

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Rosneft Oil
Industry Extractives
Overall Score (*) 21.7 out of 100

Theme Score	Out of	For Theme
2.1	10	A. Governance and Policies
0.5	25	B. Embedding Respect and Human Rights Due Diligence
1.7	15	C. Remedies and Grievance Mechanisms
6.9	20	D. Performance: Company Human Rights Practices
7.5	20	E. Performance: Responses to Serious Allegations
3.1	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: UDHR: The company states that it 'operates in full conformity with the Universal Declaration of Human Rights.' [Code of business and corporate ethics, 2015: rosneft.com] Score 2 • Met: OECD: In addition, on its website, the Company indicates that it 'adheres to business principles established by international organizations, including': 'Organization for Economic Cooperation and Development (OECD Guidelines for Multinational Enterprises)' [Engagement in external initiatives]
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: ILO Core: On its website, the Company indicates that it 'adheres to business principles established by international organizations, including': 'International Labour Organization (Declaration on Fundamental Principles and Rights at Work, and conventions ratified by Russian Federation)'. [Engagement in external initiatives] • Met: UNGC principles 3-6: The Sustainable development policy states that the Company operates in strict compliance with the Global Compact, and commits to the initiative in different parts of its sustainability report (signed by the Chairman of the Board and the CEO), including listing the 10 principles in its report. [Policy on sustainable development, 2017: rosneft.com] • Not met: All four ILO apply to EX BPs

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Met: All four ILO Core: The code of business and corporate ethics states that 'the Company does not tolerate any forms of oppression or discrimination. It respects the right of each employee to collective representation of interests including trade union organisations'. The annual report states that it has a 'Model of Collective Bargaining Agreement for Group Entities', and that 'the principle of freedom of association is a core value for Rosneft, which also recognizes workers' right to collective bargaining'. The Sustainable development report also contains commitments on child and forced labour: 'Rosneft's HR management complies with Russian and international law and makes no use of forced, compulsory or child labor in any form, nor does it discriminate n the bases of gender, age, nationality, race, religion, etc.' [Code of business and corporate ethics, 2015: rosneft.com] • Met: Respect H&S of workers: The Code also covers health and safety. H&S policy applies to the Company's own operations as well as local communities and extractive business partners. [Code of business and corporate ethics, 2015: rosneft.com] • Met: H&S applies to Ex BPs: See above [Code of business and corporate ethics, 2015: rosneft.com]
A.1.3.EX	Commitment to respect human rights particularly relevant to the industry (EX)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Based on UN Instruments • Not met: VPs participant • Not met: Uses only ICoCA members • Not met: Respecting indigenous rights: The Sustainable Development policy states that it aims to be the best partner and engage with 'indigenous small-numbered peoples of the North'. Its approach to society includes support for indigenous of the North, including 'preservation of the national culture and minimization of the potentially negative of the operation of the Company'. The Sustainability report states that it has promoted economic development of the indigenous peoples of the North in a number of ways and that one important focus is 'the preservation of the unique cultures and traditional lifestyle of northern peoples'. Finally, it states that no violations of indigenous rights were reported in last year and that it has programmes to engage and provide support for these communities. However, no formal commitment found to respect indigenous 'rights', or to the ILO convention 169, or the UN Declaration on the rights of indigenous peoples. [Policy on sustainable development, 2017: rosneft.com & Sustainability report, 2017: rosneft.com] • Not met: ILO 169 • Not met: UNDRIP • Not met: Expects BPs to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: FPIC commitment • Not met: Vol Guidelines on Tenure • Not met: IFC performance standards • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water: The Company indicates that it has identified no significant impacts of water withdrawal on water resources. Also, 'water withdrawn from surface and ground sources is within allowable level'. In also states that is committed to improving operational water efficiency. However, no evidence found of a formal commitment to respect the right to water and/or safe water access. [Sustainability Report, 2016: rosneft.com & Sustainability report, 2017: rosneft.com] • Not met: Expects BPs to respect all these rights
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Regular stakeholder engagement: The Company indicates on its website section 'Interaction with interested parties', that it engages with different stakeholders, defined as 'legal entities and individuals that may be significantly affected by the Company's operations and may, in their turn, affect Rosneft's operations and implementation of its business strategy.' Among its stakeholders: workers, trade unions, suppliers and local communities. In addition, in its Sustainability Report 2016, it reports different engagement actions with these stakeholders. [Interaction with interested parties: rosneft.com & Sustainability Report, 2016: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement: The Company reports stakeholder engagement including round tables, and also public consultations and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			hearings to discuss 'findings of environmental impacts assessments for its planned operations'. However, no evidence found of evidence of regular engagement with affected stakeholders and/or their representatives in the development or monitoring of the human rights approach. [Sustainability report, 2017: rosneft.com]
