



JOINING EFFORTS. REACHING THE GOAL

Integrated Annual Report 2021



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About the Report

GRI 102-1, 102-32, 102-45, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54

Integrated annual report of PJSC TATNEFT named after V.D. Shashin for 2021 (hereinafter referred to as the Report) is the 17th report, including indicators characterizing sustainable development and responsible behavior to stakeholders (previously, reporting was presented in two types of reports: Annual Report and Sustainability Report).

The reporting cycle is annual. The previous Annual Report was disclosed on June 25, 2021.

This Report was generated for the period from January 1 to December 31, 2021, and includes information on the TATNEFT Group as a whole. The Report also includes data on significant events after the reporting period.

PJSC TATNEFT named after V.D. Shashin Integrated Annual Report 2021 was preliminary reviewed by the Board of Directors (Minutes No. 4-з dated May 23, 2022).

The Report contains the main priorities, goals, objectives, key indicators and significant events, actions and plans of the Company in the field of sustainable development, corporate, social and environmental responsibility.

The Report is addressed to a wide range of stakeholders: shareholders and investors, representatives of state bodies, local self-government authorities, employees, partners and clients, public and environmental organizations, scientific and educational institutions, a wide range of Russian and international communities, and the local population.

The key communication of the Report is the formation among stakeholders of the most complete understanding of the Company's activities as a whole, strategic plans and the potential for their implementation, achieved results, as well as measures taken to improve the business model efficiency, taking into account aspects of sustainable development.

The Company has various channels for providing feedback. Wishes on the Report are accepted by phone and e-mail specified in the "Contact Information" section. All messages are considered and taken into account when preparing the Report for the next period of activity. To avoid duplication of information, this Report provides links to other publicly available documents. Abbreviations and definitions of the concepts used are given in the "List of Abbreviations".

The phrases and words "TATNEFT", "TATNEFT Group", "Company", "Group", the pronoun "we" mean Public Joint Stock Company TATNEFT named after V.D. Shashin (PJSC TATNEFT named after V.D. Shashin), including enterprises with direct and indirect participation in their authorized capital. TATNEFT Group is formed in accordance with the International Financial Reporting Standards, the list of enterprises is given in Annex 3.

Scope of the reporting

In preparing this Report, we apply the following standards and guidelines:

- Federal Law No. 39-ФЗ dated April 22, 1996 "On the Securities Market"
- Federal Law No. 208-ФЗ dated December 26, 1995 "On Joint Stock Companies"
- Regulation "On Disclosing Information by Securities Issuers" approved by Bank of Russia Order No. 714-П dated March 27, 2020
- Code of Corporate Governance recommended by Bank of Russia Letter No. 06-52/2463 dated April 10, 2014
- Bank of Russia Letter No. ИН-06-28/102 "On Disclosure in Annual Reports of Public Joint Stock Companies of Information on Compliance with the Principles and Recommendations of the Code of Corporate Governance" dated December 27, 2021
- Bank of Russia Information Letter No. ИН-06-28/49 "On Recommendations for the Disclosure by Public Joint Stock Companies of Non-Financial Information Related to the Activities of Such Companies" dated July 12, 2021
- GRI Sustainability Reporting Guidelines, Main Disclosure Level

As a methodological basis, when preparing the Report, we focus on:

- UN Global Compact Principles
- Sustainable Development Goals Compass
- Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD
- Guidelines for Voluntary Sustainability Reporting in the Oil and Gas Sector of IPIECA
- International Integrated Reporting Standard
- ISO 26000 Guidance on Social Responsibility
- AA 1000 (Account Ability)
- Recommendations for use in management practice and in corporate non-financial reporting of the Russian Union of Industrialists and Entrepreneurs
- The Paris Climate Agreement

The Report contains forward-looking statements regarding indicators characterizing the further development of the Company. The implementation of plans and intentions is connected with the changing political, economic, social and legal situation in the Russian Federation and in the world. Due to this, actual results of operations may differ from those forecasted. For more information on forward-looking statements, please see the Important Statements section.

Reporting principles

GRI 102-56

Interaction with Stakeholders

In order to match the content of the Report with fair expectations of stakeholders and the fullest disclosure of information on material topics, the Company engages representatives of stakeholders. In the process of discussing issues related to the Report preparation, the structure of the content and selection of material topics, and the list of performance indicators are determined.

Sustainable Development Context

When preparing the Report, the Company considers the results of its activities in the context of sustainable development. The Report outlines all significant issues, indicators and initiatives in the field of preserving economic sustainability, improving environmental safety and strengthening social stability in society. It also examines and analyzes aspects of human rights observance, ensuring cybersecurity and the level of combating and preventing corruption.

Materiality

The Company strives to include in the Report aspects, issues and indicators that are material and significant for stakeholders and ways to influence their decisions. When determining the importance of issues, such factors as the strategic goals and objectives of the Company, significant risks and opportunities, industry factors, and the impact of the Company's activities on the environment and social environment are taken into account.

Completeness

The Company strives to disclose information in the economic, environmental and social areas of its activity to the fullest extent possible. The set of issues reflected in the Report is sufficient for the users of the Report to assess the performance of the Company as a whole and its contribution to the sustainable development of society.

Balance

As part of observing the principle of balance, the Report reflects both favorable operating results and the problems the Company faces. The degree of attention given to various issues is proportional to their relative materiality.

Comparability

The Report ensures the comparability of the results of the Company's activities over the past periods. An explanation is provided for each material change in terms of boundaries, scope or reporting period. To ensure comparison of the Company's performance with the results of other companies, when preparing the Report, the indicators included in the GRI guidelines and technical protocols were used.

Accuracy

The Company strives to ensure that the information provided in the Report is accurate and detailed enough so that stakeholders can use it to make decisions with a high degree of confidence. The margin of error in the data is minimized. Data are presented using the generally accepted international units and calculated using standard coefficients.

Timeliness

The Company understands the need to provide timely information in the Report, therefore, the Report is published annually at the same frequency once a year.

Clarity

The Company makes every effort to ensure that the information presented in the Report is clear, understandable and useful for various stakeholders. The Report contains a list of abbreviations explaining industry, scientific and technical, special terms and abbreviations.

Reliability

The information and data disclosed in this Report are based on internal documentation that can be assessed by independent parties. Information that cannot be documented is not included in the Report.

Response

In order to ensure a balanced approach in identifying significant topics in the field of sustainable development, as well as identifying areas for improving the efficiency of interaction with stakeholders, the Company has a Public Council of representatives of stakeholders who are competent and independent in relation to the Company. The results of the Company's interaction with stakeholders are reflected in the Report.

The Report is prepared by the Working Group, which includes the responsible managers and specialists of the Company. The procedures for preparing the Report include the formation of internal regulatory documents for the preparation and analysis of information for the Report, interaction with stakeholders and providing feedback on the Report from stakeholders.

The Company believes that an important condition for the preparation of a high-quality Report is an independent verification of the disclosed information, as well as public assurance of the Report. The conclusion of the audit company is published on p. 213. Conclusion on the passing of public assurance of the Report in the Council for Non-Financial Reporting of the RSPP is published on p. 212 of this Report.

MATERIAL TOPICS AND STAKEHOLDERS

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-47, 415

We strive to present information in a balanced manner in accordance with the interests of each group. The Company uses various forms and mechanisms of interaction with stakeholders to achieve sustainable development goals effectively. The procedure for interaction with key stakeholders is defined in the corporate standards, rules and regulations of the TATNEFT Group.

To determine the material topics of the report, the Company analyzes and takes into account aspects that affect the

interests of the Company itself and our environment (stakeholders), as well as aspects that affect the industry, social, environmental and corporate factors in the reporting period.

The Company uses a structured approach to select topics for the Report content. This approach is based on interaction with various groups and representatives of stakeholders, which allows identifying the relevance of the topics on our activities for the environment. We take into account opinions and recommendations to analyze opportunities to improve our plans and the effectiveness of outreach programs and investments in sustainable development. In the process of analyzing the Company's interaction with stakeholders and identifying the material topics of the Report, the recommendations of the GRI standard were analyzed, interviews with the Company's managers and specialists, telephone conferences, group and individual meetings were

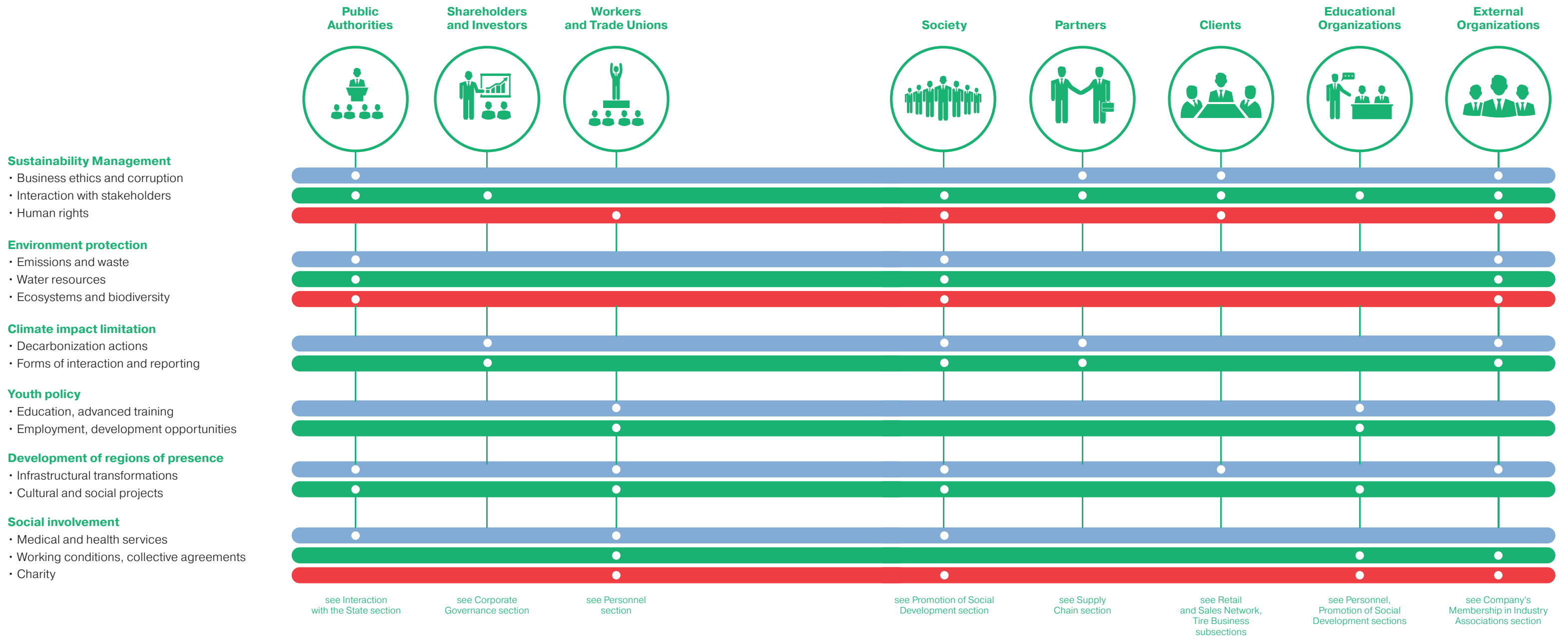
conducted, including, within the framework of investment conferences, Company visits and special trips (road show) of authorized representatives of the Company, the results of monitoring messages about the Company in the media were evaluated. The report reflects the recommendations received in the course of the public assurance of the 2020 Sustainability Report, provided by the RSPP Council for Non-Financial Reporting, as well as the recommendations provided during the review of the report by the Company's auditor and the recommendations of rating agencies, based on the results of the rating assignment procedure.

As part of the report preparation, special attention was paid to the disclosure of topics that have a significant impact on the Company's activities, its value, as well as the ability to implement strategic initiatives. Topics and issues related to sustainable development, climate change and atmospheric

emissions, environmental protection, labor protection and industrial safety, energy efficiency, and social policy were classified as material.

The identified topics were discussed at the level of the Working Group for the preparation of the Report, authorized by the Company's Management to form the Report content.

Based on the results of a comprehensive analysis, six key topics were identified as material for the purposes of public reporting.





ABOUT OUR COMPANY



ABOUT OUR COMPANY

GRI 102-1, 102-2, 102-3, 102-5

TATNEFT Group is one of the largest vertically integrated oil companies in Russia in terms of oil production, proved oil reserves and refining capacity with about 80 years of experience. The main activity is the exploration, development, production, processing and marketing of crude oil and petroleum products. The Company is also involved in gas treatment and processing, production and marketing of petrochemical products, mainly tires, equipment manufacturing, engineering design and supply services for oil, gas and petrochemical projects, and banking activities.

The Company has been operating in the status of a public joint stock company listed on the international stock market for over 25 years. The geography of shareholders spans over 30 countries. The securities of the Company listed at the top-tier quotation level of the Moscow Exchange and other leading international stock exchanges are among the most sought-after and profitable investment instruments as well as forms of capital accumulation.

PJSC TATNEFT named after V.D. Shashin has been established in accordance with Decree No. УП-466 of the President of the Republic of Tatarstan "On Measures for Transformation of State Enterprises, Organizations and Associations into Joint Stock Companies" dated September 26, 1992, and Law of the Republic of Tatarstan

No. 1403-XII "On Transformation of State and Communal Property in the Republic of Tatarstan (on Denationalization and Privatization)" dated February 05, 1992.

The Company headquarters is located in Almetyevsk, the Republic of Tatarstan, the Russian Federation. The Company has representation offices in Moscow, Kazan, the Ukraine, the Republic of Iraq, the Republic of Kazakhstan, the Republic of Uzbekistan, as well as branches in Libya and Turkmenistan.

The Company does not have a major controlling shareholder. The Government of the Republic of Tatarstan controls about 36% of the voting shares. The Company has a special right — a "golden share" — that allows the Government of the Republic of Tatarstan to appoint one representative to the Board of Directors and one representative to the Audit Commission of the Company, as well as to veto decisions of the General Meeting of Shareholders specified by law.

The main industry peers are all Russian oil majors, including PJSC Rosneft Oil Company, PJSC LUKOIL, PJSC Surgutneftegas, PJSC Gazprom Neft, and PJSC ANK Bashneft, as well as international oil companies. The Company competes with oil companies for the right to supply crude oil and petroleum products, as well as tire products, technologies, equipment, and engineering services, to both Russian and international market. In the domestic market, the Company is a supplier of heat and power energy, composite materials, etc.

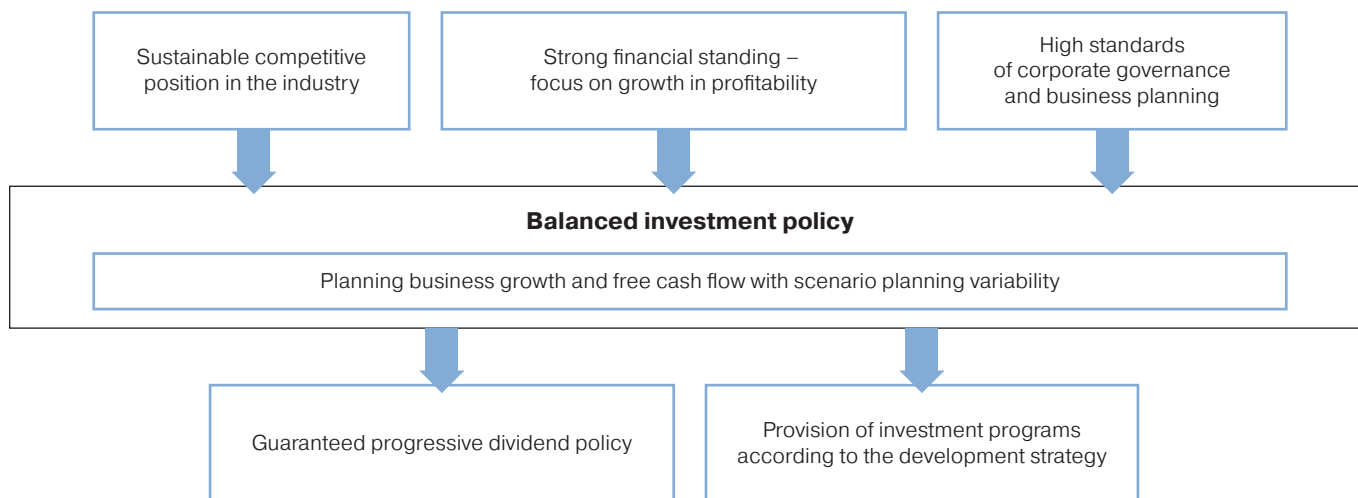
COMPANY'S MISSION

Ensuring sustainable development based on effective management of shareholders' assets, rational use of natural resources, preservation of a favorable environment, reduction of the impact on climate aspects and high corporate social responsibility.

KEY OBJECTIVE OF THE COMPANY

Ensuring the most efficient monetization of reserves and channeling the profits to create new promising points of value growth, diversify business, switch to sustainable consumption and production patterns, develop projects in the field of ecology, including reducing greenhouse gas emissions, which would help maintain a sustainable position and profitability of the Company.

PRIORITY — GROWTH OF THE COMPANY'S SHAREHOLDER VALUE



The Company's consistent actions allow ensuring profitable activity, sustaining a high level of hydrocarbon resource life, developing effectively our own oil refining and petrochemicals as well as building up our innovative potential, and deploying advanced digital solutions to create reliable technological base for the Company.

2030 STRATEGY

GRI 102-26, 102-29

In accordance with approved Strategy 2030, it was planned to invest more than one trillion rubles, most of which was supposed to be directed to projects in the field of exploration and production, processing and development of the petrochemical complex. Currently, these plans are being updated taking into account the geopolitical situation in the world and possible changes in market conditions and will be covered in further reports. Over the past period, Strategy 2030 has not been updated. At the same time, the Company is updating its plans for the development of certain assets and business areas in a targeted manner due to external economic challenges.

Taking into account the instability of the macroeconomic environment in the reporting period, development was directed towards programs to reduce operating costs and improve the efficiency of production processes. The priority in scientific developments has shifted to pilot work and applied testing of developments.

The Company has started updating the strategy of innovative development. The focus of the update will be the refinement of the innovation process management model to accelerate and qualitatively increase the results of innovation activity. An updated Information Strategy of the Group is also being developed, within the framework of which priorities in the field of digitalization and process automation will be determined.

An updated logistics strategy is being developed, the priorities of which are the goals of optimizing working capital, increasing inventory turnover and centralizing processes.

The strategy for the development of social facilities of the TATNEFT Group until 2030 has been updated, which sets goals both for the qualitative fulfillment of the social role and for a significant increase in the competitiveness and operational efficiency of such facilities as sanatoriums, children's health camps and recreation centers. At the same time, attention will be paid to the improvement, cultural and sports development of various categories of the population, including the conversion of part of the sanatoriums into rehabilitation centers, the involvement of young people in sports and other sections, the development of cultural and leisure centers.

Main prerequisites for the revision of Strategy 2030

The past year was a landmark for the global energy industry. The ongoing pandemic has accelerated the revision of the climate agenda, especially in developed countries, and has pushed more and more oil and gas companies to reduce the carbon footprint of their business and systematically work on aspects of sustainable development (ESG), however, the trends observed in the market indicated that the "climate trajectory" of the global economy is prematurely accepted as the main scenario.

The energy crisis that has taken place (primarily in terms of natural gas supplies to European and Asian markets) has demonstrated that oil and natural gas will remain the basis of world energy consumption in the coming decades; solar and wind energy will be in demand, but sustainable energy development and the energy transition require synergy between traditional and alternative energy sources and a balance of different types of fuel. This significantly reduces the likelihood of timely achievement of environmental goals, but the world community is aware of the need to strike a balance between energy security and climate risks.

At the same time, in 2021, the climate agenda for the industrial sector has become even tougher. The European Union has published a draft cross-border carbon tax (CBT). Five industries/products have been selected to test the system during the transition period: electricity, fertilizer, aluminum, cement, iron and steel. The introduction of payments for the carbon intensity of products imported into the EU is expected from 2026. Experts note that the introduction of CBT will lead to a shrinking of market niches for hydrocarbons in the European market and a reorientation of exports to Asian markets in the next decade. At the same time, the risks of introducing similar regulation by other countries, including the world's largest importers, the United States, Japan and China, cannot be ruled out.

In addition to the introduction of environmental initiatives, the growth of the global fleet of electric vehicles and the increase in the energy efficiency of technological solutions in the field of transport electrification are having a noticeable impact on accelerating the pace of the energy transition. In the baseline scenario, the International Energy Agency expects the number of electric vehicles in the world to grow 13 times over the next decade to 143 mln units, or 7% of the global vehicle fleet, and 20 times in the sustainable development scenario — up to 227 mln units, or 12% of the global vehicle fleet.

In response to climate challenges, more and more representatives of the global energy industry are setting ambitious emission reduction targets. Oil and gas companies are actively investing in the creation of renewable energy capacities for generating electricity, in the infrastructure for servicing electric vehicles. In addition, partnerships are being established with corporations to deliver green energy.

Concept of sustainability when updating Strategy 2030

The Company consistently integrates the principles of sustainable development into the elements of the current Strategy, makes a particular focus on maintaining a favorable environment and mitigating the climate change impacts while placing a high priority on the social aspects. Corporate responsibility and security stand the fundamental principles for the Company.

Sustainability planning means assessing risks and opportunities and integrating them into the value chain, from project design and investment program to the full life cycle of a project, products and services. The Company integrates sustainable development factors into its activities at the level of management decision-making. We are aware of the importance of ESG aspects to the sustainability of our business model, both strategically and in the current stages of operations.

In a strategic context, sustainable development issues are considered by the Company's Board of Directors, including analysis of key trends in the oil and gas industry and the development of business areas, innovation policy, socially oriented programs, environmental issues, personnel management and other areas that consolidate the stability of the TATNEFT Group's development. Direct participation of top management in ensuring internal factors of sustainable development in the areas of activity allows creating an effective governance system for ESG aspects. Assessment of the achieved sustainable development results is integrated into the KPI system.

More details of the Company's actions on integrating the Sustainable Development Goals into the business model are disclosed in the Strategic Report section.

BUSINESS MODEL

GRI 102-2, 201-1

OUR RESOURCES (CAPITAL*)

FINANCIAL

- **RUB 128.3 bln** investments
- **RUB 120.9 bln** capital investments

SOCIAL AND REPUTATIONAL

- **10 countries** where the Company's enterprises operate
- **An active participant** in the UN global compact

HUMAN

65 thousand people of qualified personnel

INTELLECTUAL

9 research centers (R&D)

NATURAL

RUB 11.8 bln investment in environmental protection

OPERATIONAL

- **119 enterprises** of the TATNEFT Group
- **10 business areas**

The business model is based on the principles of sustainable development in order to create added value and ensure high business resilience in a changing macro environment through risk diversification.

PJSC TATNEFT is the corporate center of the Group, coordinating the activities of enterprises that form business segments. The TATNEFT Group management is based on a single mission and targeted development priorities, while respecting the fair interests of all members

The development of the Company's business model is based on:

- integration into business processes of the Sustainable Development Goals
- implementation of decarbonization tasks
- application of the circular economy
- attention to the needs of stakeholders
- creating a favorable environmental and social infrastructure environment

The landmark guidance for the Company is the UN Action Program "Transforming our World: The 2030 Agenda for Sustainable Development." Tatneft integrates 10 Principles and 17 Goals of sustainable development into its business model as a member of the United Nations Global Compact.

* Determination, as well as the list of capitals, is provided under the International Integrated Reporting Standard published by the International Integrated Reporting Council (IIRC).

OUR RESULTS (CAPITAL*)

FINANCIAL

- **RUB 297 bln** of adjusted EBITDA
- **RUB 198 bln** of profit attributable to shareholders
- **RUB 148 bln** of free cash flow
- **22.1% ROACE**

SOCIAL AND REPUTATIONAL

- **RUB 610 bln** of accrued taxes, charges and fees
- **RUB 23.4 bln** of social investment

HUMAN

- **64.24 hours** of training per employee
- **RUB 269 mln** allocated to staff training

INTELLECTUAL

2 916 active objects of intellectual property

NATURAL

250 thousand tons CO₂-eq. as environmental effect of activities under the program to reduce greenhouse gas emissions

OPERATIONAL

The results are indicated in the business model structure

Value creation, RUB bln

Consolidated assets	1,502
Capitalization	1,158

Created and distributed economic value, RUB mln

Direct economic value obtained:	1,269,342
• revenue	1,265,380
• income from financial investments	3,962
Distribution of economic value:	(1,182,085)
• operating expenses	(409,224)
• wages and employee benefits	(55,680)
• payments to capital suppliers	(93,673)
• payments to the government (taxes and payments)	(610,378)
• investment in society (social investment)	(13,130)
Retained economic value	133,914

Steady reduction of environmental impact



Ensuring the sustainability of the Company through the achievement of the SDGs

PRIMARY PRODUCTION



EXPLORATION AND PRODUCTION

1.123 bln tons of oil and condensate reserves
27.8 mln tons per year of oil production
885 mln m3 per year of gas production



OIL AND GAS REFINING

12.4 mln tons per year of petroleum products output
1.06 mln tons per year of gas products output



PETRO-CHEMISTRY

594.1 thous tons per year of the volume for processed raw materials (without ECOJET Group of Companies)



TIRE BUSINESS

12.3 mln tires produced
400 positions of tires brands KAMA, KAMA PRO, Viatti



ENERGY

1,732.6 mln kWh per year of electricity generation
6.19 mln Gcal of heat generation

SUPPORT PRODUCTION



COMPOSITE BUSINESS

30.9 thous tons of products manufactured



MACHINE BUILDING

RUB 2.844 bln of products manufactured
+26% production of oilfield equipment



TRADING AND LOGISTICS

17.089 mln tons of crude oil sold
9.32 mln tons of petroleum products sold



RETAIL NETWORK

5,670 thous tons of petroleum products sold
12.4 tons per day per filling station of average daily sales



BANKING BUSINESS

RUB 69.4 bln of corporate business loan portfolio (+47%)
+22% retail business operating income per active customer

SALES

PRODUCTION ASSETS AND OPERATION REGIONS

GRI 102-2, 102-4

The Company's key production assets are located in the territory of the Russian Federation with the main focus in the Republic of Tatarstan. Business projects are implemented in both domestic and foreign markets. The business infrastructure is formed by the geographical proximity of production facilities and efficient logistics.

The Company's resource base includes one of the world's largest oil fields — the Romashkinskoye. Novo-Elkhovskoye, Bavlinskoye, Bondyuzhskoye, Pervomayskoye, Sabanchinskoye, Arkhangelskoye, and Ashalchinskoye oil fields are also among the Company's major assets. Outside the republic, exploration and production are carried out in the following territories: Ulyanovsk, Samara, Orenburg Regions, Nenets Autonomous District, Republic of Kalmykia.

The largest facilities of the Company are located in Nizhnekamsk — this is the oil and gas processing complex of JSC TANECO and the tire production of KAMA TYRES. The Company is developing a petrochemical complex in close proximity to these facilities.

Also, the Petrochemistry business area is represented by LLC Togliattikauchuk, one of the largest enterprises of the Russian petrochemical complex located in the city of Togliatti, Samara Region, producing synthetic rubbers, and JSC Ecopet, the largest producer of food-grade polyethylene terephthalate in Russia and Eastern Europe, located in Kaliningrad.

The retail chain for the sale of petroleum products includes 850 filling stations operating in Russia as well as in Belarus, Uzbekistan and Ukraine.

The Company develops high-tech production of composite materials on the territory of the Alabuga free economic zone. To achieve this goal, the Company has created an efficient production chain from raw materials to finished products made of composite materials — LLC Tatneft-Presscomposit, LLC P-D Tatneft-Alabuga Steklovolokno, LLC KAMATEK.

The Company's asset portfolio includes the financial business represented by the companies of the ZENIT Banking Group. The bank's sales network includes 109 units in 22 constituent entities of the Russian Federation.

The main generating facilities are located in the southeast of Tatarstan and include the capacities of the Nizhnekamsk CHP and JSC Almetyevsk Heating Networks. The Mechanical Engineering business area is focused on providing the Company's enterprises with the specialized equipment.

In the Republic of Kazakhstan, the construction of a plant for the production of car tires KamaTyresKZ has begun in the city of Saran, Atyrau Region, a project for the production of butadiene rubbers has been opened.



OUR GLOBAL REACH

GRI 102-4



Major fields and main production in the territory of the Republic of Tatarstan

Exploration and production outside the Republic of Tatarstan

Petrochemistry

Primary production on the Republic of Tatarstan



- Field development
- Oil and gas refining
- Petrochemistry
- Retail sales network
- Tire business
- Power generation
- Machine building
- Composite materials
- Technologies, engineering
- Banking business



50 COUNTRIES GLOBAL SUPPLY COVERAGE



Strategic report



ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF TATARSTAN, CHAIRMAN OF THE BOARD OF DIRECTORS OF PJSC TATNEFT NAMED AFTER V.D. SHASHIN

GRI 102-14



We are summing up the results of 2021 in the context of global systemic changes. The growth of uncertainty triggered a rise of energy prices. The global economy is under considerable pressure. In such circumstances, Tatneft demonstrates its commitment to the principles of socially responsible business, maintains and expands corporate environmental programs, and continues to implement projects aimed at achieving the UN Sustainable Development Goals. Meanwhile, the Company's management is still focused on creating value for shareholders. Tatneft's investment portfolio is primarily aimed at the development of core business lines such as oil production and crude oil refining which is a solid foundation for Tatneft's future revenues.

Successful economic and production results achieved in 2021 are ensured by prompt response to external challenges and the ramp-up of its own technological and production capacities. The total consolidated assets of the Tatneft Group exceeded 1,5 trillion rubles. The profit due to shareholders totaled 198 billion rubles. The return on average capital employed (ROACE) was 22,1%. The free cash flow amounted to 148 billion rubles. The Company pursues the declared dividend policy so that the investment potential is not contained and the financial stability risks are not posed. The aggregate amount of dividends at the end of 2021, recommended by the Board of Directors, is 42,64 rubles per share.

Being a member of the UN Global Compact since 2019, Tatneft has integrated the principles and goals of sustainable development into its business model. By joining the climate initiatives, the Company plans to reach net-zero carbon by 2050.

Tatneft's long-term goals include reducing its carbon footprint and expanding the share of non-fuel businesses in operating profit to 20% by 2030. The lower carbon intensity is facilitated by improved energy efficiency of the production processes, the adopted model of rational conscious consumption of resources, the transition to low-carbon technologies and high environmental performance of the products. Moreover, the Company is meticulously involved in advancing renewable energy generation and the CO₂ capture, use and storage technologies, planting forests, shaping a culture of responsibility towards the environment preservation and implementing the principles of circular economy in its production facilities.

Tatneft's consistent achievement of the UN Sustainable Development Goals forms a solid foundation for the economic and social development of future generations. The programs and projects implemented by the Company in the regions of its operations create an ecosystem based on social partnership and social investments, where science, education, medicine, sports are actively developing, and a spiritually healthy generation is being raised. A great deal of attention is paid to fostering

conscious consumption mindset and culture. Currently, work has been already underway to promote environmental education of children in kindergartens and schools. Tatneft's competencies in energy conservation and the circular economy creation are used in the project to create an autonomous energy-efficient settlement within the area of the Company's operations.

Despite the current extremely difficult geopolitical and economic situation, the leadership of the country, regions, heads of ministries and departments, top-managers of entities, specialists and employees of enterprises should make common cause together as one, while using the new conditions as an opportunity to develop and strengthen industrial and economic self-sufficiency.

The Board of Directors Company's, for its part, will continue to make decisions aimed at long-term sustainable and continuous business development, search for new growth points and strengthening the competitiveness.

Dear partners, shareholders, and employees of the Company, I would like to thank each and all of you for putting your trust and confidence in Tatneft. I am sure that together we will be able to find solutions in response to any external challenges.

**President of the Republic of Tatarstan,
Chairman of the Board of Directors
of PJSC TATNEFT n.a. V.D. Shashin**

**Rustam Nurgalievich
Minnikhanov**

ADDRESS OF THE GENERAL DIRECTOR, CHAIRMAN OF THE MANAGEMENT BOARD OF PJSC TATNEFT NAMED AFTER V.D. SHASHIN

GRI 102-14



The energy industry is summing up the results of 2021 in the face of unprecedented geopolitical and economic changes. This is another global challenge for our Company. We have been tested for strength more than once and proved that we are able to overcome any difficulties. New challenges for us are new opportunities.

In response to external circumstances, the Company develops and adopts operational action plans, and determines new development directions and growth points. The first-priority projects are implemented to improve our sustainability in the current conditions. Meanwhile, our constant underlying vectors are set on growing the Company's value and providing support for the social and environmental well-being of the population in the regions of Tatneft's operations.

In recent years, Tatneft Group has rebuilt its internal processes and achieved significant results in import substitution and technological advancement. In 2021, working under the OPEC+ restrictions, the Company produced 27,8 million tonnes of oil. The Company's modern oil refining complex has been expanded with a significant number of new production facilities, and TANECO has processed 12,5 million tonnes of crude oil yielding 99% of the oil conversion ratio. The Tatneft service station network has grown to 850 fuel filling units and traditionally provides the best service and high-quality fuel. The Company's tire business, which manufactures every fourth car tire in Russia, maintains and strengthens its leadership in the market.

The foundation for further development is created by the Company's petrochemical complex, aimed at growing segments of industry and import substitution. The Company has great prospects associated with the composite cluster and power generation, including renewable energy, which will contribute to achieving carbon neutrality. Significant edges in competition have been gained in the oilfield services market thanks to its own service business-segment. The Company's high competencies are widely in demand abroad.

The scientific potential of the Company makes it possible to hold a leading position in the country in terms of the number of patents granted, and to create and implement innovative solutions. The contribution of innovations to the implementation of the Company's strategy is up to 30%, and this share will only grow, and that includes the investments in creation of promising research and development projects. Integrated digitalization makes it possible for us to successfully solve strategic tasks. Intelligent systems and digital solutions boost labor productivity, speed up making decisions, and ramp up data efficiency.

Climate conservation issues are important for the Company's sustainable future. Tatneft's portfolio of environmental projects is focused, among other things, on reducing greenhouse gas

emissions. The main levers of decarbonization will be the energy efficiency of production, the growth of utilization of associated petroleum gas, the reduction of methane emissions, and in the long term, by 2025, we are looking forward to deploying our own technology for the CO₂ capture and storage. The Company is expanding biological methods to reduce the carbon footprint, including planting of forests. In 2021, almost 8 million seedlings were planted.

Upgrading skills and building competencies of our staff help us stay competitive and respond promptly to market challenges. We evaluate the emergence of new areas of knowledge and tools. Adapting to external conditions, we are creating and adjusting our own educational environment. The Company has been building up a scientific cluster with a biotechnological research center. This will allow us to concentrate science, education, and business on a single platform and obtain a synergistic effect for the development of the modern economy.

The Company carefully preserves its region for future generations, forms sustainable development areas and improves the quality of life by investing in human capital, environmental protection, and social welfare facilities.

I would like to point out that Tatneft is a strong and stable Company producing high-quality and high-demand products, amassing its own technological and production potential, which means that we are quite a success and have a decent future ahead.

The achieved results have proved the viability of the Tatneft Group's business model. It is a clear-cut goal of the management to attain maximum financial stability and high-tech development of the Company, including in the direction of import substitution, while maintaining a stable social situation.

We would like to express our appreciation to each and all of our partners, customers, shareholders, investors, and employees of the Tatneft Group enterprises for their joint efforts and we will continue our work to ensure the sustainable development of the Company for many years to come.

**General Director,
Chairman of the Management Board
of PJSC TATNEFT n.a. V.D. Shashin**

**Nail Ulfatovich
Maganov**

Sustainable development strategy

GRI 102-15

The Company's strategy implementation includes sustainable growth and provision of favorable economic and social conditions for business development based on the most efficient use of all types of resources and creating value for stakeholders at each stage of activity. The Company recognizes the global challenges, problems and trends related to aspects of sustainable development, adhere to the provisions of the UN Global Compact, the UN Responsible Investment Initiatives (UNPRI), the UN Sustainable Development Goals, the United Nations Environment Program (UNEP), as well as the G20/OECD Fundamental Principles of Corporate Governance and the Social Charter

of Russian Business, the RSPP Approaches to the Formation of National Indexes of Corporate Sustainability, Responsibility and Openness for Sustainable Development.

The Company has historically adhered to the principles of high corporate responsibility and alignment of corporate interests with the UN Global Compact Agenda for sustainable development. Corporate sustainability is based on the Company's value system and a principled approach to doing business. This means that the Company accepts the commitments in the field of human rights, labor, environment and anti-corruption, reflected in the 10 Principles of the UN Global Compact, and strives to ensure that shareholders, partners, suppliers and contractors also adhere to these Principles, creating a culture of integrity and responsibility. The Company's mission, its values, as well as goals and strategic principles are in line with the 17 UN sustainable development goals. The Company works closely with stakeholders to take effective action to achieve sustainable development goals.



Statement of continued support for the UN Global Compact

The Company takes into account all 17 Sustainable Development Goals in its activities and makes a diverse contribution to their aspects. Taking into account the directions of its activity, the Company focuses most of its attention on those areas and tasks that it can implement as efficiently as possible by managing its capabilities and resources.



Management approach

The Company is improving approaches to managing aspects of sustainable development based on the full integration of relevant goals within the framework of the Company's strategy and business processes. Making any business decisions, the Company takes into account the objectives of preserving the environment, reducing the carbon footprint, improving social infrastructure, expanding innovative opportunities, economic growth, and improving the life quality in the territories of TATNEFT Group enterprises' operation.

Targeted programs are implemented based on an open dialogue with the local community and stakeholders, which improves the targeting of the Company's initiatives and decision-making transparency.

The corporate management system based on risks and opportunities related to implementation of the sustainable development goals includes goal setting and overseeing goal achievement by the Board of Directors and allocating clear responsibility to the heads and divisions of the Company for the implementation of the assigned tasks.

Strategic level	
Board of Directors	<ul style="list-style-type: none"> determines the sustainable development policy, sets strategic goals and directions sets strategic guidelines for sustainable development goals oversees policy implementation
Sustainable Development and Corporate Governance Committee of the Board of Directors	<ul style="list-style-type: none"> plans, defines goals and coordinates sustainable development measures oversees the implementation of measures and the occurrence of risks evaluates the effectiveness of the implementation of the sustainable development policy and reports to the Board of Directors
General Director and the Board	
	<ul style="list-style-type: none"> coordinates the activities of the business areas on the matters of implementing sustainable development goals
The Governing Council for Sustainable Development of the General Director	<ul style="list-style-type: none"> analyzes and evaluates progress, prepares information for the SDCGC on the results achieved, risks and problems analyzes the quality of the information disclosed and monitors compliance with the reporting standards identifies areas of responsibility within the TATNEFT Group in the field of sustainable development
Operational level	
Motivation system for achieving the SDGs	<ul style="list-style-type: none"> integration of sustainable development goals into key performance indicators implementation of a system for monitoring and motivating the achievement of sustainable development goals by management levels
SDG leaders and management staff	<ul style="list-style-type: none"> formation of the Company's employees' involvement in the achievement of sustainable development goals development and implementation of activities for the approved goals preparation of systematic reporting on the implementation of the stages of activities
Independent assessment	
Key stakeholders	<ul style="list-style-type: none"> assessment of the Company's actions to achieve the goals request for adjustment of the management approach in achieving sustainable development goals social and economic effect of the Company's actions to achieve sustainable development goals

Integration of the Sustainable Development Goals

The Company recognizes the importance of demand of the public for moving towards cleaner energy and takes into account the fundamental trend of rebalancing of energy mixes towards less carbon-intensive fuels to reduce greenhouse gas emissions, as well as a variety of possible scenarios for global energy system transition to decarbonization. The key task of the Company in this direction is to develop a business model, which seeks to minimize and subsequently to zero emissions. These ambitions are determined by specific goals for the long term with intermediate target values.

Active work is underway to implement the assumed obligations aimed at socio-economic development. The definition of goals and their integration into the activities of the Company is carried out in accordance with the Compass of Sustainable Development Goals: 5 Steps. To achieve results for each Sustainable Development Goal, thematic projects have been opened and SDG Leaders — managers with high competencies — have been assigned. The project teams, following the Compass of the SDGs, identified benchmarks and formulated tasks. Key metrics are assigned to those responsible and built into the system of key performance indicators (KPIs).

Integration of the Sustainable Development Goals into the Company's activities

- Statement of accession to the UN Global Compact and SDGs
- Determination of the vector of corporate actions on the SDGs
- Providing quality information about aspirations and challenges

- Integration of the SDGs into the KPI system: five SDGs are considered in the KPI system
- Setting targets and responsible persons for the rest of the SDGs by 2025
- Programs to achieve other SDGs are developed



- SDGs prioritization (3 priority, 7 goals with significant impact)
- Approval of priority SDGs by the Board of Directors
- Setting targets for priority goals, identifying responsible SDG Leaders.
- Project programs have been developed to achieve priority SDGs

- Formation of a corporate strategy for sustainable development
- Implementation of key metrics in perational activities and motivation system
- Regular monitoring of the implementation of programs to achieve the SDGs
- Setting targets for achieving SDGs by 2050

UN SDG Navigator

	Contribution to the achievement of the Sustainable Development Goals	Navigation	
Priority	<p>6 CLEAN WATER AND SANITATION</p> <ul style="list-style-type: none"> • Reducing the impact on aquatic ecosystems — the volume of wastewater discharged to surface water bodies is reduced by 25% • Increased recycling and reuse of wastewater — share of reused water increased by 12.7% 	See the Environment section (Sustainable Water Consumption subsection)	
	<p>13 CLIMATE ACTION</p> <ul style="list-style-type: none"> • Reduction of direct and indirect greenhouse gas emissions of Scope 1 and 2 by improving the energy efficiency of production processes • Reducing the carbon footprint by increasing the absorption of greenhouse gases by green spaces 	See the Environment section (Emissions to the Atmosphere subsection)	
	<p>15 LIFE ON LAND</p> <ul style="list-style-type: none"> • Restoration of degraded lands and soils, 974 ha recultivated • Optimization of land and forest areas during drilling and well construction — 1,480 hectares of land returned 	See the Environment section (Land Restoration subsection)	
Direct Impact	<p>3 GOOD HEALTH AND WELL-BEING</p> <ul style="list-style-type: none"> • Rehabilitation programs for the local population from the consequences of COVID-19, 93% of the Company's employees were vaccinated • Sanatorium and resort treatment of employees and the population is provided in 8 sanatoriums of the Company 	See the Personnel section (Health of Employees subsection)	
	<p>4 QUALITY EDUCATION</p> <ul style="list-style-type: none"> • Member of the scientific and educational cluster of the system of continuous multi-level professional education for the training of personnel in the oil and gas complex (the cluster trains more than 7,000 specialists of secondary vocational education and more than 2,000 specialists of higher education) 	See the Promotion of Social Development section (Investing in Future Generations subsection)	
	<p>7 AFFORDABLE AND CLEAN ENERGY</p> <ul style="list-style-type: none"> • Strategic goal is to generate 900 MW of renewable energy by 2050 • Curbing the costs for fuel and energy resources through their rational use and improved energy efficiency of the production operations 	See the Environment section (Energy Efficiency subsection)	
	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Application of innovative solutions and environmentally friendly technologies — 2917 active patents • Volume of R&D per 1 academic employee — RUB 0.9 mln 	See the Innovative Activities section	
	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <ul style="list-style-type: none"> • Development of social infrastructure, protection of the environment and environmental safety, provision of housing, supply of heat and power, development of transport and roads are an integral part of the activity in the regions of presence — social investments amounted to RUB 23.4 bln 	See the Promotion of Social Development section (Development of Social Infrastructure subsection)	
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <ul style="list-style-type: none"> • Increased the share of waste sent for disposal by 9.45% of the planned value in the perimeter of Tatneft Group enterprises for which SDG targets have been set • Introduction of the principles of the circular economy (saving of primary resources, collection and processing of own secondary raw materials and from the local population) 	See the Performance Overview, Environment sections (Waste Management subsection)	
	<p>17 PARTNERSHIPS FOR THE GOALS</p> <ul style="list-style-type: none"> • The status of a member of the UN Global Compact was confirmed • In 2021, the Company joined the Russian Climate Partnership, and also joined the agreement on cooperation in the field of technologies and developments in the energy sector to form a scientific and educational center • 20 years of cooperation with the Russian Union of Industrialists and Entrepreneurs (RSPP) 	See the Participation in Industry Associations section	
	Indirect Influence	<p>1 NO POVERTY</p> <ul style="list-style-type: none"> • The ratio of the average wage to the minimum wage in the Republic of Tatarstan was 3.32 • The ratio of the average wage in the Company and the average wage in the Republic of Tatarstan amounted to 1.42 	See the Personnel section (Remuneration subsection)
		<p>2 ZERO HUNGER</p> <ul style="list-style-type: none"> • 42,800 people received assistance from the TATNEFT Charitable Foundation • In 2021, the social investments totaled more than RUB 3.5 bln. 	See the Promotion of Social Development section (Charitable Foundation subsection)
		<p>5 GENDER EQUALITY</p> <ul style="list-style-type: none"> • The average annual number of training hours per 1 trained female employee is 76.67 hours, male employee — 62.65 hours. • The dynamics of the personnel structure by gender during the three-year period remains almost constant 	See the Personnel section (Structure, Training and Development subsections)
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <ul style="list-style-type: none"> • Employee loyalty and satisfaction index (eNPS) — 68.5%. • We create jobs for people with disabilities 		See the Personnel section	
<p>10 REDUCED INEQUALITIES</p> <ul style="list-style-type: none"> • Implementation of a policy of equal opportunity and gender equality, non-discriminatory in any form, and work with our partners and suppliers to ensure this principle throughout the value chain 		See the Human Rights section	
<p>14 LIFE BELOW WATER</p> <ul style="list-style-type: none"> • Implementation of a program for the conservation of biodiversity, which includes measures to compensate for damage to aquatic biological resources. In 2021, > 440 thousand fish juveniles were released into reservoirs 		See the Environment section (Conservation of Biodiversity subsection)	
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <ul style="list-style-type: none"> • The principles of observance of human rights are reflected in the Corporate Governance Code of the Company and the Collective Agreement • The Company adheres to the principle of non-acceptance of corruption of any form and manifestation 		See the Corporate Governance (Anti-Corruption Policy subsection), Personnel sections (Collective Representation subsection)	

Significant events of the Company's sustainable development 2021



Results of the prioritization of the Sustainable Development Goals

Environmental		<p>6.1, 6.3, 6.4, 6.5, 6.6</p> <p>Reducing the impact on aquatic ecosystems</p> <p>Reducing the share of untreated wastewater, increasing the recycling and reuse of wastewater</p> <p>Ensuring the protection and restoration of water-related ecosystems</p>	<ul style="list-style-type: none"> reduction in wastewater discharges by 20% by 2025, increase in the ratio of treated and untreated wastewater (in terms of suspended solids) by 5 times increase in the volume of recycled, multiply and repeatedly used water by 9% by 2025 reduction of fresh water losses during its preparation and transportation implementation of water desalination technologies, treatment of waste and recycled water, processing of sludge 	<ul style="list-style-type: none"> decrease in water disposal volumes <ul style="list-style-type: none"> - by 25% for the TATNEFT Group - by 98% for JSC TANECO intake from surface sources reduced by 3.6% water consumption decreased by 5% 	<ul style="list-style-type: none"> measures for rational water consumption (reconstruction of a complex of biological treatment facilities, construction of a source water treatment station) measures to optimize water losses during preparation and transportation, reduce fresh water intake pilot work on the development of technology for effective bio-purification of water 	<p>See the Oil and Gas Processing, Environment sections (Rational Water Use subsection)</p>
		<p>7.1, 7.2, 7.3, 7a, 7b</p> <p>Providing access to affordable, reliable and modern energy supplies</p> <p>Increasing the share of clean technologies using fossil fuels, renewable energy and improving energy efficiency to reduce environmental impact</p>	<ul style="list-style-type: none"> increase in energy efficiency and energy saving to a level of at least 2.2% of the actual consumption of fuel and energy resources in the previous year (in tons of fuel oil equivalent) energy generation (share increase) using RES to 426 MW by 2030 and 900 MW by 2050 	<ul style="list-style-type: none"> savings in consumption volume under the three-year energy efficiency program — 5.5% (planned 4.1%), incl. for 2021 2% (target 1.5%) reduction of direct energy consumption — 6.5% 	<ul style="list-style-type: none"> implementation of the targeted Energy Efficiency and Energy Saving Program for 2021-2024. The plan for 2022 is set at a rate of at least 2% of the base level for 2021, which is 126 thousand tons of fuel oil equivalent. development of the Hydropower area formation of an energy-efficient worldview and responsible consumption among the staff 	<p>See the Retail Network, Environment sections (Energy Efficiency subsection)</p>
		<p>12.2, 12.4, 12.5, 12.6, 12.8</p> <p>Rational and efficient use of natural resources, capture and processing of harmful substances and all waste products throughout the entire production cycle, reduction of waste volume, their processing and reuse</p>	<ul style="list-style-type: none"> increase in the share of recycled and reused waste up to 50% by 2025, up to 70% by 2030 reduction in process losses by 14.2% by 2025, by 20% by 2030 	<ul style="list-style-type: none"> the share of recycled waste was — for the Tatneft Group 56.55% <ul style="list-style-type: none"> - for the Mechanical Engineering business direction — 94.9% - in the business direction Oil and gas processing — 72.9% - in the business direction Exploration and production — 69.3% technological losses reduced by 13.2% compared to base year 2020 	<ul style="list-style-type: none"> achievement of target indicators, including through the implementation of measures to ensure the transition to rational patterns of consumption and production 	<p>See Exploration and Production, Oil and Gas Processing, Tire Business, Retail and Distribution Network, Composite Materials, Environment sections (Waste Management, Energy Efficiency subsections)</p>
		<p>13.1, 13.2, 13.3, 13a, 13b</p> <p>Adoption of concrete and constructive measures to reduce the impact on climate change and ensure the transparency of their implementation</p>	<ul style="list-style-type: none"> achieving carbon neutrality in 2050 reducing the intensity of greenhouse gas emissions capture, use and disposal of carbon dioxide emissions 7.2 million t CO₂-eq. 	<ul style="list-style-type: none"> the environmental effect of measures under the program to reduce greenhouse gas emissions amounted to 250 thousand tons of CO₂-eq. associated petroleum gas utilization rate — 96.13% 	<ul style="list-style-type: none"> development of the Climate Strategy of the TATNEFT Group achievement of an environmental effect from the implementation of measures to reduce greenhouse gas emissions in the amount of at least 500 thousand tons of CO₂-eq. implementation of the Reforestation Program formation of ecological outlook among the local population and staff 	<p>See the Environment section (Environmental Program, Emissions into the Atmosphere subsections)</p>
		<p>15.1, 15.2, 15.3, 15.4, 15.5, 15.8, 15a, 15b</p> <p>Ensuring the conservation, restoration and sustainable use of ecosystems, reducing the impact on forest degradation and a significant increase in afforestation</p>	<ul style="list-style-type: none"> reduction in occupied space by 16.1% by 2025 combating desertification, restoring degraded lands and soils restoration of aquatic biological resources ensuring the conservation of terrestrial and inland freshwater ecosystems reduction in deforestation areas 	<ul style="list-style-type: none"> 1,480.4 ha of unclaimed land plots returned the area of felled trees has been reduced by 40 ha 974 ha of disturbed lands restored repairs of pipeline crossings and the dismantling of inactive pipelines through water bodies — 71 pcs. 	<ul style="list-style-type: none"> return of 1,824.5 ha of unclaimed land plots optimization of the volume of cut trees by 355.4 ha restoration of at least 957.4 ha of disturbed lands optimization of oil recovery facilities and reconstruction of inactive crossings through water bodies (114 pcs.) 	<p>See the Environment section (Biodiversity Restoration, Land Restoration subsections)</p>

Social

Governance

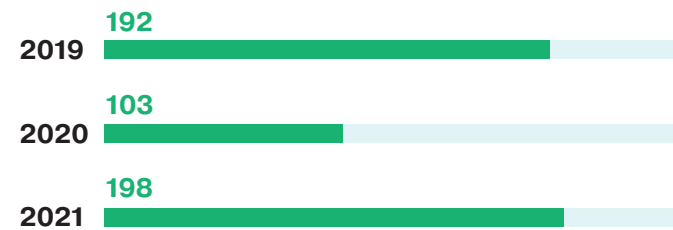
	<p>3.8, 3.c</p>	<p>Ensuring universal health coverage in the regions of presence through prevention, treatment and maintenance of the health and well-being of the local population, implementation of rehabilitation programs</p>	<ul style="list-style-type: none"> reduction in the number of days of temporary disability by 25% by 2025 and by 50% by 2050 reduction in the frequency and severity of industrial injuries 		<ul style="list-style-type: none"> the decrease in the number of days of temporary disability was 2.4% compared to the average actual value for 2019-2020 data management system for cases of temporary disability created implementation of the standard for the provision of affordable quality medical services injury frequency rate — 0.32 decreased by 11% injury severity rate decreased by 45% LTIFR — 0.2 (no change from the previous year) 	<ul style="list-style-type: none"> creation of the Center for Restorative Medicine in the Medical Unit of the Company formation of staff motivation for a healthy lifestyle implementation of the program aimed at preserving life and health, improving the working conditions of employees, reducing accidents, significant production risks, improving the safety of equipment and fire safety of facilities implementation of the occupational disease prevention program 	<p>See Personnel (Health of Employees subsection), Production Safety sections (Prevention of Occupational Diseases, Occupational Injuries subsections)</p>
	<p>4.1, 4.2, 4.4, 4.a</p>	<p>Increasing the number of people with in-demand professional knowledge for employment, getting a decent job</p>	<ul style="list-style-type: none"> creation of an effective end-to-end (continuous) education system from preschool to professional, providing multi-level training for the oil industry formation of a worldview and involvement in the achievement of sustainable development goals 		<ul style="list-style-type: none"> support for local educational institutions of secondary specialized and higher education — coverage of more than 9,000 students development of professional competencies of employees — 29,208 people, investments — RUB 269 mln educational activities in schools on sustainable development goals — SDG Envoys 	<ul style="list-style-type: none"> creation of a training center for vocational education implementation of an educational project in all regions of the Republic of Tatarstan development of educational school and career guidance projects 	<p>See the Promotion of Social Development section (Investing in Future Generations subsection)</p>
	<p>11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.a</p>	<p>Ensuring access to sufficient, safe and affordable housing</p> <p>Development of economic, social and environmental links between urban, suburban and rural areas</p> <p>Reducing the negative environmental impact of cities on the local population</p>	<ul style="list-style-type: none"> improving the well-being and standard of living of employees and the population (construction of residential and socially significant facilities) development of comprehensive plans for the development of territories together with the society, regional and municipal authorities reducing the negative impact on the environment by modernizing production and applying the best available technologies 		<ul style="list-style-type: none"> the volume of social investments amounted to RUB 23.4 bln 10 houses for 1376 apartments were put into operation, construction of social facilities is underway gross emissions of pollutants into the atmosphere were reduced by 4.8% compared to 2020 482 grants were issued by the TATNEFT Charitable Foundation agreements on cooperation in the field of improving the quality of the urban environment were concluded with the administrations of 8 districts 	<ul style="list-style-type: none"> implementation of the program for the development of apartment buildings in the residential architecture of cities implementation of environmental and educational projects development and construction of social infrastructure facilities 	<p>See the Personnel section (Housing Policy subsection), Promotion of Social Development</p>
	<p>9.1, 9.2, 9.3, 9.4</p>	<p>Development of sustainable industrialization through innovation and quality, reliable, resilient and stable infrastructure to support economic development and human well-being, with particular attention to ensuring equal access for all stakeholders</p>	<ul style="list-style-type: none"> increase in the return on investment in innovation by 15% by 2025 increase in raising state support for projects by 2 times by 2025 increase in innovative projects to achieve the strategic goal of reducing the carbon footprint by 20% 		<ul style="list-style-type: none"> the end market value (EMV) of the R&D and Main Engineering Solutions portfolio amounted to RUB 324.4 bln and exceeded the plan by 11.4% 100% of new projects have passed an internal examination for the possibility of raising state co-financing — the planned indicator has been increased by 58% the share of used protected objects of intellectual property in the total number of titles of protection amounted to 44.9% 	<ul style="list-style-type: none"> increase in R&D volume per 1 academic employee from RUB 0.9 to 5 mln by 2030 increase in the share of young researchers to 30% by 2030 improving the efficiency of the system for managing the results of intellectual activity 	<p>See the Innovative Activity, Composite Materials sections</p>
	<p>17.17</p>	<p>Strengthening the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, experience, technology and financial resources to support the achievement of the Sustainable Development Goals</p>	<ul style="list-style-type: none"> building effective partnerships with government and civil society organizations 		<ul style="list-style-type: none"> confirmation of the active status as a member of the UN Global Compact based on the results of the first year of joining the international initiative on sustainable development implementation of government business support tools at the regional and federal levels agreements on development projects with the government of the Russian Federation, the Republic of Kazakhstan, the Republic of Turkey, the Kyrgyz Republic 	<ul style="list-style-type: none"> implementation of agreements on development projects in the form of specific investment projects based on public-private partnership and mutual integration of the parties' resources (competencies, technologies, raw materials base) 	<p>See the Stakeholders, Exploration and Production, Petrochemistry, Participation in Industry Associations sections</p>

Key indicators

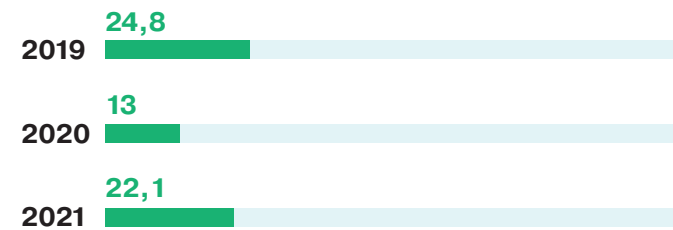
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Financial indicators

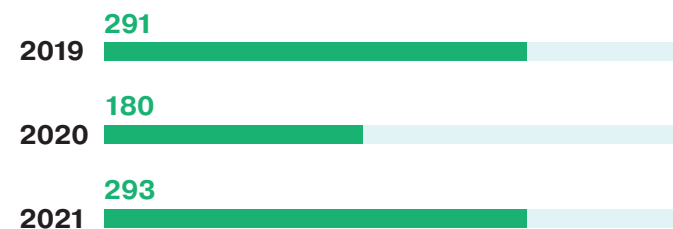
Net profit attributable to shareholders, RUB bln



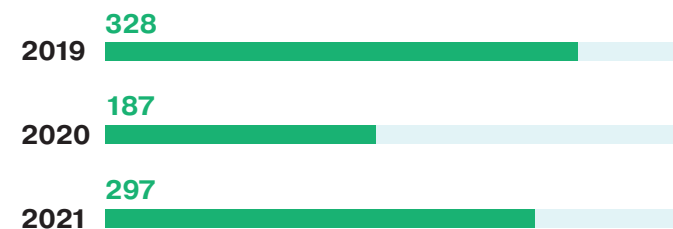
ROACE, %



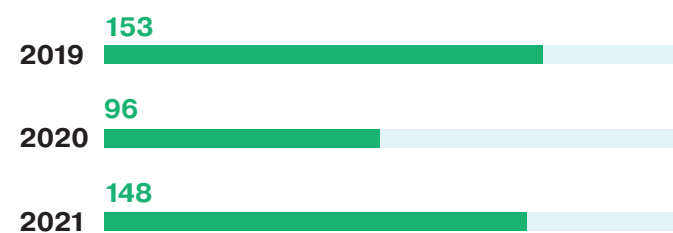
EBITDA, RUB bln



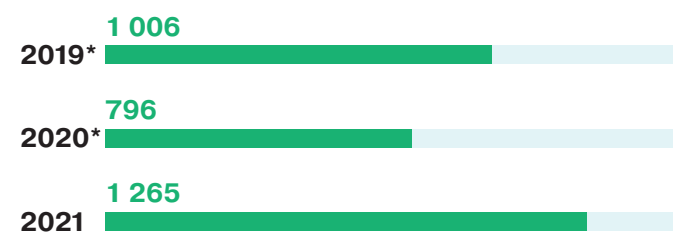
Adjusted EBITDA, RUB bln



Free cash flow, RUB bln



Net consolidated revenue from nonbanking activities, RUB bln



Revenue by segments (minus inter-segment revenue), RUB bln

Year	Exploration and production	Refining and sale of oil and oil products	Tire business	Banking operations	Corporate and other	TOTAL
2019*	510	424	49	23	24	1,030
2020*	311	395	54	18	36	814
2021	551	596	61	16	57	1,281

*Data revised according to 2021 presentation

Revenue by products, RUB bln

Year	Oil	Oil products	Tires	Other	TOTAL
2019*	515	404	45	42	1,006
2020*	313	380	50	53	796
2021	556	568	60	81	1,265

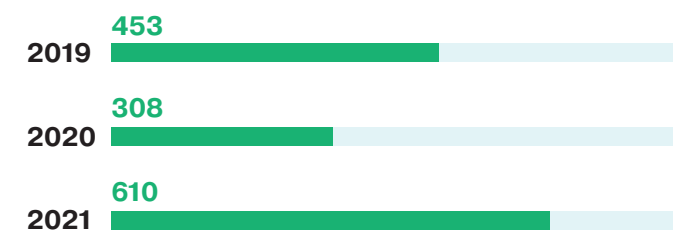
*Data revised according to 2021 presentation

Assets by segments, RUB bln

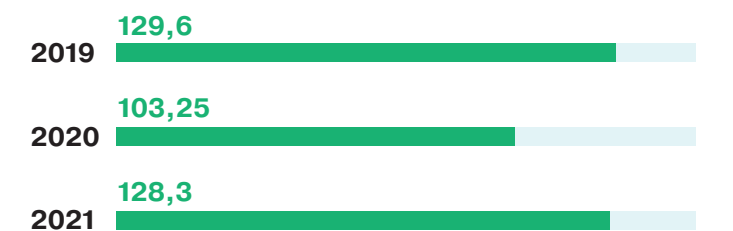
Year	Exploration and production	Refining and sale of oil and oil products	Tire business	Banking operations	Corporate and other	TOTAL
2019*	384	451	34	232	139	1,240
2020*	365	508	35	209	146	1,263
2021	384	584	51	245	239	1,503

*Data revised according to 2021 presentation

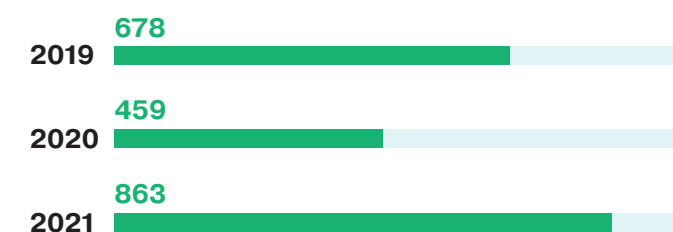
Taxes and social contributions to the budget, RUB bln



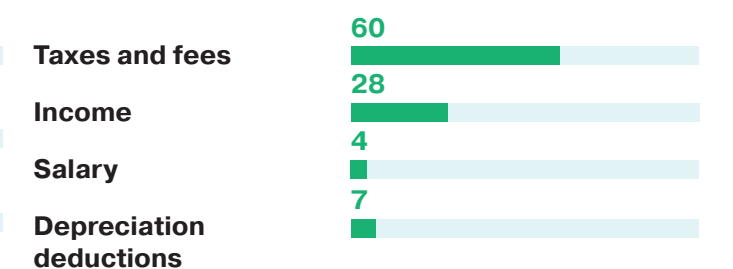
Volume of investments, RUB bln



Value added, RUB bln



Added value structure, %

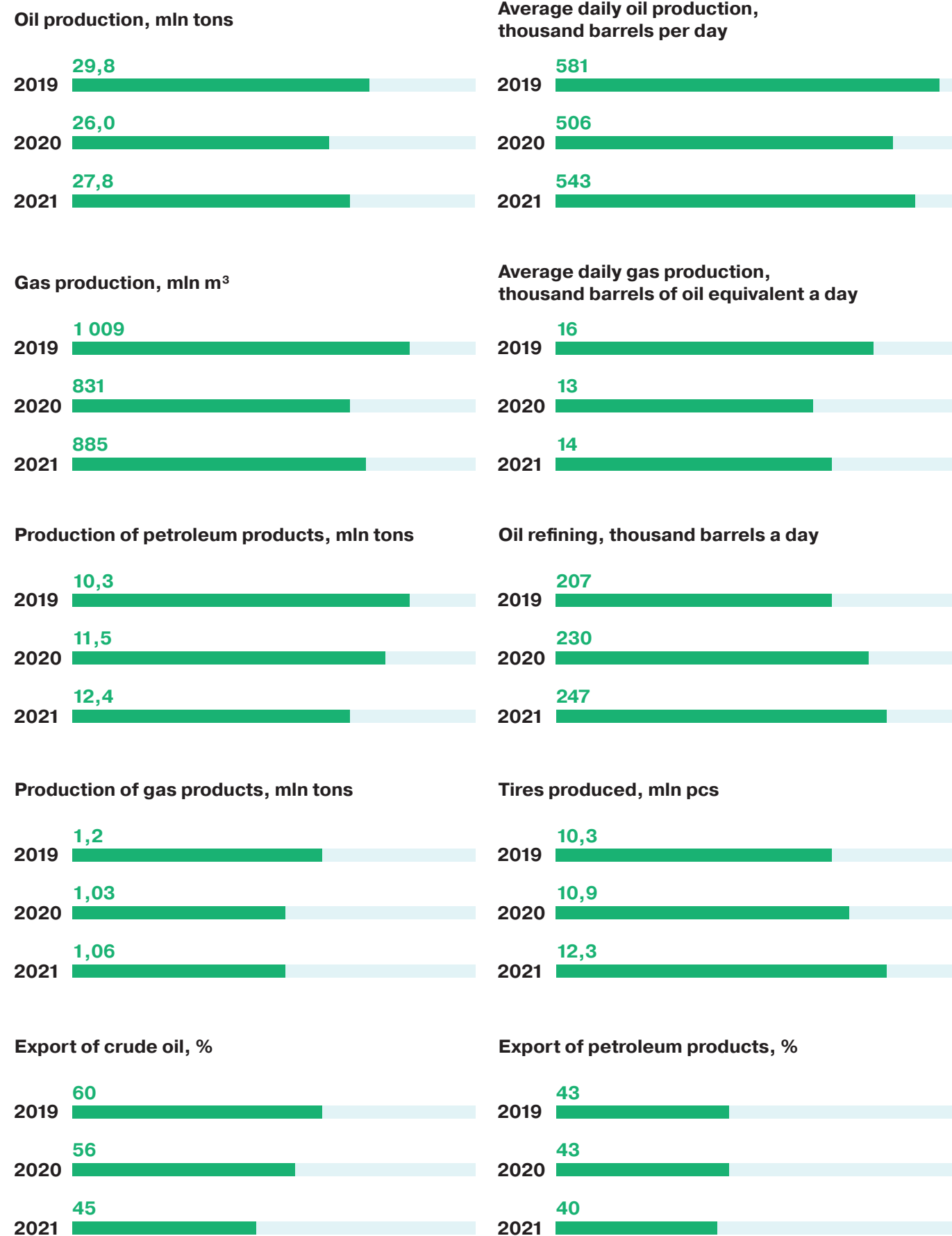


In 2021, value added increased by 1.8 times compared to 2020 due to changes in tax legislation, including the abolition of tax differentiation for depleted fields and extra-viscous oil.

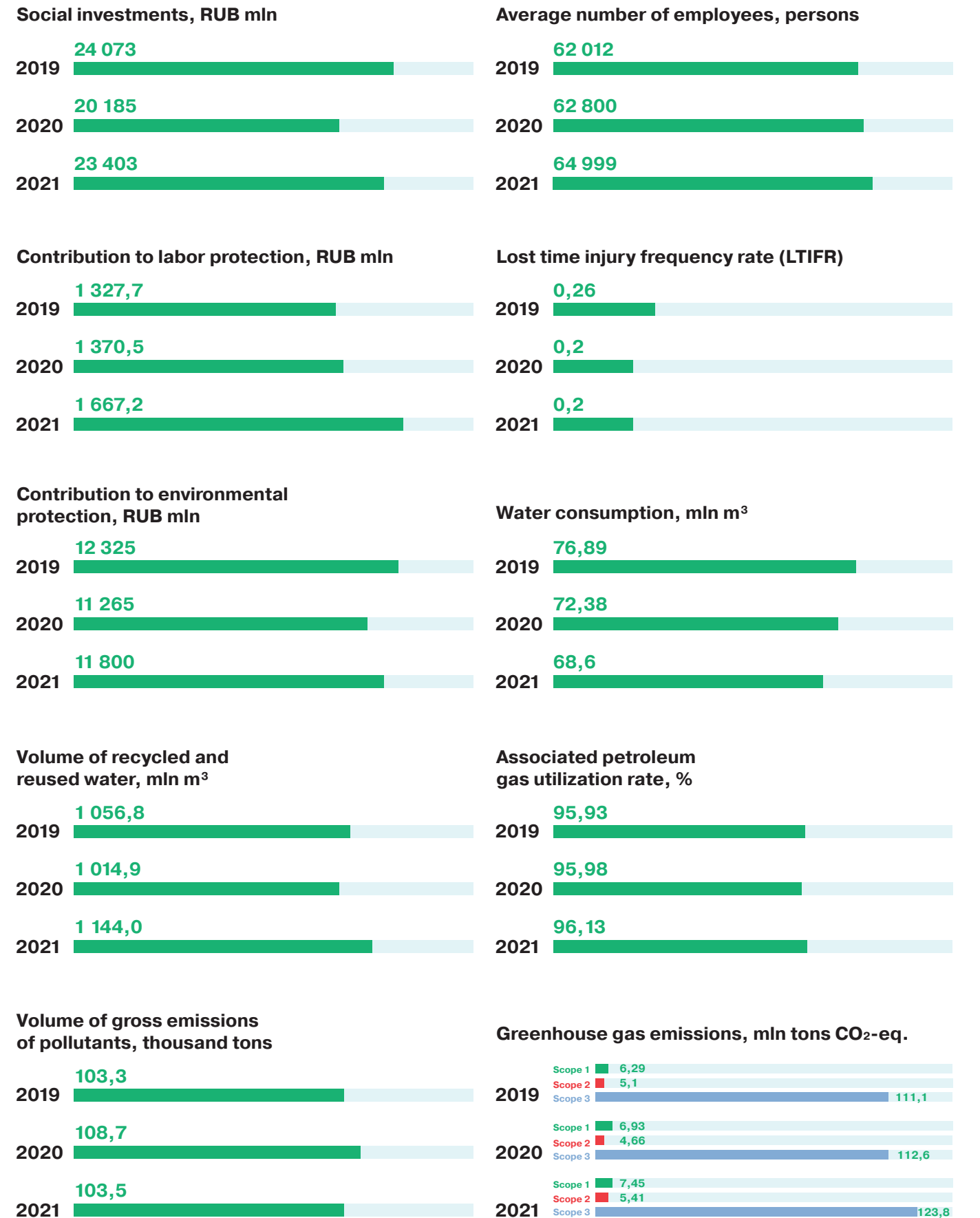
The analysis of the value chain and its structure indicates the key role of the oil production segment (it accounts for about 90% of the total volume in 2021).

Profit as part of the added value of the Company in 2021 amounted to RUB 246 bln, which is 2 times higher than the level of the previous year. The return on added value (share of profit in added value) in 2021 was 28%. The share of the added value in the total volume of manufactured products of the TATNEFT Group in 2021 amounted to 74%.

Operating performance

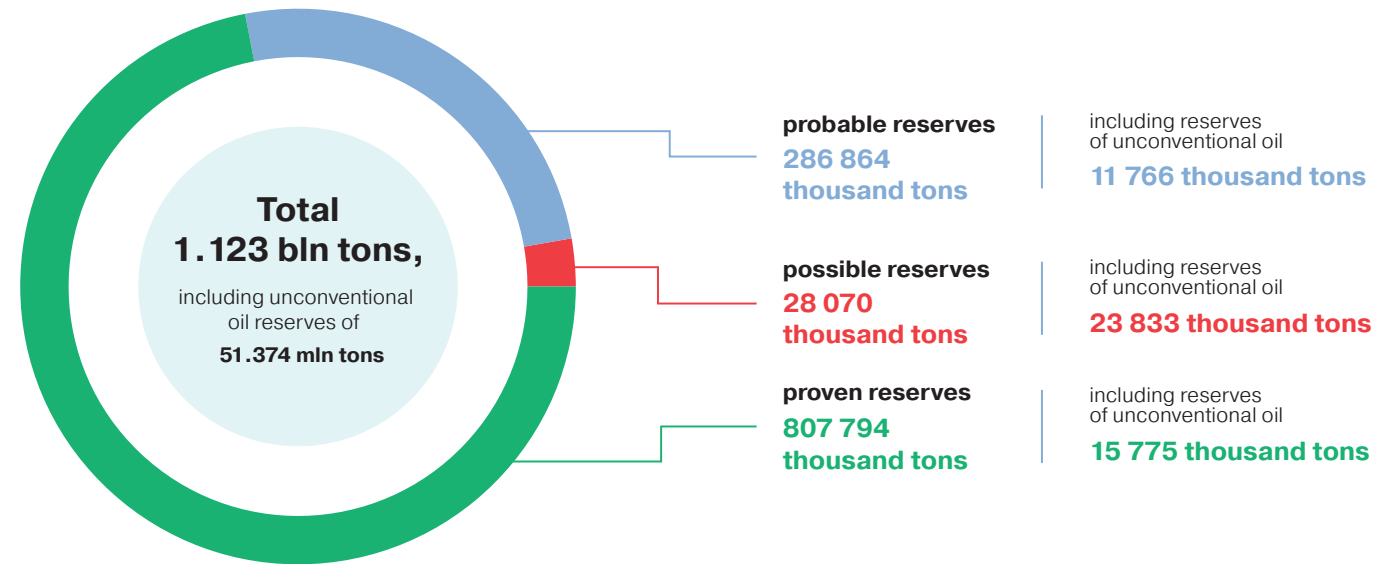


Sustainability indicators

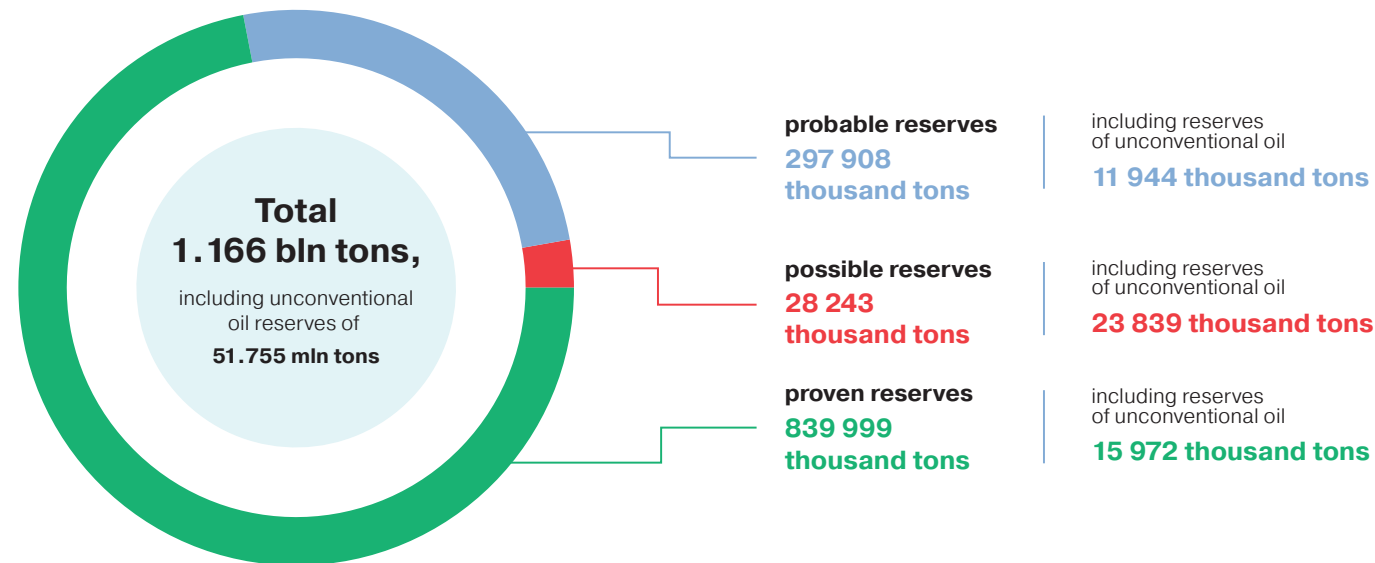


Resource potential

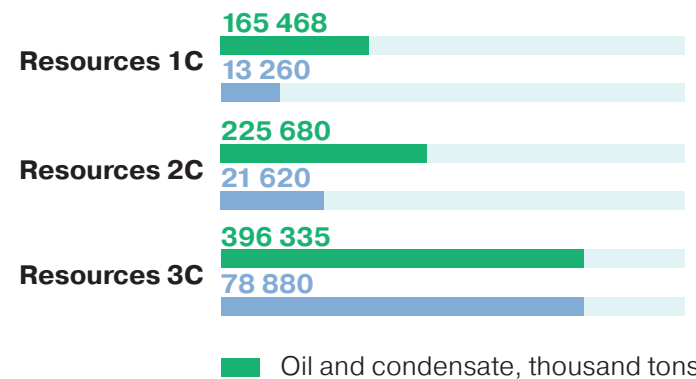
Oil and condensate reserves



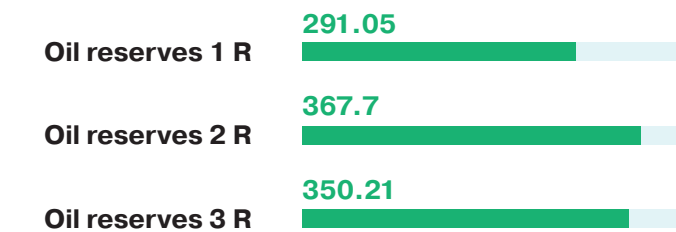
Hydrocarbon reserves



Total net contingent resources



Reserve replenishment ratios, %



Stock category	At the end of 2020	At the end of 2021	% change (including 2021 production)
Proven drilled producing, thousand tons	380,364	383,632	8.11
Proven drilled non-producing, thousand tons	266,012	301,112	13.19
Proven undrilled, thousand tons	108,742	123,050	13.16
Total proven, thousand tons	755,118	807,794	10.63

In 2021, the reserves were estimated using the constant price variant. According to Miller and Lenz, Ltd., in 2021, there was an increase in proven oil reserves compared to 2020 (according to the constant price variant) by +52.676 mln tons (+7.0%), an increase in probable oil reserves by +21.135 mln tons (+8.0%) and a decrease in possible oil reserves by -4.824 mln tons (-14.7%).

Ratings

Credit ratings – position stability

	2019	2020	2021
FitchRatings	BBB–F3	BBB–F3	BBB–F3
MOODY'S INVESTORS SERVICE	Baa2	Baa2	Baa2
Expert РЕЙТИНГОВОЕ АГЕНТСТВО	ru AAA	ru AAA	ru AAA

ESG ratings – sustainable growth

CDP DISCLOSURE INSIGHT ACTION	C*
CDP A LIST 2020 CLIMATE	B
CDP A LIST 2020 WATER	B
RA ERA	1 st place "Transparency of disclosed indicators"
WWF CREON Group	RA AKRA 1 st place "Openness of environmental information of oil and gas companies"

*In the CDP rating, the Company demonstrates a steady progress in 2021, it rose to the level "C" (2020 — "D", 2019 — "D–"), which corresponds to the global industry indicator.

Key events

Production operations

- Expansion of oilfield services in Turkmenistan — with the assistance of the state concern Turkmennebit
- Construction of a plant for the production of car tires in Kazakhstan by KamaTyresKZ LLP, a joint venture of TATNEFT Group and Allure Group of Companies
- An agreement between PJSC TATNEFT and KazMunayGas Oil Company on intentions to develop joint projects in the field of geological exploration and development of oil fields, as well as creation of a joint venture LLP Butadien to implement a project for the production of butadiene rubbers
- Acquisition of assets of the Ecopet Group of Companies (JSC Ecopet, LLC TD Ecopolymers, LLC BaltTechProm)
- Licenses for the right to use the subsoil of the Verkhne-Uratminsky and Makarovsky sections were obtained
- Conclusion of an investment agreement with the Ministry of Energy of the Russian Federation on the creation of new production facilities at the complex of oil refineries and petrochemical plants of JSC TANECO
- Implementation of a project for the production of rubber-modified bitumen at JSC TANECO together with the Hungarian MOL Group
- JSC TANECO — launch of three production facilities: catalytic cracking units, hydrogen and oil production. Comprehensive testing of gas fractionation units, catalytic isodewaxing of diesel fuel, the second delayed coking unit
- Project for the construction of a butadiene production unit, production of butadiene-nitrile and butadiene-styrene rubber in Togliatti
- Production of an experimental tire for ATVs — KAMA Quadro ATM at PJSC Nizhnekamskshina

Ratings, nominations, awards

- TOP-10 of the BCG world ranking among oil and gas companies that provided their shareholders with the highest shareholder return over the past five years
- TOP-5 leaders of socially responsible industrial companies in Russia
- The Company has improved its position in the authoritative sustainability rating Sustainalytics ESG Risk Ratings
- Leading position in the environmental transparency rating of the oil and gas industry of the Russian Federation published by the Creon Group and WWF Russia
- International “B” rating from CDP based on the results of disclosure of data on the use and conservation of water resources, which is one of the best indicators among Russian companies surveyed in 2021. Advancement in the climate rating to the level of “C”, which corresponds to the global industry indicator.
- Award of the VI Annual International Forum of SPIMEX “Exchange Commodity Market” in the nomination “Leader in the development of market mechanisms for the sale of petroleum products for export”
- winner of the International Competition for the best management and accounting automation projects — “1C: Project of the Year 2020” in the nomination “Best project in the oil and gas industry”, “Best project in the healthcare industry”
- The Company was awarded four Grand Prix at the XXVIII International Specialized Exhibition “Oil, Gas. Petrochemicals”

JSC TANECO

- I place at the municipal level and at the republican level in the republican competition “Ecospring-2021”
- II place in the nomination “Oil and Gas Industry” in the Ecoleader republican competition

Tire business of KAMA TYRES

- III place in the nomination “Exporter of the Year in the Field of High Technologies” in the “Major Business” category of the All-Russian competition “Exporter of the Year” in the Volga Federal District
- Diploma of the 1st degree in the nomination “Products with new or improved characteristics” of the XXVII International Specialized Exhibition “Oil, Gas. Petrochemicals”
- Diploma of the 1st degree, laureate of the contest “The Best Goods and Services of the Republic of Tatarstan”
- II degree diploma in the nomination “Digital Technologies”, III degree diploma in the nomination “New Products” of the XXI International Specialized Exhibition “Energy. Resource Saving”

Bugulma Mechanical Plant

A laureate of the All-Russian competition of the program “100 Best Goods of Russia” in the nomination “Industrial and technical products “Oil heating furnace with intermediate coolant”

JSC Ecopet

The winner of the competition “Best Practices of Mentoring” within the framework of the national project “Labor Productivity”

LLC Tatneft-AZS-Center

A laureate of the Program “100 Best Goods of Russia” in the nomination “Services for the Population”, a winner of the Russian Government award in the field of quality

Bank ZENIT

- Award “Best Legal Departments 2021” — nomination “Distressed Assets”
- XV Annual RETAIL FINANCE AWARDS for achievements in the development of retail financial business in Russia — nomination “Best Social Project”

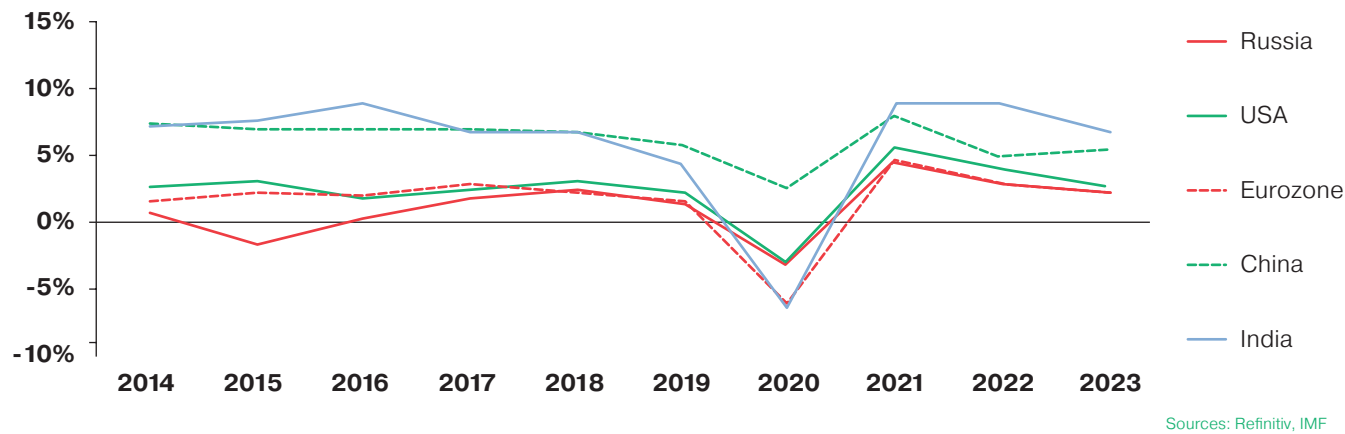


Macroeconomics

Key macroeconomic factors in 2021 and 2022

Despite the periodic worsening of the epidemiological situation (rising incidence), the extension of quarantine restrictions, 2021 has become a period of recovery for the global economy. At the end of the past year, according to the IMF, global growth is estimated at 5.9% (after a significant fall of 3.1% y/y in 2020).

