

**APPROVED**

**By the resolution of the Board of Directors  
of Rosneft**

**on 11.11.2013**

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## **COMPANY POLICY**

### **ON EMERGENCY PREVENTION AND RESPONSE**

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# INTRODUCTORY PROVISIONS

## INTRODUCTION

Company Policy on emergency situation prevention and response (hereinafter referred to as the Policy) defines goals, priority areas, main principles and objectives of the Company Policy in the area of emergency prevention and response.

This Policy is developed in accordance with:

- Federal Law of the Russian Federation dated 21.12.1994 № 68-FZ “Protection of population and lands against natural and man-caused emergencies”;
- Fundamentals of state policy on safety of population of the Russian Federation and protection of critical and potentially hazardous facilities against natural and man-caused hazards and terrorist acts for the period until 2020, approved by the President of the Russian Federation on 15.11.2011 № Pr - 3400.

## GOALS

This Policy is designed to institutionalize main Group requirements for the area of emergency prevention and response, as well as to define goals, objectives, and main risks within that area of work.

## OBJECTIVES

The following are the objectives of this Policy:

- establish the Group’s goals and objectives in the area of emergency prevention and response;
- define management subjects and business processes included in the perimeter of the emergency prevention and response area;
- define levels of management, roles and responsibilities within the area of emergency prevention and response;
- define main risks within the area of emergency prevention and response and key performance indicators.

## SCOPE OF APPLICATION

This Policy is binding on all employees of Rosneft and Rosneft subsidiaries.

This Policy serves as guidelines for employees of Rosneft dependent companies.

The requirements of this Policy shall become binding on any Rosneft subsidiary or dependent company, as well as in any other company with direct or indirect participation of Rosneft, once they are enacted in that entity in accordance with the entity’s Charter and subject to the procedures of that entity.

Any directive, local normative and other internal documents on emergency prevention and response shall not be contrary to this Policy.

## **EFFECTIVE PERIOD AND AMENDMENT PROCEDURE**

This Policy shall be a permanent local normative document of permanent.

This Policy shall be approved in Rosneft by the decision of the Board of Directors and introduced across Rosneft by an order of Rosneft.

The policy shall be deemed to have lost effect in Rosneft upon a decision of the Board of Directors of Rosneft.

Changes to the Policy shall be introduced by a resolution of the Board of Directors of Rosneft and shall be put into force by an order of Rosneft.

Changes to the Policy may be initiated by: Rosneft management, structural units of Rosneft or the Group Subsidiaries, with consent of the Vice President of Rosneft in charge of emergency prevention and response.

Changes to the Policy shall be made in the following cases: changes in the applicable legislation of the Russian Federation, changes of the organizational structure or authorities of the executive, etc.

Responsibility for maintaining this Policy updated within Rosneft shall rest upon the Rosneft Vice President in charge of emergency prevention and response.

Control over compliance with the requirements of this Policy shall be exercised by the Rosneft Vice President in charge of emergency prevention and response.

# 1. TERMS AND DEFINITIONS

## TERMS AND DEFINITIONS OF THE COMPANY GLOSSARY

**EMERGENCY RESCUE OPERATIONS** – actions aimed at rescuing of people, material and cultural values, protection of environment in the zone of emergency, containment of emergencies, and elimination or mitigation of existing hazardous factors to the lowest possible level. Emergency rescue operations are characterized by the presence of factors dangerous for health and safety of rescue personnel, and require special preparation, equipment and tools.

**EMERGENCY RESCUE MEANS** – technical, scientific, and intellectual products, including special communication and management tools, vehicles, tools, equipment, property and materials, methodological, video, film, photo materials related to emergency rescue process, as well as software and data bases for computers, and other means designed for emergency rescue operations.

**EMERGENCY RESCUE TEAM** – organizational unit, independent or set within emergency rescue service, designed to carry out emergency rescue operations, based on teams of rescuers equipped with special vehicles, equipment, tools, and materials.

**OTHER EMERGENCY ACTIONS** – activities aimed at comprehensive support of emergency rescue operations, provision of medical and other types of aid to the population which have suffered from emergency, creation of minimal conditions necessary to ensure health and safety of people and maintain their working capacity.