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to remedy Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with EX BPs to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 • Not met: Expects EX BPs to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Met: CEO or Board approves policy: The code of business and corporate ethics which includes human rights policy has been signed by the CEO. [Code of business and corporate ethics, 2015: rosneft.com] • Not met: Board level responsibility for HRs: The regulations of the Human Resources and remuneration committee state that it is established for the purpose of in-depth consideration of issues and preparing recommendations to the Board on issues such as personnel, social, remuneration policies and hold working meetings and joint sessions on different topics including social policy. The Board strategic planning committee has the task of assisting the board in the field of strategic development and approving the long-term development strategy, among others. However, no evidence found in relation to how the Board or its committees are tasked with specific governance oversight of human rights. [Regulations Human Ressources and Remuneration Committee, 2014: rosneft.com & Strategic planning committee regulations, 2014: rosneft.com] Score 2 • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Board/Committee review of salient HRs: The regulations of the Human Resources and remuneration committee state that it is established for the purpose of in-depth consideration of issues and preparing recommendations to the Board on issues such as personnel, social, remuneration policies and hold working meetings and joint sessions on different topics including social policy. The Board strategic planning committee has the task of assisting the board in the field of strategic development and approving the long-term development strategy, among others. However, no evidence found in relation to how the Board or its committees have processes to discuss and address human rights issues at board level. • Not met: Examples or trends re HR discussion Score 2 • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Incentives for at least one board member • Not met: At least one key EX RH risk, beyond employee H&S Score 2 • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Senior responsibility fo HR (inc ILO): According to the Sustainable development policy, 'management of the Company's sustainable development activities is performed within the framework of the general corporate governance system, Rosneft Vice President of Human Resources'. The Company is committed to the UN Global Compact and through different documents show their commitment to the different ILO core areas (sustainable development policy includes explicit commitment to human rights). [Policy on sustainable development, 2017: rosneft.com & Sustainability report, 2017: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Day-to-day responsibility: Although the sustainable development policy indicates that management of the activity in the area of sustainable development is implemented within the frame of operation of specialised subdivisions and business segments, no further details found. [Policy on sustainable development, 2017: rosneft.com] • Not met: Day-to-day responsibility for EX BRs
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key EX HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR part of enterprise risk system: The Company states that Human Resources are part of enterprise risk system in its Sustainability Report 2016: 'the risk analysis of HR and social programs helped identify categories of risks related to the Company fulfilling its social commitments, and those arising from a shortage of well qualified staff in certain narrowly specialized areas. Rosneft manages these risks through a variety of measures, as set down in its HR and social strategy, designed to recruit and retain highly qualified personnel, and develops and improves the existing policies and procedures covering HR management, social development, and corporate culture.' In addition, although the Company describes in detail its risk management system and includes health, safety and environment, no evidence found in public sources of a clear inclusion of human rights-related issues beyond safety in the general risk management system. [Sustainability report, 2017: rosneft.com & Annual report, 2017: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Communicates its policy to all workers in own operations: The Company indicates that all employees were involved in implemented the code of 2015, and that in 2017 it continued building awareness through ethics workshops, training sessions and contests. In addition, it was communicated to all employees of 'Bashneft' and 'Kondanefit' as part of their integration in the Group. The Company also reports training covering health and safety and compliance. However, no evidence found in public sources of the Company communicating policies to all employees (and these communications covering all ILO core, as the code of ethics contains a general commitment to human rights and discrimination and union rights). [Code of business and corporate ethics, 2015: rosneft.com & Sustainability report, 2017: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Steps to communicate policy commitments to BRs: Communication to business partners seem to be related mainly to health and safety. [Policy on sustainable development, 2017: rosneft.com & Sustainability report, 2017: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Including to EX BPs