Dynamics of GDP growth, %



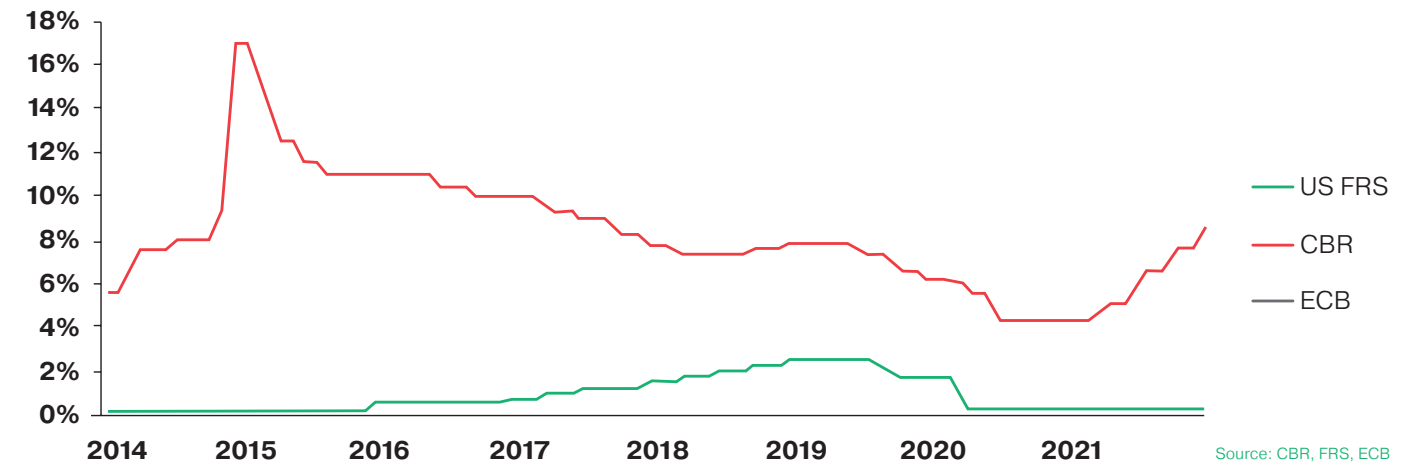
Thus, US GDP in 2021 increased by 5.6%. In order to maintain economic activity last year, the US Federal Reserve continued to implement a soft monetary policy, keeping the key rate in the range of 0-0.25%. At present, the situation in the financial and labor markets is favorable, economic activity and employment indicators are showing positive dynamics. However, supply and demand imbalances and supply chain problems have put upward pressure on prices and created uncertainty about inflation in the US and other major economies.

Annual inflation in the US at the end of the year rose to 7% per annum (exceeds the 2% target). This is the highest figure in the last 40 years. The FRS has already acknowledged that inflationary pressures are more protracted than expected, in connection with which in November last year the regulator decided to reduce the quantitative easing program. Members of the FRS committee allow an early increase in the base rate. According to American analysts, this year the rate will be increased by 0.25% at least 7 times, and in 2023 — 4 more times.*

* Forecast indicators in this section are presented as of 02/15/2022.



Refinancing rates of the FRS (USA), ECB, CBR, %



The Eurozone economy in 2021 added 5.2%, in 2022, according to the IMF, growth will be 3.9%. At its last meeting on December 16, the ECB continued to adhere to a loose monetary policy despite rising prices and kept its base interest rate at zero. However, European economists call on the regulator to take active steps to neutralize high prices, including a sharper increase in the key rate. Inflation in the Eurozone at the end of 2021 rose to a record 5% y/y. Growth is primarily due to a significant increase in energy and food prices.

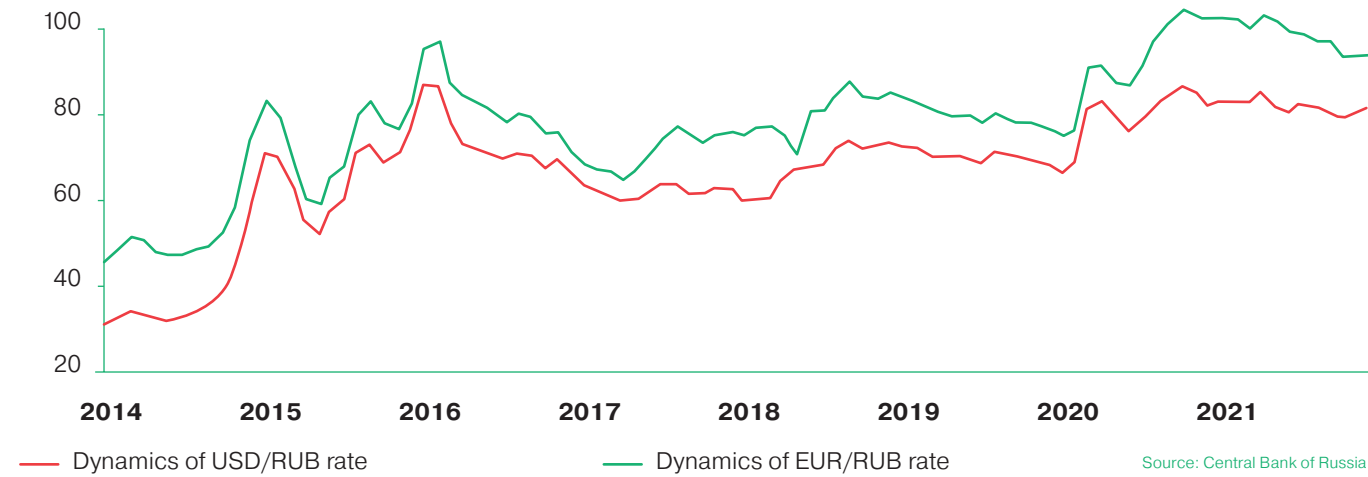
China's GDP in 2021 grew by 8.1%, which is significantly higher than the official forecast (at the beginning of 2021, the country's authorities expected growth at the level of "above 6%"). Thanks to the initiatives of the Chinese government, incl. financial support for business, tax cuts and easing restrictions on the import of goods, China has managed to cope with the consequences of the pandemic quite successfully. In 2022, the economy is projected to grow by 4.8%. According to the IMF, the slowdown will be associated with a continued decline in the Chinese real estate sector and a slower recovery in private consumption.

At the end of 2021, the Russian economy grew by 4.5% compared to the level of 2020. According to the Ministry of Economic Development of Russia, the economic recovery in 2021 was provided by both manufacturing industries and industries focused on consumer demand (with the exception of agriculture, which in the past period showed a decrease of 0.9%, after growing by 1.3% in 2020). According to the forecasts of the ministry, in 2022-2024 Russia's GDP will continue to grow at a rate of about 3% per year (the forecast of the Central Bank of the Russian Federation is 2.0-3.0%). In turn, the IMF expects that in 2022-2023 growth will be 2.8% and 2.1%, respectively.

Last year, inflation deviations that arose forced the Central Bank of the Russian Federation to adjust its monetary policy and raise the key rate seven times in a row from 4.25% in March to 8.5% in December). At the beginning of this year, the regulator again decided to sharply raise the rate. According to the Central Bank of the Russian Federation, these actions will help reduce inflation to 5.0-6.0% in 2022 and return to the target of 4.0% by mid-2023. At the end of 2021, the corresponding indicator was 8.4% y/y (the maximum level since 2015 is 12.9%), the average annual rate is 6.7%.

In addition to other factors (imbalance of supply and demand, rising prices on world markets), inflation is additionally affected by the depreciation of the ruble (at the end of 2021) due to growing geopolitical tensions and the subsequent outflow of foreign capital. At the same time, the ruble was significantly supported throughout the year by the growth of world oil prices.

Dynamics of RUB/USD and RUB/EUR exchange rate



According to the IMF, in 2022 the global economic growth rate will decrease to 4.4%. This is due to the continuation of restrictive measures due to the emergence and spread of new strains of COVID-19, problems in supply chains, curtailment of state support programs and the impact of the consequences of the energy crisis. The situation is further aggravated by rising inflation in the world. According to the organization, all of the above adds to the uncertainty about future global growth forecasts.

Dynamics of production and consumption of petroleum products in the world (by key regions including the Russian Federation)

In 2021, there was a gradual recovery in global consumption of petroleum products. Against the backdrop of a rapid recovery in consumption and limited supply due to continued problems in supply chains, as well as insufficient stocks of fuel in local storage, retail gasoline prices reached record levels in autumn, thereby increasing the margins of its production (according to Argus, the average profitability of gasoline for the first time was higher than the same indicator for diesel fuel by USD1.07/barrel, for aviation fuel by USD2.91/barrel). Upward pressure on the cost of gasoline was exerted by rising operating costs for refineries (due to a jump in gas prices), as well as a reduction in refining at European and American refineries (according to Argus, since the beginning of the pandemic, decisions have been made to stop/close refining capacities in Europe with a volume of ~ 0.9 mln barrels a day, in the USA with a volume of ~ 1 mln barrels a day). According to experts, this situation will continue in 2022. In addition to a strong recovery in consumption, Asian markets also experienced gasoline shortages in 2021 (due to insufficient supplies from China).

Along with the road transport sector, growth in industrial activity contributed to the increase in global demand for diesel fuel. Against the backdrop of rising prices for gas and coal in the US, increased demand also came from generating companies for the production of energy and heat.

Global aviation fuel demand recovered more slowly in 2021 than other fuels. The air travel sector has been hardest hit during the pandemic. According to the International Air

Transport Association (IATA), the recovery of passenger air transportation to the level of 2019 is expected no earlier than 2023-2024.

Market participants expect that the consumption of petroleum products will continue to grow and this year will return to pre-pandemic levels. According to Rystad Energy, in 2022, the growth of global oil consumption will be 6% (up to 100.1 mln barrels a day). Fuel consumption for road transport will rise by 7% to 46.7 mln barrels a day, above pre-virus levels. At the same time, the demand for jet fuel will show the highest growth — an average of 15% worldwide to 6.3 mln barrels a day, but will be below the level of 2019.

As for the long-term prospects for global demand for petroleum products, according to the moderate scenario of the IEA STEPS¹ in 2030, consumption may reach 101.5 mln barrels a day, of which 53.6 mln barrels a day are for gasoline and diesel fuel, and 22.7 mln barrels a day for LPG, ethane and naphtha. In another IEA APS² scenario demand for petroleum products has been reduced by almost 7%, the consumption of motor fuels, kerosene and fuel oil will suffer the most — by an average of 18%.

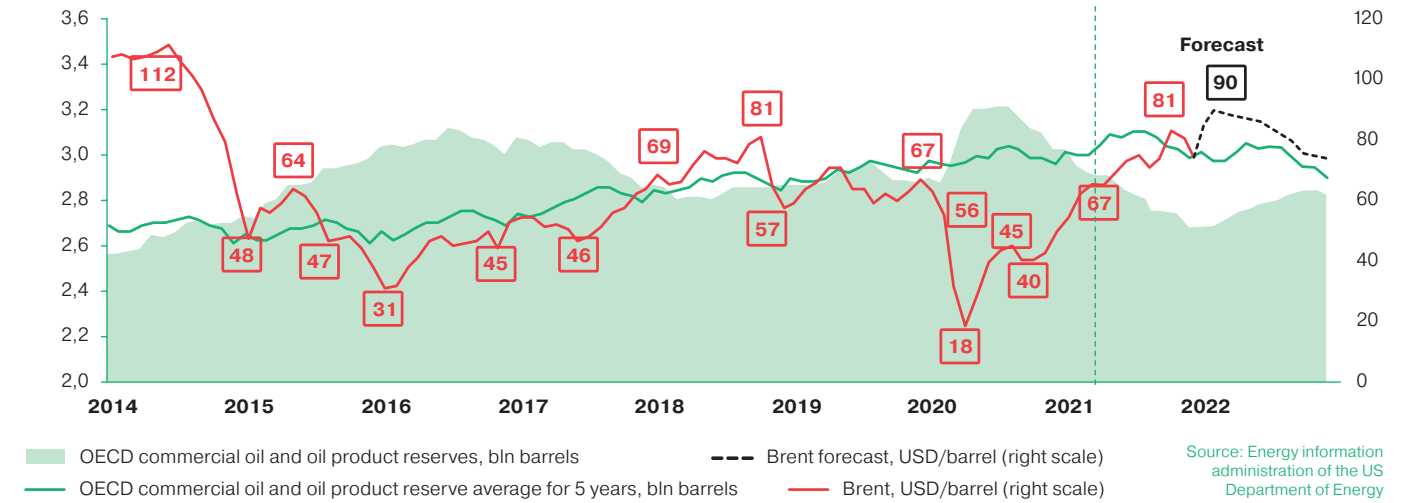
World oil market

Balance and demand dynamics of the world oil market, forecast for 2021 and until 2030

The results of 2021 for the global oil market turned out to be quite optimistic. An active recovery in oil demand after the shock caused by the coronavirus epidemic, limited production from OPEC+, supply disruptions led to a shortage and rising prices in the global energy market. Since March 2021, commercial stocks of oil and petroleum products in OECD countries have been below their average over the past five years. As a result, by the end of December, about 90% of the stocks formed at the peak of the pandemic in 2020 were used up.

¹ Stated Policies Scenario assumes that not all climate targets declared by governments of different countries will be achieved by 2050.
² Announced Pledges Scenario assumes that all decarbonization plans will be completed in full and on time.

OECD oil reserves, bln barrels

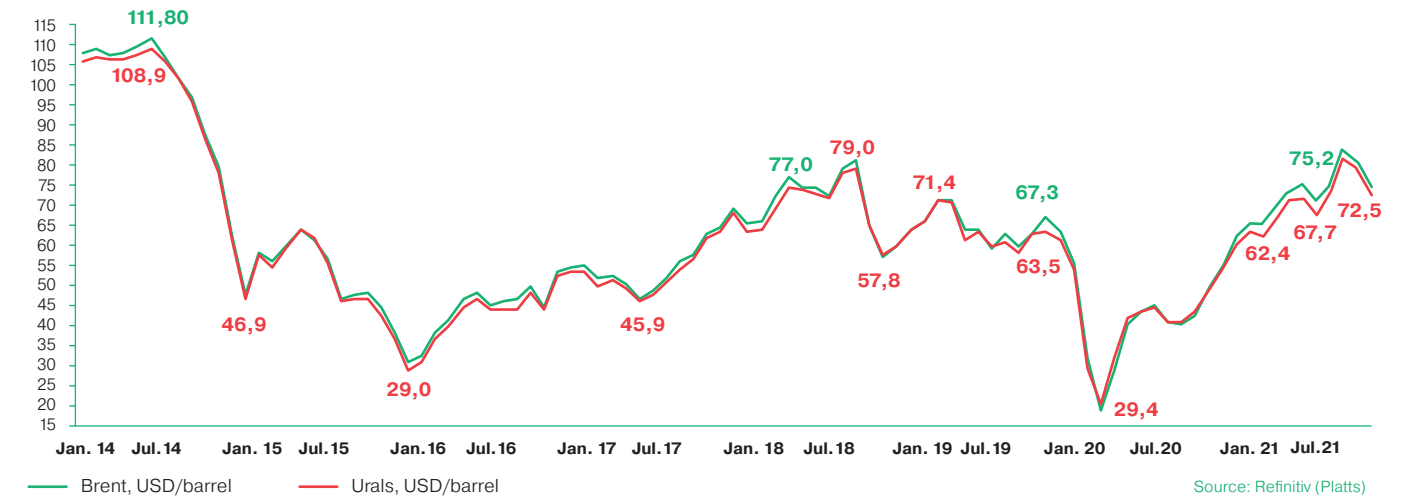


The average prices for Brent, Urals, WTI oil have increased by an average of 68% over the year. Growth is primarily due to the current OPEC+ agreement and the rapid recovery of economic activity in the world. In October last year, the average monthly world prices of Brent and Urals for the first time since October 2018 reached their maximum values above USD81 per barrel. In mid-February, oil prices (Brent, Urals, WTI) exceeded USD95 per barrel for the first time since the autumn of 2014. Western experts (including Goldman Sachs, Bank of America, JPMorgan Chase) do not rule out that at the turn of the 2nd and 3rd quarters, the price of Brent oil will overcome the mark of USD 100-150 per barrel. At the same time, they pay attention to the fact that the rapid rise in energy prices will create additional problems with inflation, accelerating it by more than 7% on average around the world.

The price of Russian Urals oil in 2021 returned to pre-pandemic values. The annual average was USD69/barrel, up 65% and 8.5% from 2020 and 2019, respectively. According to analysts, upward pressure on Russian grade quotes may come from growing demand for fuel oil, which is used as an alternative to more expensive gas for power and heat generation, the risk of lost raw materials due to geopolitical tensions in Ukraine (since Russian oil enters Europe through the pipeline Druzhba, one of the sections of which passes through Ukraine to Hungary and the Czech Republic).

According to the analysts' consensus forecast as of March 01, 2022, the average annual price of Brent oil in 2022 is expected to be USD 79.2 per barrel, quotes can range from USD 78 to USD 83 per barrel (source: Refinitiv).

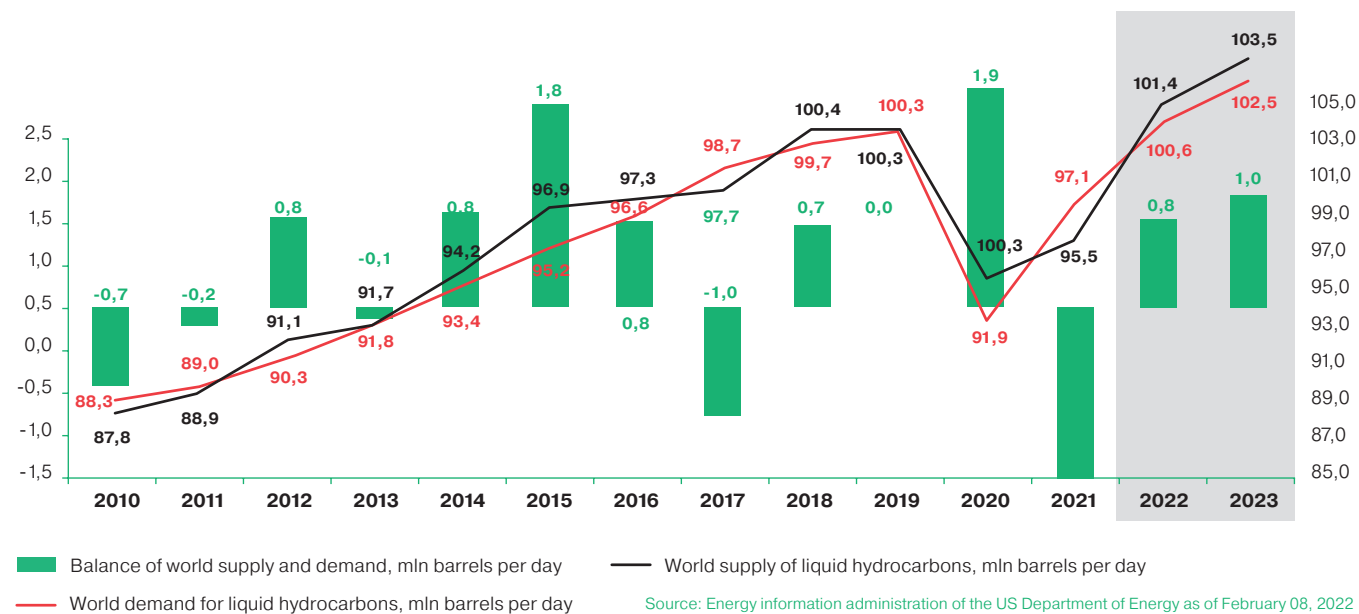
Price for Brent and Urals oil (USD/barrel)



At the end of 2021, according to the EIA, global oil demand averaged 97.1 mln barrels a day, which is 5.2 mln barrels a day higher than the level of 2020. Oil demand was boosted by a recovery in economic activity and the start of mass vaccinations against the coronavirus (as of mid-December, 57% of the world's population received at least one dose of the vaccine). Regarding expectations for 2022, the

leading agencies (IEA, OPEC, EIA) predict that global oil consumption will grow by 3.2-4.2 mln barrels a day and reach the "pre-viral" level by the end of the year. Analysts note that the impact of the new omicron strain of coronavirus on oil consumption in 2022 will be limited and will affect mainly the air transportation sector.

Oil market balance in 2010-2020 with a forecast up to 2022-2023, mln barrels per day



Global oil supply in 2021 was 95.5 mln barrels a day, up 1.7 mln barrels a day from 2020. The main growth came from Canada, Russia, China, the USA and Guyana. In certain countries such as the UK, Colombia, Indonesia and Brazil, there was some decline in production volumes. According to the IEA, oil production in 2022 may increase by 6.3 mln barrels a day. According to the forecast, an additional 4.4 mln barrels a day will be provided by the countries participating in the OPEC+ agreement, provided that they completely abandon the restrictions and restore the previous production volumes. The remaining 1.8 mln barrels a day will be distributed among non-OPEC+ countries. The United States (+1.2 mln barrels a day), Canada, Brazil and Guyana (the latter can share 0.5 mln barrels a day) will increase production. The US Department of Energy expects oil production to grow by an average of 0.8 mln barrels a day to 12.0 mln barrels a day in 2022, by 0.6 mln barrels a day to 12.6 mln barrels a day in 2023.

Until 2023, 1.3 mln barrels a day of Iranian oil may return to the market if Iran manages to reach a compromise with the West on the nuclear deal and lift its oil sanctions (according to the IEA, the country has the ability to increase production from 2.5 mln barrels a day to 3.8 mln barrels a day).

Thus, in the context of maintaining OPEC+ plans to increase production, additional volumes can lead to a sustainable surplus in the commodity market (which is likely to continue in 2023) and launch a new stage in the accumulation of commercial reserves of oil and oil products in the world.

In the long term, experts expect a gradual reduction in global oil consumption. According to the IEA forecast in the STEPS¹ scenario over the next couple of decades, oil demand will continue to grow to 104 mln barrels a day, then decline slightly by 2050 (while consumption will remain above 100 mln barrels a day). IEA APS² scenario assumes that demand will peak after 2025, after which it will gradually decrease by 20 mln barrels a day to 77 mln barrels a day by 2050 (with demand for more than 50% of oil coming from petrochemicals).

Key drivers of the global oil market in 2021 and 2022

Among the main factors that determine the future prospects of the global market for liquid hydrocarbons, as well as significantly affecting the balance of supply and demand in 2021-2022, are, first of all:

- the situation with the coronavirus pandemic (the past year showed that the population is gradually learning to live with the coronavirus, including thanks to mass universal vaccination of the population)
- recovery of economic activity and global energy consumption
- limiting production under the new OPEC+ agreement (at a ministerial meeting in February this year, the OPEC+ countries confirmed the decision taken in July to increase oil production by 400,000 barrels per day per month. The increase in production will occur until the complete cancellation of the reduction)
- accelerating the energy transition and focusing on decarbonization (in July 2021, the European Commission presented a draft cross-border carbon regulation. The introduction of payments for the carbon intensity of products imported into the EU is expected from 2026)
- an increase in energy prices (in 2021, an upward price trend was observed in the global gas markets. In the context of a jump in world gas prices, many generating companies were forced to switch to less expensive coal or oil products, which in turn pushed up the quotations of the latter)
- decrease in the elasticity of US shale production with respect to oil prices (the focus of US oil and gas companies has shifted from actively increasing production to creating a positive cash flow and providing investors with a return on invested capital. Such a change in priorities could become an obstacle to the growth of US production)

¹ Stated Policies Scenario assumes that not all climate targets declared by governments of different countries will be achieved by 2050.

² Announced Pledges Scenario assumes that all decarbonization plans will be completed in full and on time.

Investment policy

The progressive and sustainable growth of the Company's value is ensured by investing in efficient and competitive projects. The Company's investment policy is aimed at achieving strategic goals. The key priority of investment activities is to increase investment and operational efficiency, providing technological solutions aimed at minimizing the adverse impact on the environment and assessing the social impacts of the Company's investment projects.

Implementation of the investment program

Starting from 2020, for investment projects, the Company calculates the change in greenhouse gas emissions, taking into account the estimates of Scope 1 (direct emissions), Scope 2 (energy indirect greenhouse gas emissions) and Scope 3 (other indirect emissions). An additional section — Carbon Footprint Reduction/Increase has been added to the standard passport of investment projects to reflect information on changes in greenhouse gas emissions.

In 2021, the Company invested RUB 128.3 bln, including RUB 120.9 bln of capital investments. Investments in 2021 are 24.2% higher than in 2020 due to key growth drivers: Petrochemistry business projects + RUB 7.5 bln (purchase of assets); Refining + RUB 5.6 bln and Tire business + RUB 8.1 bln. Most of the investments (74%) were allocated to the two most capital-intensive business lines: oil exploration and production, including SVO; development of oil and gas refining and petrochemistry.

As part of the implementation of Strategy-2030 to increase the value of the Company, business plans for 2022 were formed with an increase in the investment component by 60%.

Volume of investments, RUB bln



Investment process arrangement

The Company's investment management process is integrated with planning for achieving strategic goals, management of business planning, budgeting, reporting, financial control, project management, and corporate governance.

Key principles for making investment decisions:

- Shaping of best and highly profitable project programs, search, creation and implementation of cutting-edge technologies, and minimization of investment risks;
- Substantiation and reasonable sufficiency in determining investment needs;
- Using the state support instruments;
- Selection of projects with a limited impact on the environment, ensuring industrial safety, safe working conditions, improving the quality of life of workers and their families, contributing to the development of the regions of operation.

Volume of capital investments, RUB bln



Investment risk management

To improve the efficiency of investments, there is an ongoing process in place to identify, analyze, and evaluate risks as well as develop measures to minimize them, so that the project could achieve a sustainable financial result.

Multifactor risk assessment is based on expert and statistical assessment of the most significant risks. Risk assessment and multivariate modeling of the investment project performance is carried out taking into account the correlation factors of inputs.

Key elements of the risk management process::

- Improving the level of performance discipline in the projects preparation and implementation;
- Improving the skills and competence of personnel involved in the investment management process;
- Investment phase monitoring and post-investment monitoring;
- Analysis of deviations and results, allowing to maximize the possibilities of managerial influence.

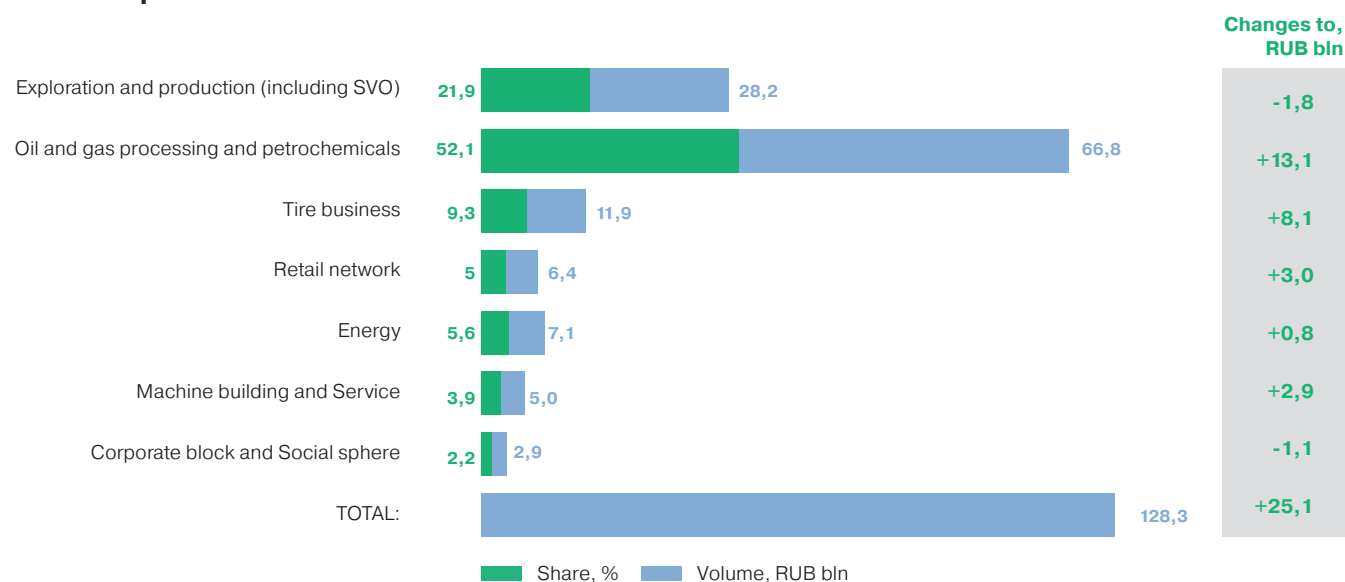
Investment Committee

To ensure the effective planning of the investment program and oversee putting it into practice as well as monitor risks, the Investment Committee operates in the Company. The process of preparing investment projects has a two-tier investment program reviewing system: Investment Committee of the first corporate level and Investment Committees of the second level. The Company's standards for investment activities define the objectives, tasks, scope of duties and powers of the investment committees and introduce the requirements for the format of preparation, justification, and defense of the materials on the investment programs and projects.

Investment portfolio

In the structure of the investment program for 2021, the main investments were distributed between the segments "Oil and Gas Processing and Petrochemistry" (RUB 66.8 bln), "Exploration and Production" (RUB 28.2 bln), "Tire Business" (RUB 11.9 bln).

Investment portfolio structure



The Company maintains a balance of investments in strategic projects in key business segments, which corresponds to the achievement of strategic and operational and business goals. More detailed information on key investment projects can be found in the Performance Overview section.

Fund raising

The Company takes a conservative approach to lending structuring with the focus on minimizing risks and benefiting from favorable financial leverage.

The main criteria for selecting long-term credit instruments are as follows: the expected credit amount, lending term, and target orientation. In the case of raising long-term loans directed to the investment program financing, attention is paid to the compliance of the loan commercial terms with the basic investment parameters of particular project. A high priority is given to the possibility of structuring loans with the repayments to be made out of additional cash flows generated from the implementation of new investment projects. The Company has experience in effective structuring of long-term debt financing.

The credit limits are open and maintained in 12 major Russian banks. The Company regularly monitors the main factors of impact on the lending market and, as appropriate, strives to take measures to manage market risks, including those related to interest rate changes.

Due to the good credit history, high credit ratings, and low debt level, the Company has access to various debt financing instruments, such as: short-term revolving credit facilities, bilateral loans, syndicated loans, subsidized loans, export credit agencies' loans, ruble-denominated bonds, and Eurobonds.

Debt portfolio for the TATNEFT Group at the end of 2021 consists of borrowed funds (excluding ZENIT Banking Group as a creditor):

- in rubles, RUB 15.0 bln exchange-traded bonds of PJSC TATNEFT and RUB 2.6 bln subsidized loan to LLC Nizhnekamsk Truck Tire Factory (NTTF).
- in dollars, USD 29.2 mln as loans under the guarantees of Export Credit Agencies, raised by JSC TANECO during the construction of the oil refining complex;
- in euro, EUR 39.2 mln as a subsidized loan to LLC Nizhnekamsk Truck Tire Factory;
- 4.1 billion rubles — other loans and borrowings.

As part of the state support in 2021, TATNEFT Group actively participated in raising concessional subsidized, loans:

- under Decree No. 191 of the Government On State Support for Industrial Enterprises Implementing Corporate Programs to Improve Competitiveness dated February 23, 2019, an agreement was reached with a syndicate of banks on additional raising of about 4.5 billion in ruble equivalent for the modernization of export production of all steel cord truck tires and the creation of giant tire production in the Russian Federation.

As a result of the reengineering of the system for financing investment projects, a system for financing projects from external sources was built, and a system for monitoring the financing of investment projects in the context of Investment Initiatives was implemented.

In order to increase the efficiency of financial management of the group, improve the efficiency, quality, controllability and stability of service business functions in the field of financial management, a project is being implemented to develop the centralized treasury of the TATNEFT Group.

In 2021, 6 more enterprises of the TATNEFT Group entered the centralized treasury circuit.

In order to use funds effectively, work was carried out to optimize settlements and increase the volume of transactions with counterparties through the Corporate Center for Settling Mutual Claims of PJSC TATNEFT in PJSC Bank ZENIT. In 2021, the volume of payments through the corporate center amounted to RUB 217.9 bln, which is RUB 132.1 bln more than 2020 transaction volume.

Using the most optimal instruments for placing free cash, such as classic bank deposits, derivative financial instruments, deposits on the Moscow Exchange and a combination of them, the Company received income in the amount of about RUB 5.2 bln.

To improve the efficiency of working capital use, the following tools are used:

- formation and control over the fulfillment of target values of receivables and payables of the enterprises of the TATNEFT Group;
- optimization of receivables and payables of the enterprises of the TATNEFT Group;
- control over the implementation of financial discipline and the application of administrative measures for its violation.

Monthly monitoring of performance for indicators of turnover of receivables and payables for key business areas and business units, factor analysis of changes in these components of working capital, development of compensatory measures are carried out.

Innovative activities

The Company's innovative development strategy reflects the objectives of implementing an innovation management model, forming a target order for innovation, as well as implementing the potential of growth points and preventing threats in the long term. The strategy ensures that the technology portfolio is filled with the best possible solutions in accordance with business needs, as well as the creation of a closed production cycle to reduce the negative impact on the environment and minimize the carbon footprint.

Innovation priorities

- reduced environmental and climate impact
- energy and resource efficiency
- rational nature management
- development of circular economy and biotechnologies
- business expansion and diversification
- digitalization of the production management system



Intellectual property

The TATNEFT Group is one of the leaders in Russia in the field of inventive activity. The Company owns 2,916 active results of intellectual activity. The Company has more than 70 active trademarks. Since 2017, the number of registered intellectual property objects has grown by 77%. In 2021, 431 applications for titles of protection were filed.



Based on the results of 2021, the Company became the leader among companies that received titles of protection in Russia, according to IFI CLAIMS Patent Services (USA)

Structure of the scientific and technical cluster

Nine own R&D centers specialize in research in various areas of the Company's activities. The coordinator of innovation activities is the Center for Technological Development (CTD), which provides planning, implementation and replication of the results of innovation activities, as well as interaction with research centers and institutions. The CTD provides a solution to the technological challenges included in the Strategy for Innovative Development. It includes a division that ensures the improvement of the oil facilities development system based on geological and hydrodynamic modeling — the Modeling Center.



TatNIPneft Institute of PJSC TATNEFT n.a. V.D. Shashin

The activities of the institute are concentrated in the field of exploration, oil field development technology, well construction and repair, production technology, oil treatment, protection of oilfield equipment from corrosion, design of oil field facilities, industrial and civil engineering. The works of the scientists from the institute are in the first place in Russia among the R&D design institutes in terms of the Hirsch citation index. TatNIPneft is the industry leader in terms of the number of patents registered and has an active dissertation council.

LLC NTC TATNEFT

Scientific research is carried out in the interests of the main lines of business and the diversification of the Company's activities within the ecosystem of the Skolkovo Innovation Center. The main specialization of the scientific and technical center is enhanced oil recovery, extraction of metals from produced water, production of superviscous oils, biotechnological methods for obtaining industrially significant products, software products for the banking sector, digital solutions for oil and gas processing.

Scientific and technical center LLC Togliattikauchuk

The scientific and technical center specializes in the development and optimization of organic synthesis processes, the synthesis of rubbers and polymers, and catalysts for their production. The center has unique competencies in the field of chemistry and technology for the production of organic synthesis products. The main developments in 2021 include the synthesis of polyisoprene with close quality characteristics to natural rubber, aimed at obtaining new polymers with improved properties, and the development of own technology for the production of low molecular weight polyisobutylene, which allows increasing marginal income due to the production of butyl rubber solution.

JSC TatNIIneftemash

The main activities are R&D in the field of oilfield engineering, the manufacture of a set of laboratory stands for assessing the thermal efficiency of equipment, as well as the production of unique oilfield equipment. More than 500 types and standard sizes of oilfield equipment have been developed and implemented, as a result of which patents and copyright certificates for inventions and utility models have been registered. Equipment manufactured according to the developments of the institute is widely used in oil producing enterprises in Russia and the CIS countries.

LLC Scientific & Technical Centre Kama

Works in the field of design and development of passenger, light truck, truck and agricultural tires. The center develops and masters in mass production the models of passenger and light truck tires under the KAMA brand, more than 60 models of combined and all-steel truck tires. Regular updating and expansion of the fleet of laboratory and bench equipment allows using modern software for tire calculations and modeling. The use of advanced developments allows creating modern competitive products that are in demand in the markets.

JSC VNIUS

The main activities include the development of technologies in the field of processing light hydrocarbons and organosulfur chemistry. Processes for the purification of oil, gas, oil products and waste water from sulfur compounds are being actively improved, as well as catalysts for the desulphurization of hydrocarbon raw materials are being manufactured and technologies for field treatment of oil and gas fractionation are being developed.

LLC INKO-TEK

The activity includes a full cycle of technical support for projects in the field of oil refining and petrochemistry — from the stage of conceptual development of projects to the optimization of the operation of commissioned production facilities. The Center accompanies construction at the stages of pre-project study, upon receipt of all the required technical conditions for connection, development of transport solutions, passing the State Expert Examination and Industrial Safety Expert Examination, working with government agencies to obtain permits for preparatory work on the site.

LLC NTC Automation, Measurements, Engineering

The main production task is the supply of highly efficient and competitive "smart" devices, equipment and software, as well as the provision of engineering services in the field of production automation for oil and gas companies. The center develops and manufactures measuring instruments, cabinets of functional controllers for collecting and processing telemetric data, and software tools for various purposes. The center has the necessary and sufficient set of software modules of its own design for building an automated system for remote control and management based on cloud technologies of the Internet of Things, and oil companies in Russia and foreign countries are customers.

JSC Neftekhimproekt

The design institute specializes in providing a full range of services for the design of oil industry facilities. The institute's team includes highly qualified specialists with many years of successful experience in designing highly complex facilities. The main areas of design are facilities for the integrated development of oil and gas fields, reservoir pressure maintenance and water treatment systems for injection into the reservoir, oil sludge processing and disposal units, as well as oil reception, storage and delivery points.

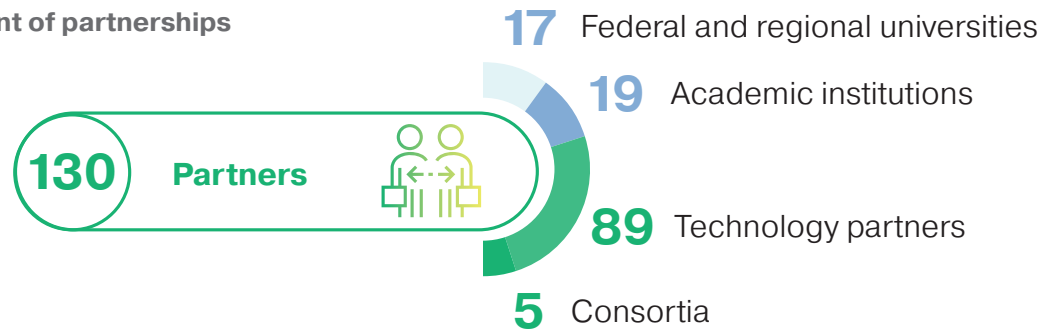
The innovation strategy pays special attention to the development of intra-corporate collaborations of research, engineering, marketing and production departments. The development of this ecosystem makes it possible to implement complex technological solutions using the intellectual and production resources of the composite, machine-building, digital, and biotechnological clusters.

Partnership with scientific industry centers and technology partners

The implementation of the strategy is carried out in cooperation with domestic and foreign leading scientific, technical and technological centers, which allows integrating production tasks and large-scale experience with innovative scientific potential in all areas of activity.

The Company actively cooperates with scientific and educational institutions in Russia, the Russian Academy of Sciences, foreign partners and technology consortiums. The Company's partner network includes 130 external providers of innovative services.

Development of partnerships



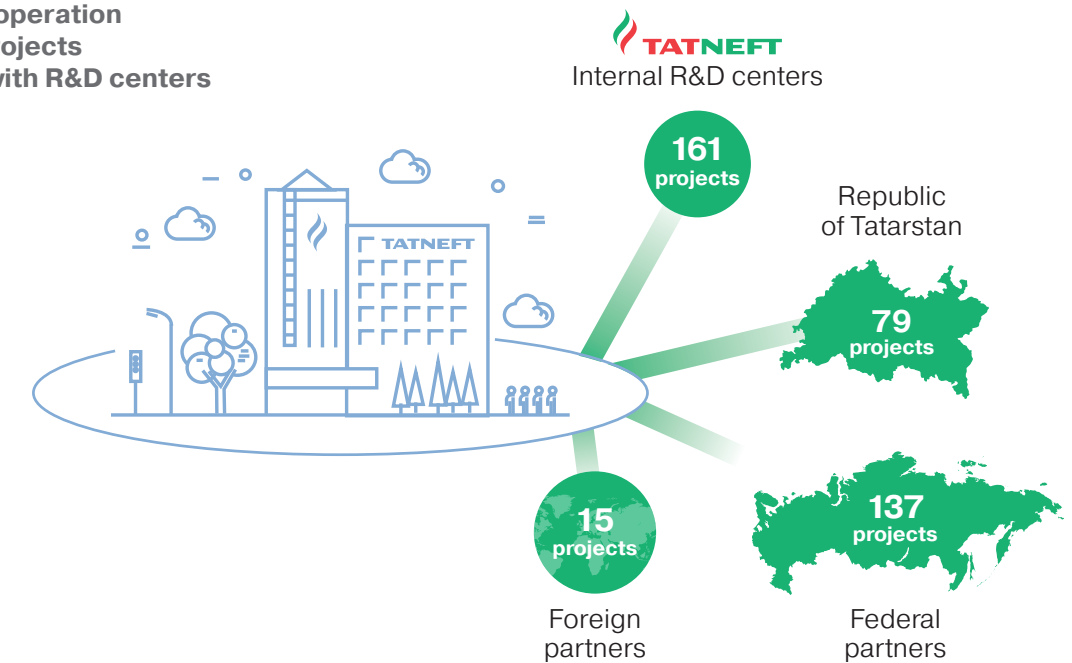
Key directions of partner network development

- Partnership within the framework of Energotechnohub Petersburg (together with the Government of St. Petersburg, Gazprom Neft PJSC, Yandex LLC, ANO Technological Development Agency)
- Consortium "Ecology of Industrial Cities" (together with the leading scientific organizations of Russia — FRC KazSC RAS, IOC RAS, INEOS RAS, FRC IOP RAS and IPC RAS)
- Consortium "Hydrogen as the basis of a low-carbon economy" (together with the Institute of Catalysis of the Siberian Branch of the Russian Academy of Sciences)
- World Intellectual Property Organization

Specialized universities are involved in close cooperation — the Almet'yevsk State Oil Institute and its Center for Scientific and Technical Research, the Institute of Geology and Oil and Gas Production of the Tyumen Industrial University, the Russian State University of Oil and Gas (NRU) named after I.M. Gubkin, Ufa State Oil Technical University, as well as the Institute of Applied Research of the Academy of Sciences of the Republic of Tatarstan.

The Company is actively expanding the geography of its activities, developing partnerships with foreign companies. NTC Kama is developing a line of tires using innovative developments for KamaTyresKZ — a joint venture between TATNEFT and the Kazakh group Allure. The project is aimed at the economic integration of the EAEU member countries, 40% of the products will be exported.

**Strategic cooperation
Long term projects
Interaction with R&D centers**



Technologies and Solutions

All projects developed by the Company are assessed in terms of ESG risks and contribution to a sustainable energy future. The current developments include promising technologies for capturing, cleaning and processing CO₂ into various types of marketable products.

Successful fulfillment of technological tasks of business areas is ensured by the system integration of technologies. The synergistic effect is achieved through the use of complex technological developments and IT solutions. One example is integrated technologies in the reservoir pressure maintenance system, where, due to the introduction of integrated modeling, energy-efficient equipment and other innovative solutions, electricity consumption is reduced by 2 times, greenhouse gas emissions are reduced by 6.5 times and the cost of pipeline construction is reduced by 30%.

The Company has built a system for creating intellectual values, starting from the emergence of an idea and ending with its implementation in production, obtaining security documents and commercialization. This goal is served by the Edison Plus IT tool, which allows each employee to be involved in the process of creating innovations. The number of corporate users for the bank of tens of thousands rationalization proposals is about 3 thousand. This system made it possible to generate more than 5 thousand scientific and technical ideas.

Ratings, awards, leadership

The company occupies a leading position in various areas of innovation, which is confirmed annually by victories in various competitions.

Republican contests

- In the contest "Young Innovator and Inventor of the Republic of Tatarstan" in the "Invention" area, 14 employees of the Company in 14 nominations became winners and recipients of prizes; 22 employees in 14 nominations became winners and recipients of prizes in the "Rationalization" area.
- In the XVII republican competition "50 Best Innovative Ideas for the Republic of Tatarstan", 8 employees of the Company became the winners.
- In the competition "The Best Young Scientist of the Republic of Tatarstan" for 2021, 1 employee of the Company became the winner.
- According to the results of the II Republican competition "Engineer of the Year 2021", 2 employees of the Company became the winners of the second stage of the competition.

Federal competitions

- The winners of the All-Russian competition of the Program "100 Best Goods of Russia" were 9 goods and services provided by the enterprises of the TATNEFT Group
- At the International Forum "Russian Energy Week". Youth day. Interactive session on creating youth projects for the development of the fuel and energy complex: #ENERGYLAB. Category "Young Professionals" employees of the Company received 2 diplomas for the 2nd and 3rd place.
- According to the results of the All-Russian competition "Engineer of the Year — 2021", 8 employees of the Company became the winners.

Tax policy

GRI 207-1, 207-2, 207-3, 207-4

The Company has a high responsibility towards tax obligations and is a large taxpayer, considering tax payments as the most important corporate contribution to the economic growth and social development of the state. Transparency of our financial results and the volume of tax payments are a demonstration of how responsible development of natural and energy resources enables the federal and regional budgets to replenish revenues for the further development of the economy and social area.

The TATNEFT Group is one of the major taxpayers in the region the Company operates in, it plays an important role in providing revenues to federal and regional budgets that promote the stable social and economic development of the regions, create quality jobs, improve living standards and welfare of the population, build social infrastructure, increase added value and develop related industries.

TATNEFT annually discloses the amounts of taxes assessed and paid, as well as comments on the tax conditions applicable to the Company. This information is published in the "Consolidated Financial Statements in accordance with IFRS" and in the "Management's Analysis of the Company's Financial Condition and Performance Results". The Company's financial statements are independently audited in accordance with International Standards on Auditing (ISA) to provide assurance that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

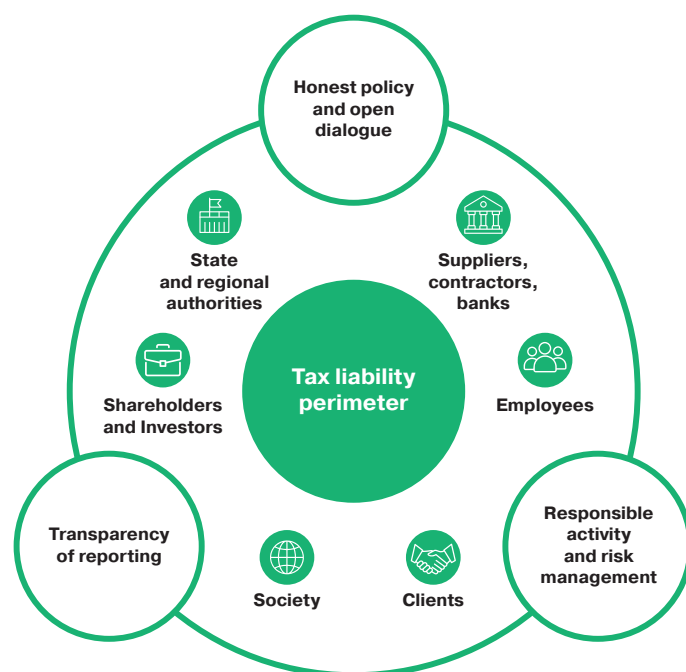
The focus of the Company's increased attention is the assessment of the conscientious observance of the tax legislation by counterparties involved in the financial and economic activities of the TATNEFT Group.

We take into account the trends in international tax policy aimed at preventing unfair actions of taxpayers in terms of the use of tax planning schemes, as well as strengthening requirements in terms of transparency of tax information at the intercountry level. Among these steps is a set of measures developed by the Organization for Economic Cooperation and Development (OECD) to prevent the erosion of the tax base and the withdrawal of profits from taxation (BEPS). At the same time, over the past few years, Russian legislation has introduced measures to increase the responsibility of taxpayers.

Starting from the 2015 reporting year, TATNEFT annually publishes a Report on Payments to Government Resulted from Extractive Activities. This report complies with the rules approved by the European Parliament, based on the EU Directive on transparency in reporting payments to governments by mining and logging companies, the securities of which are listed on recognized stock exchanges in the EU. The purpose of such disclosures is to provide for transparency in front of society and citizens in relation to wealth generated by natural resources collected by resource-rich countries. This Company's approach is in line with the Global Extractive Industries Transparency Initiative (EITI) <https://eiti.org/ru>.

Taxes and payments	RUB bln
MET and VAT	519
Export duties and excises	9
Income tax	58
Insurance premiums and social taxes	15
Other	9
Total	610

The total amount of all accrued taxes, payments and contributions for the TATNEFT Group in 2021 amounted to RUB 610 bln.



Interaction with the state

GRI 102-12, 201-4, 415

Interaction with public authorities and local governments is carried out on the basis of openness to cooperation and a high level of information transparency. Formats of interaction include: discussions within national and international economic forums; participation in exhibitions, conferences, round tables, sectoral and intersectoral committees, working groups, meetings of ministries and departments.

The Company participates in improving the system of state regulation of business activities as a participant and partner of non-profit business associations and unions, other civil society institutions within the framework of the mechanisms of interaction with state authorities and local self-government provided by law, such as public discussion of draft regulatory legal acts, assessment of their actual impact on social relations.

On an ongoing basis, work is underway in the areas of paying taxes and payments, improving the regulatory environment, cooperation with the authorities and local self-government in the implementation of long-term economic and/or social programs.

For the purposes of arranging effective interaction with authorities, the Company has a standard: "Interaction of Subdivisions of PJSC TATNEFT When Working with Public Authorities of All Levels".

In accordance with internal regulations, the Company does not participate in the activities of political parties and movements and does not directly or indirectly provide any financial assistance.

Key topics and results achieved:

- In March 2021, PJSC TATNEFT entered into an investment agreement with the Ministry of Energy of the Russian Federation on the creation of new and modernization of existing facilities for the deep processing of petroleum feedstock. The Company was able to increase the amount of excise tax to be reimbursed by the amount of the investment allowance
- When implementing initiatives by the Government of the Russian Federation to improve legislation in the areas of environmental protection, industrial safety, taxation of hard-to-recover oil production, the Company took part in the development of Decree No. 3092-p of the Government of the Russian Federation dated October 30, 2021
- The Company took part in the development of Decree No. 405 of the Government of the Russian Federation dated March 18, 2021, approving the list of oil refining facilities that allow the production of liquid fuels as part of the implementation of projects for which an investment protection and promotion agreement (IPPA) has been concluded. As a result of the adoption of this decree, the oil refining industry received additional opportunities to use the IPPA mechanism.

- Ministry of Energy of the Russian Federation — consultative interaction on the implementation of state support instruments in accordance with Federal Law No. 69 "On the Protection and Promotion of Investment in the Russian Federation" dated April 01, 2020
- Ministry of Economy of the Republic of Tatarstan — consultative interaction on the implementation of state support instruments in accordance with Decree No. 1704 of the Government of the Russian Federation dated October 07, 2021
- Ministry of Industry and Technology of the Republic of Turkey — in terms of signing a memorandum of cooperation in the petrochemical industry and further cooperation in the petrochemical industry in Turkey
- ANO Investment Development Agency — consultative interaction in order to determine the optimal and acceptable tool for state support for projects of the petrochemical complex, incl. within the framework of Federal Law No. 69 dated April 01, 2020
- Ministry of Energy of the Republic of Kazakhstan, JSC NC KazMunayGas, LLP Tengizchevroil — interaction in the implementation of the Butadiene project in Kazakhstan
- Memorandum of Cooperation with the Ministry of Energy and Industry of the Kyrgyz Republic in the field of increasing the efficiency of exploitation of hydrocarbon deposits in the territory of Kyrgyzstan, implementing projects for the reconstruction of oil refineries and power generation facilities, as well as the development of renewable energy sources.

In accordance with the mechanisms of interaction with state authorities provided for by law as part of the implementation of economic and social programs, in 2021 state support for the Company's projects was received in the amount of RUB 7,306 mln.

	RUB mln
Subsidies and grants	6,667
Other government support	639
Total	7,306

Participation in industry associations

GRI 102-12, 102-13

The Company is involved in the activities of several industry associations and unions aiming at constructive interaction with other industry participants and development of stance on key issues of the fuel and energy sector:

- In 2021, PJSC TATNEFT joined the agreement on cooperation in the field of technologies and developments for the energy sector, concluded between the Government of St. Petersburg, PJSC Gazprom Neft, ANO Technological Development Agency, ANO Center Arctic Initiatives, LLC Yandex, on interaction regarding the creation in St. Petersburg of a world-class scientific and educational center for technologies and developments in the energy sector
- The Company is a member of the Union of Oil & Gas Producers of Russia (UOGP), and the Company's Director General is a member of the Union Council. The UOGP Council makes proposals to the State Duma and the Government of the Russian Federation on reforming the industry, strengthening state regulation in the fuel and energy sector, amending the legislation, and preparing the government decisions.
- Since 2003, PJSC TATNEFT has been cooperating with the Russian Union of Industrialists and Entrepreneurs (RSPP). The General Director of PJSC TATNEFT is a member of the Board of the Russian Union of Industrialists and Entrepreneurs
- The Company cooperates with NCP Miners of Russia. The General Director of PJSC TATNEFT is a member of the Supreme Mining Council.
- Since 2008, the Company has been participating in the work of the Board of Directors of SPIMEX JSC, which allows the Company to receive quickly the information about the activities of the exchange and make appropriate proposals and influence key decisions regarding the development of the exchange, as well as make appropriate proposals to improve its work
- Since 2010, the Company, in collaboration with the trade union organization, has been cooperating with the All-Russian Industry Association of Employers of the Oil and Gas Industry.
- Since 2011, the Company's representatives are members of the Working Group established under the Ministry of Energy of the Russian Federation to monitor the situation related to the production and consumption of petroleum products in the Russian Federation in order to prevent uncontrolled growth of prices for petroleum products and ensure stable and consistent supply of petroleum products to the domestic market.
- Since 2011, the Company has been cooperating with the Chamber of Commerce and Industry of the Russian Federation.
- Since 2014, PJSC TRANSNEFT has been an active participant in the Consumers Council work on the activities of natural monopolies in the crude oil and petroleum products transportation via trunk pipelines, which functions as a communications platform of PJSC TRANSNEFT and its

services consumers. As part of the work of this organization, issues of setting tariffs for PJSC Transneft and its investment program are being discussed. PJSC TATNEFT makes relevant proposals and collaborates on the initiatives discussed at the Consumer Council.

- Since 2015, the representatives of PJSC TATNEFT have been serving on the Working Group under the Ministry of Energy of the Russian Federation on monitoring the quality of crude oil transported via the oil trunk pipeline system, created to stabilize the crude oil quality in the oil trunk pipeline system and prevent deterioration of the crude oil quality supplied to domestic refineries. The active position of PJSC TATNEFT within the scope of efforts of the Working Group enabled delivering several positive results, including increased limit values of sulfur content in the export lines within the regular traffic scheme.
- Since 2017 PJSC TATNEFT has been a member of the technical association of European oil producers ATIEL (Association Technique del'Industrie Européenne des Lubrifiants)

Participation in Russian and international industry and inter-industry forums and exhibitions

- International Specialized Exhibition "Energy. Resource Saving — 2021". Russia, Kazan, April 21-23, 2021
- National Oil and Gas Forum (NOGF-2021). Russia, Moscow, April 27-28, 2021
- Oil Summit of the Republic of Tatarstan. Russia, Almetyevsk, July 9, 2021
- International Exhibition "Oil, Gas, Petrochemicals — 2021". Russia, Kazan, August 31 – September 2, 2021
- Forum, exhibition Kazan Digital Week — 2021, Russia, Kazan, September 21-24, 2021
- 27th Kazakhstan International Exhibition and Conference "OIL and GAS" (KIOGE 2021). Kazakhstan, Nur-Sultan October 5-7, 2021
- International forum "Russian Energy Week" (REW-2021). Russia, Moscow, October 13-15, 2021

Interaction on the climate agenda

The Company takes an active position in the climate agenda and understands that the solution of its tasks requires cooperation at the national, international and industry levels and interacts with all stakeholders in the field of reducing the risks of climate change and adapting to climate change. The Company takes part in the working groups of the All-Russian Organization RSPP's Committee on Ecology and Nature Management, on the implementation of the "regulatory guillotine" mechanism in the field of ecology and nature management under the Analytical Center of the Government of the Russian Federation, the Government Commission for Economic Development and Integration "Climate Projects", Scientific and Technical Council Federal Service for Supervision of Natural Resources.

In 2021, the Company signed a Memorandum on the activities of the Climate Partnership of Russia and became one of its official partners. The Company supports the initiatives of the Partnership and takes part in its activities.

Support for International and National Economic, Environmental, and Social Initiatives

UN Global Compact

In 2019, the Company joined the UN Global Compact as a participant, having undertaken to implement 10 principles and 17 Sustainable Development Goals. We are aware that the enterprises of the fuel and energy complex play a key role in ensuring sustainable development. First of all, this is the production of energy, which is necessary to ensure the livelihoods of mankind, improve the quality of life and socioeconomic growth in general. Given the specific nature of activities related to natural resources and environmental impact, the Company focuses its efforts on environmental goals. Our fundamental priority is to reduce our environmental footprint and ensure ecosystem self-healing potential.

Human rights and labor relations

The Company adheres to and shares the principles of fundamental international declarations and conventions in the field of human rights and labor relations, including:

- UN Universal Declaration of Human Rights;
- UN Environment and Development Declarations;
- OECD Guidelines for Multinational Enterprises;
- Declaration of Fundamental Rights and Principles at Work of the International Labor Organization (ILO);
- ILO Convention No. 87 "Regarding Freedom of Association and Protection of the Right to Organize";
- ILO Convention No. 98 "Regarding the Application of the Principles of the Right to Organize and Collective Bargaining";
- ILO Convention No. 111 "Regarding Discrimination in Employment and Occupation".

Environment and climate

In its activities, the Company takes into account several fundamental initiatives and standards and supports for the environment and climate safety:

- Standard of International Petroleum Industry Environmental Conservation Association (IPIECA);
- Oil and Gas industry Climate Initiative (OGCI);
- TCFD Recommendations for companies to disclose information on financial risks arising from global climate change;
- Setting Science Based Targets to reduce greenhouse gas emissions;
- CDP, global climate rating;
- The Greenhouse Gas Protocol of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Anti-corruption activities

The Company adheres to the principles and norms contained in the following documents:

- The United Nations Convention against Corruption (adopted by the UN General Assembly Resolution in New York on October 31, 2003);
- The Convention of the Organization for Economic Cooperation and Development on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted in Istanbul, on November 21, 1997);
- Criminal Law Convention on Corruption (concluded in Strasbourg on January 27, 1999, ETS No. 173);
- Anti-corruption Charter of Russian Business community.

Social charter of Russian business community

The Company adheres to the responsible business principles defined by the Social Charter on Responsible Business, covering aspects of economic and financial sustainability, product quality, respect for human rights, business ethics, and relationships with partners, consumers, employees, environmental safety, participation in the development of the local community.



Performance overview



Exploration and production



The Company seeks to fully utilize the existing potential of oil fields, accumulated technological experience and competencies to strengthen its position in both the Russian and global energy markets.

Strategic goals

- annual reproduction of hydrocarbon reserves of at least 100%
- maximum cost-effective involvement of existing hydrocarbon reserves in development
- implementing the potential of the existing resource base through the development of hard-to-recover reserves using innovations
- implementation of the extra-viscous oil project
- digitalization of oil production processes
- reduction of specific operating costs for production
- widespread use of technologies for increasing the oil recovery factor

The main risk of non-fulfillment of strategic goals was the continued limitation of oil production under the agreement with OPEC+, unstable macroeconomic parameters, and significant changes in the tax legislation of Russia.

Exploration

Exploration operations in the Company remain the basis for replenishing of recoverable reserves, and also influences the diversification of the “production” portfolio, contributing to the development of new regions and technologies. The Company keeps up with the goal of 100 % replenishment of cost-effective recoverable reserves.

Strategically, the Company is focused on expanding its resource base and oil production outside of the Republic of Tatarstan. RUB 6.3 bln were invested in the project, of which RUB 2.8 RUB bln were used to acquire licenses for the Verkhne-Uratminskoye and Makarovskoye fields in the Republic of Tatarstan.

Activities on the territory of the Republic of Tatarstan

The licensed fund of the TATNEFT Group within the Republic of Tatarstan includes 71 licenses, of these, 40 mineral exploration and extraction licenses, 27 geological study licenses, including mineral prospecting and appraisal, mineral exploration and extraction, 4 geological study licenses, including mineral prospecting and appraisal. Upon the discovery of the deposit, a license was obtained for the Usinsk subsoil area.

2 plots were acquired: Verkhne-Uratminsky and Makarovsky.

In 2021, 327 linear kilometers of 2D seismic surveys and 428.6 km² of 3D seismic surveys were completed within the Republic of Tatarstan. Following the seismic exploration work results, 7 structure with prospective resources in the D0 (recoverable) category – 1.6 mln tons has been prepared for deep drilling.

The total meterage of prospecting and exploratory drilling amounted to 6.66 thousand meters, including exploratory drilling of 1.2 thousand meters, and prospecting of 5.4 thousand meters.

New oil fields: Yuzhno-Chistovskoe, Tanaiskoe, Kukuevskoe, Vostochno-Taktashskoe. The total increase in recoverable reserves in C1+C2 categories is 1.742 mln tons.

Activities outside the Republic of Tatarstan

Outside the Republic of Tatarstan, the license fund includes 38 licenses, of these, 18 mineral exploration and extraction licenses, 16 geological study licenses, including mineral prospecting and appraisal, mineral exploration and extraction, 4 geological study licenses, including mineral prospecting and appraisal.

Outside the Republic of Tatarstan, in 2021, 7 fields were discovered in the Nenets Autonomous District, where exploration work continues with promising resources in the Do category (recoverable) — 2.960 mln tons, in the Orenburg region — 5 fields with promising resources in the Do category (recoverable) — 4.116 mln tons.

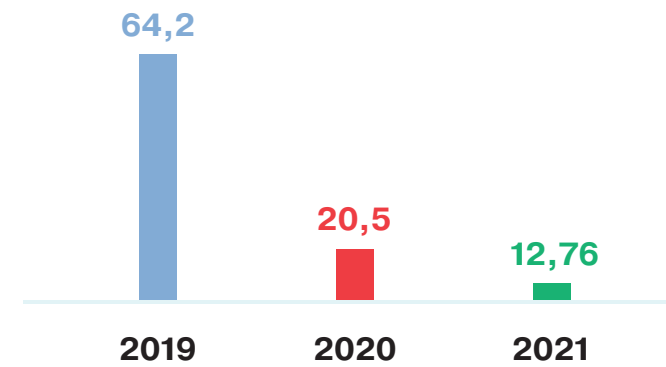
Seismic exploration by 2D method — 261 linear km; 3D — 339 km².

The total volume of exploration drilling in 2021 amounted to 6.1 thousand meters

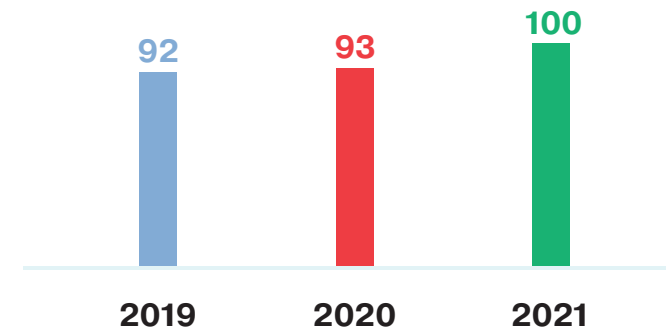
New oil fields:

- In the Samara region, Shelashnikovskoye — recoverable reserves in C1+C2 categories amount to 3.885 mln tons;
- In the Republic of Kalmykia — Fersmanskoye gas condensate field, recoverable reserves of free gas in C1 + C2 in the field amount to 19.9 bln m³, condensate reserves in C1 + C2 — 1.3 mln tons.

Prospecting and exploration drilling volume, thousand meters



Prospecting and exploration drilling efficiency, %



Hard-to-recover reserves

The Company conducts work on the study and development of subsurface resources containing unconventional hard-to-recover reserves, which include Domanic productive deposits and super viscous oil (SVO).

Additional exploration work for oil prospects in the Domanic deposits included testing the formations of the Franco-Famennian carbonate complex and subsequent intensification of production at 4 wells of the Romashkinskoye field. During development, industrial oil flows were obtained. At the Domanic and Bitum polygons (Kuzminovsky, Elaursky, Bulgarsky subsoil plots), prospecting and geological exploration projects are being carried out.

As part of the obligations of the Industrial Partner to replicate the results of the work of the Federal Target Program (FTP) “Development of scientific and technical solutions for the development of unconventional reservoirs (domanic deposits) and hard-to-recover oil reserves (bituminous oils) based on pilot studies” in 2021, the Company continued pilot work for the implementation of developments of scientific and technical solutions:

- Technology using a low-viscosity hydraulic fracturing fluid in the development of Domanic deposits, which was used in 4 wells. One well received commercial oil inflow;
- Technology for exposure to chemicals in the steam-cyclic

method of exposure in the development of bituminous deposits. Further work on the application of the technology was reduced relative to the planned volumes due to the abolition of tax incentives for mineral extraction tax and customs duty for SVO.

In 2022, at the fields under development, work is planned to test promising reservoirs in the drilled well stock in order to put hard-to-recover oil reserves on the state balance sheet.



Applied technologies

The main technologies used by the Company in prospecting and exploration work are the cable-free SmartSolo system to cover blind spots and green seismic, based on the use of a wireless radio telemetry data recording system, which makes it possible to halve the amount of deforestation.

In 2021, work on neurocomputer analysis was continued, various software products were developed (finalized) and implemented. In 2022, it is planned to continue developing new software products to automate the technological process of performing a neurocomputer analysis of seismic data to determine the most optimal points for drilling deep wells into oil-promising horizons.

New area of work “Assessment of rocks attribution to Domanic-type deposits as unconventional reservoirs, following the comprehensive study of physical and lithological properties (for the evidence base of preferential reserves when estimating and reestimating reserves)” was open. A classification procedure has been developed using the modeling of reference distributions of parameters correlated with the real distributions of the studied parameters, based on the use of a neural network mechanism.

Categories, volumes and movement of stocks

In 2021, the increase in recoverable oil reserves for the TATNEFT Group for all categories of reserves (A+B1+C1+B2+C2) due to geological exploration amounted to 49.265 mln tons.

Proven, probable and possible oil reserves, according to the auditors of Miller & Lenz, Ltd., amount to 1.123 bln tons (including the volume of proven reserves — 807.8 mln tons).

Oil and gas production

Achieving the Company's strategic goals in the context of limited oil production required increased attention to reducing operating costs, increasing investment returns, using innovations to ensure positive cash flow and the efficiency of the Exploration and Production business area.

Investment program

Investment program for the exploration and production of traditional oil in the Republic of Tatarstan: oil production for geological and technical measures (GTM) amounted to 1,039 thousand tons (+8.5% of the plan), investment efficiency for the hours worked — 2,462 tons/RUB mln, (+58% to the plan). The most effective are "light" GTM: well workover, deepening of downhole pumping equipment (DPE) with relatively low costs for work, the investment efficiency for them amounted to 7,165 tons/RUB mln and 2,768 tons/RUB mln, respectively. Work was carried out using enhanced oil recovery (EOR) methods at 756 and hydraulic fracturing (HF) at 272 wells, additional oil production from them amounted to 238 thousand tons and 88 thousand tons, respectively.

Investment program for the development of extra-viscous oil fields: 2.0 RUB bln were invested in the project, of which 0.6 RUB bln — for drilling and 1.4 RUB bln — in the oilfield facilities.

In connection with the changes in the system of taxation of the oil industry, which came into force on January 01, 2021, providing for the abolition of differentiated taxation for depleted fields, high-viscosity and super-viscous oil, work is underway to assess the effectiveness and transfer the depleted license areas of subsoil to an additional income tax (AIT). The Company transferred 3 licensed areas to AIT, since January 01, 2022, additional 9 areas are transferred to AIT. Due to reduced efficiency due to changes in tax legislation, the SVO project will not expand under the current tax conditions.

Results achieved

The Company fully adheres to the obligations stipulated by the OPEC+ agreement. Production growth in 2021 was carried out in accordance with the terms of the agreement. In the medium term, the level of the Company's production is in line with analysts' forecasts for the level of consumption of petroleum products in the world.

The Company's annual oil production amounted to 27.83 mln tons, which is 1.8 mln tons higher than in 2020

The main share of current oil production falls on 2 unique fields — Romashkinskoye, Novo-Elkhovskoye and 6 large fields — Ashalchinskoye, Bavlinskoye, Bondyuzhskoye, Pervomayskoye, Sabanchinskoye, Arkhangelskoye.

The recovery of production after the decline in 2020, caused by a decrease in demand for energy resources due to the coronavirus infection, required an increase in the volume of geological and technical measures to increase the volume of drilling, hydraulic fracturing, workover of wells and other works:

- To ensure the production of traditional oil, the construction of 213 wells was completed, 331 wells were developed and put into operation, including 217 wells drilled in 2020, additional production for the reporting year amounted to 172.8 thousand tons
- Within the framework of the project "Development of SVO fields", 3 deposits were additionally put into development. In total, 21 SVO elevations are under development
- A program of projects is being implemented aimed at maximizing the involvement of oil reserves
- The program of projects "Improvement of the module "GTM Bank" is being implemented
- Measures are being developed aimed at reducing electricity consumption and equipment metal consumption
- In the EOR area, 672 events were completed. Additional oil production under EOR measures amounted to 813 thousand tons
- A program of projects aimed at optimizing the operating costs of SVO was implemented. The effect amounted to RUB 2.4 bln (19% above the plan) due to the optimization of steam injection into wells and the development of a system for limiting transportation costs. The implementation of the most effective geological and technical measures made it possible to increase the net present value per ruble of investments by 157% compared to the plan for 2021.



Applied technologies

As part of the implementation of the "Concept for the development of the waterflooding system of PJSC TATNEFT for the period up to 2030", it is planned to carry out measures to increase the impact on reservoir pressure in carbonate reservoirs, reduce the volume of unproductive injection at injection wells of the reservoir pressure maintenance system (RPM), search for effective technologies to reduce oil viscosity in reservoir conditions and cost-effective technologies for localization of regional stresses (fracturing), the search for cost-effective technologies for the development of areas with a high risk of premature breakthrough of formation water.

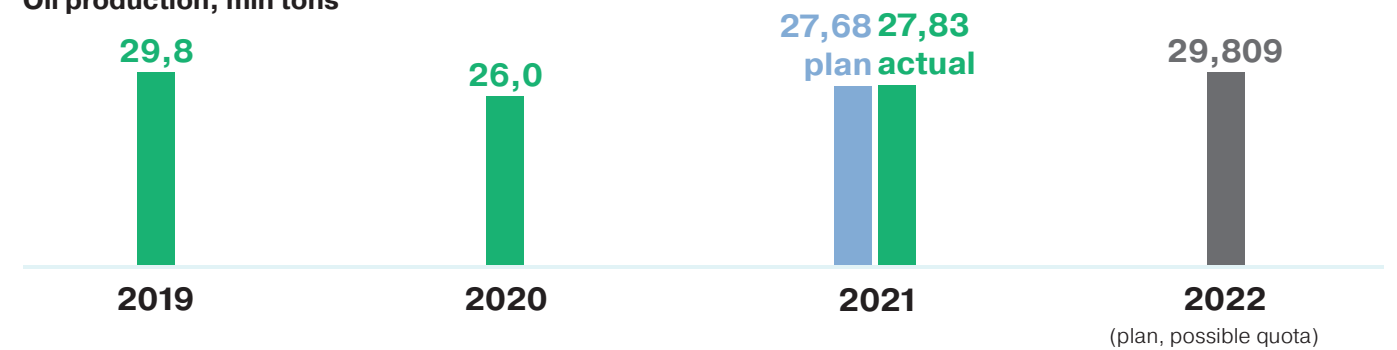
Measures are being taken to improve the technologies of geological and technical measures: the use of targeted formulations in the treatment of the bottomhole zone, the development of individual designs for the implementation of processes for intensification of inflow, the introduction into active development of oil reserves of reservoirs with boundary values of reservoir parameters by hydraulic fracturing, the replication of matrix technology dynamic acid treatment.

In the SVO area, the efficient technologies have been developed to bring wells to delivering the projected flow rate: thermogel compositions; reservoir acid treatment with a complex acid composition; pre-treatment with a solvent.

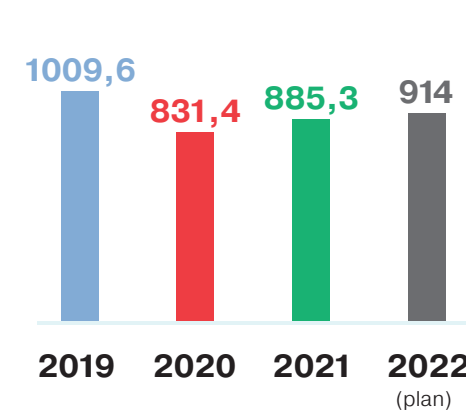
Within the framework of cooperation with the Siberian Branch of the Russian Academy of Sciences, pilot work is being carried out to pump the NINKA oil-displacing composition into steam cycle wells and the GALKA gel-forming composition into steam injection wells. Preparatory work is underway for the implementation of work on the injection of steam-foam composition.

An important area of work to produce the reserves from less than 10 meter thickness and complex geology reservoirs is the development of technologies such as polymer flooding, steam and gas treatment, joint injection of steam and non-condensable gases (methane, CO₂, nitrogen).

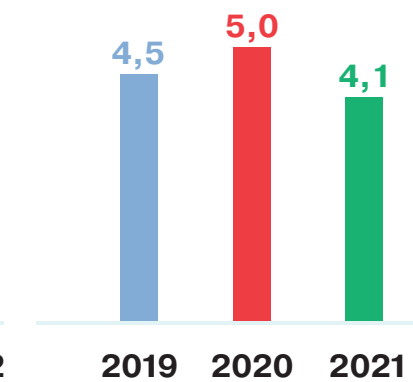
Oil production, mln tons



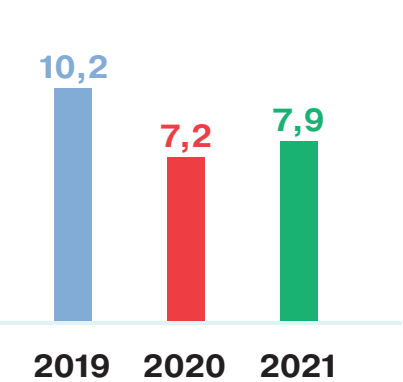
Associated petroleum gas production, mln m³



Average daily production rate of operating production wells, t/day



Average daily production rate of new wells, t/day



Drilling volume, thousand meters

	2019	2020	2021
Operational	816.5	586.3	273.4
Exploration	44.4	22.0	10.8
Total	860.9	608.3	284.2

Climate projects



Greenhouse Gas Emission Reduction Program

- The SAGD technology is being implemented for the injection of steam during the production of SVO only into the production well. Savings of injected steam will amount to 30,727 tons, which in terms of natural gas will amount to 2,693 thousand m³ or 4,956 tons of CO₂-eq. In 2021, a reduction in emissions in the amount of 243.2 tons of CO₂-eq. was reached. In 2022, it is planned to reduce greenhouse gas emissions at the level of 4,712.7 tons of CO₂-eq.
- Projects aimed at increasing the level of useful use of associated petroleum gas are being implemented
- An action was taken to introduce third-generation energy-efficient pumping units in the RPM system with the effect of reducing indirect CO₂ emissions into the atmosphere — 357 tons/year

Terrestrial Ecosystem Protection and Restoration Program

- A project is being implemented to preserve and restore freshwater ecosystems during the operation of pipeline crossings through water bodies and oil recovery facilities. The number of repaired and liquidated idle pipeline crossings through water barriers — 71 pieces

- Introduction of high-tech fiberglass products. More than 180 km of fiberglass pipes were laid as oil pipelines and water conduits for oil production and reservoir pressure maintenance systems, which made it possible to optimize the costs of pipeline operation by reducing the cost of anti-corrosion protection and maintenance
- The project "Reconstruction of the surface infrastructure system of the reservoir pressure maintenance system" is being implemented for the period 2020-2030, aimed at improving the efficiency of the injection process of the working agent for the purpose of reservoir pressure maintenance
- A project is being implemented to increase the level of APG utilization through the technical re-equipment of flare installations. Flare units were replaced at 31 hazardous production facilities.
- Measures are being taken to optimize the length of temporary conduits and the use of composite pipes as casing strings for water wells for efficient water supply to drilling crews in the face of a significant increase in drilling points
- The conversion of associated water treatment facilities at the SVO fields of the Exploration and Production business area to the use of associated produced water also reduces the consumption of river water for production needs.
- A set of measures is being taken to reduce the risk of destruction and improve the environmental safety of the water area of the river Kama.

Exploration and production of oil and gas outside Russia

Turkmenistan

In the framework of cooperation with the state concern Turkmennebit, in 2021, the implementation of the production program to enhance oil recovery was continued. The joint work will continue until 2028 using the technologies of PJSC TATNEFT in the field of oil production intensification. The branch of the Company in Turkmenistan has more than 700 jobs.

In 2021, repairs were completed at 38 wells, additional oil production amounted to more than 121.8 thousand tons, and since the beginning of the entire contract, 416.9 thousand tons. Production for the repair of tubing was launched in Turkmenistan, more than 20 thousand units were repaired.

For the State Concern Turkmennebit, work is underway to create a geological and hydrodynamic model of the Goturdepe field, which is 63% completed.

In 2022, it is planned to start implementing a production program to increase the volume of geological and technical measures at 300 wells.

Uzbekistan

As part of implementation of the Cooperation Agreement with JSC Uzkimyosanoat and the Memorandum of Cooperation with JSC Uzbekneftegaz, the work has been organized to put in practice the decisions stipulated in the Minutes of meetings.

In accordance with the signed Roadmap, projects are being implemented: to organize the training of personnel of JSC Uzbekneftegaz, to study the possibilities of implementing low-tonnage chemistry in the field of deep processing of hydrocarbons, to study the possibilities of implementing geological exploration (a joint project with the State Geology Committee of the Republic of Uzbekistan and JSC Uzbekneftegaz).

Kazakhstan

In order to implement the agreements with JSC NC Kazmunaygas, an Agreement of Intent was signed and a Roadmap was approved for the implementation of projects in the field of joint activities for geological exploration and development of hydrocarbon deposits in the Republic of Kazakhstan.

The Company has completed a preliminary study of the presented data, priority assets have been identified. The proposals of PJSC TATNEFT on the next steps for the implementation of the project were sent to JSC NC KazMunayGas. Negotiations are underway on the terms of possible cooperation.

Syria

Via its branch TEPI AG, the Company has contractual obligations for the Block 27 exploration and development in Syria. Oil production has been suspended since April 26, 2011.

At the current stage, contacts and consultations with the Ministry of Energy of Russia and the Syrian side on the terms of resuming the project are underway.

PJSC TATNEFT does not plan to resume any production activities in the Syrian Arab Republic until the cessation of hostilities and stabilization of the political situation. There are no Company personnel in Syria.

Libya

The Company cooperates with the Libyan National Oil Corporation on the basis of Exploration and Production Sharing Agreements. The total area of the contract areas is 18,181 km².

As a result of the destabilization of the political situation in Libya since 2014, the Company has suspended all its operations and declared a force majeure, which continues to operate at the present time. The Company periodically implements contacts with the Libyan side in order to resume full-scale exploration activities when the situation in the country normalizes.



Oil and Gas processing



The Oil and Gas Processing business area includes the production facilities of JSC TANECO, the Tatneftegazpererabotka Division, the Elkhovsky Oil Refinery, and JSC Nizhnekamsktekhuglerod. The downstream operations are organized at four production sites in the immediate logistical proximity to the oil production facilities in the Nizhnekamsk and Almet'yevsk Districts of the Republic of Tatarstan.

Strategic goals

- Ensuring high-tech, efficient and environmentally friendly oil refining and the production of competitive liquid products as part of strengthening the vertical integration of the TATNEFT Group of Companies
- Manufacture of products that meet high environmental standards while minimizing the impact of production processes on the environment

The volume of crude oil refining by business area, thousand tons

Indicators and goals	Strategy 2020-2021	Actual 2021	Plan 2022	Notes
JSC TANECO	11,448	12,457	15,644	The increase in processing volume is associated with the launch of DCU-2
Tatneftegazpererabotka Administration (APG and NGL)*	1,349	1,205	1,209	The decrease in the volume of raw materials processing is due to the reduction in the production of APG and NGL
Elkhovsky Oil Refinery (as a part of Tatneftegazpererabotka Division)	207	271	234	The decrease in the volume of processing of raw materials is associated with the overhaul of installations with a complete shutdown of the production of petroleum products
JSC Nizhnekamsktekhuglerod	222	221	218	The reduction in refining volume is due to the planned overhaul
Total	13,226	14,153	17,305	

* Associated petroleum gas and a wide fraction of light hydrocarbons (APG and NGL)

JSC TANECO

The complex of oil refineries and petrochemical plants of JSC TANECO (OR and PCP of JSC Taneko) is a modern enterprise of the Russian oil refining industry, which is of strategic importance for the development of the economy of Tatarstan and is part of the TATNEFT Group. The positive dynamics of the Complex development is steadily progressing through the improved efficiency of the current operations and timely new production launches, allowing for the expansion of the output and slate of products, enhancing the oil conversion ratios, and increasing light product yield.

Production facilities include primary processing of oil, hydrocracking and base oils, hydrotreating of petroleum products and obtaining elemental sulfur, processing of heavy residues, aromatic hydrocarbons, lubricants and the manufacture of polyethylene products, industrial wastewater treatment, energy supply, water supply and sewerage, and commodity production.

The product basket contains about 20 types of high-quality and popular products: motor gasoline AI-92, AI-95, AI-98, AI-100, Euro-5 diesel fuel, aviation kerosene of RT, TS-1 grades, base oils, etc.

Key events

In March 2021, the Company and the Ministry of Energy of the Russian Federation entered into an investment agreement on the creation of new production facilities at the Refinery and Petrochemical Complex of JSC TANECO, which provides for the construction of four process units by the end of 2026, which will increase the depth of oil refining and ensure the production of high-quality and highly environmentally friendly products: Euro-6 gasoline, arctic diesel fuel that meets Euro-6 requirements and more stringent environmental specifications of the Scandinavian countries.

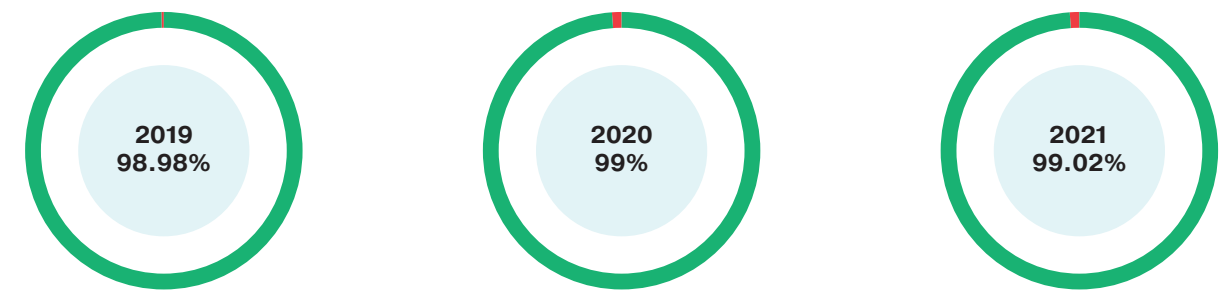
In July 2021, PJSC TATNEFT and the Hungarian MOL Group, on the basis of a consortium cooperation agreement, began construction of an asphalt production plant using rubber-modified bitumen technologies at the site of the JSC TANECO Complex. The plant will produce high-quality road surfaces and recycle up to 500,000 tires per year. The organization of bitumen production using MOL technology is the next step towards a circular economy.

