opportunities related to biodiversity through the analysis of the state and assessment of the impact on biodiversity in the localities of production
LTIFR	lost time injury frequency rate
MGP	Methane Guiding Principles
NFPA	National Fire Protection Association
NMFR	near-miss frequency rate
OGCI	Oil and Gas Climate Initiative
PDCA (Plan, Do, Check, Act)	a decision-making method used in quality management that involves planning, doing, checking, and acting
RBI	risk-based inspection
SASB	Sustainability Accounting Standards Board
SEC	U.S. Securities and Exchange Commission
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TRIR	total recordable incident rate
WEF	World Economic Forum
WRI	World Resources Institute

Units

bln	billion	**mmtpa**	million tons per year
bcm	billion cubic meters	**MJ**	megajoule
boe	barrel of oil equivalent	**mln**	million
Gcal	gigacalorie	**no.**	numbers
CO_2 eq.	carbon (IV) oxide equivalent	**pcs.**	pieces
GJ	gigajoule	**p.p.**	percentage points
h	hour	**RR**	Russian ruble
ha	hectare	**th.**	thousand
kg	kilogram	**TJ**	terajoule
km	kilometer	**toe**	ton of oil equivalent
kWh	kilowatt-hour	**ton**	metric ton
m	meter	**USD**	US dollar
mboe	thousand boe		

Contacts

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Website

www.novatek.ru (RU)
www.novatek.ru/en/ (ENG)

PAO NOVATEK's contacts

Name	Contacts	Matters	Stakeholders
Inverstor Relations, Sustainable Development	**Alexander Nazarov,** Head of IR **Kristina Popilyuk,** Head of Sustainable Development Tel.: +7 (495) 730-60-13 E-mail: ir@novatek.ru	The Company's equity story and sustainable development	A wide range of capital market players, ESG rating agencies, and other stakeholders
Press Service	Tel.: +7 (495) 721-22-07 E-mail: press@novatek.ru	A wide range of matters	Media
Help Desk	Tel.: +7 (495) 730-60-00 E-mail: novatek@novatek.ru	General matters	A wide range of persons
Ethics and Human Rights Hotline (24/7)	Tel.: +7 (495) 488-60-25 E-mail: ethics@novatek.ru	The Human Rights Policy, the Code of Business Conduct and Ethics, and other Company documents related to ethics and human rights	Employees, external stakeholders including suppliers, contractors, and local communities representatives
Security Hotline (24/7)	Tel.: +7 (495) 232-39-59 E-mail: security_hotline@novatek.ru	The Anti-Corruption Policy and other Company documents related to security	A wide range of persons
Customer Account Service	https://www.novatek.ru/en/about/operational-activities/marketing/	Contracting, delivery procedures, and other information for customers	Customers

Queries to Yamal LNG

Engagement with local communities, representatives of indigenous people of the Far North, suppliers, contractors, and other stakeholders on human rights, fraud and corruption, business ethics, environmental protection, occupational health and safety
Telephones: +7 (495) 775-04-80, +7 (495) 228-98-50
E-mail: yamalspg@yamalspg.ru

Security Hotline
Tel.: +7 (499) 941-14-45
E-mail: hotline@yamalspg.ru

HSE
E-mail: vopros@yamalspg.ru

Community liaison offices in Salekhard, Yar-Sale, Seyakha, and Sabetta

Queries to Arctic LNG 2

Engagement with local communities, representatives of indigenous people of the Far North, suppliers, contractors, and other stakeholders on human rights, fraud and corruption, business ethics, environmental protection, occupational health and safety
Help Desk: +7 (495) 720-50-53

HSE
Tel.: +7 (495) 488-62-99
E-mail: vopros@arcticspg.ru

Security Hotline
Tel.: +7 (495) 720-50-53, ext. 14-044
E-mail: hotline@arcticspg.ru

Business Ethics
E-mail: ethics@arcticspg.ru

APPROVED by a resolution of the Board of Directors of PAO NOVATEK on 30 April 2025, Minutes No. 277

Appendix

Appendix 1. Key Sustainability Risks and Opportunities

For a more detailed table of production and operational risks, see PAO NOVATEK's Annual Report 2024.

The table below contains the Company's key sustainability risks. For each risk, the degree of risk criticality[1], risk factors[2], and assessment of its impact on the achievement of the Company's strategic goals[3] as well as the main risk management efforts are given. For more details on efforts in the reporting year, see the relevant sections of the Report.

NOVATEK's strategic goals

- Expanding the resource base
- Increasing hydrocarbon production
- Maintaining a low-cost structure
- Streamlining marketing channels
- Developing sustainably
- Building competitive and scalable LNG facilities

Risks factors		Criticality of risk
IN	Internal	High
EX	External	Medium
IN + EX	Combination	Low

NOVATEK's key sustainability risks

Risk / Criticality / Effect on objectives	Risk status / Main risk management efforts
Operational risks	
1. Process risks Medium · IN Emergencies, fires, and explosions at industrial sites and sea vessels: • property damage and losses due to business interruption (including catastrophic and tail-end risks); and • damage to life and health, including of third parties	In July 2024, an accident occurred during pre-work at a well of NOVATEK-Tarkosaleneftegas, resulting in two fatalities. The accident did not result in any environmental or operational impact. 1. Providing personnel training and running knowledge checks in occupational health and safety requirements. 2. Monitoring the process conditions in which equipment operates, eliminating risks in the PDCA cycle. 3. Developing and implementing emergency response plans, oil and petroleum product spill response plans, business continuity plans, etc. 4. Insurance against process risks.
2. Climate risks Low · EX • Risks associated with operating in permafrost areas and in the Far North • Climate-related physical and transitional risks	In 2024, no natural disasters or significant changes in environmental conditions as a result of climate change were recorded in the regions where the Company operates. 1. Implementing action plans aimed at achieving 2030 environmental and climate goals as approved by the Board of Directors. 2. Monitoring the weather, permafrost, and cryogenic processes in the regions where the Company operates, in real time. 3. Incorporating climate change research and forecasts into the design of permanent buildings and structures. 4. Developing and implementing proprietary solutions to capture and inject CO_2 into underground storage, produce low-carbon energy, and use renewables. For more details on climate risk management, see Section 3.2. Management Approach, p. 72.
3. Environmental risks Medium · IN • Environmental impact from accidents and oil and petroleum product spills • Impact on water resources and biodiversity components, including: – shortage of water resources; and – violation of the rights of local communities to free access to water and biological resources	In its activities, the Company adheres to the principle of full compliance with industrial safety and workplace safety rules. No emergencies resulting in environmental impact, including as a result of oil / petroleum product spills, were recorded in 2024. The Company's production facilities are in an area with a surplus of water resources, which minimizes the shortage risks for the Company's operations. **Preventing emergencies resulting in damage to the environment** 1. Monitoring the process conditions in which equipment operates. 2. Implementing action plans to achieve 2030 environmental and climate goals. 3. Insurance against risks of environmental damage and liability in case of accidents. **Preventing oil / petroleum product spills during storage or transportation via pipelines / by sea vessels** 1. Monitoring the condition of pipelines (corrosion, deterioration, pipe sinking, etc.) and vessels. 2. Developing and implementing emergency response plans, oil and petroleum product spill response plans, and business continuity plans. 3. Analyzing high consequence areas (HCAs). 4. Insurance against risks of damage and civil liability in case of oil / petroleum product spills. **Preventing negative impact on water resources and biodiversity** 1. Compliance with environmental standards (environmental requirements, drainage procedures) and monitoring by supervisory bodies. 2. Ensuring access to water and biological resources for local communities. 3. Developing and implementing measures to conserve biodiversity and natural ecosystems.

1 Risk criticality is a measure of the combined effect of risk probability and quantitative assessment calculated using NOVATEK's internal methodology.
2 Risk factor is the source of risk emergence within the Company's external and/or internal environment.
3 These are the strategic goals that are affected the most by each respective risk group.

Risk / Criticality / Effect on objectives	Risk status / Main risk management efforts
4. Social risks Low · IN • Ethical violations • Human rights violations • Lack of skilled employees, restriction of freedom of association • Violation of the rights and interests of local communities, including indigenous peoples of the Far North	The Company implements measures aimed at developing personnel competences and ensuring competitive working conditions while also monitoring compliance with the requirements of internal documents on ethics, human rights, and anti-corruption. The Company identified no violations in 2024. **Compliance with business ethics** 1. Monitoring compliance with the Code of Business Conduct and Ethics, Human Rights Policy, Regulations on RMICS, and other internal documents. 2. Training employees on anti-corruption practices and principles of ethical behavior. 3. Operating a hotline. **Preventing human rights violations** 1. Monitoring compliance with the Human Rights Policy, HSE Policy, and Anti-Corruption Policy at all entities. 2. Monitoring compliance with HSE rules at workplaces. 3. Training employees on the standards and requirements regarding anti-corruption, conflicts of interest, and the use of insider information. **Availability of human resources** 1. Creating competitive working conditions, implementing social programs. 2. Supporting the activities of and interaction with trade union organizations. 3. Offering attractive conditions for career development and implementation of proposals for business improvement at the Company (the Innovator system). **Safeguarding the rights of local communities** 1. Assessing the impact of future projects on the environment and local communities. 2. Implementing social support and financial assistance programs targeting local communities, including the indigenous peoples of the Far North. 3. Processing all reports received through the Hotline.
5. Force-majeure risks Medium · EX • Natural disasters • Epidemics and pandemics • Acts of terrorism • War risks • Cyber risks	In January 2024, an incident caused by external impact on the equipment occurred at a facility of NOVATEK-Ust-Luga without any material effect on the facility's operations. In 2024, no natural disasters or terrorist attacks were recorded in the regions where the Company operates, the epidemiological situation was calm, no negative consequences of cyberattacks were recorded. 1. Implementing action plans to maintain health security at the Company's sites. 2. Providing medical aid and health monitoring for personnel (health checkups, vaccination campaigns, and VHI). 3. Monitoring the security situation at energy assets and transportation assets as well as at other sites and in other locations as stipulated by Russian law. 4. Deploying a multi-tier IT security framework based on software and specialized hardware, performing internal and external information security checks.
Corporate risks	
6. Legislative and regulatory risks related to environment and climate Medium · EX • Tightening of carbon regulation in Russia and globally • Updating of standards for pollutant emissions and discharges • Tightening of environmental standards regarding specially protected natural areas (the Arctic)	In 2024, the Company followed all regulatory developments to ensure compliance across all climate change issues. 1. Forecasting and monitoring carbon regulation initiatives in Russia and globally. 2. Participating in meetings of State Duma committees and dedicated associations on climate change matters. 3. Developing and implementing solutions for carbon efficiency enhancement and carbon footprint reduction of the products. 4. Monitoring compliance with environmental laws, including specially protected natural areas.
7. Political risks High · EX • The impact of the political and economic situation in Russia and the world	The Company monitors the political and economic situation in Russia and the world, promptly responding to any changes. 1. Implementing import substitution and production localization program in Russia. 2. Finding workarounds to restrictions. 3. Identifying alternative sales markets and new buyers. 4. Developing and rolling out proprietary LNG production and gas processing technologies.

Risk / Criticality / Effect on objectives	Risk status / Main risk management efforts
Project risks	
8. Project risks High · IN + EX • The impact of internal or external factors on the implementation of the Company's prospective projects	The Company implements measures for technological support, optimizations in logistics and sales for all prospective projects. 1. Identifying alternative technical solutions, suppliers, and producers from friendly jurisdictions. 2. Localizing the manufacturing of equipment in Russia. 3. Leveraging proprietary patented liquefaction, hydrogen production, ammonia production, ammonia cracking, CO_2 capture and storage technologies 4. Finding alternative logistics solutions for shipment and transshipment of LNG and other products, including hydrogen and ammonia.

The table below represents the key opportunities for PAO NOVATEK's sustainable business development and the main efforts to capitalize on them.

NOVATEK's key sustainability opportunities

Opportunity / Opportunity area	Efforts to capitalize on opportunities
1. Implementing import substitution to reduce accident risks and reliance on foreign vendors	1. Implementing import substitution and increasing local content in key equipment. 2. Scaling up proprietary technological solutions for natural gas liquefaction (Arctic Cascade, Arctic Mix). 3. Developing proprietary solutions to promote technological independence amid sanctions.
2. Achieving higher revenues through increased output of premium and value-added products	1. Expanding the resource base, acquiring new mineral mining license areas. 2. Using efficient upstream production technologies and putting out higher value-added products. 3. Ramping up large-scale LNG production. 4. Striving to achieve 2030 environmental and climate goals to reduce the carbon footprint of products.
3. Commercializing / scaling up proprietary LNG and gas chemical production technologies, for instance through the development of cooperation between industries in Russia	1. Developing in-house expertise to scale up LNG process technologies as a full-cycle offering. 2. Cooperating with engineering centers and design institutes to build an engineering database for production of LNG and prospective products. 3. Collaborating with Russian executive authorities under Russian national projects.
4. Diversifying NOVATEK's product offering with the help of new gas chemical projects	1. Developing proprietary R&D products and technical solutions for new low-carbon products. 2. Studying sales markets and demand for low-carbon products.
5. Achieving higher profitability through the development of low-carbon energy projects and CO_2 emissions reduction projects	1. Implementing the action plan to achieve 2030 environmental and climate goals. 2. Developing and implementing in-house climate projects, including CCS, renewable power generation, participation in the Russian carbon units market. 3. Increasing the APG utilization rate, using cogeneration technologies for heat generation, etc.
6. Expanding production and sales of LNG, liquids as the Northern Sea Route navigation becomes more active	1. Expanding the navigation window in the eastern sector of the Northern Sea Route. 2. Monitoring the weather, air temperatures, water levels along the Northern Sea Route, permafrost, ice conditions. 3. Participating in the Russian Government's initiatives to expand shipping along the Northern Sea Route.
7. Promoting natural gas as a motor fuel in the Russian market	1. Increasing the number of natural gas liquefaction facilities in Russia. 2. Expanding the Company's network of LNG retail stations in Russia. 3. Developing solutions for using LNG as a fuel for various modes of transport.
8. Expanding the digitalization of the Company's business processes	1. Developing and implementing digital technologies to improve operational and management decision making across business processes. 2. Transitioning to modern Russian-sourced IT solutions.