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: How HR commitments made binding/contractual • Not met: Including on EX BPs
B.1.5	Training on Human Rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Trains all workers on HR policy commitments: The Company indicates that in 2017 it build awareness of the Code of Conduct by 'holding business ethics workshops training sessions and contests' (the code covers general commitment to human rights, discrimination, and union rights). It also reports train on health and safety and training in 'corporate compliance programs' (not clear the scope of this last topic). However, no evidence found in public sources of training covering all ILO core (or global compact principles covering principles 3-6) provided to all employees. [Sustainability report, 2017: rosneft.com] • Not met: Trains relevant managers including security personnel <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Monitoring implementation of HR policy commitments • Not met: Monitoring EX BP's <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of supply chain monitored
B.1.7	Engaging business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR affects selection extractives business partners • Not met: HR affects on-going business partner relationships: The Company only indicates that it 'has no business units or suppliers that may violate these rule'. [Sustainability Report, 2016: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with business partners to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: The Company indicates that it engages with all stakeholder groups that influence or are influenced by the Company's activities and that it implements procedures for stakeholder engagement and community impact assessment'. However, although it shows evidence of stakeholder engagement in the last two years, no evidence found in relation to how it has identified relevant stakeholders, nor how engagement processes included human rights (mostly focused in environmental impacts, industrial activity and regional development). [Sustainability report, 2017: rosneft.com] • Not met: Frequency and triggers for engagement: The Company states that it uses 'various ways to engage with its stakeholders. The most important mechanism are public consultations on the environmental footprint of upcoming activities, and roundtables that the Company holds regularly in its host regions to share opinions and maintain partner relationships with local stakeholders and government authorities'. Public consultations are described in the report. However, they seem to focus in discussing 'the findings of environmental impact assessments for its planned operations'. It has also been holding 'annual roundtable discussions in each key region', 'including partners, clients, public organizations, educational institutions, mass media, and federal and regional government authorities'. However, as per the case of public consultations, engagement seems to focus in environmental impacts and industrial activities, social responsibility & charity, and contribution to regional development, and no evidence found of engagement on human rights issues. [Sustainability report, 2017: rosneft.com] • Not met: workers in SP engaged • Not met: communities in the SC engaged: No evidence found in the context of human rights. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: The Company describes its general Risk Management and Internal Control System (RM&ICS) to provide reasonable assurance that the Company obtains its goals while maintaining compliance with laws and regulations. The Company describes the key risks identified. However, no evidence found of a description of a system to identify which are the Company's human rights risks and impacts including both own operations and business relationships (extractive business partners) [Sustainability report, 2017: rosneft.com & Company policy risk management and internal control system, 2015: rosneft.com] • Not met: identifying risks in EX business partners <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): Although the Company describes its general Risk Management and Internal Control System (RM&ICS) no evidence found of description of processes to assess human rights risks and impacts identified and what considers to be its salient human rights risks (although Health and safety are one of the risks considered in the risk management system). [Sustainability report, 2017: rosneft.com & Annual report, 2017: rosneft.com] • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: Although the Company describes its general risk management system, no evidence found of processes or systems to prevent, mitigate or remediate specific human rights risks. [Sustainability report, 2017: rosneft.com & Annual report, 2017: rosneft.com] • Not met: Example of Actions decided • Not met: Including amongst EX BRs <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including EX BRs <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The code states that 'Every staff member and any interested person having questions about the application of and compliance with this Code may seek answers to them at code@rosneft.ru. If you have doubts about the legality of any action done by Company employees or business partners, you should email them at sec_hotline@rosneft.ru or share them by phone at 8 800 500 25 45' [Code of business and corporate ethics, 2015: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company states that 'a total of 66 queries were received in 2017 relating mostly to compliance with labor laws, ethics breaches and requests for additional information about business ethics.' However, it is not clear the specific amount of human rights-related grievances were filed, addressed, or resolved. The report states that there is an ongoing exchange of information with the Security service that supervises the security Hotline. This hotline received a total of 20,486 calls in last reporting year. However, it is