

Fueling the Low-Carbon Energy Future

Think Green. Think Natural Gas.

Energy Affordability, Security & Sustainability

ESG presentation



October 2021

Contents

1. Sustainable developments highlights
2. ESG strategy
3. Environmental leader in O&G sector
4. Natural gas – cleanest fossil fuel
5. Corporate governance focus
6. Appendix

1. SUSTAINABLE DEVELOPMENTS HIGHLIGHTS

Our New Sustainability Metrics in 2020

FIRST EVER DISCLOSURE

Scope 3 emissions	UN SDGs Internal targets	LTIFR, contractors injuries	Scope 1 emissions by source	Progress on achieving Environmental and Climate Change Targets
Innovations section	COVID-19 impact on strategy	Cybersecurity issues	# of Security Hotline reports	Independent audit of GHG emissions

EXPANDED DISCLOSURE

Permafrost section	Sustainability strategy	Methane emissions	Waste management	Climate change management, risks and opportunities
-------------------------------	------------------------------------	------------------------------	-----------------------------	---

WE ARE 100% COMPLIANT WITH GRI, SASB AND TCFD REPORTING STANDARDS
AND RECOMMENDATIONS

NOVATEK ESG at a Glance 2020

LOWEST GHG EMISSION LEVELS AMONG O&G PRODUCERS



9.1 mmt of CO₂e
Scope 1 emissions



0.24 tons of CO₂e /
ton of LNG
LNG production facilities



96.2 %
APG Utilization

OUR SOCIAL POLICY



0.49
LTIFR



RUB 4.1 bln
Social investments



RUB 1.6 bln
Total social expenses

STRONG GOVERNANCE MODEL



33%
Share of Independent directors



1st time
woman was elected to NOVATEK's
Board of Directors



**ESG functions on all
corporate levels**

Sustainable Development Highlights (Y-o-Y)

COVID-19
anti-epidemic
measures
RUB 4.8 bln

NUMBER OF FATALITIES
0 ✓

REDUCTION OF LTIFR
- 29% ↓

GHG intensity
in upstream
- 31% ↓

GHG INTENSITY
- 1% ↓

SCOPE 1 DIRECT
EMISSIONS
- 19% ↓

Environmental costs
+ 67% ↑

APG utilization
+ 13 p.p. ↑

Waste generation
- 41% ↓

NOVATEK is continuously improving
the quality and transparency of its
non-financial reporting with a view to
enhance the confidence between the
Company and its stakeholders

In seeking to meet stakeholder
expectations, NOVATEK made additional
disclosures in Sustainability Report
2020 on a range of topics
(100+ new ESG metrics vs. 2018)

POSITIVE TREND IN REDUCING GHG EMISSIONS PROVES OUR LOW-CARBON INTENSITY POSITION

Sustainability Reports Since 2005



14th

Sustainability Report

Downloadable at

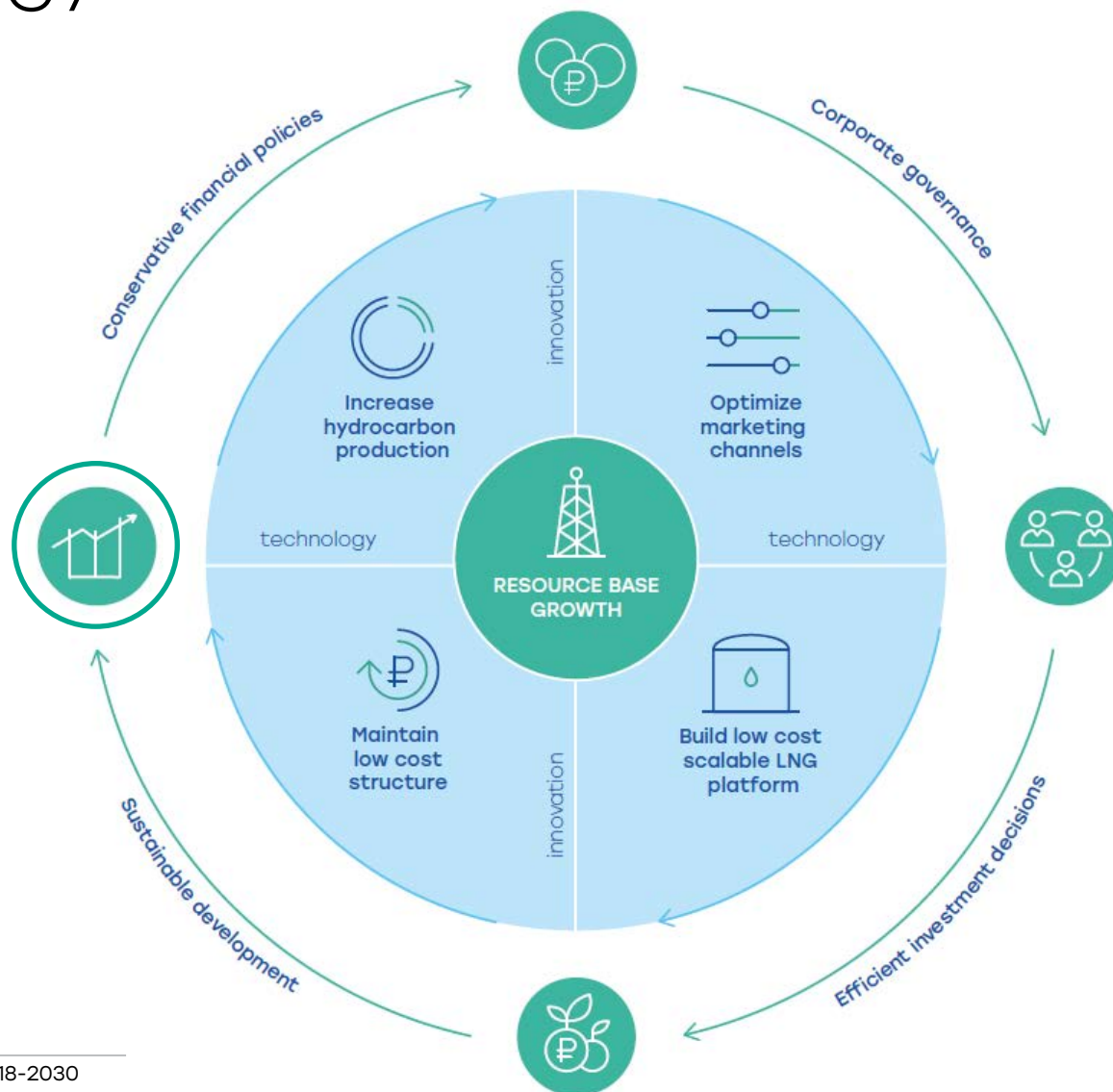
<https://www.novatek.ru/en/development/>