RUB 55.7 bln was invested in the construction project of the Oil Refinery and Petrochemical Complex in 2021. In 2022, it is planned to increase the efficiency of refining and optimize production processes with oil refining rates at the level of 15.6 mln tons with a selection of light oil products of about 77% and an oil refining depth of 99%.

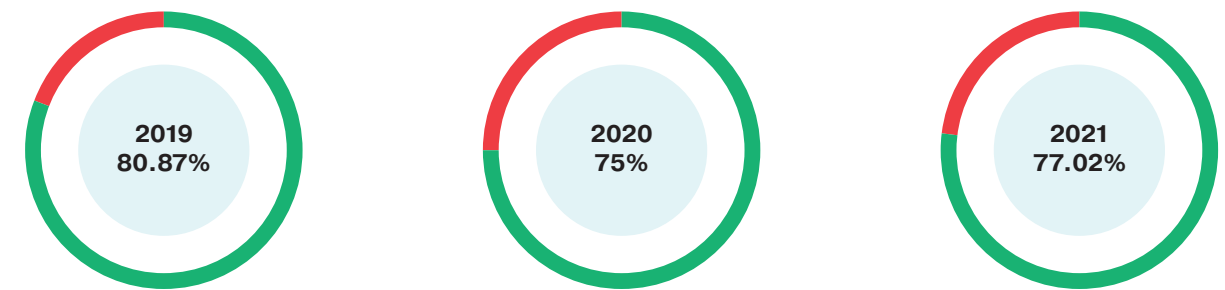
Results achieved

- 12.457 mln tons of crude oil processed, incl. 11.580 mln tons of oil, 0.558 mln tons of light oil and 0.319 mln tons of gas condensate, 0.058 mln tons of vacuum gas oil from third parties
- 12.16 mln tons of oil products produced, including motor gasoline — 1.452 mln tons, diesel fuel — 5.833 mln tons, aviation kerosene — 0.5 mln tons
- 1.661 thousand tons of motor synthetic and semi-synthetic, hydraulic and transmission oils produced, as well as 8,553 thousand tons of TANECO transformer oil (GC)

Oil conversion ratio in Russia, %



Light product yield, %



Work continued on the development, comprehensive testing and commissioning of new technological units and facilities, as well as work on the development of new types of products:

- Launch of the hydrogen production unit and the vacuum unit CDU-AVT-7
- The production of lubricants, hydrogen production unit-2, catalytic cracking, chemical water treatment, delayed coking-2, diesel fuel isodewaxing and gas fractionation unit were put into commercial operation
- A project was implemented to receive up to 1 mln tons of additional oil feedstock by road and rail
- Production of propane-propylene fraction, butane-butylene fraction, catalytic cracking heavy gas oil
- Approvals from Mercedes Benz, Deutz AG and Cummins received, as well as an API license for a new line of oils

• New types of oils:

Hydraulic oils

- TANECO Hydraulic Ultra Eco VG32
- TANECO Hydraulic Ultra Eco VG46
- TANECO Hydraulic Premium 4 seasons VG32
- TANECO Hydraulic Premium 4 seasons VG46
- TANECO Hydraulic Universal VG22

Motor oils

- TANECO DeLuxe Special Diesel Synth SAE 10W-40
- TANECO DeLuxe Eco Special Synth SAE 5W-30
- TANECO Premium Ultra Synth SAE 5W-30
- TANECO Premium Ultra Synth SAE 5W-40
- TANECO Premium Ultra Eco Synth SAE 5W-30
- TANECO MOTO Frost 4T SAE 5W-30
- TANECO Garden 4T SAE 5W-40
- Tatneft Progress 10W-40

Plans for 2022

- Comprehensive testing of a pilot hydroconversion unit, a gas fractionation unit, an amine treatment section and an acid waste stripping section, a complex for obtaining aromatics of the second stage
- Completion of construction and installation works and commencement of comprehensive testing of the amine treatment and acid waste stripping section, the hydroconversion pilot plant, the production of lubricants, the benzene and paraxylene production sections of the aromatics production complex and related off-site facilities
- Complete the design work for “Technical re-equipment. Increasing the performance of the diesel fuel hydrotreater”

Measures for the safety of products and services for the health of the consumer

GRI 416-1, 416-2, 417-1, 417-2, 417-3

In order to ensure the safety of consumers, safety data sheets for chemical products have been developed for each commercial oil product produced by JSC TANECO. The safety data sheets of chemical products manufactured by JSC TANECO comply with the UN Recommendations ST/SG/AC.10/30.

In order to confirm the compliance of motor gasolines, aviation, diesel and marine fuels, lubricants and oils, hygienic liquids with the requirements of the technical regulations of the Customs Union, declarations of conformity were received. Compliance of hydrocarbon liquefied fuel gases with the requirements of the technical regulations of the Eurasian Economic Union is confirmed by declarations of conformity.

In order to enable the export of petroleum products, safety data sheets (Safety Data Sheets) have been developed and received that comply with the requirements of the REACH Regulation, which is the “Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals”. Safety data sheets have been developed to improve the protection of human health and the environment from threats that may be caused by chemicals, as well as to improve the competitiveness of European Union (EU) industry, to promote alternative methods of hazard assessment and to guarantee their free circulation in the EU internal market.

The proportion of products evaluated for impact on the health and safety of customers is 100%

Labeling requirements for products and services

All products are labeled upon shipment to consumers. Information on the ingredients of the product, information on substances that may have an environmental or social impact, information on how to use the product safely, information on how to dispose of the product and its impact on the environment, and other labels are provided in the safety data sheet of the product and safety data sheet (SDS).

Appropriate labeling and hazard signs are applied to each container unit.

The share of product categories covered by labeling procedures is 100%

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, in relation to marketing communications during the reporting period, resulting in a fine or other types of penalties.

Materials used for the production and packaging of products

GRI 301-1, 301-2, 301-3

Year	Production name	Type of packaging	Quantity, t
2019	Petroleum product hydrotreatment and sulfur recovery plant	Halogen-free polymer packaging	302.186
	Production of SM and II&P	Halogen-free polymer packaging	1.969
		Steel metal packaging	23.87
2020	Petroleum product hydrotreatment and sulfur recovery plant	Halogen-free polymer packaging	320.782
	Production of SM and II&P	Halogen-free polymer packaging	10.802
		Steel metal packaging	74.819
2021	Petroleum product hydrotreatment and sulfur recovery plant	Halogen-free polymer packaging	396.382
	Production of SM and II&P	Halogen-free polymer packaging	41.673
		Steel metal packaging	159.34
		Corrugated cardboard packaging (100% recycled)	8.634
		Wooden and cork packaging	69.761



Climate projects

JSC TANECO has implemented a multi-level system of continuous production environmental control in order to promptly obtain reliable information on the impact of production activities on the quality of the environment. Ecological and analytical control of the impact of the production activities of the Complex on the environment is carried out by its own laboratory of industrial environmental monitoring, accredited in SAAL.

Atmospheric air quality control at the border of the unified sanitary protection zone of the Nizhnekamsk industrial hub is carried out by a mobile laboratory and with the help of a stationary post for continuous automatic air quality control with the transfer of indicators to a single database of the Ministry of Ecology and Natural Resources of the Republic of Tatarstan. During the reporting period, measures were taken to optimize and reduce hydrocarbon gas discharges into the flare systems of the Complex.

The quality of wastewater is monitored, the content of pollutants is monitored near the places of accumulation and disposal of waste (landfill for industrial waste) — in soil, groundwater, atmospheric air; control of the state of groundwater in the zone of influence of the Complex and monitoring of surface water.

JSC TANECO confirms its commitment to the principles of environmentally safe production based on compliance with the requirements of environmental legislation and effective use of natural resources. In 2021, a closed water supply and sanitation scheme was implemented at the treatment plants, 100% return to the production of treated wastewater was ensured, which allowed saving 6.13 million m³ of water by excluding its consumption from the Kama River. The results achieved correspond to the 6 SDGs “Ensuring the rational use of water resources” and 12 SDGs “Transition to rational models of consumption and production in JSC TANECO.

Tatneftegazpererabotka Division

Tatneftegazpererabotka Division is a single technological complex for the preparation, storage and processing of the entire volume of associated petroleum gas and a wide fraction of light hydrocarbons, and the shipment of processed products. The complex includes a gas processing plant in Minnibayevo, the Elkhovsky oil refinery, as well as a number of industrial APG and NGL treatment plants located in the southeast of the Republic of Tatarstan. Tatneftegazpererabotka (UTNGP) is not only a powerful, efficient production complex, but also an important environmental facility. Due to the high conversion rate of APG and NGL in the south-east of the republic, the problem of “burning” flares was completely solved.

The UTNGP strategic development plan has been developed until 2023 and involves the implementation of large investment construction projects, including the reconstruction and technical re-equipment of the existing facilities of the gas processing plant. One of the important directions of the development strategy until 2035 is deep gas processing. In 2021, UTNGP invested RUB 1.666 bln, incl. under the projects of the Elkhovsky oil refinery (EOR) — RUB 0.104 bln.

Marketable products of the complex: fractions of ethane, propane, isobutane, normal butane, isopentane, stable gas gasoline, hydrocarbon liquefied fuel gases, combustible natural gas, lump sulfur, motor gasoline, diesel fuel, light vacuum gas oil.

Results achieved

The gas processing plant complex accepted 764.5 mln m³ of oil gas for processing, which is 51.1 mln m³ more than in 2020.

The volume of NGL processing amounted to 268.3 thousand tons, an additional volume of NGL processed from JSC TANECO in the amount of 9.6 thousand tons.

In 2021, 274.5 mln m³ of sour gas were sent for purification, which is 24.3 mln m³ more than in the same period of the previous year. 988 thousand tons of gas products were produced, the plan was fulfilled by 104.3%.

The EOR processed 519.6 thousand tons of oil and produced 258.2 thousand tons of finished products, the fulfillment of the plan for the production of petroleum products amounted to 103.6%.

The volume of oil refining increased by 2.9%, the total production of marketable products increased by 5.7%. Oil conversion ratio in Russia — 54,72% Light product yield 36.83%;

Work is underway to implement projects: reconstruction of a raw gas compressor unit, reconstruction of a cryogenic plant for deep processing of dry stripped gas, construction of a cooling tower. An industrial approbation of an automated process control system of our own design — DPA was carried out.

Plans for 2022

It is planned to increase the extraction of the ethane fraction, the production of liquefied natural gas and helium, as well as the reduction of hydrocarbon and methane emissions into the atmosphere by 233 thousand tons per year as a result of the reconstruction of a cryogenic plant for deep processing of dry stripped gas.

Completion of projects for the introduction of an advanced process control system at the CDU-AVT unit at the EOR, the construction of a liquefied hydrocarbon gas discharge point at a gas processing plant.

Completion of the project for the construction of a plant-wide flare system.



Climate projects

One of the key tasks in the field of environmental protection of the Tatneftegazpererabotka Division is to ensure zero discharge of hydrocarbon gas into flare systems.

The main contribution to the reduction of direct emissions is the construction of a plant-wide flare system (decrease by 4,729 t/year), completed in 2021, and the reconstruction of a cryogenic plant for deep processing of dry stripped gas (decrease by 233,427 t/year) with planned completion and commissioning in the fourth quarter of 2024.

The expected effect from the implementation of measures to reduce direct and indirect emissions by 2030 will be 114 thousand tons.

The commissioning of a rapid pyrolysis plant for woody biomass continues with the aim of reducing waste disposal and moving towards a circular economy.

JSC Nizhnekamsktekhuglerod

The largest Russian enterprise for the production of carbon black, which produces 14 grades of world-class carbon black, meets the needs of the tire business of the TATNEFT Group, as well as manufacturers of rubber products, using modern technologies and the effective implementation of progressive methods at all stages from production to product sales.

As part of the implementation of the investment program in 2021, RUB 0.392 bln was invested in the carbon black production complex.

Volume of production and sales markets

Period	Production of carbon black	Carbon black shipment (t)			Total
		Tire complex	Russian Federation	Export	
2019	112,003	61,271	16,036	35,828	113,135
		54%	14%	32%	
2020	120,524	55,852	18,990	44,448	119,291
		47%	16%	37%	
2021	136,381	64,290	28,634	44,218	137,142
		47%	21%	32%	

Results achieved and development projects

Registration of products was carried out in accordance with the regulation on registration, evaluation, authorization and restriction of chemicals (KKDIK regulation) and the appointment of a sole representative for the supply of carbon black to Turkey.

Pre-registration of products under the REACH (EC) regulation was carried out, taking into account the amendments made by the UK regulation REACH SI 2019/758 and SI 2020/1577.

To improve the quality of carbon black, a production modernization project is being implemented. Within the framework of the project, it is planned to increase the production capacity up to 160 thousand tons per year.

An energy efficiency improvement program is being implemented, within the framework of which the air heaters of production units were replaced in the reporting year.

Quality control system

GRI 416-2, 417

The current effective system of product quality control allows us to guarantee its high quality to consumers. The work is organized in accordance with the requirements of the current rules and regulations in all process operations and is provided by a multilevel control system, using cutting-edge equipment, advanced technologies, technical means, and software systems in accordance with the Quality Policy of JSC Nizhnekamsktekhuglerod.

Labeling requirements for products and services

Information about the components of the product is given in the safety data sheets for the products. The marking is applied to carbon black packaging and contains information in accordance with Russian and international standards (GOST 7885-86, TU 38 41558-97 (2007), CAS1333-86-4 and EC 215-609-9).

The share of product categories covered by labeling procedures is 100%

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, marketing communications during the reporting period, leading to a fine or other types of penalties.

For more information, see www.nktu.ru

Trading and logistics (large wholesale)



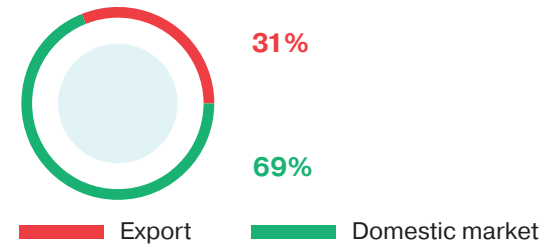
The Company carries out the general management of sales of oil and refined oil and gas products, transportation of oil and oil products, coordination of the activities of oil and gas processing enterprises of the TATNEFT Group. The structure of the Trading and Logistics business area also includes LLC Tatneft-Aviashervice, LLC Tatneft-Trans and large wholesale sales services of regional business units: LLC Tatneft-AZS-Center, LLC Tatneft-AZS Zapad. Oil, oil and gas products are transported using the trunk pipeline systems of PJSC Transneft and LLC Transnefteprodukt.

The main consumers of oil, in addition to their own refining capacities, are JSC TAIF and JSC NZNP. Petroleum products are sold both to large foreign traders and to buyers on the domestic market, while increasing the volume of direct sales to small wholesale buyers through online sales through the Fuel Portal. A separate important sales channel, singled out as an independent business area, is fuel retail sales.

Deliveries are made to the domestic market and export, the ratio in monetary terms for the entire range of products is 69% to 31%.

In the domestic market, the main share of deliveries falls on the Republic of Tatarstan. The main volumes are sent to Moscow and St. Petersburg, to the Rostov region. The geography of

Ratio in monetary terms



deliveries covers almost all regions of Russia. The main buyers of export deliveries are Poland, the Netherlands, Switzerland, Germany, Slovakia, and Ireland.

Petroleum products are sold through JSC SPIMEX. All procedures are carried out using the mechanism of electronic auctions in online mode for planning long-term sales. A significant economic effect has been obtained from the activation of participants in trade procedures and the promotion of competition.

In order to create a transparent marketing policy, a mobile pricing mechanism, and reduce marketing risks, contractual terms are being standardized.

Sales of products, taking into account purchased resources

	2019		2020		2021	
	thousand tons	RUB mln	thousand tons	RUB mln	thousand tons	RUB mln
Oil sales	20,120	515,478	16,772	313,088	17,089	556,493
in the domestic market	8,130	175,402	7,306	119,095	9,482	287,656
for export	11,989	340,077	9,466	193,993	7,607	268,837
Sale of petroleum products	7,943	266,778	9,600	240,128	9,324	361,869
in the domestic market	3,514	112,820	4,097	123,058	3,910	144,107
for export	4,428	153,958	5,503	117,070	5,415	217,761

Measures for the safety of products and services for consumer health

GRI 416-2, 417-2, 417-3

Marketable products undergo the necessary certification and homologation procedures for use in vehicles. Products exported to Europe undergo REACH certification and are completed with a material safety data sheet.

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, in relation to marketing communications during the reporting period, resulting in a fine or other types of penalties.

Retail network



The Company's retail and sales network is the key channel for promoting highly competitive products of PJSC TATNEFT, that is gasoline and diesel fuel of its own production with improved performance characteristics. The rapid development of the TATNEFT fuel stations is facilitated by their ongoing upgrading and modernization along with the introduction of advanced energy- and resource-saving technologies aimed at preserving and improving the environment.

The 2030 development strategy is focused on expanding the filling station network, improving the "quality" of the filling station network, developing accompanying services and transforming filling stations into "service centers." The competitive strategy is based on the renewal of unique fuel and nonfuel supply at filling stations for target customers.

The volume of implemented investment projects of the Company's retail network amounted to RUB 6.42 bln. The investment program for 2022 is aimed at implementing network maintenance projects and completing previously launched projects for the reconstruction and construction of filling stations.

The structure of the Company's retail network includes its subsidiaries supplying petroleum products: LLC Tatneft-AZS-Center, LLC Tatneft-AZS-Zapad, LLC Tatneft-AZS-Severo-Zapad, LLC Tatneft-AZS-Ukraine, LLC Tatbelnefteprodukt, LLC Tatneft-AZS-Tashkent, LLC Tatneft-AZS-UNG.

Achieved results and development plans

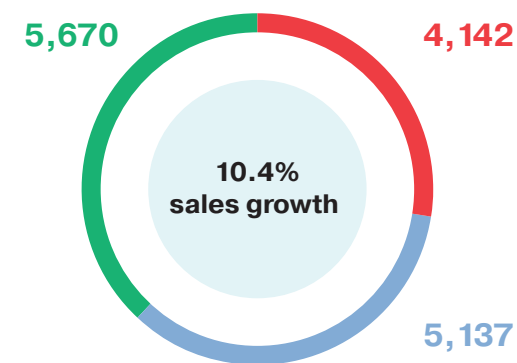
In 2021, the network increased by 31 modern, high-tech filling stations and expanded the regions of presence: Smolensk region — 1, Orenburg region — 10, Voronezh — 10, Republic of Bashkortostan — 3, Republic of Mordovia — 1, Chelyabinsk region — 2, Kurgan region — 1, Samara region — 1, Republic of Mari El — 1, Republic of Tatarstan — 1. The total number of filling stations at the end of 2021 is 850 units.

Number of filling stations, pcs.

	2019	2020	2021
Total, including:	802	819	850
Russian Federation	691	708	751
Ukraine	91	91	79
Republic of Belarus	18	18	18
Republic of Uzbekistan	2	2	2

The rapid development of the TATNEFT filling stations network is facilitated and supported by ongoing modernization of the fuel filling stations along with expansion of accompanying services. At 16 filling stations in Moscow and the Moscow region, the Republics of Tatarstan, Chuvashia and Mari El, as well as in the Samara and Ulyanovsk regions, a complete reconstruction was carried out in a new format. Rebranding and partial reconstruction were carried out at 37 facilities in the Republic of Tatarstan, Moscow and North-West regions.

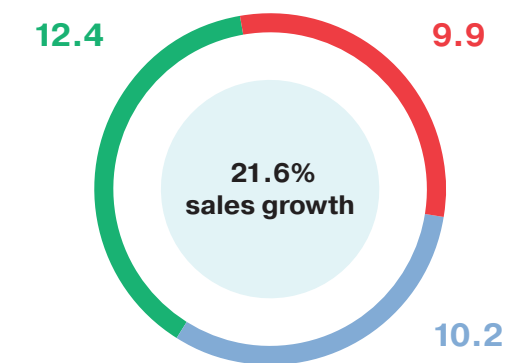
Sales of petroleum products through retail network, thousand tons



2019 2020 2021

*Excluding LLC Tatneft-AZS-Ukraine

Average daily sales of filling stations, t/day. per gas station



2019 2020 2021

The implementation in 2021 of key business projects and events carried out as part of advertising and marketing activities, projects to improve the efficiency of the retail distribution network, and the development of a network of compressed natural gas and liquefied natural gas filling stations contributed to the increase in sales efficiency and entry into new sales markets.

The economic effect from advertising and marketing projects and events for 2021 amounted to RUB 128.9 mln, from projects to improve the efficiency of the retail distribution network — RUB 188 mln.

Innovative projects launched in 2021: creation of a network of pre-fabricated portal car washes at gas stations that do not

require the construction of permanent buildings; multimedia filling stations; digital cashier; cooking points according to author's recipes in the Dark Kitchen format; automation of control over the filling station equipment; creation of dynamic electronic pricing for related products; organization of online sales and purchases in the marketplace system.

In 2022, it is planned to further increase the average daily sales of the Tatneft filling station network, modernize existing filling stations and increase new filling stations. To increase competitiveness and customer loyalty, the interiors and exteriors of filling stations will continue to be brought to modern and high-tech formats. The launch of branded fuel is being worked out.

Volumes of sales of fuel products through TATNEFT filling stations network, thousand tons

Regions of presence	Retail			Small wholesale		
	2019	2020	2021	2019	2020	2021
Russian Federation, including:	1,970	2,372	2,987	2,120	2,628	2,583
LLC Tatneft-AZS-Center	1,221	1,209	1,504	1,037	1,078	1,301
LLC Tatneft-AZS-Zapad	749	840	1,120	1,083	1,536	928
LLC Tatneft-AZS-Severo-Zapad	—	323	363	—	14	354
Ukraine	28	27	28	21	27	13
Belarus	76	64	74	3	4	4
Tashkent	—	16	21	—	—	—
Total:	2,074	2,479	3,111	2,144	2,659	2,601



Climate projects

Taking into account the environmental component and the economic interest of consumers, the development of demand for gas motor transport and a corresponding increase in the consumption of gas motor fuel are predicted. Tatneft filling stations are implementing projects focused on the task of reducing the carbon footprint: a project for the construction of automobile gas filling compressor stations for the sale of compressed natural gas; a project is being implemented for the sale of liquefied natural gas with the construction of cryo-blocks at gas stations — 3 gas stations have been launched. In 2022, it is planned to create 14 cryo filling stations.

In the face of growing public demand for clean and affordable energy, the Company has been developing infrastructure for electric vehicles since 2015. In the near future, it is planned to actively develop a network of electric charging stations. 15 filling stations are already equipped with a multi-standard fast charging station. To expand the network of electric charging stations, active interaction is being carried out with municipal authorities and federal authorities on the use of state support tools.

As part of the goals set by the Company to reduce greenhouse gas emissions in the business area, work is underway to reduce the carbon footprint: an energy management system has been introduced, renewable energy sources are being introduced, energy-efficient retail equipment is being introduced, biofuels are being used, a transition to more environmentally friendly fuels and electric vehicles is planned. Projects are being implemented on the use of renewable energy sources: the creation of natural lighting with the help of light guides, the use of a natural air conditioning system in the summer and heating with a solar collector. To compensate for greenhouse gas emissions, a large-scale action "Forest from gas stations" is being carried out, according to which part of the proceeds from the sale of fuel is directed to planting forests. In 2021, 7.8 mln seedlings were planted, since the beginning of the Program implementation — 20 mln trees.

In order to minimize waste and promote eco-friendly destinations among the population, the Company organized the acceptance of used car tires, vegetable oils, plastic bottles at gas stations, and also organized separate accumulation of waste with their subsequent transfer for processing. Within the framework of the project, 389.7 kg of used vegetable oil were collected from the population, as well as 7,668 pcs. of used tires and 3,305 pcs. of PET bottles, 70 tons of used car tires.

GRI 416-1, 416-2, 417-1, 417-2, 417-3

As part of the program to save primary resources, unmanned aerial vehicles are searching for unauthorized dumps of used car tires. The collected waste tires are processed into oil seals for oil production facilities, which makes it possible to refuse to purchase them.

Petroleum product quality control system

The Company has an effective system of petroleum product quality control in place, which allows guaranteeing high quality fuel at TATNEFT filling stations to its customers. The work is organized in accordance with the requirements of the current rules and regulations in all process operations (acceptance, storage, transportation, and release) and is provided by a multilevel control system, using cutting-edge equipment, advanced technologies, technical means, and software systems.

Measures for the safety of products and services for the health of the consumer

Marketing and labeling of products and services

The Company uses all available communication channels to inform consumers on its products and services through the quality certificates for petroleum products and goods being sold, proactive information plates and signage, promotional

or informational material (printed materials, models on the video monitors, audio and video advertising) that are easily available at our fuel stations and describe the composition and properties of the products being sold, the procedures for the safe use and disposal, and the impacts on the environment. Information is also posted on the Company's website, in social networks, and mobile app. On the same resources, customers may get feedback from the designated network specialists.

All filling stations contain information for customers that provides for a traffic pattern, product names, rules of conduct indicating the admissibility or inadmissibility of actions at a fire hazardous facility, packaging disposal sites.

Product labeling is carried out in accordance with the current GOST and technical regulations.

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, in relation to marketing communications during the reporting period, resulting in a fine or other types of penalties.

Accompanying services

In the strategic concept for the development of the network of filling stations, one of the directions for increasing efficiency and competitiveness is an accompanying service, which includes cafe zones, including in the format of auto cafes, shops, and other additional services.

The shops at the gas stations carry their own brand products — motor oils, antifreeze, as well as essential goods, health and emergency care products, food and culinary products of their own production. The Tatneft filling station network cooperates with popular food delivery services. In order to improve the level of service for car owners, the Company is implementing a pilot project to provide services for medical examinations directly at gas stations in Moscow.

In 2021, a brand was developed for retail facilities of the retail chain and goods under its own brand — GreenLight. Cafes at gas stations adhere to the concept of healthy eating. For drinks and cafe products under the GreenLight brand, Russian and foreign trademark registration certificates have been received.

To improve the level of customer service throughout the network, a system of uniform standards is in place, employees are trained on a regular basis by the Company's Corporate University and control checks are carried out.

Safety of products and services

The quality of food products of own production in the retail network of filling stations meets the requirements of the standards.

The received HACCP (Hazard Analysis and Critical Control Points) certificate of conformity certifies that the Company's management system complies with food safety in relation to the production of baked goods, first and second courses, breakfasts and desserts. The certificate and the mark of examination confirm that the products have passed additional control and higher requirements for environmental friendliness and safety were imposed on its production, the products do not contain GMOs, artificial ingredients.

100% of the goods sold have quality certificates that guarantee the safety of products for customers.

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to marketing communications during the reporting period, leading to a fine or other types of penalties.



Packaging material

GRI 301-2

About 70% of the packaging materials used in the non-fuel business for food production and customer service are made from renewable materials (paper and wood).

All packaging materials that arrive at the gas station with related products are handed over for recycling. Separate waste collection is applied at each gas station.

Client Privacy

GRI 418-1

The Company strictly oversees the mechanisms for ensuring the principle of consumer privacy right and protection of personal data of the customers in our fuel filling stations and is guided by the Constitution and federal laws of the Russian Federation regulating these activities. The customer information base is formed as part of the loyalty program to notify customers of marketing promotions and inform them on the network operation. The information database comprises the persons who have consented to their personal data processing and subsequent receipt of notifications from the fuel filling station network. In 2021, the authorization system for clients of the Champions Club loyalty program was updated. Authorization has become more secure, access to the personal account is possible using a one-time password, which is sent to the client's phone in the form of FlashCall or SMS.

During the reporting period, there were no complaints regarding breaches of confidentiality and loss of customer data.

Feedback

In order to ensure quality control of the network of gas stations, feedback mechanisms (reception, processing, response) are arranged and maintained online:

- Book of reviews and suggestions — at each gas station
- 24/7 hotline of the TATNEFT retail sales network — 8-800-5555-911
- 24/7 PJSC TATNEFT hotline — 8-800-100-4-112
- Feedback form on the website azs.tatneft.ru
- E-mail — tn@88001004112.ru
- Official social networks of the retail network (<https://vk.com/azs.tatneft>, <https://ok.ru/azs.tatneft>)
- Official pages of PJSC TATNEFT in social networks
- Corporate social network — <https://kss.tatneft.ru/>
- Collecting reviews from third-party platforms (maps, navigators, and feedback sites)
- Customer polls

The group created in the Company to work with customer requests to improve the quality and speed of providing feedback allows for independent analysis of complaints and claims for the qualitative optimization of processes at filling stations.

Customer loyalty programs

The Company holds various promotional and incentive events at the Company's filling stations.

As a result of the centralization of marketing activities at Tatneft filling stations, the process of implementing federal advertising campaigns has been built — the "Made in Tatarstan" campaign, the "Fuel Rush" campaign, and the "Catch Pumpkins" campaign. In order to increase the loyal audience of customers and increase the sale of petroleum products, bonus promotions are held on the basis of the Champions Club program.

More than 1.9 mln cards have been issued under the loyalty program, more than 1.2 mln customers have been activated, the number of active members of the Champions Club loyalty program is more than 860 thousand users per month. Every second purchase at gas stations (among individuals) is carried out using a loyalty program card.

In order to promote the Champions Club loyalty program, all federal advertising campaigns are built on the basis of its functionality, which are promoted through the most comprehensive communication channels — the Internet, outdoor advertising, radio, etc.

The TATNEFT mobile application with the participant's personal account, advertising and informational push notifications, e-mail newsletters, banners, etc. are used as additional channels for popularizing the Champions Club loyalty program and improving the convenience of its users.

Improving the quality of customer service

For the purpose of competent communication, identifying consumer expectations and their needs in 2021, work was initiated to develop a positioning and communication strategy for the retail network, which includes conducting comprehensive desk, qualitative and quantitative marketing research of the market and target audience. The reorganization of the internal audit system and customer service, the implementation of audits using the mystery shopper method, as well as regular surveys and feedback received through the Champions Club mobile application of the loyalty program, allow quickly identifying problems and adjust business processes to develop customer focus.

Regular surveys to assess customer satisfaction and brand health indicators (knowledge, consumption and NPS) are performed regularly using Mediascope* statistical database. All this allows us to build an effective communication with consumers, organize promotional events that are in demand, and consequently, have a positive impact on loyalty and demand.

* Mediascope is a technology research company, the leader of the Russian market of media research and monitoring of advertising and mass media.

Tire business



The tire business of the TATNEFT Group is the largest complex of the tire industry in Russia, which has its own technological developments, a balanced portfolio of products and services and provides a complete production chain from the acquisition of raw materials for the production of tire products to the sale of finished products and the provision of after-sales services. The tire business operates under the single KAMA TYRES production brand and combines a range of tire brands. The product range includes about 400 positions of KAMA, KAMA PRO, Viatti tires, which are in demand in Russia and abroad in 48 countries, for all types of road transport. The production capacities of KAMA TYRES enterprises allow producing up to 16 mln pcs. tires per year.

Currently, as part of the tire business, under the management of LLC MC TATNEFT-Neftekhim, the following enterprises are merged:

- For the production of tire products — PJSC Nizhnekamskshina, LLC Nizhnekamsk Truck Tire PFactory, LLC KaMaRetrad*, LLP KamaTyresKZ
- Servicing production — JSC NMZ, JSC Yarpolimermash-Tatneft, LLC Energoshinservis, LLC SBO Shinnik
- For the supply of raw materials and commodities, as well as the sale of products — LLC Trading House Kama, LLP Trading House Kama-Kazakhstan
- For the design, development and testing of tire products — LLC Scientific & Technical Centre Kama

Strategic goals and objectives of the tire business

- Arrangement of tire production in the Republic of Kazakhstan
- Increase in the production of all steel cord tires to 2.8 mln pieces per year
- Reconstruction of the first flow and increase in the production capacity of the second flow of PJSC Nizhnekamskshina
- Organization of production of oversized tires
- Reconstruction of the flow for the production of combined tires of LLC Nizhnekamsk Truck Tire Factory

As part of the investment program of the tire business enterprises of the TATNEFT Group KAMA TYRES for 2021, the implementation of projects aimed at developing the production of tire products, modernizing existing equipment, improving product quality and energy efficiency of production continued. During the year, RUB 11.9 bln were invested in business development.

In the reporting year, a joint venture between PJSC TATNEFT and Allure Group of Companies (LLP KamaTyresKZ) began construction of a factory for the production of car tires in the city of Saran, Republic of Kazakhstan. The tire factory's products will be used to complete cars in Kazakhstan, which will increase the localization of related industries, while part of the products will be exported. The joint venture and the Industrial Development Fund JSC entered into a financial leasing agreement that allows for the purchase of modern

automated equipment for the production of tires. Fund raising is one of the measures of state support for the project by the Government of the Republic of Kazakhstan.

Results achieved

- 12.36 mln pcs. of tires produced
- 40 tire positions were mastered in serial production (passenger and light truck assortment — 31, truck tires — 9): Viatti Strada 2 passenger road tire line, KAMA QUADRO ATM tires for all-terrain vehicles and ATVs, KAMA FLAME A/T for LADA Legend 4x4 vehicles, KAMA ALGA tire line, KAMA 365 LT line tires and Viatti Bosco H/T line tires
- Expansion of the range of tires of the KAMA PRO, KAMA, KAMA GRANT lines continued
- Reconstruction of the production of combined tires at LLC Nizhnekamsk Truck Tire Factory began
- A project was put into operation to increase the production of Viatti tires to 6.2 mln pcs. a year
- Production of two standard sizes of tires for all-terrain vehicles was arranged
- The first stage of the project to increase the production of all-steel steel tires to 2.8 mln pcs. a year was put into operation
- Contracts were concluded for the supply of equipment for the production of large-sized solid steel and composite tires

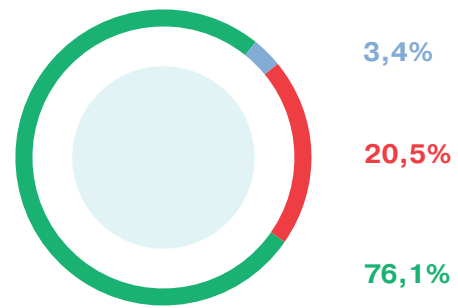
In the design, development and production of new tire lines, the latest developments of KAMA TYRES enterprises in the field of tire design, rubber compound formulations and production technology are used. The general trend in the development of tires is to increase their technical performance to meet the increased needs of automotive, agricultural and other equipment. The ongoing innovative projects of KAMA TYRES enterprises are aimed at reducing production costs, improving the operational characteristics of tire products, diversifying products and expanding the geography of their sales. Main export countries: Kazakhstan, Belarus, Ukraine, Armenia, Azerbaijan, Moldova, Uzbekistan, Georgia, Kyrgyzstan, Tajikistan, Brazil, Romania, Lithuania, Czech Republic, Greece, Poland, Bulgaria, Mongolia, Hungary, Serbia, Cuba, Italy, Latvia, Germany, Slovakia, Slovenia, Sweden and other countries.

Plans for 2022

- Completion of the construction for the tire factory of LLP KamaTyresKZ in the Republic of Kazakhstan
- Increase in the production of all steel cord tires to 2.8 mln pieces per year
- Large-scale work on import substitution of raw materials
- Increase in tire production to 12.45 mln pcs

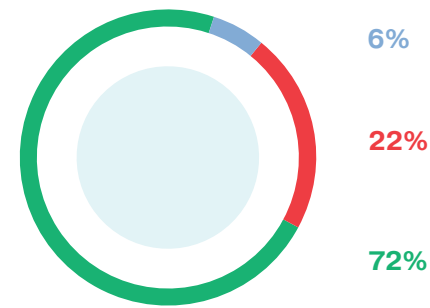
* LLC KaMaRetrad was reorganized in the form of a merger with LLC Nizhnekamsk Truck Tire Factory on May 27, 2021.

Primary tire product types



Passenger-car, light-truck
Truck
Agricultural, other

Tire sales markets



Aftermarket in Russia
Parts assemblage
Export direction

Tire output dynamics, mln pcs.

Period	2019	2020	2021
Passenger-car, light-truck	7.4	7.9	9.4
Truck	2.7	2.8	2.7
Agricultural, other	0.2	0.2	0.2
Production	10.3	10.9	12.3

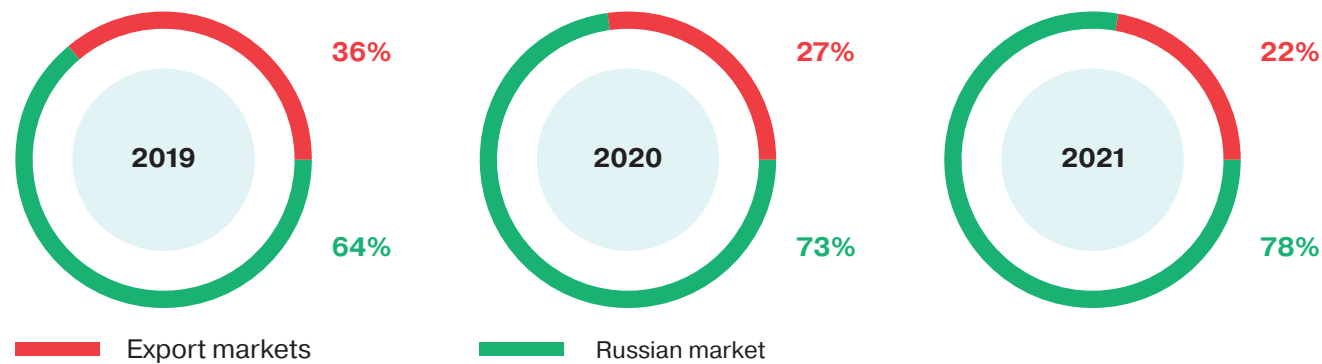
The Russian market is a key sales market for the tire business, not only in terms of sales volumes, but also in terms of profitability. The main sales of tire products are carried out through the wholesale channel, including at the expense

Tire sales dynamics, mln pcs.

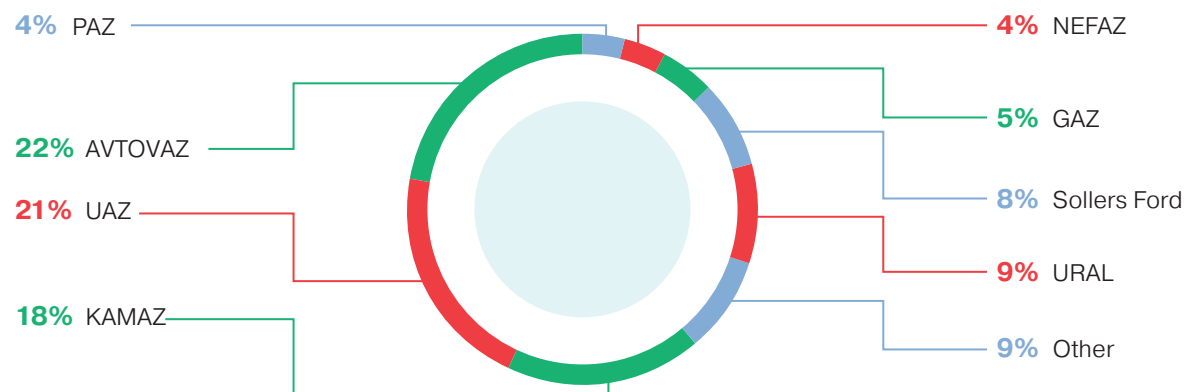
Period	2019	2020	2021
Passenger-car, light-truck	7.0	8.8	9.3
Truck	2.8	2.9	2.7
Agricultural, other	0.2	0.2	0.1
Sales	10.0	11.9	12.1

of separate subdivisions of LLC Trading House Kama, they also supply tires to car assembly plants for completing new automotive vehicles.

Tire sales markets



Main consumers of tire products in the parts assemblage market of Russia



Climate projects

The production of retreading all-steel tires saves primary resources and minimizes waste. The key to cost-effectiveness and long-term operation of all-steel tires is the ability to recut the worn tread and restore it. The cold recovery method used in production makes it possible to fully develop the entire resource of the carcass of truck tires. Compared to tires of a conventional combined design, all-steel steel tires save up to 15% of fuel, increase load capacity by up to 8% and have increased wear resistance with less weight.

Materials used for the production and packaging of products and services

GRI 301-1, 301-2, 301-3

Tire packaging is not provided.

Total weight (volume) of materials used to manufacture the main products, t

2019	2020	2021
249,215.8	256,275.8	270,853.7

Share of recycled materials used for the production of basic products and services, %

2019	2020	2021
99	99	99

Refurbished products: % of secondary products and their packaging materials for each product category

Years	directed to tire retreading, pcs.	tires retreaded, pcs.	% recovery
2019	9,891	5,975	60.4
2020	4,065	2,285	56.2
2021	2,263	1,389	61.4

Customer service quality

In order to continuously improve the quality of customer service, information on the perception of tire products by consumers is monitored to meet their requirements and expectations.

A system of communication with consumers has been built through a system of targeted surveys, submission of reviews and suggestions on the websites and application site of LLC Trading House Kama, obtaining information from social networks, surveying consumers of goods and services in the Tyre&Service trade and service centers, surveying retailers and members of the Viatti Online Club.

In accordance with the requirements of IATF 16949:2016 and the specific requirements of consumers, at least once every

six months, a comprehensive assessment of satisfaction is carried out based on the results of the survey. Satisfaction of consumers of tire products in the reporting year was 90%, including: the secondary market of the Russian Federation — 89%, export — 90%, the primary market of the Russian Federation (equipment and corporate clients) — 91%.

Measures for the safety of products and services for the health of the consumer

Marketing and labeling of products and services

GRI 416-1, 416-2, 417-1, 417-2, 417-3, 418-1

Each ingredient in the tire product composition has a safety data sheet. Mandatory input control of raw materials and materials is carried out in accordance with the "Plan of input control of raw materials and commodities", which establishes controlled indicators and frequency. The enterprise standard "Incoming quality control of raw materials and commodities" also regulates the procedure for conducting incoming quality control of raw materials and materials and its release into production.

Tests of raw materials, materials and finished products for their quality and safety are carried out in the laboratories of the Testing Center of LLC STC Kama.

In accordance with the requirements of the current legislation of the Russian Federation, tire products are labeled on 100% of tire products.

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, marketing communications during the reporting period, leading to a fine or other types of penalties. 2.12.2. Requirements for labeling products and services.

There have been no complaints regarding breaches of confidentiality and loss of customer data.

Customer loyalty programs

KAMA TYRES enterprises operate various loyalty programs and measures to attract additional consumers of tire products in order to increase the value of brands and promote products: a tire service as a gift when buying Viatti tires, an incentive loyalty program for sellers and administrators of retail outlets "Club Viatti", a program extended quality guarantee for Viatti tires, Viatti Cashback promotion.

In order to improve the quality of customer service for tire business products, the KAMA TYRES online store (kamatyres.shop) is actively developing. The growth in sales through online stores in 2021 amounted to 25.5%.

In order to increase awareness of the corporate brand KAMA TYRES, product brands KAMA, KAMA PRO, Viatti and increase consumer loyalty, our own and partner retail network of professional specialized tire centers is being developed — Tyre&Service. There are 34 professional specialized tire centers in 28 regions of Russia: 13 of them are for trucks and 21 are for cars.

Petrochemistry



Strategic goals

The petrochemical sector represents new business growth points with high long-term potential. By investing in the petrochemical industry, the Company reduces the Group's market risks through diversification, gains additional synergies with its refineries and gas processing plants, and increases the stability of generated cash flows and its profit margins. The Company's goal is to create a unified integrated petrochemical complex based on the processing of available volumes of raw materials.

The competitive advantages of the petrochemical sector are the creation of a complete technological chain that reduces raw materials and logistics risks; increase in the share of processing of own raw materials; import substitution of raw materials and products.

Structure of the petrochemical complex

The Company concentrated its main efforts on the development of fundamentally new modern production facilities, as well as the modernization and improvement of the efficiency of the existing assets of LLC Togliattikauchuk.

A new project is being implemented for the production of styrene-butadiene rubbers. The established joint production LLP Butadien in the free economic zone of the Republic of Kazakhstan will strengthen the Company's position in the rubber business.

Work is underway to integrate the Ecopet Group of Companies (Kaliningrad), acquired in 2021, into the technological chain of Tatneft. This asset will make it possible to fill in the missing link in the chain from the producer of raw materials to the end consumer, as well as to use this site for the further development of petrochemical industries. In 2021, 87% of investments in the business area are directed to the acquisition of Ecopet Group.

Strategic development projects

- Production in Togliatti of styrene-butadiene latex (BSL) worth RUB 16 bln
- Production of terephthalic acid (TFA) in Nizhnekamsk worth RUB 68 bln
- Production of rubbers in Kazakhstan. The cost of the project is RUB 71 bln
- Production of maleic anhydride worth RUB 14.8 bln

Development plans and achieved results

- Project for the construction of a plant for the production of rubbers and latexes based on butadiene and styrene with a total capacity of 100 thousand tons per year on the basis of LLC Togliattikauchuk. A licensing and engineering agreement was signed for the production of new types of nitrile butadiene rubber (NBR) and styrene butadiene carboxylated latex (XSBR). Work has begun on the development of basic projects. The design of production will be carried out in accordance with European environmental standards in order to minimize the impact on the environment.
- A roadmap was signed for the implementation of the project and a framework agreement on the creation and management of a project company based on the joint production of Butadien LLP in the free economic zone of the Republic of Kazakhstan.
- The company plans to build a terephthalic acid (TPA) unit at the site of the Taneko oil refinery with a capacity of 600 thousand tons per year, which will provide JSC Ecopet with its own raw materials, and in the near future acquire the role of the main producer and supplier of TPA in the regional markets of polyethylene terephthalate (PET). A strategy for the further implementation of the project has been defined, a license agreement has been prepared, a pool of main potential partners has been identified.
- Project for the construction of a propane dehydrogenation and polypropylene production unit with a capacity of 270 thousand tons per year, implemented in the Almet'yevsk district. The development of basic projects has been ensured, the feasibility study has been updated. An analysis of the consumer market of the final products was carried out.

LLC Tolyattikauchuk

One of the largest enterprises of the petrochemical complex in Russia with the main activity in the production of synthetic rubbers of various grades, which are the raw material for tires and rubber products. The enterprise ranks third among Russian enterprises in the production of synthetic rubber. LLC Togliattikauchuk is a resident of the industrial park Togliattisintez.

The main consumer of rubber is the Company's tire business is KAMA TYRES. Products are supplied to more than 50 regions of Russia, the CIS countries, the European Union, Asia, the Middle East, North and South America, including global tire brands (Continental, Pirelli, Bridgestone, Yokohama, Nokian Tyres, Goodyear).

Structure of design capacities, thousand tons per year

Description	2019
Butadiene production from butylene-butadiene fraction	120
Production of gasoline additive	39
Production of synthetic styrene-butadiene rubbers (SSBR)	60
Isoprene production from isobutane and formalin	90
Production of synthetic polyisoprene rubbers (SPR)	100
MTBE production	120
Isobutylene production at IIF	165
Production of concentrated isobutylene (CI)	60
Butyl rubber production (SBR)	75

The volume of manufactured products in 2021 amounted to 513 thousand tons, revenue (net) — RUB 28,810 mln (without intragroup sales), the volume of processed raw materials — 594.1 thousand tons.

Customer service quality and strengthening customer loyalty

In order to constantly improve the quality of customer service, an analysis of customer satisfaction in terms of product perception is carried out, supplier categories "Excellent" from well-known tire brands are obtained. The management system was certified for compliance with the requirements of the automotive industry quality management system standard IAF 16949. Rubber SKI-3 became a laureate of the competitions "100 Best Goods of the Republic of Tatarstan" and "100 Best Goods of Russia" in the category "Industrial and Technical Products".

Materials used for the production and packaging of products and services

GRI 301-1

Description	2019	2020	2021
UFK containers thousand pieces (renewable material)	76,608	75,860	71,852
Corrugated containers thousand pieces (renewable material)	28,240	39,580	50,495
Plastic returnable containers thousand pcs.		50,547	50,555
Metal returnable containers thousand pcs.	75,320	42,003	14,094



Climate projects

To ensure stable production activities, careful and rational use of natural resources, the consumption of river water for production needs has been reduced through the use of recycled water obtained by changing the power supply scheme of the water circulation unit. Reduction of greenhouse gas emissions by 49,220.211 tons of CO₂-eq. and emissions of pollutants by 5.633 tons due to the decommissioning of process furnaces was achieved. Measures were taken to reduce emissions of pollutants through the purification of exhaust air using the technology of recuperative thermal oxidation. Automatic control systems are installed in plants for the production of high-octane methanol additive, steam and hot process water production.



Ecopet Group of Companies

Ecopet Group is the largest manufacturer in Russia and Eastern Europe of food-grade polyethyleneterephthalate (PET) in granules, intended for the production of PET bottles, as well as other types of food and non-food packaging under the Ecopet trademark.

The structure of the Group is represented by JSC Ecopet, which is a resident of the special economic zone in the Kaliningrad region, the supply of raw materials and materials, as well as the sale of products, is carried out by LLC Trading House Ecopolymers, LLC BaltTechProm provides infrastructure services to the Group.

Materials used for the production and packaging of products, thousand pieces

GRI 301-1

Raw material	2019	2020	2021
Soft container (big-bag), (renewable material)	213	215	225



Climate projects

The project to switch the boiler plant from fuel oil to natural gas will reduce greenhouse gas emissions from 28,826.6 tons of CO₂-eq. up to 27,458.3 tons of CO₂-eq.

Measures for the safety of products and services for the health of the consumer. Labeling requirements for products and services

GRI 416-2, 417-1, 417-2, 417-3

Information about the components of the product is set out in the technical specifications for the product. All commercial products are identified by means of quality certificates, marking labels on the packaging unit of products, a package of shipping documentation. A safety data sheet for a product is an obligatory component of technical documentation for products, the main purpose of which is to provide the consumer with information on the safety of industrial use, storage, transportation and disposal (disposal) of chemical products. Safety data sheets are available for each commercial product. 100% of finished products are labeled. The requirements of ISO 9001:2015 and IATF 16949:2016 are met.

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, in relation to marketing communications during the reporting period, resulting in a fine or other types of penalties.

Client Privacy

GRI 418-1

Compliance with the confidentiality of information in relations with clients and partners is achieved in the Company by signing non-disclosure agreements (NDA) with counterparties, partners at the stage of negotiations, conclusion and execution of contracts, compliance with the confidential information regime established by the Regulations on confidential information and the Rules for the use of information resources, compliance with the Regulations on the work with personal data. Additionally, local regulations in the field of personal data processing and commercial secrecy are applied.

During the reporting period, there were no complaints regarding breaches of confidentiality and loss of customer data.



Energy



The utilities are integrated into the business model of the Company and provide a full cycle of generation, transmission, and sale of heat and electric energy. The power and heat energy is supplied to provide its own facilities (supplying generation), external consumers (commercial generation), and households. The main generating facilities of the Group are located in the south-east of Tatarstan and include the facilities of Nizhnekamsk CHP and JSC Almetyevsk Heating Networks, transmission and sale of energy is carried out by LLC Tatneft-Energosbyt.

The existing energy capacities in TATNEFT Group's asset portfolio allows increasing the extent of vertical integration, reducing the dependence of its own energy needs on external market conditions, and optimizing power energy costs at the production facilities with the simultaneous development of commercial power generation (power energy supplies to external consumers) and new growth points, including clean energy.

Strategic goals

- Reliable energy supply of oil and gas production, refining, and petrochemical facilities of the TATNEFT Group while minimizing the cost of maintaining energy assets
- Modernization of the energy complex, introduction of modern technologies
- Reducing adverse impacts on the environment

The Company is implementing a large-scale modernization of the energy complex. RUB 7.1 bln of investment were allocated to projects for the reconstruction and expansion of capacities.

Results achieved

- The infrastructure was expanded to provide heat to the facilities of the TATNEFT Group in the Nizhnekamsk industrial hub. The load of LLC Nizhnekamsk CHP increased by 11%, which affected the efficiency of the plant and allowed to maintain heat energy prices for the enterprises of the TATNEFT Group
- The automated system "Scheduled hourly planning" of AS Energy Portal was put into commercial operation, which allowed to improve the quality of planning and increase the efficiency of electricity purchases
- Pre-project study was completed for the construction of a gas turbine plant based on an experimental turbine with a capacity of 150 MW within the framework of the state program CDA-stroke
- A project is being implemented to convert power boilers (TGME-464) of the Nizhnekamsk CHP to combustion of petroleum coke coming in the form of dust from the delayed coking unit of JSC TANECO. The project will allow diversifying the consumption of fuel resources

The projects are being implemented as part of the state support of the Russian Federation, for the period 2019-2021, the state allocated RUB 12.7 bln to energy projects.

The main volume of electricity generated 99.5% is sold on the wholesale market. 40% of the generated heat energy is sold to legal entities and the population, 60% is used for own needs.

Volume of generated energy

Indicators	Measurement unit	2019	2020	2021
Heat energy output	mIn Gcal	4.18	4.85	6.19
Power generation	mIn kWh	1,531.67	1,453.13	1,732.60

Types and volumes of energy sales

Indicators	2019		2020		2021	
	thousand rubles (excluding VAT)	share (%)	thousand rubles (excluding VAT)	share (%)	thousand rubles (excluding VAT)	share (%)
Heat, including:	3,981,125.26	—	4,775,163.14	—	5,973,762.99	—
TATNEFT Group	1,970,303.10	49.49	2,572,500.47	53.87	3,601,840.99	60.29
Other consumers	2,010,822.16	50.51	2,202,662.67	46.13	2,371,922.00	39.71
Electric power, including:	2,986,452.46	—	3,051,500.33	—	3,608,258.44	—
TATNEFT Group	10,228.23	0.34	10,685.10	0.35	16,480.95	0.46
Other consumers	2,976,224.23	99.66	3,040,815.23	99.65	3,596,756.13	99.54

Energy intensity factor (specific fuel consumption) for the main production

GRI 302-3

Indicator	UoM	2019	2020	2021
Energy intensity of the Exploration and Production process	Toe/thousand t.l.	8.20	10.59	8.13
Energy intensity of the process "Oil refining"	GJ/t	3.24	3.1	3.06

To calculate the energy intensity of the Exploration and Production process, the following types of energy were used: electricity, thermal energy, boiler and furnace fuel. The calculation was made for the production of 1 thousand tons of liquid.

To calculate the energy intensity of the "Oil refining" process, the following types of energy were used: electricity, thermal energy, boiler and furnace fuel. The calculation was made for the processing of 1 ton of crude oil.

Prospects, development plans

The volume of energy facilities of the TATNEFT Group is 310 substations with a voltage of 35-110 kV, 18,374 transformer substations with a voltage of 6 (10) kV. Power transformers with a total capacity of 2 858.6 MVA are in operation at substations with a voltage of 35-110 kV. The total length of overhead lines 6-220 kV is more than 17.5 thousand km. The Company is implementing a large-scale modernization of its own energy complex. The main priority when choosing modernization technologies is respect for the environment.

In 2022, it is planned to develop:

- Thermal energy 6.28 mln Gcal
- Electricity 1,760.82 mln kWh



Climate projects

In order to reduce greenhouse gas emissions, consumption of fuel and energy resources and reduce technological losses, the following measures are being taken: introduction of pipelines made of polymeric materials; the use of a composition (chemical reagent) for treating the internal surfaces of hot water pipes; sending for recycling of waste oil; introduction of operational remote control systems; introduction of pipelines made of reinforced polyethylene; use of deaerator steam for heating source water.

The applied XPlate™ technology on gas boiler equipment improves its energy efficiency and reduces natural gas consumption.

A project is being implemented to capture, use and dispose of carbon dioxide emitted by LLC Nizhnekamsk CHP and JSC TANECO, it is planned to capture and separate, and CO₂ to be liquefied and pumped into underground layers. The Company has carried out preliminary studies on the capture and treatment of carbon dioxide generated at the enterprises of the Nizhnekamsk zone for further transportation by pipeline and injection into the reservoir. The Company is considering the use of promising technologies for processing carbon dioxide into various marketable products.



Machine building



The development strategy of the TATNEFT Group's machine building business is focused on providing the Company's enterprises with the specialized equipment. The machine-building complex specializes in the production of metallurgical products and heavy engineering products and covers all stages of equipment manufacturing. Having unique capacities and technologies, the enterprises produce equipment for the oil and gas production, oil and gas processing, petrochemical and energy industries.

The structure of the business area includes the Bugulma Mechanical Plant (BMP), JSC TatNIneftemash and the Tatneft Trade and Technical House (LLC TTH).

BMP is one of the leading enterprises in the country, producing equipment for the oil and gas production, oil and gas processing, petrochemical and energy industries. BMP specializes in the production of air coolers, heat exchangers, internal and external anti-corrosion coating of pipes, evaporators, condensers, heaters, refrigerators, separators,

filters, chain drives (3, 6 m), capacitive cylindrical devices for gas and liquid media, underground tanks, liquid separators, pressure regulators, DMCS products.

JSC TatNIneftemash specializes in R&D in the field of oilfield engineering, thermal and hydraulic calculations, the manufacture of certain types of prototypes and batches of equipment (flare heads, duty heaters, ignition and control systems). Work has begun on the development and manufacture of equipment for the processing line of used car tires and rubber products.

The task of LLC TTH Tatneft is to organize production orders for and sell products to consumers.

The volume of production, works and services for 2021 amounted to RUB 2,844 mln.

In 2021, we managed to increase the production of oilfield equipment by 26% and other products by 37%.

Product output, RUB mln

Indicators	actual			plan
	2019	2020	2021	2022
Total products and services, incl.	5,563	4,302	2,844	5,870
for PJSC TATNEFT	3,811	2,834	1,988	4,218
for third parties, including LLC TTH	1,752	1,469	856	1,652
By product type				
Oil equipment, incl.	696	1,227	497	741
for PJSC TATNEFT	329	778	352	233
for third parties, including LLC TTH	368	449	145	508
ACU, incl.	1,002	1,170	669	2,110
for PJSC TATNEFT	259	688	468	1,400
for third parties, including LLC TTH	743	483	200	710
Oilfield equipment, incl.	1,137	241	304	1,460
for PJSC TATNEFT	1,115	241	298	1,460
for third parties, including LLC TTH	22	0	6	0
Pipe products, incl.	1,685	856	672	1,336
for PJSC TATNEFT	1,243	385	392	937
for third parties, including LLC TTH	442	471	281	399
Service, incl.	826	686	534	0
for PJSC TATNEFT	787	648	420	0
for third parties, including LLC TTH	39	38	114	0
Other products and services, incl.	217	122	168	223
for PJSC TATNEFT	78	94	58	188
for third parties, incl. LLC "TTD"	138	28	110	35

Results achieved in 2021

- New types of products for oil refineries have been developed
- New techniques and technologies aimed at mastering new types of products have been introduced
- New approaches to scheduling and management of production risks and processes have been introduced, which reduce the risks of delays in the delivery of equipment to key customers
- Dispatching of production processes, aimed at reducing losses in the manufacture of products, has been arranged.

Plans for 2022

Order portfolio structure: 72% — orders of the TATNEFT Group, 28% — orders of third-party enterprises.

In 2022, the plant assumed obligations to supply the main static equipment in the amount of about 150 units for JSC TANECO and LLC Nizhnekamsk CHP.

Customer Satisfaction Surveys

On the basis of consumer satisfaction monitoring, an analysis of the results was carried out on the identified comments and directions for their improvement were identified, including for maintaining the occupied share of BMP on the market.

416-2, 417-2, 417-3

There were no cases of non-compliance with the rules regarding the impact of products and services on health and safety, in relation to information and labeling about products and services, in relation to marketing communications during the reporting period, resulting in a fine or other types of penalties.



Composite materials



Climate projects

Over the past decades, composite materials have taken an important place in various industries. Their application ensures the qualitative development and competitiveness of the industrial sector and the Russian economy as a whole. The leadership of the Republic of Tatarstan, attaching great importance to increasing the depth of processing of raw materials available in the region and increasing the added value of products manufactured in the region, has set a strategic task to introduce high technologies for the production of composite materials on the territory of the Alabuga Free Economic Zone. To achieve this goal, PJSC TATNEFT has created an efficient production chain from raw materials to finished products made of composite materials. The business line includes LLC Tatneft-Presskompozit, LLC P-D Tatneft-Alabuga Steklovolokno and LLC KAMATEK.

The projects planned by the Company in the business area are related to the reduction of greenhouse gas emissions, the transition to a circular economy and rational production. The project for the construction of fiberglass pipelines will replace steel pipes with fiberglass pipes, the carbon footprint of which is 2.1 times lower. The expansion of the production of composite automotive components will help reduce the weight of vehicles, reduce fuel consumption and greenhouse gas emissions. The transition to a circular economy will be provided by projects for the commercialization of the use of fiberglass waste and composites. New projects related to the production of thermoplastic composite materials will demonstrate the effectiveness of sustainable production, the waste of which is involved in technological processes.

The Company selects the technologies and product range to gain the maximum synergistic effect and import substitution of foreign analogues in the Russian market. The Company uses its output products in the development of oil fields, construction of the TANECO Oil Refinery plants and units, and building of infrastructure facilities.

In 2021, RUB 0.1 bln were allocated to current development projects in the business area. Investments are aimed at the implementation of projects that provide an increase in output and expansion of production.

The composite materials have a variety of advantages — such as strength, corrosion resistance, light weight, durability, low electrical and thermal conductivity — do not interfere with the propagation of electromagnetic fields and radio frequency waves.

LLC P-D TATNEFT-Alabuga Steklovolokno

One of the largest manufacturers of glass fiber and products based on it in Russia and the CIS. The products of LLC P-D Tatneft-Alabuga Steklovolokno are in demand in the construction industry, road construction infrastructure, automotive industry, housing and communal services, oil and gas production, the electrical industry, shipbuilding and aircraft construction, and wind energy.

Composite products contribute to reducing the carbon footprint compared to the production and smelting of iron, steel, by replacing and using them in the automotive industry.

Volume of manufactured and sold products, t

Name of products	2019		2020		2021	
	Produced	Sold	Produced	Sold	Produced	Sold
Direct roving	11,459	10,165	13,406	14,665	14,458	14,107
Complex thread	1,424	1,401	3,460	3,440	2,903	2,860
Assembled roving	2,617	2,532	1,421	1,550	1,706	1,800
Chopped glass fiber	2,242	2,417	3,385	3,436	1,086	1,371
Roving fabrics	511	494	595	594	619	601
Twisted thread	1,455	1,423	1,345	1,326	2,023	2,051
Glass mats	292	348	397	379	638	709
Fiberglass mesh	689	626	1,026	1,037	1,265	1,204
Grade C products	1,508	1,067	1,534	1,349	2,942	2,421

Sales markets

Russian Federation — 75% (43 regions), export — 25% (Germany, Hungary, Latvia, Slovakia, Turkey, Uzbekistan, Kazakhstan, Belarus, Ukraine, Moldova).

Plans for 2022

- Increase in production volume by 30.3 thousand tons
- Increase in revenue by 113% due to an increase in sales volumes by 111%

The main directions for the formation of the assortment portfolio are determined by the Company's Development Strategy. One of the priority areas is the increase in sales of twisted fiberglass threads, the development of the sector for the supply of fiberglass meshes, the substitution of imported products, the development of the market for assembled rovings for acrylic baths (import substitution).

LLC Tatneft-Presskompozit

The key sales markets for the products of LLC Tatneft-Presskompozit are: oil and gas and petrochemical industries, construction projects in a chemically aggressive environment, including salty sea water, automotive, infrastructure projects. The main production technology is a composite material based on unsaturated polyester resins, fiberglass and mineral fillers, which allows the production of composite products in the form of fiberglass pipes and profiles, as well as SMC (Sheet Molding Compound) and BMC (Bulk Molding Compound) compounds.

Results achieved

- Approval in June 2021 of the state standard "Field pipelines made of fiberglass pipes. Design and operation rules" GOST R 59411-2021. The new standard establishes requirements for the design, construction and reconstruction of field pipelines made of fiberglass pipes, which will ensure the reliability of their operation and safety for the surrounding infrastructure and the public. The document was developed by LLC Tatneft-Presskompozit together with the All-Union Research Institute for the Construction and Operation of Pipelines, Fuel and Energy Complex Facilities (JSC VNIIST).
- A sample of a modular landing platform for JSC Russian Railways, made of composite materials, was developed and assembled for pilot operation.
- The goal of reducing rejects and technological waste by 37% during the implementation of the investment project "Increasing the productivity of SPT equipment by 30%"

was achieved, which was aimed at modernizing and mechanizing current production equipment and processes in order to increase their productivity, reduce rejects and technological waste.

- New types of products have been developed: fiberglass pipes in polyurethane foam insulation for transporting heat energy and hot water supply, composite outdoor lighting poles with bright external lights, antistatic trays (a certificate of compliance with industrial safety requirements has been received).

Sales markets

Russian Federation — 94.5%, export — 5.5% (Belarus, Kazakhstan)

Plans for 2022

- Start of work of the second production line of fiberglass pipes on the territory of the existing production
- Construction of a plant for the production of fiberglass pipes in Bavly, which will increase productivity by 2.5 times

LLC KAMATEK

LLC KAMATEK has the technical and production potential, experience and knowledge of the technical features and advantages of products from SMC (Sheet Molding Compound) compared to products from other materials, and is actively involved in the project of introducing products from SMC of a domestic manufacturer to the Russian market. LLC Tatneft-Presskompozit and LLC P-D Tatneft-Alabuga Steklovokno, together with LLC KAMATEK, are conducting laboratory research to obtain a material that fully meets the technical requirements for the manufacture of composite products from SMC/BMC. The main direction of the enterprise is the production of auto components.

Sales markets

Russian Federation — 100%.

Plans for 2022

- Commissioning of the resulting priming and painting line, to ensure a full cycle of operations to obtain finished painted products
- Implementation of R&D on the project of organizing a small series site using bypass technology
- Installation of an additional type of technological equipment in the form of a robotic cell for gluing parts
- Start of production of 3 parts from SMC for the automotive industry
- 23% increase in sales

LLC Tatneft-Presskompozit. Volume of manufactured and sold products, t

Name of products	2019		2020		2021	
	Produced	Sold	Produced	Sold	Produced	Sold
SMC	539	524	301	269	250	221
Profiles	727	1,046	398	371	693	717
Fiberglass pipes	956	1,018	1,547	1,338	1,665	1,697
Total:	2,222	2,588	2,246	1,978	2,608	2,635

LLC KAMATEK. Volume of manufactured and sold products, t

Name of products	2019		2020		2021	
	Produced	Sold	Produced	Sold	Produced	Sold
Thermopressing	381	386	410	449	670	640



Banking business



The banking business in the portfolio of the TATNEFT Group is represented by the companies of the ZENIT Banking Group (hereinafter referred to as the Bank). Over the past few years, the Bank has set itself the goal of developing as a universal bank on a multi-regional scale. The Bank is consistently implementing the Development Strategy within the framework of the universal bank model, the basic principles of which are a conservative approach to increasing business volumes, to taking risks in order to ensure asset quality, reliability and financial stability.

The Bank's sales network includes 109 divisions in 22 constituent entities of the Russian Federation, including 68 subsidiary offices, 40 operating cash desks outside the cash center and 1 branch. The Bank is implementing a set of measures aimed at network development.

Strategic goals

The Bank's goal is to build a sustainable business model without concentration of assets and financial results on one business segment, providing a predictable financial result for shareholders, attractive to investors in the long term.

The main areas of development remain changing the business model with a focus on the mass segment, focusing and improving operational efficiency, developing digital products and increasing competitiveness.

Main vectors of development

- Maintaining portfolios in the corporate investment business segment, but outpacing the growth of mass types of business, to reduce the risk of concentration and volatility of the financial result
- Strengthening presence in business segments that meet the requirements for the target level of return (return on equity (ROE) of more than 10%) – retail business with a focus on car loans, consumer lending to low-risk client segments, SME segment, factoring
- Reduction in the cost of the operating model by simplifying supporting processes, bringing the efficiency of service and sales channels to the level of market practices
- Consistent modernization of the business by optimizing the "customer path", reducing the time and labor costs of clients for interaction with the Bank

Results achieved

Corporate Business

- The loan portfolio of corporate business grew by 47%, or by RUB 22.3 bln, to the level of RUB 69.4 bln.
- The Bank took part in large transactions of syndicated lending for a total amount of more than RUB 20 bln
- The portfolio of leasing transactions more than tripled from RUB 1.5 bln up to RUB 5 bln. The Bank's subsidiary was declared the winner of the tender for the leasing of 83 wagons for the needs of Russian Post JSC
- The portfolio of factoring transactions showed a two-fold increase from RUB 3.7 to RUB 6.2 bln. The main increase was provided by transactions with companies in industrial and commercial sectors

Small and Medium Enterprises

Bank Zenit continued its development in the segment of small and medium-sized businesses. Particular attention is paid to improving the efficiency of lending processes and reengineering the process of providing electronic bank guarantees.

- A pilot project for a simplified lending process for transactions up to RUB 60 mln was launched.
- The conditions for granting overdrafts were updated, which made it possible to increase the number of clients by 30%.
- The volume of customer support for lending on preferential terms, implemented within the framework of government programs, has grown from RUB 2 bln. up to RUB 4.4 bln.

Results of lending in the segment of small and medium-sized businesses:

- Inbound sales funnel expanded by 67%
- Lending to new borrowers increased by 79%
- The number of unique borrowers doubled
- Increase in the volume of loans issued by 50%
- Net loan portfolio increased by 15%

Investment Business

The securities portfolio increased by 4% and amounted to RUB 61.5 bln.

The Bank entered the international bond market of such countries as China, Turkey, Australia, Latin American countries: limits were opened for foreign issuers of securities in order to diversify risks and increase portfolio returns.

The Bank returned to the market for arranging bond loans and took part in 7 transactions totaling more than RUB 70 bln as an arranger or co-arranger. A project was also implemented to launch an electronic platform for currency conversion, which expanded the capabilities of customers and gave the bank a competitive edge in this area.

Retail business

Servicing individuals is one of the Bank's priorities. Retail business operating income per active customer increased by 22% by the end of the year. Operating income from mortgage lending amounted to RUB 264.9 mln.

The Bank increased the volume of mortgage lending by 43.1%. The largest volume of loans (87%) fell on the Moscow region, St. Petersburg, the Leningrad region and the Republic of Tatarstan.

The Bank actively developed consumer lending for customers and employees of the TATNEFT Group, including improving the service for providing loans and expanding customer opportunities.

Improving the quality of customer service

The Bank actively improved the quality of customer service and maintenance. This made it possible to reduce the volume of claims by 1.5 times and keep the indicator at the level of the best market standards. The Bank is working on the availability and absence of queues in the branch, reducing the waiting time for customers. Develops the capabilities of the ZENIT Online mobile application, which is confirmed by the growth of the rating on Google Play and the AppStore (from 2.1 to 4.7). The contact center and chat show a consistently high level of customer service quality, better than market benchmarks.

The Bank was highly recognized by the expert jury in various ratings. Thus, the credit institution was included in the top 30 most efficient banks in Russia according to the Kommersant Publishing House, in the 100 most reliable Russian banks according to Forbes magazine, in the rating of deposits with the highest rates for premium clients according to the financial portal Frank RG and in the top rating - managers of SME divisions of Russian banks according to the media project "Banking Review" and the analytical center BusinessDrom.

Interaction with Stakeholders

GRI 102-12

In accordance with the strategy of sponsorship and charitable activities aimed at supporting SDG 4 "Quality Education", the Bank organized and conducted the first ZENITON hackathon together with Innopolis University; financed the "School UPGRADE" project, within the framework of which comfortable zones designed according to the ideas of schoolchildren were opened in three educational institutions of Almetьевsk; provided financial support to the project of creating a digital laboratory for the development of engineering skills among preschoolers in the city of Naberezhnye Chelny; developed the FinZ Family training course aimed at improving the financial literacy of large families. With the support of the Bank, the annual interregional festival "Young Talents of Russia" and the International Music Festival "Poet and Music" named after A.I. Musa Jalil were arranged. The financial institution became a partner of the ethno-cultural festival Karakuz Almet Fest, organized the Zenit Techno Lab exposition. The Bank began to cooperate with the charitable organization Rusfond. It took part in the New Year's action of the charity fund Love Syndrome.

Bank ZENIT participates in the following professional associations on banking issues: Association of Banks Russia (ABR), National Council of Financial Markets (NCFM), SRO National Stock Association (NSA) and National Association of Stock Market Participants (NASMP). The Bank comes up with its proposals and initiatives on topical issues of development of the banking sector and banking legislation. The Bank also actively participates in pilot projects of Rosfinmonitoring and the Bank of Russia.



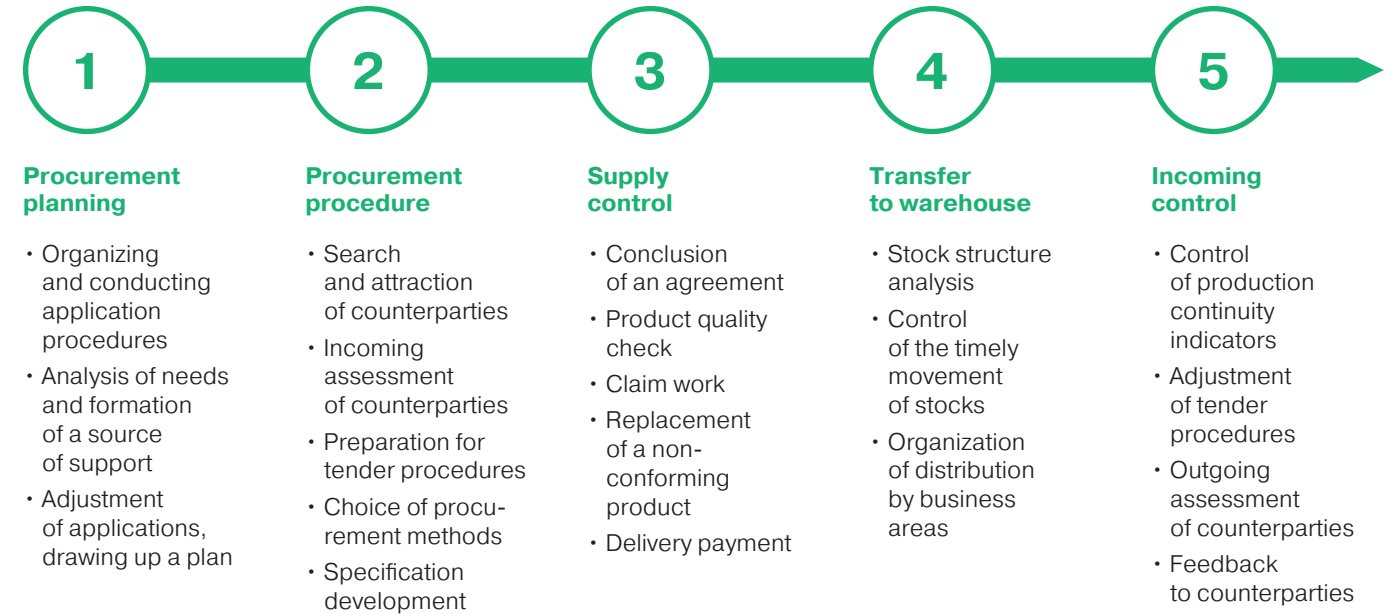
Supply chain

GRI 102-9, 204-1, 308-1, 308-2, 407-1, 414

Supply chain is interconnected processes involved by the Company at all stages of value creation: from procurement to delivery of products by the customer. The Company's

supply chain management is aimed at ensuring the smooth functioning of the Group's enterprises, the quality of products and the reliability of their supply to consumers.

Supply Chain



Procurement principles

Transparency

The Company ensures transparency of procurement, expansion of competition and equal access of market participants through open procurement procedures. The Company makes publicly available information about its responsibility to stakeholders, expecting mutual responsibility of suppliers for the transparency of their activities.

Competitive advantages

It selects its suppliers according to the unified rules, only based on open e-bidding. Each potential supplier has an opportunity to participate in the tender procedure with the mandatory confirmation of compliance with the established criteria.

Liability

The Company integrates goals to reduce greenhouse gas emissions throughout the supply chain and into the life cycles of business processes, products and services, including contractors and suppliers. The Company considers contractors for compliance with their activities in the field of industrial and environmental safety, energy consumption, transition to carbon neutrality, corporate and social responsibility.

Reputation

The Company conducts a review and examination of supply chains to avoid conflict and violation of the rights and legitimate interests of other parties, a program has been introduced to combat corporate fraud and corruption in the supply chain.

Best practice

The Company selects suppliers on the basis of an open electronic tender procedure according to uniform unified rules, implements automated procurement management systems and uses electronic information platforms to interact with suppliers.

Procurement procedure

The organization and conduct of procurement procedures, as well as the consideration and approval of their results in the Company, is carried out through a single Procurement Center. Enterprises of the TATNEFT Group, which independently carry out purchases, perform the functions of the Procurement Center in accordance with the documents adopted by the Company:

- Standard for Checking Suppliers of Goods, Works and Services according to the Criteria of Economic Security of PJSC TATNEFT
- Goods Procurement Standard of PJSC TATNEFT
- Procurement Standard for Works, Services of PJSC TATNEFT
- Regulations on the organization of contractual work in PJSC TATNEFT
- Regulation on compliance with anti-corruption rules and regulations in the process of fulfilling contractual obligations.

Company's business areas, a procurement plan and program are formed on a quarterly basis. The procurement program is posted on the trading and purchasing, electronic trading platforms and the Company's website. The Procurement Center searches for and attracts counterparties. The choice is made through the use of scoring, rating, work with complaints. Counterparties that have committed serious violations are included in the "stop lists" and are subsequently not allowed to participate in tender procedures. Also, potential counterparties who have not passed the compliance procedure are included in the "stop lists".

The Procurement Center may decide to select two or three alternative counterparties that provided the best offers, if the volume of the lot can be distributed among several contractors. Using this mechanism, the Company ensures competition and diversifies risks by distributing the volume of purchases among several counterparties, ensuring the stability and continuity of the production process.

Trading and purchasing platforms of the Company



Trading and purchasing platform of PJSC TATNEFT

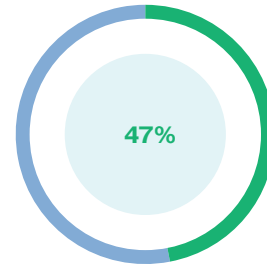
<http://etp.tatneft.ru>



Federal electronic trading platform B2B-Center

<https://www.b2b-tatneft.ru>

According to the results of procurement in 2021, more than 2.5 thousand contracts were concluded for an amount exceeding RUB 101 bln. Based on the results of procurement for works and services, the total amount of contracts concluded with small and medium-sized businesses (SMEs) is 43%.



The share of purchases from local suppliers varies by business areas of the Company and averages up to 47% of the total volume of purchases

A project is planned for 2022, during which the Company will act as a procurement organizer for the needs of controlled organizations purchasing from entities subject to the Federal Law "On the Procurement of Goods, Works, Services by Certain Types of Legal Entities" No. 223-ФЗ dated July 18, 2011. Within the framework of this project, it is planned to expand the access of SMEs to procurement procedures (singling out purchases separately for SMEs, developing a list of goods, works, services for procurement from SMEs).

Transparency and openness of the procurement system

To improve the quality of communications and inform procurement participants, an open business account was implemented on the Zakupki_Tatneft Telegram channel. Information on the posted procurement procedures and the procurement plan is updated weekly. The channel has a chat bot (@zakupki_tatneft_bot) that allows getting answers to frequently asked questions (procurement rules, information about the required documentation, terms of the procurement procedure and much more other useful information on the procurement process).



Zakupki_Tatneft

To increase the transparency and digitalization of the procurement function, the Company is implementing an automated procurement management system. Automation is based on the principles and rules of category management and is focused on transferring routine operations to automatic execution.

Implementation of the system provides:

- Controllability and transparency of the procurement process
- Reduction in the cost of procurement procedures (at least 30%)
- Reduction of manual labor (at least 50%)
- Reduction in the number of errors (at least 50%)
- Acceleration of procurement procedures (at least 30%)
- High-quality analytical tools for management

Compliance system

In order to identify reliable counterparties, a 3-stage control system for compliance with the requirements applied in the Company is used, including:

• Confirmation of compliance with the requirements

Counterparties undergo a compliance check procedure confirming the possibility of high-quality and timely fulfillment of obligations, including requirements for experience in similar work, sufficiency of technical equipment, specification and certification of products, necessary permits provided for by the legislation of the Russian Federation. All requirements for participants are unified.

• Technical audit

If the potential winner of the procurement has no experience, a technical audit is carried out with a check for the availability of sufficient technical, material and labor resources, as well as an assessment of his ability to perform the upcoming scope of work, services with due quality and on time. In total, more than 230 technical audits were conducted in 2021, most of which were conducted with the visit of the Company's specialists.

• Due diligence

In accordance with the principle of due diligence, the Company conducts due diligence in accordance with the regulations, which allow determining the level of risk of concluding an agreement with a particular applicant, as well as during the fulfillment of the agreement.

Before selecting a supplier and concluding an agreement, PJSC TATNEFT performs a 100% check for compliance with the corporate rules of PJSC TATNEFT with the assignment of a trustworthiness status.

Responsible engagement

The key requirement, in addition to the requirement of counterparty reliability, is also responsible business conduct, which involves:

• Minimizing adverse impacts on the environment

The Company takes into account that in the course of production activities, as well as the transportation and consumption of manufactured products, emissions of pollutants occur, which, among other things, may affect the climate. The Company engages with counterparties to take steps to reduce their emissions in order to achieve the overall goal of moving towards zero emissions. In order to encourage contractors to account for greenhouse gas emissions and verify reports, work has been arranged to include in the tender procedure the requirements for the provision of verified reports on emissions for a certain list of works and services. Obligations to provide a verified report are included in contracts concluded as a result of the procurement procedures.

• Compliance with the rules of labor protection and industrial safety

The Company has uniform requirements for the behavior of employees in the performance of their labor functions, as well as employees of contractors when performing work at the facilities of the TATNEFT Group. Contracts with a counterparty include obligations to comply with the rules of labor protection and industrial safety, according to which the counterparty undertakes to prevent violations in the field of industrial safety, labor protection and the environment on the territory of the Company.

• Compliance with the rights of employees of the counterparty

The Company respects the rights of counterparty employees in the field of labor protection, industrial safety and environmental protection, ensuring a safe working environment at its facilities. In addition, the Company evaluates information about the social aspects of a potential counterparty's activities, including its compliance with human rights.

Improving the quality of interaction in the supply chain

The process of interaction with market participants is constantly being modernized. To discuss procurement procedures, events are held with the invitation of potential participants. This practice allows participants to ask all questions of interest even before the end of the acceptance of proposals for individual purchases. In the future, it is planned to hold centralized online meetings with market participants.

The Company is a member of the Chamber of Commerce and Industry of the Republic of Tatarstan union, which additionally allows informing all its participants (more than 2,000 companies) about ongoing open procurement procedures.

Participants in procurement procedures can provide feedback on the Company's actions by contacting the Hotline by phone, e-mail or a special module on the electronic trading platform. Based on the results of the procurement procedures in 2021, 15 requests were received from suppliers of works and services. All questions received were promptly processed, none of these appeals was subsequently sent to the Office of the Federal Antimonopoly Service.

Increasing accountability in the supply chain

The Company has determined penalties for failure to meet the deadlines and quality of work performed, services, penalties in the field of industrial safety, labor protection and the environment. This information is in the public domain and the entire market of potential participants is aware of the penalties even at the stage of participation in the Company's procurement procedures. Information openness in this area makes it possible to assess in advance potential risks to the entire market of suppliers of works and services. According to the existing list of violations of industrial safety, fire safety, electrical safety, labor protection and environmental protection, the largest fines are provided for a fatal or serious accident. The amount of penalties can reach up to RUB 2 mln for each such case.

Rational consumption

The Company develops electronic document management with contractors. In the era of digitalization, there is a rejection of hand-written signing of contracts in favor of their electronic signing, which makes the document flow not only transparent and safer, but also rational in terms of resource consumption. 96% of procurement contracts are concluded with the help of an electronic document management system.