**EMERGENCY ZONE** – territory where an emergency has happened.

**CRITICAL FACILITIES** – facilities, of which operations failure (or shutdown) leads to long-term loss of control over economy of the country, region or administrative unit, its irreversible damage (or destruction), or significantly lower level of safety of the population residing in that territory.

**EMERGENCY RESPONSE** – emergency rescue and other emergency operations carried out in case of emergency and aimed at protecting health and safety of people, mitigation of damage to environment and material losses, as well as containment of emergency zones and elimination of corresponding hazardous factors.

**EXTERNAL EMERGENCY RESCUE TEAMS** – independent units, set apart from regular staff, equipped with special vehicles, equipment, tools and materials, trained to carry out emergency rescue and other emergency operations in emergency focus and zones.

**DUTY DISPATCH SHIFT** – daily team of the Crisis situation management center of Rosneft, whose task is to ensure continuous management of emergency prevention and response activities.

**POTENTIALLY HAZARDOUS FACILITY** – facility where the following operations take place: use, production, processing, storage or transportation of radioactive, flammable, explosive, hazardous biological and chemical substances, and hydraulic structures which pose a real threat as a source of emergency in time of peace and in wartime.

**PREVENTION OF EMERGENCIES** – set of actions carried out in advance and aimed at maximum mitigation of risk of emergency, as well as protection of health, reduction of damage to environment and material losses in case if emergency takes place.

**EMERGENCY (SITUATION)** – situation on a certain territory resulting from an accident, hazardous natural phenomena, catastrophe, natural or other kind of disaster, which may cause or has caused fatalities, harm to people or damage to environment, significant material losses and misbalance of people’s living conditions.

## **TERMS AND DEFINITIONS FOR THE PURPOSE OF THIS DOCUMENT**

**FACILITY** – production site, including buildings, structures, premises (including offices), roads, rail roads, equipment, plants, stations, hazardous operating facilities, technical devices (used at hazardous operating facilities), transport, special vehicles, land plots and other engineering structures.

**CONTROL POINT** – specially equipped protective structure, building, vehicle or a combination of the above, designed to shelter and ensure functioning of control team in case of emergency or potential emergency.

## 2. DESIGNATIONS AND ABBREVIATIONS

**GROUP** – a group of legal entities of various organizational and legal forms, including Rosneft, where the latter acts as the parent company or dominant/holding company thereof.

**CEFS** – Commission on emergency prevention and response and fire safety.

**LND** – local normative document.

**MINENERGO OF RUSSIA** – Ministry of Energy of the Russian Federation.

**EMERCOM** – Ministry of the Russian Federation for Civil Defense, Emergency Management and Natural Disasters Response.

**IERT** – independent emergency rescue team.

**GROUP ENTITY** – subsidiary/dependent company of Rosneft, as well as any other entity in which Rosneft participates directly or indirectly.

**PHF** – potentially hazardous facility.

**RSChS** – common federal system of emergency prevention and response.

**ES** – emergency situation.

## 3. GENERAL PROVISIONS

### 3.1. GOALS OF THE GROUP'S WORK IN THE AREA OF EMERGENCY PREVENTION AND RESPONSE

The goals are:

- to improve protection of the Group's facilities against natural and man-caused emergencies;
- to improve conditions for safety of the Group's employees as a fundamental factor of its sustainable development;
- to mitigate risks of natural and man-caused emergency and its escalation at the Group's facilities;
- to ensure guaranteed level of safety of the Group's employees in case of potential emergency, actual emergency and its escalation;
- to mitigate consequences of emergency, including mitigation of damage and losses resulting from emergency.

### 3.2. PRIORITY AREAS

In order to reach the abovementioned goals, it is necessary to focus the major part of the efforts on the following priority areas:

- Improvement of regulatory framework of Rosneft and of the Group entities in the area of emergency prevention and response;
- Use of applied science, engineering and technological achievements in the area of emergency prevention and response;
- Efficient operations and further development of the Group entities' facility links within the functional subsystem of emergency prevention and response in companies (at facilities) of the fuel and energy complex supervised by Minenergo;
- Mitigation of emergency consequences;
- Interfaces with federal government agencies, regional government agencies, municipal government bodies and other organizations on the matters related to mitigation of the risk of emergency and its potential consequences.