Appendix 2. Stakeholder engagement

NOVATEK builds long-term relationships with stakeholders through open communication. When implementing its projects, NOVATEK:

- identifies legitimate members of stakeholder groups based on the nature of the Company's business, its experience, and geography of its operations, as well as in line with ISO 26000 recommendations,
- performs comprehensive social impact assessments (ESIA) for key projects,
- pays particular attention to the most vulnerable groups (indigenous peoples of the Far North, low-income citizens, elderly people, minors, people with disabilities, etc.),
- involves target groups in discussion of the projects' impact.

Key topics in 2024	Key events	Engagement formats	Interaction at the level of the Board of Directors and its committees
Shareholders and investors			
• Profit distribution and dividend payout • Election of Board members and an auditor • Remuneration policy • Approval of the Annual Report and Sustainability Report	• Holding of General Meetings of Shareholders (Annual and Extraordinary) • Publication of financial statements, annual reports, and non-financial reports • Issue of bonds worth USD 750 million nominated in USD with settlements in RR	**All year** • Publication of press releases, operational results, and other materials in the media • Calls and meetings; regular information support • Participation in conferences **Annually** Publication of the Annual Report and Sustainability Report	• The Board of Directors makes recommendations to the General Meeting of Shareholders on profit distribution and dividend amount, convenes General Meetings of Shareholders, and preliminarily approves the Annual Report and Sustainability Report • The Remuneration and Nomination Committee prepares recommendations on electing members of Board committees, determining the independence of nominees to the Board of Directors and incumbent Board members, and amending the Regulations on Remuneration and Compensations Payable to Members of NOVATEK's Board of Directors • The Board of Directors Succession Policy was approved in early 2024
Employees and trade unions	For more details, see Chapter 6. Employees, ↱ p. 152.		
• Well-being of employees amid rising inflation • VHI terms • Improved occupational health and safety • Increased interest in culture and the arts • Promotion of a healthy lifestyle and sports among employees and their families	• An annual cost-of-living increase and indexation of social benefits were carried out • Regular publication of a corporate newspaper and magazine • NOVATEK's Corruption Risk Management Procedure was adopted • NOVATEK's revised Code of Business Conduct and Ethics was approved • Tours were organized for employees and their family members to visit partner museums, along with visits to attend theater performances and classical music concerts • Support in organizing and holding sports events was provided	**All year** • Direct communication at meetings of trade union committees and conferences • Publication of press releases and other materials in the media, social media, and on the intranet portal • Communication via intranet **Annually** Publication of the Annual Report and Sustainability Report	• The Remuneration and Nomination Committee of the Board of Directors regularly reviews OHS reports to identify new trends and discuss preventive measures as well as information on human resources, headcount, turnover, progress on remuneration and the social policies • The Audit Committee of the Board of Directors reviews information on reports and enquiries received through the hotline on ethics and human rights
Government authorities			
• Development of the energy sector based on current context and expectations • Development of the Arctic transport system • Energy efficiency and energy development • Elimination of administrative barriers in the subsoil and natural resource use • Industrial safety • Replacement of mineral resources • Customs regulation of foreign economic activity • Subsoil use in forests, reforestation, afforestation • Support for Russian industry and equipment manufacturing localization • Adaptation to climate change and reduction of GHG emissions	• Engaging with the State Duma and Federation Council of the Federal Assembly, Russian Government, and interdepartmental agencies, including committees, commissions, working groups, and expert councils • Participating in meetings and working groups on various topics, organized by the Russian Ministry of Energy, Ministry of Industry and Trade, Ministry of Economic Development (including the Expert Council for Sustainable Development), Ministry of Natural Resources and Environment, Ministry of Transport, Federal Agency for Maritime and River Transport, Chamber of Commerce and Industry, Interdepartmental Working Group for the Development of Hydrogen Energy in the Russian Federation, and other relevant government authorities • Participating in the activities of the Marine Board under the Russian Government • Participating in the activities of the Interdepartmental Working Group for the Reduction of the Russian Energy Sector's Reliance on Imports of Equipment, Components, and Spare Parts, Services (Work) of Foreign Companies, and Use of Foreign Software, as well as for the Development of the Russian Oil and Gas Sector • Participating in the activities of the working group on customs tariffs regulation and response measures in foreign trade of the subcommittee on customs tariff and non-tariff regulation, protective measures in foreign trade of the Government Commission on Economic Development and Integration • Participating, as part of the implementation of the "regulatory guillotine" mechanism, in meetings of working groups on energy, environment, use of natural resources, industrial safety, fire safety, health security, forests, land, real estate, and water transport	**All year** • Contribution to law-making • Participation in working groups, joint meetings, round-table discussions, conferences, and forums • Interactions under cooperation agreements on the social and economic development of local communities **Annually** Submittal of reporting data in established formats; publication of the Annual Report and Sustainability Report	• The Remuneration and Nomination Committee of the Board of Directors regularly reviews matters related to environmental compliance and social investments • The Audit Committee of the Board of Directors regularly monitors the Company's financial performance, including relevant tax payments

Key topics in 2024	Key events	Engagement formats	Interaction at the level of the Board of Directors and its committees
Local communities and civil society organizations	For more details, see Chapter 7. Local Communities, p. 172.		
• Respect for the rights of the indigenous peoples of the Far North, preservation of their cultural heritage and traditional ways of life, direct financial support • Social and economic programs to improve the quality of life across the Company's operating regions • Charity and philanthropy • R&D • Localizing production in Russia	• Implementing social and economic programs under agreements with regions in which the Company operates • Providing support for traditional ethnic festivals and events of the indigenous peoples of the Far North • Providing assistance to people with disabilities • Engaging with leading sports and cultural institutions; providing charitable assistance and sponsorship • Assisting children in desperate need and children in orphanages • Supporting programs and funding research aimed at monitoring and preserving species that are culturally and commercially important for the regions where the Company operates	**All year** • Interaction with the indigenous peoples of the Far North and non-governmental organizations through round table discussions, public consultations, on-site (mobile) community liaison offices, etc. • Membership in non-profit and non-governmental organizations • Cooperation with educational, cultural, healthcare, and other institutions • Participation in conferences, forums, and other events • Implementation of charity projects and programs **Annually** • Cooperation agreements • Publication of information booklets for the indigenous peoples of the Far North across the Company's regions of operation as well as the Annual Report and Sustainability Report	• The Remuneration and Nomination Committee of the Board of Directors regularly reviews reports on social and charitable activities across the Company's regions of operation, including information on the Company's social investments, to evaluate their effectiveness
Partners, suppliers, and contractors	For more details, see Section 2.7. Supply Chain, ↗ p. 59.		
• Development of proprietary technological solutions to enable the achievement of the Company's long-term goals • Enhancement of procurement procedures' transparency, process automation	• Development and improvement of proprietary technologies and solutions for gas production, processing, and liquefaction • Scaling up of proprietary technological solutions for gas liquefaction to other Company projects • Expansion of cooperation with Russian contractors and suppliers as part of import substitution programs amid sanctions • Organization of a webinar on NOVATEK's procurement	**All year** • Holding forums for contractors • Participation in conferences, holding meetings • Publication of press releases and other materials about the Company's operating and financial results in the media and social media • Cooperation agreements **Annually** Publication of the Annual Report and Sustainability Report	• The Board of Directors approves and monitors the need to update the Supplier Code of Conduct, Code of Business Conduct and Ethics, Anti-Corruption Policy, and other Company policies that promote sustainability practices in the supply chain. The Board of Directors also approves the Company's participation and membership in third-party organizations and associations • The Audit Committee of the Board of Directors regularly monitors the Company's financial performance, including expenditures, and reviews the implementation of the Anti-Corruption Policy and statistics on queries to security hotlines, including with regard to procurement
Industry community			
• Substitution of imported technologies • Sharing best practices	• Participation in major Russian and international congress and exhibition events: St. Petersburg International Economic Forum, Eastern Economic Forum, Russian Energy Week, as well as in themed industry events • Membership and/or active participation in the activities of the Union of Oil and Gas Producers of Russia Russian Gas Society; autonomous non-commercial organization Consortium for Technological Independence of Industrial Software; Association of Partners on Coordination and Usage of Northern Sea Route; autonomous non-profit organization Institute of Oil and Gas Technology Initiatives; Russian-Chinese Business Council; Russian Marine Board	**All year** • Participation in conferences, forums, and other events • Publication of materials about the Company's operations and cooperation with partners in the media and social media **Annually** Publication of the Annual Report and Sustainability Report	• The Board of Directors approves the Company's membership in third-party organizations and associations
Customers			
• Development of a network of LNG retail stations • Fostering supply and demand for LNG vehicles among existing and potential LNG consumers	• Launching new LNG retail stations and improving the productivity of existing ones • Acquiring land plots along federal highways to build LNG retail stations • Expansion of the LNG retail partner network • Engagement with vehicle manufacturers on supply matters and with customers on procurement of LNG-powered trucks	**All year** • Engagement with existing and potential LNG consumers at exhibitions, meetings, day-to-day exchanges, LNG vehicle presentations for customers • Operation of NOVATEK-LNG Fuel's hotline for customers of LNG retail stations • Holding meetings with LNG vehicle manufacturers and customer presentations on LNG vehicle and LNG as motor fuel **Annually** Publication of the Annual Report and Sustainability Report	• The Board of Directors approves and monitors the need to update the Code of Business Conduct and Ethics and the Anti-Corruption Policy and other Company policies that promote sustainability practices among customers and in the supply chain • The Audit Committee of the Board of Directors regularly monitors the Company's financial performance, including expenditures, and reviews the implementation of the Anti-Corruption Policy and statistics on queries to security hotlines including with regard to procurement
Media			
• The Company's key projects • Operational and financial performance • Social and cultural initiatives and events	• Participation in major Russian and international congress and exhibition events	**All year** • Publication of press releases and other materials in the media • Footage for TV spots • Communication via the Company's social media accounts • Sharing information on progress under social and economic programs as part of agreements with regions in which the Company operates **Annually** Publication of the Annual Report and Sustainability Report	• The Audit Committee of the Board of Directors regularly reviews the Report on Compliance with the Information Policy

Appendix 3. ESG Data

For detailed evolution of quantitative sustainability indicators since 2015, see the ESG Data Book.