not clear what are the topics communicated through this 'security hotline'. [Sustainability report, 2017: rosneft.com] • Not met: Channel is available in all appropriate languages • Not met: Expect EX BPs to have equivalent grievance system • Not met: Opens own system to EX BP workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Company states in the sustainability report that the 'employees and other concerned persons are welcome to email their queries regarding the Code's application or compliance issues to code@rosneft.ru'. [Sustainability report, 2017: rosneft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects EX BP to have community grievance systems • Not met: EX BP communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: EX BPs in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales: Although the Company indicates all queries 'were duly handled by relevant departments', no details found on how complaints are handled and by whom. • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation: The Company has a commitment against sanctions, but in the context of the policy against fraud and corruption and its specific security line. [Policy on combating corporate fraud, 06/2018: rosneft.com] • Not met: Practical measures to prevent retaliation <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects EX BRs to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)

Indicator Code	Indicator name	Score (out of 2)	Explanation
	grievance mechanisms		
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.1	Living wage (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage target timeframe: The sustainable development policy in its approach to employee interaction, includes the 'formation of a system of remuneration and motivation aimed at increasing the employee's interest in the results of work, maintaining competitive salary level'. In its report it describes employee compensations and provides tables with comparison of monthly salaries in some of the Group companies in relation to their local regions. However, it is not clear if it has a timeframe for paying a living wage (basic needs plus discretionary income for employee and his or her family) or if it already achieved paying a living wage to all workers. [Policy on sustainable development, 2017: rosneft.com & Sustainability report, 2017: rosneft.com] • Not met: Describes how living wage determined: The Company explains incentive compensation principles. However, no evidence found of a description of how it determines a living wage for a region where it operates, involving trade unions. [Sustainability report, 2017: rosneft.com] Score 2 <ul style="list-style-type: none"> • Not met: Pays living wages • Not met: Reviews living wages definition with unions
D.3.2	Transparency and accountability (in own extractive operations, which includes JVs)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Member of EITI • Met: Reports of taxes beyond legal minimums: The Company reports taxes, royalties, licences and other fees and infrastructure improvements by country and type of project. [Report on payment to governments, 2016: rosneft.com] Score 2 <ul style="list-style-type: none"> • Met: Reports taxes and revenue by country: The Company reports taxes, royalties, licences and other fees and infrastructure improvements by country and type of project. [Report on payment to governments, 2016: rosneft.com] • Not met: Steps taken re non EITI countries • Not met: Disclosures contract terms where not a requirement
D.3.3	Freedom of association and collective bargaining (in own extractive operations, which includes JVs)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company has 76% of its employees covered by collective bargaining agreement (proxy for measures to prohibit intimidation or retaliation), and describes activities carried out with trade unions in the last reporting year. It states that '236 grassroots trade unions of the Rosneft Interregional Trade Union Organization operated across the Group'. Also, in its Code the Company states that 'it respects the right of each employee to collective representation of interests including trade union organisations and rules out any possibility of the emergence of an atmosphere that would be hostile, humiliating and offensive to human dignity'. [Code of business and corporate ethics, 2015: rosneft.com & Sustainability report, 2017: rosneft.com] • Met: Discloses % covered by collective bargaining: The Company indicates that 76% of its employees are covered by collective bargaining agreements. [Sustainability report, 2017: rosneft.com] Score 2 <ul style="list-style-type: none"> • Met: Both requirement under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.4	Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Injury Rate disclosures: The Company has disclosed injury rates and fatality rates. The Sustainability report also provides detailed explanation of the figures. [Sustainability Report, 2016: rosneft.com] Met: Lost days or near miss disclosures: The Company reports 'Lost time injury frequency rate' for the last three reporting years. [Sustainability report, 2017: rosneft.com] Met: Fatalities disclosures: See above [Sustainability Report, 2016: rosneft.com] Score 2 <ul style="list-style-type: none"> Met: Set targets for H&S performance: The Company set the strategic objectives such as no occupational injuries or diseases; and no emergencies or fires. [Sustainability Report, 2016: rosneft.com] Not met: Met targets or explains why not