Strategic partnership

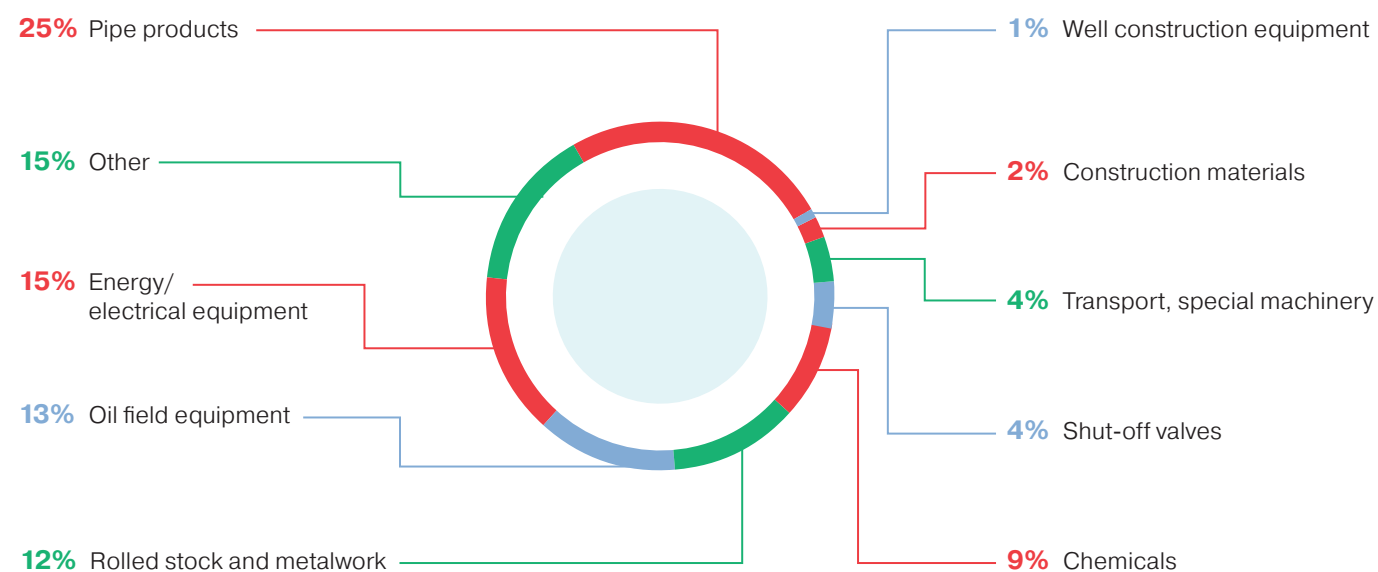
При соблюдении принципов ответственного взаимодействия Subject to the principles of responsible interaction and business ethics, the Company builds strategic partnerships with counterparties, which allows planning production needs for a long-term period. The mechanism of strategic partnership is the transition to the conclusion of long-term contracts. The share of contracts concluded for a long-term period of all purchases made in 2021 is 77%.

Freedom of association

GRI 407-1

The Company builds on its business activities based on the legislation requirements ensuring freedom of association and collective bargaining. The Company is not aware of counterparties in which these rights may be violated, or in which there is a significant risk of violation of these rights.

Purchasing structure





Corporate governance



Corporate governance system

GRI 103

The Company's corporate governance is aimed at ensuring the long-term sustainable growth of its shareholder value. A well-functioning corporate governance system is an important factor in sustainable development and successful implementation of the strategy to create shareholder value for the Company.

In order to make strategically reasoned decision, ensure effective asset management, high operational and financial performance, increase investment attractiveness and strengthen competitiveness, the Company has developed a corporate governance system.

The corporate governance system of the Company is built upon the strong engagement of its shareholders, the Board of Directors, top managers, executive bodies, employees, business partners, and local communities in the areas where the Company operates.

The Company has a clear division of powers and distribution of responsibilities between the governance and executive bodies, ensures assessment of performance of their functions and duties, has effective risk management and internal control mechanisms in place, prevents corporate conflicts, combats corruption and corporate fraud, observes fundamental human rights principles and ethical standards. Management of risks and opportunities related to climate change includes both setting goals and control over their achievement by the Board of Directors and making managers of the Company and the TATNEFT Group enterprises responsible for the implementation of the set goals.

When making strategic decisions, the corporate governance system created in the Company makes it possible to take into account the multifaceted economic, financial, macroeconomic, technological, environmental and social aspects of the Company's activities.

The Company maintains best corporate practices following the guidance of the Bank of Russia's Corporate Governance Code and the G20/OECD principles of corporate governance. It also pays due consideration to the international and national standards and regulatory documents relevant to various aspects of good governance.

In March 2021, TATNEFT received confirmation of its active status as a member of the UN Global Compact based on the results of the first year of joining the largest international initiative on sustainable development.

Historically, TATNEFT has been strongly committed to the principles of high corporate responsibility providing the alignment of the corporate interests with the UN Global Compact Agenda for sustainable development. This means that business decision-making abides by the fundamental ethical principles and human rights, the objectives of preserving a favorable environment, reducing the carbon footprint, improving social infrastructure, expanding innovation opportunities, ensuring economic growth, and improving the quality of life in the regions and areas where the TATNEFT Group's entities operate. Targeted programs are implemented

based on an open dialogue with the local community and stakeholders, which improves the targeting of the Company's initiatives and decision-making transparency.

The Company sees high potential for combining the efforts of all participants in the Global Compact to integrate corporate experience and actions in achieving the Sustainable Development Goals, which improves the corporate practice effectiveness in general.

The management of the sustainable development pillars is based upon the Company's actions aligned with the UN fundamental principles and Sustainable Development Goals, global trends in sustainable development, and national and regional development priorities

Management of the TATNEFT Group

GRI 102-18

The Company operates as a Group and acts as the corporate center of the Group, coordinating the business operations of the enterprises that form the Company's business streams and business segments.

The Company strengthens the mechanisms for the interaction of the controlled companies as the participants in the corporate environment of the TATNEFT Group, as practical strategic management tools, including the oversight of significant corporate actions in the controlled organizations.

To ensure the uniform principles of corporate governance and transparency of the TATNEFT Group's activities, the Company develops a system of consistent corporate standards to implement the corporate strategy, increase shareholder value, and successfully grow the TATNEFT Group into a single system.

The Company develops a unified corporate information platform for managing controlled companies. It expands the integration of common corporate standards for the TATNEFT Group's entities, including the ESG practices and consolidation of actions to implement the Sustainable Development Goals.

Corporate governance principles

- 1 Serving the legitimate interests of shareholders and pari passu in exercising their rights in the Company governance
- 2 Delineation of powers and determination of responsibility of the governance bodies and executive bodies in the Company governance
- 3 Functioning of a highly professional and effective Board of Directors, including a sufficient number of independent directors
- 4 Full accountability of the Company's governance bodies to the shareholders
- 5 Balance and effectiveness of the internal control and risk management system
- 6 Progressive and transparent dividend policy
- 7 Information openness and disclosure on all material events and the most significant aspects of the Company's activities for the shareholders and all interested parties
- 8 Ensuring long-term sustainable development of the Company
- 9 Commitment to fundamental human rights principles
- 10 Implementation of Sustainable Development Goals, development of ESG practices, and socially responsible investments
- 11 Openness to innovative technologies
- 12 Anti-Corruption
- 13 Compliance with ethical standards and maintaining an impeccable business reputation of the Company
- 14 Oversight of major corporate actions, including those in the controlled organizations
- 15 Open interaction with all participants in corporate relations

Improving information openness is an important factor in business sustainability. As a public company, TATNEFT is well aware of its responsibility to all stakeholders and strives to provide maximum full information about its business activities, financial results, and socially significant information, including implementing the UN Sustainable Development Goals.

Strategic corporate governance objectives

The Company builds its corporate governance on the integration of key priorities that form a single platform for managing the Company's shareholder value and maximizing the profitability of the asset structure

1

Improving the Company's investment attractiveness and shareholder value through the long-term sustainable development with integration of the 17 Sustainable Development Goals of the UN Global Compact and ESG factors

2

Building an efficient strategic and investment planning process, implementation of production and business plans, and operational performance

3

Constructive engagement of shareholders and investors with the Board of Directors and executive bodies for joint task-setting and effective decision-making

4

Professional and ethical responsibility of members of the Board of Directors and executive bodies, officers, and employees of the Company

5

An integrated system to ensure a high level of staff competence and human resource development, effective incentive mechanisms, and a KPI system

6

Safeguarding and improving the quality and structure of assets by improving the ownership and organizational structure

7

Development of an integrated risk management and internal control system

8

Integration of social aspects, industrial and environmental safety issues into the Company's Strategy and its current operations

9

Maintaining a high business reputation of the Company

10

Prevention and resolution of corporate conflicts

11

Providing high quality products and services

12

Ensuring transparency of the Company's activities and information openness

The Company strives to comply with corporate governance standards, as this is one of the most critical conditions for high efficiency and sustainability of the business and the basis for socially responsible management of the Company's activities

Key internal documents defining the corporate governance system



Articles of Association of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the General Meeting of Shareholders of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Audit Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the General Director of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Management Board of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Audit Commission of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Internal Audit Department of PJSC TATNEFT n.a. V.D. Shashin



Code of Corporate Governance of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Dividend Policy of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Information Policy of PJSC TATNEFT n.a. V.D. Shashin



TATNEFT Group Regulation



Risk Management and Internal Control Policy of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin



Regulations on Information Disclosure to Shareholders of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the Corporate Secretary of PJSC TATNEFT n.a. V.D. Shashin



Regulations on the procedure for access to the insider information of PJSC TATNEFT n.a. V.D. Shashin, the information privacy and confidentiality protection rules, and oversight of compliance with the laws of the Russian Federation and the European Union and the internal documents adopted thereunder

Improving corporate governance practices

In the reporting year, many efforts were made to improve the internal corporate procedures and practices and pursue sustainable development practices.

The adopted TATNEFT Group Integrated Management System Policy (effective since 01.01.2021) aims to ensure the effective management of shareholders' assets, rational use of natural resources and corporate social responsibility.

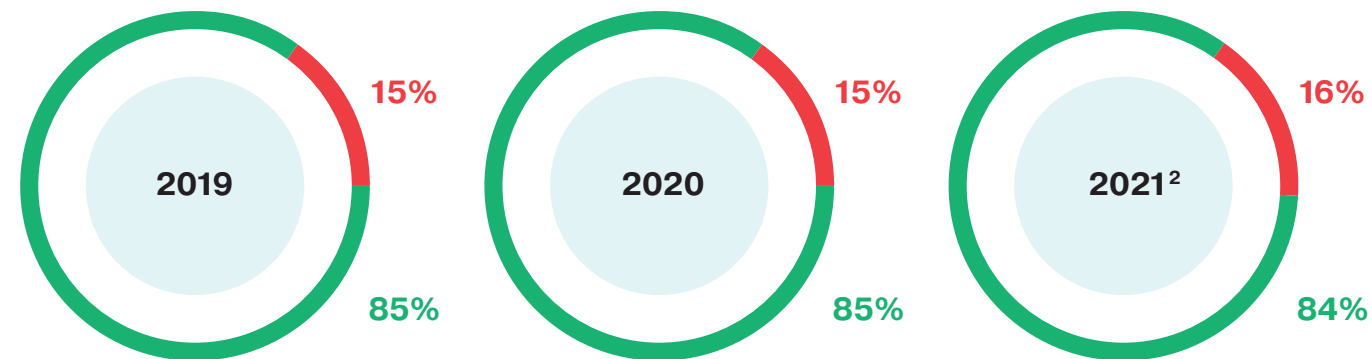
Company's corporate governance

84% compliance with the provisions of the Corporate Governance Code recommended by the Bank of Russia

16% partial compliance with the Code guidance

As regards the partial compliance with the Code guidance, the Company provides reasonable explanations of deviations from the recommended practice, guided by the comply-or-explain principle.¹

Compliance of the Company's corporate practices with the guidance of the Bank of Russia's corporate governance Code



Legend: █ Full compliance, █ Partial compliance

¹ The results of the assessment of compliance with the Bank of Russia Code guidance are shown in Annex 1 to the Annual Report.

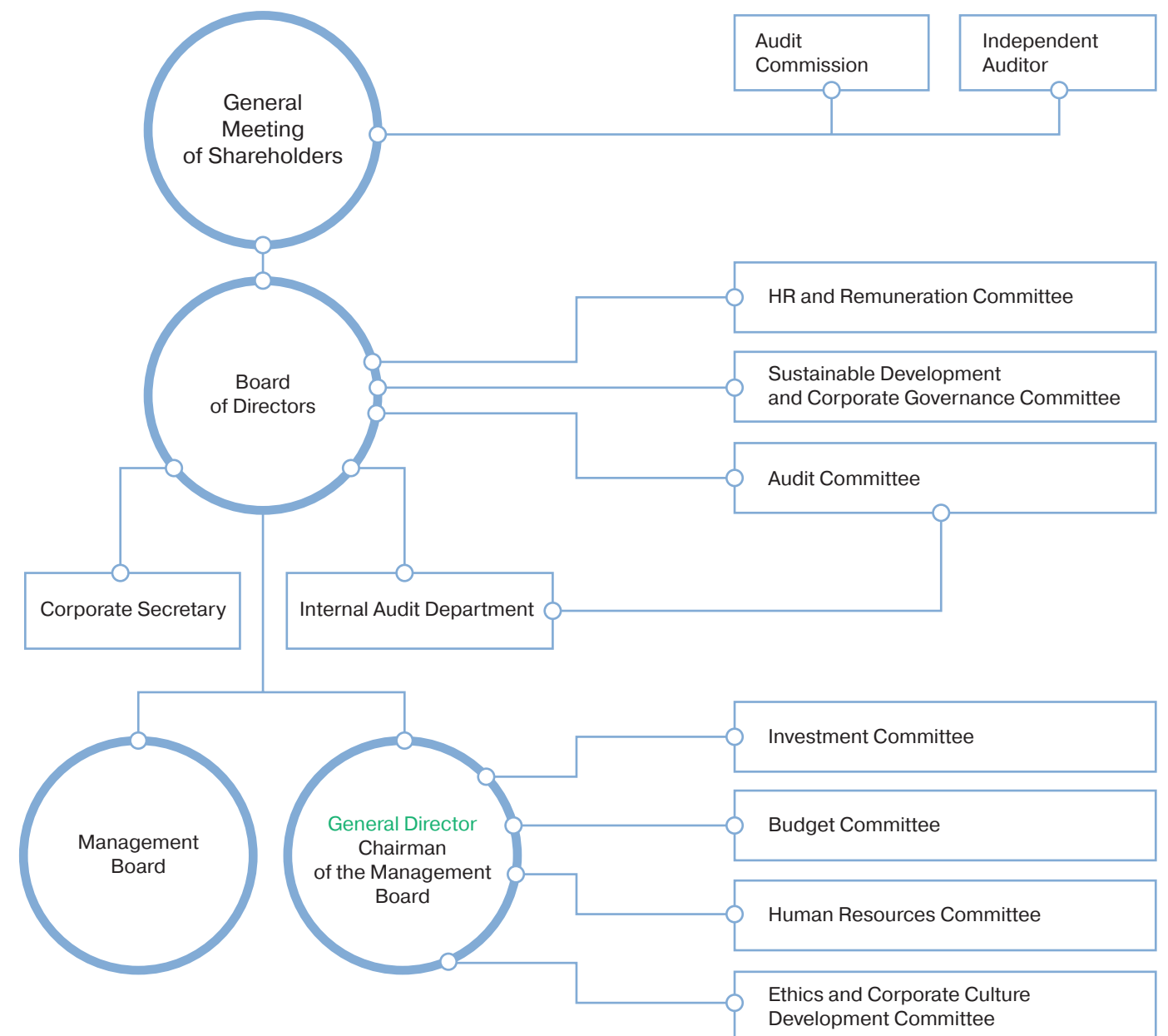
² The level of the values of the Company's corporate practices compliance with the Bank of Russia's Corporate Governance Code decreased slightly due to the clarification by the Bank of Russia of the corporate governance principles published on 27.12.2021 in letter No. IN 06 28/102 "On disclosure in the annual report of a public joint stock company of a report on compliance with the principles and recommendations of the Corporate Governance Code".

Governance structure

GRI 102-18, 102-19, 102-20

The Company has a well-developed corporate governance system, which is based on international standards of corporate conduct and business ethics, the requirements of Russian legislation, the requirements of the listing rules of PJSC Moscow Exchange, and the principles of the Corporate Governance Code recommended for application by the Bank of Russia (hereinafter referred to as the Code).

The corporate governance system of the Company aims to ensure the legitimate rights and interests of shareholders and other interested parties, efficient asset management and increase of share capital, growth of capitalization and dividend yield, maintenance of long-term economic growth based on effective management of corporate resources and risk control.



The Board of Directors of PJSC TATNEFT performs the key functions for strategic management of the joint-stock company and oversight of the executive bodies and plays a crucial role in improving the system and practice of the corporate governance based on the principle of continuity and advanced international standards. Responsibility for the Company's strategic planning and business operations is shared among the Board of Directors, the General Director and the Management Board, as well as at the level of authorities of the executive managers in charge of the business streams.

The chief executive officer of the Company is the General Director. The collegial executive body of the Company is the Management Board headed by the General Director. The General Director and the Management Board report to the Board of Directors and the General Meeting of Shareholders. General oversight of the financial and economic activities of the Company is carried out by the Audit Commission.

Planning of financial and operational targets is integrated into a unified corporate governance system of the Group under the Development Strategy and key decisions made by the Board of Directors with considerations to sustainable development aspects. The authority to implement the production plans, economic, environmental, and social goals and objectives is delegated to the Company's management with overseeing the efficiency and motivation mechanisms based on the KPI system at the level of the Board of Directors and its Committees, the Management Board, and the General Director.

The management of the sustainable development pillars is based upon the Company's actions aligned with the UN fundamental principles and Sustainable Development Goals, global trends in sustainable development, and national and regional development priorities.

General meeting of shareholders

The General Meeting is the supreme governance body of PJSC TATNEFT and resolves on the main issues of the Company's activities. The procedure for preparing, convening, conducting and summarizing the results of the General Meeting of Shareholders of the Company is determined by the applicable Russian laws and Regulations on the General Meeting of Shareholders of PJSC TATNEFT n.a. V.D. Shashin (QR code).

Each shareholder has the right to participate in the meeting in person or by proxy. At the General Meeting, shareholders receive a detailed and reliable report on the company's ongoing corporate policy and production and business activities from the Board of Directors and executive bodies. The Board of Directors of the Company prepares reports for shareholders on each agenda item, presenting its standpoint and dissenting opinions of members of the Board of Directors, if any.

During the preparation for and holding the General Meeting, the shareholders may freely and timely receive information about the meeting and its materials, pose questions to members of the company's executive bodies and the Board of Directors, and communicate.

The Company provides its shareholders with any available means of communication such as hotline and e-mail options, making it possible for the shareholders to ask questions about their share ownership, dividend payout procedure, etc., as well as express opinions and send questions about the agenda during the preparations for the General Meeting of Shareholders.

The Company gives its shareholders an opportunity to participate in the General Meeting by way of e-voting which implies filling out electronic ballots on the Company's website via the Internet.

The procedure for holding the General Meeting of Shareholders fully ensures that the rights of shareholders are duly respected.

General meetings of shareholders

Type of meeting	Type of meeting	Type of meeting
Annual General Meeting of Shareholders	Extraordinary General Meeting of Shareholders	Extraordinary General Meeting of Shareholders
Format of the meeting	Format of the meeting	Format of the meeting
Absentee voting*	Absentee voting	Absentee voting
Meeting date	Meeting date	Meeting date
June 25, 2021	September 30, 2021	December 29, 2021

At the Annual General Meeting of Shareholders, resolutions were adopted on the profit distribution, including the payout of dividends, the election of new members of the Board of Directors and the Audit Commission, the approval of the Company's Auditor, the Annual Accounting (Financial) Statements and the Annual Report of the Company.

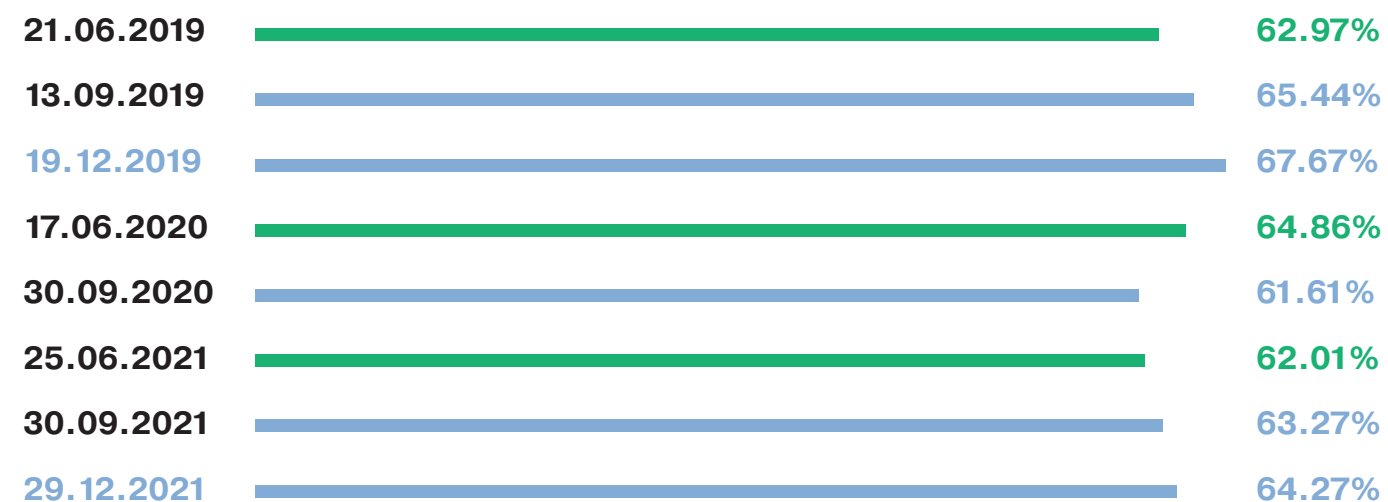
The Extraordinary General Meeting of Shareholders resolved to pay dividends based on the results for the 6 months of 2021.

The Extraordinary General Meeting of Shareholders resolved to pay dividends based on the results for the 9 months of 2021.

* In accordance with Article 3 of Federal Law No. 17-FZ "On Amendments to the Federal Law "On International Companies and International Funds" and on Suspension of Certain Provisions of the Federal Law "On Joint Stock Companies" and the Federal Law "On Limited Liability Companies" dated February 24, 2021.

All resolutions adopted by the General Meeting of Shareholders in 2021 have been implemented.

Quorum of General Meetings of Shareholders



■ Annual General Meeting of Shareholders
■ Extraordinary General Meeting of Shareholders

Shareholders' equity

GRI 201-4

The Company's securities have been represented on the Russian and International stock markets for over 25 years and are among of the most marketable instruments of the securities market.

The geography of the shareholders' location covers Russia (the major part of shareholders), North America, Australia, European and Asian countries.

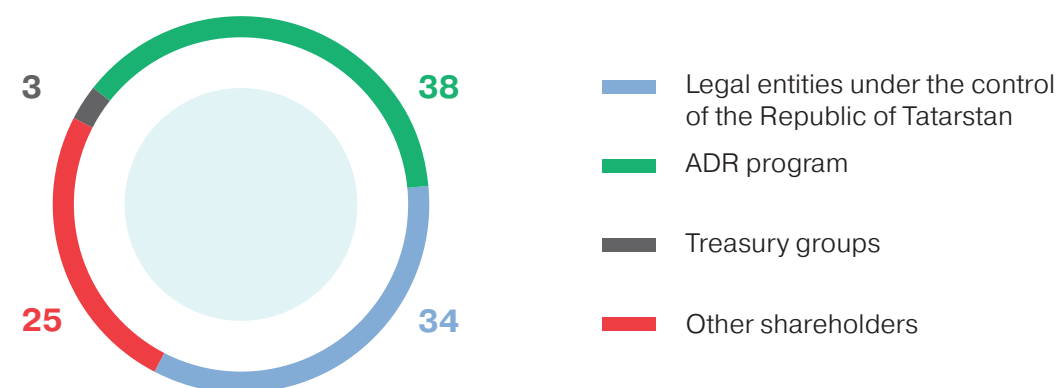
The Company's ordinary and preferred shares, and bonds enlisted in the Level 1 quotation lists are traded on Moscow Exchange PJCS. TATNEFT shares are included in the calculation base of the RTS and MICEX indices which are the main indicator of the Russian stock market.

Since 2021, the Company's shares have been traded on St. Petersburg Stock Exchange PJSC without being included in the quotation lists.

The Company's American Depositary Receipts (ADRs) are listed on the London Stock Exchange under the ATAD code and are traded in the Xetra system, part of the Deutsche Börse Group of companies, and on the US OTC market under the OAOFY code. Each ADR certifies the right to six (6) ordinary shares of the Company.

Since 18.02.2021, Citibank, N.A. acts as the depository bank for the Company's ADR program.

Equity capital structure (% of authorized capital)



The total number of shareholders of the Company exceeds 345 thousand. Of them, holders of 5% or more of the authorized capital, as of 05.12.2021

Item No.	Name of legal entity	Type of legal entity	In % of the authorized capital	In % of voting (ordinary) shares
1.	Svyazinvestneftekhim Joint Stock Company	Owner (in the nominal holding of Joint Stock Company "Central Depository of the Republic of Tatarstan")	27.232389	29.071778
2.	Citibank, N.A.	Depository Programs Account (in the Central Depository Nonbanking Credit Organization, "National Settlement Depository" Joint Stock Company)	24.169378	25.805768

The total number of holders of ordinary shares included in the list of persons entitled to participate in the General Meeting of Shareholders as of 05.12.2021 is 332,346 shareholders.

There are no shares held by the Company.

The shares held by the legal entities controlled by the Company account for 3.47% of the Company's authorized capital.

The Company hereby declares that it does not have any information about the existence of the shares ownership in excess of five percent, other than those disclosed, as well as the information about the possible acquisition of the control over by certain shareholders to the extent disproportionate to their interest in the authorized capital of the Company, inter alia, on the basis of shareholder agreements or otherwise.

Authorized capital of PJSC TATNEFT is RUB 2,326,199,200

Information about each category (type) of shares

Full name of securities (type and kind)	Ordinary registered shares	Preferred registered shares	Exchange-traded bonds
Security issue form	Uncertificated	Uncertificated	Uncertificated
Quantity issued, pcs	2,178,690,700	147,508,500	15,000,000
Par value of one (1) security (RUB)	RUB 1	RUB 1	RUB 1,000
State registration number of the issue of securities	1-03-00161-A	2-03-00161-A	4B02-01-00161-A-001P
State registration date	26.10.2001	26.10.2001	20.12.2019
ISIN	RU0009033591	RU0006944147	RU000A1018K1
Exchange and trading code	Moscow Exchange PJSC, TATN	Moscow Exchange PJSC, TATNP	Moscow Exchange PJSC, RU000A1018K1

Investment potential of securities

Shares (ordinary, including ADRs and preferred ones) of PJSC TATNEFT are included in various stock indices, reflecting both the size of TATNEFT as a Company with a large capitalization and high rates of return, including:

Ordinary and preferred shares	Ordinary shares	ADRs
Moscow Exchange Index	Moscow Exchange blue chip index	FTSE Russia IOB
Moscow Exchange Oil and Gas Index	MSCI Russia	MSCI Russia ADR/GDR Index
RTS Index	MSCI Russia 10/40	S&P/BNY Mellon Russia Select DR Index
RTS Oil and Gas Index	MSCI Emerging Markets EMEA	MVIS Russia Index
	MSCI Emerging Markets Quality Index	
	FTSE4Good Emerging Markets	
	MOEX — RSPP Sustainability Vector Index	

Trading results as of 31.12.2021

Moscow Exchange PJSC

Ordinary shares

- Total traded during trading sessions: RUB 644,770,063,022 (average daily volume of RUB 2,528,510,051)
- Total traded in over-the-counter transactions: RUB 41,454,706,635
- Total traded during trading sessions and in over-the-counter transactions: RUB 686,224,769,657

Preferred shares

- Total traded during trading sessions: RUB 150,315,360,694 (average daily volume of RUB 589,472,003)
- Total traded in over-the-counter transactions: RUB 13,022,714,081
- Total traded during trading sessions and in over-the-counter transactions: RUB 163,338,074,775

London Stock Exchange — ADRs

- Total traded during trading sessions: US\$ 1,969,629,898 (average daily volume of US\$ 7.8 million)
- Total traded in over-the-counter transactions (all types): US\$ 323,068,747
- Total traded during trading sessions and in over-the-counter transactions: US\$ 2,292,698,645

PJSC TATNEFT stock prices (Closing price on the last day of the trading year)

Type of securities	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ordinary (RUB)	218.00	208.20	226.55	315.50	427.00	478.80	737.90	759.40	512.20	500.50
Preferred (RUB)	105.15	121.70	134.60	198.10	235.00	365.00	522.00	736.60	475.00	459.30
ADRs (US\$)	43.57	38.22	24.50	26.35	41.22	49.46	63.00	73.86	40.80	41.51

Company Capitalization

GRI 102-7

	2017	2018	2019	2020	2021
RUB bln	1 097.0	1 684.6	1 763.4	1 185.9	1 158.2
USD bln	19.1	24.2	28.4	16.1	15.7

Dividend policy

The Company adheres to a balanced dividend policy recognizing dividends as one of the key indicators of investment attractiveness for shareholders, and seeks to increase dividends based on the consistent growth of business profitability

The Board of Directors of the Company determines the recommended amount of dividends for the General Meeting of Shareholders on the basis of economically sound approach to the distribution of profits and maintaining a balance of short-term (income generation) and long-term (development of the Company) interests of shareholders.

The principles and conditions for making decisions on payment (announcement) of dividends are specified by the Regulations on the Dividend Policy of PJSC TATNEFT

approved by the Board of Directors of the Company (Minutes No.9 dated 30.01.2018). The Regulations are based on observance of the rights of shareholders stipulated by the legislation of the Russian Federation and best corporate governance practices (QR code)

The Board of Directors of the Company, when determining the amount of dividend recommended to the General Meeting of Shareholders (per share), is governed by the amount of the Company's net profit and assumes that the amount allocated to dividends is at least 50% of the net profit determined in accordance with Russian Accounting Standards (RAS) or IFRS, whichever is larger. With that, the Board of Directors takes into account, based on information received from the executive bodies, the duties and investment program of the Company, the need in working capital and required reserves for business operations, and assumes that free cash that is formed after funding the investment program, execution liabilities and other needs of the Company may be distributed in the form of dividends.

Dividends per share, RUB

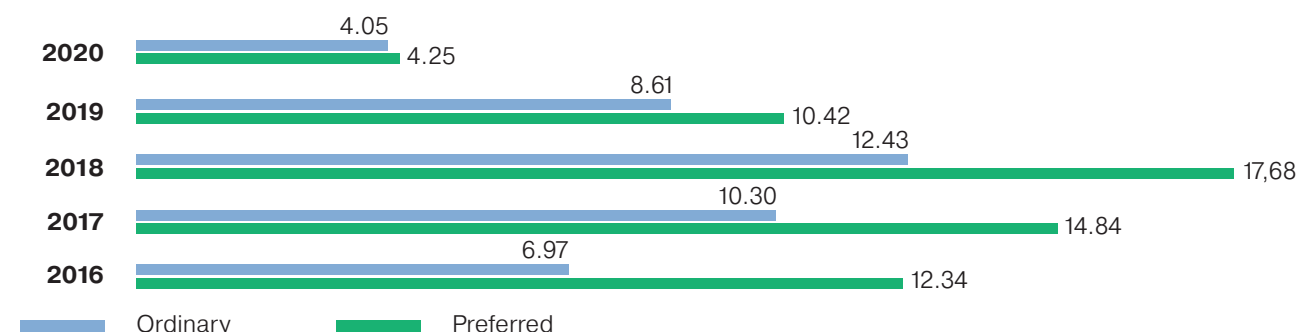
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Preferred	1.00	1.00	1.00	1.00	4.60	5.65	4.42	6.56	5.02	7.08	8.60	8.23	10.58	10.96	22.81	39.94	84.91	65.47	22.24	42.64
Ordinary	0.10	0.30	0.90	1.00	4.60	5.65	4.42	6.56	5.02	7.08	8.60	8.23	10.58	10.96	22.81	39.94	84.91	64.47	22.24	42.64

*With the dividends proposed for approval by the General Meeting of Shareholders

It is proposed to allocate 99 billion 189 million rubles — 50 % of the IFRS net profit received (including rounding to two decimal places of dividends per share) for payment of dividends for 2021. The Company's cash flows provide the payment of this amount of dividends without creating a source deficit for implementing the investment program, conduct of operating activities and the fulfillment of existing obligations.

Based on the results of 2021, the Board of Directors recommends the General Meeting of Shareholders of PJSC TATNEFT to make a decision on the payment of dividends on preferred and ordinary shares, taking into account previously paid dividends for 6 and 9 months in the amount of 2650% to the par value of preferred and ordinary shares. Taking into account the fact that for 6 and 9 months of 2021, PJSC TATNEFT, in accordance with the decision of the General Meeting of Shareholders held on December 29, 2021, accrued interim dividends in the amount of RUB 61 billion 644 million, additional dividends for 2021 will amount to 37 billion 545 million rubles.

Dividend yields on shares**



** Source: Moscow Stock Exchange

Year (period)	For 2016	For 9 months 2017	Q4 2017	For 2017 Total:	For 6 months 2018	For 9 months 2018	Q4 2018	For 2018 Total:
Total amount of accrued dividends RUB billion	53.061	64.622	28.287	92.909	70.414	51.781	75.322	197.517
Total amount of dividends paid (RUB billion)	53.006	64.561	28.26	92.821	70.342	51.725	75.247	197.314
Ordinary shares (% of par value)	2,281	2,778	1,216	39.94	3,027	2,226	3,238	8,491
Ordinary shares (Dividend amount, RUB)	22.81	27.78	12.16	39.94	30.27	22.26	32.38	84.91
Preferred shares (% of par value)	2,281	2,778	1,216	39.94	3,027	2,226	3,238	8,491
Preferred shares (Dividend amount)	22.81	27.78	12.16	39.94	30.27	22.26	32.38	84.91
Dividends (% of net profit) **	50.6	75	75	75	75	75	100	100
Date of the decision to pay dividends	Annual General Meeting of Shareholders at the end of 2016, which was held on 23.06.2017, Minutes No. 24 dated 28.06.2017.	Extraordinary General Meeting of Shareholders at the end of 9 months of 2017, which was held on 12.12.2017, Minutes No. 25 dated 14.12.2017.	Annual General Meeting of Shareholders at the end of 2017, which was held on 22.06.2018, Minutes No. 26 dated 27.06.2018.	Extraordinary General Meeting of Shareholders at the end of 6 months of 2018, which was held on 28.09.2018, Minutes No. 27 dated 29.09.2018.	Extraordinary General Meeting of Shareholders at the end of 9 months of 2018, which was held on 21.12.2018, Minutes No. 28 dated 24.12.2018.	Annual General Meeting of Shareholders at the end of 2018, which was held on 21.06.2019, Minutes No. 29 dated 25.06.2019.		
Date as of which the persons entitled to receive dividends are (were) determined	07.07.2017	23.12.2017	06.07.2018	12.10.2018	09.01.2019	05.07.2019		
Date of actual payment	To nominal holder — 21.07.2017 To shareholders registered in the register of shareholders — 11.08.2017	To nominal holder — 15.01.2018 To shareholders registered in the register of shareholders — 5.02.2018	To nominal holder — 20.07.2018 To shareholders registered in the register of shareholders — 10.08.2018	To nominal holder — 26.10.2018 To shareholders registered in the register of shareholders — 20.11.2018	To nominal holder — 23.01.2019 To shareholders registered in the register of shareholders — 13.02.2019	To nominal holder — 19.07.2019 To shareholders registered in the register of shareholders — 09.08.2019		

- *The Board of Directors of PJSC Tatneft (Minutes No. 4-z dated 05/23/2022) decided to recommend to the General Meeting of Shareholders:
- Establish the total amount of the dividend based on the results of the Company's financial and economic activities for 2021:
 - for one preferred share in the amount of 4264% of the nominal value of the share (including the dividend declared for the results of the 6 and 9 months of the reporting year in the amount of 2650% of the nominal value of the share);
 - for one ordinary share in the amount of 4264% of the nominal value of the share (including the dividend declared for the results of the 6 and 9 months of the reporting year in the amount of 2650% of the nominal value of the share).
 - To pay dividends in cash within the time limits established by the current legislation of the Russian Federation:
 - per preferred share in the amount of 1614% of the nominal value of the share;
 - per ordinary share in the amount of 1614% of the nominal value of the share.

**The value of the dividend share in 2021 is indicated from the profit for the year according to IFRS in accordance with the Company's dividend policy.

6 months 2019	9 months 2019	Q4 2019	For 2019 Total:	6 months 2020	For 2020 Total:	6 months 2021	9 months 2021	Q4 2021	For 2021 Total:
93.304	56.666	0.147	150.118	23.122	51.735	38.429	23.215	—	—
93.206	56.612	0.147	149.965	23.102	51.685	38.389	23.188	—	—
4,011	2,436	0	6,447	994	2,224	1,652	998	1614	4264
40.11	24.36	0	64.47	9.94	22.24	16.52	9.98	16,14	42,64
4,011	2,436	100	6,547	994	2,224	1,652	998	1614	4264
40.11	24.36	1.00	65.47	9.94	22.24	16.52	9.98	16,14	42,64
100	100	96,2	96,2	100	50	50	50	50	50
Extraordinary General Meeting of Shareholders at the end of 6 months of 2019, which was held on 13.09.2019, Minutes No. 30 dated 16.09.2019.	Extraordinary General Meeting of Shareholders at the end of 9 months of 2019, which was held on 19.12.2019, Minutes No. 31 dated 23.12.2019.	Annual General Meeting of Shareholders at the end of 2019, which was held on 17.06.2020, Minutes No. 32 dated 17.06.2020.	Extraordinary General Meeting of Shareholders at the end of 6 months of 2020, which was held on 30.09.2020, Minutes No. 33 dated 30.09.2020.	Annual General Meeting of Shareholders at the end of 2020, which was held on 25.06.2021, Minutes No. 34 dated 25.06.2021.	Extraordinary General Meeting of Shareholders at the end of 6 months of 2021, which was held on 30.09.2021, Minutes No. 35 dated 30.09.2021.	Extraordinary General Meeting of Shareholders at the end of 9 months of 2021, which was held on 29.12.2021, Minutes No. 36 dated 29.12.2021.			
27.09.2019	30.12.2019	30.06.2020	12.10.2020	09.07.2021	12.10.2021	10.01.2022			
To nominal holder — 11.10.2019 To shareholders registered in the register of shareholders — 01.11.2019	To nominal holder — 21.01.2020 To shareholders registered in the register of shareholders — 11.02.2020	To nominal holder — 14.07.2020 To shareholders registered in the register of shareholders — 04.08.2020	To nominal holder — October 26, 2020. To shareholders registered in the register of shareholders — November 17, 2020.	To nominal holder — 23.07.2021 To shareholders registered in the register of shareholders — 13.08.2021	To nominal holder — 26.10.2021 To shareholders registered in the register of shareholders — 18.11.2021	To nominal holder — 24.01.2022 To shareholders registered in the register of shareholders — 14.02.2022			

Protection and enforcement of shareholders' rights

GRI 102-43

The Company has adopted a multi-level system for protecting the rights of Company shareholders.

The Company provides all the conditions for the shareholders to exercise their rights:

- To participate in the management of the Company by voting at the General Meeting of Shareholders of PJSC TATNEFT
- To participate in the formation of the Board of Directors of PJSC TATNEFT pursuant to the legislation of the Russian Federation
- To receive part of the Company's profits in the form of dividends
- To receive the necessary information about the Company on a timely and regular basis
- To free and unhindered disposal of shares, reliable methods of recording rights to shares

Key principles of interaction with Company shareholders

Guaranteed equal provision and observance of the legal rights and interests of all shareholders of the Company, regardless of the block of shares they own, as stipulated by the applicable legislation of the Russian Federation, requirements and recommendations of regulators of stock markets in which the Company's shares circulate.

Ongoing interaction of the Company's management with all shareholders in order to effectively manage the Company and ensure its sustainable and dynamic development.

Continuous improvement of existing and development of new mechanisms and forms of interaction with shareholders, increasing the efficiency and quality of interaction with shareholders.

Identification and addressing of all possible general and specific issues associated with the exercise of the shareholders' rights.

Taking all necessary and possible measures in the event of a conflict between the bodies of the Company and its shareholders, as well as between shareholders, if the conflict affects the interests of the Company, to fully resolve the conflict, as well as creating conditions that preclude future conflicts.

The Company applies Regulations on Information Disclosure to Shareholders of PJSC TATNEFT n.a. V. D. Shashin. The Regulations set out the procedure and deadlines for providing shareholders and persons exercising rights under shares, as well as their representatives, with documents and copies of such documents. (Add QR code)

Protection of share rights

The Company provides reliable and secure methods of recording share rights, involving a professional registrar to keep records.

Company's Registrar

The organization that registers the rights to equity securities of PJSC TATNEFT is Eurasian Registrar Limited Liability Company, which has been professionally operating on the Russian securities market as a specialized registrar for more than 20 years.

Eurasian Registrar is among the top 10 largest Russian registrars and maintains registers of 519 issuers, including the largest enterprises with the participation of the Republic of Tatarstan, as well as enterprises and holdings of key significance for the economy of the Republic of Tatarstan, the share rights of which are recorded on 147,912 personal accounts of securities owners. Shareholder service centers and transfer-agent points are open in 42 regions of the largest presence of the Company's shareholders: this includes the central office, 4 branches, 3 additional offices, and 40 transfer-agent points in partner registrars.

The Registrar is a member of National Financial Association Self-Regulatory Organization (NFA SRO). In 2021, it received the Best Regional Infrastructure Institute diploma for participation in the competition among registrars.

The high degree of reliability and security of maintaining electronic databases is ensured by the use of the Zenit registry management system, which has the certificate of PARTAD SRO.

Guarantees to customers are provided by Ingosstrakh comprehensive insurance policy for the compensation of property damage as a result of the registrar's activities.

Information about the registrar, the procedure for entering information in the PJSC TATNEFT register of shareholders, obtaining extracts from the register of shareholders and performing other actions is available on the registrar's official website at www.earc.ru. The Shareholder's Personal Account service is available on the registrar's website.

Along with the Registrar, the Company informs shareholders about the need to update the information on shareholders in the PJSC TATNEFT register of shareholders on a regular basis.

The Company also searches for "sleeping" shareholders or their heirs.

Interaction with shareholders and investors

GRI 102-21, 102-43

The key priority of the Company's interaction with shareholders and the investment community as a whole is building a dialogue and effective feedback from investors and analysts, reviewing and discussing their opinions about the Company and its investment history by responsible managers, making appropriate decisions

Ensuring the confidence of shareholders and investors in the effectiveness of their investments, long-term and steady growth of shareholder value is a principal aspect of TATNEFT's corporate practice.

The Company's interaction with shareholders and investors is based on the availability of responsible managers and key employees of the Company to communicate with shareholders, investors, and stock market analysts, as well as consultants to institutional investors on voting issues, discussing development plans and results of the Company's activities and ESG aspects.

In order to ensure the implementation of the corporate rights, as well as effective interaction with shareholders in the Company, several communication channels are operated:

- Round-the-clock Hotline for shareholders of PJSC TATNEFT via phone 8-800-100-4-112
- Multichannel phone numbers for receiving and processing oral inquiries: 8 (8553) 37-37-71; 8 (8553) 37-37-39
- Postal address for receiving written inquiries: 75 Lenin Str., Almet'yevsk 423450, Republic of Tatarstan, Russian Federation
- E-mail for sending electronic messages: ocb@tatneft.ru
- Fax: 8 (8553) 37-35-08

History of shareholder inquiries

In 2021, the PJSC TATNEFT Corporate Secretary's Office received 4,249 inquires from shareholders.

In 2021, the Company sent 4,116 letters to shareholders whose dividends had been returned to the Company due to addressees' failure to receive the same.

Item No.	Description	2019 Number of requests	2020 Number of requests	2021 Number of requests
1.	Updating personal data	349	615	374
2.	Registration of inheritance rights	257	354	309
3.	Selling and redemption of shares	100	255	106
4.	Dividend payment	2,496	3,965	2,722
5.	Providing 2-NDFL certificate	98	128	112
6.	Issues related to the General Meeting of Shareholders	168	624	243
7.	Notary, court inquiries	61	109	73
8.	Other issues	203	596	310
Total		3,732	6,840	4,249

Interaction with institutional investors

PJSC TATNEFT is one of the largest public companies in Russia and its shares are actively traded on Russian and international stock exchanges. Among the shareholders of TATNEFT are large international investors, including sovereign trusts that manage pension savings and private capital. Recently, the number of domestic investors, both legal entities and individuals, has been increasing. The Company actively interacts with investors informing them about the results and plans of the TATNEFT Group, strategic initiatives and prospects for the business value growth, as well as the TATNEFT Group efforts to achieve the sustainable development goals. During 2021, almost all meetings with investors and analysts were held in a virtual online format, which was due, in particular, to the continuing COVID-19 coronavirus pandemic. The intensity of communications remained at a high 2020 level. During 2021, over 120 meetings with investors and analysts were held. After the IFRS financial result publication, webcasts were conducted. The Company representatives met with investors and analysts on a regular basis using video communication platforms, both independently and in the

framework of virtual conferences organized by international and Russian investment banks, including Goldman Sachs, J.P. Morgan, VTB Capital, Sber CIB, Renaissance Capital, Wood & Co., and others. Tatneft mastered new communication channels, such as communication with investors as part of streams on Telegram channels dedicated to investments in the Russian market. The Company has a special-purpose telephone line and e-mail address for investors. Dialogues are regularly conducted with analysts of the “selling side” of investment companies and banks. In 2021, TATNEFT shares were covered by more than 15 analysts of the “selling side” of investment banks and companies. In general, during 2021, Company’s specialists responded to more than 1,500 questions and inquiries from investors and analysts. Most of the questions concerned the Company’s strategy, oil production recovery, production development, including oil refining, capital utilization, changes in taxation of the industry, and progress in achieving sustainable development goals.

Structure of investors’ and analysts’ inquiries

GRI 102-44

Total number of inquiries — over 1,500

Inquiry description	%
Performance indicators and plans (production and refining)	15
Company strategy and its implementation	20
Financial results	5
Industry taxation	15
Sustainable development (social policy, environment and climate, corporate governance)	10
Capital utilization (investments, dividends, etc.)	30
Macroeconomic conditions and industry development	5

The opinions of investors and analysts are promptly communicated to the responsible managers, discussed and taken into account when making decisions. The Board of Directors of the Company, the Corporate Governance Committee and the Audit Committee of the Board of Directors are being informed about the work on interaction with investors on an ongoing basis. Most of the inquiries were answered during the direct communications and correspondence with investors and analysts based on the published information; responses to some inquiries were prepared with the involvement of responsible services of the Company and were sent in writing or communicated orally. The main language of communication with investors and analysts is English. The Company has organized the process of prompt preparation of responses to investors’ inquiries in various fields of activity. Responses are provided in written and oral form with the mandatory disclosure and publication of any information that is material and may affect the value of the Company’s securities. **During 2021, 4 presentations and 3 webinars were prepared and posted on the Company’s website, including:**

- Recording of a webinar to discuss IFRS results for Q2 2021 (in English)
- Presentation of IFRS results for Q2 2021
- Recording of a webinar to discuss IFRS results for Q1 2021 (in English)
- Presentation of IFRS results for Q1 2021
- Recording of a webinar for investors and analysts to discuss the results for Q4 2020
- Presentation on the TATNEFT Group’s IFRS performance for Q4 and the entire 2020

Materials for shareholders and investors, including press releases, presentations, Annual Report and Sustainable Development Report, significant facts about decisions of the Board of Directors of the Company, are available on the corporate website at www.tatneft.ru. In order to achieve the highest possible quality of interaction with the shareholders, the Company strives to use the most reliable methods and forms of communication, including advanced information technologies.

Board of Directors

GRI 102-24

The General Meeting of shareholders delegates the overall management of the Company to the Board of Directors.

The membership procedure, status, structure, functions, goals, and objectives, competencies, powers of the Board of Directors, the work procedures, and engagement with other governance bodies of the Company are determined by the Articles of Association and the Regulations on the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin, and distinguished from the competences of the executive bodies of the Company, which govern its current activities.

Composition of the Board of Directors

The general meeting of shareholders elects 14 members of the Board of Directors by cumulative voting (candidates with the most votes are deemed elected to the Board of Directors). One member of the Board of Directors is appointed based on the special “golden share” right (Law of the Republic of Tatarstan No. 43-ZRT “On Privatization of State Property of the Republic of Tatarstan” of 26.07.2004, Clause 8.3 of the Company’s Articles of Association).

On June 25, 2021, the General Meeting of Shareholders elected the Board of Directors of PJSC TATNEFT from among the candidates who have sufficient professional background in strategic management, knowledge and skills, as well as personal qualities to adopt well-balanced and objective decisions on the Company’s growth and development with the membership that meets the scope of activities, interests, and needs of the Company.

The Company provides a transparent procedure for electing members of the Board of Directors and discloses information on the Board of Directors’ current composition and candidate members of the Board of Directors in advance on its official website: <https://www.tatneft.ru/aktsioneram-i-investoram/sistema-upravleniya-i-kontrolya/sovet-direktorov?lang=ru>

Succession of the Board of Directors

To shape and maintain an optimal and balanced composition of the Board of Directors, the Company ensures the succession of the Board of Directors, which:

- Contributes to maintaining the necessary overall competence of the Board of Directors;
- Ensures continuity of experience, best and effective practices implemented by the Board of Directors;
- Makes it possible to systematically and consistently solve the tasks facing the Board of Directors and manage the Company’s risks;
- Makes it possible to select for work on the Board of Directors exactly those whose contribution to the work will improve the Board of Directors’ performance.

The succession of the Board of Directors allows considering the Company’s needs for introducing new

When nominating members of the Board of Directors and its committees, criteria and factors of professional skills and expertise are considered, including those in economic, environmental, and social areas, as well as their independence.

At the first meeting after the appointment of the Board of Directors and the election of the Chairman of the Board of Directors, the Committees of the Board of Directors are formed.

The Company ensures that the candidate members of the Board of Directors and its committees are nominated and selected based on diversity, independence, professional skills, and expertise

Following best corporate practices, the formation of the Board of Directors considers such factors as the national and gender diversity of the Board members

members whose skills, experience, and specialization meet the challenges of the changing external environment and the Company’s specifics.

The rotation of the Board of Directors is carried out consistently and in stages. The Company does not allow changing of more than half of the Board of Directors at a time.

First-time elected members of the Board of Directors as soon as practicable get to know documents and materials pertaining to the Company’s activities, including the Company’s strategy, corporate governance system put in place in the Company, risk management, internal control system, distribution of duties and responsibilities between the executive bodies of the Company and other essential information related to the Company’s activities.

New members of the Board of Directors are always provided with explanations on compliance with the confidentiality rules and protection of insider information.

Chairman of the Board of Directors

GRI 102-23

The Chairman of the Board of Directors plays a pivotal role in ensuring that the Board of Directors and its committees work effectively and efficiently. The activity of the Chairman of the Board of Directors is focused on creating a constructive atmosphere for holding meetings, free discussion of issues considered by the Board of Directors to develop the most thoughtful and practical decisions.

The Chairman of the Board of Directors is a non-executive director. The Chairman of the Board of Directors is not a member of any of the Board of Directors committees. The Board of Directors elects the Chairman of the Board of Directors of the Company from among its members by a majority vote of the Board of Directors' total number.

The Chairman carries out his duties under the Company's Articles of Association, the Regulations on the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin, and the Corporate Governance Code.

At the first meeting of the Board of Directors following the annual General Meeting of Shareholders held on June 30, 2021, R.N. Minnikhanov was unanimously elected the Chairman of the Board of Directors by all members of the Board of Directors, as the most influential member of the Board of Directors with a high level of professional skills and knowledge, significant background in management positions, and impeccable business and personal reputation.

Competences and powers of the Board of Directors

GRI 102-26

The Board of Directors provides an overall charge of the Company's activities, sets up priorities, strategy, and policy of the Company, authorizes and approves the strategic, long-term, and medium-term plans and programs of development of the TATNEFT Group, including investment, borrowings and asset management, main principles and approaches to the organization of the system of internal control and risk management, is responsible for the management of key risks of the Company affecting the achievement of its strategic targets and makes decisions on key projects and significant transactions, oversees the achievement of strategic objectives, plans, and programs of the Company, promotes timely disclosure of complete and reliable information on the activities of the Company. One of the key functions of the Board of Directors is to establish effective executive bodies and ensure oversight of their activities.

When considering the Company's Strategy, shaping and approving plans, budgets, and investment programs, the Board of Directors regards the sustainable development aspects and goals in HSE, social policy, and human resource management.

The Board of Directors plays a crucial role in ensuring that the Company is transparent, discloses information in full and in due time, and provides its shareholders with unhindered access to its documents.

The Board of Directors works under the approved plans, inter alia, summarizing the results of activities, determining the Company's priorities, preparing General Meetings of Shareholders, making decisions on authorization or subsequent approval of non-arm's length transactions and other transactions under the Articles of Association. To ensure the effective work of the Board of Directors, the Company accomplishes the following comprehensive actions:

- Providing information technology resources with a secure corporate communication link for rapid remote delivery of information materials to members of the Board of Directors regarding Board's meeting agendas
- Making it possible to hold meetings of the Board of Directors and its committees in a video-conference format
- Archival management and storage of Board of Directors' meeting minutes
- Ensuring that members of the Board of Directors are aware of and familiar with the internal documentation and business operations of the Company, including production, economic, environmental, and social aspects
- Providing the procedures for keeping the Board of Directors informed, including critical issues if they arise and etc.

The Company has mechanisms in place to provide members of the Board of Directors with information in the amount and within the terms sufficient for them to make balanced and objective decisions on the Board of Directors' agenda items.

Insurance of liability risks of governance bodies' members

The Company insures liability risks of members of the Company's governance bodies, inter alia, abroad, under the terms and within the scope that are consistent with the insurance market for such risks in the Russian Federation.

In 2021, Ingosstrakh Insurance, Public Joint Stock Company provided liability insurance for governance bodies' members.

Performance assessment of the board of directors and its committees

GRI 102-28

In accordance with the resolution of the Board of Directors (Minutes No. 5 dated September 30, 2021), at the beginning of 2022, an external assessment of the Board of Directors was carried out for the first time.

The Russian Institute of Directors (RID) acted as a consultant, having many years of experience and expertise in the field of corporate governance and evaluation of the effectiveness of boards of directors.

The assessment was carried out by questioning and interviewing members of the Board of Directors, as well as by analyzing internal documents of PJSC TATNEFT and materials of the work of the Board of Directors and committees of the Board of Directors.

The developed questionnaires included 50 questions for the assessment of the Board of Directors and 15 questions for the assessment of committees.

In key areas, the following results were obtained (average scores)

Fulfillment by the Board of Directors of its key functions	4.6
Composition and structure of the Board of Directors	4.5
Organizational, information and infrastructure support of the Board of Directors' work	4.7
Interaction of the Board of Directors with committees	4.6
Composition and work of committees	4.4
Chairman of the Board of Directors	4.9
Corporate secretary	4.7

Based on the results of the assessment, the experts concluded that the Board of Directors is properly involved in the strategic management of the company, and separately noted the high level of immersion in sustainable development issues, in particular, the climate agenda. In addition, the arrangement of the Board of Directors' work, its clear planning and holding of mostly face-to-face meetings were positively assessed.

At the same time, the results of the assessment made it possible to identify areas for further improvement of the activities for the Board of Directors and its committees,

the experts gave appropriate recommendations, including: expanding the focus of the Board of Directors on risk management, updating the current system of motivation for members of the Board of Directors, strengthening interaction between the Board of Directors and committees.

The assessment report is planned to be considered at a meeting of the Board of Directors in May 2022, and based on it, a plan to improve the work of the Board of Directors and committees will be developed.

Management Board composition

GRI 102-22

In 2021, there were the following changes in the Board of Directors' membership:

- The powers of the members of the Board of Directors were terminated, namely Sabirov Rinat Kasimovich
- Elected to the Board of Directors as follows: Nafigin Albert Ildarovich



Minnikhanov Rustam Nurgalievich

Non-Executive Director

**Chairman of the Board of Directors of PJSC TATNEFT
Member of the Board of Directors, PJSC TATNEFT***

- Born in 1957
- In 1978, he graduated from the Kazan Agricultural Institute with a degree in Agricultural Mechanization and a qualification of Mechanical Engineer. In 1986, Rustam Nurgalievich Minnikhanov received a degree in Commodity Science and Organization of Trade in Food Products at the Correspondence Institute of Soviet Trade and a qualification of Commodity Expert of the Highest Qualification
- 1996 – 1998 — Minister of Finance of the Republic of Tatarstan
- July 1998 – March 2010 — Head of the Government of the Republic of Tatarstan
- March 2010 – present — President of the Republic of Tatarstan

*As per President of the Republic of Tatarstan Order No. 33 dated 23.01.2021, by virtue of the special "golden share" right, he was appointed as a representative of the state (the Republic of Tatarstan) to the Board of Directors of PJSC TATNEFT n.a. V. D. Shashin

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none



Maganov Nail Ulfatovich

Executive Director

**General Director of PJSC TATNEFT
Member of the Board of Directors of PJSC TATNEFT
Chairman of the Management Board of PJSC TATNEFT
Chairman of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT**

- Born in 1958
- In 1983, he graduated from the Moscow Institute of Petrochemical and Gas Industry n.a. I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- July 2000 – November 2013 — First Deputy General Director — Head of Crude Oil and Petroleum Product Sales Department of OJSC TATNEFT
- November 2013 – present — General Director of PJSC TATNEFT

Participation in governance bodies of other entities

- Chairman of the Board of Directors of PJSC Bank ZENIT
- Chairman of the Board of the TATNEFT Charitable Foundation
- Deputy Chairman of the Supervisory Board of the Ak Bars Hockey Academy n. a. Yu. I. Moiseev
- Member of the Board of Directors of LLC SCE Tatneft-Ak Bars
- Member of the Board of Directors of PJSC Nizhnekamskneftekhim
- Member of the Board of Directors of JSC Tatneftekhiminvest-Holding
- Member of the Board of Directors of Svyazinvestneftekhim JSC
- Member of the Board of Directors of Kontinental Hockey League, LLC
- Member of the Board of Directors of Tatneft Oil AG
- Chairman of the Board of Directors of TNA-Services NV
- Member of the Board of Directors of TAL OIL Ltd

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
0.000176	none



Gaizatullin Radik Raufovich

Non-Executive Director

**Member of the Board of Directors of PJSC TATNEFT
Member of the Audit Committee of the Board of Directors of PJSC TATNEFT**

- Born in 1964
- In 1985, he graduated from the Kazan Agricultural Institute with a degree in Accounting and Analysis of Economic Activity in Agriculture and a qualification of Agricultural Accounting Economist
- Since June 2002, he has been the Head of the Ministry of Finance of the Republic of Tatarstan

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none



Gerecs Laszlo

Independent Director

Authorized by the Board of Directors for the Company's Climate Policy

Member of the Board of Directors of PJSC TATNEFT

Member of the Audit Committee of the Board of Directors of PJSC TATNEFT

Member of the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT

Member of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT

- Born in 1953
- In 1977, he graduated from the Moscow Institute of Petrochemical and Gas Industry n.a. I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer. In 1995, he graduated from Euro-Contact Business School (Hungary) with a degree in Management
- 2012 – 31.12.2016 — Managing Director of MOL Oman
- Representative office of the MOL Group in Muscat, Oman
- 01.01.2017 – present — Managing Director of G Petroconsulting LTD

Levin Yuri Lvovich

Independent Director

Member of the Board of Directors of PJSC TATNEFT

Chairman of the Audit Committee of the Board of Directors of PJSC TATNEFT

Member of the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT

- Born in 1953
- In 1975, he graduated from the Moscow Financial Institute with a degree in International Economic Relations and a qualification of the economist. In 1979, he completed postgraduate studies at the Institute of World Economy and International Relations
- 2001 – present — Managing Partner of BVM Capital Partners Ltd

Participation in governance bodies of other entities

- Member of the Board of Directors of Joint-Stock Commercial Bank AK BARS (Public Joint-Stock Company)
- Member of the Board of Directors of Winter Finanz AG

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none



Nafigin Albert Ildarovich

Non-Executive Director

Member of the Board of Directors of PJSC TATNEFT since 25.06.2021

- Born in 1976
- In 1998, he graduated from the Kazan Institute of Business and Management with a degree in Finance and Credit (State and Municipal Finance) and a qualification of Bachelor of Management
- 1998 – 1998 — Foreman of workshop No. 10 of the Radiopribor plant, Kazan
- 1998 – 1999 — Economist of the Vesna Agricultural Enterprise, Kazan
- 1999 — Economist of Tatagropromstroy OJSC, Kazan
- 1999 – 2000 — 1st category Specialist, 1st category Economist of the Control and Audit Department of the Ministry of Agriculture and Food of the Republic of Tatarstan
- 2000 – 2006 — 1st category Specialist, Leading Specialist, Chief Specialist, Deputy Head, Head of the Regional Control Department of the Treasury Department of the Ministry of Finance of the Republic of Tatarstan
- 2006 – 2010 — Deputy Director of the Treasury Department of the Ministry of Finance of the Republic of Tatarstan
- 2010 – 2015 — Head of the Department of Economics, Finance and State Property Management of the Cabinet of Ministers of the Republic of Tatarstan
- 04.03.2015 – present — Assistant to the President of the Republic of Tatarstan

Participation in governance bodies of other entities

- Member of the Board of Directors of Setevaya Kompaniya, OJSC
- Member of the Board of Directors of PJSC Tattelecom
- Member of the Board of Directors of Zelenodolsk Plant named after A.M. Gorky, JSC
- Member of the Board of Directors of Ak Bars Holding Company, JSC
- Member of the Board of Directors of Tatenergosbyt, JSC
- Member of the Board of Directors of Alabuga Special Economic Zone of Industrial and Production Type, JSC
- Member of the Supervisory Board of Investment and Venture Fund of the Republic of Tatarstan, Non-Profit Organization

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none

Sorokin Valery Yurievich

Non-Executive Director

Member of the Board of Directors of PJSC TATNEFT

- Born in 1964
- In 1986, graduated from Kazan State University named after V.I. Ulianov-Lenin with a degree in Mechanics and a qualification of Mechanical Engineer
- 2003 – present — General Director of Svyazinvestneftekhim JSC

Participation in governance bodies of other entities

- Member of the Board of Directors of Svyazinvestneftekhim JSC
- Chairman of the Board of Directors of PJSC Tattelecom
- Member of the Board of Directors of JSC Tatneftekhiminvest-Holding
- Chairman of the Board of Directors of PJSC Ak Bars Bank
- Chairman of the Board of Directors of First Construction Management LLC
- Chairman of the Board of the NGO Alabuga Special Economic Zone Promotion Foundation
- Chairman of the Board of the NGO Regional Foundation for the TUGAN IL Social and Economic Development
- Member of the Board of the Systemic Medicine Foundation
- Chairman of the Board of the NGO Physical Culture and Sports Promotion Foundation
- Member of the Trustee Board of the Investment and Venture Fund of the Republic of Tatarstan
- Member of the Trustee Board of Kazan (Volga Region) Federal University
- Member of the Supervisory Board of the Interregional Clinical Diagnostic Center
- Member of the Trustee Board of the State Housing Fund under the President of the Republic of Tatarstan NPO
- Member of the Supervisory Board of the Autonomous Non-Profit Organization Kazan Open University of Talents 2.0
- Member of the Trustee Board of Volga-Capital Non-State Pension Fund JSC
- Member of the Trustee Board of the NPO The Republican Foundation for the Revival of Historical and Cultural Monuments of the Republic of Tatarstan
- Member of the Trustee Board of the Foundation for Support of Culture and Sports
- Member of the Trustee Board of the Foundation for Promotion of Comfortable Environment in the Republic of Tatarstan
- Member of the Supervisory Board of the World-Class Scientific and Educational Center in the Republic of Tatarstan

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none



Syubaev Nurislam Zinatulovich

Executive Director

Member of the Board of Directors of PJSC TATNEFT
 Member of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT
 Member of the Management Board of PJSC TATNEFT

- Born in 1960
- In 1982, he graduated from the Moscow Institute of National Economy named after G.V. Plekhanov with a degree in Economics and Logistics Planning and a qualification of the Economist
- 2001 – 17.07.2016 — Head of the Strategic Planning Department — Advisor to the General Director for Foreign Economic Activity and Financial and Banking Issues of PJSC TATNEFT
- 18.07.2016 – present — Deputy General Director for Strategic Development of PJSC TATNEFT

Participation in governance bodies of other entities

- Member of the Board of Directors of Kara-Altn Enterprise CJSC
- Member of the Board of Directors of JSC Aznakaevsky Plant Neftemash
- Chairman of the Board of Directors of Plant Elastic LLC
- Chairman of the Board of Directors of IDELOIL JSC
- Member of the Board of Directors of URS-Trading House LLC
- Member of the Board of Directors of Carbon-Oil LLC
- Member of the Board of Directors of Blagodarov-Oil LLC
- Member of the Board of Directors of PJSC Bank ZENIT
- Member of the Supervisory Board of Tatneft International Coöperatie U.A. (Netherlands)
- Member of the Board of National Association of Non-State Pension Funds, Self-Regulatory Organization
- Member of the Board of Directors of Board of Directors of P-D — Tatneft-Alabuga Steklovokno, LLC
- Member of the Board of Directors of PJSC Commercial Bank AK BARS

Share in the authorized capital of the Company, % **Holding of ordinary shares of the Company, %**

none none

Takhautdinov Shafagat Fakhrazovich

Non-Executive Director

Member of the Board of Directors of PJSC TATNEFT
 Adviser to the Chairman of the Board of Directors of PJSC TATNEFT

- Born in 1946
- In 1971, he graduated from the Moscow Institute of Petrochemical and Gas Industry named after I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- 1999 – November 2013 — General Director of PJSC TATNEFT
- November 2013 – present — Assistant to President of the Republic of Tatarstan on Oil Production, Advisor to Chairman of the Board of Directors of PJSC TATNEFT

Participation in governance bodies of other entities

- Chairman of the Board of Directors of Tatolgas JSC
- Chairman of the Board of Directors of Tatex JSC
- Member of the Board of Directors of Neftconsortium CJSC
- Member of the Board of Directors of Bulgarneft JSC
- Chairman of the Board of Directors of Kara-Altn Enterprise CJSC
- Chairman of the Board of Directors of JSC Tatneftprom-Zyuzeyevneft
- Member of the Board of Directors of JSC Tatneftprom
- Chairman of the Board of Directors of Carbon-Oil LLC
- Chairman of the Board of Directors of Blagodarov-Oil LLC
- Chairman of the Board of Directors of PACKER-BIS LLC
- Member of the Board of Directors of JSC Tatneftkhiminvest-Holding
- Member of the Board of Directors of PJSC Bank ZENIT
- Member of the Board of Directors of JSC National Non-State Pension Fund

Share in the authorized capital of the Company, % **Holding of ordinary shares of the Company, %**

0.116503 0.123914

Khalimov Rustam Khamisovich

Executive Director

Member of the Board of Directors of PJSC TATNEFT

- Born in 1965
- In 1987, he graduated from the Moscow Institute of Petrochemical and Gas Industry named after I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- 2010 – 2011 — Director of OJSC Tatneft Branch in Libya
- 2011 – 2015 — Head of NGDU Elkhovneft of OJSC TATNEFT
- 2015 – 20.05.2018 — Deputy General Director for Oil and Gas Development and Production of PJSC TATNEFT
- 21.05.2018 – 30.06.2019 — First Deputy General Director for Oil and Gas Exploration and Production of PJSC TATNEFT
- 01.07.2019 – present — First Deputy General Director for Oil and Gas Exploration and Production — Head of TATNEFT Upstream, PJSC TATNEFT

Participation in governance bodies of other entities

- Member of the Board of Directors of Yambuloil JSC

Share in the authorized capital of the Company, % **Holding of ordinary shares of the Company, %**

0.000056 none

Khisamov Rais Salikhovich

Executive Director

Member of the Board of Directors of PJSC TATNEFT

- Born in 1950
- In 1978, he graduated from the Moscow Institute of Petrochemical and Gas Industry named after I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- October 1997 – 12.04.2021 — Deputy General Director — Chief Geologist of PJSC TATNEFT

Participation in governance bodies of other entities

- Chairman of the Board of Directors of Kalmneftegaz OJSC
- Chairman of the Board of Directors of KalmTatneft JSC
- Member of the Board of Directors of New Oil Production Technologies LLC
- Member of the Board of Directors of Yambuloil JSC

Share in the authorized capital of the Company, % **Holding of ordinary shares of the Company, %**

0.020341 0.021433



Steiner René Frederick

Independent Director

Member of the Board of Directors of PJSC TATNEFT
 Chairman of the HR and Remuneration Committee of PJSC TATNEFT
 Member of the Audit Committee of the Board of Directors of PJSC TATNEFT

- Born in 1964
- In 1989, he graduated from the Higher Technical School of Zurich with a degree of Bachelor of Swiss Banking and Finance
- September 2011-present — Co-founder, Head of Private Equity Programs at FIDES Business Partner AG, Switzerland

Participation in governance bodies of other entities

- Vice-Chairman of the Board of Directors of FB Zurich Football Club
- Member of the Board of Directors of FIDES Holding AG
- Member of the Board of Directors of BerlinBlu AG
- Member of the Board of Directors of Fischer Sohne AG
- Member of the Board of Directors of Blattmann Nutrition AG

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none

Nurmukhametov Rafail Saitovich

Executive Director

Member of the Board of Directors of PJSC TATNEFT

- Born in 1949
- In 1974, he successfully graduated from the Ufa Petroleum Institute with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- 30.01.1998 – 31.01.2020 — Head of Oil & Gas Production Directorate of Leninogorskneft of PJSC TATNEFT

Participation in governance bodies of other entities

- Member of the Board of Directors of Okhtin-Oil CJSC

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
0.010465	0.010107



Agliullin Fanil Anvarovich

Non-Executive Director

Member of the Board of Directors of PJSC TATNEFT

- Born in 1975
- In 2004, he graduated from the Kazan Law Institute of the Ministry of Internal Affairs of the Russian Federation with a degree in Law Enforcement and a qualification of the Lawyer
- 2014 – 2016 — Deputy Head of the Special Training Department of the Center for Security of Senior officials of the Ministry of Internal Affairs of the Republic of Tatarstan
- 2016 – 2019 — Head of the Security Service — Assistant to the President of the Republic of Tatarstan
- 2016 – September 2019 — Head of the Security Service — Assistant to the President of the Republic of Tatarstan
- September 2019 – present — Minister of Land and Property Relations of the Republic of Tatarstan

Participation in governance bodies of other entities

- Member of the Board of Directors of Svyazinvestneftekhim JSC

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none

Glukhova Larisa Yurievna

Non-Executive Director

Member of the Board of Directors of PJSC TATNEFT
 Member of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT

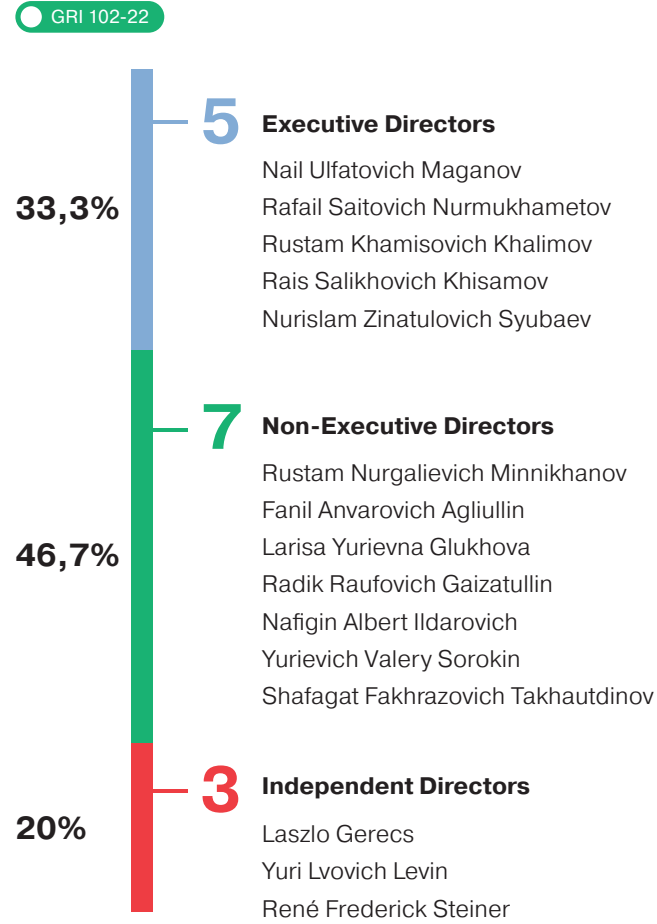
- Born in 1976
- In 1998, she graduated from Kazan State University with a degree in Law and a qualification of the Lawyer
- 1996 – 2001 — Leading Specialist Lawyer, Chief Specialist Lawyer of the Kazan City Committee for Consumer Protection of the Kazan City Administration
- 2001 – 2005 — Leading Specialist, Chief Specialist, Deputy Head of the Legal Department of the Ministry of Finance of the Republic of Tatarstan
- 2005 — 2012 — Head of the Sector of State Law and Economics Regulation, Deputy Head of the Legal Department of the Cabinet of Ministers of the Republic of Tatarstan
- 2012 – November 2013 — Head of the Legal Department of JSC Tatavtodor
- 21.11.2013 – 22.06.2017 — Minister of Justice of the Republic of Tatarstan
- 23.06.2017 – present — Head of the State Legal Department of the President of the Republic of Tatarstan.

Participation in governance bodies of other entities

- Member of the Board of Directors of Svyazinvestneftekhim JSC
- Member of the Trustee Board of the State Housing Fund under the President of the Republic of Tatarstan NPO

Share in the authorized capital of the Company, %	Holding of ordinary shares of the Company, %
none	none

Balanced composition of the Board of Directors



The Board of Directors' composition is well balanced in terms of membership of independent, non-executive, and executive Directors. The Company believes that three independent directors and seven non-executive directors in the Board of Directors maintain a balance between the interests of various groups of shareholders, facilitating objectivity in decision-making and inspiring investors, shareholders, and other stakeholders with high confidence in the Company. The participation of five executive directors ensures a deep integration of the Board of Directors and executive bodies. The Company believes that three independent directors are sufficient to significantly influence the decision-making process and ensure flexibility and objectivity in resolving issues. Moreover, the independence of these directors' judgments enhances the Board of Directors' effectiveness and improves the Company's corporate governance system.

Three of the fifteen members of the Board of Directors are foreign citizens (20% of the Board of Directors' overall membership). The presence of foreign directors on the Board contributes to the strengthening of international business contacts and the penetration of best business practices into the established corporate culture of the Company.

All members of the Board of Directors have significant work experience in the Company, high professional reputations and knowledge, which have a strong positive impact on consistent and balanced decision-making. The current composition of the Company's Board of Directors is sufficiently diversified and balanced

Independent Directors

Participation of independent directors with high professional backgrounds in the discussion of the issues considered by the Board of Directors, including those within the scope of the Board of Directors Committees and interaction with the management, has a very positive effect on the work of the Board of Directors and the corporate governance development.

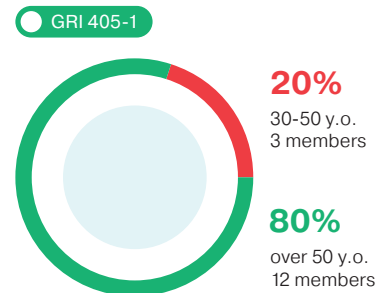
In 2021, the independent directors made a strong focus upon the Company's risk management and internal control system implementation of the Sustainable Development Goals in conjunction with the tasks of combating climate

change, responsible consumption and production, and other issues according to the Agenda of meetings of the Board of Directors and its committees.

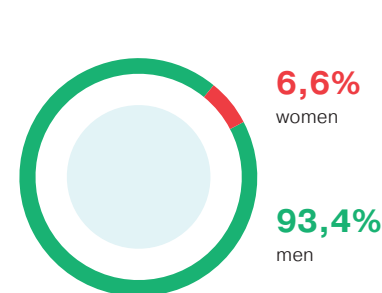
Mr. Laszlo Gerecs, an independent member of the Board of Directors, was appointed responsible for overseeing the Company's activities related to climate change.

Mr. Gerecs has the required relevant expertise in this area and interacts with the Company's management to discuss actions and plans to reduce the carbon footprint.

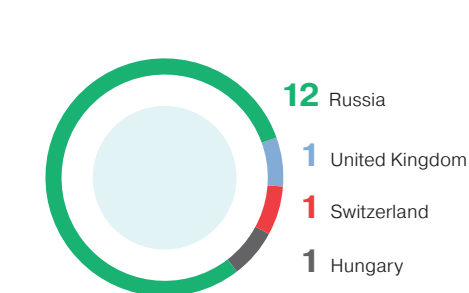
Age profile of the Board of Directors



Gender profile of the Board of Directors



Geographic profile of the Board of Directors



Key specialization of Board members



Financial investment, Audit

Yuri Lvovich Levin
René Frederick Steiner
Radik Raufovich Gaizatullin



Business strategy and asset management

Valery Yurievich Sorokin
Nurislam Zinatulovich Syubaev
Fanil Anvarovich Agliullin
Nafigin Albert Ildarovich



Sustainable Development and Climate

Nail Ulfatovich Maganov
Larisa Yurievna Glukhova
Nurislam Zinatulovich Syubaev
Laszlo Gerecs



Risks

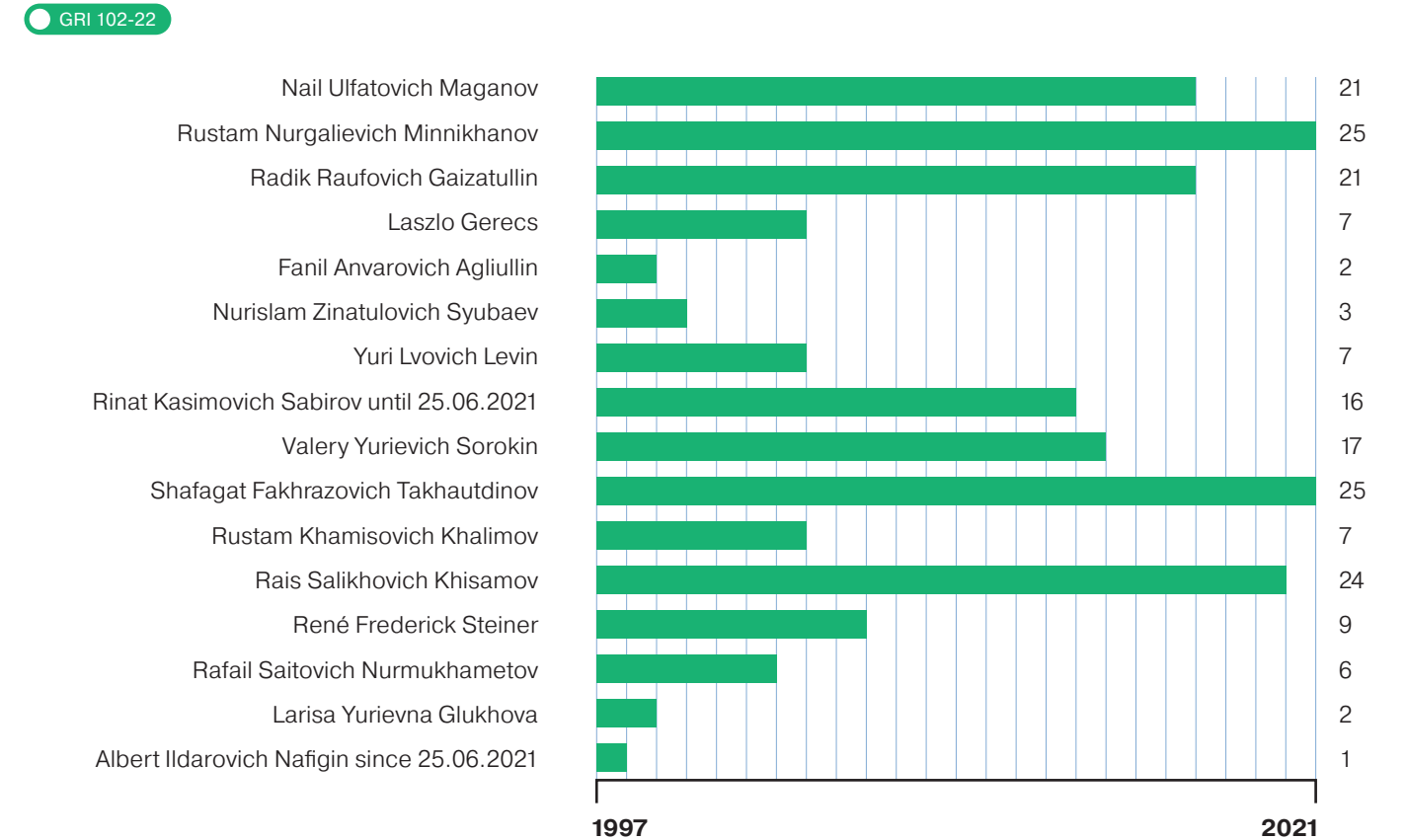
Shafagat Fakhrazovich Takhautdinov
Nail Ulfatovich Maganov
Larisa Yurievna Glukhova
Fanil Anvarovich Agliullin



Production operations

Rais Salikhovich Khisamov
Rustam Khamisovich Khalimov
Rafail Saitovich Nurmukhametov
Laszlo Gerecs

Duration of service on the Board of Directors



Enhancing the ESG professional expertise of the Board members

GRI 102-27

Members of the Board of Directors strive to improve their professional experience in the economic, environmental, and social spheres of the Company's activities, in the context of the implementation of the Sustainable Development Goals of the UN Global Compact and the Paris Agreement signed under the UN Framework Convention on Climate Change, which has regulated measures to reduce carbon dioxide in the atmosphere since 2020.

To ensure effective communication to the Board of Directors, the Company uses modern information and technical resources and channels, including specialized software in Russian and English.

The Company's governance bodies systematically receive a digest with an overview of information on economics, politics, ESG aspects, oil and related industries.

The Corporate University of the Company, together with Sber and Sber University, held an educational program on ESG transformation for the Company's management in December 2021. As part of the program, a panel discussion was held on practical solutions for ESG transformation, with the participation of MOL Group, a Hungarian vertically integrated oil and gas company (VIOGC), East Capital trust manager and VYGON Consulting.

“Managing the ESG agenda is not about compliance, it's about new opportunities opening up for the oil and gas business. We are actively diversifying our portfolio, investing in decarbonization technologies, developing industrial partnership projects with Russian and foreign VIOGCs, and actively involving stakeholders. The training allowed us not only to systemically immerse ourselves in the management mechanisms of E-, S- and G-factors, but also became a platform that enables us to align our team on the ESG transformation path,” – Nail Maganov, CEO.



Board of Directors' activities

GRI 102-31

Key decisions made by the Board of Directors

Corporate governance

The Board of Directors made the relevant decisions in preparation for the annual and extraordinary General Meetings of Shareholders of the Company, in particular, approved the list of candidate members of the Board of Directors for voting at the annual General Meeting of Shareholders. It considered the matters pertaining to the results of internal assessment (self-assessment) of the Board of Directors' and its committees' performance, independence of the Board of Directors members and recognition of R. Steiner as an independent member of the Board of Directors; the results of Internal Audit Department's work for 2020; the key fields of work of the Board of Directors' committees of PJSC TATNEFT; the level of transparency of corporate governance in the Company; the change of the depository bank in relation to the American depository receipts program; the transformation of the Corporate Governance Committee into the Sustainable Development and Corporate Governance Committee, and approval of the Committee Regulations.

Strategy, production, finance

The Board of Directors comprehensively considered the issues of planning and performance of the Company's current operational and financial activities as part of the Strategy 2030 implementation. The impact of macroeconomic factors was reviewed in the context of continued oil production curbs under the OPEC+ Agreement, the consequences of tax changes in the oil industry, market price fluctuations, and other factors related to the analysis of long-term trends in the hydrocarbon market and their impact on the Company's development.

The preliminary results of the 2020 investment program implementation and investments scheduled for 2021, taking into account the 2030 Strategy objectives aimed at increasing the Company value, were considered.

The Board approved the key indicators of the Company's budget for 2021, reviewed the financial and business performance of the TATNEFT Group for 2020 and H1 2021, as well as the forecasted financial and business activities of the TATNEFT Group for 2022 and adopted its parameters.

It made recommendations to the General Meeting of Shareholders on the distribution of the Company's profits based on the results of 2020 and on the amount of dividends on the Company's shares and payment procedure, considered the amount and procedure for payment of dividends on shares based on the results of H1 2021.

Decisions were made to continue the TANECO Complex project implementation, to further develop the tire business, the Composite Materials and Petrochemicals business streams, and energy projects. The results of the TATNEFT Group's 2025 IT strategy implementation were reviewed.

Sustainable Development

The Board of Directors paid particular attention to the Company's efforts to achieve the Sustainable Development Goals in conjunction with the tasks of combating climate change, responsible consumption and production, including SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy", SDG 9 "Industrialization, Innovation and Infrastructure", SDG 11 "Sustainable Cities and Communities", and SDG 12 "Responsible Consumption and Production".