### 3.3. PRINCIPLES OF WORK IN THE AREA OF EMERGENCY PREVENTION AND RESPONSE

The Policy shall be implemented with due regard to the following main principles:

- Life saving and health protection are priority actions in case of natural or man-caused emergency;
- Division of authority matters and powers among Rosneft structural units, the Group entities' structural units, management bodies, resources, and means during preparation and execution of emergency prevention and response activities;



- Comprehensive protection of Group's employees and facilities;
- Advance planning of emergency prevention and response activities with regard to the level of risk of various potential natural and man-caused hazards.

### **3.4. SUBJECTS TO CONTROL WITHIN THE AREA OF EMERGENCY PREVENTION AND RESPONSE**

Main subjects to control within the area of emergency prevention and response are the Group's management bodies, the Group's resources and means, and business processes enlisted in subsection 3.5.

The Group's management bodies are:

- Coordination bodies – commissions on emergency prevention and response and fire safety;
- Standing management bodies – structural units authorized to execute tasks related to protection of population and lands against emergencies;
- Day-to-day management bodies – duty dispatch services;
- Temporary (extraordinary) management bodies: Emergency response centers, Operational response teams, Control teams.

The Group's resources and means are:

- Emergency rescue services, emergency rescue teams;
- Other external services and teams equipped with special vehicles, equipment, tools and materials;
- Financial and material reserves;
- Communications and alarm systems;
- Automated information and management systems.

### **3.5. STRUCTURE AND BUSINESS PROCESSES INCLUDED IN THE PERIMETER OF EMERGENCY PREVENTION AND RESPONSE AREA**

The Company Policy on emergency prevention and response defines the place and the purpose of the area of emergency prevention and response within overall structure of the Group's business processes and includes the following main business processes:

- emergency prevention;
- emergency response.

### **3.6. LEVELS OF MANAGEMENT, ROLES AND RESPONSIBILITIES**

Management in the area of emergency prevention and response is organized through a two-level structure in Rosneft and in the Group entities.

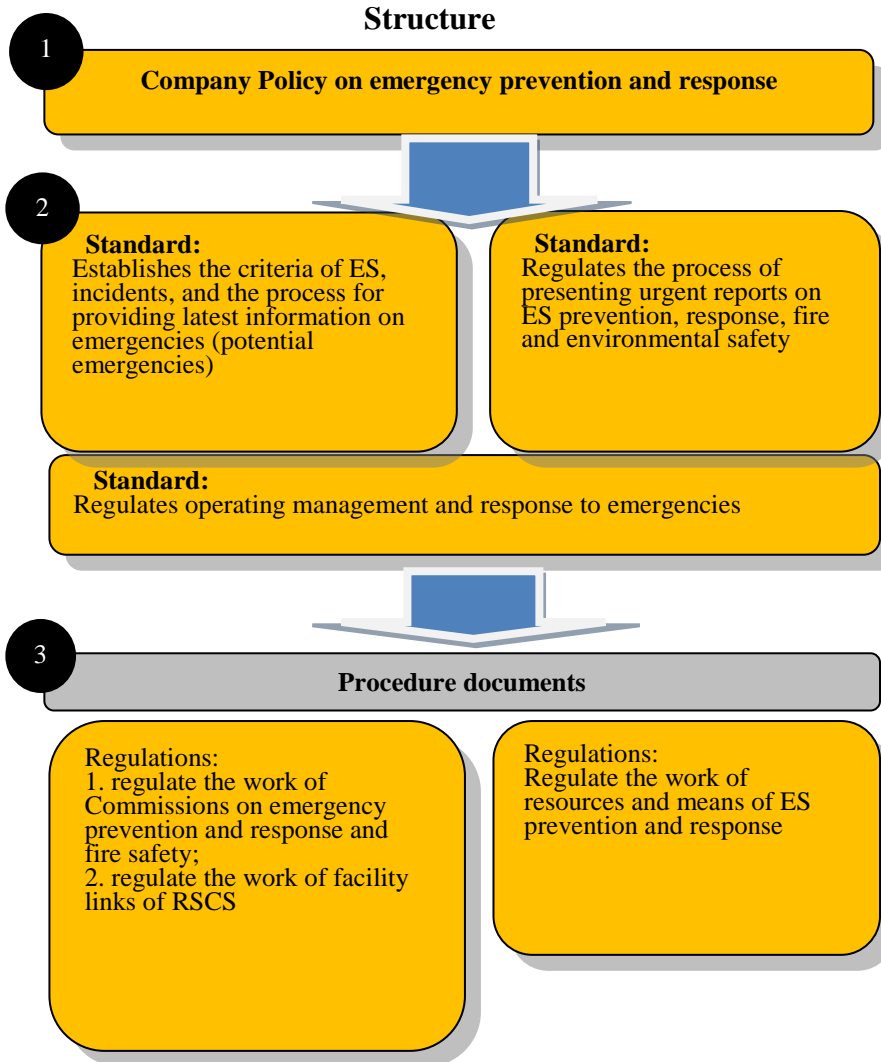
Management subjects of the first level are:

- coordination body – Rosneft Commission on emergency prevention and response and fire safety. CEFS is presided by one of Vice presidents as approved by the President of Rosneft.
- Standing management body – Rosneft Crisis situation management center;
- Day-to-day management body – Duty dispatch shift of Rosneft Crisis situation management center;
- Temporary (extraordinary) management bodies of Rosneft: Emergency response centers, Operational response teams, Control team.

Management subjects of the second level are:

- coordination bodies – Commissions on emergency prevention and response and fire safety in the Group's subsidiaries;
- Standing management bodies – civil defense and emergency response structural units (sections, sectors, teams, employees) in the Group's subsidiaries;
- Day-to-day management bodies – duty dispatch services (employees responsible for receiving and transmitting information) in the Group's subsidiaries;
- Temporary (extraordinary) management bodies of the Group's subsidiaries: Emergency response centers, Operational response teams.

### 3.7. STRUCTURE AND HIERARCHY OF LOCAL NORMATIVE DOCUMENTS REGULATING THE AREA OF EMERGENCY PREVENTION AND RESPONSE



#### Goals

Establish goals, objectives and main methods to reach them, as well as the Group’s main risks within the area of emergency prevention and response.

Create a common system of criteria to define emergencies and incidents, and a common system of immediate reporting on emergencies (potential emergencies).  
 Improve the system of information exchange and reporting on the preparedness of management bodies, resources and means related to ES prevention and response and to planning and execution of ES prevention and response activities.

Regulate the work of management bodies and resources of facility links of RSCS, as well as processes in the area of emergency prevention and response.

## 4. MAIN OBJECTIVES

In order to reach the goals of the priority areas of the Policy on emergency prevention and response, it is necessary to achieve the following main objectives:

1. To improve regulatory framework of Rosneft and of the Group's entities on emergency prevention and response:
  - define and improve organizational and legal base of RSCS functional subsystem in the companies (at facilities) of the Group;
  - ensure harmonization of local normative documents developed in Rosneft and in the Group entities with laws and regulations of the Russian Federation;
  - use common templates and timeframe for reporting on emergency prevention and response;
  - maintain updated those LNDs that regulate the area of emergency prevention and response;
  - specify main objectives, organization and procedures of commissions of emergency prevention and response and fire safety, as well as specify interfaces between structural units in Rosneft and the Group entities (facilities) in case of emergency.
2. To use applied science, engineering and technological achievements in the area of emergency prevention and response:
  - Put into practice modern scientific approaches to:
    - ◆ assessment and forecasting of risks of potential emergencies: optimization of risk management;
    - ◆ analysis of potential consequences of various hazards for employees, critical and potentially hazardous facilities of the Group;
    - ◆ forecasting of risks of natural and man-caused emergencies, their potential scenarios and consequences.
  - Use modern:
    - ◆ Methods and technologies of emergency rescue and other emergency operations, as well as models of emergency rescue means;
    - ◆ Personal and collective emergency protective equipment, as well as systems of radiation, chemical and biological monitoring;
    - ◆ Special and medical protective means for employees.
3. Efficient operations and further development of the Group entities' facility links within the functional subsystem of emergency prevention and response in companies (at facilities) of the fuel and energy complex supervised by Minenergo;
  - improve the structure of the Group entities' facility links in RSChS, improve their preparedness and efficiency;
  - improve the work of CEFS in the Group entities;
  - improve control points of Rosneft and the Group subsidiaries as one of the elements of the Group's management system;