Climate

GHG emissions

	Unit of Measurement	2022	2023	2024
Direct greenhouse gas emissions (Scope 1)	**tCO_2e**	**9,423,227**	**9,482,281**	**9,571,891**
by GHG type				
Carbon dioxide (CO_2)	tCO_2e	9,264,653	9,328,493	9,414,581
Methane (CH_4)	tCO_2e	158,574	153,788	157,310
by facilities				
Upstream facilities	tCO_2e	5,594,684	5,587,658	5,827,513
Processing facilities	tCO_2e	708,452	762,983	596,385
LNG production facilities	tCO_2e	3,001,873	3,016,856	2,992,514
Energy service facilities	tCO_2e	118,218	114,784	155,479
by source				
Stationary combustion, including flaring	tCO_2e	9,193,444	9,202,342	9,306,074
Fugitive emissions	tCO_2e	192,218	234,536	228,564
Petrochemical facilities	tCO_2e	24,773	26,741	22,407
Transport	tCO_2e	12,792	18,662	14,846
Indirect greenhouse gas emissions (Scope 2)[1]	**tCO_2e**	**166,524**	**173,457**	**178,108**
by facilities				
Upstream facilities	tCO_2e	104,770	105,730	108,305
Processing facilities	tCO_2e	53,030	58,751	61,089
LNG production facilities	tCO_2e	1,698	1,820	2,412
Energy service facilities	tCO_2e	7,026	7,156	6,302
Other indirect (Scope 3) GHG emissions[2]	**tCO_2e**	**181,327,829**	**176,396,592**	**181,657,502**
by category				
category 11 – use of sold products	tCO_2e	174,911,650	170,030,384	174,331,692
category 9 – downstream transportation and distribution (pipeline gas)	tCO_2e	6,416,179	6,366,208	7,088,180
category 4 – upstream transportation and distribution	tCO_2e	–	–	237,630
Greenhouse gas emissions intensity				
Direct (Scope 1) GHG emissions intensity for upstream	$kgCO_2e$/thousand boe	14,754	14,701	14,356
Indirect energy (Scope 2) GHG emissions intensity for upstream	$kgCO_2e$/thousand boe	261	269	267
GHG Intensity (Other indirect (Scope 3) GHG emissions for upstream)[3]	$kgCO_2e$/boe	289	290	286

	Unit of Measurement	2022	2023	2024
Methane emissions	**tons**	**6,343**	**6,151**	**6,292**
by facilities				
upstream facilities	tons	5,877	5,364	5,010
processing facilities	tons	86	95	50
LNG production facilities	tons	316	183	186
energy service facilities	tons	64	509	1,046
Methane emission intensity in the upstream, processing, and LNG segments	**tons/mboe**	**9.83**	**8.75**	**7.87**

Fuel consumption

	Unit of Measurement	2022	2023	2024
Fuel consumption from non-renewable sources	**thousand GJ**	**188,222**	**205,580**	**218,107**
Natural gas for heat and electricity production	thousand GJ	40,518	40,804	51,260
Natural gas for the Company's own technological needs	thousand GJ	143,178	157,940	159,684
Butane fraction	thousand GJ	4,526	6,272	6,568
Fuel oil component	thousand GJ	–	564	595

Environmental Protection

Waste flows

	Unit of Measurement	2022	2023	2024
by destination				
Waste at the beginning of the year	tons	7,905	2,856	4,350
Hazardous waste	tons	2	20	29
Non-hazardous waste	tons	7,903	2,836	4,321
Reused waste	tons	0	0	0
Waste directed to recovery[4] onsite	tons	10,656	8,455	12,644
Hazardous waste	tons	0	0	0
Non-hazardous waste	tons	10,656	8,455	12,644
Waste directed to recovery offsite	tons	75,195	50,219	74,071
Hazardous waste	tons	17	40	92
Non-hazardous waste	tons	75,178	50,179	73,979
Waste directed to disposal onsite	tons	4,882	3,926	24,161
Hazardous waste	tons	0	0	0
Non-hazardous waste	tons	4,882	3,926	24,161

1 Energy indirect (Scope 2) GHG emissions were calculated using the location-based method. This method shows the average emissions intensity across grids for the region where electricity is consumed. The calculation was done in line with the Concept for Calculating and Publishing GHG Emission Factors for the Russian Power System. The concept was developed in 2022 by NP Market Council Association and AO TSA and received an international statement of validation.

2 Other indirect (Scope 3) GHG emissions from the use of the Company's production volumes were calculated using emission factors for natural gas used as fuel, approved by Order of the Russian Ministry of Natural Resources and Environment No. 371, On Approval of Methods for Quantitative Determination of Greenhouse Gas Emissions and Greenhouse Gas Removals, dated 27 May 2022, and using the Technical Guidance for Calculating Scope 3 Emissions, GHG Protocol, version 1.0, with the assumption for Category 11 (Use of sold products) of the GHG Protocol guidance that oil and NGLs are sent for processing, while other produced products are combusted as fuel.

3 The GHG intensity ratio is calculated as a ratio of other indirect (Scope 3) GHG emissions from the use of sold products (category 11) to the volume of sold products. To account for various types of organic fuel (oil and natural gas), their consumption is expressed in a single energy equivalent – barrel of oil equivalent (boe).

4 Waste utilization means waste treatment and recovery in accordance with the terms and definitions established by Russian law.

	Unit of Measurement	2022	2023	2024
Waste directed to disposal offsite	tons	2,951	4,504	4,956
Hazardous waste	tons	4	9	7
Non-hazardous waste	tons	2,947	4,495	4,949
Waste directed to landfilling onsite	tons	628	825	277
Hazardous waste	tons	0	0	0
Non-hazardous waste	tons	628	825	277
Waste directed to landfilling offsite	tons	488	858	1,755
Hazardous waste	tons	0	0	0
Non-hazardous waste	tons	488	858	1,755
Waste transferred to the regional MSW operator	tons	1,293	1,966	2,520
Hazardous waste	tons	0	0	0
Non-hazardous waste	tons	1,293	1,966	2,520
Waste at the end of the year[1]	tons	2,870	4,350	1,664
Hazardous waste	tons	20	29	83
Non-hazardous waste	tons	2,850	4,321	1,581

Water withdrawal and water discharge

	Unit of Measurement	2022	2023	2024
Water withdrawal	**thousand cubic meters**[2]	**2,923**	**4,327**	**4,224**
by water category				
Freshwater (≤1,000 mg/L total dissolved solids)	thousand cubic meters	2,656	3,079	2,929
Other water (>1,000 mg/L total dissolved solids)	thousand cubic meters	267	1,248	1,295
by source				
Surface water	thousand cubic meters	2,062	2,006	1,778
Groundwater	thousand cubic meters	827	902	1,046
Seawater	thousand cubic meters	0	1,376	1,318
Third-party water	thousand cubic meters	34	43	82
Water discharge	**thousand cubic meters**	**2,509**	**2,519**	**2,584**
by type of destination				
Surface water	thousand cubic meters	752	927	806
Groundwater	thousand cubic meters	949	888	1,007
Seawater	thousand cubic meters	663	574	630
Third-party water	thousand cubic meters	29	22	26
Gas flare systems	thousand cubic meters	87	78	78
Storage	thousand cubic meters	29	30	37
Volume of produced water generated	**thousand cubic meters**	**7,579**	**7,785**	**7,700**
Produced water used for reservoir pressure maintenance	thousand cubic meters	4,777	4,905	4,684

Compliance with environmental laws

	Unit of Measurement	2022	2023	2024
Instances for which fines were incurred[3]	no.	13	6	6
Instances for which non-monetary sanctions were incurred	no.	98	66	39
Fines and charges for non-compliance with environmental laws[4]	RR thousand	973	1,858	316
Inspections by environmental and sustainable natural resource management supervisory authorities	no.	346	321	290
Environmental costs	**RR thousand**	**2,570,042**	**3,088,388**	**3,428,650**
Environmental impact fees	**RR thousand**	**11,075**	**8,450**	**4,353**
by type of environmental impact				
Payment for impact within limits[4]	RR thousand	3,877	4,274	4,287
Payment for excess impact	RR thousand	7,198	4,176	66
Percentage of environmental charges in the total environmental costs	%	0.4	0.3	0.1

Personnel

Number of employees as of the end of the year

	Unit of Measurement	2022	2023	2024
Number of employees as of the end of the year	**people**	**19 570**	**20 905**	**22 036**
by gender				
Male	people	15,301	16,472	17,540
Female	people	4,269	4,433	4,496
by position				
Managers[6]	people	–	4,126	4,289
White-collar employees	people	–	8,023	8,529
Blue-collar employees	people	–	8,756	9,218
by age				
Under 30	people	1,769	1,690	1,644
30 to 50	people	14,692	15,760	16,518
Over 50	people	3,109	3,455	3,874
by region				
Russia	people	19,448	20,774	21,877
Yamal-Nenets Autonomous Region	people	11,517	12,559	13,300
Moscow and Moscow Region	people	2,642	2,950	2,952
Chelyabinsk Region	people	1,277	1,217	1,249
St. Petersburg and Leningrad Region	people	1,246	1,320	1,380
Other regions	people	2,766	2,728	2,996
Other countries	people	122	131	159
by line of work				
Exploration and production (incl. LNG)	%	58	59	58
Sales and transportation	%	17	16	16
Processing	%	8	8	7
Administrative personnel	%	6	6	6
Power supply	%	8	8	9
Auxiliary production	%	3	3	4

1 Waste volumes at the end of the year are calculated in accordance with Rosstat Order No. 627 dated 9 October 2020 (as amended on 13 November 2020) and are the sum of Waste at the Beginning of the Year and Volume of Waste Generated minus Treatment, Landfilling, Utilization, and Waste Transferred to the Regional MSW Operator.
2 Hereinafter, 1,000 cubic meters = 1 megaliter, which is consistent with GRI 303.
3 Instances of non-compliance with laws and regulations that occurred in the reporting year and previous years for which fines were incurred in the reporting year.
4 Monetary value of fines that were paid during the reporting year for instances of noncompliance with laws and regulations that occurred in the reporting year and previous years.
5 Including excess payments for emissions, discharges, waste.
6 Since 2022, senior managers and middle managers are combined and summed up under the Managers. Until 2021, senior managers and middle managers were separated.

Number of employees by type of employment contract

	Unit of Measurement	2022	2023	2024
Permanent contract	**people**	**17,846**	**18,933**	**20,092**
by gender				
Male	people	14,137	15,115	16,186
Female	people	3,709	3,818	3,906
by region				
Russia	people	17,746	18,829	19,973
Yamal-Nenets Autonomous Region	people	11,021	11,997	12,655
Moscow and Moscow Region	people	2,151	2,335	2,329
Chelyabinsk Region	people	1,229	1,172	1,220
St. Petersburg and Leningrad Region	people	1,126	1,201	1,273
Other regions	people	2,219	2,124	2,496
Other countries	people	100	104	119
Fixed-term contract	**people**	**1,724**	**1,972**	**1,944**
by gender				
Male	people	1,164	1,357	1,354
Female	people	560	615	590
by region				
Russia	people	1,702	1,945	1,904
Yamal-Nenets Autonomous Region	people	496	562	645
Moscow and Moscow Region	people	491	615	623
Chelyabinsk Region	people	48	45	29
St. Petersburg and Leningrad Region	people	120	119	107
Other regions	people	547	604	500
Other countries	people	22	27	40

Number of employees by type of employment

	Unit of Measurement	2022	2023	2024
Full-time	**people**	**19,473**	**20,812**	**21,926**
by gender				
Male	people	15,264	16,444	17,498
Female	people	4,209	4,368	4,428
Part-time	**people**	**97**	**93**	**110**
by gender				
Male	people	37	28	42
Female	people	60	65	68

Management breakdown by gender and age as of the end of the year

	Unit of Measurement	2022	2023	2024
by gender				
Male	%	80	80	80
Female	%	20	20	20
by age				
Under 30	%	0	0	0.4
30 to 50	%	73	69	66
Over 50	%	27	31	33

Employee turnover

	Unit of Measurement	2022	2023	2024
Employee turnover rate[1]	**%**	**7**	**5**	**5**
by gender				
Male	%	6	5	5
Female	%	9	9	8
by region				
Russia				
Yamal-Nenets Autonomous Region	%	4	2	3
Moscow and Moscow Region	%	10	7	7
Chelyabinsk Region	%	16	19	17
St. Petersburg and Leningrad Region	%	7	6	7
Other countries	%	22	24	11

Personnel hires

	Unit of Measurement	2022	2023	2024
Personnel hires in the reporting period	**people**	**2,617**	**2,524**	**2,421**
by gender				
Male	people	2,042	1,979	1,970
Female	people	575	545	451
by age				
Under 30	people	518	453	487
30 to 50	people	1,884	1,858	1,690
Over 50	people	215	213	244
by region				
Russia	people	2,591	2,488	2,386
Yamal-Nenets Autonomous Region	people	1,205	1,175	1,276
Moscow and Moscow Region	people	388	453	292
Chelyabinsk Region	people	190	165	197
St. Petersburg and Leningrad Region	people	196	163	164
Other regions	people	612	532	457
Other countries	people	26	36	35

Parental leave

	Unit of Measurement	2022	2023	2024
Number of employees that took parental leave during the year	**people**	**154**	**161**	**142**
by gender				
Male	people	16	12	15
Female	people	138	149	127
Number of employees that returned to work after parental leave ended during the year	**people**	**117**	**114**	**99**
by gender				
Male	people	7	10	9
Female	people	110	104	90

[1] Rate of employee turnover = number of employees who left voluntarily / average headcount for the reporting year × 100 %.

Ratios of the Company's entry level wage[1] compared to local (in the Yamal-Nenets Autonomous Region)[2] minimum wage

	Unit of Measurement	2022	2023	2024
by gender				
Male	–	1.97	1.66	1.47
Female	–	1.11	1.44	1.28

Average training hours per employee

	Unit of Measurement	2022	2023	2024
	hours	**54**	**54**	**59**
by gender				
Male	hours	64	63	71
Female	hours	19	19	15
by position				
Managers	hours	78	68	60
White-collar employees	hours	40	43	51
Blue-collar employees	hours	56	57	67

1 Positions with entry level wage (2024): Moscow: male and female — junior specialist; Yamal-Nenets Autonomous Region: male — technician; female — cleaner of office and production premises.
2 According to the Federal State Statistics Service.

Appendix 4. Key indicators (GRI, SASB, IPIECA)

Statement of use	PAO NOVATEK presents the information listed in the table below for the period from 1 January to 31 December 2024 in accordance with: • the Global Reporting initiative standards (GRI Standards); • SASB Standard for the Oil and Gas industry (Oil & Gas – Exploration & Productions Sustainability Accounting Standard, SASB Standard).