It approved the 2021-2025 environmental program for TATNEFT Group to cut greenhouse gas emissions into the atmosphere, water consumption, waste generation, and increase the associated petroleum gas (APG) utilization.

The Board reviewed information on the implementation of the Company's strategic initiatives to reduce the carbon footprint.

It approved the Company's ongoing social policy and plans to improve the administration of social programs and expenditures in order to ensure the efficiency of social investments, as well as the results of corruption prevention measures in the Company, the need to update the Anti-Corruption Policy.

Close focus was made on the impact of the COVID-19 pandemic on the Company's operations and the safeguarding of employees' health, ensuring production and environmental safety, and occupational health.

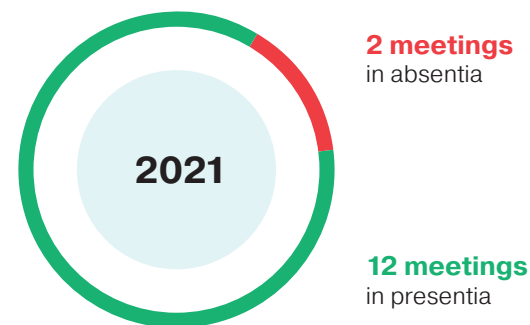
The Board of Directors approved the results of the KPI system implementation and its integration into the Company's motivation system, taking into account the goals to curb climate change for the period 2017-2021 for the TATNEFT Group.

It made a decision to develop and approve the Human Rights Policy, and Related Party Engagement Policy.

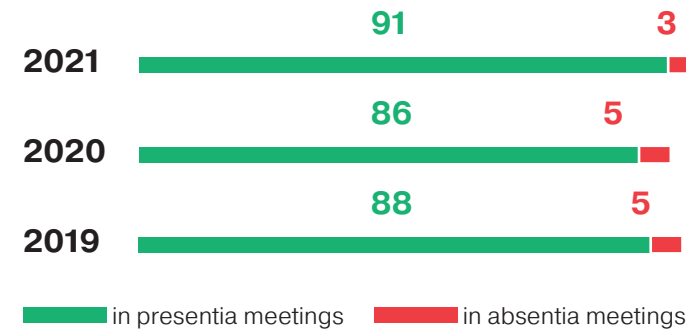
In the reporting year, the tasks set were fulfilled. The key goals were achieved despite the external constraints

In 2021, 14 meetings of the Board of Directors were held, including 12 meetings in presentia and 2 meetings in absentia. Altogether, more than 94 issues were considered.

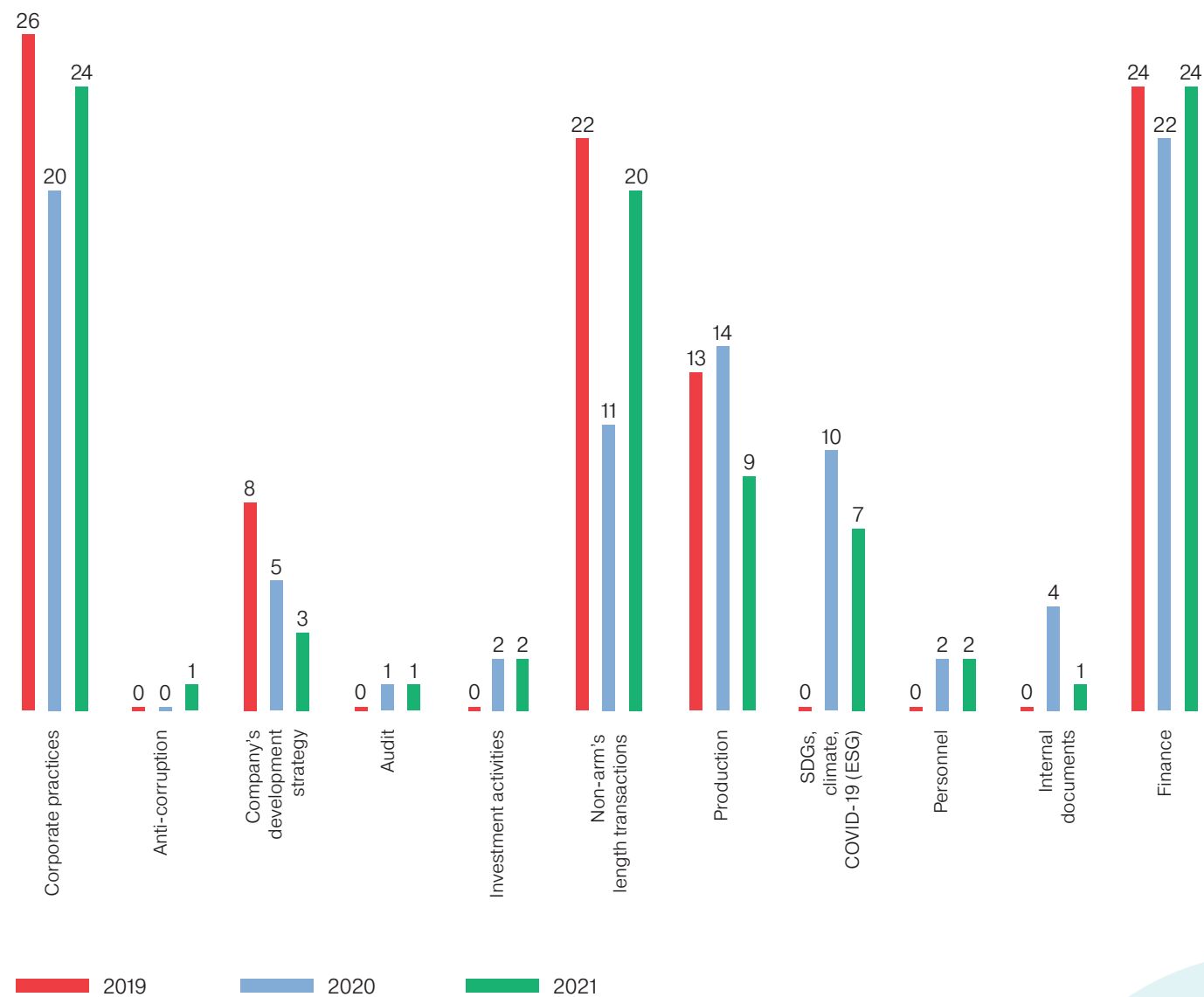
Board Meetings



Statistics of the number of issues addressed by the Board of Directors



Structure of the main issues addressed by the Board of Directors



Resolutions of the Board of Directors are available on the Company's website: www.tatneft.ru

2022 Board of Directors' work plan

The Board of Directors approves the work plan with the agenda for every half-year period. The plan of matters under consideration is drafted based on the proposals of members of the Board of Directors, executive bodies, and top managers. The work plan including at all times as follows:

- Oversight of the implementation of the Strategy and success in achieving targets, including those pertaining to the Sustainable Development Goals
- Review of the Company's plans and results of financial and business activities
- Evaluating performance of the Board of Directors and its committees
- Preparation for and holding General Meetings of Shareholders, etc.
- Payout of dividends
- Company decarbonization projects
- Other matters

Board of Directors meeting attendance in 2021

Surname, name, patronymic	27.01	24.02	05.03	31.03	28.04	25.05	30.06	27.07	26.08	30.09	27.10	23.11	26.11	20.12	Total/participation
Minnikhanov Rustam Nurgalievich	V	V	V	V	V	V	V	V	V	V	V	V	V	V	14/14
Maganov Nail Ulfatovich	V	V	V	V	V	V	V	V	V	V	O	V	V	V	14/13
Syubaev Nurislam Zinatulovich	V	V	V	V	V	V	V	V	O	V	V	V	V	V	14/13
Levin Yuri Lvovich	O	V	V	V	V	V	V	V	V	V	V	V	V	V	14/13
Gaizatullin Radik Raufovich	V	V	V	V	V	V	V	V	V	V	V	V	V	V	14/14
Gerecs Laszlo	V	V	V	V	V	V	V	V	V	V	V	V	V	V	14/14
Agliullin Fanil Anvarovich	V	V	V	V	V	V	O	V	V	V	V	V	V	V	14/13
Sabirov Rinat Kasimovich until 25.06.2021	V	V	V	V	V	V	O	O	O	O	O	O	O	O	6/6
Sorokin Valery Yurievich	V	V	V	V	V	V	V	O	V	V	V	V	V	V	14/13
Nurmukhametov Rafail Saitovich	O	V	V	V	V	V	V	V	V	O	V	V	V	V	14/12
Takhautdinov Shafagat Fakhrazovich	O	V	V	V	V	V	V	V	V	V	V	V	V	V	14/13
Glukhova Larisa Yurievna	V	V	V	V	V	O	V	V	V	V	V	V	V	V	14/13
Khisamov Rais Salikhovich	V	V	V	V	V	V	O	V	V	V	O	O	V	V	14/11
Khalimov Rustam Khamisovich	V	V	O	V	V	V	V	V	V	V	V	V	V	V	14/13
Steiner Rene Frederick	V	V	V	V	V	V	V	V	V	V	V	V	V	V	14/14
Nafigin Albert Ildarovich from 25.06.2021	O	O	O	O	O	O	V	V	V	V	V	V	V	V	8/8

In absentia meetings

Committees of the Board of Directors

GRI 102-18, 102-22, 102-29, 102-33

In order to improve the effectiveness and efficiency of the decisions taken by the Board of Directors, the Board of Directors operates three committees in the Company, which preliminary review the most important issues on the agenda of the Board of Directors and prepare appropriate recommendations within their competence.

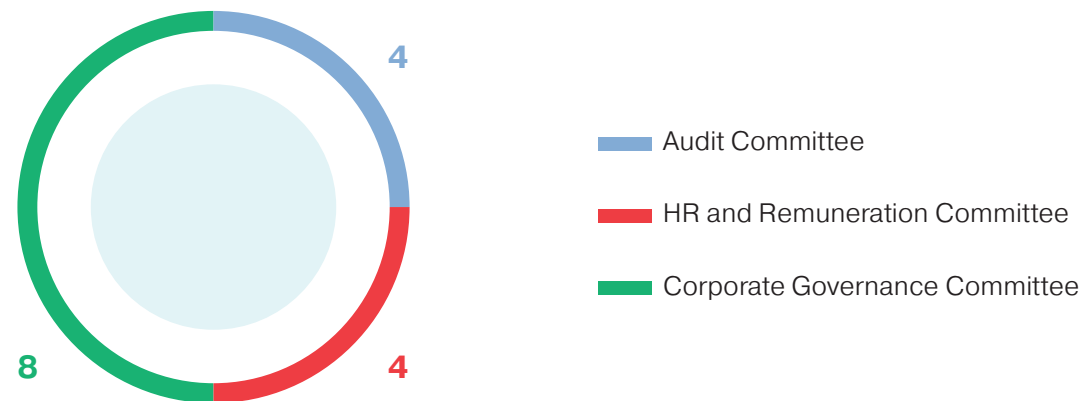
The activities of the committees are governed by the relevant regulations approved by the PJSC TATNEFT Board of Directors:

- Regulations on the Audit Committee of the Board of Directors of PJSC TATNEFT n.a. V. D. Shashin
- Regulations on the HR and Remuneration Committee of the Board of Directors of PJSC TATNEFT n.a. V. D. Shashin

- Regulations on the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT n.a. V. D. Shashin (until 20.12.2021 — Corporate Governance Committee)

The committees are fully accountable to the Board of Directors in their activities. The members of the committees are approved by the Board of Directors of PJSC TATNEFT, taking into account the relevant knowledge and skills, and professional background of each candidate member of the committee. The Company provides the Board of Directors with the details of each candidate's background, expertise, knowledge, and skills for a particular committee.

Board of Directors' committee membership sizes



Audit Committee

The Committee makes recommendations with regard to verifying the completeness, accuracy and fairness of accounting (financial) statements and other reporting, the reliability and effectiveness of the internal control and risk

management system, and the independence and objectivity of internal and external audit functions.

It is a permanent committee.

Committee members

Yuri Lvovich Levin Chairman
Independent Director

Radik Raufovich Gaizatullin
Non-Executive Director

Laszlo Gerecs
Independent Director

René Frederick Steiner
Independent Director

The Audit Committee of the Board of Directors of PJSC TATNEFT includes three independent directors. Chairman of the Committee Yu.L. Levin has relevant knowledge and skills in preparing, analyzing, assessing, and auditing accounting (financial) statements.

of Directors with financial and audit expertise beneficial for the activities of the Committee.

The members of the Committee have the appropriate knowledge and skills in solving the tasks of the Committee.

In addition to independent directors, the Audit Committee includes R. R. Gaizatullin — Minister of Finance of the Republic of Tatarstan, a member of the Board

There were no changes in the composition of the Audit Committee during the corporate year.

Audit Committee activities

On a regular basis, the Audit Committee heard reports of external auditors and the Company's Internal Audit Service on their performance, discussed the most important audit issues that arose during the reviews of quarterly and semi-annual statements and the audit of the annual financial statements of the Company with external auditors, reviewed and recommended the report of the Internal Audit Service for 2021 and the 2022 internal audit work plan for approval by the Board of Directors, as well as thematic reports of the Internal Audit Service on the results of scheduled and unscheduled audits and projects of priority importance to the Company, made proposals and recommendations to improve the internal audit efficiency.

statements of PJSC TATNEFT; discussion of areas of special focus, the scope and terms of relevant audits with auditors and with the Internal Audit Service; approval of the annual work plan of the Internal Audit Service and consideration of its reports on the results of thematic audits, as well as the annual report; assistance to the Board of Directors in monitoring the reliability and efficiency of internal control and risk management of PJSC TATNEFT. In connection with the primary focus on the objectives of achieving progress on sustainable development indicators (ESG) in the Company's strategy, the Audit Committee considered at its meetings the issues of preparing the assurance and the report on progress in the assurance by PWC on the Company's environmental indicators as part of the sustainable development project implementation. At the meetings of the Audit Committee, the preliminary and official versions of the Company's IFRS statements for 2021 were considered, including confirmation of the auditors' independence.

The principal agenda items of the Committee meetings were as follows: review and analysis of the Company's financial statements for three, six, nine and twelve months, including the results of audits by its external auditor; annual audit of the external auditor's independence, as well as the Internal Audit Service independence; assessment of auditor candidates and advising the Board of Directors regarding the election of independent auditors of IFRS and RAS financial

In 2021, there were 8 Audit Committee's meetings held with 48 issues considered.

Main issues addressed by the Committee

Subject matter	Number of issues 2019	Number of issues 2020	Number of issues 2021
Review of financial statements with the participation of external auditors	10	11	10
Issues related to the election of external auditors and confirmation of the external auditors' independence	4	3	4
Issues related to the work of the Internal Audit Department	14	13	12
Issues related to the preliminary review of non-arm's length transactions	3	3	8
Issues related to the disclosures on the PJSC TATNEFT financial position in the 2020 Annual Report	1	1	3
Issues related the Company's sustainable development	1	4	4
Other	14	11	7

Number of meetings held and issues addressed



Audit Committee meeting attendance *

Date	08.02	19.03	26.04	21.05	23.07	28.09	19.11	25.11	Total
Yuri Lvovich Levin	V	V	V	V	V	V	V	V	8/8
Laszlo Gerecs	V	V	V	V	V	V	V	V	8/8
René Frederick Steiner	V	V	V	V	V	V	V	V	8/8
Radik Raufovich Gaizatullin	V	V	V	V	V	V	V	V	8/8

* In 2021, the Audit Committee meetings were held in absentia due to the quarantine restrictions imposed to prevent the spread of the coronavirus infection. All HR and Remuneration Committee members participated in the meetings or sent their written opinions on the meeting's agenda items.

HR and Remuneration Committee

The Committee puts together recommendations to the Board of Directors on the effectiveness of the human resources policy, the system of nominations and remuneration, the assessment of candidate members of the Board of Directors and the company's management, the compliance of independent directors with the independence criteria, as well as the effectiveness and efficiency of the Board of Directors, executive bodies and top managers of the Company.

Committee members

René Frederick Steiner Chairman

Independent Director

Yuri Lvovich Levin

Independent Director

Laszlo Gerecs

Independent Director

In 2021, the following changes were made to the Committee membership:

- The powers of Rinat Kasimovich Sabirov were terminated (Minutes of the Board of Directors No. 2 dated 30.06.2021)

Committee's activities

The Committee's key priorities are as follows:

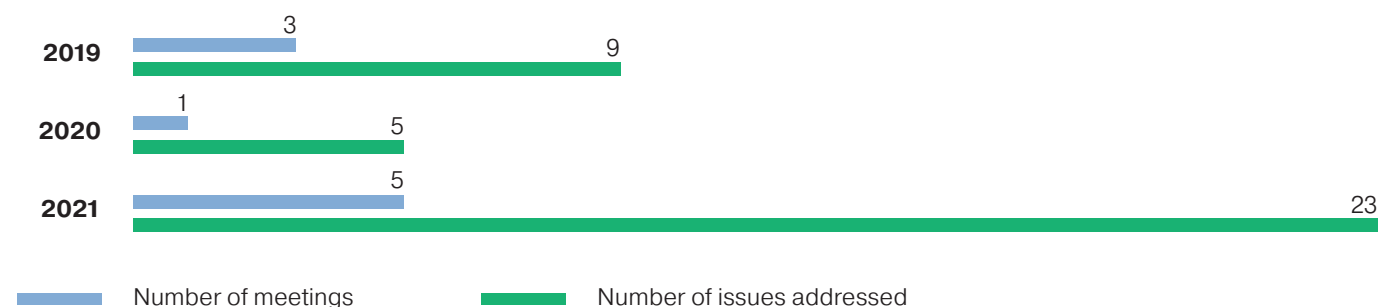
- Improving the effectiveness of the Company's development management by drawing out well-informed recommendations to the Board of Directors regarding the personnel policy, succession policy, the system of appointments and remuneration of the Company, assessment of the performance of the Board of Directors, executive bodies and other top managers of the Company;
- Development and oversight of the implementation of the Company's HR policy concerning senior management.

Main issues addressed by the Committee:

- Structural progress and prospects for the KPI system development, actual achievements in goal-setting in 2020
- KPI structure and planned implementation of the climate change mitigation process
- Target KPIs compared to achievements in 2020 by business blocks and their impact on the incentive plan
- Strategy, objectives and work plan of the Committee
- Approval of the 2020 remuneration report
- Efficiency of the remuneration system, revision of the remuneration policy
- Approval of the profile of candidate members of the Board of Directors
- Key projects of the Company's HR Block
- Pension plans and procedures for early dismissal of executive directors and key senior managers
- Questionnaire on the Committee's performance self-assessment

In 2021, there were 5 Committee's meetings held with 23 issues addressed.

Number of meetings held and issues addressed



Audit Committee meeting attendance **

Date	30.03.2021	29.06.2021	29.09.2021	28.10.2021	30.11.2021	Total/attendance
René Frederick Steiner	V	V	V	V	V	5/5
Rinat Kasimovich Sabirov	V	O	O	O	O	1/1
Yuri Lvovich Levin	V	V	V	V	V	5/5
Laszlo Gerecs	V	V	V	V	V	5/5

** In 2021, the Audit Committee meetings were held in absentia due to the quarantine restrictions imposed to prevent the spread of the coronavirus infection. All HR and Remuneration Committee members participated in the meetings or sent their written opinions on the meeting's agenda items.

Sustainable development and corporate governance Committee*

The Committee assists the Board of Directors in developing and improving the corporate governance system and practice across the Company by prior reviewing the corporate governance issues that fall within the competence of the Board of Directors, regulating relationships between shareholders, the Board of Directors and Executive bodies of the Company, as well as the issues of interaction with legal entities controlled by the Company and other stakeholders. It is a permanent committee.

Members of the Committee have relevant knowledge, skills and expertise in the corporate law, requirements of stock market regulators to issuers of the securities market, international standards of corporate governance, socially responsible investment, ESG practices, and Sustainable Development Goals of the UN Global Compact.

Committee members:

Nail Ulfatovich Maganov Chairman

Executive Director

Laszlo Gerech

Independent Director

Larisa Yurievna Glukhova

Non-Executive Director

Nurislam Zinatulovich Syubaev

Executive Director

Vasily Alexandrovich Mozgovoy

Assistant to the Director General for Corporate Finance of PJSC TATNEFT

Azat Gumerovich Khabibrahmanov

Deputy General Director for HSE

Damir Maratovich Gamirov

Corporate Secretary – Head of the Corporate Secretary's Office of PJSC TATNEFT

Aigul Minkharisovna Alparova

Head of Technical and Economic Information and Best Practices Department of PJSC TATNEFT

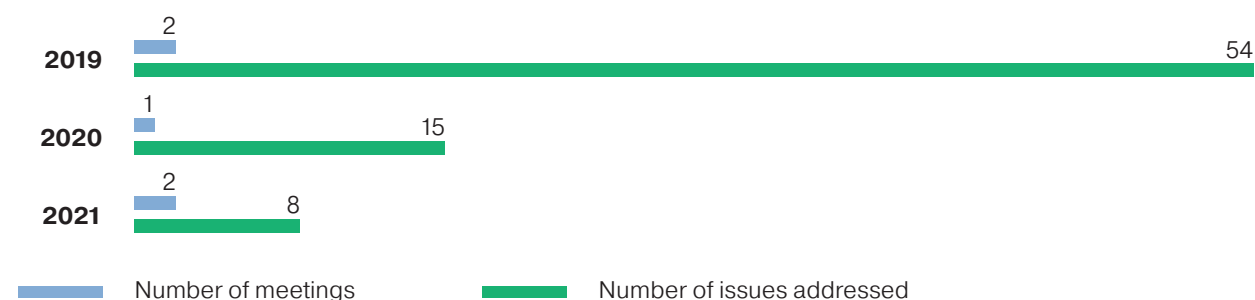
In 2021, the following changes were made to the Committee membership:

- The powers of the members of the Committee members were terminated Rinat Kasimovich Sabirov and Natalia Evgenievna Dorpeko (Minutes of the Board of Directors No. 2 dated 30.06.2021)
- A new member was elected to the Committee Larisa Yurievna Glukhova (Minutes of the Board of Directors No. 2 dated 30.06.2021), Laszlo Gerech and Azat Gumerovich Khabibrahmanov (Minutes of the Board of Directors No. 8 dated 20.12.2021)

*In 2021, the Corporate Governance Committee was transformed into the Sustainable Development and Corporate Governance Committee (Minutes of the Board of Directors No. 8 dated 20.12.2021).

Committee's activities

In 2021, there were 2 Committee's meetings held with 8 issues addressed.



Key issues

- Report on the state of the corporate governance system
- Report of PJSC TATNEFT n.a. V.D. Shashin on compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia on the results of the reporting calendar year 2020 and the ending corporate year
- Holding of the annual General Meeting of Shareholders of PJSC TATNEFT named after V.D. Shashin in the form of absentee voting.
- Reorganization of the Corporate Governance Committee of the Board of Directors of PJSC TATNEFT n.a V.D. Shashin

Committee meeting attendance

Date	20.02.2021	15.12.2021	Total/ attendance
Nail Ulfatovich Maganov	V	V	2/2
Damir Maratovich Gamirov	V	V	2/2
Aigul Minkharisovna Alparova	V	V	2/2
Larisa Yurievna Glukhova	O	V	1/1
Valery Alexandrovich Mozgovoy	V	V	2/2
Nurislam Zinatulovich Syubaev	V	V	2/2

Sole executive body

GRI 102-19, 102-20

The General Director is appointed by the Company's Board of Directors and reports to the Company's Board of Directors and the General Meeting of Shareholders.

The General Director is the Chairman of the Management Board of PJSC TATNEFT.

The General Director is in charge of the Company's day-to-day operations, determines the Company's organizational structure, oversees the soundness of the Company's assets and their practical use, addresses corporate matters related to the management of the Company's business structure, the health, safety, and environmental protection, the development of human resources and social guarantees for employees, as well as the sustainable development and corporate responsibility.

As per the Regulations on the General Director of PJSC TATNEFT, the General Director may entrust certain matters to the charge of his deputies. The duties and responsibilities are shared between the General Director and Deputy General Directors under the Company's internal organizational and administrative documents.

The Deputy General Directors of PJSC TATNEFT manage the work and bear responsibility for the relevant business streams of the Company with regard to the strategic and long-term planning, fulfilment of technical and economic targets, achieving ESG indicators, the effective and efficient use of fixed assets, raw materials, fuel and power, and other resources, production engineering and workplace management, occupational health and safety and other business areas of the Company.

Management Board

The Management Board is in charge of the day-to-day management of the Company, coordinating and monitoring its effective work, ensuring the implementation of decisions of the Shareholders' Meeting and the Board of Directors. The powers of the Management Board extend to a wide range of matters, including the long-term and short-term business development program, as well as the economic, financial and investment activities of the Company.

The Management Board is guided by the current legislation, the Articles of Association and Provision on the Management Board of PJSC TATNEFT n.a. V.D. Shashin and other internal regulations of the Company in its activities.

The procedure for forming the composition of the Management Board, the rights, duties and responsibilities of Management Board members, the Management Board's code of conduct are stipulated by the Regulations on the Management Board of PJSC TATNEFT. Contracts entered into on behalf of the Company by the Chairman of the Board of Directors with each member of the Management Board also determine the rights and duties of the Management Board members.

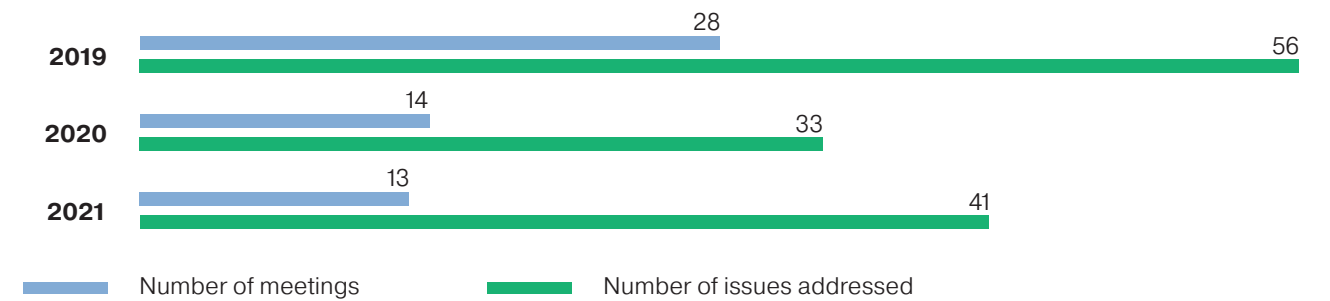
The Management Board consists of senior managers of the Company who have the necessary professional background and managerial experience in the Company's activities. The Board of Directors determine the number of Management Board members.

The Management Board meetings are held in accordance with the work plan thereof.

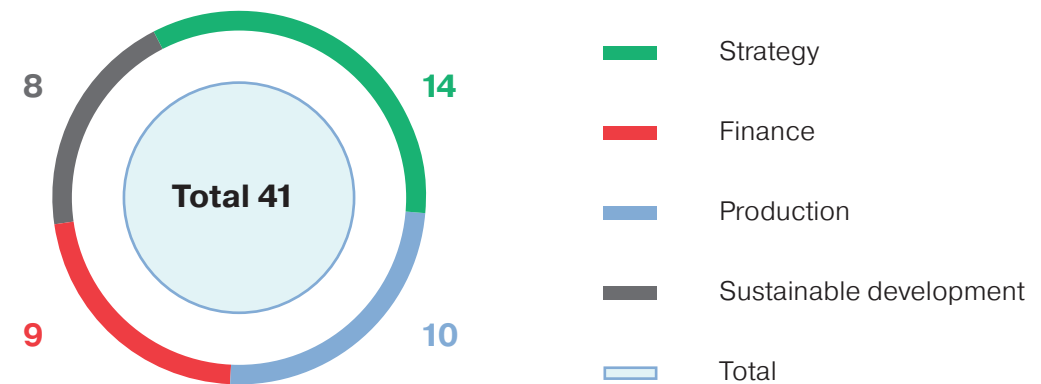
Activities of the Management Board

In 2021, the Management Board continued delivering on the Company's Development Strategy and achieving the SDG targets following the Board of Directors' decisions.

Statistics on Management Board meetings



Structure of issues addressed



Members of the Management Board



Maganov Nail Ulfatovich

General Director of PJSC TATNEFT
Member of the Board of Directors of PJSC TATNEFT
Chairman of the Management Board of PJSC TATNEFT
Chairman of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT

- Born in 1958
- In 1983, he graduated from the Moscow Institute of Petrochemical and Gas Industry n.a. I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- Joined the Management Board in 1999
- July 2000 – November 2013 — First Deputy General Director — Head of Crude Oil and Petroleum Product Sales Department of OJSC TATNEFT
- November 2013 – present — General Director of PJSC TATNEFT

Participation in governance bodies of other entities

- Participation in governance bodies of other entities:
- Chairman of the Board of Directors of PJSC Bank ZENIT
- Chairman of the Board of the TATNEFT Charitable Foundation
- Deputy Chairman of the Supervisory Board of the Ak Bars Hockey Academy n. a. Yu. I. Moiseev
- Member of the Board of Directors of LLC SCE Tatneft-Ak Bars
- Member of the Board of Directors of PJSC Nizhnekamskneftekhim
- Member of the Board of Directors of JSC Tatneftekhiminvest-Holding
- Member of the Board of Directors of Svyazinvestneftekhim JSC
- Member of the Board of Directors of Kontinental Hockey League, LLC
- Member of the Board of Directors of Tatneft Oil AG
- Chairman of the Board of Directors of TNA-Services NV
- Member of the Board of Directors of TAL OIL Ltd

Share in the authorized capital of the Company, %

0,000176

Holding of ordinary shares of the Company, %

none



Glazkov Nikolay Mikhailovich

Member of the Management Board of PJSC TATNEFT
Deputy General Director for Capital Construction of PJSC TATNEFT
Member of Management Board since 2012

- Born in 1960
- In 1998, he graduated from the Kazan Institute of Engineering and Construction with a degree in Industrial and Civil Engineering, and a qualification of the Civil Engineer
- 2008 – 2010 — Head of the Capital Construction Department of PJSC TATNEFT
- 2010 – present – Deputy General Director for Capital Construction of PJSC TATNEFT

Share in the authorized capital of the Company, %

none

Holding of ordinary shares of the Company, %

none



Mukhamadeev Rustam Nabiulloevich

Member of the Management Board of PJSC TATNEFT
Deputy General Director for Social Development of PJSC TATNEFT
Member of Management Board since 2002

- Born in 1952
- In 1977, he graduated from the Moscow Institute of Petrochemical and Gas Industry n.a. I.M. Gubkin with a degree in Technology and Complex Mechanization of Oil and Gas Field Development and a qualification of the Mining Engineer
- 2001 – 04.12.2017 — Deputy General Director for HR and Social Development of PJSC TATNEFT
- 04.12.2017 – 31.01.2020 — Deputy General Director for General Issues of PJSC TATNEFT
- 01.02.2020 – present — Deputy General Director for Social Development of PJSC TATNEFT.

Participation in governance bodies of other entities

- Member of the Board of Directors of IC Chulpan JSC
- Member of the Management Board of Tatneft-School Private Educational Institution
- Member of the Management Board of the OJSC Tatneft Almet'yevsk Medical Facility
- Member of the Board of Trustees, Presidium of Park of Culture and Recreation (Charitable Foundation)

Share in the authorized capital of the Company, %

0,004204

Holding of ordinary shares of the Company, %

0,004264



Syubaev Nurislam Zinatulovich

Member of the Board of Directors of PJSC TATNEFT
Member of the Management Board of PJSC TATNEFT
Deputy General Director for Strategic Development of PJSC TATNEFT
Member of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT
Member of Management Board since 2014

- BIn 1982, he graduated from the Moscow Institute of National Economy named after G.V. Plekhanov with a degree in Economics and Logistics Planning and a qualification of the Economist
- 2001 – 17.07.2016 — Head of the Strategic Planning Department — Advisor to the General Director for Foreign Economic Activity and Financial and Banking Issues of PJSC TATNEFT
- 18.07.2016 – present — Deputy General Director for Strategic Development of PJSC TATNEFT

Participation in governance bodies of other entities

- Member of the Board of Directors of Kara-Altyn Enterprise CJSC
- Member of the Board of Directors of JSC Aznakaevsky Plant Neftemash
- Chairman of the Board of Directors of Plant Elastic LLC
- Chairman of the Board of Directors of IDELOIL JSC
- Member of the Board of Directors of URS-Trading House LLC
- Member of the Board of Directors of Carbon-Oil LLC
- Member of the Board of Directors of Blagodarov-Oil LLC
- Member of the Board of Directors of PJSC Bank ZENIT
- Member of the Supervisory Board of Tatneft International Coöperatie U.A. (Netherlands)
- Member of the Board of National Association of Non-State Pension Funds, Self-Regulatory Organization
- Member of the Board of Directors of Board of Directors of P-D — Tatneft-Alabuga Steklovokno, LLC
- Member of the Board of Directors of PJSC Commercial Bank AK BARS

Share in the authorized capital of the Company, %

none

Holding of ordinary shares of the Company, %

none

Motivation system for members of governance and Management Bodies of the Company

GRI 102-35, 102-36

The Board of Directors sets the Company's policy on remuneration and reimbursement of costs (compensations) to the members of the Board of Directors, members of its executive bodies, and other key managers of the Company. Remuneration of members of the executive bodies and other key managers is determined in such a way as to provide a reasonable and justified ratio between the fixed part of the remuneration and the variable part of the remuneration, which depends on the performance results of the Company and the personal (individual) employee's contribution to the final result.

The Remuneration Committee consisting of independent directors and headed by an independent director who is not the Chairman of the Board of Directors has been set up for preliminary review of issues pertaining to establishing effective and transparent remuneration practices. When forming a remuneration system and determining the specific amount of remuneration to the members of the Company's governance bodies, it is assumed that the amount of the remuneration paid should be sufficient to engage, motivate and retain persons with the relevant professional background, knowledge, and skills required for the Company. The remuneration system builds upon the principles and guidelines of the Corporate Governance Code in alignment with the Company's current practice of remuneration and compensation accrual.

The remuneration system for management personnel is formed taking into account the strategic goals of the Company 2030 and is aimed at creating a unified remuneration system with its variable part linked to key performance indicators (KPIs). The KPI system is an important element of corporate governance in the Company and a tool for timely monitoring of the effectiveness of achieving strategic goals and motivating management to find the most effective solutions. The system of goal-setting and monitoring of KPI achievement has been introduced since 2017, it covers not only top management, but also middle and junior managers and is directly related to the annual remuneration.

At the end of 2021, monitoring of the effectiveness of KPI implementation was arranged in more than 60 subdivisions of the TATNEFT Group, covering more than 1,000 managers. To build a quality management system based on KPIs, the Company is guided by the following key principles:

- KPIs focus efforts on the main areas that ensure business efficiency, achieve strategic and sustainable development goals, and fulfill the priority tasks of the company and its subdivisions
- Transparent goal-setting system focused on improving processes and indicators in compliance with SMART criteria
- Clear link of KPIs with the management structure both vertically and horizontally with responsibility for supervised business processes

A set of indicators in the context of key business and functional areas of activity is updated annually, focusing on the priority of goals and the relevance of ongoing projects. At the same time, the task of achieving a balance between current efficiency and creating the basis for future competitiveness and business sustainability is being solved.

The operational efficiency of the Company's assets is monitored through the dynamics of fulfilling financial and production indicators. The established production plans and commercial goals for 2021 in the business area have been met:

Key Performance Indicators	Compliance
Fulfillment of the production program	Improvement trend
EBITDA	Improvement trend
ROACE	Improvement trend
Cash flow from investment projects	Improvement trend
State of occupational health and safety	Activities completed
Project management quality	Improvement trend

Efficiency in the long term is ensured by ongoing development programs and projects, which in 2021 were supplemented with initiatives aimed at addressing issues of the ESG agenda, the key of which are decarbonization and reduction of the carbon footprint, rational and responsible consumption, innovative development, social development in the regions of company presence.

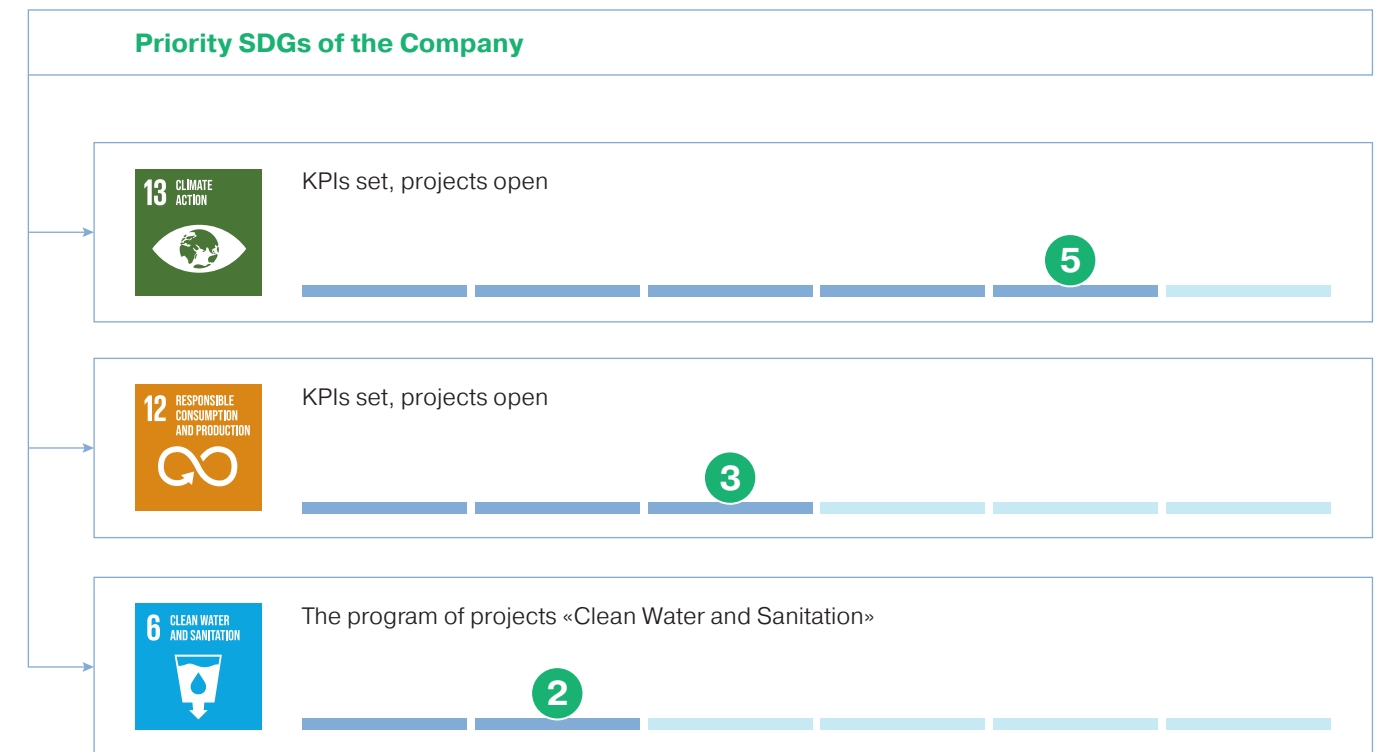
In accordance with the resolution of the Board of Directors (resolution No. 4 dated December 21, 2020), the sustainable development goals are integrated into the management KPIs and demonstrate positive performance in this area:

Key Performance Indicators	Compliance
Reduction of GHG emissions	Improvement trend
Rational use of energy resources	Improvement trend
Ensuring equipment reliability	Activities completed
Development of innovations	Improvement trend
Implementation of socially oriented projects	Performed within the planned scope of social investments

Sustainable development projects and targets received active support and a positive pace of development. In 2021, the Board of Directors adopted an algorithm for implementing a monitoring and motivation system for achieving sustainable development goals by management levels (resolution No. 3

dated October 27, 2021), which regulates the procedure for cascading and assigning tasks to process owners at the strategic, tactical and operational levels and provides for linking results with a remuneration system.

Level of integration of priority SDGs



Level of integration into the KPI system

- 5** Proactively manageable and improvable process
- 4** Regular monitoring system established
- 3** Key metrics implemented in the KPI system
- 2** Integration started (measurable indicators and owners introduced)
- 1** Long-term goals and programs approved
- 0** Goal understanding and prioritization

Remuneration of members of the Board of Directors

In accordance with the recommendations of the Corporate Governance Code of the Bank of Russia, in 2021 the Board of Directors amended the "Regulations on the Payment of Monetary Remuneration to Members of the Board of Directors and the Audit Commission of PJSC TATNEFT, as well as Compensation for Expenses related to the Performance of the Functions of the Board of Directors"

Members". The Regulations define an exhaustive list of all types of payments provided to members of the Board of Directors and the conditions for their receipt. The Regulations ensure the transparency of the mechanism for determining the amount of remuneration for members of the Board of Directors.

Information on the amount of remuneration to members of the Board of Directors, RUB

Indicator	2020	2021
Remuneration for the service on the governance body	108,178,531.00	96,905,309.00
Salaries	17,174,690.21	17,430,524.69
Bonuses	162,607,545.79	135,355,798.20
Other types of remuneration	1,604,906.67	52,111,005.23
Compensation	1,819,487.93	118,456.00
Total	291,385,161.60	301,921,093.12

Remuneration of members of the Management Board

Payments are made to Management Board members under the basic terms of the concluded contracts for the duties performed by a Management Board member, that include, inter alia, putting in practice decisions made by the General Meeting of Shareholders and the Board of Directors, participating in making plans for the Company growth and development, improving performance of the Company and some of its business units.

Motivation system for top management of PJSC TATNEFT n.a. V.D. Shashin is formed taking into account a set of internal documents of the Company and includes:

- Remuneration based on performance and implementation of significant projects, based on the achievement of individual performance indicators;
- Remuneration based on the principles of long-term motivation;
- Current monetary remuneration;
- Social security.

Information on remuneration of members of the Board of Directors and the Management Board is disclosed in the consolidated financial statements under IFRS as of December 31, 2021 and for 12 months of 2021.

The address of the page on the Internet, on which the specified reporting is freely available: <https://old.tatneft.ru/aktsioneram-i-investoram/raskritie-informatsii/financial-and-accounting-reporting>

Corporate Secretary

Gamirov Damir Maratovich

Corporate Secretary – Head of the Corporate Secretary’s Office of PJSC TATNEFT

Member of the Sustainable Development and Corporate Governance Committee of the Board of Directors of PJSC TATNEFT

- Born in 1980
- In 2003, he graduated from Ufa State Petroleum Technical University with a degree in Economics and Management at Oil and Gas Industry Enterprises and a qualification of the Economist Manager
- 2003 – 16.04.2017 — Economist at the Securities Section of the Property Management Department of PJSC TATNEFT
- 17.04.2017 – 14.10.2021 — Deputy Head of the Corporate Secretary’s Office of PJSC TATNEFT
- 15.10.2021 – present — Head of the Corporate Secretary’s Office of PJSC TATNEFT

Participation in governance bodies of other entities

Member of the Board of Directors of Eurasian Registrar, LLC

The main task of the Corporate Secretary is the efficient implementation of the corporate policy and organization of efficient communications among the shareholders, governance and control bodies and the Company itself

The Corporate Secretary ensures the efficient interaction of the members of the Board of Directors with the Company’s shareholders and their representatives, with the executive bodies of the Company, executives and employees of the divisions of the Company, coordination of the Company’s actions to protect the rights and interests of the shareholders, conducting meetings and keeping minutes of Board of Directors’ meetings.

The Corporate Secretary reports to the Board of Directors, is appointed and dismissed by the General Director based on the decision of the Board of Directors.

The Corporate Secretary enjoys appropriate level of independence from the executive bodies of the Company and has necessary powers and resources to perform his tasks.

The Corporate Secretary acts in accordance with the Company’s Articles of Association and the Regulations on the Corporate Secretary of PJSC TATNEFT n.a. V.D. Shashin, which covers all the requirements of the Moscow Exchange PJSC and recommendations of the Bank of Russia Code regarding the activities of the Corporate Secretary.

Corporate control and business ethics

GRI 102-15, 102-30

Risk management and internal control

Risk management is a continuous systematic process integrated into the strategic and operational management of the Company at all levels of its activities in order to affect a risk to reduce its level, eliminate or mitigate the consequences of the risk. Risk management implies a comprehensive analysis of threats and opportunities to achieve the business goals and development of optimal management decisions by the Board of Directors, General Director, Management Board, management and other employees of the Company.

The Company develops an integrated risk management and internal control system, including the assessment of sustainable development factors and climate risks, increases awareness of stakeholders regarding all factors and takes reasonable measures to eliminate and minimize risk factors.

The risk management and internal control system is based on a set of organizational measures and procedures taken to achieve an optimal balance between the growth of the Company's value, profitability and risks, to ensure financial stability and safety of assets, to conduct business effectively, to comply with legislation, the Company's Articles of Association and other internal documents, to prepare timely reliable reports and disclose significant information.

The document regulating the risk management and internal control in TATNEFT Group is the Risk Management and Internal Control Policy.

Given the dynamic development of the business environment, the constant change in the composition, quality and intensity of factors that may affect the Company's operations, the risk management system is constantly being improved to ensure a prompt response to emerging challenges and providing reasonable assurance in achieving the Company's goals.

The Company continuously develops the risk management and internal control system based on the generally accepted concepts and practices, including in accordance with the "Integrated Concept of Building an Internal Control System" COSO ERM, the Concept (COSO) "Risk Management of organizations. Integrated Model", the Committee of Sponsoring Organizations of the Treadway Commission; International standards ISO31000 "Risk Management. Principles and Guidelines", ISO31010 "Risk Management. Risk Assessment Methods", relevant GOST standards and others.

Target focus

- Development of a risk management system based on integration of risk identification and control into the processes of strategic planning, formation and implementation of the investment program, operational and financial activities, as well as identification of economic, environmental and social risks.
- Interaction with stakeholders to identify financial, industrial, technological, legal, economic, environmental and social impacts that may create risks and effective risk management opportunities.
- Analysis of the efficiency of the risk management methods used.

Levels of ensuring the reliability and efficiency of the risk management and internal control system

Strategic level of management

- Board of Directors of PJSC TATNEFT
- Audit Committee of the Board of Directors
- Sustainable Development and Corporate Governance Committee of the Board of Directors

- Defining the main principles and approaches to the organization of the Company's Risk Management and Internal Control System (RMICS)
- Control over the implementation of the risk management and internal control system, organization of analysis and assessment of the RMICS efficiency
- Approval of RMICS key development directions, control over their implementation
- Approval of reports on risks of financial and business activities at the corporate level
- Approval of risk appetite.
- Control of RMICS performance and reliability

Operational level of RMICS management

- General Director of PJSC TATNEFT
- Management Board of PJSC TATNEFT
- Company's management

- Formation and maintenance of a control environment that contributes to the RMICS effective functioning
- Development, implementation and monitoring of risk management efforts
- Support for the introduction and implementation of programs to improve the RMICS.
- Coordination of risk management and internal control processes
- Development and updating of the methodological base to ensure the RMICS processes

- Department of Economic Security, Information Protection, Civil Defense and Emergency Situations

- Coordination of the RMICS processes to control corporate fraud and corruption

- Structural divisions of PJSC TATNEFT that perform individual functions of risk management and internal control for business/functional units within the RMICS

- Implementation of the RMICS elements in business/functional units, in the business processes of the business/functional units.

Independent monitoring and assessment of the RMICS efficiency*

- Audit Commission of PJSC TATNEFT
- Internal Audit Department of PJSC TATNEFT

- Controlling the financial and business activities of the Company
- Independent assessment of the RMICS reliability and efficiency at the corporate and business process level (reports on the results of inspections are sent to the Company's management and the Audit Committee)
- assisting the Company's management in improving internal control and risk management processes

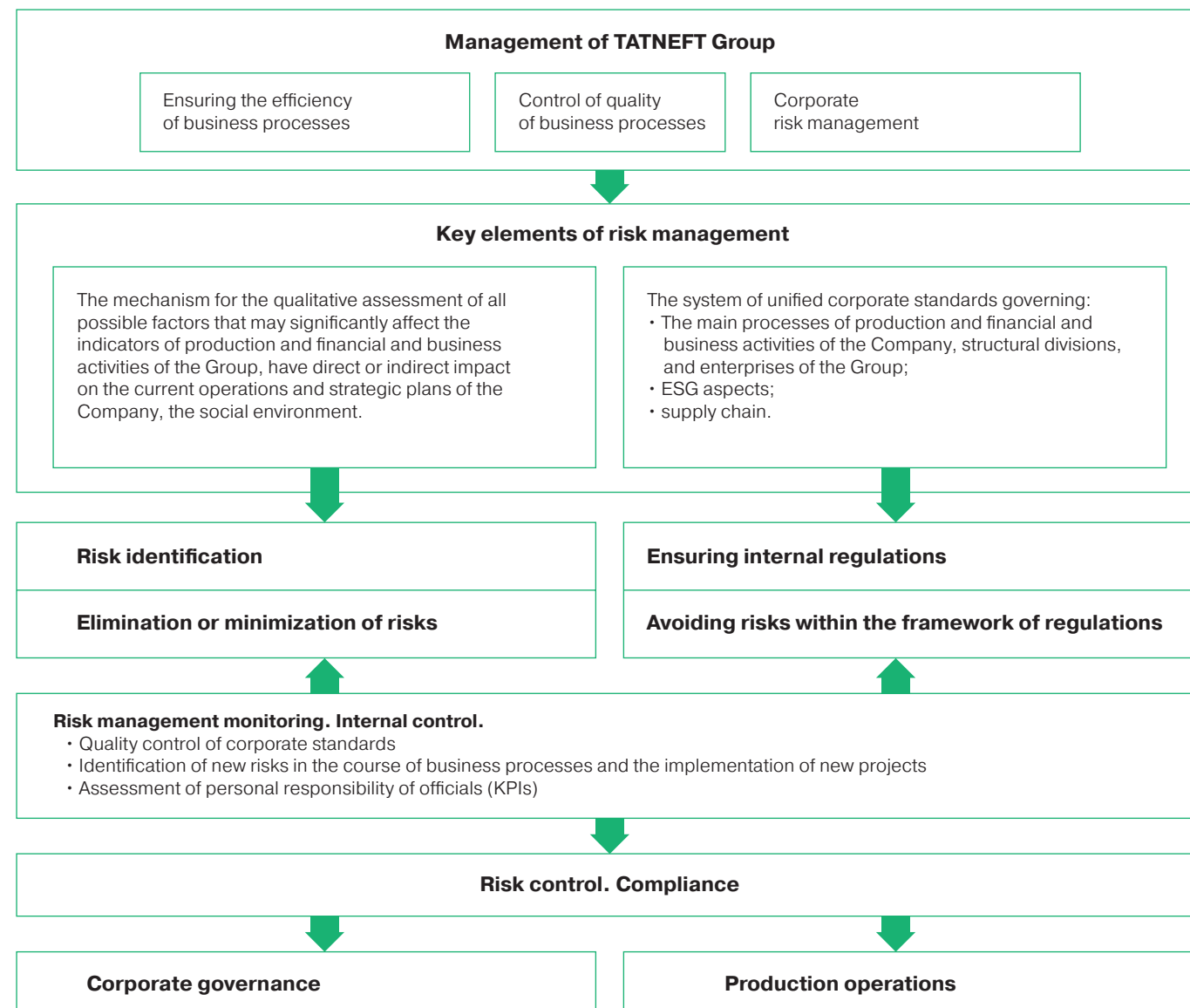
* Information on the main results of assessing the efficiency of the Company's risk management and internal control system for 2021 by the Audit Committee: based on the audit results, no critical facts were found on the basis of which it would be possible to conclude that the system of internal control and risk management in the Company is ineffective. Recommendations were given to address the weaknesses identified. Corrective actions have been developed and their implementation is regularly monitored by the Internal Audit Department.

In order to ensure the company’s sustainable development, risk management is integrated into the decision-making mechanisms and management system in all areas of activity

Organizational sustainability	Business continuity	Safety
<ul style="list-style-type: none"> • Strategy and planning • Compliance with legal requirements • Corporate governance • Safety and efficiency of assets • Information technologies • HR issues 	<ul style="list-style-type: none"> • Corporate governance • Investment policy • Production processes • Technology and intangible assets • Financial results • Quality of products and services • Information security 	<ul style="list-style-type: none"> • Corporate governance • Industrial safety • Occupational health and safety • Environmental protection • Reducing climate impact • Information and cyber security • Anti-corruption

The Company uses forecasting software tools that allow it to take measures to minimize potential risks. In particular, corporate planning uses various scenarios that allow responding quickly to external changes and unpredictable impacts.

Risk management and internal control system



Risk management and internal control principles

GRI 102-11

- 1 Precautionary principle is the key principle of the risk management system**

The principal approach of the Company is to assess the likelihood of a risk event occurrence and the priority of preventive measures over reactive ones. The Company adheres to the precautionary principle, which is one of the basic principles in the system of strategic and current planning of operations in all areas. This principle defines a risk control mechanism to prevent the occurrence of risk or its minimization in circumstances beyond the control of the Company.
- 2 Uniformity of the Company’s methodological base**

The risk management system is based on uniform approaches and standards for all structural subdivisions and subsidiaries of the Company.
- 3 Continuity**

The risk management system operates on an ongoing basis.
- 4 Integrity**

The risk management system covers all streams of the Company’s business and all types of risks arising within. Control procedures exist in all business processes of the Group at all levels of management.
- 5 Accountability**

The risk management system defines the competence for decision-making and control in risk management at all levels of TATNEFT Group.
- 6 Awareness and timeliness of communication**

The risk management process is accompanied by the availability of objective, reliable and relevant information.
- 7 Efficiency**

The Company makes efficient use of resources to implement the risk management measures.
- 8 Reasonable confidence**

The risk management system may provide only reasonable guarantees for the achievement of the Company’s goals but cannot provide an absolute guarantee due to the inherent limitations of the external and internal environment.
- 9 Adaptability**

The risk management system is being improved on a regular basis to identify all possible risks of activities and maximize the use of risk control and management methods.
- 10 Strict regulation**

All operations are conducted in accordance with the procedure stipulated by internal regulations.
- 11 Active management involvement**

The management of the Company and TATNEFT Group entities participates actively and provides support in implementing and improving the risk management system of TATNEFT Group.

Internal control

The Company carries out works to identify risks of business processes and introduce control procedures, which contribute to improving the efficiency of business processes, ensuring the accuracy of financial statements, compliance with the legislation and local regulations of the Company. Internal control supports the executive bodies in improving the efficiency of the Company's management, the implementation of financial and business activities.

The risk management and internal control process helps to ensure compliance with laws and regulations, to avoid damage to the company's reputation and related consequences.

To minimize the possible adverse impact on the financial and business performance, the Company develops and implements appropriate compensating measures. To keep risks at an acceptable level, part of the risks are insured.

Risk management system infrastructure

The distribution of responsibilities, the availability and improvement of internal regulatory framework, organizational measures and coordination allow the risk management process to be carried out on the company-wide basis. The risk management infrastructure integrates the risk management process with all the Company's business processes, including business planning, internal control, and audit. The Company develops a set of components and mechanisms that provide the basis for effective risk management and internal control.

A unified register of risks and control procedures (risk map) is being formed, quantitative models are being developed to assess the key risks of the Company. The development, implementation and unification of control procedures in the Company's business processes is underway on an ongoing basis.

The Company adheres to the principle of continuous improvement of the infrastructure and risk management system process based on:

- Distribution of responsibilities for the RMICS
- Improving the internal standard and regulatory base
- Relationship of the RMS with all business processes
- Sequence of actions
- Internal control
- Monitoring
- Development and implementation of measures for the quality of risk management

Current plans to improve the risk management and internal control system

- Further improving the effectiveness of mechanisms for a systematic approach to identifying and assessing risks
- Development of internal procedures for reporting on business process risks
- Determination of risk appetite based on the Company's planned business goals
- Determination of risk appetite based on the Company's impacts on environment, climate, and social factor
- Development of communication mechanisms of the KPI management system with the risk management and internal corporate control objectives
- Further integration of the risk management and internal control system into the supply chain at the level of suppliers and contractors
- Implementation of the international system ISO 31000:2018 risk management standards

Information on the main risks is provided in Appendix 1 "Main Risks" to this Annual Report.

Internal audit

The internal audit of the Company is aimed at assessing the reliability of the Company's business processes, provides for identification of internal reserves to increase the efficiency of the financial and business activities of the Company, including the TATNEFT Group companies, and to improve the internal control and risk management system.

The internal audit function is isolated by the nature of its activities, it has the necessary independence status, it is administratively subordinate to the General Director, functionally to the Board of Directors of PJSC TATNEFT, which corresponds to the best Russian and international corporate governance practices.

The goals, objectives and powers of the Company's Internal Audit Department are defined by the Regulations on the Internal Audit Department of PJSC TATNEFT (QR code)

The internal control system efficiency is assessed taking into account the coverage of the main and auxiliary business processes in all fields of the Company's operations in accordance with the internal audit plan approved by the Board of Directors. When preparing the annual plan, the proposals and risks received as a result of the survey of managers of the business segments and divisions of the Company, the results of prior audits are taken into account.

As part of the audit, a system of internal control over the operational efficiency of processes, compliance with the legislation, and safety of property is considered. The audit is conducted on a risk-based approach. The report on the results of the internal audit is sent to the management of the Company and the Audit Committee. Subsequently, the Internal Audit Department monitors the implementation of measures and informs the Company's management and the Audit Committee of the Board of Directors on the progress of elimination of the identified deficiencies.

In 2021, the Internal Audit Department fully implemented the annual plan:

- it held 9 scheduled audits
- it participated in 38 unscheduled projects on various issues of financial and business activities

Reports on completed projects were sent to the Audit Committee and the Company's management. Based on the results of the 2021 projects, 155 events are being monitored quarterly, for which responsible persons have been appointed.

When determining priority projects for inclusion in the annual plan, management's proposals, the results of prior scheduled and unscheduled audits, the significance of the topic for the implementation of the strategic objectives of the TATNEFT Group, the level of risks and other factors are taken into account.

Quality assessment of the internal audit function

In 2021, Ernst & Young LLC — Assessment & Advisory Services assessed the quality of the internal audit function performed by the Company's Internal Audit Department. Based on the results of the assessment carried out in accordance with the requirements of the External Quality Assessment Manual for the Internal Audit Activity of the Institute of Internal Auditors, the activities of the Company's Internal Audit Department generally comply with the International Professional Standards for Internal Audit of the Institute of Internal Auditors and the Code of Ethics. The "generally comply" assessment means that the internal audit has internal audit regulations, policies and procedures in place that are assessed as compliant with the Standards. The consultant provided recommendations on improving the internal audit activities.

External audit

In order to independently assess the reliability of the accounting (financial) statements, the Company annually engages an external auditor to conduct an audit of statements prepared under International Financial Reporting Standards (IFRS) and Russian Accounting Standards (RAS). The General Meeting of Shareholders approves an external auditor based on the recommendation of the Board of Directors of the Company, adopted on the basis of the assessment carried out by the Audit Committee.

PricewaterhouseCoopers Audit JSC was approved as an auditor for compulsory audit of the annual financial accounting statements for 2021 prepared in accordance with Russian and International Accounting Standards by the decision of the Annual General Meeting of Shareholders (Minutes No. 34 dated 25.06.2021).

Auditor's fee for 2021

Audit services (excl. VAT) — RUB 99 mln (excl. overhead costs), including:

- **Audit and review of the consolidated financial statements of TATNEFT Group prepared under IFRS — RUB 92.6 mln**
- **Audit of the accounting statements of PJSC TATNEFT under RAS — RUB 6.4 mln**

Consulting services from PwC Group are rendered by other legal entities (PwC Consulting LLC, PwC Legal Services LLC, PwC Russian B.V. LLC) and are not included in the auditor's fee.

Audit Commission

The Audit Commission exercises control over the financial and business activities of the Company, over compliance with the laws on accounting procedures and over the submission of accounting (financial) statements and information by the Company to the relevant authorities and shareholders in the manner and within the terms determined by laws of the Russian Federation, over improving the efficiency of asset management of the Company and other financial and business activities of the Company, reducing financial and operational risks, improving the internal control system.

The Audit Commission is elected as a body of eight members by the General Meeting of Shareholders for a term until the next Annual General Meeting of Shareholders. One member of the Audit Commission is appointed based on the special "golden share" right (Law of the Republic of Tatarstan No. 43-ZRT "On Privatization of State Property of the Republic of Tatarstan" of 26.07.2004). A member of the Company and any person proposed by a shareholder may be a member of the Audit Commission.

In 2021, the Audit Commission held 9 meetings at which it considered the status of the Company's accounts receivable and accounts payable; preservation and condition of archival documents on the Company privatization; analysis of documents on the mandatory annual inventory of the Company; implementation of investment projects for the achievement of indicators; control over the expenditure of funds of the joint-stock company, allocated in accordance with the approved business plans; implementation of measures to eliminate identified violations based on the results of CRO audits; analysis of the oil production cost, Company's financial results, audit of the financial and business activities of the Company for 2020.

In the course of work of the Company's Audit Commission in 2022, the reliability of the data disclosed in the annual accounting (financial) statements and the Company's Annual Report for 2021, as well as the data disclosed in the Report on the Non-Arm's Transactions of PJSC TATNEFT n.a. V.D. Shashin in 2021, was confirmed. The conclusions of the Audit Commission were communicated to the Annual General Meeting of Shareholders.

Audit Commission

Members of the Audit Commission

Marsel Fagimovich Abdullin Chairman since 23.07.2021

- In 2004, he graduated from V.I. Ulyanov-Lenin KSU with a degree in Law and a qualification of the Lawyer
- In 2009, he graduated from V.V. Kuibyshev KSFEI with a degree in Finance and Credit and a qualification of the Economist
- Head of the Business Service Center of PJSC TATNEFT

Guzal Rafisovna Gilfanova

- In 1993, she graduated from Saint Petersburg State University with a degree in Geochemistry
- In 2005, she graduated from Kursk Regional Finance and Economics Institute with a degree in Organizational Management
- Has a qualification diploma of an ICFM certified auditor.
- Deputy Head of the Control and Auditing Department of PJSC TATNEFT

Ksenia Gennadievna Borzunova

- In 2003, she graduated from Kazan State Financial and Economic Institute with a degree in Economics & Anti-Crisis Management
- Head of the Economics Department of the Ministry of Land and Property Relations of the Republic of Tatarstan

Ilnur Imamzulfarovich Gabidullin

- In 1998, he graduated from the Kazan State Agricultural Academy with a degree in Agricultural Economics and Management
- Deputy Executive Director of LLC SCE Tatneft-Ak Bars

Tatyana Gennadievna Malakhova

- In 2004, she graduated from the Academy of Labor and Social Relations with a degree in Law and a qualification of the Lawyer
- Leading Specialist in the Corporate Secretary's Office of PJSC TATNEFT (since 01.12.2021, Deputy Head of the Corporate Secretary's Office)

Ramil Shavkatovich Khairullin

- In 2003, he graduated from V.V. Kuibyshev KSFEI with a degree in Accounting and Audit
- In 2012, he graduated from the Institute of Oil and Gas Business with a qualification of the Manager of Oil and Gas Business. Has a qualification certificate of a professional accountant, an ACCA diploma in International Financial Reporting
- Deputy Chief Accountant – Head of the Accounting and Reporting Department of PJSC TATNEFT

Liliya Rafaelovna Rakhimzyanova

- In 1988, she graduated from the V.V. Kuibyshev Kazan Financial and Economic Institute with a degree in Industrial Planning
- Head of the Oil Production and Refining Department of the Ministry of Industry and Trade of the Republic of Tatarstan

Ravil Anasovich Sharifullin

- In 1990, she graduated from the V.V. Kuibyshev Kazan Financial and Economic Institute with a degree in Industrial Planning Accounting, Control and Analysis of Economic Activity. Has a qualification certificate of a professional accountant
- Head of the Control and Auditing Department of PJSC TATNEFT

Sariya Kashibulkhakovna Yusupova*

- In 1986, she graduated from the V.V. Kuibyshev Kazan Financial and Economic Institute with a degree in Financial Accounting and Analysis of Economic Activity
- Deputy Head of the Economic Analysis Department of the Ministry of Finance of the Republic of Tatarstan

*As per President of the Republic of Tatarstan Order No. 58 dated 23.01.2021, by virtue of the special "golden share" right, she was appointed to the Audit Commission of the Company as a representative of the state (the Republic of Tatarstan).

Protection of insider information procedures and regulations

Procedures and regulations

PJSC TATNEFT pays special attention to the measures aimed at preventing inadmissible misuse of the insider information. In its activities, the Company is guided by Federal Law No. 224-FZ "On Preventing the Illegal Use of Insider Information and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation" dated 27.07.2010, other legislation of the Russian Federation, and Regulation (EC) 596/2014 of the European Parliament and Council of the European Union "On Market Abuse" dated April 16, 2014.

The Company provides all necessary procedures for the protection of insider information with the relevant internal regulations. The Company has enacted the Regulations for Access to Insider Information of PJSC TATNEFT n.a. V.D. Shashin, rules for protection of its confidentiality and monitoring compliance with the legislation of the Russian Federation and the European Union and internal documents adopted pursuant thereto, the List of Information Constituting Insider Information of PJSC TATNEFT n.a. V.D. Shashin, the Rules of Interaction of Units and Departments of the Executive Office, Structural Divisions of PJSC TATNEFT n.a. V.D. Shashin, when disclosing the information recognized in accordance with the laws of the Russian Federation and the European Union and/or the UK as insider information and material facts of the issuer of securities governing the procedure for:

- circulation of insider information within the Company;
- access to insider information;
- disclosure of insider information;
- making transactions with the Company's securities, including the procedure for informing the Company by insiders about such transactions.

In accordance with the requirements of Regulation (EU) 596/2014 of the European Parliament and Council of the European Union dated April 16, 2014, members of the Company's governance bodies are informed about the requirements for handling insider information, a ban on transactions with the Company's securities in the so-called closed periods.

For insiders who are not members of the Company's governance bodies, there are also restrictions on transactions with securities.

The Company annually develops a Calendar of Periods Available to the Insider for Transactions with the Company's Securities and Derivatives. This calendar is made available on the Company's website.

On an ongoing basis, the Company conducts explanatory work as regards the requirements of the applicable legislation by informing the Company's employees with the access to insider information, in particular, through the corporate website of the Company.

The Board of Directors decided to appoint Damir Maratovich Gamirov, Corporate Secretary – Head of the Corporate Secretary's Office, as a person responsible for monitoring compliance with the requirements of the legislation of the Russian Federation on countering the unlawful use of insider information and market manipulation.

Insider information protection committee

Committee members

Damir Maratovich Gamirov Chairman

Corporate Secretary – Head of the Corporate Secretary's Office, PJSC TATNEFT

Aigul Minkharisovna Alparova

Head of Technical & Economic Information and Promotion of Best Practices Department, PJSC TATNEFT

Piotr Andreevich Glushkov

Advisor to General Director for International Legal Issues, PJSC TATNEFT

Vasily Alexandrovich Mozgovoy

Assistant to General Director for Corporate Finance, PJSC TATNEFT

The list of insiders is updated upon inclusion or exclusion of insiders of the Company into/from it. As of 31.12.2021, the list of PJSC TATNEFT insiders included 14 legal entities and 250 individuals. During 2021, 20 individuals were included in the list of insiders, and 26 individuals were excluded.

Notifications on the inclusion of persons in the list/ on the exclusion of persons from the list of insiders are sent to insiders of the Company in a timely manner. During 2021, 46 notifications were sent to Company insiders.

In accordance with the listing authority (Moscow Exchange PJSC) inquiries to submit the list of insiders, the Company provided 12 lists of the insiders to the listing authority in 2021.

Information policy

The Company follows the principles of information transparency, guarantees the timely provision of essential information to its shareholders, the investment community and all stakeholders based on:

- **Regular and consistent disclosure** of information regarding the principal operations
- **Prompt disclosure** of relevant information on the material events and facts in the Company's operations
- **Guaranteed accuracy and completeness** of the disclosed information about the Company and its controlled entities which are of substantial importance within the framework of the TATNEFT Group
- **Availability** of information to the stakeholders and equal access to information for similar categories of stakeholders
- **Integrity and consistency of the information** disclosed by various means and/or in various forms, as well as comparability of disclosed indicators for different periods of time
- Provision of the financial and other information **free from influence** of any persons or their groups.

The Company discloses material information about its activities and avoids a formalistic approach to information disclosure. At the same time, the Company does not evade from disclosing adverse information about itself, if such information is essential for shareholders, investors and other stakeholders. The Company seeks to provide simultaneous and equivalent disclosure of material information in the Russian Federation and abroad in accordance with the circulation of the Company's securities in overseas organized securities markets, including in the form of foreign depository receipts.

Disclosure, dissemination, and provision of information are carried out within the scope, in the manner, and within the terms stipulated by applicable Russian and applicable foreign law in the field of information disclosure by issuers of securities.

In the field of information disclosure, PJSC TATNEFT is guided by Federal Law No. 39-FZ "On the Securities Market" dated 22.04.1996, Federal Law No. 208-FZ "On Joint Stock Companies" dated 26.12.1995, Bank of Russia Regulations No. 714-P "On Information Disclosure by Issuers of Equity Securities" dated 27.03.2020, Regulations on Mandatory Disclosure of Information by PJSC TATNEFT n.a. V.D. Shashin, requirements of the Moscow Exchange and London Stock Exchange, and recommendations of the Corporate Governance Code of the Bank of Russia.

Information subject to mandatory disclosure in accordance with the legislation of the Russian Federation is disclosed on the Company's official website (tatneft.ru) in the Russian and English languages as well as in the news feed and on the website of the information agency (Screen LLC) authorized to disclose information of the Company.

100 disclosures in Screen LLC information agency and on the Company's official website:
<https://www.tatneft.ru/aktsioneram-i-investoram/raskritie-informatsii/sushchestvennie-fakti/?lang=ru>

163 Press releases published on the Company's official website

Disclosure of financial statements

Transparency of financial statements is one of the key elements of the corporate governance.

The Company discloses the annual consolidated financial statements together with the auditor's report, and the consolidated interim condensed financial statements with the opinion on the results of the review of the consolidated interim condensed financial statements. The Company also discloses the annual financial statements together with the audit's report and interim accounting statements.

On 16.03.2022, the Company published the audited RAS annual accounting statements for 2021 and on 15.03.2022, the Company published the audited IFRS consolidated annual financial statements for 2021

Business ethics

GRI 102-16, 103

Values, principles, standards

The Company conducts its business activities in compliance with business ethical standards and maintains an impeccable reputation based on strict compliance with applicable laws, the rights and freedoms of all persons, respect for their dignity; assumes only those obligations that it believes possible to fulfill, excluding deliberate misrepresentation; takes measures to prevent corruption and bribery; avoids engaging in any illegal transactions; requires to fulfill similar commitments from any organizations and persons acting on its behalf; principles of fair competition, respect for them.

The main documents regulating the Company's activities in compliance with the basic ethics principles and standards are:

- Anti-corruption Policy Standard of PJSC TATNEFT
- Corporate Governance Code of PJSC TATNEFT named after V.D. Shashin
- Corporate Culture Code for PJSC TATNEFT employees
- Regulations on Ethics Committee and Commissions of PJSC TATNEFT structural subdivisions
- Regulations on PJSC TATNEFT commercial secrets complete with Instructions on the procedure for compiling a List of information classified as a commercial secret
- Regulations on the Corporate Hot Line system operation
- Regulations on accepting and giving gifts in PJSC TATNEFT
- Regulation on compliance with anti-corruption norms and rules in the process of fulfilling contractual obligations

The Corporate University has designed the "Corporate Culture" training course in order to develop a systematic understanding of the corporate culture as a strategic factor of the Company's internal environment, its principles and values, to broadcast, maintain and develop the corporate culture, as well as to form knowledge of business code in the Company. Over 5,000 employees of the Company have successfully completed this course. Surveys are annually conducted to assess knowledge and understanding of the Company's Values. In 2021, the surveys were carried out the face-to-face format in the Mirapolis system in the non-governmental educational institution Tatneft Personnel Training Centre (NOU TsPK-Tatneft) and the Corporate University. The coverage amounted to 4,413 people. The average level of "understanding of the Company's Values" in the Tatneft Group amounted to 88.5%, and the "knowledge" level was 93.7%.

Ethics Committee

The Company has established the Ethics Committee in order to develop institutional corporate and business ethics in the Company, maintain a positive business image of the Company and create an internal mechanism to respond to conflict situations related to violations of ethical norms and rules.

The main principles of the Ethics Committee are independence, transparency, fairness, objectivity and responsibility in resolving issues related to the Company's employees ethics and conduct. If there is any information about violations of the Corporate Culture Code, any employee has the right to apply to the Ethics Committee. The Ethics Committee investigates violations of the Corporate Culture Code by the Company's employees. Based on the results of the investigation, the Ethics Committee prepares a report, and if the fact of the Code violation is confirmed, makes recommendations on the necessary sanctions to be applied to the guilty persons, as well as measures to prevent such cases.

Prevention and resolution of potential conflicts of interest

GRI 102-25

The Company strives to prevent possible corporate conflicts through transparent corporate governance procedures and strict adherence to the code of corporate conduct

In the event of any corporate conflict, the Company shall take all possible measures to resolve it and protect the rights and legitimate interests of shareholders, as well as other participants in the corporate relations. Potential conflicts of interest are prevented at all levels of the Company's management.

The Board of Directors applies procedures aimed at preventing and managing conflicts of interest. The Company provides for the information disclosure about conflicts of interest in case of their occurrence.

The corporate governance system of the Company includes a framework of rules and procedures aimed at regulating and eliminating possible conflicts of interest between governance bodies and shareholders, as well as between the shareholders, if the conflict affects the interests of the Company, identifying and resolving all possible general and specific problems, related to the rights of shareholders at the level of the Board of Directors, Executive bodies, Top managers and employees of the Company.

In the event of conflict of interests, the Company provides mechanisms of taking all the necessary and possible measures for its full regulation, as well as creating conditions that preclude conflict in the future.

Prevention and settlement of corporate conflicts is a part of the risk management policy and is entrusted to the Board of Directors and the Sustainable Development and Corporate Governance Committee of the Board of Directors. The competence of the executive bodies of the Company to participate in the consideration and resolution of corporate conflicts is determined by the nature of the conflict

Shareholders

In order to prevent potential conflicts at the level of shareholders, the Company provides equal opportunities for shareholders to exercise the rights provided for by applicable law. Ensuring the interaction of the Company with shareholders and participation in the prevention of corporate conflicts are within the competence of the Board of Directors of the Company. In addition, the Company organized work on interaction with shareholders, including clarification of the Company's standpoint at the request of shareholders.

Board of Directors

The function of conflict of interest management in the Company is assigned to the Board of Directors, which is enshrined in the Regulation on the Board of Directors. To prevent possible conflicts of interest among members of the Board of Directors, the Company has introduced certain restrictions and requirements for members of the Board of Directors. Thus, a member of the Board of Directors must refrain from actions that will or may lead to a conflict of interest. The Chairman of the Board of Directors and independent directors monitor compliance with the mechanism to prevent a conflict of interests of members of the Board of Directors. Independent directors are required to take all necessary and possible measures to prevent and resolve conflicts, minimize the consequences of conflicts between the Company and its shareholders, provide effective protection for all shareholders in case of violation of their rights. In the reporting year, there were no conflicts of interest among the members of the Board of Directors.

Executive bodies

The General Director and members of the Management Board of the Company shall refrain from taking actions that could lead to conflict of interest, and in the event of such a conflict, they shall immediately inform the Chairman of the Management Board / Chairman of the Board of Directors.

Top managers and employees

The Company considers the conflict of interests at the level of top managers and employees as situations and circumstances in which the private interests of an employee or his/her close persons and/or relatives contradict or may contradict the interests of the Company and, thus, affect or may affect the proper performance of their job functions, including his/her impartial decision-making, as well as those that may infringe the rights, legitimate interests, property and/or harm business reputation of PJSC TATNEFT. Preventive measure and prevention of conflicts of interest at the level of employees of the Company is regulated by the Code of Corporate Governance of the Company, the Code of Corporate Culture, which defines the concepts of conflict of interest, corruption actions and regulates the prevention of conflicts of interest, as well as the Regulations on Resolving Conflicts of Interest and Anti-Corruption Policy of the Company.



Anti-corruption policy

GRI 103, 205-1, 205-2, 205-3

Company's anti-corruption public standpoint

In accordance with the Council of Europe Convention on Criminal Liability for Corruption, Federal Law No. 273-FZ "On Combating Corruption" dated 25.12.2008, Decree of the President of the Russian Federation "On the National Plan for Combating Corruption for 2018-2020" and the Standard "Anti-Corruption Policy of PJSC TATNEFT n.a. V.D. Shashin," the Company strictly complies with the anti-corruption legislation of the Russian Federation, as well as the anti-corruption legislation of other countries where it operates. Information on anti-corruption activities is available on the official website of PJSC TATNEFT — www.tatneft.ru

In 2021, PJSC Tatneft debuted in the rating of the Russian Union of Industrialists and Entrepreneurs and became a finalist with the assignment of class A3 — "Companies with a Good Level of Anti-Corruption".

Principles, rules, procedures aimed to prevent corruption in all aspects of the Company activities

Rejection of Corruption and Prohibition of Corrupt Practices

The Company's activities are based on the prevention of corruption in all forms and manifestations. All employees, members of the governance bodies of the Company, executive bodies and other persons acting on behalf of the Company or in its interests, are prohibited directly or indirectly, personally or through any mediation, from participating in corruption regardless of the practice of doing business in a particular country or region. The Code of Corporate Culture for employees of PJSC TATNEFT contains a provision on the rejection of corruption in any of its manifestations.

TATNEFT does not allow corruption practices, including the manifestation of conflict of interest, both in relation to representatives of the state, public organizations, organizations of any form of ownership, political figures and other third parties, and in relation to employees of the Company, in any way, including through abuse of official position in order to derive any personal benefit.

Punishment Inevitability

The Company investigates all reasonably substantiated reports of violations of the appropriate procedures to counteract involvement in corruption activities and prosecutes those responsible without taking into account their position, term of work, status with the Company and other relationships with it in the manner established by applicable law and internal documents of the Company. The Company makes every possible reasonable and legal effort to promptly prevent violations. The Company makes public information about individuals who violate the requirements of applicable law and the Anti-Corruption Policy.

Legitimacy

The Company and its employees are obliged to comply with the provisions of the Russian anti-corruption legislation, as well as the applicable norms of foreign anti-corruption legislation when they enter into legal relations falling within the scope of such legislation.

Top Management Tone

Members of the Company's governance and executive bodies, heads of departments, units and other divisions of the Company, must declare a strong stand against any forms and manifestations of corruption at all levels, demonstrate, implement and comply with it in practice.

Consistency and proportionality

The Company develops and implements a system of appropriate procedures to counteract and prevent involvement in corruption activities. The Company strives to make the procedures as transparent, clear, feasible and reasonably consistent with the identified risks as possible.

Due Diligence Principle

The Company carries out monitoring and verification of counterparties and candidates for positions in the Company before making a decision to start or continue business relations, or hiring them for reliability, rejection of corruption and risk of conflict of interest.

Information and training

The Company informs and clarifies the principles and provisions of the applicable law, the Anti-Corruption Policy and other local regulations in relation to counteracting involvement in corruption, including the training of the employees on the basics of countering corruption and explains its policies in this field to counterparties, in order to improve the anti-corruption knowledge and skills of all Company employees.

Monitoring

The Company carries out continuous monitoring of the implemented procedures to combat and prevent involvement in corruption activities and monitors compliance therewith. The Company periodically procures an independent assessment of the state of the system for counteracting involvement in corruption, as well as the assessment of compliance of the Company's activities with the applicable laws and the Anti-Corruption Policy. The results of the assessment are reported to shareholders and the public in the annual report, press releases and other information materials.

Protecting the Interests of Employees

No sanctions may be applied to an employee for:

- The refusal to engage in corrupt activities, even if as a result of such a refusal, the Company incurred losses, lost profits, or if the commercial and/or competitive advantages were not obtained;
- The bona fide reporting of alleged violations, acts of corruption, other abuses, or insufficiency of existing controls.

Liability

All employees, regardless of their position, are liable under the applicable legislation of the Russian Federation in case of a failure to comply with the principles and requirements of the Anti-Corruption Policy, providing knowingly false information or using (attempting to use) anti-corruption procedures in order to obtain personal benefits contradicting the interests of the Company or applicable legislation. Persons culpable of breaching the requirements of the Anti-Corruption Policy may be subject to disciplinary, administrative, civil or criminal liability on the initiative of the Company, law enforcement agencies or other persons in accordance with the procedure and on the grounds provided for by the legislation of the Russian Federation, the Articles of Association, internal documents of the Company, and employment contracts.

Informing personnel about anti-corruption methods

The Company informs and explains the principles and norms of the applicable legislation, the Anti-Corruption Policy and other local regulatory documents in relation to countering involvement in corruption activities, including training employees in the basics of countering involvement in corruption activities and explaining its policy in this field to counterparties. The available regulations contribute to the formation of rules of conduct for employees and to counteract their involvement in corrupt activities.

Regular risk assessment related to involvement in corruption

The Company identifies, assesses and periodically reassesses corruption risks characteristic of its potentially vulnerable business processes. When identifying and assessing the risks, the Company takes into account the fullness of information on activities and plans, including investment and strategic ones, available at the time of the assessment and reassessment.

In order to ensure the overall security of the trading and purchasing platform, the Company has implemented the following measures:

- Creating a comprehensive technical control system that includes an access control system, video surveillance, recording of conversations of employees of the trading and procurement platform through office phone;
- Preventing any uncontrolled online access for software developers of the trading and procurement platform;
- Developing a methodology for analyzing electronic traces to identify the collusion of bidders;
- Verification of contractors and applying due diligence procedures with respect to contracts in accordance with the Company Standard "Verification of Suppliers of Goods, Works, Services according to Economic Security Criteria" with the anti-corruption provisions incorporated in all contracts.

Corruption may be reported using the following methods:

- To immediate or superior supervisor;
- To the Company's round-the-clock hotline;
- To law enforcement agencies.

The Company guarantees confidentiality to all Employees and other persons who in good faith report corruption risks and violations.

Continuous anti-corruption activities have ensured that the number of corruption cases has been minimized.

There is no information as regards public court cases initiated against the Company or its employees in connection with the imposition of liability measures for corruption offenses in 2021.

Antimonopoly policy

GRI 206-1

The Company operates in strict compliance with the antimonopoly state regulation, legislation, recommendations of the Federal Antimonopoly Service (FAS of Russia), and the best international practices. The Company follows the principles of competitive business conduct and provides for rules of conduct for employees aimed at preventing violations of anti-monopoly legislation.

The Company is constantly improving the internal procedures aimed at alerting and preventing violations of the applicable anti-monopoly legislation, including training of employees in anti-monopoly regulation.

For the period 2019–2021, there were no significant violations of the antimonopoly legislation by the Company, and there were no material fines.

The Company participated as a third party in a dispute under a lawsuit related to uncompetitive behavior and violation of antimonopoly legislation (abuse of a dominant position) by a counterparty business entity.

The counterparty business entity's application to the Federal Antimonopoly Service for recognition as illegal and cancellation of the decision and ruling was rejected.*

*Dispute on the application of the Public Joint Stock Company Nizhnekamskneftekhim to the Federal Antimonopoly Service on the recognition as illegal and cancellation of the decision and ruling dated 01.08.2019 on case No. 02/01/10-42/2019 (abuse by a business entity of the dominant position under Para. 3,6,8 Part 1 of Art. 10 of Federal Law No. 135-FZ "On Protection of Competition" dated 26.07.2006), proceedings of the Arbitration Court of Moscow No. A40-207440/19-130-1608. The Company was involved in the case as a third party. By the decision dated 12.03.2020, the Moscow Arbitration Court rejected the application of PJSC Nizhnekamskneftekhim. By the ruling dated 10.06.2021, the Moscow Arbitration Court refused to review the case due to newly discovered circumstances, the decision dated 12.03.2020 was upheld.

Hotline information system

GRI 102-17

The Company effectively operates its Hotline, a special-purpose confidential channel, through which an employee or an outsider can report on possible cases of unethical conduct, various violations related to the Company's operations, namely, professional activities, corporate governance and corporate ethics issues, respect for human rights, work schedule, social aspects, industrial and environmental safety, occupational health and safety, quality of products and services, other issues, including those of corruption nature.

The Hotline supervisor is the Internal Audit Department, which directs the received requests to the relevant services and monitors corrective actions. All reports are considered and, if necessary, measures are implemented to improve the internal control efficiency, minimize possible adverse consequences, and inform stakeholders.

The Hotline principles are based on:

- confidentiality
- objectivity
- responsibility for taking action
- inadmissibility of any forms of pressure on whistleblowers

The regulated period for consideration of reports is 30 calendar days, with the exception of reports requiring immediate response or additional investigation.

Whistleblowers having provided reliable information that allowed the Company to prevent or stop losses are given a monetary reward.

Reports may be made to the Hotline:

- **By phone: 8 (800) 100-41-12**
- **Via e-mail: tn@88001004112.ru**
- **On the official website of PJSC TATNEFT: www.tatneft.ru**

Information about the Hotline is made available on the external website, information stands of enterprises, pay slips, workwear, etc.