D.3.5	Indigenous peoples rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Process to identify indigenous rights holders: The Company states that in regions where there are indigenous communities it has 'programs to engage with, and provide support to such communities'. In the sustainability report 2017 it states that support for indigenous peoples is one of its traditional charity focuses, and describes some of the activities promoted. However, although it describes initiatives in economic, educational and other improvements, no evidence found in relation to the specific processes to identify and recognise potentially affected indigenous peoples. [Sustainability report, 2017: rosneft.com] Not met: How engages with communities in assessment: As indicated above, although the Company indicates that there were no violations involving the rights of indigenous peoples in last reporting year and describes activities carried out to improve and support indigenous communities lifestyle, no evidence found in relation to engagement with these communities in carrying out the assessments. [Sustainability Report, 2016: rosneft.com & Sustainability report, 2017: rosneft.com] Score 2 <ul style="list-style-type: none"> Not met: Commits to FPIC (or ICMM) Not met: Gives recent example FPIC or dropping deal
D.3.6	Land rights (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Approach to identification of land tenure rights holders: The Company indicates that in some regions, it carries out activities where indigenous communities are present and in these contexts it has 'programs to engage with, and provide support to, such communities'. It also 'implements procedures for stakeholder engagement and community impact assessment and management, in key regions of operation, including when developing new projects'. However, not evidence found of a description of how it identifies legitimate tenure holders. [Sustainability report, 2017: rosneft.com] Not met: Describes approach to doing so if no recent deals Score 2 <ul style="list-style-type: none"> Not met: How valuation and compensation works Not met: Steps to meet IFC PS 5 in state deals Not met: Describes approach if no recent deals
D.3.7	Security (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: How implements security (inc VPs or ICOC) Not met: Example of respecting HRs in security Not met: Ensures Business Partners follow security approach Score 2 <ul style="list-style-type: none"> Not met: Assesses and involves communities Not met: Working with local community
D.3.8	Water and sanitation (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Action to prevent water and sanitation risks: Key environmental protection priorities include 'increasing water recycling and reuse, sustainable management of produced water and installation of water treatment systems'. The Company discloses figures in relation to water and describes projects that include water treatment. However, no evidence found of how these activities are presented in the context of right to water and access to water of local communities. [Sustainability report, 2017: rosneft.com] Score 2 <ul style="list-style-type: none"> Not met: Water targets considering local factors

Indicator Code	Indicator name	Score (out of 2)	Explanation
			• Not met: Reports progress in meeting targets and shows trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Area: Health and safety • Headline: Two engineers of company's Achinsk NPZ plant each sentenced to 2.5 years in prison for explosion at Achinsk Oil Refinery on June 15, 2014 that killed 8 workers and injured 30 • Sources: Kommersant, 16/06/2016 - kommersant.ru Oil and Gas Journal, 16/06/14 - ogj.com and rosneft.com • Allegation: In June 2014 an explosion at Rosneft's Achinsk Oil Refinery VNK in Eastern Siberia killed eight people. As a result of the explosion and the subsequent fire, the plant, which supplies oil products for Siberia and the Far East, stopped production for several months. The operator of technological installations of the refinery Yuri Vdovenko and the leading engineer of the department of technical supervision of the plant Oleg Dumchev were put on trial over the incident. Both were given a two and a half year sentences, but subject to an amnesty adopted by the state parliament to mark the 70th Anniversary of victory in 1945.
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Code of business and corporate ethics covers health and safety. H&S policy applies to the Company's own operations as well as local communities and extractive business partners.
E(1).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Met: Provides remedies to affected stakeholders: In its Sustainability report, the company stated that 'Rosneft President personally controlled provision of assistance and social support to the families of the employees who died and were injured in the accident. Each family left without a breadwinner received personal subsistence and guarantees, which in addition to monthly subsistence payments, included payments for children's education in pre-schools, free vouchers for health resort treatment, vacation in summer camps, assistance with debt repayment, and other support. Today, the Company made all necessary payments to the suffered.' . However, there is no information on whether the remedy was to the satisfaction of the stakeholders • Met: Has improved systems and engaged affected stakeholders: In its sustainability report, the company mentions that it took measures to prevent recurrence such as better training to staff <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.05 out of 4	Out of a total of 38 indicators assessed under sections A-D of the benchmark, Rosneft Oil made data public that met one or more elements of the methodology in 10 cases, leading to a disclosure score of 1.05 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Company reports on GRI: Its Sustainability Report has a GRI Content Index. [Sustainability Report, 2016: rosneft.com]
F.3	Key, High Quality Disclosures	0 out of 4	Rosneft Oil met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples

Indicator Code	Indicator name	Score	Explanation
			<ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management • Not met: Score 1 for D.3.1 : Living wage (in own extractive operations, which includes JVs) • Not met: Score 2 for D.3.4 : Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.