When reporting on sustainability, the Company also takes into account the Guidance of the International Petroleum Industry Environmental Conservation Association (IPIECA Guidance).

The list of indicators to be included in sustainable development reports is determined based on the identified material topics. Information that was verified by an independent auditor is marked with a «plus» sign in the External assurance column.

Table of compliance with GRI (GRI content index), SASB (SASB content index)

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
General standard disclosures				
The organization and its reporting practices				
GRI 2-1	Organizational details	a. PAO NOVATEK b. Public Joint Stock Company c. Central office: 90/2 Leninsky prospect, Moscow, 119313, Russia d. All the main production assets of the Group are located in Russia	1	–
GRI 2-2	Entities included in the organization's sustainability reporting	Appendix. Other Information, p. 192	1	–
GRI 2-3	Reporting period, frequency, and contact point	Appendix. Other Information, p. 192 Appendix. Contacts, p. 198 Reporting period: from 1 January to 31 December 2024	1	–
GRI 2-4	Restatements of information	In the 2024 Report, the R&D investment data for 2023 were adjusted (recalculated) to RR 809 million (down from RR 1.4 billion). Accordingly, the sustainability investment data for 2023 were adjusted (recalculated) to RR 18.8 billion (down from RR 19.3 billion). In the 2024 Report, the methane emission data for 2023 were also adjusted (recalculated) to 6,151 tons (up from 6,139 tons). Furthermore, in the 2024 Report, the air pollutant emission data for 2023 were also adjusted (recalculated) to 65,779 tons (up from 65,654 tons)	1	–
GRI 2-5	External assurance	Appendix 7. Independent Auditor's Limited Assurance Report, p. 238 Quantitative and qualitative data contained in the Report that were verified by an independent auditor are marked with a plus sign in the External assurance column. For more information on the independent auditor selection by the Board of Directors, see the External Auditor section in PAO NOVATEK's Annual Report 2024	1	–
Activities and employees				
GRI 2-6	Activities, value chain, and other business relationships	Section 1.3. Business Model, p. 14 Section 2.7. Supply Chain, p. 61 There were no significant changes in the Company's activities	1	–

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 2-7	Employees	Section 6.1. Management Approach, ↗ p. 154 Appendix 3. ESG Data, ↗ p. 208 Information on the number of employees with irregular working hours is not relevant for the Company	1	+
GRI 2-8	Non-employees	The proportion of temporary workers working on a part-time basis as independent contractors is marginal (less than 0.01%). As of the end of 2024, the number of such workers was two, with their primary line of work being lectures and design services. The Company strives to keep the number of temporary workers to a minimum. There are no seasonal or other variations in headcount	1	+
Governance				
GRI 2-9	Governance structure and composition	Section 2.1. Sustainability Management System, ↗ p. 32 c (iv, vi, viii). Due to the persisting relevance of risks related to public information disclosure, in the reporting year, the Company left the volume of published information at the 2022 level to preserve shareholder value, which largely corresponds to current Russian market practices	1	+
GRI 2-10	Nomination and selection of the highest governance body	PAO NOVATEK's Annual Report 2024, approved by the Decision of the Annual General Meeting of Shareholders of PAO NOVATEK on 18 April 2025, Minutes No. 144 (Annual Report 2024), Chapter 5. Corporate Governance For more information, see the ↗ Regulations on the Board of Directors of PAO NOVATEK, approved by the Decision of the AGM of OAO NOVATEK dated 10 June 2005, with all amendments and additions made before 30 September 2016 (the Regulations on the Board of Directors of PAO NOVATEK)	1	–
GRI 2-11	Chair of the highest governance body	The Chair of the Board of Directors does not combine their duties with those of the Company's CEO	1	–
GRI 2-12	Role of the highest governance body in ensuring control over the management of impacts	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 2.1. Sustainability Management System, ↗ p. 32 Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 2.3. Ethics, ↗ p. 42–43 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
GRI 2-13	Delegation of responsibility for managing impacts	Section 2.1. Sustainability Management System, ↗ p. 32, ↗ 38 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
GRI 2-14	Role of the highest governance body in sustainability reporting	Letter from the Chairman of NOVATEK's Management Board, ↗ p. 4-5 Letter from the Chairman of NOVATEK's Board of Directors, ↗ p. 29 Determining Material Topics, ↗ p. 6 Section 2.1. Sustainability Management System, ↗ p. 32 Appendix. Contacts, ↗ p. 198	1	–
GRI 2-15	Conflicts of interest	Section 2.3. Ethics, ↗ p. 46 Pursuant to the ↗ Regulations on the Board of Directors of PAO NOVATEK, to elect members to the Board of Directors the shareholders shall be provided with the following information regarding the candidates: • membership in management bodies of other legal entities and information on nomination of such candidate to members of boards of directors or for election (appointment) to a position with other legal entities; • relations of the candidate with the affiliated persons and major counterparties of the Company; • compliance of the candidate with the requirements for independent directors For more information about the responsibilities of the ↗ Regulations on the Board of Directors of PAO NOVATEK and in Annual Report 2024, section Corporate Governance Code Compliance Report	1	–
GRI 2-16	Communication of critical concerns	Section 2.1. Sustainability Management System, ↗ p. 34 Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 2.3. Ethics, ↗ p. 42 Section 7.1. Management Approach, ↗ p. 176	1	+
GRI 2-17	Collective knowledge of the highest governance body	Section 2.1. Sustainability Management System, ↗ p. 32	1	–
GRI 2-18	Evaluation of the performance of the highest governance body	Section 2.1. Sustainability Management System, ↗ p. 34	1	–
GRI 2-19	Remuneration policy	Section 2.1. Sustainability Management System, ↗ p. 37 ↗ Annual Report 2024, chapter 5 For more information, see the ↗ Regulations on Remuneration and Compensation Payable to Members of NOVATEK's Board of Directors, approved by the decision of the AGM of PAO NOVATEK dated 24 April 2015 with all amendments made before 24 April 2023 (Regulations on Remuneration and Compensation Payable to Members of NOVATEK's Board of Directors)	1	–
GRI 2-20	Process to determine remuneration	Section 2.1. Sustainability Management System, ↗ p. 37 For more information about the shareholders' vote on remuneration, see Minutes No. 144 as of 18 April 2025 of the General Meeting of Shareholders on the ↗ Company's corporate website The Company does not engage external consultants on remuneration matters, which fall within the remit of the Remuneration and Nomination Committee made up of independent directors	1	–
GRI 2-21	Annual total compensation ratio	a. Data are not consolidated at the Group level b. The ratio is 1:1. The percentage increase in annual total compensation for the highest-paid individual is equal to the percentage increase in annual total compensation for all employees, being 6%.	1	–
IPIECA GOV-1	Management Approach	Section 2.1. Sustainability Management System, ↗ p. 30, ↗ 32 For more information, see the ↗ Regulations on the Board of Directors of PAO NOVATEK, approved by the Decision of the Annual General Meeting of Shareholders of OAO NOVATEK dated 10 June 2005, with all amendments and additions made before 30 September 2016 (the Regulations on the Board of Directors of PAO NOVATEK)	1	–
IPIECA GOV-2	Management systems	Section 2.1. Sustainability Management System, ↗ p. 30, ↗ 32 Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 2.4. Information Security, ↗ p. 49 Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200	1	–
Strategy, policies, and practices				
GRI 2-22	Statement on sustainable development strategy	Letter from the Chairman of NOVATEK's Management Board, ↗ p. 4 Letter from the Chairman of NOVATEK's Board of Directors, ↗ p. 29 Section 1.6. Sustainable Development Strategy, ↗ p. 22 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24	1	–
GRI 2-23	Policy commitments	Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 2.1. Sustainability Management System, ↗ p. 30 Section 2.3. Ethics, ↗ p. 42 Section 2.7. Supply Chain, ↗ p. 60 Section 3.2. Management Approach, ↗ p. 72 Section 4.1. Management Approach, ↗ p. 100 Section 5.1. Management Approach, ↗ p. 134 Section 6.1. Management Approach, ↗ p. 154 Section 7.1. Management Approach, ↗ p. 174 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 2-24	Embedding policy commitments	Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 2.1. Sustainability Management System, ↗ p. 32 Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 2.3. Ethics, ↗ p. 42, ↗ 46 Section 2.7. Supply Chain, ↗ p. 60, ↗ 62 Section 3.2. Management Approach, ↗ p. 72 Section 4.1. Management Approach, ↗ p. 100 Section 5.1. Management Approach, ↗ p. 134 Section 6.1. Management Approach, ↗ p. 154 Section 7.1. Management Approach, ↗ p. 174 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
GRI 2-25	Processes to remediate negative impacts	Section 2.1. Sustainability Management System, ↗ p. 30, ↗ 32 Section 2.3. Ethics, ↗ p. 47 Section 3.2. Management Approach, ↗ p. 72 Section 4.1. Management Approach, ↗ p. 100 Section 5.1. Management Approach, ↗ p. 134 Section 6.1. Management Approach, ↗ p. 154 Section 7.1. Management Approach, ↗ p. 174 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
GRI 2-26	Mechanisms for seeking advice and raising concerns	Section 2.3. Ethics, ↗ p. 47 Section 4.1. Management Approach, ↗ p. 106 Section 7.1. Management Approach, ↗ p. 175 Appendix 2. Stakeholder Engagement, ↗ p. 204 Appendix. Contacts, ↗ p. 198	1	–
GRI 2-27	Compliance with laws and regulations	Section 4.1. Management Approach», ↗ p. 103 Appendix 3. ESG Data, ↗ p. 208 The Company discloses all information about fines, regardless of the amount of payment For the purposes of disclosing information about other violations, the Group assesses their impact on its reputation and ability to continue its activities, and also considers the amount of expenditures that may be incurred	2	+
GRI 2-28	Membership associations	Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
Stakeholder engagement				
GRI 2-29	Approach to stakeholder engagement	Determining Material Topics, ↗ p. 6 Section 2.3. Ethics, ↗ p. 43 Section 3.2. Management Approach, ↗ p. 76 Section 4.1. Management Approach, ↗ p. 100 Section 4.2. Biodiversity, ↗ p. 108 Section 5.1. Management Approach, ↗ p. 134 Section 6.1. Management Approach, ↗ p. 154 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180 Appendix 2. Stakeholder Engagement, ↗ p. 204	1	–
GRI 2-30	Collective bargaining agreements	Section 2.3. Ethics, ↗ p. 44 Section 6.1. Management Approach, ↗ p. 157 b. For employees not covered by the collective agreement all the conditions specified by the Labor Code of the Russian Federation are provided	1	+

1 Production volumes in 2024.
2 The transit zone includes transit shallow water with sea depths of 0–20 m and a strip of adjacent coast. The width of the transit shallow water zone of the seas of Russia, including the Arctic, varies from the first kilometers to 100–200 km.
3 The estimated greenhouse gas emissions embedded in proved hydrocarbon reserves are based on the WRI methodology (including natural gas, crude oil and gas condensate reserves).

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
Performance				
SASB EM-EP-000.A	Production[1] of: 1) oil	12 thousand tons/day	3	+
	2) natural gas	230 million cubic meters/day		
	3) synthetic oil	The Company does not produce synthetic oil or gas		
	4) synthetic gas			
SASB EM-EP-000.B	Number of offshore sites	4 license areas located completely in water areas 8 license areas located in the transit zone[2]	3	+
SASB EM-EP-000.C	Number of terrestrial sites	70 license areas	3	+
Material topics				
GRI 3-1	Process to determine material topics	Determining Material Topics, ↗ p. 6	1	+
GRI 3-2	List of material topics	Determining Material Topics, ↗ p. 6	1	+
Material topic: Adapting to climate change				
GRI 3-3 **GRI 11.2.1**	Management of material topics	Section 3.2. Management Approach, ↗ p. 72	1	–
IPIECA CCE-1	Climate governance and climate strategy	Section 3.2. Management Approach, ↗ p. 72	1	–
GRI 201-2 **GRI 11.2.2**	Financial implications and other risks and opportunities due to climate change	Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 3.2. Management Approach, ↗ p. 72 Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200 The data on expenditure on taking measures to manage climate risk or opportunity are not consolidated at the Group level	1	+
SASB EM-EP 420 a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Section 3.2. Management Approach, ↗ p. 76 Quantitative data are not consolidated at the Group level	1	–
SASB EM-EP 420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Section 3.2. Management Approach, ↗ p. 76 Management closely monitors the economic and political environment in Russia and abroad, including the domestic and international capital and commodity markets, to determine if any further corrective or preventive measures are required to sustain and grow the Group's business. We do not expect any asset impairments or write-offs resulting from a lower commodity price environment. The effect of applying internal carbon pricing was included in the criteria for approving the Company's investment projects. Carbon prices will be based on a differentiated approach for projects in Russia and abroad, considering applicable laws and established industry practices	1	+
IPIECA CCE-2	Climate-related risks and opportunities	Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 3.2. Management Approach, ↗ p. 72 Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200	1	–
GRI 305-5 **GRI 11.2.3**	Greenhouse gas emissions reduction	Section 3.2. Management Approach, ↗ p. 73 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 b. CO_2, CH_4 e. Guidelines approved by Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022	2	+
SASB EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	4,939 million tons of CO_2 equivalent[3] (for natural gas, oil, and gas condensate reserves)	3	+