In order to promote the Hotline and raise awareness in the Company, the Company has developed an electronic course and trained its employees.

Hotline reports



In 2021, 722 of the 2,287 reports received for consideration were accepted, 501 of them were investigated, on 221 there were consultations and reporting to the responsible supervisors. For 103 reports, the cases were confirmed,

corrective measures were implemented, including in 2 cases, materials were sent to law enforcement agencies, disciplinary measures were applied to 7 employees, employment relations were terminated with 8 employees.

Subject of report	Investigated	Confirmed cases
Employment relations	248	45
Social matters	103	31
Procurement procedures	56	11
Abuse/theft	43	3
Environment, HSE	16	6
Quality of service at filling stations	30	7
Positive image retention	5	0
	501	103

Corporate cyber security policy

Cyber security of the Company's critical information infrastructure is a high focus area for the Company's top management

In the context of the transition to digital transactions and increased electronic communications traffic, the Company takes a responsible approach to controlling the risks of cyber intrusions into corporate information systems, which can damage the safety of assets, operating and financial activities, and the interests of shareholders and investors. The Company takes measures to ensure a highly protected internal cybersecurity system and seeks to convey confidence in its quality to all the stakeholders.

The Company takes into account global cyber security challenges that pose potential risks and open up new opportunities in the development of information technology. The Company's key cybersecurity initiatives are based on analyzing the synergy potential of digital solutions and reducing operational risks.

The Company follows regulatory requirements and considers cyber security in three main aspects:

- Integration of information protection processes and tools into ongoing digital transformation strategic initiatives,
- Security using advanced technologies,
- Improving the efficiency of cybersecurity functions.

Continuous monitoring and response to cybersecurity incidents in terms of ensuring integrity, availability and confidentiality of information resources of the TATNEFT Group is carried out.

To increase the awareness of the TATNEFT Group employees with respect to information security requirements, training on cyber security was carried out.

During 2021, the events were organized to survey the cyber-security maturity level, about 3,000 electronic signature were generated and 4 million cyber attacks were blocked, as well as 24 thousand malicious letters with prohibited and dangerous content. 835 information security incidents were identified and eliminated within the corporate network, 416 of them were critical.

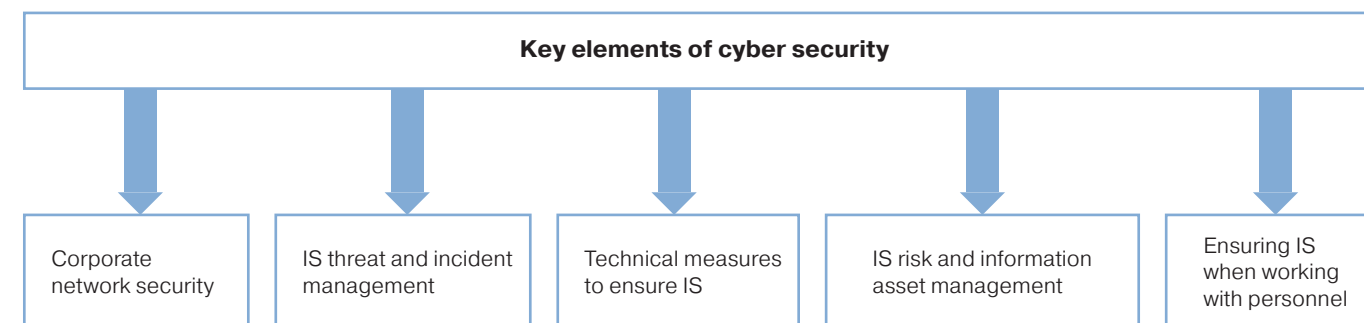
Centralized ant-virus service

Using the Kaspersky Security Center tools, work was organized to identify information security incidents. In 2021, 20,000 vulnerabilities were identified and eliminated.

> 1,500 thousand employees
were trained in personal data protection

Plans for 2022

- Creation of a corporate center for monitoring and responding to information security incidents
- Centralization of information security functions of TATNEFT Group in the Information Security Center
- Implementation of the security information and event management system with the connection of 20,000 event sources (nodes) and proceeding with the identification of information security incidents by means of the TATNEFT — Digital Development ISS





Sustainable Development



Human Rights

GRI 103-1, 103-2, 103-3, 406-1, 410, 412

The Company conducts its activities in accordance with generally accepted ethical standards and values, based on the recognition of the importance of observance of the fundamental equal human rights proclaimed by the UN Universal Declaration of Human Rights.

The Company believes that everyone should enjoy all the rights and freedoms proclaimed, including the right to work, the right to a favorable environment, the rights of indigenous minorities and special groups of the population, without any distinction, regardless of race, color, sex, age, language, religion, political or other beliefs, national or social origin, disability, property, class or other status, as well as equal opportunities for women and men, excluding any forms of harassment or discrimination in the field of work and employment.

The Company strives to prevent any adverse impact on human rights associated with its activities, products or services, business relations, as well as with the preservation of the social and cultural identity of the peoples living in the territory of the TATNEFT Group enterprises.

The Company has historically recognized the importance and value of fundamental human rights and freedoms proclaimed by the United Nations and throughout its activities has responsibly shared the principles of human rights, labor relations and anti-corruption efforts, reported in international declarations and conventions:

- UN Universal Declaration on Human Rights;
- UN Declaration on the Environment and Development;
- Guiding Principles on Business and Human Rights endorsed by the resolution of the UN Human Rights Council;
- OECD Guidelines for Multinational Enterprises;
- Declarations and Conventions of the International Labor Organization concerning multinational corporations and social policy, labor, freedom of association, and protection of the right to organize and to bargain collectively, as well as the Social Charter of Russian Business.

The Company recognizes and respects the rights of each employee to collective representation, association of employees into trade unions, and collective bargaining. The Company assesses its activities in the field of human rights in the course of regular assessment of corporate practices, including in the form of self-assessment of the Company's management bodies.

The Company's services and divisions that are directly related to the personnel management, security, and anti-corruption activities are trained in human right aspects. Employees of the Company, including the services related to the personnel and security management activities, are continuously involved in procedures regarding human rights aspects and regularly take appropriate training. At the Corporate University, the Company plans to develop human rights education with the involvement of employees of the Company's contractors and suppliers.

The Company uses its best endeavors to prevent any adverse human rights impacts that is directly related to its business activities, products or services, business relations, as well as to preserve the national cultural identity of ethnic groups inhabiting the regions of the Company's operations, and takes all available measures to eliminate the consequences of such an impact, should it happen.

In its activities, PJSC TATNEFT shares the principles of civilized labor relations, fundamental human rights and freedoms, which is reflected in the Collective Agreement in the Human Rights section.

The Company's commitment to human rights is reflected in the following documents:

- Code of Corporate Governance of PJSC TATNEFT n.a. V.D. Shashin
- Corporate Culture Code for PJSC TATNEFT Employees
- Policy of PJSC TATNEFT n.a. V.D. Shashin in the field of industrial safety, labor protection and environment, taking into account climate change
- Policy on interaction with the local population leading a traditional way of life, preserving the ecosystem of territories of traditional nature management and the traditional way of life of the local population living in the areas of activity of the TATNEFT Group.

Instruments for monitoring compliance with human rights

- The Company has implemented a mechanism of appeals, with the help of which users can report, among other things, violations of human rights - the "Hot Line". The Ethics Committee considers received appeals.
- Compliance with employment and remuneration processes in accordance with the country's labor laws and corporate regulations, as well as management systems related to non-discrimination, is systematically audited.
- The Company periodically assesses the moral and psychological climate of the workforce. The assessment includes the level of satisfaction of employees with working conditions, the amount of remuneration, social security, and identifies key aspects of labor activity.
- Procedures for assessing the impact of production activities on environment and the effectiveness of health and safety measures are constantly conducted.
- The Company implements the principles of corporate liability for the conservation of the ecosystem of territories of traditional nature management and the traditional way of life of the local population, enshrined in internal documents.
- The right of workers to freedom of association and collective bargaining to protect labor rights is exercised by the Interregional Trade Union Organization Tatneft Profsoyuz of the All-Russian Trade Union of Oil and Gas Industry and Construction Workers.

The Company has not recorded cases of discrimination based on gender, age, citizenship, religious beliefs and other grounds.

23.4 BILLION RUBLES
SOCIAL INVESTMENTS

11.8 BILLION RUBLES
CONTRIBUTION TO ENVIRONMENTAL PROTECTION

>1.6 BILLION RUBLES
CONTRIBUTION TO LABOR PROTECTION

68.5% eNPS

0.2 LTIFR



Personnel

GRI 406, 408, 409

The Company recognizes the importance and value of fundamental human rights and freedoms in the world of work: freedom of association, the right to conclude collective agreements, labor rights and the right to health care.

The full functioning and stable development of the Company is the merit of its employees only. The high level of competence of employees, their commitment to corporate values, responsibility and integrity are the key to successful activities and development of the Company.

Control system

The principles of the Company in personnel management are based on maintaining a working environment without restrictions on national, gender, age, religious and other grounds. Taking care of the population living in the region of presence is one of the priority tasks. The Company strives to develop an inclusive environment for people with disabilities in the workplace and in the infrastructure of cities and towns.

In matters of personnel management, the Company follows the norms of Russian and international law and does not use forced, compulsory or child labor. Child labor is never and under no circumstances used by the TATNEFT Group.

The Company provides equal opportunities to all its employees regardless of gender, age, nationality or religious affiliation. The Company pursues an honest, fair and open policy towards its employees. The opportunity for professional and career growth is provided to all employees and career growth depends primarily on the level of development of competencies and personal performance indicators. The Company strives to create an effective system of financial and non-financial remuneration of employees, which allows assessing objectively the contribution of each employee, to attract the most qualified employees, to stimulate the development and professional growth of employees.

The personnel management system is regulated by the following documents:

- Human Resources Policy
- Comprehensive assessment standard for personnel of the TATNEFT Group
- Standard for training and development of personnel of the TATNEFT Group
- Personnel Adaptation Standard
- PJSC TATNEFT Personnel Certification Standard
- Standard of work with the personnel reserve in PJSC TATNEFT
- Regulations on the management of the basic remuneration of employees of PJSC TATNEFT
- Collective agreement of PJSC TATNEFT



The Company implements a risk-oriented personnel management policy. At all stages of interaction between the employer and the employee, the leveling of risks associated with the search and selection, hiring, appointment to senior positions, and staff training is governed by local regulations.

In order to ensure the effective implementation of the personnel policy in terms of career, professional growth, material and non-material motivation of the employees of the TATNEFT Group, an HR strategy of the TATNEFT Group until 2030 has been developed. Along with the current operational processes, in 2021, key processes were reviewed for staffing, the formation of a personnel reserve, training and development, the system of material and non-material motivation, corporate culture and youth policy, etc.

The Company assesses its activities in the field of human rights in the course of regular assessment of corporate practices, including in the form of management self-assessment.

Employee Loyalty and Satisfaction Index (eNPS)

The study of staff satisfaction is one of the most effective tools for identifying the values and preferences of employees, the risks of social tension, conflicts in labor collectives. The priority goal of the study is the ability of employees to most honestly assess various aspects of everyday life, such as the organization of the current activities of the enterprise, the level of wages, career opportunities, the climate in the workforce, relationships with management, and others.

In 2021, the study was conducted for the first time in the TATNEFT Group without the participation of the executive office.

eNPS — 68.5%
Target by 2025 — 75%

Calculation of revenue per employee

	2019	2020	2021
Average headcount, people	56,175	58,705	60,743
Revenue of the TATNEFT Group, RUB mln	932,296	795,815	1,265,380
Revenue per employee, RUB thousand/person	16,596	13,556	20,832

The increase in the number of personnel of the TATNEFT Group is due to the commissioning of new production facilities and the acquisition of assets by the Company.

Reasons for the change in revenue in 2021 compared to 2020: revenue from non-banking activities for 12 months of 2021 increased by RUB 469.6 bln compared to the same period in 2020, or 59%, including from the sale of oil for RUB 243.4 bln (impact of price growth + RUB 237.5 bln, impact of increase in sales volumes + RUB 5.9 bln), from the sale of petroleum products by RUB 187.9 bln (impact of price growth + RUB 164.7 bln, impact of growth in sales volumes + RUB 23.2 bln). The tire business also recorded an increase in revenue by RUB 9.6 bln (+19%) also due to an increase in sales volumes of tire products and prices. Recently acquired enterprises of Ecopet Group added RUB 10.5 bln to revenue for the 2nd half of 2021.

Structure

GRI 102-7, 102-8, 202-2, 401-1, 401-3, 405-1

The headcount of the TATNEFT Group employees as of December 31, 2021 is 64,999 people

By types of employment contracts, broken down by gender, people

Year	By type of employment contracts				Total
	Permanent employment contracts		Temporary employment contracts		
	Male	Female	Male	Female	
2019	32,033	26,624	1,412	1,943	62,012
2020	32,501	26,916	1,477	1,906	62,800
2021	34,603	27,210	1,483	1,703	64,999

By types of employment contracts, broken down by regions, persons

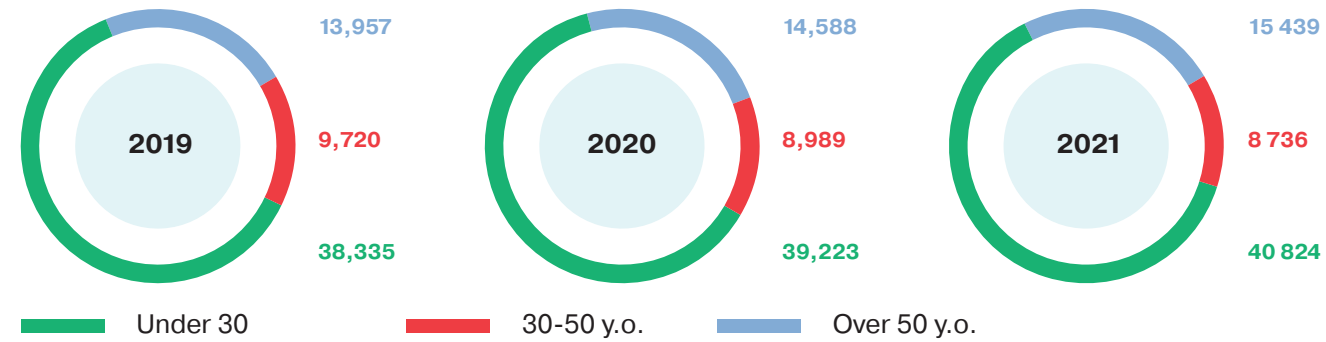
Year	Permanent employment contracts							Total
	By regions of activity							
	Russian Federation	Ukraine	Republic of Belarus	Republic of Kazakhstan	Republic of Turkmenistan	Republic of Uzbekistan	Other	
2019	57,022	899	9	607	13	64	31	58,645
2020	57,753	882	6	666	13	73	29	59,422
2021	59,799	806	225	873	13	75	26	61,817

Year	Temporary employment contracts							Total
	By regions of activity							
	Russian Federation	Ukraine	Republic of Belarus	Republic of Kazakhstan	Republic of Turkmenistan	Republic of Uzbekistan	Other	
2019	2,648	7	238	3	464	3	4	3,367
2020	2,641	7	243	2	477	3	5	3,378
2021	2,521	7	28	2	616	3	5	3,182

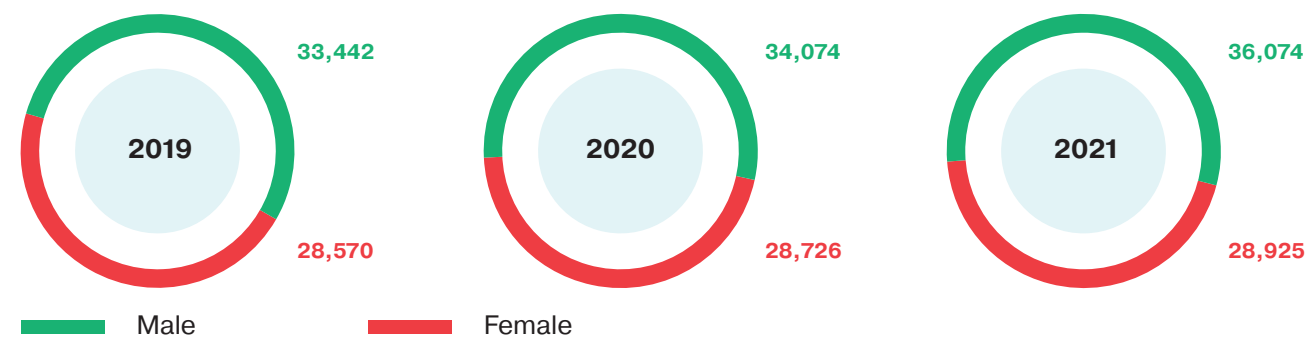
By types of employment contracts, broken down by gender, people



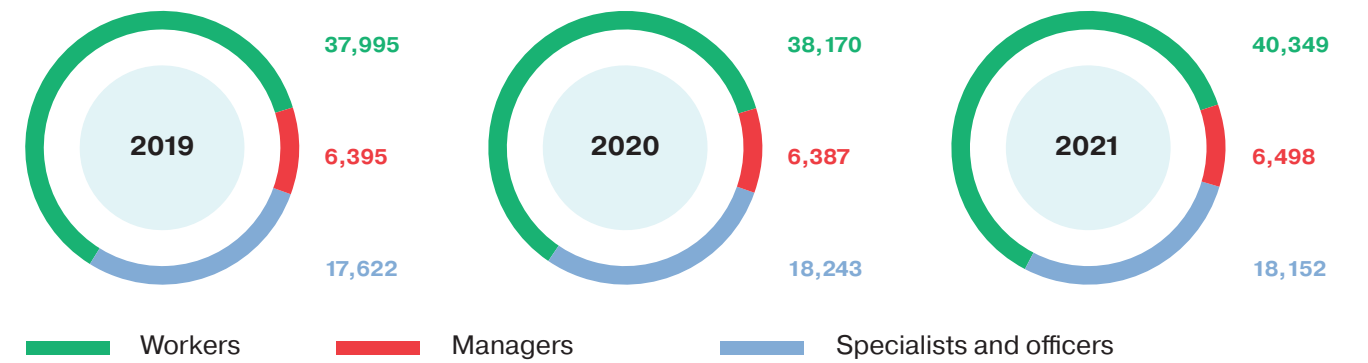
By age group, people



By gender, people

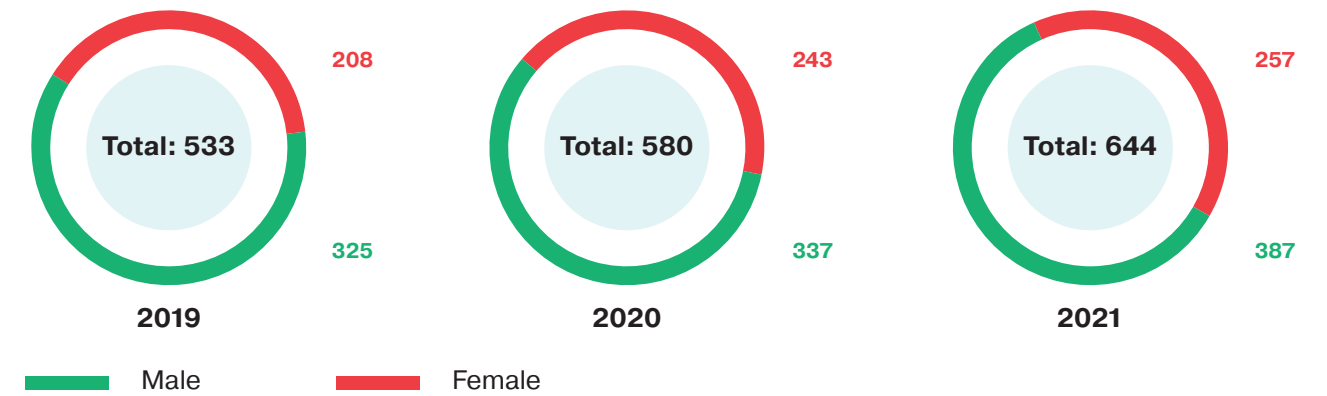


By categories of employees, people



Every year, the enterprises of the TATNEFT Group create jobs for people with disabilities, and also comply with the requirements for organizing appropriate working conditions.

Employees with disabilities, people



Share of management hired from among the local population, by regions of significant presence, %

Year	By regions of activity						Other
	Russian Federation	Ukraine	Republic of Belarus	Republic of Kazakhstan	Republic of Turkmenistan	Republic of Uzbekistan	
2019	10%	4%	7%	17%	0%	3%	19%
2020	10%	4%	7%	14%	0%	3%	13%
2021	10%	4%	7%	13%	0%	3%	14%

Hiring new employees

By gender (persons), share in relation to the total headcount (%)

Year	By gender				Total	Share (%)
	Male		Female			
2019	8,351	14%	9,328	15%	17,679	29%
2020	6,076	10%	5,808	9%	11,884	19%
2021	8,074	12%	6,389	10%	14,463	22%

By age groups, share in relation to the total headcount

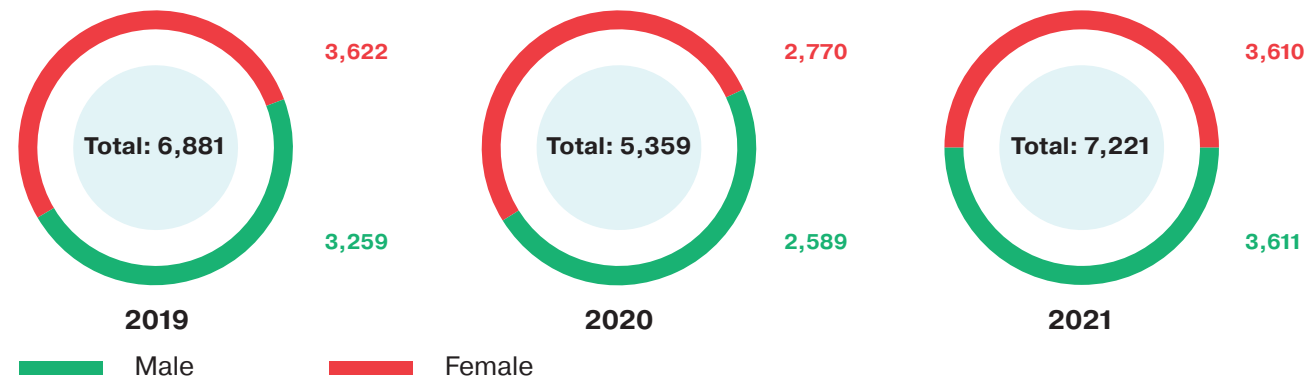
Year	By age group						Total	Share (%)
	Under 30		30-50 y.o.		Over 50 y.o.			
2019	4,717	8%	10,109	16%	2,853	5%	17,679	29%
2020	3,048	5%	6,802	11%	2,034	3%	11,884	19%
2021	4,145	6%	7,944	12%	3,374	4%	14,463	22%

By regions of operation (persons), share in relation to the total headcount (%)

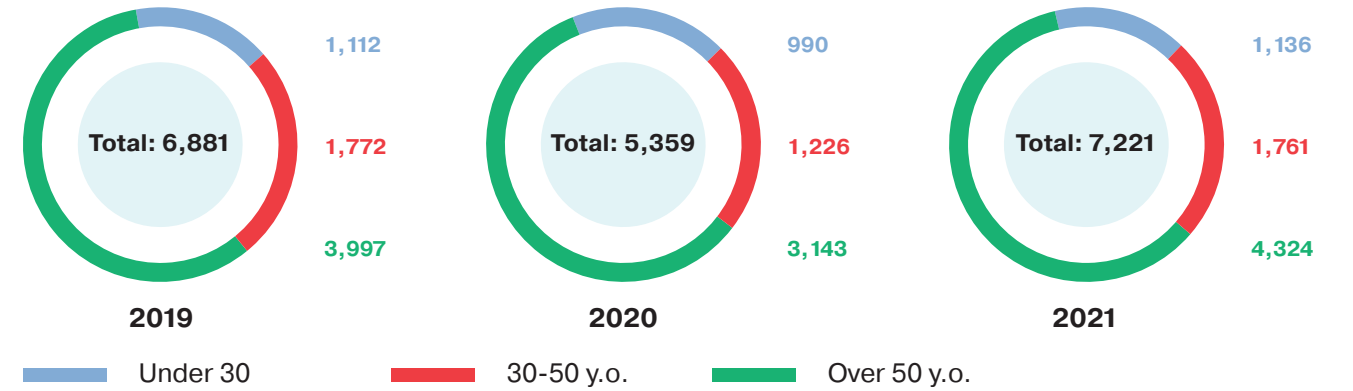
Year	By regions of activity													Total	Share (%)	
	Russian Federation		Ukraine	Republic of Belarus		Republic of Kazakhstan		Republic of Turkmenistan		Republic of Uzbekistan		Other				
2019	16,594	27%	136	0.22%	74	0.12%	364	0.6%	433	0.7%	75	0.12%	3	0.005%	17,679	29%
2020	11,361	18%	88	0.14%	34	0.05%	339	0.5%	44	0.1%	16	0.03%	2	0.003%	11,884	19%
2021	13,456	21%	105	0.16%	49	0.08%	669	1%	175	0.3%	7	0.01%	2	0.003%	14,463	22%

Staff turnover

Retired employees by gender, people



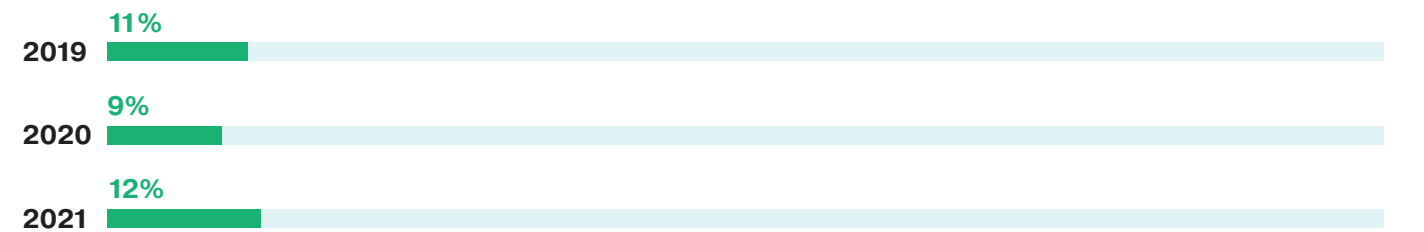
Retired employees by age group, people



Retired employees by regions of activity, people

Year	Russian Federation	Ukraine	Republic of Belarus	Republic of Kazakhstan	Republic of Turkmenistan	Republic of Uzbekistan	Other	Total
2019	6,493	141	1	211	26	8	1	6,881
2020	4,964	76	0	278	31	8	2	5,359
2021	6,590	129	0	458	36	4	4	7,221

Staff turnover, %



Leave for childcare

Year	Employees who had the right to parental leave until the child reaches the age of 3 years, people		Employees who took leave to care for a child before the child reaches the age of 3 years, people	
	mother	father	mother	father
2019	2,407	3,645	1,963	8
2020	2,258	3,414	1,839	34
2021	2,156	3,364	1,698	26

In accordance with the legislation of the Russian Federation, the Company provides equal rights for women and men to use leave to care for a child with the possibility of moving after it to the same position as at the time of leaving on the specified leave. In accordance with these opportunities, the prevailing number of employees who previously went on parental leave return to the workplace.

Remuneration

GRI 202-1, 405-2

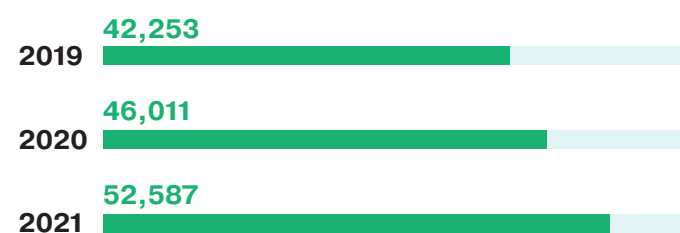
Remuneration is a key part of the personnel incentive system, which allows the Company to remain highly competitive by attracting and retaining qualified and motivated employees. The Company's policy in the field of remuneration and motivation of personnel is based on the following approaches: competitiveness, fairness, targeting, efficiency, unification, focus on results.

Any decision to increase the wages of a Company's employees is based on the following indicators: the level of the corporate budget of an employee of the Company,

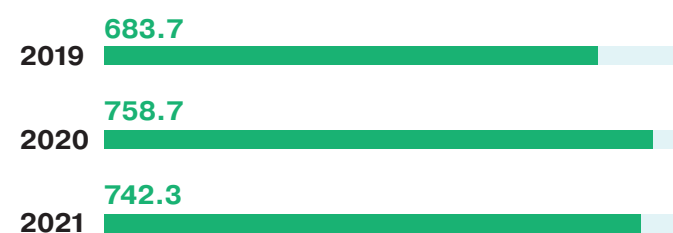
the consumer price index (the level of inflation), the minimum consumer budget in the region, the level of wages in other companies in the industry, and the increase in labor productivity across the Company.

The personnel basic income is formed from wages and employment benefits. Wages include a tariff-based (fixed) part, according to the Unified Rate Schedule, and bonus-based (variable) part. The employment benefits provide employees with a relevant scope of medical and other social guarantees.

Payroll fund, RUB mln



Amount of social payments, RUB mln



Average monthly salary, RUB

Year	Average monthly salary in the region of operation	Average monthly salary of the Company's employees		
		Total	Men	Women
2019	42,233.60	62,084.08	64,086.55	49,537.67
2020	45,179.30	64,020.14	75,626.65	52,670.64
2021	51,070.00	72,318.13	80,744.18	57,467.97

Average monthly salary of employees by category and gender, RUB

Year	MSO* total	Men	Women	Workers total	Men	Women
2019	89,036.41	107,495.75	67,832.16	41,007.31	43,220.97	36,932.40
2020	98,487.77	123,293.25	71,243.01	43,596.02	46,470.25	38,952.32
2021	102,590.01	125,976.71	75,763.06	51,643.51	56,510.23	43,936.90

*MSO — managers, specialists, officers

The ratio of the average monthly wages of women to men for each category of employees

Year	Total Coefficient	MSO Coefficient	Workers Coefficient
2019	0,77	0,63	0,85
2020	0,70	0,58	0,84
2021	0,71	0,60	0,78

Minimum average monthly wage, RUB

(with full working out of the norms of time and performance of labor duties)

Year	Minimum salary	The minimum average monthly salary of the Company's employees
2019	12 000,00	14 476,00
2020	14 000,00	15 634,00
2021	15 400,00	16 572,00

Education and development

GRI 102-12, 404-1, 404-3, 410-1

An efficient system of formation and maintenance of the required level of personnel qualification provides the Company with long-term personnel security. The main objectives of the Company's personnel training system are to create conditions that allow employees to achieve their maximum potential in their work and ensure continuous improvement of their professional and managerial competencies.

The Company complies with the requirements of the legislation of the Russian Federation, including in the field of compulsory types of training. In order to form a unified approach to the implementation of mandatory state

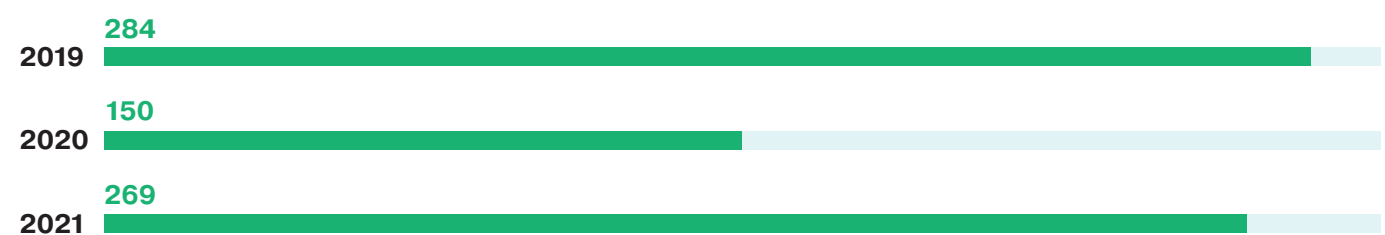
requirements for the level of personnel training, a project is being implemented to develop a List of compulsory training programs for the Company's employees. The personnel training system is being improved, including work with educational institutions of professional education, the Personnel Training Center, and the Corporate University.

The Company participates in the formation of professional standards, is the initiator of the opening of the Regional Qualification Assessment Center. New methods for assessing the competencies of employees are being introduced with the integration of the assessment results into the further development of each specialist and manager.

Number of hours of external training per employee, broken down by category and gender

Employees category	2019			2020			2021		
	Total	Incl. men	Incl. women	Total	Incl. men	Incl. women	Total	Incl. men	Incl. women
Managers	105.71	113.86	65.88	62.62	62.62	62.58	49.70	49.95	47.67
Specialists	116.05	103.42	143.11	58.78	51.71	73.94	77.06	75.20	80.50
Officers	30.06		30.06	15.03		15.03	37.20		37.20
Workers	107.34	138.48	40.77	52.56	66.47	22.83	64.88	63.53	84.47
Total	109.07	126.26	69.24	56.50	60.51	46.23	64.24	62.65	76.67

Employee training costs, RUB mln



Security personnel have been trained in human rights policies and procedures. The number of training hours was 4,026.

Evaluation of performance and career development

In accordance with the Personnel Certification Standard of PJSC TATNEFT, the personnel certification process has been organized to determine whether the employees' competence meets the job and qualification requirements as well as to assess the opportunities for their further career growth. As a result, 173 employees were certified. In accordance with the decision of the certification commission, 165 employees correspond to their positions, 8 employees are recognized as conditionally appropriate. The Certification Commission issued 205 recommendations aimed at improving skills, developing professional, general professional and corporate competencies, applying financial incentives, developing career, as well as updating organizational and administrative documents.

Cooperation with educational institutions

For many years, special attention has been paid to the training of future specialists, attracting students and teachers from the Almet'yevsk State Petroleum Institute (ASPI) to participate in the Company's projects. In order to maximize the integration of students and teachers into the working projects of the Company, work continued to expand the scope of the In Project program. About 200 students were involved in the program.

Financial assistance provided to universities	RUB 12,230 thousand
Number of target group students	72 people
Amount of paid nominal scholarships and the number of students who received this scholarship	RUB 2,671 thousand 97 people
Number of students who have completed work experience internship	170 people
Number of students admitted to the Company	63 people

A project is being implemented to create a Regional Center of Competence in the field of the mineral resource complex in the Republic of Tatarstan on the basis of the International Center of Competence in Mining Engineering Education under the auspices of UNESCO. The regional center will be created at the ASPI, which is the Company's flagship university and one of the leaders in the oil and gas sector in Russia, and also has a high scientific potential and the necessary infrastructure for conducting research in this area. The Competence Center of St. Petersburg Mining University will assist in attracting representatives of the international academic community to the process of training personnel in mining specialties in Tatarstan and obtaining international professional certification by industry specialists.

As part of career guidance, the VII Republican Open Field Olympiad for Young Geologists was organized by the Ministry of Education and Science of the Republic of Tatarstan, PJSC TATNEFT and small oil companies, in which 256 schoolchildren took part. The best young geologists represented Tatarstan at the XIII All-Russian Olympiad for Young Geologists in August 2021.

The School of IT Professions project was implemented jointly with SberUniversity, distance learning was organized under the Digital Intensive program.

Corporate University

GRI 404-2

The Corporate University trained 2,394 people (in-person and online) in 29 courses, held 7 strategic sessions, in which 176 people took part. In addition, training by external providers was organized for 479 persons.

The Company has developed and is implementing the following targeted programs for professional retraining to develop managers' business administration competencies, business analysis skills, and the use of lean technologies: "Employee Pool. Leaders-1000", "Lean Trainer of Lean Production", "Executive master of business administration", "Master of business administration". In order to develop competencies in the field of project management, training was organized under the program "Project Manager".

The TATNEFT Group is actively developing a system of distance learning. 18,416 employees completed 58 courses. The specialists of the Corporate University developed and implemented 12 corporate professional standards. It is planned to develop 16 corporate professional standards in 2022.

A 360-degree assessment of 410 employees was carried out. Following the comprehensive personnel assessment, 390 employees of the TATNEFT Group were provided with feedback/advice on the individual development plan formation.

Large-scale work is underway to introduce culture of self-learning organization. More than 58,000 users were registered, 60 courses were launched, and 700 webinars were held in the virtual environment of Mirapolis, the Unified Platform for Employee Training and Development of TATNEFT Group. The My book electronic corporate library currently has over 4,500 registered users.

Employee Pool

The Company has advanced planning processes in terms of training key specialists and managers. In order to create and maintain the human resources potential of business assets, the task of the HR department is to ensure timely and high-quality turnover of managers.

Since 2018, the Company has been implementing an open competition "Employee Pool of the TATNEFT Group". All candidates enrolled in the employee pool of the TOP-100 and TOP-300 levels study at corporate MBA courses (for TOP-300) and executive MBA (for TOP-100). Employees included in the employee pool of the TATNEFT Group for positions of the TOP-1000 level are trained under the Leaders-1000 program. As part of the competitions in 2021, the Regulations on the Personnel Committee of the TATNEFT Group have been updated. The Regulations for the development, approval and implementation of individual development plans in the TATNEFT Group were approved.

In total, 684 employees underwent a comprehensive assessment in 2021, of which 237 people were successful, and 1,284 employees are developing according to individual plans. 219 people were appointed to senior positions of the Company based on the results of a comprehensive assessment and from the employee pool.

Much attention is paid to the development of foreign language competence of specialists and managers for use in work and participation in foreign projects, by conducting English language courses.

State support programs

As part of the implementation of projects with the involvement of state support, retraining of the Company's employees was organized under the programs "Specialist in the field of labor protection", "Hotel administration", as well as advanced training under the programs "Data-based management", "Methods and technologies based on working with data", training was organized in 28 programs of the Kazan National Research Technological University. The total amount of attracted funds for state support amounted to more than RUB 10 mln.

Collective representation

GRI 102-41, 407

The Company recognizes the rights of every employee to collectively represent interests, including trade union organizations, recognizes and respects the rights of trade unions, including the rights enshrined in the basic conventions of the International Labor Organization — the right of each employee to be represented by a trade union of his/her own choice and basic trade union rights freedom of association and the right to organize workers in trade unions, and the right to collective bargaining. The Company does not prevent its employees from joining associations and trade unions.

The main collective representation of the interests of the Company's employees on the basis of partnerships is carried out by the Interregional Trade Union Organization Tatneft Profsoyuz of the All-Russian Trade Union of Oil and Gas Industry and Construction Workers. In the TATNEFT Group, 85,917 people are members of Tatneft Profsoyuz, including 5,000 students and more than 26,000 non-working pensioners. Trade union membership coverage of the Company's employees is 98.2%.

The basis of cooperation is the Collective Agreement. Each employee has the right and opportunity to participate in the process of forming the Collective Agreement by sending his proposal to the trade union organization. Trade union representatives take part in the consideration of all social and labor issues and events significant for employees, including carrying out structural transformations of the Company, changes in the field of organization and remuneration. The provisions of the Collective Agreement of the Company are the basis for the collective agreements of the enterprises of the TATNEFT Group.

The collective agreement of PJSC TATNEFT in 2020 became the winner in the competition of collective agreements organized by the Federation of Trade Unions of the Republic of Tatarstan.

In order to increase the efficiency of trade union activities, to cover all members of the trade union with uniform standards and communications, the Company's trade union committee carried out structural transformations. Mobile application Tatneft Profsoyuz was developed and put into operation, which allows trade union activists to cover all members of the trade union with attention, inform about current activities and receive feedback.

For the effective solution of the tasks set, 9 commissions work under the trade union committee. To receive appeals from members of the trade union, a hotline, a helpline are actively functioning, and appeals are accepted on social networks.

The Company is attentive and respectful to non-working pensioners, providing regular financial assistance to veterans. In connection with the organizational changes that have taken place in the Company, in 2021 the trade union organization developed the Regulations on the work of the Territorial Councils of Veterans of PJSC TATNEFT. The Regulations provide for the transition to a new principle of organizing work with non-working pensioners. 10 Territorial Councils of Veterans have been created, working in cooperation with the Center for Support of Social Programs and territorial primary trade union organizations.

As part of the Active Longevity program, 10 centers equipped with adapted simulators for the elderly in the regions where the Company operates were created. Every year, funds are allocated for the organization of sanatorium rehabilitation of non-working pensioners and veterans of the Company. According to the Collective Agreement, on Victory Day, material assistance is provided to participants in the Great Patriotic War, widows, home front workers (pensioners of the enterprises of the Tatneft group of companies), and material assistance is also provided on International Women's Day — March 8, International Day of the Elderly, Day of the Disabled.

The Company traditionally pays great attention to addressing social issues of young people. The collective agreement contains a section on young workers and their social guarantees. The commission on work with youth is functioning. A decision was made to increase the age criterion for youth status to 35 years in accordance with the approved Federal Law No. 489 "On Youth Policy in the Russian Federation".

One of the main directions in the work of the trade union is the protection of the rights of workers to work in conditions that meet the requirements of safety and hygiene, as well as control over compliance with labor protection legislation. This work is built on the principles of social partnership together with the administration of PJSC TATNEFT. Control in the field of labor protection on a voluntary basis at the enterprises of the TATNEFT Group is carried out by 1,644 labor protection representatives of the trade union. The collective agreement contains a section "Safety and labor protection", which defines the obligations of the employer to ensure healthy and safe working conditions for employees.

Legal work continued to provide legal assistance and protection of trade union members. In the reporting year, 985 employees received such support.

There were no cases of labor disputes. Issues and disagreements that arise in the course of production activities are considered in the working order with the involvement of the Ethics Committee of PJSC TATNEFT.

Social security

GRI 401-2, 402-1

In order to strengthen social protection, the Company additionally, in accordance with the Collective Agreement, provides a monthly payment to an employee who is on parental leave until he/she reaches the age of three years and one free day a month or twice four free hours (at the employee's choice) of working time paid at the expense of the employer, with the preservation of the average monthly wage for women with children under the age of 16 inclusive (disabled children under 18 inclusive). These benefits are not available to temporary or part-time employees.

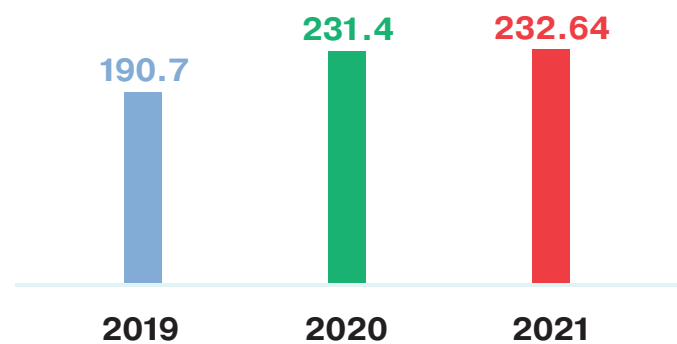
The Company operates in strict accordance with the Labor Code of the Russian Federation, which establishes a minimum period for notifying personnel regarding significant changes in the activities of the organization: no later than two months before the start of the relevant events, and if the decision to reduce the number or staff of employees may lead to their mass dismissal — no later than three months before the start of the relevant events.

Social guarantees

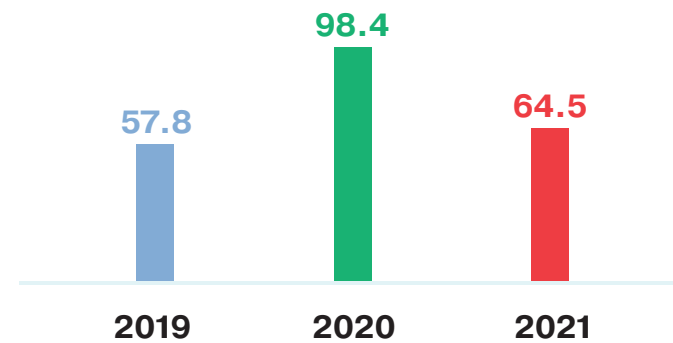
GRI 201-3

The Company cares about the welfare and social security of its employees and their families. Employees are provided with an expanded package of social benefits and guarantees, in comparison with the current legislation, there is social protection for young workers and support for veterans and pensioners. Obligations to ensure them are enshrined in the Collective Agreement.

Social payments to employees, RUB mln
(according to the Collective Agreement)



Social payments to non-working pensioners, RUB mln
(according to the Collective Agreement)



The decrease in the amount of social payments to non-working pensioners is due to the fact that in 2020 material assistance was paid in an increased amount for the celebration of the 75th anniversary of Victory in the Great Patriotic War.

Non-state pension provision

One of the most important areas of the Company's social policy is a non-state pension provision for employees. The pension program is based on the principle of social partnership, in accordance with which the Company and its employees form a future corporate pension by joint efforts on a parity basis.

The Company is implementing a new program of non-state pension provision for employees, built on the principle of parity co-financing of contributions. In 2021, more than 30% of employees became participants in the program. In addition to the formation of a pension, young employees showing innovative activity are given the opportunity to receive accumulated funds as early as 5 years after joining the program. For workers participating in the program, the Company provides an additional monthly pension for life. In 2022, work will continue to replicate the program in the TATNEFT Group.

The volume of contributions to non-state pension provision for 2021 amounted to RUB 213,804 thousand. The number of pensioners receiving nonstate pensions is 18,690 persons. Payments of nonstate pension to pensioners of the Company through JSC National NPF for 2021 amounted to RUB 412,892 thousand.

In accordance with the Collective Bargaining Agreement, non-working pensioners who retired before the establishment of JSC NNPF receive quarterly financial assistance. The total amount of material assistance provided to such pensioners in 2021 amounted to RUB 13,389 thousand. The number of pensioners receiving this material assistance is 2.5 thousand people.

Employee health

GRI 403-6

The Company implements disease prevention and health improvement programs for employees: voluntary medical insurance, health resorts and vaccinations.

Voluntary Health Insurance

The number of insured employees amounted to 23,308 people. The Company provides organization and payment of medical and other services under 4 programs:

- Outpatient Services
- Inpatient Services
- Rehabilitation Treatment
- Comprehensive Medical Care

In order to reduce infectious diseases, annual seasonal immunoprophylaxis was conducted. Employees are vaccinated against seasonal flu and tick-borne encephalitis.

The Company organized research for the purpose of early detection of oncological diseases at the expense of the VHI agreement under the programs "Men's Health", "Women's Health", a medical examination of 18,230 employees was carried out.

Health resort improvement

The Company has 8 sanatorium healthcare centers on its balance sheet. A preferential category of citizens of the Russian Federation, children and citizens who, if medically required, need rehabilitation are treated in the Company's sanatoriums.

In 2021, two sanatoriums received a license for the medical rehabilitation of patients with somatic diseases (diseases of the cardiovascular system, including heart attacks; diseases of the endocrine system (diabetes, thyroid diseases (goiter); lung diseases (pneumonia, bronchial asthma).

In 2021, in addition to spa treatment, the Company's sanatoriums provided medical rehabilitation for patients after viral pneumonia, including after coronavirus infection, with diseases of the cardiovascular, musculoskeletal, peripheral and central nervous systems using a special rehabilitation equipment. Rehabilitation is aimed at the maximum possible restoration of the patient's lost capabilities.

Epidemiological activities

Since the first days of the COVID-19 pandemic, TATNEFT Group has introduced special measures to counter the spread of coronavirus infection. The Company has created an automated platform for monitoring and analyzing the health status of personnel and providing them with personal protective equipment CVirus-Control, which makes it possible to control the risks associated with the spread of coronavirus infection and ensure continuous safe production.

The Company pays special attention to the provision of measures to preserve the health and life of people, preventive measures, testing and vaccination, as well as the provision

of high-tech medical care. In 2020, a large-scale campaign was launched to organize the prevention and leveling of the consequences of the pandemic, which was continued in 2021. Investments in the fight against COVID-19 amounted to more than RUB 380 mln.

Since the beginning of the pandemic, work has been established and measures have been taken to prevent the spread of COVID-19:

- The necessary package of regulatory documents regulating the organization of anti-pandemic measures in all areas of activity has been developed
- The work of the corporate headquarters was organized to address issues of countering the spread of the pandemic. The headquarters actively interact with the headquarters of the Republic of Tatarstan, the Ministry of Emergency Situations, and the regional Rospotrebnadzor.

All employees of the Company are provided with means of protection against COVID-19 due to the organization of their own production of means of prevention and protection. As part of the provision of medical services for the Company's employees in 2021, RUB 101.5 mln were allocated for PCR testing, ELISA studies, rehabilitation. More than 116 thousand PCR tests have been carried out, as well as more than 12.8 thousand examinations of the lungs and chest. On the basis of medical institutions, the Company has its own PCR laboratory and ELISA laboratory.

A campaign was organized to vaccinate employees of all enterprises and divisions of the Company against COVID-19. About 93% of workers are vaccinated. Work is underway to monitor the health status and vaccinate non-working pensioners of the Company, 63% have been vaccinated.

The Company has a Hotline for consulting support on all issues of COVID-19. Work is underway to provide information support to the Company's employees.

Housing policy

The Company is an active participant in the social mortgage housing construction program in the Republic of Tatarstan. From 2005 to 2021, 14,793 apartments and 49 individual residential buildings were commissioned for employees under this program. In 2021, 1,401 apartments with a total area of 98.35 thousand m2 and 9 individual residential buildings with a total area of 1.1 thousand m2 were commissioned for the Company's employees. More than 30% of new apartments are allocated to young families and young workers. The total number of participants in the social mortgage for housing in the oil region amounted to 3,800 people.

In 2021, the Company paid RUB 130.2 mln as initial contributions for employees to the State Housing Fund of the Republic of Tatarstan.

According to the draft housing construction program, in 2022 it is planned to put into operation 10 multi-apartment residential buildings (1,556 apartments) with a total area of 104 thousand m². The construction of individual residential buildings will continue.

Production safety

GRI 102-12, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10



Tatneft is traditionally committed to the positions of responsible business conduct, therefore, it always pays significant attention to industrial safety, labor protection and the environment.

Human life is the main value, therefore, the fulfillment of safety requirements is a priority for the Company and is the basis of the Development Strategy of the TATNEFT Group in the field of industrial safety, labor protection and the environment until 2030, developed in 2020, which was formed taking into account priority sustainable development goals, requirements of the industrial safety and labor protection management system.



- Policy of PJSC TATNEFT n.a. V.D. Shashin in the field of industrial safety, labor protection and environment, taking into account climate change
- Policy Statement of PJSC TATNEFT named after V.D. Shashin in the field of industrial safety

Key priorities

- To recognize the right of people to safe working conditions, healthy environment, and favorable living conditions
- To ensure the occupational and environmental safety of production processes as an integral part of national security
- To adhere to the risk-based approach to HSE

Management system

The Company maintains and continuously improves the integrated management system in the field of health, safety and environment (HSE), taking into account the legal requirements and the provisions of the international standards ISO 45001:2018 "Occupational safety and health management systems. Requirements and guidance for use", ISO 14001:2015 "Environmental management system". The Board of Directors determines the policy of the TATNEFT Group on the functioning and development of the HSE management system.

The Company takes an active part in the work to improve the regulatory and legal framework of the Russian Federation in the direction of HSE as part of existing working groups. The largest of them are the Regulatory Guillotine, the Scientific and Technical Council of Rostekhnadzor, the RSPR Committee.

Goal — zero

Tatneft sets itself a strategic goal of achieving accident-free production activities, safe working conditions for the Company's employees, as well as maintaining a favorable environment for present and future generations.

The development strategy of the TATNEFT Group in the field of industrial safety, labor protection and the environment until 2030 is a systematic description of long-term development guidelines and covers all business areas.

Indicator	Actual 2021	Target 2021	Target 2022
Accident frequency rate	0.32	0.36	0.43
Injury frequency rate in road traffic accidents	0.06	0.30	0.28
Fire frequency factor	0.03	0.23	0.21
Accident frequency factor	0.02	0.42	0.38
Occupational injury severity factor	91.60	170	155

The unified industrial, environmental and labor safety management system is regulated by the following documents:

- Policy of PJSC TATNEFT n.a. V.D. Shashin in the field of industrial safety, labor protection and the environment, taking into account climate change
- Regulations on the industrial safety management system at the TATNEFT Group
- Regulations on the Occupational Safety Management System of PJSC TATNEFT
- Regulations on production control over compliance with industrial safety requirements at hazardous production facilities of PJSC TATNEFT
- Procedure for managing risks and opportunities of the management system in the field of industrial safety, labor protection and the environment in the TATNEFT Group
- Procedure for internal audit of the management system in the field of industrial safety, labor protection and the environment in the TATNEFT Group

- Guidelines for the management system of industrial safety, labor protection and environment of the TATNEFT Group
- Regulations on the procedure for conducting a technical investigation of the causes of incidents at hazardous production facilities of PJSC TATNEFT

The Company systematically arranges production control over compliance with industrial safety requirements, internal audits of the management system, analyzes and processes the results of incidents and inspections, develops and monitors the implementation of corrective and preventive actions. To ensure such functions, the work of permanent commissions on labor protection, the production control commission, the fire and technical commission and the internal audit group of the integrated management system was organized.

100% of the Company's employees are covered by the HSE management system

An important tool for managing industrial safety and labor protection is the key safety rules that impose uniform requirements on the behavior of the Company's employees in the performance of their labor functions, as well as employees of contractors in the performance of work at the facilities of the TATNEFT Group (for more details on interaction with contractors, see the Supply Chain section). To improve labor discipline, standard forms for documenting work on industrial safety and labor protection have been developed.

Hazard identification, risk assessment and incident investigation

To implement the principles of corporate responsibility and a risk-based approach to HSE, the Company has a procedure for managing risks and opportunities of the management system, including a methodology for identifying industrial hazards, environmental aspects and risk assessment.

The Company updates the register of production risks and environmental aspects for all divisions at least once a year. Identification, assessment of hazards, risks and environmental aspects is carried out on a multi-level basis. Employees of TATNEFT Group enterprises, in addition to communication with their immediate supervisor, have the opportunity to promptly and around the clock report on dangers and dangerous situations that have materialized risk events by calling the Hotline, the dispatch service, and e-mail.

The following is used as risk management tools:

- Key safety rules are a priority and valid tool for all risk categories
- Programs for investing in activities aimed at reducing and preventing industrial hazards and risks
- Comprehensive three-year programs of organizational and technical measures

- Insurance of civil liability to third parties against the realization of industrial safety risks at hazardous production facilities
- Voluntary insurance of environmental liability and property insurance of objects

Emergency Prevention and Elimination System

The Company has a system for preventing and eliminating emergency situations (ES) caused by oil and oil product spills, protecting the population and the environment from their harmful effects in the Company, which is based on:

- Increasing the reliability of production equipment
- Timely detection of emergency situations and minimization of losses from them
- Rapid response to emergencies

Plans for liquidation of oil and oil product spills are updated on an ongoing basis in accordance with the norms established by law. To increase readiness for actions to localize and eliminate emergencies, comprehensive exercises are carried out. Contracts have been concluded with professional emergency rescue units. Volunteer emergency response team (VERT) were created and certified by the departmental certification commission. Irreducible reserves of material resources have been created to eliminate emergencies at water bodies, stationary oil recovery facilities, booms, and bioponds are maintained in working condition.

To ensure the openness of the Company in matters of environmental protection and ensuring environmental safety, there is a mechanism for the participation of the interested public and the media in monitoring the conduct of integrated exercises. In 2021, the exercises were carried out without the participation of the public concerned, due to the current unfavorable situation caused by the coronavirus infection.

Occupational health and safety

The labor protection management system is provided by the labor protection service of the Company, the main functions of which include:

- Accounting and analysis of the causes of industrial injuries, occupational diseases
- Organizing the investigation of accidents at work and taking measures to eliminate the causes
- Compliance with the instructions of state supervision bodies and control over compliance with labor protection requirements
- Monitoring the implementation of measures on labor protection
- Monitoring compliance with labor protection requirements by employees
- Organization and participation in a special assessment of working conditions

- Inspections, surveys of the technical condition of structures, equipment, means of collective and individual protection of workers for compliance with labor protection requirements
- Development of programs to improve working conditions and labor protection and prevent industrial injuries
- Organizing training on labor protection, testing knowledge, conducting propaganda on labor protection issues
- Control over the provision of compensation for work with harmful and/or dangerous working conditions
- Production control over compliance with sanitary rules

The Company has established an *Occupational Safety Committee* whose functions include organizing joint actions of the executive bodies and the trade union committee to ensure labor protection requirements, prevent occupational injuries and occupational diseases, and preserve the health of employees. It has 16 members elected on a parity basis — 8 representatives from each party of the partnership. Also, joint occupational safety committees have been established in each subdivision.

Occupational health and safety training

In order to ensure preventive measures to reduce occupational injuries and occupational diseases, the Company has the “Regulations on the organization of training and testing knowledge of labor protection requirements, training and certification in industrial safety of employees of PJSC TATNEFT”.

Managers and specialists undergo special training in labor protection upon admission to work within the first month, then — as necessary, but at least once every three years in educational institutions, training centers, other employees in commissions to test knowledge of the requirements for the protection of subdivisions, enterprises according to approved training programs.

All employees of working professions after the initial briefing at the workplace and internship before admission to independent work are tested for knowledge of labor protection requirements. The next test of knowledge of employees is carried out at least once every 12 months. Employees involved in the performance of work or maintenance of hazardous production facilities, installations, including electrical installations, equipment that is a source of increased danger, other objects of increased danger, undergo primary and periodic testing of knowledge on labor safety within the time limits established by the relevant safety rules for the operation of these facilities.

Occupational health and safety training, people

Training and certification in industrial safety	3,188
Labor protection training	10,241
Job training	3,653
Training in advanced training courses	8,170
Certification of welding personnel	301
Training and certification of VERT members	474
Education and training in various areas	3,252

To achieve strategic goals, the Company implements targeted programs:

- Program aimed at preserving life and health, improving the working conditions of employees, reducing accidents, significant production risks, improving the safety of equipment and fire safety of facilities. The program uses unmanned aerial vehicles (UAVs) that allow for aerial monitoring of production facilities. With the use of UAVs in 2021, 1,346 violations were detected. In total, measures were implemented for the amount of RUB 7.52 bln
- Measures to ensure radiation safety. According to the Department of the Federal Service for Supervision on Consumer Rights Protection and Human Wellbeing in the Republic of Tatarstan, the state of radiation safety of the Company in the reporting year is assessed as satisfactory.
- Program to improve the reliability of energy supply systems (introduction of energy-efficient equipment and elements of digital networks), modernization of the system for monitoring and managing the state of energy assets

Prevention of occupational diseases

In 2021, more than RUB 1.6 bln were allocated to carry out activities provided for by the Agreements on labor protection. Average costs per 1 employee amounted to circa RUB 26.7 thousand.

Dynamics of expenditures on labor protection, thousand rubles

Year	Total expenses	Expenses per employee
2019	1,327,699.50	26.8
2020	1,370,504.00	26.6
2021	1,667,188.00	26.7

Workplace Safety

In order to develop and implement measures aimed at improving the working conditions of employees, reducing the risks of exposure to harmful and hazardous production factors, the Company conducts a special assessment of working conditions. In the period of 2019-2021, a special assessment of working conditions was carried out at all workplaces subject to assessment. In 2021, 4,391 jobs were assessed in the amount of RUB 5,642 thousand.

Joint actions of the executive bodies and the trade union

The Occupational Safety Committee organizes inspections of labor conditions and labor protection, informs employees about the results of these inspections, collects proposals for the section on labor protection of the collective agreement. Commissioners for labor protection, elected by the trade union organizations of the divisions, contribute to the creation of healthy and safe working conditions, as well as exercise public control over the state of working conditions in the workplace.

In order to increase the efficiency of work to create safe and healthy working conditions, Agreements on labor protection are concluded annually, which are an annex to the Collective Agreement.

In order to dynamically monitor the state of health of employees, timely detection of the initial forms of occupational diseases, early signs of exposure to harmful and dangerous production factors of the working environment, identification of medical contraindications for the implementation of certain types of work, mandatory periodic medical examinations of employees and psychiatric examinations are annually carried out. In 2021, RUB 136.9 mln were spent on arranging medical examinations.

The Company has a health resort program for employees employed in jobs with harmful and (or) dangerous working conditions. Employees engaged in work with harmful and (or) dangerous working conditions undergo a 14-day sanatorium rehabilitation at least once every three years. In 2021, 1,715 employees rested and improved their health in sanatoriums. In 2021, RUB 25.7 mln were refunded to the sanatorium treatment of employees from the amounts of insurance contributions for compulsory social insurance against work-related accidents.

Man-made incidents

In 2021, no accidents were registered at the facilities of the TATNEFT Group

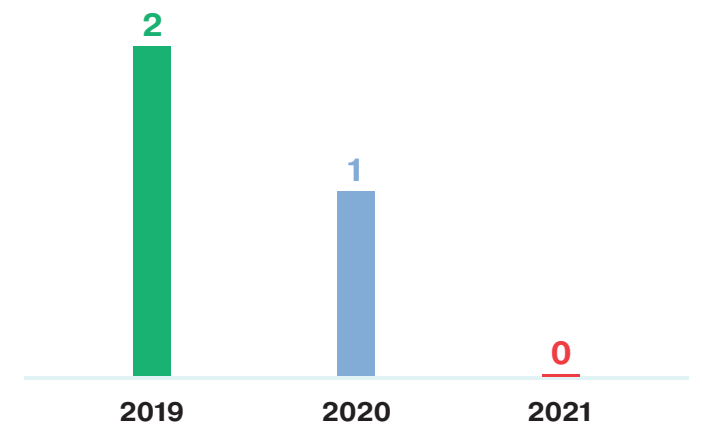
In 2020, 1 accident was registered at NGDU Jalilneft.*

In 2019, 2 accidents were registered: at NGDU Nurlatneft, at NGDU Leninogorskneft.

The results of the technical investigation into the causes of the accident are included in the certificate. The description of the circumstances and causes of the accident are additionally published in the In-Process Control of Industrial Safety and Labor Protection corporate information system.

* Rostekhnadzor classified this incident as an “accident”, which the Company considers an “incident”.

Dynamics of accidents



Dynamics of fires at the facilities of the TATNEFT Group

Year	Total	Exploration and production	Tire business	Oil and gas processing	Energy	Petrochemistry	Other business areas
2019	2	0	1	0	0	0	1
2020	3	0	0	1	0	0	2
2021	2	0	0	1	0	0	1

Industrial injuries

The Company accepts responsibility for the preservation of life and health of people, regardless of whether they are employees of the Company or contractors. It makes every effort to reduce the likelihood of occurrence of occupational hazards in the performance of work at our production facilities for all employees. For each accident related to industrial

injuries, thorough investigations of the circumstances are carried out and prompt measures are taken to prevent such incidents.

In 2021, TATNEFT Group registered 20 accidents, of which 2 were fatal.

Dynamics of occupational injuries

Year	Total accidents in TATNEFT Group (fatal)	Exploration and production	Tire business	Oil and gas processing	Energy	Petrochemicals	Other business areas
		6 (1)	1 (0)	1 (0)	0 (0)	0 (0)	14 (2)
2020	17 (0)	3 (0)	1 (0)	3 (0)	0 (0)	1 (0)	9 (0)
2021	20 (2)	1 (0)	6 (2)	5 (0)	1 (0)	0 (0)	7 (0)

Year	Number of people injured in accidents (fatal)			Lost time injury frequency rate*	LTIFR
	Total	Where: men	Where: women		
2019	22 (3)	18 (3)	4 (0)	0,44	0,26
2020	17 (0)	14 (0)	3 (0)	0,34	0,2
2021	22 (2)	15 (1)	7 (1)	0,32	0,2

*Lost time injury frequency rate is the number of injured per 1,000 employees

In 2021, the Lost Time Injury Frequency Rate (the number of working time loss cases attributed to the total working time in the organization for the reporting year and normalized per 1 mln people/hour) for TATNEFT Group was 0.2.

In 2021, in the TATNEFT Group, an increase in the number of accidents at work is associated with a violation by employees of labor discipline, safety requirements when performing work, and a decrease in control over the organization of workplaces.

Dynamics of occupational injuries of contractors at the Company's facilities

Year	Number of accidents (fatal)
2019	8 (3)
2020	19 (6)
2021	17 (4)

Dynamics of the number of days of temporary disability as a result of accidents at work

Year	Total	Incl. men (average per each injured)	Incl. women (average per each injured)
2019	431	321 (17.8)	110 (27.5)
2020	1,765	1,583 (113.1)	182 (60.7)
2021	2,106	1,741 (116.1)	365 (52.2)

In 2021, in the TATNEFT Group, the increase in the number of days of temporary disability as a result of accidents at work is associated with cases of severe injuries requiring a longer rehabilitation of injured employees.

Occupational diseases

Works associated with increased danger

Works of increased danger, associated with a high risk of injury, include types of work that carry risks to the health of personnel produced in places where harmful and hazardous production factors are present, such as working with moving machines and mechanisms, earthworks, electrical and gas welding, work at height, gas hazardous work, hot work in fire and explosion hazardous rooms, cleaning and repair of tanks and other works. To minimize the likelihood of work-related injuries and emergencies, lists of high-risk work are developed and approved annually in accordance with the classification of working conditions.

Persons at least 18 years of age who have passed a medical examination, primary and introductory briefings at the workplace, training according to a special program and enterprises and divisions certified by a permanent examination commission are allowed to work with increased danger.

In 2021, 30% of the total number of accidents at the enterprises of the TATNEFT Group occurred during work at height, 6 employees were injured, one of them — fatal. Based on the results of the investigation, measures were developed to eliminate the causes of accidents.

Dynamics of occupational morbidity

Year	Total cases	Where: men	Where: women
2019	1	1	0
2020	1	1	0
2021	0	0	0



Innovative Solutions

The results of innovative activity, first of all, ensure the trouble-free operation of production facilities and the protection of the Company's employees through the automation of complex, dangerous and hazardous work performed today directly by a person.

A remote control system for industrial safety is being introduced at hazardous production facilities, which will reduce the risks of emergencies by eliminating the human factor. Together with Innopolis University, a video analytics project was launched to use machine vision and artificial intelligence tools. Smart devices have been tested — "smart bracelet" and "smart helmet" for continuous monitoring of the condition of workers, gas analyzers with the possibility of remote data transmission are being introduced. Exoskeletons were tested, aimed at facilitating the physical labor of workers in the performance of production operations. In 2022, it is planned to test robotic tank cleaning systems that exclude the presence of a person in the danger zone.

No occupational diseases were registered in 2021



Environment

GRI 103, 303, 305, 306



Policy of PJSC TATNEFT n.a. V.D. Shashin on Health, Safety and Environment, taking into account climate change

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The Company is aware of the nature and scale of the impact of its activities, correlates them with the importance of efficient use of natural resources, ensuring safe working

conditions, protecting the health of personnel employed in all business segments and the population living in the areas of activity, as well as preserving a favorable environment and reducing climate risks.

The company is guided by the principles of corporate responsibility and a risk-based approach and follows a systematic approach to ensuring industrial safety, occupational health and environmental protection at its facilities and areas of operation when strategically planning, setting and solving business tasks at the level of all production processes.

Key priorities

Areas	Commitments
Minimizing the impact on climate change	<ul style="list-style-type: none"> Reducing GHG emissions and our carbon footprint Using green alternative energy sources; Increase in the utilization ratio of associated petroleum gas Control of environmental impacts in the supply chain and measures to mitigate such impacts
A favorable environment and living conditions	<ul style="list-style-type: none"> Avoidance of environmental damage from economic activities Reducing losses of raw materials and products at all stages of production activities and prevention of their release into the environment Applying best available technologies, equipment, digital process control solutions Preventing emergencies and taking all possible measures to minimize their consequences Preventing negative impact on natural objects
Preserving natural ecological systems and biodiversity	<ul style="list-style-type: none"> Minimizing work in specially protected natural areas and their protected zones Restoring biodiversity, habitats, animal migration routes and compensation for possible environmental damage Reducing fragmentation of natural landscapes and the area of disturbed land
Rational use of natural resources	<ul style="list-style-type: none"> Improving the energy efficiency of production processes and ensuring resource conservation Implementation of elements of circular economy, recycling and use of recyclable materials Use of water recycling and reuse systems and reduction of water abstraction from natural sources
Improving the environmental management system	<ul style="list-style-type: none"> Ensuring compliance with applicable regulations and preventing emergencies by implementing industrial environmental control and audits Implementing state-of-the-art information technologies, technical diagnostics and remote monitoring methods Comprehensive environmental impact assessment in the implementation of infrastructure projects Additional risk assessment in specially protected natural areas, wetlands, Arctic zones where the Company operates Maintaining an open dialogue and regular interaction with stakeholders

The Company's Position on Climate Change

As energy companies generate considerable GHG gases during their operations which may have an impact on the climate, the Company strives to contribute to the sustainable development and innovative energy infrastructure facilities. The Company promotes the initiatives of the Strategic Global Partnership Caring for Climate and the UN Framework Convention on Climate Change set out in the Paris Agreement.

As part of the implementation of actions for sustainable development and accession to the UN Global Compact as a participant, the Company has chosen SDG 13 "Take urgent measures to combat climate change and its consequences" as one of its priority goals.

In its strategic planning the Company takes into account the factors associated with a with the potential impact of the Paris Agreement climate goals on the global balance of primary energy consumption. The Company builds on the plans for the transition of the European Union to a net zero economy by 2050 and the related revision of energy taxation and carbon border adjustment mechanisms.

The Company considers the growing expectations of investors and regulatory requirements for disclosures on environmental impact and accounting for all types of emissions, including indirect greenhouse gas emissions and those occurred in the value chain.

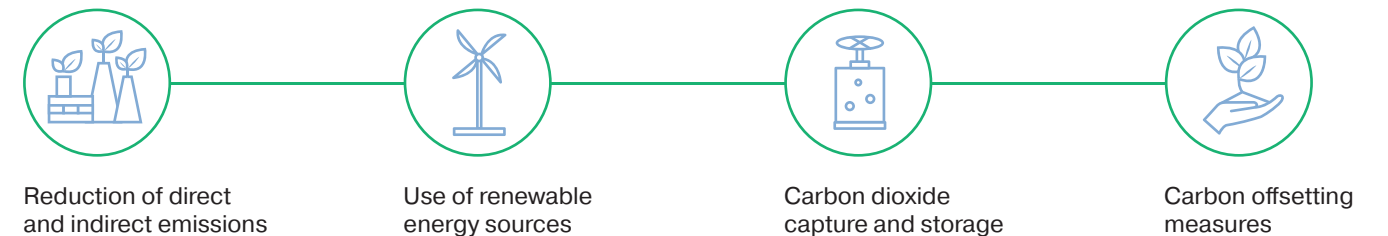
The climate change is a matter of concern to the investors, in particular, to what extent the Company's strategy and business planning address the environmental impacts.

International partnerships and platforms for joint development of climate change solutions are of Considerable interest, bringing together global industry companies. In 2021, the Company signed a Memorandum on the activities of the Russian Partnership for Climate Conservation and became one of its official partners. Representatives of the Company participates in events organized by the Partnership.

The key task is to develop the Company's business model, that would seek to minimize and subsequently to net zero emissions, which is supported by specific targets for the long term. This goal would be achieved through the implementation of comprehensive measures.

The company has reaffirmed its intentions to become carbon-neutral by 2050. A portfolio of environmental projects has been formed to achieve intermediate targets to reduce greenhouse gas emissions. The main levers of decarbonization will be improved energy efficiency, greater share of renewables, carbon offsetting measures, and in the long run, the expansion of carbon dioxide capture and disposal. Currently, the Company is updating interim goals in reducing greenhouse gas emissions as part of the development of a corporate-wide Strategy.

The strategic goal is to achieve carbon neutrality by 2050



Environmental Management System

The environmental impact management system covers all main levels of management and is part of the Company's integrated management system. The Company is developing a HSE management system throughout the entire production chain of the TATNEFT Group.

Strategic level	Board of Directors	<ul style="list-style-type: none"> Determines environmental policy, sets strategic goals and development directions Oversees policy implementation Approves non-financial reports
	Sustainable Development and Corporate Governance Committee of the Board of Directors (SDCGC)	<ul style="list-style-type: none"> Plans, defines and approves sustainable development goals and measures Oversees and evaluates the implementation of measures and the occurrence of risks Forms the position on providing information to stakeholders
Operational level	The Governing Council for Sustainable Development	<ul style="list-style-type: none"> Coordinates the activities of the business areas on the matters of implementing sustainable development goals Analyzes and evaluates progress, prepares information for the SDCGC on the results achieved, risks and problems Analyzes the quality of the information disclosed and monitors compliance with the reporting standards Identifies areas of responsibility within the TATNEFT Group in the field of sustainable development
	Department of Environment Protection and Ecology	<ul style="list-style-type: none"> Provides overall management, organization and coordination of work on continuous improvement of the environmental management system
Internal assessment	Internal Audit Department	<ul style="list-style-type: none"> Performs an independent assessment of the reliability and efficiency of the environmental risk management system at the corporate and business process levels (audit reports are sent to the Company's management and the Audit Committee)
	External auditor	<ul style="list-style-type: none"> Performs an independent review of key environmental impact indicators to provide limited assurance of accuracy, completeness and presentation of information
Independent assessment	Public organizations	<ul style="list-style-type: none"> Assess the relevance and completeness of disclosed information on the results of sustainable development activities and the principles of responsible business practices

Risk management

The Company is developing and improving its system for identifying and managing environmental and climate risks. To manage risks, the Company uses instructions for risk identification, assessment and ranking, which are based on the recommendations of national and international risk management standards (ISO 31000-2018 "Risk Management — Guidelines"; COSO ERM "Risk Management Framework"). Starting from 2021, the Company takes into account the risks associated with the growth of CO₂

emissions (Scope 1, 2 and 3) during the facility construction and operation phases of its investment projects.

The TATNEFT Group on an ongoing basis provides insurance against risks associated with damage to the environment. Insurance contracts are concluded for all hazardous production facilities assigned to structural divisions and subsidiaries of the Company. The insurance company compensates for physical and property damage, as well as damage to the environment.

Management

The Board of Directors approved the Environmental Program of the TATNEFT Group for 2021-2025. Mr. Laszlo Gerecs, Independent Director, in charge of the Climate Agenda, closely interacts with other members of the Board of Directors and the management of the Company regarding plans, initiatives, goals and actions related to climate-related risks and opportunities.

Consideration of climate risks and opportunities related to climate change is mandatory in the Company's governing decisions. The top management is responsible for taking into account climatic aspects when defining the TATNEFT Group's development strategy and identifying opportunities to reduce GHG emissions. In 2021, GHG emission targets were included in the KPIs of the heads of business areas.

Since 2006, the Company has been developing an integrated health, safety and environment management system meeting the advanced ISO international standards. Compliance with the standards is confirmed by recertification every three years. Internal and external supervision audits are conducted annually, contributing to the improvement of the management system, increasing the level of competence of employees in these areas.

The Company ensures compliance with ISO environmental management, HSE standards: ISO 14001:2015, ISO 45001:2018. ISO standards in the field of climate have been implemented: ISO 14064-1:2018, ISO 14064-2:2019, ISO 14064-3:2019

The Company uses the proven best available technologies and technological solutions. At the same time, innovative methods are being sought for. The development of new technologies is provided by the research and development unit of the TATNEFT Group (TatNIPIneft Institute, the Technological Development Center), which interacts with the leading experts and specialists.

Information disclosure

The Company adheres to the principles of corporate transparency and maximum openness of its activities, including in the area of sustainable development. Information is disclosed in accordance with GRI Standards; when disclosing information on the climate, the Company takes into account the TCFD recommendations on financial information disclosure related to climate change.

Sustainable development ratings

In 2021, the Company improved its position in international and Russian sustainability ratings. The Company topped the environmental transparency rating of the oil and gas industry of the Russian Federation published by the Creon Group and WWF Russia. It received a "B" rating from CDP based on the

results of disclosure of data on the use and conservation of water resources, which is one of the best indicators among Russian companies surveyed in 2021. It demonstrated strong progress in the CDP climate rating and rose to the "C" level in 2021, which is in line with the global industry indicator.

Rating	2020	2021
SUSTAINALYTICS	44.8*	35.4
MSCI	BB	BB
	6	1-2 places (shared with Zarubezhneft)
CDP DISCLOSURE INSIGHT ACTION	Disclosure of data on the use and conservation of water resources	B
CDP DISCLOSURE INSIGHT ACTION	Climate	D C

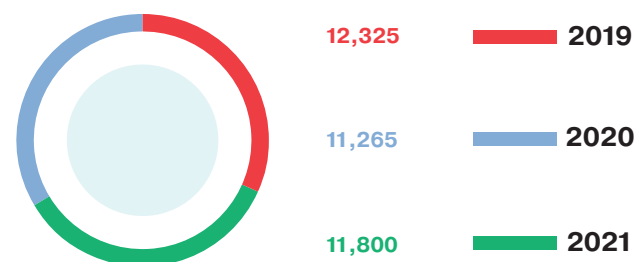
* Sustainalytics (ESG Risk Rating) — the rating measures the Company's exposure to industry-specific ESG risks and the Company's ability to manage these risks. A decrease in the indicator reflects a decrease in the Company's exposure to risks.

Contributing to the protection of the environment

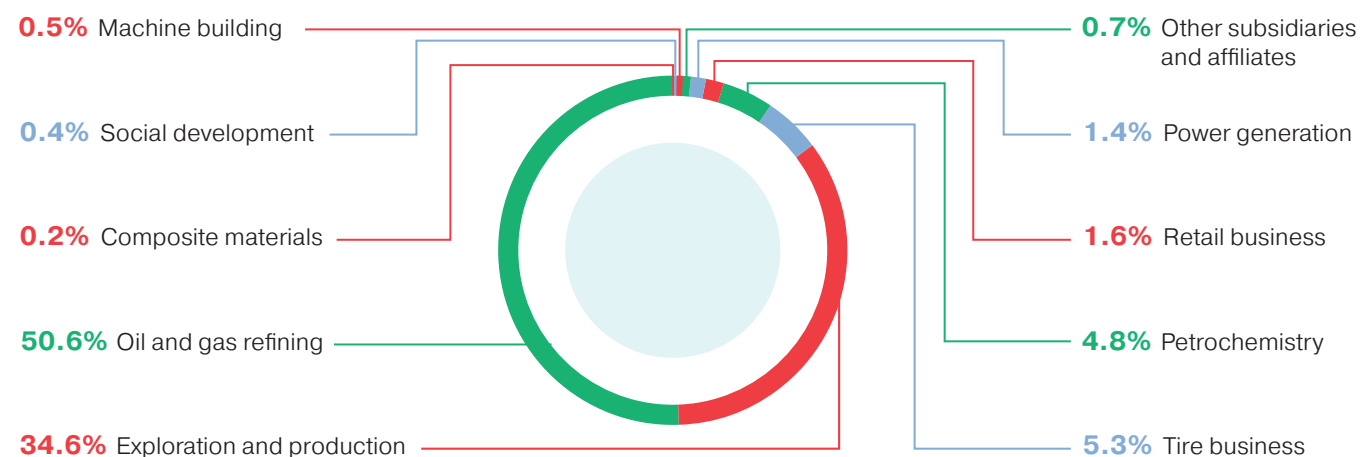
In 2021, environmental protection expenditures amounted to RUB 11.8 billion*, an increase of 4.7% compared to 2020. The increase in expenses was mainly due to an increase in capital investments aimed at environmental protection and rational use of natural resources in the TATNEFT Group.

Large-scale environmental protection activities of the TATNEFT Group enterprises were financed from their own funds on a priority basis.

Environmental protection spending dynamics, RUB mln



Amount of funds allocated for environmental protection activities by business areas



The amount of financing of environmental protection measures under the European Classification of Environmental Protection Activities (SEPA) 2000 have been allocated for nine (9) focus areas.

* The environmental costs indicator does not include depreciation charges included in the 4-OS report in accordance with Rosstat Order No. 516 dated August 26, 2021 (2020 — RUB 4,873 mln, 2021 — RUB 5,107 mln)

Environmental program

In 2021 the Board of Directors approved the Environmental Program for 2021-2025 to implement the HSE strategic development objectives across the TATNEFT Group. The TATNEFT Group's environmental program consolidates the efforts of all TATNEFT Group enterprises to preserve the quality of the environment. In addition to the current

legislative requirements for environmental protection activities, the program takes into account the additional environmental protection commitments assumed by the Group. The program is based on a risk-oriented approach and aims to reduce the man-made impact on the environment.

Environmental impact reduction targets

Business area	Measurement units	Actual 2021	Target 2021
Reduction of specific pollutant emissions			
Exploration and production	kg/t	2.56	2.81
Oil and gas refining	kg/t of oil equivalent	0.86	1.0735
Tire business	kg/kg	0.007	0.00991
Power generation	kg/kWh	0.00030	0.00098
Petrochemistry	kg/kg	0.00482	0.00639
Reduction of specific GHG emissions			
Exploration and production	kg/t	170.1	170.1
Oil and gas refining	kg/t of oil equivalent	164.4	184.2
Tire business	kg/kg	2.12	2.38
Power generation	kg/kWh	0.258	0.268
Petrochemistry	kg/kg	1.27	1.71
Reduction of specific consumption of fresh water for own needs			
Exploration and production	m ³ /t	1.14	1.19
Oil and gas refining	m ³ /t of oil equivalent	0.075	0.277
Tire business	m ³ /kg	0.00110	0.0112
Power generation	m ³ /kWh	0.00145	0.00151
Petrochemistry	m ³ /kg	0.0142	0.0209
Reduction of specific waste generation			
Exploration and production	kg/t	1.52	1.27
Oil and gas refining	kg/t of oil equivalent	0.803	0.783
Tire business	kg/kg	0.097	0.159
Power generation	kg/kWh	0.00032	0.000455
Petrochemistry	kg/kg	0.0110	0.0142
APG utilization level			
Exploration and production	%	96.13%	98%

See information on business areas for more environmental activities details.

Air emissions

GRI 305-1, 305-2, 305-3, 305-4, 305-5

GHG Emissions

The greenhouse gas emissions management and accounting system is based on international standards and Russian legislation. The Company's GHG reduction targets have been approved at the corporate level, and the Direct and Indirect GHG Emissions Reduction Program — 2025 is proceeding apace with quarterly monitoring of GHG emissions across the TATNEFT Group.

The Company's GHG emissions accounting and reporting system complies with the ISO 14064, the standards and recommendations of the Greenhouse Gas Protocol (GHG Protocol), and the Task Force On Climate-Related Financial Disclosures (TCFD). Control and accounting of greenhouse gas emissions are regulated by the internal standard "Greenhouse Gas Emissions Management".

The Company is updating the climate strategy to minimize climate risks and determine the development vector in a changing external context while maintaining progress towards achieving the strategic goal. The Company accounts for carbon dioxide (CO₂) and methane (CH₄) emissions of the TATNEFT Group enterprises.

In the reporting year within the framework of developing the climate strategy TATNEFT updated the inventory of sources of greenhouse gas emissions and calculation of Scope 1, 2, 3 in accordance with the requirements of the methodological guidelines of the Ministry of Natural Resources and GHG Protocol.¹

Indicators	2019	2020	2021
<i>Direct GHG emissions (Scope 1), mln t CO₂-eq., including by business areas:</i>	6.29	6.93	7.45
Exploration and production	2.1	2.26	2.19
Oil and gas refining	1.99	2.17	2.53
Tire business	0.02	0.03	0.02
Power generation	1.76	1.94	2.3
Retail business	0.01	0.01	0.01
Machine building	0.02	0.08	0.07
Composite materials	0.02	0.02	0.02
Petrochemistry	0.36	0.39	0.28
Other	0.01	0.03	0.03
<i>Indirect GHG emissions (Scope 2), mln t CO₂-eq., including by business areas:</i>	5.1	4.66	5.41
Exploration and production	2.62	1.99	2.55
Oil and gas refining	0.89	0.92	1.01
Tire business	0.52	0.51	0.54
Power generation	0	0	0.01
Retail business	0.03	0.05	0.05
Machine building	0.02	0.05	0.05
Composite materials	0.02	0.02	0.02
Petrochemistry	0.94	0.96	1.02
Other	0.04	0.16	0.16
<i>Other indirect GHG emissions (Scope 3)², mln t CO₂-eq., including by business areas:</i>	111.1	112.6	123.8
Exploration and production	60.7	66.4	68.9
Oil and gas refining	27.4	29.2	30.9

¹ Direct Scope 1 GHG emissions were calculated in accordance with the requirements of the following regulations:
 • Order No. 300 of the Ministry of Natural Resources of Russia On Approval of Guidelines for the Quantitative Determination of Greenhouse Gas Emissions by Organizations Carrying out Economic and Other Activities in the Russian Federation, dated June 30, 2015 (hereinafter Methodological Guidelines No. 300);
 • The Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard).