- develop emergency monitoring and forecasting system with account of the whole range of natural and man-caused emergencies;
  - ensure reliable and efficient work and continuous development of employees communications and alarm systems about various hazards;
  - increase preparedness of Rosneft and the Group entities' facilities to operate in natural and man-caused emergency situations by enhancing their physical resistance and (or) protection against adverse effects of such situations;
  - develop teams that protect employees and facilities against natural and man-caused emergencies, equip such teams with modern vehicles and rescue equipment;
  - improve the system of training of Rosneft and the Group entities' employees on the subject of protection against various hazards, develop and implement modern training methods and technical means;
  - enhance control exercised by Rosneft and provide help to the Group entities in the matters related to emergency prevention and response;
  - improve activities aimed at employees' training and awareness-raising about safety culture;
  - carry out a set of organizational, legal and economic activities to create, storage, use, and restore material and financial reserves for emergency response;
  - improve activities aimed at creation of external emergency rescue teams, as well as activities with view to conclude contracts with professional emergency rescue teams;
  - develop and implement a system of economic and legal means designed for protection of employees against natural and man-caused emergencies;
  - promote among Rosneft and the Group entities' employees the social and economic importance and the role of RSChS in the national security system.
4. To mitigate emergency consequences:
- carry out a set of activities to reduce as much as possible the number of fatalities, threat to people's (employees') health and safety, and adverse effects of misbalance of people's living conditions;
    - ensure information support, and social and psychological rehabilitation for employees in emergency zones;
    - take legal, organizational, economic, engineering and technical, sanitary, hygiene, epidemiological, environmental and other necessary measures.
5. For interfaces with federal government agencies, regional government agencies, municipal government bodies and other organizations on the matters related to mitigation of risk of emergency risk and its potential consequences:
- improve contractual and legal base in the area of emergency prevention and response;
  - continue to strengthen cooperation in the area of emergency forecasting and prevention, as well as provision of aid in case of emergency;
  - analyze modern technologies used for protection against natural and man-caused emergencies, including international experience, in order to apply best practices.

## 5. MAIN RISKS AND RISK MANAGEMENT

Table 1

### Main risks in the area of emergency prevention and response, risk indicator and management actions

№	RISK	RISK INDICATOR (KEY PERFORMANCE INDICATOR)	CORRECTIVE AND PREVENTIVE ACTIONS
1	2	3	4
1.	Delayed reporting about emergency.	Immediate reporting indicator (Kimm = number of late reporting cases / number of emergencies).	Constant control over information flows. Officially established process and timeframe for emergency reporting. If necessary, organizational and administrative measures.
2.	Risk of harm to people in case of emergency.	Indicator of the number of people injured in emergencies (Kinj = number of injured / number of emergencies).	Prepare (train) employees on methods of protection and actions in case of emergency. Set up emergency alarm systems and maintain them in stand-by mode, check their operability by organizing emergency drills.
3.	Risk of fatality in case of emergency.	Indicator of the number of fatalities in emergencies (Kfatal = number of fatalities / number of emergencies).	
4.	Risk of operations shutdown in case of emergency.	Indicator of operations shutdowns in emergencies (Ksh = number of operations shutdowns / number of emergencies).	Carry out full set of prevention actions, and emergency response actions.
5.	Initiation of administrative proceedings. Imposition of fines on the Group entities by local regulatory authorities.	Indicator of fines (Kfine = number of facilities with fines / number of facilities audited by regulatory authorities).	Advance planning and preparation for audits. Control and organizational and methodological help to the Group entities to prepare for audits and fix findings in due time.

## 6. REFERENCES

1. Federal Law of the Russian Federation dated 21.12.1994 № 68-FZ “Protection of population and lands against natural and man-caused emergencies”.
2. Fundamentals of single state policy of the Russian Federation on civil defense for the period until 2020, approved by the President of the Russian Federation on 03.07.2011 № Pr-2613.
3. Fundamentals of state policy on safety of population of the Russian Federation and protection of critical and potentially hazardous facilities against natural and anthropogenic threats and terrorist acts for the period until 2020, approved by the President of the Russian Federation on 15.11.2011 № Pr-3400.
4. Decree of the Government of the Russian Federation dated 30.12.2003 № 794 “Single state system of emergency prevention and response”.