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
SASB EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 91 Investments in renewables: RR 218 million (0.2% of total investments[1]) The Company does not sell renewable energy	1	+
IPIECA CCE-3	Low-carbon technologies	Section 2.6. Innovation, ↗ p. 57 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 91	1	–
Material topic: GHG emissions management				
GRI 3-3 **GRI 11.1.1**	Management of material topics	Section 3.2. Management Approach, ↗ p. 74 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82	1	+
SASB EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 3.2. Management Approach, ↗ p. 73	1	+
IPIECA CCE-4	GHG emissions	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 3.2. Management Approach, ↗ p. 73 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 Appendix 3. ESG Data, ↗ p. 208	2	–
GRI 302-1 **GRI 11.1.2**	Energy consumption within the organization	Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 86-87 Appendix 3. ESG Data, ↗ p. 208	1	+
IPIECA CCE-6	Energy consumption	Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 86-87 Appendix 3. ESG Data, ↗ p. 208	1	–
GRI 302-2 **GRI 11.1.3**	Energy consumption outside of the organization	NOVATEK keeps complete records of the energy consumed within the Group. The assessment of energy consumption by third-party organizations that are part of NOVATEK's supply chain is not carried out because a significant part of such organizations do not collect information about the energy consumed	1	–
GRI 302-3 **GRI 11.1.4**	Energy intensity	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 86-87	1	+
GRI 302-4	Reduction of energy consumption	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 86 b. fuel (gas), electricity	1	+
GRI 302-5	Reductions in energy requirements of products and services	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 86 c. GOST R 56743–2015	1	+
GRI 305-1 **GRI 11.1.5**	Direct (Scope 1) GHG emissions	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 Appendix 3. ESG Data, ↗ p. 208 b. CO_2, CH_4 e, g. Guidelines approved by Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022	2	+
SASB EM-EP-110a.1	Gross global Scope 1 emissions	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 Appendix 3. ESG Data, ↗ p. 208 9,572 thousand tons of CO_2 equivalent	2	+
	Percentage of methane	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 1.6% Methane emissions totaled 6,292.4 tons		
	Percentage covered under emissions-limiting regulations	As of 31 December 2024, no GHG emission reduction targets were set by Russian laws		
SASB EM-EP-110a.2	Amount of direct emissions (Scope 1) from: 1) flared hydrocarbons, 2) other combustion, 3) process emissions, 4) other vented emissions, and 5) fugitive emissions	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82 Appendix 3. ESG Data, ↗ p. 208 Emissions: • from stationary combustion, including flaring: 9,306 thousand tons of CO_2 equivalent; • fugitive emissions: 229 thousand tons of CO_2 equivalent; • emissions from petrochemical production: 22 thousand tons of CO_2 equivalent; • emissions from transport: 15 thousand tons of CO_2 equivalent	2	+
IPIECA CCE-5	Methane emissions	Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 3.2. Management Approach, ↗ p. 73 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 88 Appendix 3. ESG Data, ↗ p. 208	2	–
IPIECA CCE-7	Flare gas	Section 3.2. Management Approach, ↗ p. 73 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 82, ↗ 89 Appendix 3. ESG Data, ↗ p. 208	2	–
GRI 305-2 **GRI 11.1.6**	Energy indirect (Scope 2) GHG emissions	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 83 Appendix 3. ESG Data, ↗ p. 208 c. CO_2 d. n/a e, g. Guidelines approved by Order No. 330 of the Russian Ministry of Natural Resources and Environment dated 29 June 2017	2	+
GRI 305-3 **GRI 11.1.7**	Other indirect (Scope 3) GHG emissions	Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 83 Appendix 3. ESG Data, ↗ p. 208 b. CO_2 d. n/a e. n/a f, g. Guidelines approved by Order No. 371 of the Russian Ministry of Natural Resources and Environment dated 27 May 2022	2	+
GRI 305-4 **GRI 11.1.8**	GHG emissions intensity	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 1.6. Sustainable Development Strategy, ↗ p. 23 Section 3.2. Management Approach, ↗ p. 73 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 83 Appendix 3. ESG Data, ↗ p. 208 d. CO_2, CH_4 The intensity ratio for upstream energy indirect (Scope 2) GHG emissions for 2024 is 267 kg of CO_2 equivalent/thousand boe	2	+
Material topic: Pollutant emissions management				
GRI 3-3 **GRI 11.3.1**	Management of material topics	Section 4.3. Emissions, ↗ p. 121	1	+

[1] The share of investments in renewables was calculated as a proportion of the total amount of such investments made by the Group in the reporting year (OOO NOVATEK-Tarkosaleneftegas, OOO Yargeo, OOO Obskiy Gas Chemical Complex, OOO NOVATEK-Yurkharovneftegas, AO Arcticgas, OOO NOVATEK STC, OOO Arctic LNG 1, and OOO NOVATEK-Kostroma).

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 305-7 GRI 11.3.2	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section 4.3. Emissions, ↗ p. 121 a. Data on persistent organic pollutants (CO_3) are not available across the Group. Hazardous pollutants (benzo(a)pyrene, lead and its inorganic compounds) totaled 0.427 tons in 2024 b, c. Pollutant emission factors are determined based on emission calculation methodologies approved by the Russian Ministry of Natural Resources and Environment, considering industry emission calculation methodologies depending on emission sources, pollutant release parameters, technological process, volume and composition of fuel used, environmental conditions in the source location area as well as direct measurements of volume, physical properties, and composition of emissions as part of environmental operational control	2	+
SASB EM-EP-120a.1	Air pollutant emissions	Section 4.3. Emissions, ↗ p. 122 56,049 tons	2	+
	1) nitrogen oxides (excluding N_2O)	Section 4.3. Emissions, ↗ p. 122 11,003 tons (as NO_2 equivalent)		
	2) sulfur dioxide (SO_2)	Section 4.3. Emissions, ↗ p. 122 202 tons		
	3) volatile organic compounds (VOCs)	Section 4.3. Emissions, ↗ p. 122 14,153 tons		
	4) particulate matter	Section 4.3. Emissions, ↗ p. 122 1,125 tons		
IPIECA ENV-5	Air emissions	Section 4.3. Emissions, ↗ p. 121	2	–
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Section 4.3. Emissions, ↗ p. 121 The Company does not emit ozone-depleting substances	2	+
Material topic: Biodiversity conservation				
GRI 3-3 GRI 11.4.1	Management of material topics	Section 4.2. Biodiversity, ↗ p. 108	1	–
SASB EM-EP-160a.1	Description of environmental management policies and practices for active sites	Section 4.1. Management Approach, ↗ p. 102	1	+
IPIECA ENV-3	Biodiversity policy and strategy	Section 4.2. Biodiversity, ↗ p. 108	1	–
GRI 304-1 GRI 11.4.2	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Section 4.2. Biodiversity, ↗ p. 111 One of NOVATEK's linear facilities (an underground gas pipeline) runs through a part of a regional-level natural landmark in the Chelyabinsk Region, Dzhabyk-Karagay pine forest (the gas pipeline occupies 19.6 square km of the protected area). The protected area has been set up to keep the valuable island pine forest flourishing. Laying the gas pipeline does not affect the breeding plants and does not conflict with the existing legal regime for environmental protection, which is confirmed by a positive state environmental review of the design documentation. The pipeline does not affect the habitats of plant and animal species with a special protection status	1	+
SASB EM-EP-160a.3	Percentage of 1) proved and 2) probable reserves in or near sites with protected conservation status or endangered species habitats	Section 4.2. Biodiversity, ↗ p. 111 The Company does not operate in federally-protected areas designated by Russian law	3	+
IPIECA ENV-4	Protected and priority biodiversity conservation areas	Section 4.2. Biodiversity, ↗ p. 111	1	–

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 304-2 GRI 11.4.3	Significant impacts of activities, products, and services on biodiversity	Section 4.2. Biodiversity, ↗ p. 111 The Company does not have a significant impact on biodiversity	1	+
GRI 304-3 GRI 11.4.4	Habitats protected or restored	Section 4.2. Biodiversity, ↗ p. 119 c. Area of disturbed land at of the end of 2024: 35,230 ha Area of land disturbed in 2024: 1,483 ha	2	+
GRI 304-4 GRI 11.4.5	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Section 4.2. Biodiversity, ↗ p. 115	1	+
Material topic: Waste management				
GRI 3-3 GRI 11.5.1	Management of material topics	Section 4.4. Waste, ↗ p. 123	1	–
GRI 306-1 GRI 11.5.2	Waste generation and significant waste-related impacts	Section 4.4. Waste, ↗ p. 123	1	–
GRI 306-2 GRI 11.5.3	Management of significant waste-related impacts	Section 4.4. Waste, ↗ p. 123 Waste monitoring and data collection procedures are an integral part of the Company's Integrated System	1	–
GRI 306-3 GRI 11.5.4	Waste generated	Section 4.4. Waste, ↗ p. 123 Appendix 3. ESG Data, ↗ p. 208	2	+
GRI 306-4 GRI 11.5.5	Waste diverted from disposal	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 4.4. Waste, ↗ p. 124 Appendix 3. ESG Data, ↗ p. 208	2	+
GRI 306-5 GRI 11.5.6	Waste directed to disposal	Section 4.4. Waste, ↗ p. 124 Appendix 3. ESG Data, ↗ p. 208 b–i, c–i. The Company does not incinerate waste with energy recovery. Waste incineration without energy recovery is done using special incinerators (24.2 thousand tons in 2024).	2	+
IPIECA ENV-7	Materials management	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 4.4. Waste, ↗ p. 123 Appendix 3. ESG Data, ↗ p. 208	2	–
Material topic: Use of water resources				
GRI 3-3 GRI 11.6.1	Management of material topics	Section 4.5. Water Resources, ↗ p. 126	1	–
GRI 303-1 GRI 11.6.2	Interactions with water as a shared resource	Section 4.5. Water Resources, ↗ p. 126	1	–
GRI 303-2 GRI 11.6.3	Management of water discharge-related impacts	Section 4.5. Water Resources, ↗ p. 126 The Company does not establish and does not consider additional standards for the quality of discharged waters in excess of the legally established ones	1	–
IPIECA ENV-2	Wastewater discharges	Section 4.5. Water Resources, ↗ p. 129 Appendix 3. ESG Data, ↗ p. 208	2	–
GRI 303-3 GRI 11.6.4	Water withdrawal	Section 4.5. Water Resources, ↗ p. 128 Appendix 3. ESG Data, ↗ p. 210 The data on the Company's water withdrawal are obtained from the state statistic reporting by the Group's subsidiaries available from 2TP-Water approved by Order No. 230 of the Federal State Statistics Service dated 19 October 2009 The Company does not withdraw water in areas with water stress	2	+