Calculations of greenhouse gas emissions were made using the software complexes developed by the company "Integral" (St. Petersburg):

- "Ecologist-Greenhouse Gases: Fuel Combustion and Material Production" 1.0;
- "Ecologist-Greenhouse Gases: Gas flaring" 1.0;
- "Ecologist-Greenhouse Gases: Oil refining" 1.0;

Calculations of indirect Scope 2, 3 GHG emissions were made in accordance with the requirements of the following regulations:

- Order No. 330 of the Ministry of Natural Resources of Russia On Approval of Methodological Guidelines for the Quantification of Indirect Energy Emissions of Greenhouse Gases (hereinafter Methodological Guidelines No. 330), dated June 29, 2017;
- The Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard);
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

For Scope 2 calculations the coefficient of energy emissions provided by LLC Nizhnekamskaya CHPP was used.

² The TATNEFT Group calculates Scope 3 from the use of sold products (crude oil, gasoline, diesel fuel, kerosene, fuel oil, coke, oils, ethane, propane, butane, APG, liquefied gas, lubricants, other oil products, tire products).

Intensity of GHG emissions by business areas

Scope 1 emissions intensity	2020	2021
Exploration and production, kg CO ₂ eq/t oil produced (conventional)	86.85	78.62
Exploration and production, kg CO ₂ eq/t oil produced (SVO)	506.08	467.35
Tire business, kg/kg	0.13	0.07
Power generation, kg/kWh	0.27	0.26
Petrochemistry, kg/kg	0.38	0.27
Emissions intensities Scope 1 + Scope 2	2020	2021
Exploration and production, kg CO ₂ eq/t oil produced	163.2	170.1
Exploration and production, kg CO ₂ eq/barrel	22.9	23.9
Exploration and production, kg CO ₂ eq/t oil equivalent (oil and gas produced)	110.9	115.6
Oil and gas refining ³ , kg/toe	156.1	164.4
Tire business, kg/kg	2.188	2.119
Power generation, kg/kWh	0.274	0.258
Petrochemistry, kg/kg	1.309	1.272

The dynamics of the absolute values of GHG emissions is associated with the growth of production volumes in all business areas of the TATNEFT Group. The Company's climate projects are included in the Climate Action Program. The program includes projects to improve

the system of greenhouse gas emissions accounting, reduction of direct and indirect greenhouse gas emissions of the TATNEFT Group, carbon dioxide capture, utilization and storage, and biological sequestration of carbon dioxide.

³ The calculation of the intensity of emissions in the Oil and Gas Refining business area includes emissions from JSC TANECO and Tatneftgazpererabotka Division.

Pollutant Emissions

GRI 305-6, 305-7

In 2021, gross emissions of pollutants into the ambient air across the TATNEFT Group amounted to 103.5 t, decrease of 4.8% compared to 2020. The reduction was achieved through implementation of the following measures:

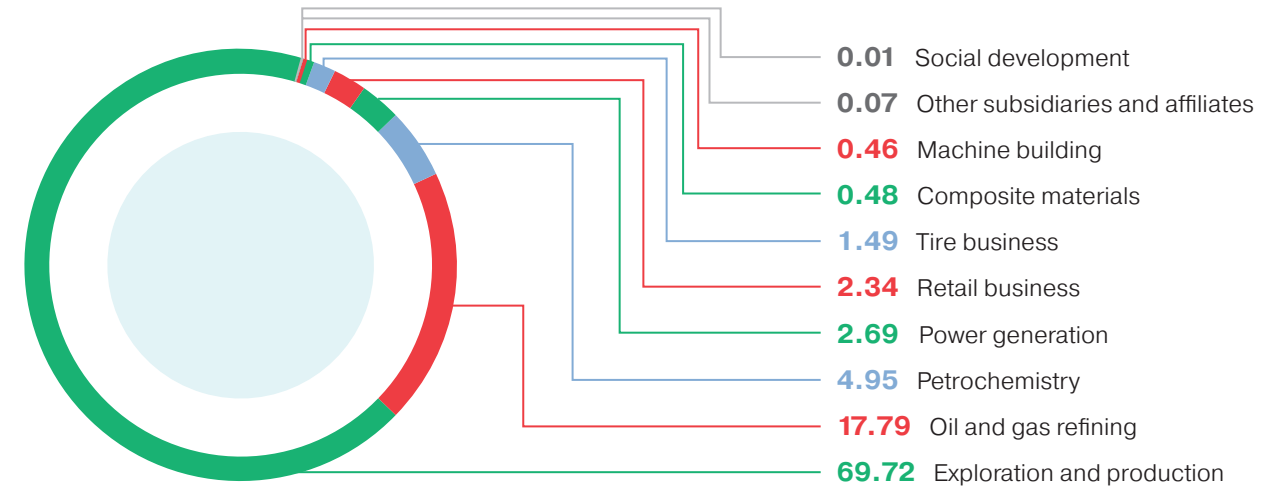
- Production facilities upgrades (replacement of equipment), application of the best available technologies, equipment, materials, and digital process control solutions
- Improving the energy efficiency of production processes and ensuring resource conservation

- Maintaining the technical condition of oilfield equipment at the proper level (introduction of technology to capture light hydrocarbon fractions (LHF) released from tank equipment; reducing the volume of flared associated gas; purification of associated gas at desulfurization units; replacement of flares with sootless flaring units; overhaul and replacement of sales process oil and gas pipelines)
- Improving the environmental performance of vehicles
- Equipping filling stations with breathing valves, petroleum product vapor recovery systems

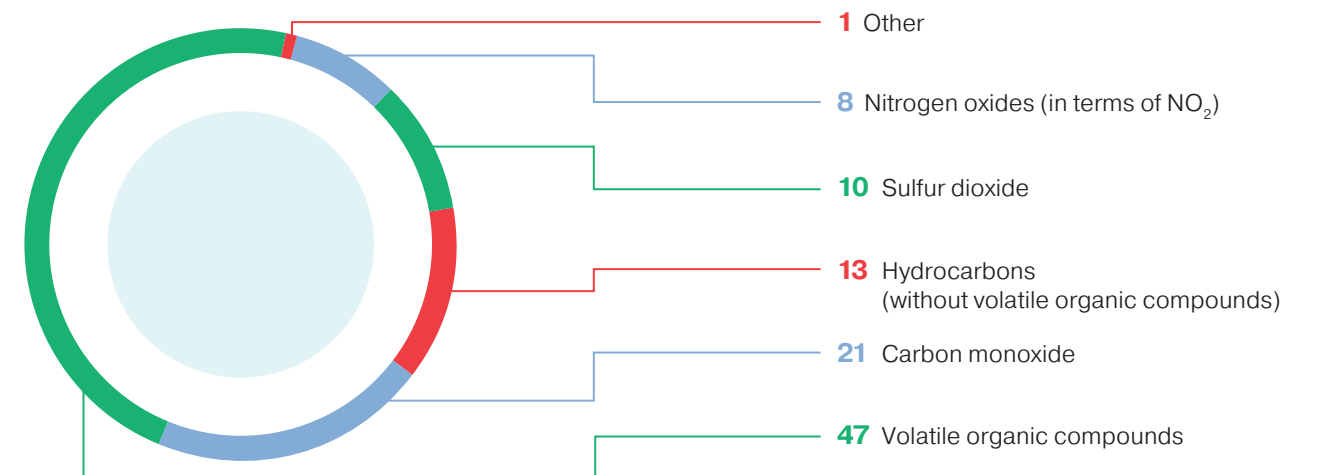
Structure of gross emissions, thousand tons

	2019	2020	2021
Gross air emissions, including:	103.3	108.7	103.5
Solids	2.2	2.1	2.0
Sulfur dioxide	10.2	14.1	10.3
Carbon monoxide	21.8	21.9	21.4
Nitrogen oxides (in terms of NO ₂)	8.0	9.0	8.5
Hydrocarbons (without volatile organic compounds)	13.4	13.4	13.1
Volatile organic compounds (VOCs)	46.6	47.1	47.1
Other	1.1	1.1	1.1

Gross emission of harmful substances into the atmospheric air, %



Composition of gaseous pollutant emissions for the TATNEFT Group, %



Emissions of ozone-depleting substances (ODS)

The TATNEFT Group does not use ozone-depleting substances on an industrial scale.

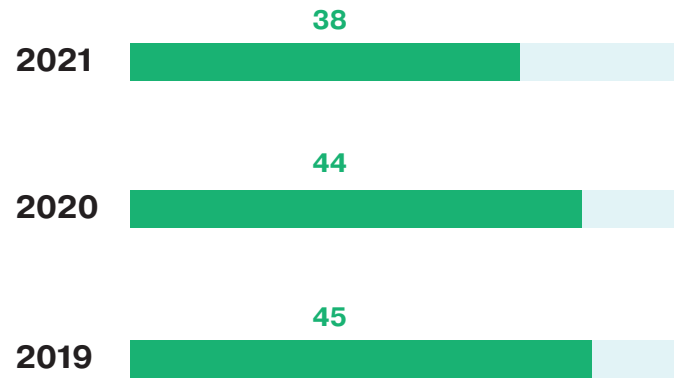
Efficient use of associated petroleum gas

The Company implements a program to improve the rational use of associated petroleum gas aimed at stimulating the processing of APG into products with high added value and

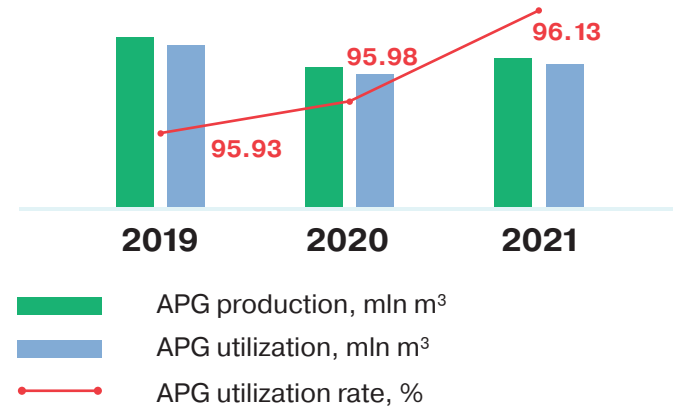
reducing the impact on the environment and climate. In 2019-2021 the volume of APG flaring was reduced by 15%. The APG utilization level was 96.13% in 2021.

In order to increase the level of beneficial use of associated petroleum gas the Company took measures to connect separation points to the gas gathering system, organize multiphase transport of well products and use the gas for own process needs.

APG flaring volume, mln m³



Dynamics of APG utilization



Rational water use

GRI 303-1, 303-2, 303-3, 303-4, 303-5

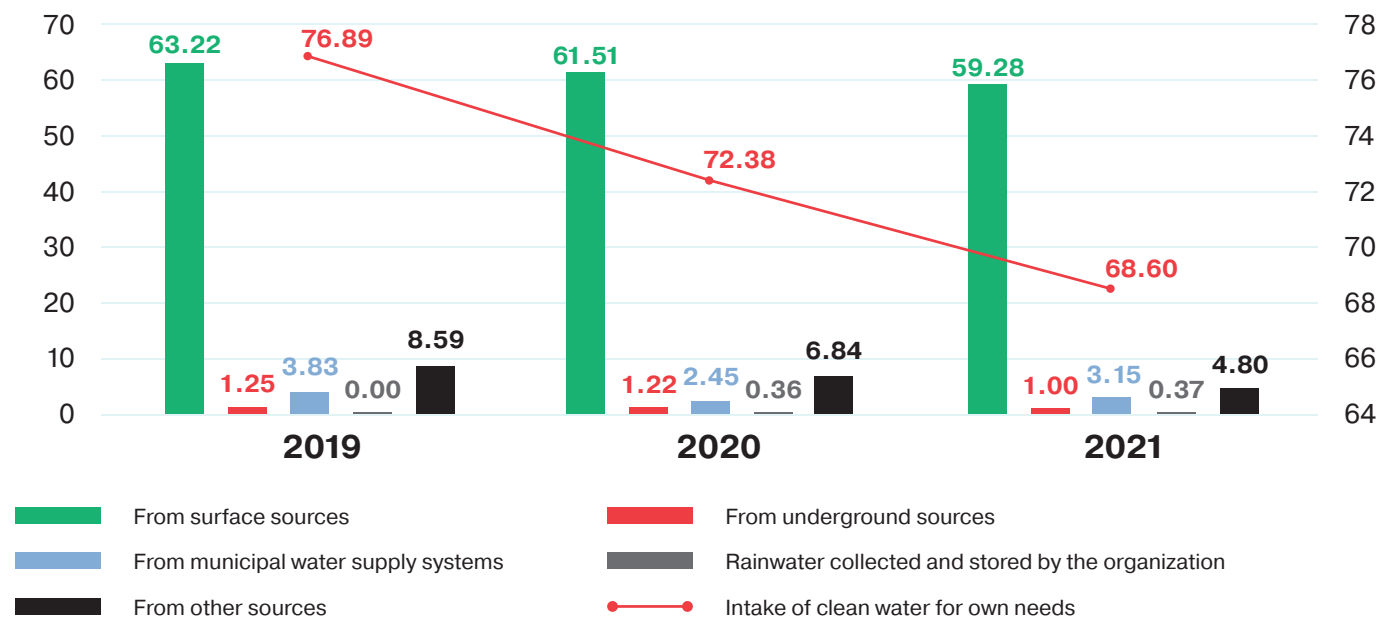
Reasonable and careful conservation of the ecosystem with clean water, access to water resources is one of the main factors of sustainable development. The Company's main approach to solving the problem of rational water use is to use water recycling and reuse systems, increasing the degree of wastewater treatment and reducing water abstraction from natural sources.

for groundwater production, as well as the regulations of the local regulatory authorities, which allows the Group to avoid exposing local communities and the environment to the risk of water resource shortages.

The Company withdraws water from various sources, including ground and surface water bodies. The main sources of water withdrawal are the Kuibyshev storage reservoir, the Volga, Kama, Stepnoy Zai, Yamashka, Sterlya, Shabiz rivers. Water is also supplied by third-party organizations under water supply contracts and as part of the organized collection of meltwater and stormwater runoff from the territories of enterprises.

Water use and access to water bodies in the TATNEFT Group in Russia is effected in accordance with Russian legislation, on the basis of water use agreements, decisions on the provision of water bodies for use, licenses for subsoil use

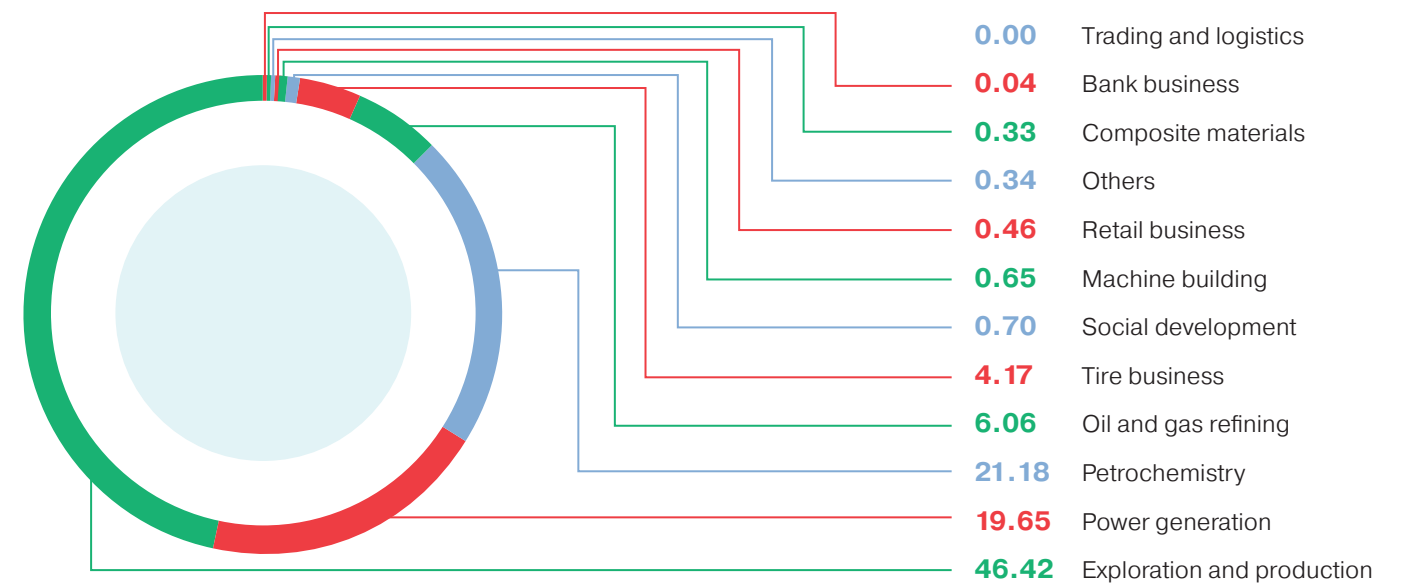
Water intake dynamics, mln m³



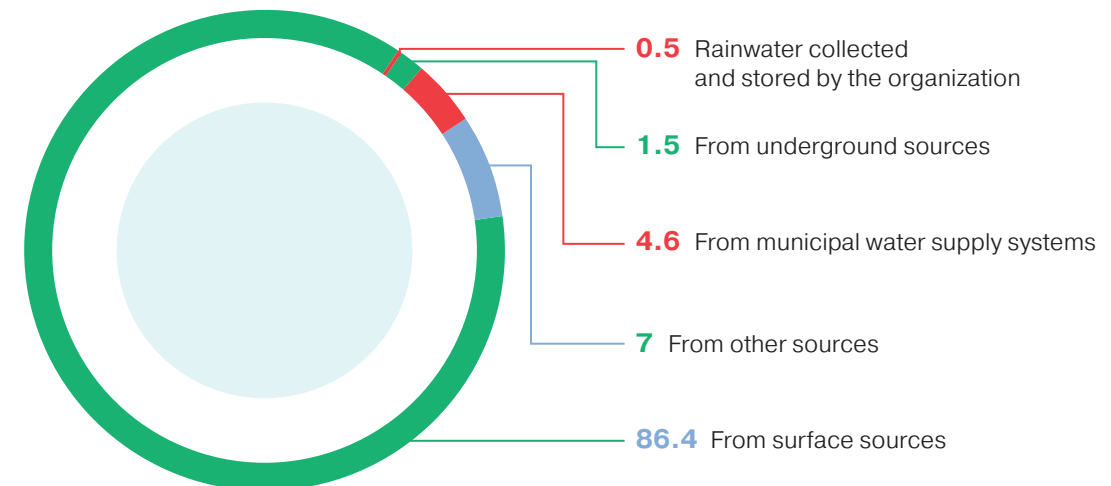
The Group's entities receive most of their water from the supplier LLC Process Fluid Treatment Facility for Reservoir Pressure Maintenance, a member of the Group's perimeter, and previously, in 2019-2020, this volume was reflected in the "other sources" subsection. Starting from 2021, the Group decided to reflect water volumes supplied by LLC Process Fluid Treatment Facility for Reservoir Pressure Maintenance by source of water supply — surface and underground water. Redistribution for 2019 and 2020 was made in accordance with the current year's presentation.

In 2021, due to continuing implementation of measures and investment projects to reduce water intake and water disposal, water consumption in the TATNEFT Group decreased by 5%. The main reduction of water consumption was in the Oil and Gas Refining and Petrochemistry business areas — 11.5 mln m³.

Water consumption for own needs by business areas, %



Water withdrawal for own needs by types of sources, %

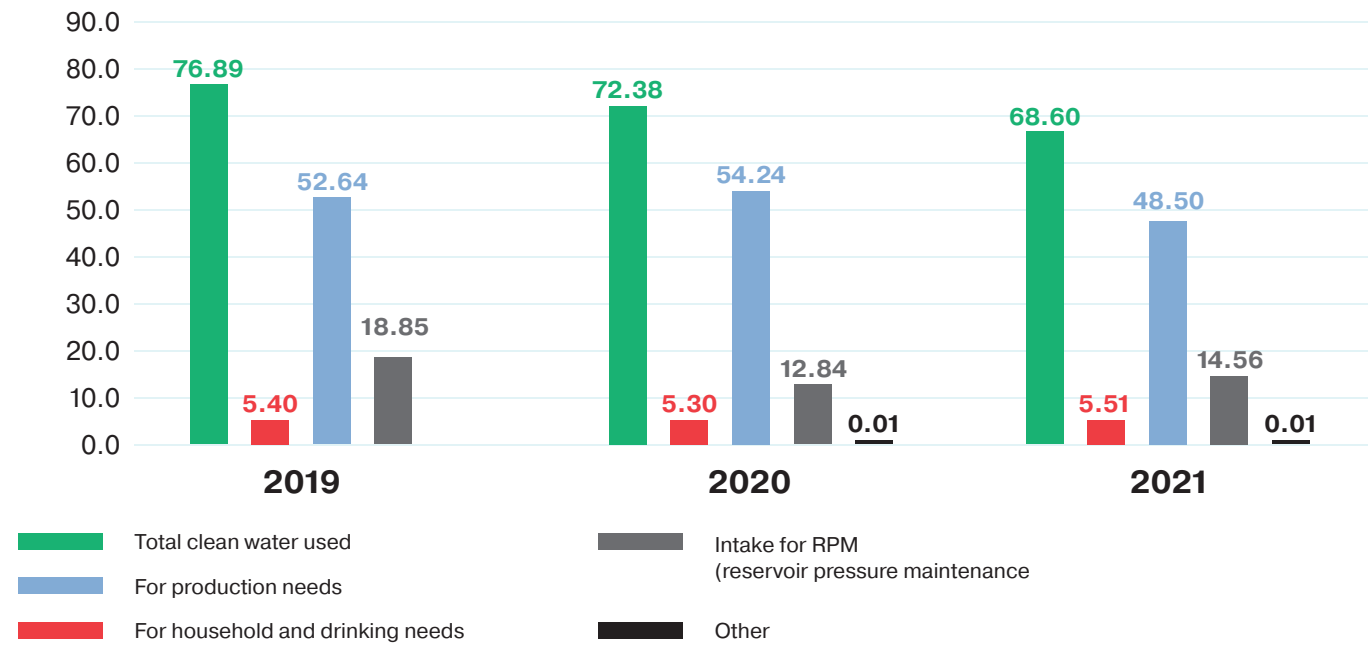


The TATNEFT Group does not have a significant impact on natural water sources by the water withdrawal. Water withdrawals from surface and underground sources do not exceed the allowable withdrawal limits.

To preserve ecosystems with clean water, the Tatneft Group has been implementing the project to improve the Steppe Zai River, a tributary of the Kama River. The purpose of the project is to identify the main sources of surface water pollution, draw the attention of business entities, regulatory and supervisory authorities, plan and initiate the implementation of environmental protection measures to achieve water quality that meets the requirements of sanitary standards.

The enterprises of the TATNEFT Group are implementing measures aimed at increasing the share of recycling water used for production needs through timely repair of water supply networks and recycling water supply units, which helped to reduce fresh water withdrawal by 5% or 3.8 mln m³ compared to the previous year.

Dynamics of water use for various needs, mln m³



In 2021, 74,5% of consumed water is used for production needs

Volume of recycled and reused water, mln m³



An important indicator for the characteristics of rational water use is the costs in the systems of recycled and reused water. In 2021, this indicator for the TATNEFT Group amounted to 1,144 mln m³. In 2021, the share of recycled and reused water was 94.6% of the total volume of water used for production needs, which saves the amount of water withdrawn (clean water) from the external environment.

Improving wastewater quality is one of the important objectives of the environmental safety program. The Company conducts regular monitoring of wastewater quality.

Water disposal into surface water bodies, mln m³



Wastewater from production processes is sent to treatment facilities in accordance with the standards established by Russian legislation. The Company's laboratories as well as independent accredited organizations monitor compliance with the established standards.

To ensure the standard level of wastewater treatment and complete prevention of the discharge of polluted effluents into the environment, investment projects for technological re-equipment of production are implemented, measures are taken to comply with standards for the content of pollutants in wastewater, to maintain the proper sanitary and environmental condition of the sites and places of wastewater discharge.

In 2021, the TATNEFT Group achieved a 25% reduction in wastewater disposal.

The discharge of treated wastewater into the water body from JSC TANECO's treatment facilities decreased by 98% in 2021 compared to the 2020 volume. Treated water is fully recycled for use in production at the facilities of JSC TANECO and Nizhnekamsk CHP.

In order to monitor the state of surface and ground waters in the area of its activity, the TATNEFT Group operates a local network of observation points for water bodies.

Industrial environmental monitoring of water bodies is carried out by the Company's chemical and analytical laboratories. According to the results of laboratory tests, in 2021 water quality in the main rivers of the area of operations was stable and did not exceed the established standards for the maximum permissible concentration of harmful substances. Currently, the process of their steady concentration reduction in the groundwater is taking place.

In order to prevent surface and ground water pollution the TATNEFT Group, in the course of its activities, implements measures to protect the internal surfaces of oilfield equipment by applying anticorrosion coating and electrochemical corrosion protection methods.

The Company pays special attention to water as a source of life, including the preservation, improvement and enhancement of water quality in springs. Targeted well intervention activities carried out by the oil workers

in the area of the Company's subdivisions and continuous monitoring of the equipment reliability help prevent pollution of water sources.

Since 1995, the Group has been holding a competition "For Maintaining the Esthetic Condition of Completed Springs and Improving Water Quality". During this time more than 500 springs have been cleaned, captured and architecturally completed on the territory of the Company's operations.

Waste management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

One of the environmental priorities of the TATNEFT Group is the reduction of environmental footprint through reduced production and consumption waste generation and increasing the share of recyclable waste. The Company has implemented the best available technologies, established a complex system of selective accumulation, collection, and disposal of production and consumption wastes and using them as a raw material to produce marketable products. The TATNEFT Group enterprises dispose of 47 types of hazardous waste, including oily waste.

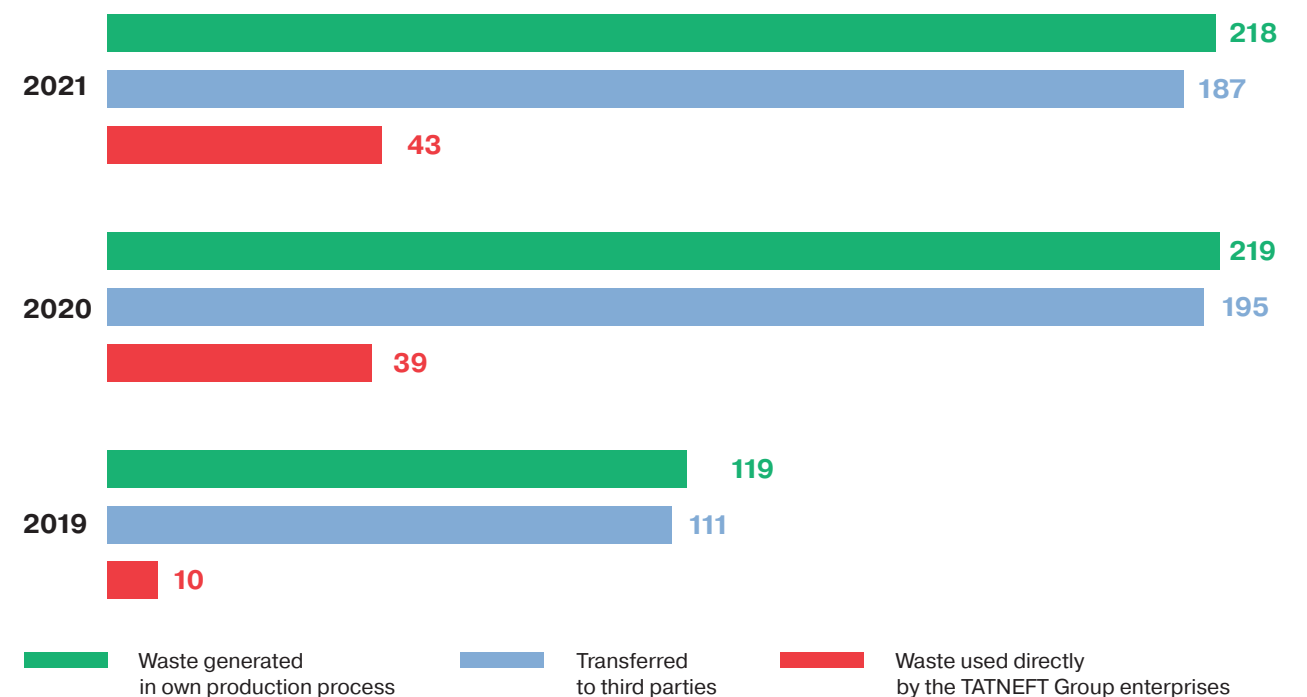
(waste management operation, the amount of pollutant emissions into the atmosphere and the amount of greenhouse gases per unit of recycled waste, etc.).

Implementation of the circular economy elements, building of the waste management process, improvement of the biological treatment facilities efficiency resulted in reducing waste generation by 0.4% in 2021 as compared to the previous year, despite the increase of the TATNEFT Group composition.

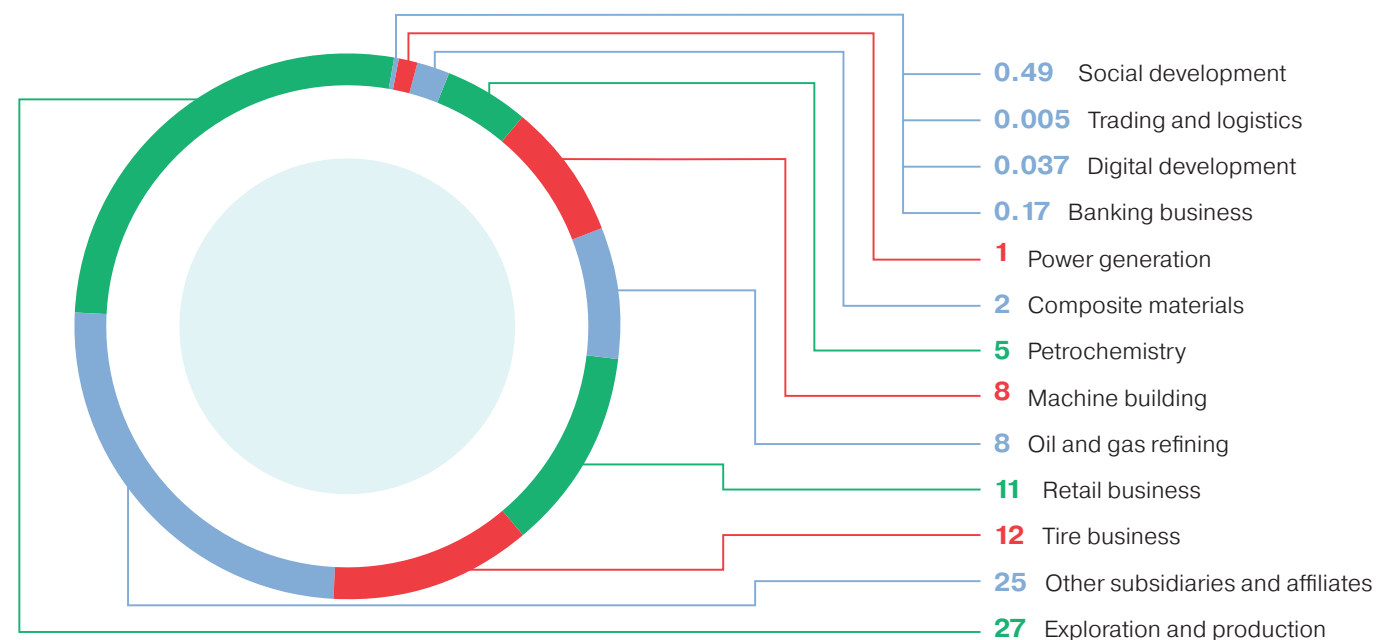
When selecting contractors to provide waste management services, the Company takes into account the amount of negative environmental impact from the use of technology

In 2021, Tatneft Group generated 218.3 thousand tonnes of waste.

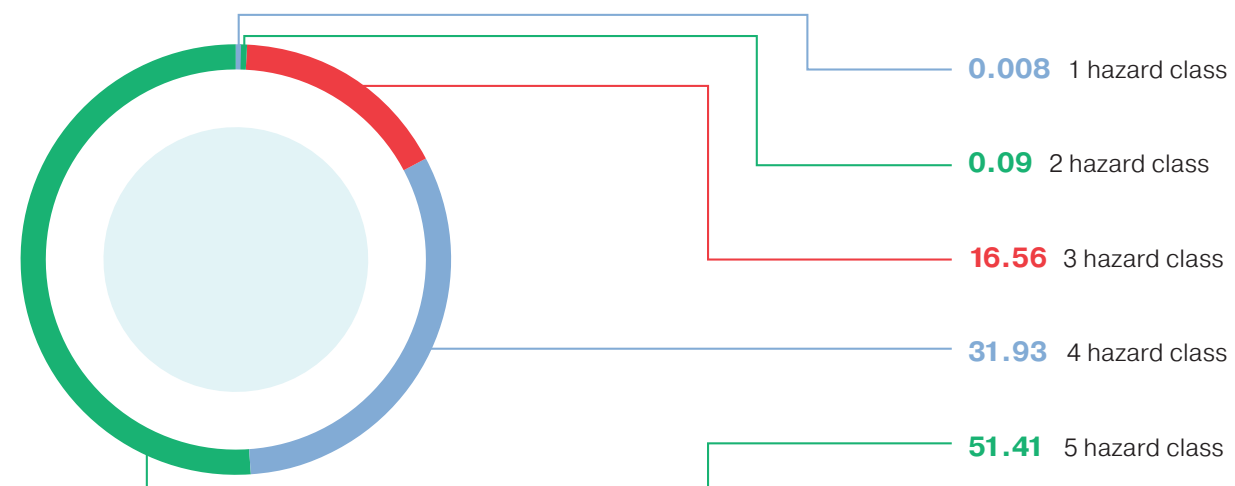
Waste management, thousand tons



Waste management by business areas, thousand tons



Waste generation by hazard class, %



As part of the implementation of SDG 12 business areas of the TATNEFT Group the goals until 2025 have been set, aimed at ensuring responsible and efficient consumption of resources and sustainable means of production.

A specialized landfill for industrial waste was put into operation at the JSC TANECO Refineries and Petrochemical Plants Complex. The existing impervious screen made of a geosynthetic membrane (HDPE) excludes biological and chemical contamination of the adjacent territories, groundwater, and ensures the collection of leachate for its subsequent transportation to the treatment facilities of JSC TANECO. Waste placed in this way can be recovered for disposal when new recycling technologies become available.

In 2021 a fast pyrolysis unit for woody biomass was put into operation. Several projects to recycle plastic waste and waste tires are underway.

Drilling Waste Management

All waste generated during well drilling by contractors is the property of the Contractor according to the contractual terms and conditions. A system of accounting and control over the movement of waste generated during drilling by drilling contractors has been established, as well as a system of compensating drilling contractors for the disposal of drilling waste.

Waste management by business areas, thousand tons

Business area	Generated		Disposed of and treated		Sent for disposal	
	2020	2021	2020	2021	2020	2021
Exploration and production	33.4	58.8	24.4	44.9	10.5	14.7
Machine building	16.1	17	46.5	34.3	1.5	1.8
Oil and gas refining	15.3	17.8	10	14.6	4.9	4.5
Retail business	25	24.8	0.3	0.4	24.1	24.5
Tire business	36	25.6	19.2	17.6	24.3	15.5
Composite materials	3.4	4.6	1	0.5	2.4	4
Power generation	3.3	2.9	1.7	1.1	0.4	0.4
Trading and logistics	0	0.012	0	0	0	0.011
Social development	0.08	1.1	0	0.1	0.08	1
Digital development	0	0.08	0	0	0	0.08
Banking business	0	0.4	0	0.03	0	0.4
Other subsidiaries and affiliates	70	53.5	69.2	48	0.7	5.5
Petrochemistry	10.5	11.3	1.6	2	8.9	10.1
Exploration	5.8	0	5.7	0	0.1	0
Total	218.8	218.0	179.6	163.6	77.8	82.5

*In 2021 the indicators for wastes in the "Exploration" business area were incorporated in the "Exploration and Production" business area.

Waste management (recycling, treatment), thousand tons

Waste management type	On the territory of the enterprises of the Group		Outside the enterprises of the Group		Total	
	2020	2021	2020	2021	2020	2021
Hazardous waste						
Disposed of	3.8	5.2	37.9	49.7	41.7	54.9
Treated	0	0	0.007	0.077	0.007	0.077
Total	3.8	5.2	38.0	49.8	41.8	55
Non-hazardous waste						
Disposed of	34.7	37.5	103.1	70.7	137.8	108.2
Treated	0	0	0.04	0.4	0.04	0.4
Total	34.7	37.5	103.1	71.1	137.8	108.6

Waste management (neutralization, burial), thousand tons

Waste management types	On the territory of the enterprises of the Group		Outside the enterprises of the Group		Total	
	2020	2021	2020	2021	2020	2021
Hazardous waste						
Neutralization	3.3	3	19.8	20.8	23.1	23.8
<i>including incineration</i>	3.3	3	7.2	5.9	10.5	8.9
- with energy generation	3.3	3	0	0	3.3	3
- without energy generation	0	0	7.2	5.9	7.2	5.9
Burial (except for MSW - municipal solid waste)	15.8	12.2	14.7	16.6	30.5	28.8
Transfer of MSW to a regional operator	0	0	4.6	6.6	4.6	6.6
Total	19.1	15.2	39.1	44.0	58.2	59.2
Non-hazardous waste						
Neutralization	0.9	0.9	0.8	0.7	1.7	1.6
<i>including incineration</i>		0.9		0	0	0.9
- with energy generation	0.9	0.9	0	0	0.9	0.9
- without energy generation		0	0	0.7	0	0.7
Burial (except for MSW - municipal solid waste)	4.4	0.8	7	13.4	11.4	14.2
Transfer of MSW to a regional operator	0	0	6.5	7.5	6.5	7.5
Total	5.3	1.7	14.3	21.6	19.6	23.3

Biodiversity conservation

GRI 304-1, 304-2, 304-3, 304-4

Pursuant to the Health, Safety and Environment Policy with considerations to the climate change, the Company has made a number of commitments in the biodiversity conservation, in particular:

- Reducing the significant impact of the Company's activities, products and services on the biodiversity of nature conservation areas and areas with high biodiversity value outside the boundaries of nature conservation areas
- Conservation and restoration of biodiversity, habitats, animal migration routes and compensation for possible environmental damage
- Reduction and prevention of fragmentation of natural landscapes, reduction of the areas of disturbed territories.

The Company implements a "Program for the Conservation of Biological Diversity", developed taking into account the legislative and other applicable requirements for the conservation of biodiversity and aimed at preserving rare species of animals by supporting the existing specially protected natural areas (SPNA) of zoological, entomological, botanical, hydrological and geological profiles and sparing (rational) nature management in the habitats of rare species.

As part of the Program in 2021, activities aimed at conserving biodiversity were implemented

Trees planted	7,833,869
Forests restored	36.1 ha
The bank area of the Stepnoi Zai River (a nature monument of regional importance) was cleaned of invasive plant species, the ash-leaved maple	50 ha
The area of cut trees and brushwood was reduced through the use of insulated wires on power lines running through forested areas	40 ha
Unclaimed land plots returned	1,480.4 ha
Juvenile fish released into Kuibyshev, Nizhnekamsk and Zainsk water reservoirs	> 440,000
Major repairs of pipeline crossings and the dismantling of inactive pipelines through water bodies	71
Bird protection devices installed on power lines	755
Comprehensive monitoring in the area of PJSC TATNEFT's operations in the specially protected natural area of the Federal State Budgetary Institution Nizhnyaya Kama NP	
Under the program for the rescue and reproduction of snow leopards in Saylyugemsky National Park in 2021, proceeds from charity matches involving the Ak Bars hockey team were used to finance regular anti-poaching raids and supply the National Park with new photo and video camera traps to expand the boundaries of monitoring the habitat of snow leopards	

Land restoration

In the Company, a comprehensive approach is applied to the reclamation of lands affected during the construction and operation of facilities, taking into account the categories of land use, soil types, types of violations, and pollution. To support the reclamation process, standards for the permissible residual content of oil and petroleum products (PRCOPP) for 9 soil types have been developed and implemented. The Company's standards for the reclamation of lands affected during the construction and operation of oil field facilities, loss of piping integrity, the use of biotechnologies, and the preparation of reclamation projects have been updated.

Volumes of reclamation of disturbed lands, ha

	Disturbed lands	Restored lands
2019	1 588	1 336
2020	865	1 139
2021	930	974

The increase in the disturbed lands area compared to 2020 is due to drilling of wells, as well as works on capital construction and repair of linear and site facilities.

The Company does not have an irreversible impact on biodiversity in the course of its operations.

The main impact on biodiversity is associated with geological exploration, capital construction and major repairs, as well as hydrocarbon production, treatment, transportation and retail sale of petroleum products.



Specially protected natural areas

The largest specially protected natural area of federal importance located in the region of TATNEFT Group operations is FSBI National Park Nizhnyaya Kama. This is a unique 26,460 hectare natural complex of forests and meadows of northeast Tatarstan located in the center of Nizhnekamsk territorial and production complex.

In 2021, the Company signed a contract to insure the environmental risks of the major oil facility closest to the Nizhnyaya Kama National Park, Kyzyl-Tau oil processing and pumping unit of NGDU Prikamneft.



Species of animals listed in the Red Book of the Russian Federation and the Republic of Tatarstan

18 bird species and 4 fish species listed in the Red Book of the Russian Federation, 2 mammal species listed in the Red Book of the Russian Federation and the Red Book of the Republic of Tatarstan - the bobak marmot and the desman, which are also in the Red List of the International Union for Conservation of Nature, inhabit the territory of the TATNEFT Group operations.

The location of production facilities outside the habitat and activities aimed at reducing the negative impact on the environment exclude the threat to the existence of these species in the region of operation.

Energy efficiency

GRI 302-1, 302-4

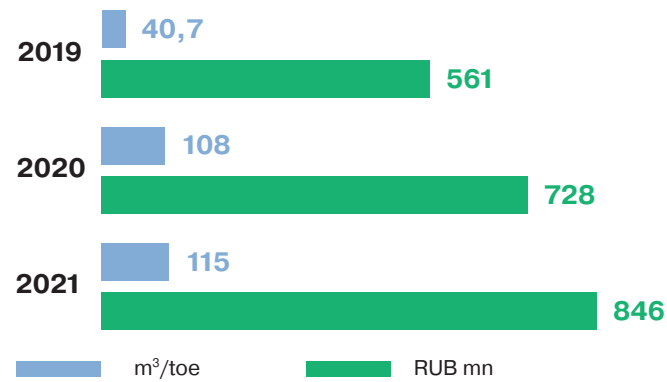
The company implements a targeted Energy Efficiency and Energy Saving Program for 2021-2024. The Program's goal is to curb the costs for fuel and energy resources through their rational use and improved energy efficiency of the production operations.

The most efficient saving areas are: oil and gas treatment, processing, transportation, oil and gas production technology, reservoir pressure maintenance.

The main objectives include continuous improvement of energy efficiency, improvement of energy efficiency and energy-saving management processes in all types of production activities, cost reduction through the deployment of advanced innovative energy-efficient technologies and rational use of energy resources, development, implementation, operation, and continuous improvement of the Energy Management System compliant with the requirements of ISO 50001-2018.

The 2022 Improved Energy Efficiency and Energy Saving Program is targeted to attain not less 2% of the 2021 baseline, which is 126,000 toe.

Reduction of energy consumption



Energy consumption from non-renewable sources

PJSC TATNEFT consumption of electric and thermal energy, boiler and furnace fuel (in kind) from 2019 to 2021

Fuel and energy resource type	Unit of measure	2019	2020	2021
Electric energy	thousand KWh	4 643 109	3 625 798	4 555 417
Thermal energy¹	Gcal	319 353	232 134	242 699
Boiler and furnace fuel, including	toe	1 260 398	1 345 902	1 330 468
Natural gas	thousand m³	874 750	953 372	962 049
Dry lean gas ²	thousand m³	138 289	145 100	128 070
Associated Petroleum Gas ²	thousand m³	60 231	50 833	55 205

¹ Thermal energy for super-viscous oil production is included in the natural gas purchases. ² Fuel produced by the organization during its operations.

The Company manufactures energy efficient equipment, including chain drives for downhole sucker rod pumps to reduce specific energy consumption for fluid lifting, fiberglass tubing, casing, high pressure Fiberglass line pipes for oil and gas industry, air coolers, heat exchangers, oilfield equipment and other products.

At the power generation facilities, the works are underway to increase the energy conservation efficiency and perform updating of existing capacities. The most significant and effective technologies and solutions applied in 2021 and implemented in 2022:

- *X-Plate technology* is aimed at improving the energy efficiency and technical and economic performance of the TGME-464 boiler unit by cutting the cost of fuel and energy resources for heat/electric power generation at the CHPP.
- *The project "Implementation of a unified automated monitoring and control system"*, which allows controlling the functions of reliable and economical supply of electric and thermal energy of the required quality to all its consumers, taking into account the potential for load growth and compliance with regulatory requirements to the quality of electricity in a normal grid scheme and in repair schemes
- *Smart Grid technology* — the organization of a smart grid that combines management, control and monitoring tools, information technology and communication tools, providing a parallel flow of electricity and information from the power supply source to the consumer
- *The patent "Creation of mathematical models (substitution scheme) of power supply and distribution electric networks of PJSC TATNEFT with the development of software"* for the use of new technologies and equipment to simulate planned and emergency situations in the mathematical model of a power supply system

TATNEFT Group's consumption of electric and thermal energy, boiler and furnace fuel

Fuel and Energy Resource	Meas.unit	2019	2020	2021
Electric power	thousand KWh	6 267 991	5 180 874	7 162 499
Thermal energy¹	Gcal	3 722 179	4 061 473	8 742 306
Boiler and furnace fuel, including	toe	2 947 570	3 362 060	3 642 147
Natural gas ³	thousand m³	1 765 779	1 926 470	2 270 360
Dry stripped gas ²	thousand m³	294 396	267 035	260 138
Associated petroleum gas ²	thousand m³	60 231	50 833	60 170
Stripping gas ²	thousand m³	22 927	31 740	34 254
Hydrocarbon gas ²	toe	417 879	602 701	573 294
Fuel oil ²	thousand	13 941	70 396	10 443
Fuel oil	thousand	—	—	1 134

¹ Thermal energy for super viscous oil production is included in the natural gas purchases.

² Fuel produced by the organization in the course of its activities.

³ Data on boiler and furnace fuel consumption for 2019-2020 has been updated taking into account the exclusion of the consumption of natural gas used as raw materials from the report.

The actual heat of combustion under standard conditions (calorific value) for each type of fuel was used to calculate the value of boiler and furnace fuel consumption in toe.

Energy consumption from renewable sources (RS)

The company takes into account the role of renewable energy sources and their importance for a cleaner, low-carbon energy future and implements projects to build wind farms and develop downhole power generation.

Investments in the amount of RUB 11,8 mln were allocated to conduct studies to assess the wind and solar energy potential of the Company's territory of operation.

Introduction of pellet heating equipment and solar power plants at the Company's gas stations continues.

Consumption of electricity and heat generated from renewable energy sources

Fuel and Energy Resource	Meas. unit	2019	2020	2021
Electric power, including	kWh	913 961	1 102 196	1 093 767
Hydropower	kWh	907 423	1 095 332	1 063 321
Solar power	kWh	6 538	6 864	30 446
Heat energy, including	Gcal	8 185	7 592	7 092
Pellet fuel	Gcal	8 185	7 592	7 092
Investments in RES development	RUB thousand	—	6 705	11 783

Promotion of Social Development



GRI 102-21, 102-29, 103, 203

The Company is one of the largest taxpayers in the Russian Federation and the main taxpayer in the Republic of Tatarstan, providing a stable contribution to the state budget, which contributes to the implementation of the state social and economic policy. Enterprises of TATNEFT Group are city-forming enterprises in most localities of the operation regions.

Realizing the importance of social partnership between business and society for the sustainable development of the regions of its operation, the Company follows the principles of high corporate responsibility, creating a stable economic infrastructure of the state and promoting social progress. The Company makes a large-scale contribution to ensuring favorable conditions and quality of life in the areas of its core business.

The Company strives to maintain the status of the best employer and the best partner both in its business activity and in interaction with state authorities and administrations, educational, non-profit and public institutions, the local population and society in general based on the following priorities:

- Continuous improvement of the social infrastructure of the territories of operation
- Ensuring the development of a healthy lifestyle, supporting healthcare
- Contribution to improving the quality of education at all levels
- Development of scientific and technological base and innovation infrastructure
- Promotion of a qualitative improvement in the living conditions of staff and the local population

Strategic level		
	Board of Directors	<ul style="list-style-type: none"> • Determines social policy, sets strategic goals and directions for development • Oversees policy implementation • Approves non-financial reports
	Sustainable Development and Corporate Governance Committee of the Board of Directors	<ul style="list-style-type: none"> • Plans, defines and approves sustainable development goals and measures • Oversees and evaluates the implementation of measures and the occurrence of risks • Forms the position on providing information to stakeholders
Operational level	General Director and the Board	
	Sector of social programs	<ul style="list-style-type: none"> • Implementation of social investment programs (construction and repair of social facilities, social mortgage, preschool and additional education, preservation of cultural heritage)
	Sector of external communications	<ul style="list-style-type: none"> • Promotion of production, social and environmental programs and projects (corporate media, interaction with external media, advertising and image positioning)
	Public Council	<ul style="list-style-type: none"> • Interaction with local executive authorities, local communities, population
	Charitable Foundation	<ul style="list-style-type: none"> • Implementation of social support for education, culture, science, art, education, sports, civil society development institutions, provision of material assistance to the population
Stakeholders	Municipal authorities	<ul style="list-style-type: none"> • Involvement of the local population in the social policy of the Company
	Public organizations	<ul style="list-style-type: none"> • Determining the level of efficiency in the distribution of corporate resources and interaction with stakeholders
	Small and medium business entities	<ul style="list-style-type: none"> • Expanding opportunities for feedback on the awareness of the environment about socially significant aspects of activity
	Local population	<ul style="list-style-type: none"> • Determination of requests and expectations of the social environment

Management approach

The Company determines the social policy management processes that are uniform for the entire TATNEFT Group and is guided by the following principles:

- **Efficiency** — the funds spent on the implementation of programs should significantly help in solving problems. The results of programs are subject to regular evaluation and recording
- **Consistency** — social programs are regular and systematic
- **Significance** — the Company strives to ensure that social programs are as targeted as possible, timely and meet the urgent needs of society
- **Openness** — the Company strives to develop and implement social programs based on dialogue and cooperation with stakeholders

The Board of Directors annually reviews the Company's social policy and plans to improve the level of management of social programs and expenses in order to ensure the effectiveness of social investments. The Company forms a centralized management of social programs and expenses, implements a methodology for selecting social initiatives based on goal setting, long-term planning and performance evaluation.

The Company's investment program is based on the expansion of activities, the development of new assets, the construction and modernization of production facilities, which is inextricably linked with the need to create a socially oriented and environmentally friendly infrastructure. Stable demand for the Company's products and services in the regions of operation creates sustainable opportunities for the development of local business, guarantees jobs and employment for the local population, including in related industries.

Together with municipal authorities, the Company implements projects to improve and develop the infrastructure of cities and towns, takes part in the construction of socially significant facilities, and assists in the development of education, healthcare, the cultural environment, the preservation of spiritual heritage, and sports. Forming social programs, the Company takes into account the social priorities of the state policy — the Concept of long-term socio-economic development of the Russian Federation and the Strategy for the socio-economic development of the Republic of Tatarstan. A number of corporate programs interacts with national projects.

Social investments, RUB mln

Allocation of expenses	2019	2020	2021
Social expenditures (collective agreement, loan repayment, company anniversaries, etc.)	693	458	784
Voluntary health insurance, voluntary life insurance, non-state pension provision	530	523	351
Contributions to the State Housing Fund	5,830	4,989	6,769
Charity	7,688	5,536	5,432
Contributions to the development of social facilities	638	642	3,386
Maintenance of social facilities (sanatoriums, CHC, recreation centers and others)	2,948	2,767	1,692
Investments in the social sphere (capital investment)	1,261	1,542	1,051
Sports support	4,485	3,728	3,938
Total	24,073	20,185	23,403

Tatneft is among the leaders in the social responsibility rating. In the rating of the Institute for Strategic Communications and Social Projects (Instratcom), the Top 50 companies that have been implementing socially oriented projects in Russia over the past 3 years have been identified.

Public Council

The Company pays special attention to the involvement of the local population in the implementation of social policy in the regions of presence. To increase the efficiency of social investments, increase the level of awareness of the environment about socially significant aspects of activity and expand the opportunities for feedback, the Company has a Public Council chaired by the General Director. The meetings of the Public Council, which have become a traditional form of interaction with stakeholders, are attended by heads of municipalities, representatives of the authorities of the Republic of Tatarstan, public activists, representatives of education, healthcare and culture.

In 2021, meetings of the Public Council were held in Leninogorsk and Aznakayevo, dedicated to the socio-economic development of the respective regions, the development of the healthcare and education systems. At the final meeting, a new grant system of social investments was presented in four priority areas: "Education", "Health", "Development of territories", "Culture". The new competitive approach will make it possible to systematize charitable activities, focus on priority problems for society and increase the transparency of decisions made, including through the assessment of social efficiency.

Topics covered	Decisions made
Meeting of the Public Council in Leninogorsk, July 19, 2021	
<ul style="list-style-type: none"> On the current development of education, healthcare systems and development proposals On the project to support kindergartens of "Tatneft and Childhood. Dialog with the Future" 	<ol style="list-style-type: none"> Transfer of the administrative building of NGDU Leninogorskneft to the Leninogorsk municipal district to open a branch of the Art School Equipment of the biolaboratory for microclonal propagation of plants in the school in Shugurovo. Overhaul of bathrooms in secondary school No. 1 and secondary school No. 4 Selection of kindergartens for participation in the program "Tatneft and Childhood. Dialog with the Future" Provision of premises for temporary residence of medical student teams during the summer period Acquisition of equipment for the work of medical student teams Inclusion in the agreement on the development of the Leninogorsk municipal district of the reconstruction of a medical hospital in the village of Shugurovo to the geriatric care center
Meeting of the Public Council in Aznakayevo, August 19, 2021	
<ul style="list-style-type: none"> On the current development of education, healthcare systems and development proposals Expansion of the kindergarten support project "Tatneft and Childhood. Dialogue with the Future" to the cities of the South-East 	<ol style="list-style-type: none"> Organization of specialized classes for preparing students in physics, chemistry, mathematics on the basis of Lyceum No. 4 and for further interaction Acquisition of furniture for specialized classrooms and equipment for a chemistry classroom at Lyceum No. 4, a physics classroom at a school in Tumutuk, sports equipment for pupils of the sports class in hockey, secondary school No. 1 Equipment with training kits for the robotics room, playground for the sports tourism section of the Center for Children's Creativity Selection of kindergartens for participation in the program "Tatneft and Childhood. Dialog with the Future" Allocation of housing within the framework of social mortgage for medical personnel attracted to the district
Final meeting of the Public Council in Almetyevsk, September 15, 2021	
<ul style="list-style-type: none"> On the results of the Company's social activities in 2020-2021, on the company's assistance to the regions of the South-East during the pandemic, on the implementation of the decisions of the Tatneft Public Councils On the Company's new approach to social investments in the development of the territories of presence, about the new grant program On the project of the art gallery in Almetyevsk 	<ol style="list-style-type: none"> Agreements on cooperation in the field of improving the quality of the urban environment with the administrations were signed. Agreements with Almetyevsk, Aznakaevsky, Yelabuga, Bavlinsky, Bugulminsky, Leninogorsk, Nizhnekamsk, Nurlatsky districts were signed Returning former kindergarten buildings to their original functionality Assessment of the current state of nutrition quality in schools and consideration of proposals for improving its quality Increasing the volume of services for the rehabilitation of patients under the Compulsory Medical Insurance program in the Company's sanatoriums Organization of meetings with representatives of small and medium-sized businesses to develop the Company's interaction with SMEs Within the framework of the grant program, Tatneft will support the overhaul of 10 schools and kindergartens, 12 cultural institutions, equip 14 medical institutions with new medical equipment, and take part in 27 projects to provide drinking water to settlements Construction of an art gallery in Almetyevsk A social investment program for 2022 has been formed



Charitable Foundation

One of the instruments for implementing the Company's social investments is the TATNEFT Charitable Foundation. The Foundation was created to support education, culture, science, art, enlightenment, sports, civil society development institutions, and provide material assistance to the population.

In order to improve the efficiency of social investment, the Company has developed a new approach to social investment based on the principles of public-private partnership. It was implemented in the form of a Grants Competition for targeted programs that provide equal transparent access to co-financing for all regions and cities where the Company operates. In 2021, 184 projects were approved, including 65 non-profit organizations and 119 individuals, in the amount of RUB 102.5 mln. The total coverage of beneficiaries amounted to more than 1.8 mln people.

The activities of the Rukhiyat program are aimed at enhancing the cultural life of the oil region of the republic. The program provides support to young talents, is engaged in publishing activities, works with writers and poets, artists and cultural figures.

Under the Miloserdie program, targeted assistance is provided to veterans and people with disabilities, low-income families, foster children, orphan students, and citizens who encountered difficult situation. Support was provided to socially oriented non-profit organizations and medical institutions. The Gifted Children program is aimed at supporting intellectually gifted schoolchildren.

The Tazalyk program is implemented with the aim of promoting activities in the field of physical culture and mass sports among the Company's employees and the population of the southeast of the Republic of Tatarstan, developing and supporting children's sports and talented athletes.

The following projects are also being implemented with the support of the Foundation:

- Almetyevsk Street Theater Light Wings
- Academy of Digital Creativity
- Almetrika Interactive Scientific and Educational Center
- Information and exhibition space
- Animation School
- History is made by people

Together with Rusfond, TATNEFT is implementing a project to form the Volga Region Register of Potential Bone Marrow Donors (a program of targeted assistance to children of Tatarstan). A similar joint project is being implemented with Chulpan Khamatova's Podari Zhizn foundation which provides targeted assistance to children from Tatarstan in the treatment of cancer. The contribution of the TATNEFT Charitable Foundation amounted to RUB 36 mln.

To form an ecosystem aimed at increasing the accessibility of more children and young people to advanced educational technologies, the Foundation created ANO Academy of Digital Creativity. The Animation School, biolaboratories, and an exhibition of musical instruments also received further development.

Charitable assistance was received by 42,800 people and 440 non-profit organizations. The Foundation organized 560 events, attended by more than 100,000 people.

The volume of social investments through the TATNEFT Charitable Foundation for the period of 2019-2021 amounted to RUB 8.2 bln. In 2021, the social investments totaled more than RUB 3.5 bln.

Development of social infrastructure

GRI 203-1

Since the beginning of its existence, the company has been implementing initiatives to ensure openness, safety, resilience and environmental sustainability of cities and towns in the area of activity.

The development of social infrastructure, protection of the environment and environmental safety, provision of housing, supply of heat and electricity, development of transport and roads are an integral part of the Company's activities in the regions of presence.

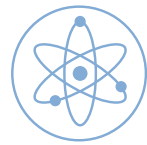
In the reporting period, the Company implemented the following projects



Reconstruction of a building for a kindergarten in Almetyevsk



Installation of children's play structures in the yards of cities/towns of the South-East of the Republic of Tatarstan



Construction of research and training centers in Almetyevsk



Reconstruction of the central mosque in Almetyevsk



Construction of a cinema and concert hall in Almetyevsk (design work)



Reconstruction of the building for children's art school No. 1



Construction of an art gallery in Almetyevsk (design work)



Construction of the ice palace Neftyanik in Leninogorsk (design work)



Construction of the Industrial Square in Almetyevsk



Construction of the registry office building in Aznakayevo (design work)



Construction of an Orthodox church in Aznakayevo

Also, funds were allocated for the development of other objects of the socio-cultural sphere and public infrastructure of the region: repair of public roads in municipal districts, repair of the shooting-bench complex of the Bars sports school in Aktyubinsky, improvement of the spring Tyrysh in Jalil, improvement of the Park of Victory and Labor Glory, asphaltting of the illuminated ski run in Bavly, construction of bike paths and sidewalks in Almetyevsk.

Design work is underway for: a children's art school in Bugulma, a tennis center in Aznakaevo, lyceum No. 2, gymnasium No. 1, a trade technical school, a perinatal center, comprehensive school No. 1 in Almetyevsk, an indoor swimming pool in Nizhnaya Maktama.

Investment in future generations

An important element of the Company's personnel management policy is work with youth.

The structure of the youth organization of the Company includes the youth committee of the TATNEFT Group, territorial youth committees (7,606 people) and youth leaders of the enterprises of the TATNEFT Group (11,200 people).

The strategic goal of youth policy is to create opportunities for young people to reveal their potential in the professional, social and creative fields. Through the implemented youth policy, the Company contributes to the social adaptation of working youth to changes in society and the activities of the TATNEFT Group.

Object of youth policy	Directions of youth policy implementation	Coverage (people)
<p>Young workers</p>	<ul style="list-style-type: none"> Adaptation and mentoring Transmission of corporate culture Development of professional competencies (hard skills) Development of general corporate and managerial competencies (soft skills) Identification and support of high-potential employees (HiPo) Organization of quality leisure Development of opportunities and involvement in a healthy lifestyle and sports Social support (Well-being — life and work for pleasure) Corporate volunteer movement 	~ 18 000
<p>Students</p>	<ul style="list-style-type: none"> Targeted training in the interests of the Company, including search and identification, support for talented students Organization and support of student practices In Project program Promotion of the TATNEFT Group Sustainable development goals education Volunteer programs 	~ 3 000
<p>Pupils</p>	<ul style="list-style-type: none"> Career guidance "The world of working professions and engineering specialties" Promotion of the TATNEFT Group Sustainable development goals education 	~ 20 000

As part of the development of professional competencies of the Company's youth, the 1st open case championship was organized among young employees of the TATNEFT Group and students TatneftTechCupChallenge, the purpose of which was to involve young specialists in solving the Company's business problems.

The second International Oil and Gas Youth Forum "Hackathon Oil Tech Challenge 2021" was held jointly with the Ministry of Energy of the Russian Federation and the Youth Council of the Oil and Gas Industry under the Ministry of Energy of the Russian Federation. The global task was to form a progressive youth team to solve urgent problems in the field of sustainable development facing the fuel and energy complex of Russia and neighboring countries.

A competition of professional skills with a half-century tradition was held among young employees of the TATNEFT Group. 50 enterprises of the TATNEFT Group took part in the competition.

During 2021, work with young people in social networks was actively continued, allowing the creation of a unified corporate platform for the exchange of information, communication, and feedback for the youth of the Company.

The Company pays attention to solving social issues of youth. The Collective Agreement has a section dedicated to young workers and their social guarantees. Representatives of youth organizations of enterprises annually participate in the development of the Collective Agreement. Under the Social Mortgage Program, for the period from 2005 to 2021, 4,895 families of young workers received apartments under the mortgage lending system, which is 33% of the total housing commissioned under the mortgage construction program.

The Company provides social support and adaptation to adult independent life for orphans through the institution of mentors and participation in the life of the Company. The program covers 65 people.

In order to popularize ECOtourism among young employees of the Company and to adapt newly arrived young professionals, an ECOTourFestival was organized.

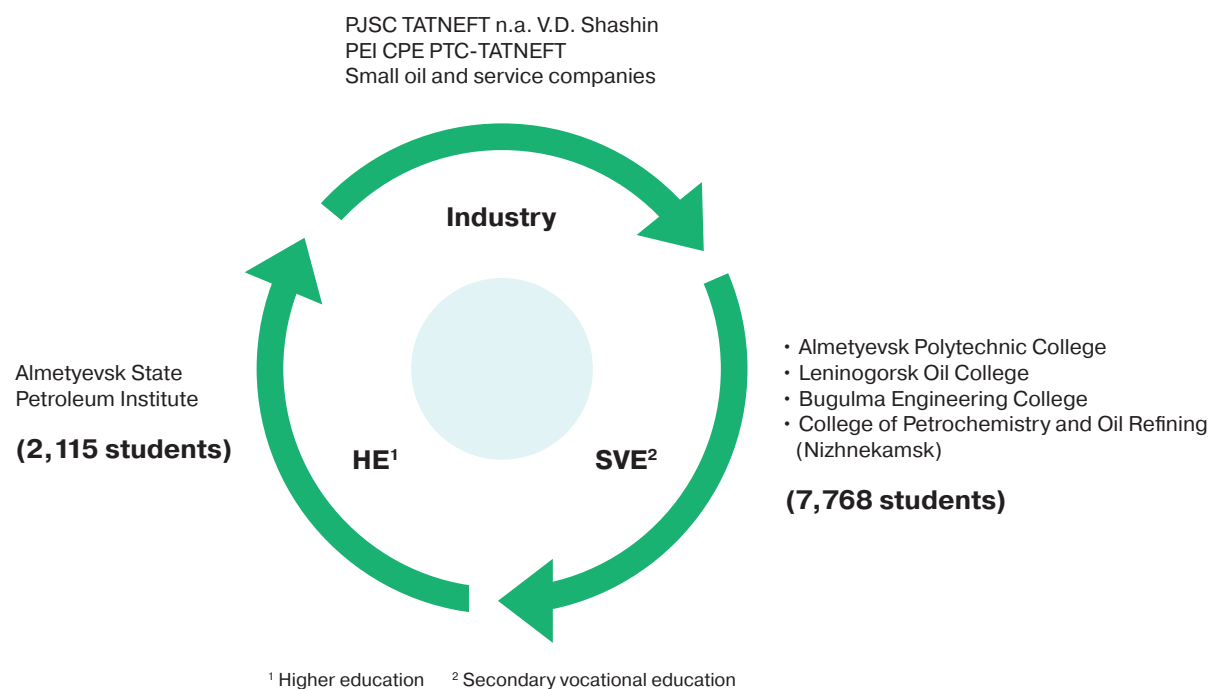
Scientific and educational cluster

The Company is a key participant in the scientific and educational cluster of the system of continuous multi-level professional education for the training of personnel in the oil and gas complex.

Tasks of the scientific and educational cluster:

- forecasting the need for professional personnel for the oil and gas complex
- assistance in employment of graduates of educational organizations prepared for the oil and gas complex
- development of end-to-end educational programs providing training for the oil and gas complex

Interaction of Cluster members



Education development programs

The Company implements independent educational projects aimed at developing and educating the future generation.

Project "High Quality of the Educational Environment"

The development of preschoolers' abilities that allow them to be proactive, responsible for their choice, to show curiosity and independence in everyday and educational areas, through the development of independent play and interest in their native culture, scientific knowledge, artistic creativity and movement. The project resulted in the All-Russian Conference on Preschool Education, which was attended by about 10,000 teachers from 120 Russian cities.

Project "Tatneft and Childhood. Dialog with the Future"

Improving the quality of the educational environment of preschool institutions in the southeast of Tatarstan in accordance with the best world standards and creating an educational community of teachers of parents and children around the goals and values of sustainable development, respect for the environment and people. The project is designed for 3 years and covers 9 municipal districts of the republic.

Almetrika Interactive Scientific and Educational Center

A unique museum and scientific space aimed at creating conditions for the development of children's and youth creativity. More than 55 interactive exhibits will help easily visualize the concepts of time, mass, length, current, light, temperature, amount of matter and energy. There are laboratory sites for biology and chemistry. More than 1,000 excursions were conducted, more than 20,000 people visited.

Digital Learning

Academy of Digital Creativity

Creation of conditions for the development of children's and youth creativity in order to promote computer graphics and digital creativity. The academy's educational formats include online courses, online podcasts, intensives, and creative campuses.

Animation School A1002

A unique project for children to develop domestic animation, promote animation creativity, strengthen and popularize children's and teenager's animation, created jointly with the Soyuzmultfilm studio. The Animation School includes computer classes for teaching animation techniques in 2D and 3D style, MOKAP studio (motion capture), comics zones, mini-library, sound recording studio, mini-cinema, photo studio, etc. 18 cartoons created, 125 graduates of the school.

League of Children's Camps

A project in which 10 children's health camps of the Company are united by one idea, one goal, and one team.

Biological Laboratories

A network of school biolabs where students grow microcloned plants. The project allows children to contribute to the restoration of natural biodiversity; the Company purchases grown seedlings for the implementation of landscaping programs. 8 biological laboratories have been opened.

Career Guidance Work

"In Project" program

Program to attract students and teachers of higher educational institutions to participate in the Company's project activities. In 2021, the program managed to involve about 200 students who successfully completed more than 2,800 tasks.

All-Russian educational project #Oil_kitchen

The format of game workshops on ecology and petrochemistry for children, seminars for teachers of chemistry.

Republican open field Olympiad for young geologists

Popularization and propaganda of the activities of youth geological associations, clubs of young geologists as a form of additional education for the purpose of early professional orientation.

Hospitality School (together with EHL)

Compensation for the shortage of specialists in the restaurant and hotel business, as well as improving the skills of specialists in the service sector. The educational trajectories of the School of Hospitality are based on high Swiss standards and the classical school of European hospitality.



Environmental education

The Company demonstrates leadership in the formation of an environmental culture, as it is actively working to improve the ecological environment of the cities of the region: it builds parks and squares, improves streets and avenues, and equips municipalities with dust-collecting washing and snow-removing machines. The Company pays special attention to training the younger generation and fostering environmental thinking.

The Company is interested in improving the environmental situation in the region, tries to instill interest in this topic and provides support to educational institutions. Contribution to pre-university education has a positive effect on the education of the future generation.

To broadcast the Sustainable Development Goals to the younger generation, the Tatneft SDG Envoys corporate volunteer program was launched, within which young employees of the Company, as well as students, conducted educational activities. More than 250 extra-curricular lessons on the Sustainable Development Goals were conducted by volunteers in 64 schools, covering more than 6,000 children. During the autumn holidays in the Beryozka children's health camp, volunteers held an ecological session, during which the children purposefully developed the School of Sustainable Development case study.

As part of the volunteer movement, young employees of the Company take part in the cleaning of public areas and environmental campaigns for planting trees. More than 3,000 young employees of the Company are involved in volunteer activities.

The Company significantly expands the scope of the school curriculum and educational standards. Biology classrooms with laboratories are being set up in the schools of the oil region, where students could engage in research

and practical activities, namely, the cultivation of forest seedlings through vegetative propagation. This project has a practical goal — schoolchildren must grow planting material, seedlings, which will then be planted both in their hometown and in other cities of the republic.

The school laboratories allow growing not only trees and shrubs but also mushrooms, rare or medicinal herbs, and plants listed in the Red Book. They will then be planted, for example, on the green areas of public spaces. Schoolchildren will contribute to the restoration of natural biodiversity.

This year, 250 containers for selective waste accumulation were handed over to schools and kindergartens in two cities of the region. Webinars on an eco-friendly lifestyle and eco-lessons for teachers, schoolchildren and their parents were held, environmental master classes were organized for 600 schoolchildren, as part of the Green Shield project.

The modern Neftegrad children's complexes created in the oil capital introduce children to the Company's production facilities in miniature. Among the many game modules there are "Offshore oil platform", "Oil refinery", "Racing car", trampolines. There is also an environmental theme in the play labs: from an early age, children get acquainted with the components of the work of an oilman through positive emotions. The results of the Company's environmental activities receive a well-deserved assessment at the republican and federal levels. Tatneft has been repeatedly recognized as the ECOleader of the Republic of Tatarstan, a laureate of projects of the Non-Governmental Environmental Fund named after V.I. Vernadsky.

In addition, the programs being implemented have a positive effect both on the ecology of the region and on cooperation with European companies and consumers, for whom an important aspect of production is the environmental component.



Preservation of cultural heritage

Museums, exhibitions

To preserve historical memory, a museum complex was created on the site of the Shugurovsky oil-bitumen plant with expositions telling about the history of the creation and development of the first large industrial enterprise in this region — the Oil Museum of PJSC TATNEFT. The Oil Museum won the Grand Prix at the III All-Russian competition of corporate museums.

The Museum of Musical Instruments, located in the public center Almet, contains a collection that is a collective musical image of the peoples of the world. The collection consists of musical instruments of large and small ethnic groups, peoples living in different countries and on different continents, it includes the largest systematized collection of pan-Turkic instruments in Russia. The collection includes over 600 musical instruments.

Cultural code

To preserve the history and traditions of the people in Almetyevsk, on the initiative of the city administration and the Company, an urban environment is being created based on the cultural code of the townspeople. The initial project was a five-year public art program "Tales of Golden Apples" to create a series of artistic compositions on the facades of houses and buildings. It is planned to arrange more than 150 objects in the city. The concept of the program is designed to link together the monumental murals of buildings, sculptures, media installations, landscape and architectural solutions. All objects will tell the epic of the city, weaving reality and magical folklore into a single urban space.

Implementing the task of preserving and developing the culture of the region, the Karakuz sculpture by the world-famous sculptor Dashi Namdakov was installed in front of the Tatneft headquarters. The sculpture embodies a collective image of popular Tatar legends and historical legends about female warriors who defended their homeland.

Project "History is made by people"

The project is aimed at preserving the historical truth about the formation and development of the oil industry of the Russian Federation and the Republic of Tatarstan, perpetuating the memory of the veterans of the Company, service enterprises, related industries, the public sector, who made a significant contribution to the creation and development of the fuel and energy complex of the region and the republic, to the development of our region. The project interviewed more than 600 veterans.

Project for the digitization of ancient manuscripts about the East and the Muslim peoples of Russia

The Company together with the Institute of History named after Sh. Marjani of the Academy of Sciences of Tatarstan and Kazan Federal University will digitize and catalog the materials of the Eastern Sector of the Lobachevsky Scientific Library of KFU. More than 30,000 unique ancient books and manuscripts in Arabic script will become available to readers and scholars around the world.



Ethnofestival

In the summer of 2021, the ethnocultural festival "Karakuz Almet Fest" was held in Almetyevsk. A mixture of cultures, customs and traditions has become part of the concept of holding a modern festival in the musical style of "crossover". The mission of the festival determined its artistic style — ethno-modern. The festival, based on a modern reading of different national styles, cultures and creative trends, was implemented on such a scale in Russia for the first time. The ethno-cultural forum brought together more than a thousand participants — representatives of various types of arts: music, dance, painting, theater, arts and crafts and others. The festival was arranged by the TATNEFT Charitable Foundation.



Healthy lifestyle

GRI 403-6

Sports support

Over the years, the Company has been developing a culture of healthy lifestyles, and the sports support program and the development of physical culture are of particular importance. Participation in corporate sports events develops the sports movement and gives employees the opportunity to demonstrate their achievements.

In order to go in for sports, as part of the national idea of promoting a healthy lifestyle, the Company builds sports complexes for workers in the oil region. The Company supports children's and youth boxing, wrestling, swimming, volleyball, karate, figure skating, acrobatics and other sports.

Equestrian sport development

The Company has adopted a program for the development of equestrian sports, which includes the development of infrastructure in all equestrian schools and the organization of regular competitions.

The project "Republican Championship of Amateur Jockeys on horses of the Tatar breed" was launched, the purpose of which is to popularize horses of the Tatar breed and support beginner young jockeys of the Republic of Tatarstan.

Every year, within the framework of the project "Organization of equestrian sports competitions in the south-east of the Republic of Tatarstan", equestrian competitions in Olympic equestrian sports (show jumping, dressage) and competitions for testing trotting and race breeds of horses (running and racing) are held.

Organization of recreation for employees' children in health camps

The Company has 10 children's recreation camps for 2,761 beds located on the territory of the operation, which meet the latest requirements for comfortable living and recreation. In 2021, 8,524 children rested in the Company's children's health camps during four summer shifts.

Much attention is paid to children's recreation programs aimed at the comprehensive child development. During the holidays, qualified teachers, trainers who conduct various informative and educational activities take care of children.

The TATNEFT Group League of Children's Camps program allows for the organization of children's summer recreation at a qualitatively high level, and ensures the comprehensive development of the younger generation. The program is based on a unified methodology for organizing and conducting shifts in various areas (creative, language, sports, scientific and technical, military-patriotic), built on the values of the Company.

Every year, together with the Center for Special Training "Sons of the Fatherland", a program on military-patriotic education of children is carried out, which covers more than eleven thousand children. The center's employees organize a number of military-patriotic events to promote and develop physical culture, sports and patriotic education of children and youth.

Together with the ANO Ak Bars Hockey Academy, training camps are successfully organized for pupils of the Neftyanik, Ak Bars and Dynamo Sports Schools. In the summer of 2021, 145 young hockey players rested in our camps and sanatoriums.

In all children's camps there are stables with ponies, where in summer the children got acquainted with the basics of equestrian sports, learned saddle, harness, horseback riding and directly participated in the daily care of ponies (pony cleaning, stall cleaning, feeding). An equestrian section was formed in each CHC.

Local communities

GRI 413-1

The Company gives priority to recruiting local indigenous people

Enterprises of TATNEFT Group are city-forming enterprises in most localities of the operation regions. Following the principles of corporate social responsibility, the Company, in collaboration with with municipal authorities, implements projects for the improvement of cities and development of the infrastructure of towns, takes part in the construction of socially important facilities, assists in the promotion of education, health, culture, and sports. The production activities, investment program and new projects of the Company have a significant impact on the development of industry infrastructure and related industries, ensure the growth of the level of industrialization of the territories of presence.

Support for small and medium businesses

The Company implements a program to support small and medium-sized businesses based on mutually beneficial cooperation. The main forms of such cooperation are the creation of new promising production of goods and services on the basis of the released capacities and economic facilities of the Company. The program creates prospects for the development of small and medium-sized businesses in the region.

Today, the region has all the necessary conditions for the development of small and medium-sized businesses: a developed network of banking services, leasing and consulting companies are operating, the population's solvency is growing. The entrepreneur's idea is the missing link against this background.

Promoting an inclusive environment for people with disabilities

The Company strives to develop an inclusive environment for people with disabilities in the workplace and in the infrastructure of cities and towns. More than 600 people with disabilities work at the enterprises of the Company, incl. with specially equipped working conditions. The Company equips administrative buildings and a number of production facilities with ramps where people with disabilities are allowed to work.

Work on the development of educational opportunities for people with disabilities, starting from a young age, is as a separate dedicated area. As part of the implementation of SDG 4 "Quality Education", programs are developed to support children, parents, teachers and educators to create conditions for the education of children with disabilities, incl. in remote settlements in the regions where the Company operates.

Support for employment

The Company takes part in the program of the Republic of Tatarstan to support the employment of the unemployed. In the context of the pandemic, 50 jobs were specially created to ensure safety conditions.

Interaction with the indigenous local population leading a traditional way of life

GRI 411

The Company adheres to the principles of rational use of natural resources, preservation of a favorable environment, natural complexes and biological diversity of systems, preservation of historical and cultural heritage sites and prevention of environmental damage from economic activities in the territories of traditional nature management of indigenous peoples and communities of small peoples living in areas of activity.

Limited impact is achieved through the introduction of energy efficient technologies, the use of environmentally friendly and alternative energy sources, waste recycling and the use of recyclable materials. The Company does not operate in places of ancient settlements, monuments of history and culture, places of worship, places of burial of ancestors and other objects of historical and cultural value.

The interests of indigenous and minority peoples are affected by the implementation of geological exploration, the construction of winter roads on the territory traditionally used for reindeer pastures. In carrying out its activities, the Company enters into a reimbursable agreement on the establishment of a private easement of a land plot (in case of temporary occupation of land plots of deer pastures). Every year, work is carried out to monitor the environment and the state of the subsoil on the territory of the company's licensed areas in the Nenets Autonomous District. The environmental situation in the controlled areas in 2021, in terms of controlled indicators in soil and water, is acceptable close to clean.

The Company has a "Policy of the TATNEFT Group" on interaction with the local population leading a traditional way of life, preserving the ecosystem of territories of traditional nature management and the traditional way of life of the local population living in the areas of activity of the TATNEFT Group.

The main mechanisms for implementing the Policy are:

- Conclusion of agreements on social and economic cooperation with the administrations of the constituent entities of the Russian Federation and municipalities on the territory of traditional residence and traditional economic activities of the small peoples of the Russian Federation
- Information, consultations, organization of feedback channels, creation of joint working bodies, cooperation with public organizations of small peoples of the Russian Federation, research and expertise, as well as interaction with business partners, product suppliers, contractors.

There were no conflicts with the indigenous population and cases of violations affecting the rights of indigenous peoples in 2021.

The amount of the Company's social investments in programs to support and develop the indigenous peoples of the Nenets Autonomous District amounted to RUB 7.2 mln.

Public assurance of the Report

GRI 102-56

The purpose of public assurance of the Report is:

- Promoting public recognition of the results of business practices in the field of sustainable development, information about which is contained in the corporate report;
- Increasing the level of confidence of the Company's stakeholders in the information contained in the Report;
- Assistance in the development of the non-financial reporting process in the Company.

The subject of public assurance is the significance and completeness of information disclosed in the Report on the results of activities in the field of sustainable development. Information that reflects the Company's activities in implementing the Principles of Responsible Business Practice is considered significant. Completeness of information assumes that the Company represents a set of characteristics of sustainable development activities — values and strategic benchmarks, management system and structure, interaction with stakeholders, performance results, performance indicators.



Independent Auditor's Limited Assurance Report

The purpose of the assurance review of environmental and climate performance by the independent auditor is as follows:

- Diagnostics of the Company's data collection and accounting system for environmental and GHG emission performance indicators
- Auditing and independent verification of key environmental and GHG emissions performance indicators.

The assessment of qualitative and quantitative information, which is disclosed in the Report is used to perform the public assurance of the Report and the verification of the environmental and climate indicators.





Independent Limited Assurance Report

To the Management of the Public Joint Stock Company TATNEFT named after V.D. Shashin:

Introduction

We have been engaged by the Management of the Public Joint Stock Company TATNEFT named after V.D. Shashin (hereinafter – the “Company”) to provide limited assurance on the selected information described below and included in the Integrated Annual Report of the Company for the year ended 31 December 2021 (hereinafter – the “Integrated annual report”). The Integrated annual report represents information related to the Company and its subsidiaries (hereinafter together – the “Group”).

Selected information

We assessed the qualitative and quantitative information specified in Appendix 1 to this report, that is disclosed in the Integrated annual report and referred to or disclosed in the GRI content index of the Integrated annual report (hereinafter – the “Selected Information”).

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2021 only. We have not performed any procedures with respect to earlier periods or any other items included in the Integrated annual report and, therefore, do not express any conclusion thereon.

Reporting criteria

We assessed the Selected Information using relevant criteria, including reporting requirements, in the respective GRI Sustainability Reporting Standards 103, 303, 305, 306, industry disclosure indicator OG6 (hereinafter – the “GRI Standards”) published by the Global Reporting Initiative (GRI) (hereinafter – the “Reporting Criteria”). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the management of the Group

The 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 Integrated annual report, which will be published on the Company’s website¹, to assist management in responding to their governance responsibilities by obtaining an independent 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 in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed a 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. 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 management; 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.



Our independence and quality control

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and 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 Sustainability Reporting team and those with responsibility for Sustainability Reporting management and Group reporting;
- conducted interviews of personnel responsible for the preparation of the Integrated annual report and collection 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; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.



Reporting and measurement methodologies

Under the GRI Standards there is a range of different, but acceptable, measurement and reporting 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 Integrated annual report, described therein, and for which the Group is solely responsible.

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 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

AO PricewaterhouseCoopers Audit

27 May 2022

Moscow, Russian Federation



A.Y. Fegetsyn is authorised to sign on behalf of the general director of AO PricewaterhouseCoopers Audit (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906101957)



Appendix 1 to the Independent Limited Assurance Report dated 27 May 2022

The Selected Information subject to limited assurance procedures and prepared in accordance with the GRI Disclosures is set out below:

GRI Disclosure	Related description
103	Management Approach (Environmental expenditures, environmental investments)
303-3	Water withdrawal
303-4	Water discharge
303-5	Water consumption
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
OG6	Gas flaring

Forward-looking statements

Information disclosed in this Report contains some forward-looking statements. Such statements include, inter alia, plans, tasks, and forecasts of production, including those relating to the output, products, and services, economic, and financial indicators, information concerning anticipated or expected income, profit (loss), net profit (loss) in respect of shares, dividends, capital structure, and other indicators and ratios as well as statements concerning the prerequisites, on which we base our statements. All statements, other than statements of historical facts, are or may be considered as forecast statements.

Forward-looking statements are statements of future expectations that are based on the management's current expectations and assumptions and include known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements regarding the Company's potential exposure to market risks and statements expressing the expectations, beliefs, estimates, forecasts, projections and assumptions of the management. These statements are accompanied by the wordings "is expected," "intends," "is planned," "will," "strives," "is projected," "is forecast," "ambition", etc.

Due to their specific nature, the statements about future are subject to inherent risk and uncertainties, both general and specific. There is a risk that future actual results may differ materially from plans, goals, expectations, estimates and intentions expressed in such statements or may not be realized due to a number of different factors of economic, financial, political, social, legal aspects that are outside of the Company's control, including factors that may affect future operations of the Company.

Forward-looking statements cannot be the basis for making investment decisions. Each forward-looking statement corresponds only to the date of this Report. Neither the Company nor any of its subsidiaries undertakes any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or other information. With the exception of financial statements, the text of the Report may contain errors in the calculation of shares, percentages, amounts due to rounding the calculated indicators. The data presented in this Report may differ slightly from the data published previously due to the difference in rounded figures.