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 303-4 **GRI 11.6.5**	Water discharge	Section 4.5. Water Resources, ↗ p. 130 Appendix 3. ESG Data, ↗ p. 210 The data on the Company's water discharge are obtained from the state statistic reporting by the Group's subsidiaries available from 2TP-Water approved by Order No. 230 of the Federal State Statistics Service dated 19 October 2009 The Company does not operate in areas with water stress	2	+
GRI 303-5 **GRI 11.6.6**	Water consumption	Section 4.5. Water Resources, ↗ p. 130 In the 2024 Report, the Company calculated water consumption in accordance with the methodological recommendations of GRI 303-5. Water consumption is calculated as the difference between the volume of water withdrawal (303-3) and the volume of water discharge (303-4). The data on the Company's water withdrawal and discharge are obtained from the state statistic reporting by the Group's subsidiaries available from 2TP-Water approved by Order No. 230 of the Federal State Statistics Service dated 19 October 2009 The Company does not consume water in areas with water stress c. Water storage at the Company is not identified as having a significant impact on water resources in the regions where the Company operates	2	+
SASB EM-EP-140a.1	Total freshwater withdrawn	Section 4.5. Water Resources, ↗ p. 128 Appendix 3. ESG Data, ↗ p. 210 2,929 thousand tons	2	+
	Total freshwater consumed	Section 4.5. Water Resources, ↗ p. 130 982 thousand tons		
	Percentage of freshwater withdrawn/ consumed in regions with high or extremely high baseline water stress	The Company does not operate in areas with water stress. According to the International Water Management Institute and World Resources Institute's Water Risk Atlas tool, Russia is a region with abundant water resources		
IPIECA ENV-1	Freshwater	Section 4.5. Water Resources, ↗ p. 128, ↗ 130 Appendix 3. ESG Data, ↗ p. 208	2	–
SASB EM-EP-140a.2	Volume of produced and flowback water; percentage of 1) discharged, 2) injected, 3) reused	Section 4.5. Water Resources, ↗ p. 129 Appendix 3. ESG Data, ↗ p. 210 Volume of produced water: 7,700 thousand tons; • the percentage of discharged water: 39%; • the percentage of injected water: 61%; • and the percentage of reused water: 0%	1	+
	Hydrocarbon content in discharged water	The Company does not discharge hydrocarbon contaminated water into water bodies		
SASB EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Section 4.5. Water Resources, ↗ p. 126 0% The hydraulic fracturing operations use viscoelastic, non-toxic fluids. Some fracturing fluid chemicals and their concentrations are not disclosed	1	+
SASB EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to the baseline	Section 4.5. Water Resources, ↗ p. 126 0% All fluid used for hydraulic fracturing is not discharged into ground or surface water, but is evaporated, so ground and surface water quality does not deteriorate compared to the baseline	1	+
Material topic: Employment practices and working conditions				
GRI 3-3 **GRI 11.10.1**	Management of material topics	Section 6.1. Management Approach, ↗ p. 154	1	–
IPIECA SOC-4	Labor practices and worker accommodation	Section 6.1. Management Approach, ↗ p. 154	1	–
GRI 401-1 **GRI 11.10.2**	New employee hires and employee turnover	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 6.1. Management Approach, ↗ p. 154 Appendix 3. ESG Data, ↗ p. 213 Data on turnover by age are not consolidated at the Group level	1	+
IPIECA SOC-6	Employee engagement	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 6.1. Management Approach, ↗ p. 154 Appendix 3. ESG Data, ↗ p. 208	1	–
GRI 401-2 **GRI 11.10.3**	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section 6.4. Employee Motivation and Social Support, ↗ p. 167 Benefits provided by Russian legislation apply to all employees in the territory of the Russian Federation. The Russian Federation is a significant location of operation	1	–
GRI 401-3 **GRI 11.10.4 and 11.11.3**	Parental leave	Section 6.1. Management Approach, ↗ p. 159 Appendix 3. ESG Data, ↗ p. 213 d, e. Data are not consolidated at the Group level	1	+
GRI 402-1 **GRI 11.10.5 and 11.7.2**	Minimum notice periods regarding operational changes	Section 6.1. Management Approach, ↗ p. 159 Under Russian laws, the minimum notice period as regards the Company's significant operational changes is eight weeks (incorporated into the collective bargaining agreement)	1	+
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Section 6.4. Employee Motivation and Social Support, ↗ p. 166 Appendix 3. ESG Data, ↗ p. 213	1	+
GRI 201-3	Defined benefit plan obligations and other retirement plans	Section 6.4. Employee Motivation and Social Support, ↗ p. 170 The total of employee benefits stands at RR 6.8 billion as of 31 December 2024 The value is given in accordance with the Disclosable Consolidated Financial Statements for 2024	3	+
GRI 3-3 **GRI 11.12.1**	Management of material topics	Section 2.3. Ethics, ↗ p. 42 Section 2.7. Supply Chain, ↗ p. 60	1	–
GRI 409-1 **GRI 11.12.2**	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Section 2.3. Ethics, ↗ p. 42, ↗ 44 Section 2.7. Supply Chain, ↗ p. 60 In the reporting year, the Company identified no operations at significant risk for incidents of forced or compulsory labor	1	+
GRI 3-3 **GRI 11.13.1**	Management of material topics	Section 2.3. Ethics, ↗ p. 42 Section 2.7. Supply Chain, ↗ p. 60	1	–
GRI 407-1 **GRI 11.13.2**	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section 2.3. Ethics, ↗ p. 42, ↗ 44 Section 2.7. Supply Chain, ↗ p. 60 In the reporting year, the Company identified no operations in which the right to exercise freedom of association or collective bargaining may be violated or put at significant risk	1	+
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Section 2.3. Ethics, ↗ p. 43, ↗ 44 Section 2.7. Supply Chain, ↗ p. 64 In the reporting year, the Company identified no operations at significant risk for incidents of child labor a–ii The Human Rights Policy of PAO NOVATEK, approved by the Decision of the Board of Directors of PAO NOVATEK dated 17 December 2021	1	+
IPIECA SOC-8	Employee protection and grievance mechanisms	Section 2.3. Ethics, ↗ p. 42, ↗ 43 Section 6.2. Diversity and Inclusion, ↗ p. 160 Appendix. Contacts, ↗ p. 198	1	–

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
Material topic: Employee training, development, and motivation				
GRI 3-3	Management of material topics	Section 6.3. Employee Training and Development, ↗ p. 162	1	–
GRI 404-1 GRI 11.10.6 and 11.11.4	Average hours of training per year per employee	Section 1.2. ESG Highlights in 2024, ↗ p. 13 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 25 Section 6.2. Diversity and Inclusion, ↗ p. 160 Section 6.3. Employee Training and Development, ↗ p. 162 Appendix 3. ESG Data, ↗ p. 214	1	+
GRI 404-2 GRI 11.7.3 and 11.10.7	Programs for upgrading employee skills and transition assistance programs	Section 6.2. Diversity and Inclusion, ↗ p. 160 Section 6.3. Employee Training and Development, ↗ p. 162 b. The Company has in place a pension plan to support its employees and severance pay.	1	–
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Section 6.3. Employee Training and Development, ↗ p. 162 5% of the Group's employees received regular performance reviews. Performance reviews was received by 6% of all males and 2% of all females	1	+
IPIECA SOC-7	Employee training and development	Section 1.2. ESG Highlights in 2024, ↗ p. 13 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 25 Section 6.3. Employee Training and Development, ↗ p. 162 Appendix 3. ESG Data, ↗ p. 208	1	–
Material topic: Sociocultural diversity, equal opportunities				
GRI 3-3 GRI 11.11.1	Management of material topics	Section 6.1. Management Approach, ↗ p. 154 Section 6.2. Diversity and Inclusion, ↗ p. 160	1	–
GRI 202-2 GRI 11.11.2 and 11.14.3	Proportion of senior management hired from the local community	Section 6.2. Diversity and Inclusion, ↗ p. 161	1	+
GRI 405-1 GRI 11.11.5	Diversity of governance bodies and employees	Section 6.1. Management Approach, ↗ p. 156 Section 6.2. Diversity and Inclusion, ↗ p. 160 Appendix 3. ESG Data, ↗ p. 211	1	+
GRI 405-2 GRI 11.11.6	Ratio of basic salary and remuneration of women to men	Section 6.2. Diversity and Inclusion, ↗ p. 160	1	+
GRI 406-1 GRI 11.11.7	Incidents of discrimination and corrective actions taken	The Company identified no incidents of discrimination in the reporting year	1	+
IPIECA SOC-5	Sociocultural diversity and consideration of individual characteristics of employees	Section 6.1. Management Approach, ↗ p. 156 Section 6.2. Diversity and Inclusion, ↗ p. 160 Appendix 3. ESG Data, ↗ p. 208	1	–
IPIECA SOC-15	Local hiring practices	Section 6.2. Diversity and Inclusion, ↗ p. 161	1	–
Material topic: Occupational health and safety				
GRI 3-3 GRI 11.7.1	Management of material topics	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 143	1	+
IPIECA ENV-8	Asset decommissioning and closure	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 143	1	–
GRI 11.7.4	Operational sites that have closure and rehabilitation plans in place; have been closed; are in the process of being closed	Number of wells suspended as of the end of the year: 87 Number of wells abandoned as of the end of the year: 96	1	+
GRI 11.7.5	Decommissioned structures left in place and the rationale for leaving them in place	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 143 No industrial sites were closed down as of the end of the year. However, the Company commits to ensure the development and implementation of internal regulations on sustainable closure, dismantling of all structures and land rehabilitation as well as stakeholder engagement (discussions of closure plans) in accordance with the IFC international standards	1	+
GRI 11.7.6	Financial costs of the closure and rehabilitation of production sites	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 143	3	+
GRI 3-3 GRI 11.8.1	Management of material topics	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 139	1	+
GRI 306-3 (2016) GRI 11.8.2	Significant spills	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 142 The Company identified no spills in the reporting year	1	+
SASB EM-EP 160a.2	Number and aggregate volume of hydrocarbon spills, volume in the Arctic, volume impacting shorelines with ESI rankings 8–10, and volume recovered	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 142 Hydrocarbon spills greater than 1 barrel in 2024: 0	1	+
IPIECA ENV-6	Spills of liquid products and substances into the environment	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 144	1	–
GRI 11.8.3	Information about Tier 1 and Tier 2 events	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 144	1	+
SASB EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) or greater consequence	Data are not consolidated at the Group level	1	–
SASB EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 139 Catastrophic and tail-end risks include risks of major accidents and serious incidents threatening the sustainability of the Company's entire business model. The Company manages catastrophic and tail-end risks based on unified approaches to risk management described in Chapter 2. Sustainability Management, ↗ p. 38 Key efforts in managing catastrophic and tail-end risks are described in Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200	1	+
GRI 3-3 GRI 11.9.1	Management of material topics	Section 5.1. Management Approach, ↗ p. 134	1	+
IPIECA SHS-1	Ensuring occupational health and safety	Section 5.1. Management Approach, ↗ p. 134	1	–
GRI 403-1 GRI 11.9.2	Occupational health and safety management system	Section 5.1. Management Approach, ↗ p. 134	1	+
GRI 403-2 GRI 11.9.3	Hazard identification, risk assessment, and incident investigation	Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38 Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, ↗ p. 139 Section 5.3. Preventing Work-Related Injuries, ↗ p. 145 Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200	1	+

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
IPIECA SHS-7	Safety risk management	Section 2.2. Sustainability Risks and Opportunities, p. 38 Section 2.4. Information Security, p. 49 Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, p. 139 Section 5.3. Preventing Work-Related Injuries, p. 145 Appendix 1. Key Sustainability Risks and Opportunities, p. 200	1	–
GRI 403-3 **GRI 11.9.4**	Occupational health services	Section 5.4. Occupational Health, p. 149	1	+
GRI 403-4 **GRI 11.9.5**	Worker participation, consultation, and communication on occupational health and safety	Section 5.1. Management Approach, p. 136	1	+
SASB EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Section 5.1. Management Approach, p. 136	1	+
GRI 403-5 **GRI 11.9.6**	Worker training on occupational health and safety	Section 5.5. OHS Training for Employees, p. 149	1	+
GRI 403-6 **GRI 11.9.7**	Promotion of worker health	Section 5.4. Occupational Health, p. 149 Section 6.4. Employee Motivation and Social Support, p. 169	1	+
GRI 403-7 **GRI 11.9.8**	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 5.1. Management Approach, p. 138 Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, p. 139 Section 5.4. Occupational Health, p. 149	1	+
IPIECA SHS-2	Workforce and community health	Section 5.4. Occupational Health, p. 149	1	–
GRI 403-8 **GRI 11.9.9**	Workers covered by an occupational health and safety management system	Section 5.1. Management Approach, p. 134 The occupational health and safety system applies to all employees of the Company and employees of contracting organizations	1	+
GRI 403-9 **GRI 11.9.10**	Work-related injuries	Section 1.2. ESG Highlights in 2024, p. 12 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, p. 24 Section 5.3. Preventing Work-Related Injuries, p. 146 a–v. Across the Group: 37.8 million h b–ii. The number of high-consequence work-related injuries across contracting organizations: 7. b–v. Across contracting organizations: 112.4 million h e. – The calculation is per 1 million hours. The footnotes present the calculation per 200 thousand hours f. – no excluded	1	+
GRI 403-10 **GRI 11.9.11**	Work-related ill health	Section 5.4. Occupational Health, p. 149 No occupational diseases were identified or registered at NOVATEK and contracting organizations over the past five years	1	+

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
SASB EM-EP-320a.1	1) Total recordable incident rate (TRIR)	Section 5.3. Preventing Work-Related Injuries, p. 146 The total recordable incident rate was 0.259[1]	1	+
	2) Fatality rate (FR)	Section 5.3. Preventing Work-Related Injuries, p. 146 Two fatalities among employees and zero fatalities among contractors were recorded in 2024		
	3) Near miss frequency rate (NMFR)	Section 5.3. Preventing Work-Related Injuries, p. 146 The near miss frequency rate was 0.026[2]		
	4) Average hours of health, safety, and emergency response training for: • full-time employees; • contractor employees; • part-time employees	Section 5.5. OHS Training for Employees, p. 149 The average hours of health, safety, and emergency response training in 2024 totaled 237,521 h Average hours of health, safety, and emergency response training broken down by full-time employees, contractor employees, and part-time employees are not consolidated at the Group level		
IPIECA SHS-3	Occupational injury and illness incidents	Section 1.2. ESG Highlights in 2024, p. 12 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, p. 24 Section 5.1. Management Approach, p. 136 Section 5.3. Preventing Work-Related Injuries, p. 146 Section 5.4. Occupational Health, p. 149 Section 5.5. OHS Training for Employees, p. 149	1	–
IPIECA SHS-4	Process safety	Section 5.2. Preventing and Responding to Work-Related Accidents, Incidents, and Emergencies, p. 144 PAO NOVATEK operates passenger cars to transport employees and documents as may be required for a smooth business process. Every year, our drivers complete a 20-hours training course to improve their safe driving and car operation skills. Monthly traffic rules knowledge checks provide insight into drivers' skills and help reduce the number of road accidents Each car in PAO NOVATEK's fleet received adequate repair and maintenance. Pre-trip checks help ensure that only cars in satisfactory working condition are being used	1	–
IPIECA SHS-6	Process safety	Section 5.3. Preventing Work-Related Injuries, p. 146 One process safety event occurred in 2024	1	–
GRI 416-1 **GRI 11.3.3**	Assessment of the health and safety impacts of product and service categories	Section 2.7. Supply Chain, p. 65	1	+
IPIECA SHS-5	Product stewardship	Section 2.7. Supply Chain, p. 65	1	–
Material topic: Local communities and indigenous peoples				
GRI 3-3 **GRI 11.15.1**	Management of material topics	Section 7.1. Management Approach, p. 174 Section 7.2. Contribution to Regional Development, p. 180	1	–
GRI 413-1 **GRI 11.15.2**	Operations with local community engagement, impact assessments, and development programs	Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, p. 24 Section 7.1. Management Approach, p. 174 Section 7.2. Contribution to Regional Development, p. 180	1	+

1 In line with the improved methodology that incorporates the SASB recommendations, starting from 2023 TRIR is based on the number of work-related injuries/fatalities, instead of the number of accidents, per 200 thousand h worked.

2 The number of accidents without consequences x 200 thousand man-hours / The number of man-hours worked by all employees. The perimeter includes OOO NOVATEK-TARKOSALENEFTEGAZ and OAO Yamal LNG.

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 413-2 GRI 11.15.3	Operations with significant actual and potential negative impacts on local communities	Section 1.5.Responsible Investments in the Infrastructure of Our Operating Regions, ↗ p. 20 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
IPIECA SOC-9	Local community impacts and engagement	Section 1.5.Responsible Investments in the Infrastructure of Our Operating Regions, ↗ p. 20 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
IPIECA SOC-12	Local community grievance mechanisms	Section 7.1. Management Approach, ↗ p. 176	1	–
GRI 11.15.4	The number and type of grievances from local communities identified, including percentage of the grievances that were addressed and resolved; percentage of the grievances that were resolved through remediation	Section 7.1. Management Approach, ↗ p. 176	1	+
GRI 3-3 GRI 11.16.1	Management of material topics	Section 7.1. Management Approach, ↗ p. 174	1	–
GRI 11.16.2	Locations of the Company's operations that caused or contributed to involuntary resettlement	In the reporting year, the Company's operations did not cause or contribute to involuntary resettlement	1	–
IPIECA SOC-11	Land acquisition and involuntary resettlement			
GRI 3-3 GRI 11.17.1	Management of material topics	Section 7.1. Management Approach, ↗ p. 174	1	–
SASB EM-EP-210b.1	Discussion of the process to manage risks and opportunities associated with local community rights and interests	Section 2.3. Ethics, ↗ p. 40 Section 7.1. Management Approach, ↗ p. 175	1	+
IPIECA SOC-10	Engagement with indigenous peoples	Section 7.1. Management Approach, ↗ p. 175	1	–
GRI 411-1 GRI 11.17.2	Incidents of violations involving rights of indigenous peoples	The Company identified no incidents of violations involving rights of indigenous peoples or encouraging involuntary resettlement	1	+
GRI 11.17.3	Locations of operations where indigenous peoples are present or affected by activities of the organization	Section 7.1. Management Approach, ↗ p. 175 Section 7.2. Contribution to Regional Development, ↗ p. 180 Regions of NOVATEK's operations where indigenous peoples are present or the regions affected by NOVATEK's activities include: • Yamal-Nenets Autonomous Region; • Khanty-Mansiysk Autonomous Region; • Tyumen Region; • Chelyabinsk Region; • Leningrad Region; • Murmansk Region; • Kostroma Region; • Kamchatka Territory	1	–
SASB EM-EP-210a.1	Percentage of proved and probable reserves in or near areas of conflict	Percentage of proved and probable reserves in or near areas of conflict: 0%	3	+
SASB EM-EP-210a.2	Percentage of proved and probable reserves in or near indigenous land	100% of the Company's proved and probable reserves are located in indigenous lands of the North.	3	+
GRI 11.17.4	The process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: whether the process was mutually accepted by the organization and affected indigenous peoples; whether an agreement has been reached	Section 2.3. Ethics, ↗ p. 44 Section 7.1. Management Approach, ↗ p. 175	1	–
SASB EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Section 2.3. Ethics, ↗ p. 44 Section 7.1. Management Approach, ↗ p. 175	1	+
GRI 3-3 GRI 11.18.1	Management of material topics	Section 7.1. Management Approach, ↗ p. 174	1	–
GRI 410-1 GRI 11.18.2	Security personnel trained in human rights policies or procedures	No training was organized in the reporting year	1	–
SASB EM-EP-210b.2	Number and duration of non-technical delays	No stoppages or strikes related to labor disputes have ever occurred in the Company	1	+
Material topic: Regional development				
GRI 3-3 GRI 11.14.1	Management of material topics	Section 2.7. Supply Chain, ↗ p. 60 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
GRI 203-1 GRI 11.14.4	Infrastructure investments and social services supported	Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	2	+
IPIECA SOC-13	Community investments	Section 1.5.Responsible Investments in the Infrastructure of Our Operating Regions, ↗ p. 20 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
GRI 203-2 GRI 11.14.5	Significant indirect economic impacts	Section 1.5.Responsible Investments in the Infrastructure of Our Operating Regions, ↗ p. 20 Section 1.7. Contribution to the UN Sustainable Development Goals and Russia's National Sustainable Development Goals, ↗ p. 24 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
Material topic: Sustainable supply chain				
GRI 3-3 GRI 11.14.1	Management of material topics	Section 2.7. Supply Chain, ↗ p. 60 Section 7.1. Management Approach, ↗ p. 174 Section 7.2. Contribution to Regional Development, ↗ p. 180	1	–
IPIECA SOC-2	Suppliers and human rights	Section 2.3. Ethics, ↗ p. 42 Section 2.7. Supply Chain, ↗ p. 61, ↗ 64	1	–
GRI 204-1 GRI 11.14.6	Proportion of spending on local suppliers	Section 2.7. Supply Chain, ↗ p. 62 The Company views the suppliers operating in Russia as "local suppliers"	1	+
IPIECA SOC-14	Local procurement and supplier development	Section 2.7. Supply Chain, ↗ p. 60, ↗ 62	1	–
GRI 414-1 GRI 11.10.8 and 11.12.3	New suppliers that were screened using social criteria	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 2.7. Supply Chain, ↗ p. 64	1	+
GRI 414-2 GRI 11.10.9	Negative social impacts in the supply chain and actions taken	Section 2.7. Supply Chain, ↗ p. 64	1	+

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 308-1	New suppliers that were screened using environmental criteria	Section 1.2. ESG Highlights in 2024, ↗ p. 12 Section 2.7. Supply Chain, ↗ p. 64	1	+
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Section 2.7. Supply Chain, ↗ p. 64	1	+
Material topic: Economic efficiency and resilience				
GRI 3-3	Management of material topics	Section 1.1. Key Operating and Financial Highlights of 2024, ↗ p. 8 Section 1.3. Business Model, ↗ p. 14 Section 1.6. Sustainable Development Strategy, ↗ p. 22	1	+
GRI 201-1 GRI 11.14.2 and 11.21.2	Direct economic value generated and distributed	i. Created direct economic value: RR 1,636 billion ii. Distributed economic value: RR 1,366 billion iii. Undistributed economic value: RR 270 billion	3	+
Material topic: Ethical business conduct				
GRI 3-3 GRI 11.20.1	Management of material topics	Section 2.3. Ethics, ↗ p. 42 Section 2.7. Supply Chain, ↗ p. 60	1	–
IPIECA GOV-3	Preventing corruption	Section 2.3. Ethics, ↗ p. 42, ↗ 45, ↗ 46, ↗ 47	1	–
GRI 205-1 GRI 11.20.2	Corruption Risk Assessment	Section 2.3. Ethics, ↗ p. 45-46 Risks of fraud and corruption are identified and assessed at the Group level. Identification and assessment of risks by divisions was not carried out in 2024. In addition to the rules for proper dealings with government officials set forth in its Anti-Corruption Policy, NOVATEK does not allow facilitation payments, i.e. payments to government officials to expedite routine actions. To eliminate the risk of uncoordinated payments at the expense of the Company, all expenditure transactions follow an approval route in corporate IT systems, considering the segregation of duties related to implementing control procedures between the responsible units of the Company, which eliminates the risk of one employee making a decision	1	+
GRI 205-2 GRI 11.20.3	Communication and training about anti-corruption policies and procedures	Section 2.3. Ethics, ↗ p. 45, ↗ 46	1	+
GRI 205-3 GRI 11.20.4	Confirmed incidents of corruption and actions taken	Section 2.3. Ethics, ↗ p. 45 The Company identified no incidents of corruption in the reporting period	1	+
SASB EM-EP-510a.1	Percentage of (1) proved and (2) probable hydrocarbon reserves in countries that have the 20 lowest rankings in the Corruption Perception Index	Percentage of proved and probable reserves in countries that have the 20 lowest rankings in the Corruption Perception Index: 0%	3	+
SASB EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Section 2.3. Ethics, ↗ p. 45 The Company does not operate tankers sailing under the flags of states on the Black List of the Paris Memorandum of Understanding on Port State Control. The Company operates tankers sailing under the flags of states that are members of the International Maritime Organization (IMO)	1	+
GRI 11.20.5	Approach to contract transparency, including whether contracts and licenses are made public and, if so, where they are published; if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future	Section 2.7. Supply Chain, ↗ p. 60 For reasons of confidentiality, the contents of license agreements related to subsurface use are not disclosed to third parties.	1	–

Standard and indicator index (GRI Disclosure, SASB Code)	Indicator	Section of the Report / Notes	Report scope	External assurance
GRI 418-1	The total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Section 2.4. Information Security, ↗ p. 50 The Company identified no complaints concerning breaches of customer privacy in the reporting year	1	+
IPIECA SOC-1	Human rights due diligence	Section 2.3. Ethics, ↗ p. 43	1	–
IPIECA SOC-3	Security and human rights	Section 2.3. Ethics, ↗ p. 43	1	–
GRI 3-3 GRI 11.19.1	Management of material topics	Section 2.3. Ethics, ↗ p. 42	1	–
GRI 206-1 GRI 11.19.2	The total number of cases of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Section 2.3. Ethics, ↗ p. 48	1	+
GRI 3-3 GRI 11.21.1	Management of material topics	Section 2.3. Ethics, ↗ p. 42, ↗ 48	1	–
GRI 207-1 GRI 11.21.4	Approach to tax	Section 2.3. Ethics, ↗ p. 48	1	–
GRI 207-2 GRI 11.21.5	Tax governance, control, and risk management	Section 2.3. Ethics, ↗ p. 48	1	–
GRI 207-3 GRI 11.21.6	Stakeholder engagement and management of concerns related to tax	Section 2.3. Ethics, ↗ p. 48	1	–
IPIECA GOV-4	Transparency of payments to host governments	Section 2.3. Ethics, ↗ p. 42, ↗ 48	1	–
GRI 11.21.8	For oil and gas purchased from the state or from third parties appointed by the state to sell on their behalf, volumes and types of oil and gas purchased; full names of the buying entity and the recipient ofthepayment;andpayments made for the purchase should be reported	The Company does not purchase gas from the state or from third parties appointed by the state to sell gas on behalf of the state	1	–
GRI 3-3 GRI 11.22.1	Management of material topics	Section 2.3. Ethics, ↗ p. 42	1	–
GRI 415-1 GRI 11.22.2	Political contributions	The Company does not make illegal payments in favor of federal and municipal authorities, law enforcement or regulatory authorities, their representatives, and other persons, including intermediaries The Company does not envisage expenses for activities aimed at interaction with government authorities The Company does not make sponsorship or other payments in support of political parties, or organizations and foundations associated with them	1	+
GRI 11.2.4	Approach to public policy development and lobbying on climate change	Section 3.2. Management Approach, ↗ p. 76 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 84	1	–
SASB EM-EP-530a.1	Discussion of the Company corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Section 3.2. Management Approach, ↗ p. 76 Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, ↗ p. 84	1	+
IPIECA GOV-5	Public advocacy and lobbying	Section 2.3. Ethics, ↗ p. 42 The Company does not make sponsorship or other payments in support of political parties, or organizations and foundations associated with them	1	–

Appendix 5. Compliance with TCFD

NOVATEK has been disclosing climate change information in accordance with TCFD recommendations since 2018. In 2024, the International Sustainability Standards Board integrated the TCFD recommendations into the IFRS S2 standard. In the reporting year, the Company partially adapted its climate change disclosures to the new standard.