Annex 1

Report on Compliance with Corporate Governance Code Principles and Guidelines

This Report on Compliance with Corporate Governance Code Principles and Guidelines was reviewed by the Board of Directors of PJSC TATNEFT n.a. V.D. Shashin at its meeting on May 23, 2022 (Minutes No. 4-3 dated 25.05.2022) as part of the Integrated Annual Report 2021.

The Board of Directors acknowledges that the information and data disclosed herein contain complete and accurate information with regard to the compliance with the principles and guidelines of the Corporate Governance Code in 2021.



No.	Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status ¹ of compliance with the corporate governance principle	Explanations ² for deviations from the criteria for assessing compliance with the corporate governance principle
1.1	The Company shall ensure equal and fair treatment of all its shareholders in the course of exercise by them of their rights to participate in management of the Company			
1.1.1.	The Company creates most favorable conditions for its shareholders enabling them to participate in the General Meeting and develop informed standpoints on agenda items, as well as provide them with the opportunity to coordinate their actions and express their opinions on issues being discussed	1. The Company provides an accessible means of communication with the Company, such as a hotline, e-mail or Internet forum to allow shareholders to express their opinions and send their questions regarding the agenda during preparation for the General Meeting. The Company organized these communication methods and provided them to shareholders in preparation for each General Meeting held during the reporting period	Full compliance Partial compliance Noncompliance	
1.1.2.	Procedures for notification about the General Meeting and provision of associated materials enable shareholders to get properly prepared for participation therein	1. The notification about the General Meeting of Shareholders is posted (published) on the website on the Internet at least 30 days before the date of the General Meeting, unless a larger term is stipulated by law 2. The meeting notification indicates the documents permitting access to the premises 3. Shareholders have been provided with an access to the information about who proposed agenda items and who nominated candidate members of the Board of Directors and the Audit Commission of the Company (where its establishment is stipulated by the Articles of Association of the Company)	Full compliance Partial compliance Noncompliance	
1.1.3.	During the preparation for and holding of the General Meeting, shareholders could freely and timely receive information about the meeting and its materials, submit questions to members of the Company's executive bodies and the Board of Directors, and communicate with each other	1. During the reporting period, shareholders were given the opportunity to ask questions to members of the Company's executive bodies and the Board of Directors before and during the General Meeting 2. The standpoint of the Board of Directors (including dissenting opinions (if any) recorded in the minutes) on each item on the agenda of General Meetings held during the reporting period was included in the proceedings for the General Meeting 3. The Company provided the eligible shareholders with an access to the list of persons entitled to participate in the General Meeting, starting from the date when it was received by the Company, in all cases when General Meetings were held in the reporting period	Full compliance Partial compliance Noncompliance	Criterion 1: Pursuant to Art. 2 of Federal Law No. 50-FZ dated 18.03.2020, General Meetings of Shareholders in 2021 were held in the form of absentee voting in order to prevent the spread of coronavirus infection. At the same time, shareholders were given the opportunity to ask questions to members of the Company's executive bodies and the Board of Directors before and during the General Meeting via e-mail using the addresses indicated on the Company's website Criterion 2: There were no dissenting opinions of the members of the Board of Directors in the reporting period Criterion 3: is complied with

1.1.4.	There were no unjustified difficulties preventing shareholders from exercising their right to demand that a General meeting be convened, nominate candidate members of the Company's governance bodies, and to place proposals on its agenda	1. During the reporting period, shareholders could submit their proposals to be included in the agenda of the annual General Meeting within at least 60 days after the end of the relevant calendar year 2. In the reporting period, the Company did not reject any proposals for the agenda or nominees to the Company's governance bodies if there were typos and other minor deficiencies in the shareholder's proposal	Full compliance Partial compliance Noncompliance	
1.1.5.	Each shareholder could freely exercise their right to vote in a straightforward and most convenient way	1. The Articles of Association of the Company provide for the possibility of filling in the electronic form of the ballot on a website indicated in the notification about the General Meeting of Shareholders	Full compliance Partial compliance Noncompliance	
1.1.6.	Procedures for holding a General Meeting set by the Company provide an equal opportunity to all persons present at the General meeting to express their opinions and ask questions that might be of interest to them	1. When holding General Meetings of Shareholders in the reporting period in the form of a meeting (joint attendance of shareholders), sufficient time was provided to speakers for their presentations and discussions with regard to the agenda items, shareholders were given an opportunity to express their opinions and ask questions on agenda items that might be of interest to them 2. If the Dividend Policy of the Company preparing consolidated financial statements uses the Company's reporting indicators to determine the amount of dividends, then the relevant provisions of the Dividend Policy take into account the consolidated financial statements 3. The sole executive body, the person responsible for accounting, the Chairman or other members of the Audit Committee of the Board of Directors were available to answer shareholders' questions at the General Meetings of Shareholders held during the reporting period. 4. Justification of the proposed distribution of net profit, including the payment of dividends and the Company's own needs, and an assessment of its compliance with the approved Company's dividend policy, with explanations and economic justification of the need to allocate a certain part of the net profit to its own needs in the reporting period, were included in the materials for the General Meeting of Shareholders, the agenda of which included the profit distribution item (inter alia, the payment (announcement) of dividends)	Full compliance Partial compliance Noncompliance	Criterion 1,2,4: Pursuant to Art. 2 of Federal Law No. 50-FZ dated 18.03.2020, General Meetings of Shareholders in 2021 were held in the form of absentee voting in order to prevent the spread of coronavirus infection Criterion 3: Decisions of the Board of Directors on recommendations to the General Meeting of Shareholders regarding the amount of dividends in the reporting period were made upon a thorough analysis of the justification for the distribution of the Company's net profit included in the materials of the Board of Directors. Pursuant to the recommendations of the Bank of Russia set out in Letter No. IN-06-28/102 dated 12/27/2021, the Company will consider the possibility of including the justification for the distribution of net profit in the materials for the general meeting of shareholders, the agenda of which will include profit distribution (including the payment (announcement) of dividends) in 2022-2023

¹ The "Full Compliance" status is indicated only if the Company's corporate practice meets all the criteria for compliance with the corporate governance principle listed in the third column of the Report Form on Code Principles Compliance. If the corporate practice adopted in the Company meets only some or does not meet any of the compliance criteria, then the fourth column of the Report Form on Code Principles Compliance will indicate the "Partial compliance" or "Noncompliance" status of compliance to a Code principle, respectively

² Given for each assessment criterion (compliance criterion) of a corporate governance principle, if the company meets only part of the criteria or does not meet any criteria for assessing compliance with the principle.

1.2 Shareholders have equal and fair opportunities to participate in the profits of the Company by means of receiving dividends

1.2.1. The Company has developed and put in place a transparent and clear mechanism for determining the amount and payment of dividends	<p>1. The Regulations on the Company's Dividend Policy were approved by the Board of Directors and published on the Company's website</p> <p>2. If the Dividend Policy of the Company preparing consolidated financial statements uses the Company's reporting indicators to determine the amount of dividends, then the relevant provisions of the Dividend Policy take into account the consolidated financial statements</p> <p>3. Justification of the proposed distribution of net profit, including the payment of dividends and the Company's own needs, and an assessment of its compliance with the approved Company's dividend policy, with explanations and economic justification of the need to allocate a certain part of the net profit to its own needs in the reporting period, were included in the materials for the General Meeting of Shareholders, the agenda of which included the profit distribution item (inter alia, the payment (announcement) of dividends)</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	<p>Criterion 1,2: care complied with</p> <p>Criterion 3: Decisions of the Board of Directors on recommendations to the General Meeting of Shareholders regarding the amount of dividends in the reporting period were made upon a thorough analysis of the justification for the distribution of the Company's net profit included in the materials of the Board of Directors. Pursuant to the recommendations of the Bank of Russia set out in Letter No. IN-06-28/102 dated 12/27/2021, the Company will consider the possibility of including the justification for the distribution of net profit in the materials for the general meeting of shareholders, the agenda of which will include profit distribution (including the payment (announcement) of dividends) in 2022-2023</p>
1.2.2. The Company does not make a decision to pay dividends if such a decision, while formally compliant with laws, is unjustified from the economic point of view and may lead to misrepresentation of the company's performance	1. The Company's Dividend Policy contains clear indications of financial and economic circumstances when the Company should not decide to pay dividends	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	The Company's Dividend Policy contains the provisions under which dividends are payable, and the Company assumes that failure to comply with these provisions is the basis for non-payment of dividends. The Company plans to make appropriate changes to the Dividend Policy in 2022-2023, specifying the financial/economic circumstances under which the Company should not pay dividends
1.2.3. The Company does not allow deterioration of dividend rights of its existing shareholders	1. In the reporting period, the Company did not take any actions that would lead to deterioration of dividend rights of its existing shareholders	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	
1.2.4. The Company strives to rule out any ways through which its shareholders can obtain any profit or gain at the Company's expense other than dividends and distributions of its liquidation value	1. In the reporting period, no other ways for persons controlling the Company to receive profit (income) at the expense of the Company in addition to dividends (for example, through transfer pricing, unjustified provision of services to the Company by the controlling person at inflated prices, through internal loans replacing dividends to the controlling person and/or its controlled persons) were used	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	
1.3. The system and practices of corporate governance ensure equal terms and conditions for all shareholders that own shares of the same category (type) in the company, including minority and foreign shareholders, as well as their equal treatment by the Company			
1.3.1. The Company has created conditions, which would enable its governing bodies and controlling persons to treat each shareholder fairly, in particular, which would rule out the possibility of any abuse of minority shareholders by major shareholders	1. In the reporting period, the persons controlling the Company did not abuse their rights in relation to the shareholders of the Company, there were no conflicts between the controlling persons of the Company and the shareholders of the Company, and if there were any, the Board of Directors paid the same due attention	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	

1.3.2. The Company does not take any actions, which will or might result in artificial reallocation of corporate control therein	1. There were no quasi-treasury shares, nor did they participate in voting in the reporting period	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	The structure of the shareholder capital is such that 61% of voting shares are in free circulation of minority shareholders. Total quasi-treasury stock of the Company makes up minimal 3.47% of voting shares, and voting with this stake cannot significantly affect the overall voting result. Voting for candidate members of the governance and control bodies is carried out in equal proportions between each candidate member, which does not give an advantage to any candidate member. Based on the foregoing, the Company believes that it fully complies with the requirement not to undertake any actions that result or may result in artificial reallocation of control
1.4 The shareholders are provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner			
1.4.1 The shareholders are provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner	1. The technologies used by the Registrar of the Company and the conditions of the services provided meet the needs of the Company and its shareholders, ensure that the share rights are taken into account and the rights of shareholders are exercised in the most efficient way	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	
2.1 The Board of Directors is in charge of strategic management of the Company, determines major principles of and approaches to creation of a risk management and internal control system within the Company, monitors the activity of the Company's executive bodies, and performs other key functions			
2.1.1 The Board of Directors is responsible for making decisions with regard to appointments and dismissals of members of executive bodies, including those related to their failure to properly perform their duties. The Board of Directors also procures that the Company's executive bodies act in accordance with an approved development strategy and main business goals of the Company	<p>1. The Board of Directors is vested with the powers embodied in the Articles of Association to appoint, dismiss and determine the terms of contracts with respect to members of executive bodies</p> <p>2. In the reporting period, the Nominations (Appointments, HR)³ Committee considered the compliance of professional qualifications, skills and experience of members of executive bodies with the current and projected needs of the Company pursuant to the approved Company's strategy</p> <p>3. In the reporting period, the Board of Directors considered the progress report(s) of the sole executive body and members of the collegiate executive body (if any) on the implementation of the Company's strategy</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	
2.1.2 The Board of Directors sets the Company's main guidelines and targets for its business activities in the long term, assesses and approves the Company's key performance indicators and main business goals, as well as assesses and approves the Company's strategy and business plans for its core business activities	1. In the reporting period, the Board of Directors addressed the matters pertaining to the implementation and updating of the strategy, approval of the Company's financial and economic plan (budget), as well as reviewed criteria and performance indicators (including interim ones) for the implementation of the Company's strategy and business plans	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	

³ Hereinafter referred to as the Nominations Committee

2.1.3	The Board of Directors defines the principles and approaches to setting up of the risk management and internal control system in the Company	1. The Board of Directors defined the principles and approaches to the organization of the risk management and internal control system and the same are fixed in the Company's internal documents defining the risk management and internal control policy	Full compliance
			Partial compliance
			Noncompliance
2.1.4	The Board of Directors defines the Company's policy on remuneration due to and/or reimbursement of costs (compensation) incurred by its Board members, members of its executive bodies of the Company and other key managers	1. The Board of Directors defined the principles and approaches to the organization of the risk management and internal control system and the same are fixed in the Company's internal documents defining the risk management and internal control policy	Full compliance
		2. In the reporting period, the Board of Directors approved (revised) the acceptable risks value (risk appetite) of the Company, or the Audit Committee and/or the Risk Committee (if any) considered the expediency of submitting the issue of reviewing the Company's risk appetite for consideration to the Board of Directors	Partial compliance
			Noncompliance
2.1.5	The Board of Directors defines the Company's policy on remuneration due to and/or reimbursement of costs (compensation) incurred by its Board members, members of its executive bodies of the Company and other key managers	1. The Company has developed and approved the policy (policies) on remuneration due to and/or reimbursement of costs (compensation) incurred by its Board members, members of the executive bodies of the Company and other key managers	Full compliance
		2. During the reporting period, matters related to this policy (policies) were considered by the Board of Directors	Partial compliance
			Noncompliance
2.1.6	The Board of Directors plays a key role in preventing, detecting and resolving internal conflicts between the Company's governance bodies, shareholders and employees	1. The Board of Directors plays a key role in preventing, detecting and resolving any internal conflicts.	Full compliance
		2. The Company has established a system for identifying transactions related to conflicts of interest and a set of measures aimed at resolving such conflicts	Partial compliance
			Noncompliance
2.1.7	The Board of Directors plays a key role in procuring that the Company is transparent, discloses information in full and in due time, and provides its shareholders with unhindered access to its documents	1. The Board of Directors plays a key role in preventing, detecting and resolving any internal conflicts.	Full compliance
		2. The Company has established a system for identifying transactions related to conflicts of interest and a set of measures aimed at resolving such conflicts	Partial compliance
			Noncompliance
2.1.7	The Board of Directors oversees corporate governance practices in the Company and plays a key role in significant corporate events of the Company	1. The Company defines the persons responsible for implementing the information policy in its internal documents	Full compliance
		1. During the reporting period, the Board of Directors reviewed the results of self-assessment and/or external assessment of corporate governance practices in the Company	Partial compliance
			Noncompliance
2.2 The Board of Directors is accountable to shareholders of the Company			
2.2.1	Information with regard to the work of the Board of Directors is disclosed and provided to the shareholders	1. The Annual Report of the Company for the reporting period includes information on attendance at meetings of the Board of Directors and committees by each member of the Board of Directors	Full compliance
			Partial compliance
		2. The Annual Report contains information on the main results of the Board of Directors' performance assessment (self-assessment) conducted in the reporting period	Noncompliance

2.2.2	The Chairman of the Board of Directors is available to communicate with the Company's shareholders	1. There is a transparent procedure in place in the Company that allows the shareholders direct all their queries to the Chairman of the Board of Directors (and to the senior Independent Director, if applicable), and receive feedback	Full compliance
			Partial compliance
			Noncompliance
2.3 The Board of Directors is an efficient and professional governing body of the Company, which is able to make objective and independent judgements and pass resolutions in the best interests of the Company and its shareholders			
2.3.1	Only persons who have an impeccable business and personal reputation and knowledge, skills, and experience necessary to make decisions that fall within the jurisdiction of the Board of Directors and to perform its functions efficiently are elected to the Board of Directors	1. Over the reporting period, the Board of Directors (or its Nominations Committee) evaluated candidate members of the Board of Directors in terms of their experience, knowledge, business reputation, lack of conflicts of interest, etc.	Full compliance
			Partial compliance
			Noncompliance
2.3.2	Members of the Company's Board of Directors are elected through a transparent procedure enabling the shareholders to obtain the sufficient information with regard to respective candidate members so that they could form their opinion of the candidate members' personal and professional qualities	1. In all General Meetings of Shareholders held in the reporting period, where the meeting agenda items called for the election of the Board of Directors, the Company furnished its shareholders with biographical details of all candidate members of the Board of Directors, results of the assessment of candidate members' professional qualifications, experience and skills compliance with the current and projected needs of the Company by the Board of Directors (or its Nominations Committee), as well as the information on whether candidate members meet independence criteria as per Recommendations 102-107 of the Code, and whether there is a written consent of the candidate members to be elected members of the Board of Directors	Full compliance
			Partial compliance
			Noncompliance
2.3.3	The composition of the Board of Directors is well balanced, including in terms of the qualifications of its members, their experience, knowledge and business acumen, and enjoying the confidence of shareholders	1. During the reporting period, the Board of Directors analyzed its own needs as regards professional qualifications, experience and skills and determined the competencies required in the short and long term	Full compliance
			Partial compliance
			Noncompliance
2.3.4	The membership of the Board of Directors of the Company makes it possible to organize the operation of the Board of Directors in the most efficient way, in particular, to create committees of the Board of Directors, as well as to enable substantial minority shareholders of the Company to elect a candidate member of the Board of Directors for whom they would vote	1. In the reporting period, the Board of Directors addressed the matter of whether the number of members of the Board of Directors meets the Company's needs and interests of shareholders	Full compliance
			Partial compliance
			Noncompliance

2.4 The Board of Directors includes a sufficient number of independent directors					
2.4.1	A person is qualified as an independent director, if he/she has the required professional skills, experience and independence to form his/her own standpoint, is able to make objective and bona fide judgments, free from the influence of the executive bodies of the Company, certain groups of shareholders or other stakeholders. However, it should be noted that, under normal circumstances, a candidate member (an elected member of the Board of Directors) may not be deemed to be independent, if he/she is related with the Company, any of its substantial shareholders, material counterparties or competitors, or holds a government position	1. During the reporting period, all independent members of the Board of Directors met all the independence criteria specified in Recommendations 102-107 of the Code, or were deemed independent by the decision of the Board of Directors	Full compliance Partial compliance Noncompliance		
		2.4.2	It is assessed whether candidate members of the Board of Directors meet the independence criteria as well as it is reviewed, on a regular basis, whether independent members of the Board of Directors meet the independence criteria. When carrying out such assessment, the content should prevail over form	1. In the reporting period, the Board of Directors (or the Nominations Committee of the Board of Directors) made an opinion on the independence of each candidate member of the Board of Directors and presented the relevant opinion to the shareholders 2. During the reporting period, the Board of Directors (or the Nominations Committee of the Board of Directors) examined the independence of the current members of the Board of Directors at least once (after they had been elected) 3. The Company has developed procedures that determine the necessary actions of a member of the Board of Directors in the event that he ceases to be independent, including the obligation to promptly inform the Board of Directors	Full compliance Partial compliance Noncompliance
		2.4.3	Independent directors account for at least one third of all the directors elected to the Board of Directors	1. Independent directors account for at least one-third of all the directors elected to the Board of Directors	Full compliance Partial compliance Noncompliance
2.4.4	Independent directors play a key role in prevention of internal conflicts in the Company and performance by the latter of material corporate actions	1. In the reporting period, independent directors (who had no conflict of interest) preliminarily assessed the material corporate actions associated with a possible conflict of interests, and the results of such assessment were submitted to the Board of Directors	Full compliance Partial compliance Noncompliance		

2.5. The Chairman of the Board of Directors contributes to the most efficient implementation of the functions assigned to the Board of Directors				
2.5.1	The Board of Directors is chaired by an independent director, or one of the independent directors is appointed as a senior independent director to coordinate the work of the independent directors and liaise with the Chairman of the Board of Directors	1. The Board of Directors is chaired by an independent director, or one of the independent directors is appointed as a senior independent director ⁴	Full compliance Partial compliance Noncompliance	Criterion 1: The Chairman of the Board of Directors is a non-executive director elected unanimously by all members of the Board of Directors as the most competent Board member, who is a knowledgeable professional with an impeccable business and personal reputation, significant experience in leadership positions. Currently, based on the standpoint of the independent directors themselves, no senior independent director has been identified among them. All the independent directors have equal rights to interact with the Chairman of the Board of Directors. Next corporate year, after the election of the new membership of the Board of Directors by the Annual General Meeting of Shareholders following the results of 2021, the independent directors will be offered to elect a senior independent director. The Company proceeds from the principle of voluntariness of the approach Criterion 2: is complied with
		2. The role, rights and duties of the Chairman of the Board of Directors (and the senior independent director, if applicable) are duly determined in the internal documents of the Company		
		2.5.2	The Chairman of the Board ensures that Board meetings are held in a constructive atmosphere and that any meeting agenda items are discussed freely. The Chairman also monitors that the decisions made by the Board of Directors are duly implemented	
2.5.3	The Chairman of the Board of Directors takes any and all measures as may be required to provide the Board members in a timely manner with the information required to make decisions on the agenda items	1. The internal documents of the Company provide that it is the duty of the Chairman of Board of Directors to take measures to provide the Board members with the full and reliable information on Board meeting agenda items.	Full compliance Partial compliance Noncompliance	
2.6. The Board members act reasonably and in good faith in the best interests of the Company and its shareholders, being sufficiently informed, with due care and diligence				
2.6.1	The Board members make decisions considering all available information, in the absence of a conflict of interest, treating shareholders of the Company equally, and assuming normal business risks	1. The internal documents of the Company provide that a member of the Board of Directors shall notify the Board of Directors if he/she has a conflict of interest in respect of any item on the meeting agenda of the Board or a Board's committee before the beginning of the discussion of the relevant item.	Full compliance Partial compliance Noncompliance	
		2. The internal documents of the Company provide that a Board member shall abstain from voting on any items in respect of which he/she has a conflict of interest.		
		3. The Company has a procedure in place that allows the Board of Directors to obtain professional consultations on matters within the scope of its competence at the expense of the Company		

⁴ It is recommended to indicate in the fifth column of the Report Form on Code Compliance, which of the two alternative approaches allowed by the principle is being implemented in the Company, and explain the reasons for choosing the approach.

2.6.2	Rights and duties of the Board members are clearly stated and documented in the Company's internal documents	1. The Company has approved and published an internal document that clearly sets out the rights and duties of the members of the Board of Directors	Full compliance Partial compliance Noncompliance
2.6.3	The Board members have sufficient time to perform their duties	1. Individual attendance at the meetings of the Board of Directors and its committees, as well as time allotted to the work of the Board of Directors and its committees, were covered in the Board of Directors' performance assessment (self-assessment) in the reporting period 2. The internal documents of the Company provide that members of the Board of Directors shall notify the Board about their intention to become a member of governance bodies in other entities (besides the Company's controlled entities), as well as about such appointments	Full compliance Partial compliance Noncompliance
2.6.4	All the Board members have equal opportunities to access the Company's documents and information. Newly elected Board members are provided with sufficient information about the Company and work of the Board of Directors as soon as practicable	1. In accordance with the Company's internal documents, the members of the Board of Directors may receive information and documents required for them to perform their duties, as related to the Company and its controlled entities, and the executive bodies of the Company are required to procure the provision of the relevant information and documents 2. The Company has a formal onboarding program in place for newly elected members of the Board of Directors	Full compliance Partial compliance Noncompliance
2.7. Meetings of the Board of Directors, preparation and participation of Board members therein ensure efficient work of the Board of Directors			
2.7.1	Meetings of the Board of Directors are held as required with due account of the Company's scope of activities and objectives in a certain period	1. The Board of Directors held at least six meetings during the reporting year	Full compliance Partial compliance Noncompliance
2.7.2	The Company's internal documents set forth the procedure for preparing and conducting meetings of the Board of Directors, which provides members of the Board of Directors with the opportunity to properly prepare	1. The Company has approved an internal document that sets out the procedure for preparing and holding Board of Directors' meetings, which also stipulates that the meeting notification should be made, as a rule, at least 5 days before the meeting date 2. During the reporting period, members of the Board of Directors who were absent at the venue of the meeting of the Board of Directors were given an opportunity to participate in the discussion of agenda items and voting remotely, namely, via conferencing and video conferencing	Full compliance Partial compliance Noncompliance

2.7.3	The form of a meeting of the Board of Directors is determined with due account of importance of meeting agenda items. The most important items are decided on at the meetings held in person	1. The Articles of Association or internal documents of the Company stipulate that the most important issues (including those listed in Recommendation 168 of the Code) shall be decided on at the Board meetings held in person	Full compliance Partial compliance Noncompliance	The Regulations on the Board of Directors provide for a list of the most important issues considered at in-person meetings of the Board of Directors, in accordance with Article 168 of the Code, with the exception of the preliminary consideration of the Company's Annual Report. Based on the position of full compliance with corporate governance standards, the Company plans to make due changes to this provision in 2022
2.7.4	Decisions on the most important issues of the Company are taken at the meeting of the Board of Directors by a qualified majority or a majority of all elected Board members	1. The Articles of Association of the Company provide that decisions on the most important issues, including those set out in Recommendation 170 of the Code, shall be taken at a meeting of the Board of Directors by a qualified majority vote of at least 3/4 of the votes or by a majority vote of all elected Board members	Full compliance Partial compliance Noncompliance	The Company's Articles of Association provide for a list of the most important issues considered at meetings of the Board of Directors, which are adopted at a meeting of the Board of Directors by a qualified majority, i.e., at least three-quarters of the votes of all members of the Board of Directors. Due to the established corporate practice, this list does not fully cover the recommendations of Article 170 of the Code. The Company intends to make due changes to the Articles of Association in 2022
2.8. The Board of Directors forms Committees for preliminary consideration of the most important issues of the Company's business				
2.8.1	For the purpose of preliminary consideration of any matters of control over the Company's financial and business activities, the Audit Committee is established and comprised of independent directors	1. The Board of Directors has set up an Audit Committee consisting solely of independent directors 2. The internal documents of the Company specify the objectives of the Audit Committee, including the objectives indicated in Recommendation 172 of the Code 3. At least one member of the Audit Committee, who is an independent director, has sufficient experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements 4. The Audit Committee held meetings at least once a quarter during the reporting period	Full compliance Partial compliance Noncompliance	Criterion 1: the Audit Committee consists of three independent directors, one of whom has an experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements (Yu.L. Levin, Committee Chairman). The Board of Directors decided to increase the membership of the Committee by adding a nonexecutive director who is also experienced and knowledgeable in preparation, analysis, assessment and audit of accounting (financial) statements (R.R. Gaizatullin). The Company reviews membership of the Committee on an annual basis. Compliance with recommendations of the Bank of Russia Code on the committee membership exclusively of independent directors will be possible upon the increased share of independent directors in the Board of Directors planned by the Company (See Cl. 2.4.3 of this Report for clarification) Criterion 2, 3, 4: care complied with
2.8.2	For the purpose of preliminary consideration of any matters of development of efficient and transparent remuneration practices, the Remuneration Committee is established, comprised of independent directors and chaired by an independent director who is not the Chairman of the Board of Directors	1. The Board of Directors has established the Remuneration Committee, which consists solely of independent directors. 2. The Remuneration Committee is chaired by an independent director who is not the Chairman of the Board of Directors. 3. The internal documents of the Company specify the objectives of the Remuneration Committee, including the objectives indicated in Recommendation 180 of the Code, as well as conditions (events), upon the occurrence of which the Remuneration Committee considers the issue of revising the Company's remuneration policy for members of the Board of Directors, executive bodies and other key managers	Full compliance Partial compliance Noncompliance	Criterion 1, 2: care complied with Criterion 3: The Company's internal documents do not contain conditions (events), upon the occurrence of which the Remuneration Committee considers the issue of revising the Company's remuneration policy for members of the Board of Directors, executive bodies and other key managers recommended for use by Bank of Russia's Letter No. IN 06 28/102 dated 27.12.2021. The Company intends to make due changes in 2022-2023

2.8.3	For the purpose of preliminary consideration of any matters relating to human resources planning (making plans regarding successor directors), professional composition and efficiency of the Board of Directors, the Nominations (Appointments, HR) Committee is established with a majority of its members being independent directors	<p>1. The Board of Directors has set up the Nominations Committee (or its tasks indicated in Recommendation 186 of the Code are delegated to other Committee⁵), and most of its members are independent directors</p> <p>2. The internal documents of the Company specify the tasks of the Nominations Committee (or another Committee which performs its functions), including the tasks indicated in Recommendation 186 of the Code</p> <p>3. In order to form the Board of Directors that best meets the goals and objectives of the Company in the reporting period, the Nominations Committee, independently or jointly with other Committees of the Board of Directors or the authorized division of the Company for interaction with shareholders, organized interaction with shareholders, not limited to the largest shareholders, in the context of the selection of candidate members of the Board of Directors of the Company</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	<p>Criterion 1: the tasks of the Nominations Committee are combined with the functions of the HR and Remuneration Committee</p> <p>Criterion 2: The Company's internal documents identify the most important tasks specified in Article 186 of the Code. Based on the position of full compliance with corporate governance standards, the Company plans to make due changes to its internal documents in 2022-2023</p> <p>Criterion 3: is complied with</p>
2.8.4	Taking account of the scope of activities and levels of related risks, the Board of Directors of the Company has ascertained that its Committees' membership is fully in line with the corporate objectives of the Company. Either additional committees were formed, or they were deemed not necessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budget Committee, Committee on Health, Safety & Environment, etc.)	<p>1. In the reporting period, the Board of Directors of the Company has considered alignment of the Board structure with the scope, specifics, corporate objectives, needs and risk profile of the Company. Additional committees were either formed, or deemed not necessary</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	<p>The Corporate Governance Committee established in the Company was transformed into the Sustainable Development and Corporate Governance Committee (Minutes of the Board of Directors No. 8 dated 20.12.2021)</p>
2.8.5	The composition of the Committees is determined in such a way as to provide a comprehensive discussion of issues being considered on a preliminary basis with due account of differing opinions	<p>1. The Audit Committee, Remuneration Committee, Nominations Committee (or the corresponding committee with combined functions) were chaired by independent directors in the reporting period.</p> <p>2. Internal documents (policies) of the Company have provisions according to which persons who are not members of the Audit Committee, Nominations Committee (or the corresponding committee with combined functions) and Remuneration Committee may attend meetings of the Committees only at the invitation of the chairman of the respective Committee.</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	<p>Criterion 1: In accordance with the Code, the Audit, Remuneration and Nominations Committees are mandatory for public companies. The requirements for these Committees, including those regarding the composition, are determined by the Code and are fulfilled by the Company to the extent specified in item 2.8.1-2.8.3. These Committees were chaired by independent directors during the reporting period. The Company, guided by the requirements of the Code, does not include the Sustainable Development and Corporate Governance Committee in the list of mandatory committees. In addition, the requirements of the Code for the composition of committees (at least three independent directors) entail the obligation of the same independent members of the Board of Directors to participate in different committees, which may affect their ability to make the proper contribution to the work of the committees. In view of the foregoing, the Company adheres to the principle that the composition of the Sustainable Development and Corporate Governance Committee and its Chairman (N.U. Maganov) do not contradict the recommendations of the Code of the Bank of Russia on the Committee composition. The Committee composition provides an opportunity for a comprehensive and balanced discussion of the issues under consideration, with due account of various opinions, in order to achieve the goals set for the Sustainable Development and Corporate Governance Committee</p> <p>Criterion 2: is complied with</p>

⁵ If the tasks of the Nominations Committee are implemented within another committee, specify such committee's name.

2.8.6	The Chairmen of the Committees report on the work of their Committees to the Board of Directors and its Chairman on a regular basis	<p>1. During the reporting period, Chairmen of the Committees regularly reported on the work of the Committees to the Board of Directors</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
2.9. The Board of Directors provides for performance evaluation of the Board of Directors, its Committees and members of the Board of Directors			
2.9.1	The Board of Directors performance assessment is aimed at determining how effectively the Board of Directors, its Committees and members work and whether their work meets the Company development requirements, as well as at making their work more intensive and identifying areas of improvement	<p>1. The Company's internal documents define procedures for the assessment (self-assessment) of the Board of Directors performance</p> <p>2. The assessment (self-assessment) of the Board of Directors performance conducted in the reporting period, included an assessment of the work of Committees, individual members of the Board of Directors and the Board of Directors as a whole</p> <p>3. The results of the assessment (self-assessment) of the Board of Directors performance conducted during the reporting period were reviewed at the in-person meeting of the Board of Directors</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
2.9.2	The performance assessment (self-assessment) of the Board of Directors, Committees and Board members, is carried out on a regular basis, at least once a year. To carry out an independent assessment of the Board of Directors performance, a third-party entity (consultant) is engaged on a regular basis, at least once every three years	<p>1. To conduct an independent assessment of the Board of Directors performance during the last three reporting periods, the Company has at least once engaged a third-party organization (consultant)</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
3.1. The Company's Corporate Secretary ensures effective interaction with its shareholders, coordination of the Company's actions to protect the rights and interests of shareholders, and support of efficient work of its Board of Directors			
3.1.1	The Corporate Secretary has the knowledge, experience, and qualifications sufficient to fulfill the duties assigned, as well as an impeccable reputation and enjoys the trust of the shareholders	<p>1. The Company's website and the Annual Report provide biographical information of the Corporate Secretary (including information on age, education, qualifications and experience), as well as information on executive positions held by the Corporate Secretary in other legal entities within at least the last five years</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
3.1.2	The Corporate Secretary is sufficiently independent of the Company's executive bodies and is vested with powers and resources required to perform his/her tasks	<p>1. The Company has adopted and published an internal document — the Regulations on the Corporate Secretary</p> <p>2. The Board of Directors approves the appointment, removal from office and additional fee of the Corporate Secretary</p> <p>3. The Company's internal documents provide for the right of the Corporate Secretary to request and receive Company documents and information from governance bodies, structural divisions and officials of the Company</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>

4.1. The level of remuneration paid by the Company is adequate to enable it to attract, motivate, and retain persons having required skills and qualifications. The remuneration due to the members of the Board of Directors, the executive bodies, and other key managers of the Company is paid in accordance with the remuneration policy approved by the Company

4.1.1	The level of remuneration paid by the Company to its Board members, executive bodies, and other key managers is adequate to motivate them to work efficiently and enable the Company to attract and retain knowledgeable, skilled, and duly qualified persons. The Company avoids setting the level of remuneration any higher than necessary, as well as an excessively large gap between the level of remuneration of any of the above persons and that of the Company's employees	1. Remuneration of members of the Board of Directors, executive bodies and other key managers of the Company is determined taking into account the results of a comparative analysis of the remuneration level in comparable companies	Full compliance Partial compliance Noncompliance
4.1.2	The Company's remuneration policy is developed by its Remuneration Committee and approved by the Board of Directors. With the help of the Remuneration Committee, the Board of Directors monitors implementation of and compliance with the remuneration policy by the Company and, if necessary, reviews and amends it	1. In the reporting period, the Remuneration Committee reviewed the remuneration policy (policies) and/or implementation practices thereof, assessed the efficiency and transparency thereof and, where necessary, provided relevant recommendations to the Board of Directors	Full compliance Partial compliance Noncompliance
4.1.3	The Company's remuneration policy provides for transparent mechanisms to be used to determine the amount of remuneration due to members of the Board of Directors, the executive bodies, and other key managers of the Company, as well as regulates any and all types of payments, benefits, and privileges provided to the above persons	1. The Company's remuneration policy (policies) contains transparent mechanisms for determining the remuneration of members of the Board of Directors, executive bodies and other key managers of the Company, as well as regulates all types of payments, benefits and privileges granted to these persons	Full compliance Partial compliance Noncompliance
4.1.4	The Company determines a policy on reimbursement of expenses (compensation) which contains a list of reimbursable expenses and specifies service level provided to members of the Board of Directors, executive bodies, and other key managers of the Company. Such policy may form part of the Company's remuneration policy	1. The remuneration policy (policies) or other internal documents of the Company set out the rules for reimbursement of expenses to the members of the Board of Directors, the executive bodies, and other key managers of the Company	Full compliance Partial compliance Noncompliance

4.2. The remuneration system of the Board members ensures harmonization of financial interests of Directors with long-term financial interests of shareholders

4.2.1	The Company pays fixed annual remuneration to members of the Board of Directors. The Company does not pay remuneration for participation in certain Board meetings or Board Committees' meetings. The Company does not engage methods of short-term motivation and additional financial incentives towards members of the Board of Directors	1. In the reporting period, the Company paid remuneration to members of the Board of Directors in accordance with the remuneration policy adopted by the Company 2. In the reporting period, the Company did not apply forms of short-term motivation or additional financial incentives to the members of the Board of Directors, the payment of which depends on the Company's performance (indicators). The Company did not pay remuneration for participation in certain Board meetings or Board Committees' meetings	Full compliance Partial compliance Noncompliance
4.2.2	Long-term ownership of the Company's shares contributes most to aligning financial interests of the members of the Board of Directors with long-term interests of the shareholders. However, the Company does not make the right to dispose of shares dependent on the achievement by the Company of certain performance results; and members of the Board of Directors do not take part in the option plans	1. If the internal document (documents), namely, the remuneration policy (policies) of the Company, stipulates (stipulate) provision of shares of the Company to the members of the Board of Directors, there shall be provisions and clear rules for share ownership by members of the Board of Directors aimed at incentivizing long-term ownership of such shares	Full compliance Partial compliance Noncompliance
4.2.3	The Company does not provide for any additional allowance or compensation in the event of early resignation of the Board members due to change of control over the Company or other circumstances	1. The Company does not provide for any additional allowance or compensation in the event of early resignation of the Board members due to change of control over the Company or other circumstances	Full compliance Partial compliance Noncompliance

4.3. The system of remuneration due to members of the executive bodies and other key managers of the Company provides that their remuneration depends on the Company performance and their personal contributions to the achievement thereof

4.3.1	Remuneration due to members of the executive bodies and other key managers of the Company is determined in such a way as to procure a reasonable and justified ratio between its fixed part and its variable part that is dependent on the Company performance and employee's personal (individual) contribution to the achievement thereof	1. In the reporting period, annual performance indicators approved by the Board of Directors were used to determine the variable remuneration due to members of the executive bodies and other key managers of the Company 2. In the course of the latest assessment of the system of remuneration due to members of the executive bodies and other key managers of the Company, the Board of Directors (the Remuneration Committee) assured that the Company applies effective ratio of fixed and variable parts of remuneration 3. When determining the amount of remuneration paid to members of the executive bodies and other key managers of the Company, the risks borne by the Company are taken into account in order to avoid creating incentives to make excessively risky management decisions	Full compliance Partial compliance Noncompliance
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4.3.2	The Company has put in place a long-term incentive program for members of the Company's executive bodies and other key managers involving the Company's shares (or options or other derivative financial instruments, the underlying assets for which are the Company's shares)	1. If the Company has put in place a long-term incentive program for members of the Company's executive bodies and other key managers involving the Company's shares (or options or other derivative financial instruments, the underlying assets for which are the Company's shares), the program provides that the right to sell such shares and other financial instruments may be exercised no earlier than three years from the date when such shares were provided. At the same time, the right to sell the same is conditioned by the achievement of certain targets by the Company	Full compliance Partial compliance Noncompliance
4.3.3	The amount of severance pay (the so-called "golden parachute") payable by the Company in the event of early dismissal of a member of the executive body or other key manager at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, does not exceed two times the fixed part of their annual remuneration	1. The amount of severance pay (the so-called "golden parachute") payable by the Company in the event of early dismissal of a member of the executive body or other key manager at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, did not exceed two times the fixed part of their annual remuneration	Full compliance Partial compliance Noncompliance
5.1. The Company has in place an efficient risk management and internal control system designed to provide reasonable confidence that the Company's goals will be achieved			
5.1.1	The Board of Directors has determined the principles and approaches to creation of the risk management and internal controls system in the Company	1. The functions of different governance bodies and divisions of the Company in the risk management and internal control system are clearly defined in the internal documents/relevant policies of the Company, approved by the Board of Directors	Full compliance Partial compliance Noncompliance
5.1.2	The Company's executive bodies ensure the establishment and continuing operation of the efficient risk management and internal control system in the Company	1. The executive bodies of the Company ensured the distribution of duties, powers and responsibilities in respect of risk management and internal control among the managers (heads) of divisions and departments accountable to them	Full compliance Partial compliance Noncompliance
5.1.3	The Company's risk management and internal control system enables one to obtain an objective, fair and clear view of the current status and prospects of the Company, integrity and transparency of its accounts and reports, and reasonableness and acceptability of risks being assumed by the Company	1. The Company has an approved anti-corruption policy 2. The Company has in place a safe, confidential and easy-to-access method (hotline) for reporting to the Board of Directors or the Audit Committee of the Board of Directors on any breaches of legislation, internal procedures and the ethics code of the Company	Full compliance Partial compliance Noncompliance
5.1.4	The Company's Board of Directors takes required and sufficient measures to procure that the existing risk management and internal control system of the Company is consistent with the principles of and approaches to its creation as set forth by the Board of Directors and that it operates efficiently.	1. In the reporting period, the Board of Directors (Audit Committee and/or Risk Committee (if any)) conducted the assessment of the risk management and internal control system 2. In the reporting period, the Board of Directors reviewed the results of the risk management and internal control system reliability and efficiency assessment and information on the results of the review was included in the Annual Report of the Company	Full compliance Partial compliance Noncompliance

5.2. For the purposes of regular independent assessment of reliability and efficiency of the risk management and internal control system, as well as corporate governance practices, the Company arranges for internal audit			
5.2.1	The Company has a separate structural division or engaged an independent third-party entity to carry out internal audit. The Internal Audit Department has separate lines of functional and administrative reporting. Functionally, the Internal Audit Department is accountable to the Board of Directors	1. For the purposes of internal audit, the Company has created a separate structural division (Internal Audit Department), which is functionally accountable to the Board of Directors or the Audit Committee, or engaged an independent third-party entity with the same accountability principle	Full compliance Partial compliance Noncompliance
5.2.2	The Internal Audit Department assesses the efficiency of the internal control and the risk management system, and assesses the corporate governance. The Company applies generally accepted standards of internal audit	1. In the reporting period, the efficiency of the internal control and risk management system was assessed as part of the internal audit 2. In the reporting period, the practice (individual practices) of corporate governance, including procedures for the exchange of information (inter alia, on internal control and risk management) at all levels of the Company's management, as well as interaction with stakeholders, was assessed as part of the internal audit	Full compliance Partial compliance Noncompliance
6.1. The Company and its operations are transparent to shareholders, investors, and other stakeholders			
6.1.1	The Company has developed and implemented an information policy ensuring efficient exchange of information between the Company, shareholders, investors, and other stakeholders	1. The Board of Directors of the Company has approved an information policy aligned with the recommendations of the Code 2. During the reporting period, the Board of Directors (or one of its committees) considered the efficiency of the exchange of information between the Company, shareholders, investors and other stakeholders and the expediency (necessity) of revising the information policy of the Company	Full compliance Partial compliance Noncompliance
6.1.2	The Company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code	1. The Company discloses information on the Company's corporate governance system and the general principles of the corporate governance applied in the Company, including the information disclosed on the Company's Internet website 2. The Company discloses information about membership of the executive bodies and the Board of Directors, independence of the members of the Board and their membership in the Board's Committees (as defined in the Code) 3. In the event there is a person controlling the Company, the Company publishes a memorandum of the controlling person regarding the plans of such person in respect of the corporate governance in the Company	Full compliance Partial compliance Noncompliance

6.2. The Company discloses, in a timely manner, full, updated and reliable information about itself so as to enable its shareholders and investors to make informed decisions

6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and timeliness, as well as accessibility, reliability, completeness and comparability of disclosed data	<p>1. The Company has defined a procedure that ensures coordination of the work of all structural divisions and employees of the Company, related to the disclosure of information or engaged in activities that may lead to the need to disclose information</p> <p>2. In the event that the Company's securities are traded in foreign organized markets, the disclosure of material information in the Russian Federation and in such markets is carried out synchronously and is the same during the reporting year</p> <p>3. If foreign shareholders hold a significant number of Company's shares, then information disclosed during the reporting year was not only in Russian, but also in one of the most common foreign languages</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
6.2.2	The Company avoids a formalistic approach to information disclosure and discloses material information on its activities, even if the disclosure of such information is not required by law	<p>1. The Company's information policy defines approaches to the disclosure of information about other events (actions) that have a material impact on the value or quotations of its securities, the which disclosure is not provided for by law</p> <p>2. The Company discloses information regarding the structure of the Company's capital in compliance with Recommendation 290 of the Code in the Annual Report and on the Company's website</p> <p>3. The Company discloses information about controlled entities that are of significant importance to it, including their principal activities, the mechanisms ensuring accountability of controlled entities, the powers of the Board of Directors of the Company with respect to determining the strategy and assessing the performance of controlled entities</p> <p>4. The Company publishes a non-financial report, including the sustainable development report, environmental report, corporate social responsibility report or other report containing non-financial information, including factors related to the environment (in particular, ecology factors and climate-change-related factors), the Company (social factors) and corporate governance, with the exception of the report of an issuer of equity securities and the annual report of a joint stock company</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>

6.2.3	The Annual Report, as one of the most important tools of information exchange with the shareholders and other stakeholders, contains the information enabling one to assess the Company's performance for the year	<p>1. The Company's Annual Report contains information on the results of the Audit Committee's assessment of the external and internal audit process efficiency</p> <p>2. The Company's Annual Report contains information on the Company's environmental policy and social policy</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>
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6.3. The Company provides information and documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility

6.3.1	The exercise by shareholders of the right to access the Company's documents and information is not associated with any unjustified difficulties	<p>1. The Company's information policy (internal documents defining the information policy) define a procedure for providing unhindered access to information and documents of the Company at the request of shareholders</p> <p>2. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder files a request to provide information about organizations controlled by the Company, the Company shall make the necessary efforts to obtain such information from the relevant entities controlled by the Company</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	<p>Criterion 1: is complied with</p> <p>Criterion 2: The Company's information policy currently does not contain provisions recommended for application by Bank of Russia's Letter No. IN 06 28/102 dated 27.12.2021, providing that if a shareholder files a request to provide information about entities controlled by the Company, the Company shall make the necessary efforts to obtain such information from the relevant entities controlled by the Company. Since the applicable legislation does not regulate the procedure for providing information by controlled entities in these cases, the introduction of such a provision in the Company's information policy may not meet the expectations of shareholders for the possibility of promptly obtaining information about entities controlled by the Company. The Company will consider the possibility of introducing these provisions into the information policy in 2022-2023, with due account of the opinions of all stakeholders</p>
6.3.2	When a providing information to shareholders, the Company maintains a reasonable balance between the interests of individual shareholders and its own interests related to the fact that the Company is interested in keeping confidential sensitive business information that might have a material impact on its competitiveness	<p>1. During the reporting period, the Company did not refuse to satisfy shareholders' requests for information, or such refusals were justified</p> <p>2. In cases determined by the Company's information policy, shareholders are cautioned about the confidential nature of the information and undertake to keep it confidential</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	

7.1. Any actions, which affect or may materially affect the Company's share capital structure and financial position of the Company and, accordingly, the position of its shareholders ("material corporate actions") are taken on fair terms and conditions ensuring that the rights and interests of the shareholders as well as other stakeholders are observed

7.1.1	Material corporate actions are deemed to include reorganization of the Company, acquisition of 30 or more percent of its voting shares (takeover), entering by the Company into any material transactions, increasing or decreasing its share capital, listing and delisting of its shares, as well as other actions which may result in material changes in rights of its shareholders or infringement of their interests. The Company's Articles of Association provide for a list of (criteria for identifying) transactions or other actions falling within the category of material corporate actions and provide therein that decisions on any such actions fall within the jurisdiction of the Company's Board of Directors	<p>1. The Company's Articles of Association provide for a list of (criteria for identifying) transactions or other actions falling within the category of material corporate actions. Pursuant to the Articles of Association, Decisions on material corporate actions fall within the jurisdiction of the Company's Board of Directors. In cases where the implementation of these corporate actions is directly attributed by law to the competence of the General Meeting of Shareholders, the Board of Directors provides appropriate recommendations to the shareholders</p>	<p>Full compliance</p> <p>Partial compliance</p> <p>Noncompliance</p>	
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7.1.2 The Board of Directors plays a key role in passing resolutions or making recommendations relating to material corporate actions. The Board of Directors relies on opinions of the Company's independent directors	1. The Company has provided for a procedure whereby the independent directors declare their opinion on any material corporate actions prior to their approval	Full compliance Partial compliance Noncompliance	
7.1.3 When taking any material corporate actions which affect rights and legitimate interests of the Company's shareholders, equal terms and conditions are ensured for all of the shareholders; if statutory mechanisms designed to protect the shareholder rights prove to be insufficient for that purpose, additional measures are taken with a view to protecting the rights and legitimate interests of the Company's shareholders. In such instances, the Company seeks not only to comply with the formal requirements of law but also is guided by the principles of corporate governance set out in the Code	1. Taking into account the specifics of Company's activities, the Articles of Association of the Company attributes transactions of material significance for the Company to the competence of the Board of Directors, in addition to those provided for by law 2. In the reporting period, all material corporate actions went through the approval procedure prior to their implementation	Full compliance Partial compliance Noncompliance	
7.2. The Company has in place such a procedure for taking any material corporate actions that enables its shareholders to receive full information about such actions in due time and influence them, and that also guarantees that the shareholder rights are observed and duly protected in the course of taking such actions			
7.2.1 Information on the performance of material corporate actions is disclosed with explanations concerning reasons for, conditions and consequences of such actions	1. If the Company took any material corporate actions during the reporting period, the Company promptly and in detail disclosed information about such actions, including the reasons, conditions for the actions and the consequences of such actions for shareholders	Full compliance Partial compliance Noncompliance	
7.2.2 Rules and procedures in relation to material corporate actions taken by the Company are set out in its internal documents	1. The internal documents of the Company provide for a procedure for engaging an independent appraiser to determine the value of property disposed or acquired pursuant to a major transaction or a non-arm's length transaction 2. The internal documents of the Company provide for a procedure for engaging an appraiser to evaluate the cost of acquisition and buyback of the Company's stock 3. In the absence of a formal interest of a member of the Board of Directors, the sole executive body, a member of the Collegiate Executive Body of the Company or a controlling person of the Company, or a person entitled to give binding instructions to the Company, with respect to the Company's transactions, but in the presence of a conflict of interest or other actual interest, the internal documents of the Company provide that such a person does not vote on approval of such a transaction	Full compliance Partial compliance Noncompliance	<p>Criterion 1, 3: care complied with</p> <p>Criterion 2: The Company is guided by the principle that the list of events and facts requiring an assessment of the share acquisition and repurchase value be determined by the applicable legislation of the Russian Federation. The Company plans to amend the Company's internal documents regulating the procedure for engaging an appraiser in these cases in 2022-2023</p>

Principal risks



Risk name	Risk description	Risk management
1. Macroeconomic risks	Deterioration of macroeconomic conditions caused by a slowdown in global economic growth and the risk of global economic recessions, increased volatility in world energy prices, exchange rates, inflationary processes, and tightening of fiscal and monetary policies may adversely affect the Company's financial results.	<p>The Company uses a scenario approach to forecasting macroeconomic parameters. One of the scenarios is defined as a baseline and characterizes the macroeconomic situation development that is the most likely to occur from the point of view of the Company management. In addition, a high oil price and climate scenario is being developed that, in line with international TCFD recommendations, assumes that global mean temperature increases are kept below 2°C above pre-industrial levels, as well as the most pessimistic low oil price scenario.</p> <p>The Company's strategy is tested for sustainability in all development scenarios. By applying the low oil price scenario, the assets and investment projects most sensitive to negative changes in macroeconomic indicators are identified.</p>
2. Strategic risk	Implementation of the Company's Development Strategy, its relevance and achievement of strategic goals largely depend on environmental factors, including those related to the geopolitical situation and global trade conditions, macroeconomics and changes in the situation on world energy markets, agreements between OPEC countries and other oil producers, energy transition trends and climate regulation, legal and tax regulation, technology development, labor market dynamics, etc.	<p>The Company implements the Development Strategy for up to 2030, formed based on a detailed analysis of the combination of all key factors which may impact the Company development and the achievement of the planned results. Decisions of the Company's management bodies related to the strategic and current planning and operational activities are made on the grounds of all available information related to possible development scenarios and tend to consider all reasonably foreseeable variations and assumptions used in such planning. In order to reduce the risks associated with the energy transition, the internal price for greenhouse gas emissions is taken into account when evaluating investment projects.</p> <p>The Company has a high-quality asset structure and a high-tech base, which it is improving continuously in accordance with production goals, including the development of import-substituting technologies and equipment. The Company has a well-balanced management platform to implement the Strategy and adjusts its plans as and when required.</p> <p>The Company implements a policy of vertical integration and diversification, which allows for a significant reduction (elimination) of strategic risks through redistribution of resources and commodity flows. The Company also intends to increase the competitiveness of existing businesses and implement the potential of new market niches by modernizing manufactured products or creating products with improved or new properties, which, both now and in the future, will be in demand by consumers who care about the environment, their own health and the health of future generations.</p>

3. Country and geopolitical risks	<p>The Company is registered in the Russian Federation, where a significant share of its assets is located. Principal production activities are carried out in the Republic of Tatarstan which is a constituent entity of the Russian Federation. The political situation in the Russian Federation and, in particular, in the Republic of Tatarstan is stable.</p> <p>At the same time, several international, commercial, nongovernmental organizations publish their country ratings based on the level of risks, including political ones. In such ratings, the Russian Federation may be classified as an increased-risk country, which investors should take into account when bringing their funds into the country's economy and securities of Russian issuers, such as the Company.</p> <p>USA and EU sanctions</p> <p>Since 2014, the United States, the European Union, and several other countries have consistently imposed sanctions on the Russian Federation, including sectoral sanctions affecting the activities of individual companies operating in the energy and other sectors of the Russian economy. Those sanctions and their unpredictability increase the country risk for the Russian Federation.</p>	<p>The Company adheres to the opinion that the situation in the region of principal activities and location of key assets of the Group is generally stable.</p> <p>Rating agencies assess the creditworthiness of a country with a view to the relevant country risks based on their own methodologies. As of December 31, 2021, the Company corresponded to the credit rating assigned by the international rating agency Fitch Ratings at BBB-, as well as the credit rating assigned by the international rating agency Moody's at Baa2. However, these ratings were withdrawn by rating agencies in March 2022 due to increased sanctions against the Russian Federation.</p> <p>At the same time, the Expert RA rating agency confirmed the Company's national scale credit rating at ruAAA with a stable outlook in April 2022. These credit ratings are used by investors to assess the risks considering the location of the assets of PJSC TATNEFT in the Russian Federation.</p> <p>In its activities, the Company takes into account and monitors the existing sanctions to minimize the adverse effects and consequences (considering the potential expansion of sanctions, i.e., various initiatives in the United States and other countries to strengthen the sanction regime against the Russian Federation) which might have a selective impact on the Company's highly prospective projects.</p> <p>To reduce the risks related to the availability of technologies and equipment subject to sanctions, the Company carries out the consistent implementation of the program of import substitution and development of domestic technologies with the localization of equipment production in the Russian Federation and the engagement of advanced industry research centers.</p>
4. Financial risks	<p>The Company's activities are exposed to various financial risks: market risks (including currency, interest rate, and price risks), credit risks, and liquidity risks.</p>	<p>The Company's financial risk management policy focuses on procedures for risk measurement, assessment, and monitoring as well as on the selection of the appropriate risk management methods.</p>

For detailed information on financial risks, including those related to the TATNEFT Group banking segment, refer to the IFRS Consolidated Financial Statements, Note 29: Financial Risk Management.

5. Changes in legislation and regulatory environment

The Company's performance may be significantly influenced by changes in the applicable legislation of the Russian Federation and other countries, such as:

- Tax legislation (in terms of changes in taxation procedure and tax rates both for legal entities and for companies engaged in production and sale of gas and liquid hydrocarbons);
- Currency legislation (mainly, in terms of regulation of export-import operations);
- Customs regulation (in terms of regulating the export of liquid hydrocarbons and processed products);
- Subsoil licensing.

The Company conducts continuous monitoring of changes in legislation, evaluates and forecasts the extent of their impact on the Group entities' activities. The Company is a regular participant in working groups to develop draft laws in various fields of legislation that meet the Company's interests, evaluates consequences of such changes, and accounts for the same in its plans. With regard to legislative initiatives in other countries, the Company continuously monitors the most important ones and assesses their potential impact on the Company's operations.

6. Litigation risks

The Company may be involved as a defendant or plaintiff in multiple legal proceedings that arise in the ordinary course of business.

In carrying out financial and economic activities, the Company adheres to the principle of prudence. As of the date of approval of the Annual Report, the Company was not involved in any litigation which when ruled upon might adversely affect its financial standing. The Company is a party to legal proceedings arising in the ordinary course of business. Currently, the outcome of these proceedings cannot be determined. Based on the available information, the management believes that there is a low risk that future costs associated with known potential liabilities will have a material adverse effect on the Company's performance or financial standing.

Possible liability of the issuer for debts of third parties, including the Company's subsidiaries

The Civil Code of the Russian Federation and the Federal Law on Joint Stock Companies, in certain circumstances, provide for the possibility of imposing liability on the Company for the obligations of a subsidiary that commenced as a result of a transaction effected in compliance with the instructions or with the consent of the Company as well as in case of insolvency (bankruptcy) of the subsidiary as a result of the Company's actions or omissions. The risks associated with the occurrence of liability for the subsidiaries' debts are not considered by the Company as significant, but in case of such risk occurrence, it will take measures to minimize the adverse consequences. Given the absence of legal proceedings in which the Company acts as a defendant (debtor) regarding the obligations of subsidiaries, affiliates, and other companies, the risks associated with the occurrence of liability for the debts of third parties were not identified in the reporting period.

7. Risks associated with Company's securities circulation

The Company's securities are traded on the securities market in Russia and abroad. Changes in the requirements for issuers from regulatory authorities and stock exchanges may force the Company to modify its corporate governance procedures and assume additional obligations in the field of information disclosure and interaction with shareholders. If the Company fails to comply with these requirements and fulfill the required obligations in a timely manner, this may lead to the Company's securities being moved to lower listing segments as well as delisting, which may have an adverse effect on the liquidity and value of such securities.

Federal Law No. 114-ФЗ dated April 16, 2022 "On Amendments to the Federal Law "On Joint Stock Companies" and Certain Legislative Acts of the Russian Federation" prohibits crediting shares of Russian issuers to custody accounts of depository programs. In addition, shares of Russian issuers accounted for in depository programs do not provide voting rights, are not taken into account when counting votes, and no dividends are paid on them.

The Company monitors changes in listing rules and other requirements of regulatory bodies and stock exchanges and takes all necessary actions to prevent a negative impact on the liquidity of the Company's securities. At the end of April 2022, the Company sent an application to extend the ADR program.

The Company's representatives participate in working meetings and other issuers' events held by stock exchanges and other organizations that provide advisory and educational services for issuers. The Company also strives to implement the best international practices in the field of corporate governance.

8. Risks related to climate change

The tightening of regulations due to climate change and its physical consequences may have an adverse impact on the activities of PJSC TATNEFT as a major oil and gas producer with its activities entailing greenhouse gas emissions, in the course of both production activities and products consumption, which may lead to a reduction in revenue, an increase in costs, a drop in business profitability, a decrease in its efficiency and funding restrictions.

The Company shares the global concern about climate change and adheres to the initiatives of the Caring for Climate Global Strategic Partnership, the UN Global Compact, and the United Nations Framework Convention on Climate Change (UNFCCC) enshrined in the Paris Climate Agreement. The Company consistently and comprehensively adheres to initiatives related to climate aspects and the reduction of greenhouse gas emissions and is an active participant in the discussion and implementation of measures to regulate greenhouse gas emissions at both the national and international levels. Within the efforts to reduce greenhouse gas emissions and the carbon footprint, the Company ensures the adoption of administrative decisions on the development of the corporate system of accounting and management of greenhouse gas emissions, sets and develops target values for reducing the overall greenhouse gas emissions and implements the relevant measures to ensure that these target values are achieved. In the long-term strategic planning, the Company takes into account, inter alia, the scenario of the global energy system transition to decarbonization, the expansion of the use of low-carbon fuels and, in general, to a low-carbon global infrastructure.

9. Industry risks

Oil price risk, oil and petroleum products demand risk

Business efficiency and profitability largely depend on oil and petroleum product prices as well as on the demand for oil and petroleum products. The dynamics of demand for oil and petroleum products in key sales markets may be affected by the risks of a slowdown in global economic growth, an aggravation of the geopolitical situation and complications in the terms of world trade, the emergence of new epidemics, an acceleration of the energy transition due to the strengthening of the environmental agenda and a shift in consumer preferences towards products with more low carbon footprint and other factors. Recently, the market has been experiencing increased volatility in prices for oil and petroleum products under the influence of many factors, both on the demand side and on the supply side.

The Company performs continuous monitoring and analysis on the dynamics of prices and demand for oil and petroleum products. The Company's model of strategic and current planning provides for the relevant adjustments. Planning is based on a scenario approach, incl. to the risk analysis of prices and demand for oil and oil products.

The Company has the internal potential to redistribute commodity flows in case of a significant difference in price between domestic and international markets, demand for crude oil and petroleum products, and the ability to reduce or rebalance capital and operating costs to fulfill its obligations in case of a slump in prices of oil, gas, and petroleum products.

In terms of world demand for oil, the Company believes that the alternative energy will be able to replace significantly oil and petroleum products in the medium-term perspective. Regardless of the development of alternative sources of energy and a potential increase in the number of electric vehicles, the world demand for oil and petroleum products in the medium term will remain (largely due to the emerging markets).

Technical and technological risks

Exploration, development, and equipping of new fields, maintenance of existing wells, drilling of new ones as well as preparation, transportation, and processing of oil and gas constitute an extremely complex and expensive process. Enhanced oil recovery requires extra costs which is very critical for the Company. As fields go depleted, the role of the ad hoc approach for enhanced oil recovery will be growing. The Company has launched the development of a new business area — petrochemistry. Concurrently, the Company is developing the banking segment. As a whole, the economic efficiency of all business lines of the Company will largely depend on the Company's ability to use the most efficient and affordable technologies, including information technologies.

Transportation

As the majority of oil production regions in Russia are located far from the main oil and petroleum product markets, so oil companies are dependent on the sophistication of transport infrastructure, its continuous functioning, and accessibility. Russian sea terminals have certain limitations associated with geographic location, weather conditions, and capacity. Within Russia, oil products are transported mainly by railroad. The railway infrastructure in the Russian Federation is owned and overseen by JSC Russian Railways. Both Transneft and Russian Railways are joint stock companies partially owned by the government, the above companies belong to the natural monopolies sector, their tariff policy is governed by the state authorities to ensure a balance of interests of the government and of all parties involved in the transportation process. The Federal Antimonopoly Service of the Russian Federation (FAS of Russia) sets the tariffs of natural monopolies. The tariff rate depends on the route of transportation, shipment volume, distance to destination, and several other factors. FAS of Russia reviews tariffs at least once a year.

The Company pays special attention to development and application of cutting-edge technologies in all lines of its business; as one of the innovation leaders in the industry in Russia, it develops its own research and production base, interacts with advanced industry research centers.

Target focus is the technology, which is required to implement the strategy, effective investment in R&D, and pilot developments.

The Company is actively developing IT infrastructure powered by the new-generation single information platform of production management, which integrates information flows of all services at all stages of the value chain. The Company implements IT projects aiming to increase the efficiency of business processes.

The region of the Company's principal activities is not remote in terms of transportation and other infrastructures.

The Company transports a significant part of the crude oil and part of petroleum products — to be sold in foreign and domestic markets — via the trunk pipeline system under contracts with PJSC Transneft and its subsidiary structures. A significant part of the oil transported via the pipeline is headed to seaports for subsequent transportation by sea.

The Company carries out close monitoring of the development and maintenance of the transport infrastructure required to deliver oil and petroleum products to buyers, monitors the tariff policy, and is an active participant in the relevant industrial discussions and initiatives.

The Company has a large tank farm for storing commercial stocks of oil and petroleum products, which can be also used during extraordinary disruptions in the operation of the transport infrastructure.

Industry risks of industrial and environmental safety

The Company and TATNEFT Group enterprises operate complex process systems and facilities for production, treatment, transportation, and refining of oil and gas, some of which are classified as especially hazardous production facilities.

The oil and gas sector of the economy is extremely exposed to industrial and environmental risks, which entail the threat of injury, potentially pose danger to life and health, and potentially may cause pecuniary sanctions, etc.

The Company has developed a comprehensive program aimed at mitigating negative situations associated with industrial and environmental risks. The Company continuously implements new technical and organizational activities to minimize the impact of such risks.

The Company also provides liability insurance for several facilities. The Company is committed to becoming a leader in industrial, occupational, and environmental safety of production, minimizing the impact on the environment, including the impact on the climate. Comprehensive actions in this area have yielded the reduction of environmental footprint to the level where there is a potential for ecosystems to self-recover. To improve the efficiency of industrial and environmental safety management, TATNEFT Group is currently introducing the management system in compliance with the latest-generation international standards ISO 14001-2015 and ISO 45001:2018.

Key risk management activities include, inter alia:

- Production control over the operation of hazardous production facilities;
- Diagnostics (nondestructive testing) and monitoring of equipment parameters;
- Repair and timely replacement of equipment;
- Ensuring the observance of requirements in the field of industrial and occupational safety and environmental protection by contractors at all stages of interaction;
- Promotion of leadership and safety culture;
- Ensuring the qualification of personnel at all levels;
- Special assessment of working conditions, improvement of working conditions for employees;
- Development of action plans for the localization and elimination of the consequences of accidents at hazardous production facilities, plans for the elimination of oil and petroleum product spills, formation of a reserve of resources and facilities for the elimination of failures and emergencies, training personnel working at hazardous production facilities and emergency rescue units in emergency prevention and elimination;
- Conducting briefings on compliance with safety measures when performing work;
- Verification of the risk assessment in the course of works;
- Control over the equipment of vehicles of the TATNEFT Group enterprises and contractors with on-board vehicle monitoring systems and two-way video recorders.

Epidemic and COVID-19 risks

In late 2019, the spread of a novel coronavirus infection which may cause serious consequences leading to death — called COVID-19 — has started. As of the end of 2019, the World Health Organization reported a limited number of cases of COVID-19 infection but on January 31, 2020 declared a public health emergency, and on March 13, 2020 announced a pandemic due to the rapid spread of COVID-19 in Europe and other regions. Measures taken globally to combat the spread of COVID-19 lead to the urgency of limiting business activities which affects the demand for energy resources and other products of the TATNEFT Group as well as to the need for preventive measures aimed at suppressing the spread of infection.

To minimize the risk of the spread of COVID-19 coronavirus infection, the Company has taken the following measures:

- Updated procedures and regulations to ensure the continuity of production activities during pandemics;
- Sanitary and epidemiological rules are observed, antiseptic agents and protective medical masks are used — at all TATNEFT Group enterprises. Sanitary treatment of transport is arranged. Special protection measures extend to both employees and customers of TATNEFT filling stations;
- Vaccination against the COVID-19 coronavirus infection is on the way both among employees and the population of the principal regions where the Company operates;
- The base of production of protective masks, suits, and antiseptics has been formed.

Amid the spread of COVID-19, in 2020, there was a severe plunge in stock markets, a decline in commodity prices, in particular, a significant drop in oil prices, and the Russian ruble weakening against the US dollar and euro. Despite a significant recovery in the oil market in 2021, including due to the actions of OPEC+ and the prospects for global economic growth, the situation is still developing and the corresponding risks remain. Besides, the COVID-19 pandemic has prompted heightening attention to the epidemiological risks associated with the emergence and spread of diseases that pose a threat to human life and health around the world.

10. Risk of damage to business reputation (reputational risk) related to the quality of products and services

The Company product consumers' perception regarding the quality of its products and services impacts the sales and profitability of the relevant business segment.

Improving the quality of interaction and establishing long-term relations with consumers is one of the priorities in creating the Company's competitive advantage based on the quality control system and high-level services as well as raising consumers' awareness. While interacting with consumers of Company products and services, the Company adheres to the UN guidelines for the protection of consumer interests and the International Covenant on Economic, Social, and Cultural Rights.

Quality of products and services

The Company strictly controls compliance with all regulatory requirements regulating the quality of products and services.

Safety of products and services

At all life-cycle stages of the offered products and services, the Company assesses their impact on health and safety to identify opportunities for improvement and takes a set of measures to minimize any adverse impact of the offered products and services on the environment. Protection of consumer health and safety includes the provision of products and rendering services that are safe and do not pose an unacceptable risk of harm when used or consumed. The Company adheres to a high level of quality and safety standards.

Information sharing

The Company consistently updates its customers and counterparties on its activities by publications and press releases on the Internet, in the mass media as well as via social media and mobile applications.

Feedback

The Company has a hotline. Procedures have been adopted and are implemented for responding promptly to complaints and claims received via the hotline — to address their causes.

Fair and responsible marketing practices

The Company uses only fair marketing practices and protects consumers from unfair or misleading advertising or labeling. The Company's activities in promoting its products and services, advertising, and marketing are compliant with the legislation of the Russian Federation.

11. Geographical and nature-related aspects

Geographical and natural features of the region of the Company's principal activities are not characterized by factors that may have a significant adverse impact on the ordinary course of business and plans implementation. At the same time, there is a potential risk of the impact of these aspects on the Company's production and economic activities.

When planning its activities, the Company takes into account the geographical (including climatic) features of its operation region. Against the possibility of negative consequences for the Company's activities that may be caused by natural disasters, such as floods, earthquakes, mudflows, hurricane winds, etc., the Company has approved procedures and policies aimed at the prompt elimination of such consequences and, in case of emergency, at reducing the impact of such situations on the life, health, and safety of employees and residents of the regions of operation as well as on the production activities of the Company.

There are monitoring procedures that, with the use of the latest technical means, are aimed at preventing the possibility of adverse consequences of natural phenomena and informing the population of the region where the Company carries out its operations about the possibility of such consequences.

12. Risk of a shortage of qualified personnel

Insufficient qualifications and expertise of employees may have an adverse impact on the Company's financial performance.

To reduce the adverse impact of this risk, the Company lays emphasis on the comprehensive development of human resources. The HR strategy is based on the Company's development strategy and the needs of the business segments in providing personnel, for which plans and budgets are formed to ensure timely hiring of employees as well as their professional training and development.

13. Information security risk

Potential exploitation of vulnerabilities in the Company's information systems may pose a threat to intangible assets and cause damage to the Company

Continuous monitoring and response to cybersecurity incidents in terms of ensuring integrity, availability and confidentiality of information resources of the TATNEFT Group is carried out.

To increase the awareness of the TATNEFT Group employees with respect to information security requirements, training on cyber security was carried out.

During 2021, activities were carried out to study the level of maturity of the Company's cybersecurity. A project has been developed to centralize the anti-virus protection service. Using the Kaspersky Security Center tools, work was arranged to identify information security incidents.

TATNEFT Group as of December 31, 2021

(companies included
in the consolidated financial
statements)

Nº	Company's full name	TIN
1	Public Joint Stock Company TATNEFT named after V.D. Shashin	1644003838
2	Limited Liability Company Managing Company TATNEFT-Neftekhim	1644024517
3	Joint Stock Company Nizhnekamsk Mechanical Plant	1651031650
4	Limited Liability Company Trading House Kama	1651024807
5	Limited Liability Partnership TD Kama-Kazakhstan	not applicable
6	Limited Liability Company Sotsbytobslyuzhivanie Shinnik	1651039419
7	Limited Liability Company Scientific & Technical Centre Kama	1651049262
8	Joint Stock Company Nizhnekamsk Carbon Black Plant	1651000041
9	Limited Liability Company Energoshinservis	1651061372
10	Public Joint Stock Company Nizhnekamskshina	1651000027
11	KamaTyresKZ, Limited Liability Partnership	not applicable
12	Limited Liability Company Nizhnekamsk Truck Tire Factory	1651049488
13	Joint Stock Company Yarpolimer mash-TATNEFT	7606040300
14	Joint Stock Company TANECO	1651044095
15	Joint Stock Company Togliattisintez	6323106975
16	Limited Liability Company Togliattikauchuk	6323049893
17	Limited Liability Company Tatneft-Aktiv	1644013875
18	Limited Liability Company Regional Center for Assessment of Qualifications of the Oil and Gas Complex	1644056050
19	Limited Liability Company INVESTMENT VENTURE COMPANY	1651045902
20	Limited Liability Company TASHA	0816024655
21	Joint Stock Company Almetyevsk Heating Networks	1644035607
22	Limited Liability Company Petrochemical Cluster	1644091954
23	Limited Liability Company Maleik	1644094850
24	Limited Liability Company ActiveGasEngineering	1644063379
25	Limited Liability Company Scientific and Technical Center Automation, Measurements, Engineering	1644055949
26	Limited Liability Company Aquilon Software Technologies	1657145396
27	Limited Liability Company INCO-TEK	1651064729
28	Limited Liability Company Trade and Technical House TATNEFT	1649016319
29	Business Entity DEMIRGAZYK SOVDA YOLY	not applicable
30	Limited Liability Company Agroldea	1649011180
31	Limited Liability Company OSKA	1644051454
32	Limited Liability Company Share Capital	1644094754
33	Limited Liability Company Polyolefins	1644094874

34	Limited Liability Company Fin-Invest	1644047257
35	Limited Liability Company Airport Bugulma	1645028190
36	Limited Liability Company Process Fluid Treatment Facility for Reservoir Pressure Maintenance	1644066080
37	Limited Liability Company TATNEFT-URS	1644014325
38	Limited Liability Company Tatneft-AZS-Center	1644040195
39	Limited Liability Company VISTA	5009052370
40	Limited Liability Company Tatneft-AZS-Ukraine	not applicable
41	Limited Liability Company Tatneft-AZS-Zapad	5009053687
42	Limited Liability Company Tatneft-AZS-Severo-Zapad	7810145092
43	Foreign Enterprise Limited Liability Company TATNEFT-AZS-TASHKENT	not applicable
44	Limited Liability Company Tatneft-Trans	1651033505
45	Limited Liability Company Vologda Linen Production	3528320910
46	Limited Liability Company Tatneft-Presscomposite	1644062664
47	Limited Liability Company Kamatek	1650226381
48	Limited Liability Company LDS-1000	1657230250
49	Limited Liability Company LDS-Plus	1657072490
50	Limited Liability Company Tatneft-Samara	1644057262
51	Limited Liability Company Tatneft-NAO	2983012691
52	Limited Liability Company Sports and Commercial Enterprise Tatneft-Ak Bars	1655085014
53	Limited Liability Company Construction Company NovoGrad	1655099680
54	Limited Liability Company Production and Construction Company XXI Century	1655094562
55	Limited Liability Company AK BARS-ALTAI	0400014760
56	Limited Liability Company Nizhnekamsk CHP	1651057954
57	Limited Liability Company Ventoks	1644094867
58	Limited Liability Company TATNEFT-Energosbyt	1644057544
59	Limited Liability Company NTC TATNEFT	1645028240
60	Limited Liability Company TATNEFT-Neftekhimservis	1644012590
61	Limited Liability Company TATNEFT-Aviaservice	1655326862
62	Limited Liability Company TATITNEFT	1615012595
63	Non-Public Joint Stock Company Volzhsky Research Institute of Hydrocarbon Raw Materials	1660076640
64	Closed Joint Stock Company Kart	1644033977
65	Foreign Limited Liability Company Tatbelnefteprodukt	not applicable
66	Limited Liability Company Processing Center	1631050005

67	Limited Liability Company TN-Transport	1644098237
68	Limited Liability Company TN-Service	1644098491
69	Limited Liability Company TATNEFT-Engineering	1644098780
70	Joint Stock Company Ecopet	3904087321
71	Limited Liability Company TD Ecopolymers	3912000878
72	Limited Liability Company BaltTechProm	3904058970
73	Limited Liability Company TNG-AIGIS	1644034890
74	Tatneft Finance (Cyprus) Limited	not applicable
75	Colima Associated S.A.	not applicable
76	Osmand Holdings Limited	not applicable
77	SeaGroup International, Inc. (joint stock company)	not applicable
78	Tatneft International Coöperatie U.A.	not applicable
79	Tatneft Oil AG	not applicable
80	Tatneft Europe AG (joint stock company)	not applicable
81	Tatneft Exploration & Production International AG (joint stock company)	not applicable
82	Tatneft Explora AG (joint stock company)	not applicable
83	Vamolero Holdings Co. Limited	not applicable
84	TAL Oil Limited	not applicable
85	TNA-Services NV	not applicable
86	AmRUZ Trading AG	not applicable
87	Limited Liability Company Kharkov-Capital	not applicable
88	Limited Liability Company Poltava-Capital	not applicable
89	Limited Liability Company Snezhinka	1644011860
90	Non-Public Joint Stock Company Kalmyk Oil and Gas Company	0814135906
91	Limited Liability Company Managing Company Alabuga-2. Petrochemicals	1649010780
92	Limited Liability Company Zavod Lenmash	1649038880
93	Limited Liability Company Service Enterprise Idea-Yugo-Vostok	1649036724
94	Limited Liability Company Construction Company-Idea-Yugo-Vostok	1649036570
95	Limited Liability Company Research and Design Center Oil and Gas Technologies	1644056477
96	Joint Stock Company Kazan Institute for the Design of Oil Industry Facilities	1660063707
97	Limited Liability Company Stek Kazan	1655217782
98	Joint Stock Company Tatar Research and Design Institute of Petroleum Engineering	1660002158
99	Joint Stock Company Nizhnekamskresursy	1651000154
100	Limited Partnership Tatneft, Solid and Company	7701155171

101	Limited Liability Company Tatneft-Ural	6685047784
102	Joint Venture Limited Liability Company TATNEFT-UNG	not applicable
103	Bank ZENIT (Public Joint Stock Company)	7729405872
104	Limited Liability Company ZENIT Finance/LLC ZENIT Finance	7714318698
105	Limited Liability Company ZENIT FINANCE	7702428209
106	Limited Liability Company ZENIT Leasing	7702431360
107	Limited Liability Company ZENIT FACTORING SME	7728330720
108	Limited Liability Company Company BEL OIL	7710177407
109	Joint Stock Company Leasing Company TEK	0814130376
110	Closed Joint Stock Company TEK-Nedvizhimost	7702336639
111	Limited Liability Company UST-Office Real Estate	7729663312
112	Limited Liability Company Yasnaya Polyana	1655213996
113	Limited Liability Company RNGO	9718052146
114	Limited Liability Company Plant BUMMASH	1840083283
115	Limited Liability Company Novy Ostrov	7839369183
116	Limited Liability Company SaffPet Aktiv	1657140976
117	Limited Liability Company SaffPet	1658098879
118	Limited Liability Partnership Butadien	not applicable
119*	Limited Liability Company KaMaRetred	1651073339

*According to the consolidated financial statements of the Tatneft Group for 2021, the Tatneft Group included 119 organizations — according to the full consolidation method, as of 31.12.2021 — 118 organizations (1 organization was eliminated).

In addition, in accordance with the Regulation “On the Tatneft Group”, the Tatneft Group includes:

- Joint Stock Company National Non-Governmental Pension Fund
- Limited Liability Company Pilaf Center
- Tatneft Charitable Foundation
- Autonomous non-profit organization Ak Bars Hockey Academy named after Yu.I. Moiseev
- Autonomous non-profit organization Almetyevsk Hockey Club “Neftyanik”
- Private educational institution Tatneft-school
- Private educational institution of additional professional education Personnel Training Center
- Tatneft — Private institution Shinnik Sports Complex named after N.A. Zelenov
- Medical and preventive institution Medical and sanitary part of the open Joint Stock Company Tatneft and the city of Almetyevsk
- Charitable Foundation Park of Culture and Recreation
- Autonomous non-profit organization Olympic Reserve Sports School (boarding school) for hockey Ak Bars
- Autonomous non-profit organization Almetyevsk Street Theater Light Wings
- Autonomous non-profit organization Center for the Development of Innovative and Educational Projects Academy of Digital Creativity

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The Company's brand portfolio

GRI 102-2

Production and operating activities

Production, sales



PJSC TATNEFT

Oil and gas refining



TANECO Oil Refining Complex



INCO-TEK LLC



Tolyattisynthesis Industrial Park



TOLYATTIKAUCHUK LLC

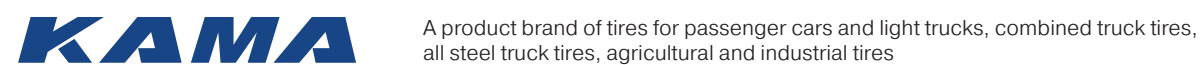


Ecopet Group of Companies

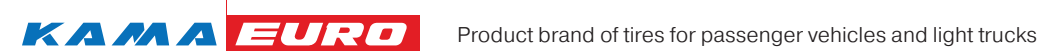
Tire business



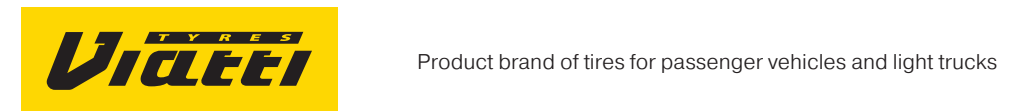
UK Tatneft-Neftekhim LLC



A product brand of tires for passenger cars and light trucks, combined truck tires, all steel truck tires, agricultural and industrial tires



Product brand of tires for passenger vehicles and light trucks



Product brand of tires for passenger vehicles and light trucks



Product brand of all steel truck tires



TATNEFT-PRESSKOMPOSITE LLC

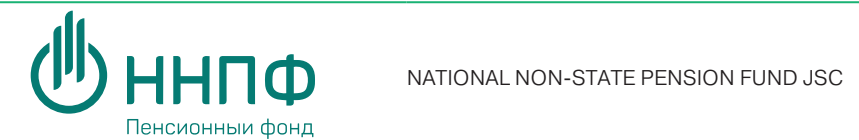
Non-production activities

Banking activities



PJSC Bank ZENIT

Non-State Pension Fund



NATIONAL NON-STATE PENSION FUND JSC

Sports

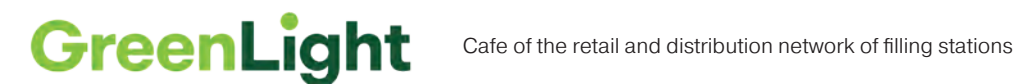


Professional ice-hockey club

Social Segment



Sifaly Health Resort



Cafe of the retail and distribution network of filling stations

List of abbreviations

BIA	Business Idea Auction	OR & PP	Oil Refining and Petrochemical Plants
AGFS	Autogas Fueling Station	Refinery	Oil Refinery
ASPI	Almetyevsk State Petroleum Institute	NNPF	National Non-State Pension Fund
FFS	Gas Station	STC	Science and Technology Center
JSC	Joint Stock Company	PCC	Petrochemical Complex
BMP	Bugulma Mechanical Plant (structural subdivision of PJSC TATNEFT)	UN	United Nations Organizations
DPE	Downhole pumping equipment	LLC	Limited Liability Company
GOST	National State Standard	NCA	Nature Conservation Area
Frac	Formation Hydraulic Fracturing	PO	Pilot Operations
GTM	Geological and technical measures	OECD	Organization for Economic Cooperation and Development
DPE	Downhole pumping equipment	PJSC	Public Joint Stock Company
BPS	Booster Pumping Station	APG	Associated Petroleum Gas
CHC	Children's Holiday Camp	RPM	Reservoir Pressure Maintenance
CYSS	Children's and Youth Sports School	PET	Polyethylene terephthalate
EU	European Union	RT	Republic of Tatarstan
CJSC	Closed Joint Stock Company	RF	Russian Federation
CIS	Corporate Information System	SVO	Super viscous oil
KFU	Kazan Federal University	RMICS	Risk management and internal control system
Well workover	Well workover	TH	Trading House
CSR	Corporate Social Responsibility	TTH	Trade Technical House
HRS	Horse-racing School	toe	Ton of fuel equivalent
KPI	Key Performance Indicators	TPA	Terephthalic acid
MICEX	Moscow Interbank Currency Exchange	FEC	Fuel and Energy Complex
MTBR	Mean Time Between Repair	TPP	Thermal Power Plant
IFRS	International Financial Reporting Standards	DCU	Delayed Coker Unit
EOR	Enhanced Oil Recovery	MC	Management Company
EMERCOM of Russia	The Ministry of the Russian Federation for Civil Defense, Emergencies, and Elimination of Consequences of Natural Disasters	LHVR	Light Hydrocarbon Vapor Recovery
VERT	Volunteer emergency response team	PFTF for RPM	Process Fluid Treatment Facility for Reservoir Pressure Maintenance (subsidiary of PJSC TATNEFT)
NGDU	Oil and Gas Field Operating Division (structural subdivision of PJSC TATNEFT)	UTNGP	Tatneftegazpererabotka Division (structural division of PJSC TATNEFT)
NGCC	Petrochemical Complex.	AS-tires	All-Steel Tires
AIT	Additional income tax	PTC	Personnel Training Center
MET	Mineral extraction tax	SDG	Sustainable development goals
VAT	Value Added Tax	NGL	Natural Gas Liquids
R&D	Research and Development		

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GRI 102-3, 102-53

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