Section	Disclosure element	Information and link to the source
Corporate governance		
Disclosure of the Company's corporate governance around climate change risks and opportunities	1.1. Description of the board's oversight of climate change risks and opportunities	The responsibility of the Company's senior management includes key climate change topics, including corporate governance, strategy, risk management, and climate change targets. These matters are regularly reviewed at the meetings of NOVATEK's Board of Directors and the Subcommittee on Climate and Alternative Energy under the Strategy Committee of the Board of Directors. For more details, see Section 2.1. Sustainability Management System, p. 37, Section 3.2. Management Approach, p. 72.
	1.2. Description of management's role in assessing and managing climate change risks and opportunities	At the operational level, the Deputy Chairman of the Management Board — Director for Prospective Projects oversees decarbonization projects. The Deputy Chairman of the Management Board — Director for Operations, who is responsible for the Integrated Management System, oversees matters related to GHG emissions management. Matters related to the Company's climate agenda are included in the senior management's incentive system and set out in KPIs. For more details, see Section 2.1. Sustainability Management System, p. 37, Section 3.2. Management Approach, p. 72.
Strategy		
Disclosure of the actual and potential impacts of climate change risks and opportunities on the Company's business, strategy, and financial planning where such information is material	2.1. Description of the climate change risks and opportunities the Company has identified over the short, medium, and long term	NOVATEK identifies the following climate change-related risks: • physical risks (short-term and long-term climate change); and • transitional risks (legislation, technology, market, and reputation). NOVATEK sees opportunities dealing with logistics and new business areas in the context of climate change. For more details, see Section 3.2. Management Approach, p. 77.
	2.2. Description of the impact of climate change risks and opportunities on the Company's business, strategy, and financial planning	For more details, see Section 3.2. Management Approach, p. 77.
	2.3. Description of the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including the 2 °C or lower scenario	NOVATEK designed the Yamal LNG and Arctic LNG 2 large-scale projects with due regard to various climate change scenarios. Data collected through engineering and metocean surveys were used in identifying climate conditions and determining design operating conditions for equipment. For more details, see Section 3.2. Management Approach, p. 78.
Risk management		
Disclosure of the processes used by the Company to identify, assess, and manage climate change risks	a) Description of the Company's processes for identifying and assessing climate change risks	NOVATEK analyzes climate change risks on an annual basis and works out appropriate management measures. The impact of physical climate change risks is assessed at the facility design, construction, and operation stages as well as for the purposes of insurance surveyor reports. This is a standard environmental management process that conforms to ISO 14001:2015. For more details, see Section 3.2. Management Approach, p. 77.
	b) Description of the Company's processes for managing climate change risks	Climate change risk management is an integral part of PAO NOVATEK's risk management system. Heads of business lines and structural units together with the Risk Control Division identify, analyze, and assess climate change risks. Risks are identified taking into account the TCFD recommendations. For more details, see Section 3.2. Management Approach, p. 77.
	c) Description of how processes for identifying, assessing, and managing climate change risks are integrated into the Company's overall risk management system	PAO NOVATEK considers climate change risks and opportunities in its business strategy and invests in innovative energy-efficient and low-carbon technologies. Monitoring of market trends enables to consider the risks and opportunities of external context, efficiently manage the project portfolio, keep track of changes in legislation regulating GHG emissions, and assess the consequences of these changes for the Company's plans. For more details, see Section 3.2. Management Approach, p. 77.
Metrics and targets		
Disclosure of the metrics and targets used to assess and manage relevant climate change risks and opportunities where such information is material	a) Disclosure of the metrics used by the Company to assess relevant climate change risks and opportunities in line with its strategy and risk management process	For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, p. 81 and Appendix 3. ESG Data, p. 200.
	b) Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and related risks	Total emissions: • Scope 1: 9,571,891 tons of CO_2 eq.; • Scope 2: 178,108 tons of CO_2 eq.; • Scope 3: 181,657,502 tons of CO_2 eq. For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, p. 81 and Appendix 3. ESG Data, p. 200.
	c) Description of the targets used by the Company to manage climate change risks and opportunities, and performance against targets	In 2020, the Company's Board of Directors approved environmental and climate change targets to 2030, which also included: • reduction of GHG emission intensity in upstream production and natural gas liquefaction; • reduction of methane emission intensity; and • increased APG utilization rate. For more details, see Section 3.3. Key Metrics and Solutions for Boosting Carbon Efficiency, p. 81 and Appendix 3. ESG Data, p. 200.

Appendix 6. Compliance with TNFD

Section	Disclosure element	Information and link to the source
Corporate governance		
Disclosure of the organization's corporate governance in relation to nature-related dependencies, impacts, risks and opportunities (DIROs)	A. Description of the board's oversight of nature-related DIROs	The responsibility of the Company's senior management includes key environmental topics, including corporate governance, strategy, management of DIROs, and nature-related targets. These matters are regularly reviewed at the meetings of the Remuneration and Nomination Committee of NOVATEK's Board of Directors and the Subcommittee on Climate and Alternative Energy under the Strategy Committee of the Board of Directors. For more details, see Section 4.1. Management Approach, ↗ p. 100.
	B. Description of management's role in assessing and managing DIRO	Nature-related issues are monitored at the highest level by the Remuneration and Nomination Committee of the Board of Directors, and at the executive level by the Deputy Chairman of the Management Board – Director for Operations. The Company adopted nature-related KPIs that are incorporated into the senior management's incentive system. For more details, see Section 4.1. Management Approach, ↗ p. 100, Section 2.1. Sustainability Management System, ↗ p. 30.
	C. Description of the organisation's human rights policies and engagement activities[1]	The Company's human rights and engagement approach, including engagement with indigenous peoples and local communities, is outlined in its Human Rights Policy, Code of Business Conduct and Ethics, and other internal documents. For the purposes of monitoring of adverse impacts on indigenous peoples' lifestyles, Yamal LNG and Arctic LNG 2 went through dedicated evaluation and are now monitoring ecosystem services that the indigenous peoples need for their livelihood. For more details, see Section 2.3. Ethics, ↗ p. 42, Section 4.2. Biodiversity, ↗ p. 108.
Strategy		
Disclosures on the effects of nature-related DIROs on the Company's business model, operations, strategy and financial planning where such information is material	A. Description of the DIROs that have been identified over the short, medium, and long term	**Dependencies** NOVATEK's identified nature-related dependencies are related to the water treatment needs for the purposes of its industrial sites in the Arctic as well as the need to maintain permissible air pollutant concentrations prescribed in the respective standards to protect the health of its personnel and the local population. **Impacts** • NOVATEK identifies a number of impacts in line with the TNFD drivers. • NOVATEK identifies the following nature-related risks: • Environmental impact from accidents and oil and petroleum product spills **Risks** No material nature-related risks were identified from NOVATEK in 2024. **Opportunities** NOVATEK identifies mostly opportunities related to climate change. For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, Section 4.1. Management Approach, ↗ p. 100, Section 4.3. Emissions, ↗ p. 121, Section 4.5. Water Resources, ↗ p. 126, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.
	B. Description of the effect DIROs have had on the organisation's business, value chain, strategy and financial planning, as well as any transition plans	NOVATEK incorporates DIRO identification, assessment and management mechanisms into its management system and strategic decision-making processes. For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, Section 4.1. Management Approach, ↗ p. 100, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.
	C. Description of the resilience of the Company's strategy to nature-related risks and opportunities, taking into consideration different scenarios	The Company develops business continuity plans taking into consideration different risk materialization scenarios, including climate change and nature-related risks, as well as major accident risks. For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38.
	D. Disclosure of the locations of assets or activities in the direct operations and value chain that meet the criteria for priority locations[2]	NOVATEK avoids extracting and processing natural resources at UNESCO sites, Ramsar sites, and in federal-level specially protected natural areas while also refraining from operations in areas that are home to valuable and protected plant and animal species. For more details, see Section 4.2. Biodiversity, ↗ p. 108
Risk management		
Description of the processes used by the Company to identify, assess, prioritise and monitor nature-related DIROs	A. Description of the Company's processes for identifying, assessing and prioritising DIROs: • in its direct operations	The Company has a Register of Significant Health, Safety, Environmental and Social Risks, which includes the risks affecting each component of the environment and identifies respective impacts. The risk identification process is included in the scope of environmental and social impact assessment. For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, Section 4.1. Management Approach, ↗ p. 100, and Appendix 1. Key Sustainability Risks and Opportunities, ↗ p. 200.
	• in its value chain	When deciding on entering into contracts, NOVATEK considers the respective counterparty's approach to nature conservation. For more details, see Section 2.7. Supply Chain, ↗ p. 59.
	B. Description of the Company's processes for managing DIROs	The nature-related DIRO management process includes: • an assessment of potential environmental impacts as part of EIA and ESIA procedures; • environmental monitoring; • environmental operational control; • inspections of the Company's industrial sites by government authorities; • interaction with host communities. In addition, NOVATEK takes compulsory and voluntary nature conservation action in accordance with the mitigation hierarchy. For more details, see Chapter 4. Environment, ↗ p. 100.
	C. Description of how processes for identifying and assessing nature-related risks are integrated into the Company's overall risk management system	NOVATEK's nature-related activities, including DIRO management, are incorporated into the multi-tier risk management and internal control system. For more details, see Section 2.2. Sustainability Risks and Opportunities, ↗ p. 38, Section 4.1. Management Approach, ↗ p. 100.
Metrics and targets		
Disclosure of the metrics and targets used to assess and manage material nature-related DIROs	A. Disclosure of the metrics used by the Company to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	NOVATEK identified a number of metrics that cover every nature-related aspect, including waste management, impact on air, water bodies, land and biodiversity. These metrics enable to capture the intensity of environmental impact, nature-related dependencies, as well as nature-related risk and opportunities probability. These metrics are consistent with the requirements of Russian laws, Russian and international standards. For more details, see Chapter 4. Environment, ↗ p. 100.
	B. Disclosure of the metrics used by the Company to assess and manage dependencies and impacts on nature	
	C. Description of the targets and goals used by the Company to manage nature-related DIROs and its performance against these	NOVATEK has set two nature-related targets for itself, namely to: • Reduce pollutant emission intensity by 20%, tons/thousand boe, • Increase the share of waste directed to utilization and treatment to 90%. For more details, see Section 4.1. Management Approach, ↗ p. 100.

[1] Including oversight by the Board of Directors and management, with respect to indigenous peoples, local communities, affected and other stakeholders, in the assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.

[2] Priority locations include: material locations where the Company has identified material nature-related DIROs in its value chain, sensitive locations where the Company's activities and value chains produce impact on areas important for biodiversity, areas important for ecosystem integrity, areas of importance for ecosystem service provision to local population, including indigenous peoples, as well as areas of high water risks.

Appendix 7. Independent Auditor's Limited Assurance Report

Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

www.tedo.ru

Ferro-Plaza Business Centre, 14/3
Krzhizhanovsky street, bldg. 5/1,
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Moscow, Russian Federation, 117218

T: +7 495 967 60 00

Independent Auditor's Limited Assurance Report

To the Management of Joint Stock Company "NOVATEK":

Introduction

We have been engaged by the Management of Joint Stock Company "NOVATEK" (hereinafter – the "Company") to provide limited assurance on the selected information described below and included in the PAO NOVATEK's Sustainability Report 2024 (hereinafter – the "Sustainability Report"). The Sustainability Report represents information related to the Company and its subsidiaries and joint ventures (hereinafter together – the "Group"), unless otherwise stated in the Sustainability Report.

Selected information

We assessed the quantitative and qualitative information that is disclosed in the Sustainability Report and referred to or included in the Table of compliance with GRI (GRI content index), SASB (SASB content index) included in the Appendix 4 to the Sustainability Report (hereinafter – the "Compliance Index") and marked by "+" in the External Assurance column of the Compliance Index (hereinafter – the "Selected Information").

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2024 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

Reporting criteria

We assessed the Selected Information using relevant criteria, including the requirements of:

- GRI Disclosures marked by "+" in the External Assurance column of the Compliance Index, of the respective GRI Sustainability Reporting Standards 2, 3, 11, 201-206, 302-306, 308, 401-409, 411, 413-416 and 418 published by Stichting Global Reporting Initiative (hereinafter – the "GRI Disclosures"), and
- SASB Codes marked by "+" in the External Assurance column of the Compliance Index, of the Oil & Gas – Exploration & Production Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (hereinafter – the "SASB Codes", jointly with the GRI Disclosures – the "Reporting Criteria").

We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the Group's management

Management of the Group is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of the Group.

This report, including our conclusion, has been prepared solely for the Management of the Group in accordance with the agreement between us, to assist management in reporting on the Group's sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report, which will be published on the Company's website[1], to assist management in responding to its governance responsibilities by obtaining an independent auditor's limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Group for our work or this report except where the respective terms are expressly agreed between us in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our limited assurance engagement in respect of the Selected Information in the Russian Federation.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Group's management, including the Group Sustainability Reporting (SR) team and those with responsibility for SR management and the Group SR reporting;
- conducted interviews of the Group's personnel responsible for the preparation of the Sustainability Report and collection and analysis of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- reviewed the Selected Information for compliance of the disclosures with the relevant requirements of the Reporting Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

[1] The maintenance and integrity of the Company's website is the responsibility of the Management of the Company; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

Reporting and measurement techniques

Under the GRI Disclosures and SASB Codes, there is a range of different, but acceptable, reporting and measurement techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management in preparing the Sustainability Report, described therein, and for which the Group is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

30 April 2025
Moscow, Russian Federation

Kriventsev Evgenii Nikolaevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099944)