ONE OF THE LONGEST HISTORY OF SUSTAINABILITY REPORTING IN THE RUSSIAN O&G

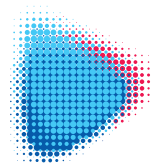
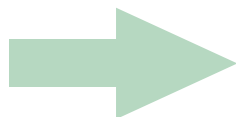
2. ESG STRATEGY

Sustainable Development – Integral Part of Strategy*



* Corporate Strategy 2018-2030

Sustainable and Low Carbon Focus Already in 2017 Strategy

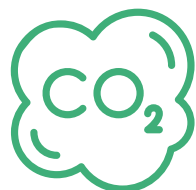


NOVATEK



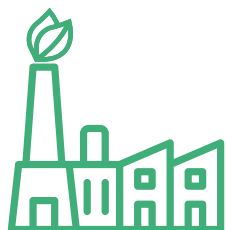
Supply the Global Markets with
Low Cost and Low Carbon
Natural Gas

Energy Security
Energy
Affordability
Energy
Sustainability



Sustainable Development
Framework

Commitment
to Reduce GHG
Emissions and
Mitigate Climate
Change Risks



Longest History and Detailed
Disclosure of Sustainability
Reporting in the Russian O&G

Sustainability
Reports
since 2005
Compelling
ESG rating
history



Think Green. Think Natural Gas.

Sustainable Development Strategy



Our sustainability strategy is built around society's urgent need for change towards low-carbon development



Our contribution to a low-carbon future is in line with the Paris Agreement goals of limiting the increase in global average temperatures to 1.5 °C



As part of global decarbonization efforts, climate agenda and Russia's approved Energy Strategy to 2035, NOVATEK is implementing climate change mitigation and adaptation measures and incorporates these aspects into its decision-making process.

OUR STRATEGY COVERS THE FOLLOWING ENERGY TRANSITION GOALS:

Driving innovation
in carbon
emissions reduction
and adoption
of zero-carbon
technologies

Setting Environmental
and Climate Change
targets

Improving energy
efficiency

Reducing carbon
footprint

APG utilization

Carbon capture and
storage

Alternative energy
development (ammonia,
hydrogen, renewables)



Integrating the United Nations SDGs



Our Contribution to Relevant UN SDGs*

CLIMATE



7



8



9



12



13

- By 2030, increase our LNG production up to 70 MTPA
- By 2025, use energy-efficient LNG technologies to increase LNG and reduce GHG emissions
- Established Environmental and Climate Change targets up to 2030
- Produce hydrogen, methane-hydrogen mixtures, ammonia and other low-carbon fuels
- Construct technologically innovative LNG projects in the Arctic Circle

NATURE



6



8



9



12



13



14



15

- Constant environmental monitoring and operational control
- Commitment to sustainable water use and efficient wastewater treatment
- Effective pollution and waste management processes to gradual reduce emissions and waste
- Integrated monitoring of marine ecosystems
- Artificial reproduction of aquatic biological resources by releasing fish into important fishing water bodies
- Significantly expand the reforestation geography
- Preserve the genotypes of rare and endangered plant species listed in the Red Data Books

PEOPLE



3



7



8



9



13



17

- Contribute to regional development through new jobs creation, better infrastructure, and programs aimed at improving living standards for local communities
- Deliver a 5% reduction in LTIFR among our employees every year
- Assist severely ill children in desperate need and children with disabilities in the regions of operation
- Engage public consultations when planning projects with potential environmental impact

* Based on IPIECA SDG Roadmap for the oil and gas sector, April 2021



Our Priority UN SDGs

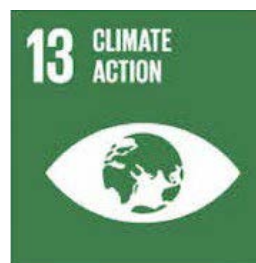
AFFORDABLE, SAFE AND CLEAN ENERGY

- Secure supplier of clean fuel
- Mitigation of negative environmental impact
- Implementation of energy-efficient technologies
- Biodiversity conservation
- Occupational safety



LONG-TERM SHAREHOLDER VALUE

- Return on capital
- Responsible business
- Competitive advantages
- High economic value added
- Implementation of innovations
- Efficiency and transparency of corporate governance
- Climate change management
- Informational security



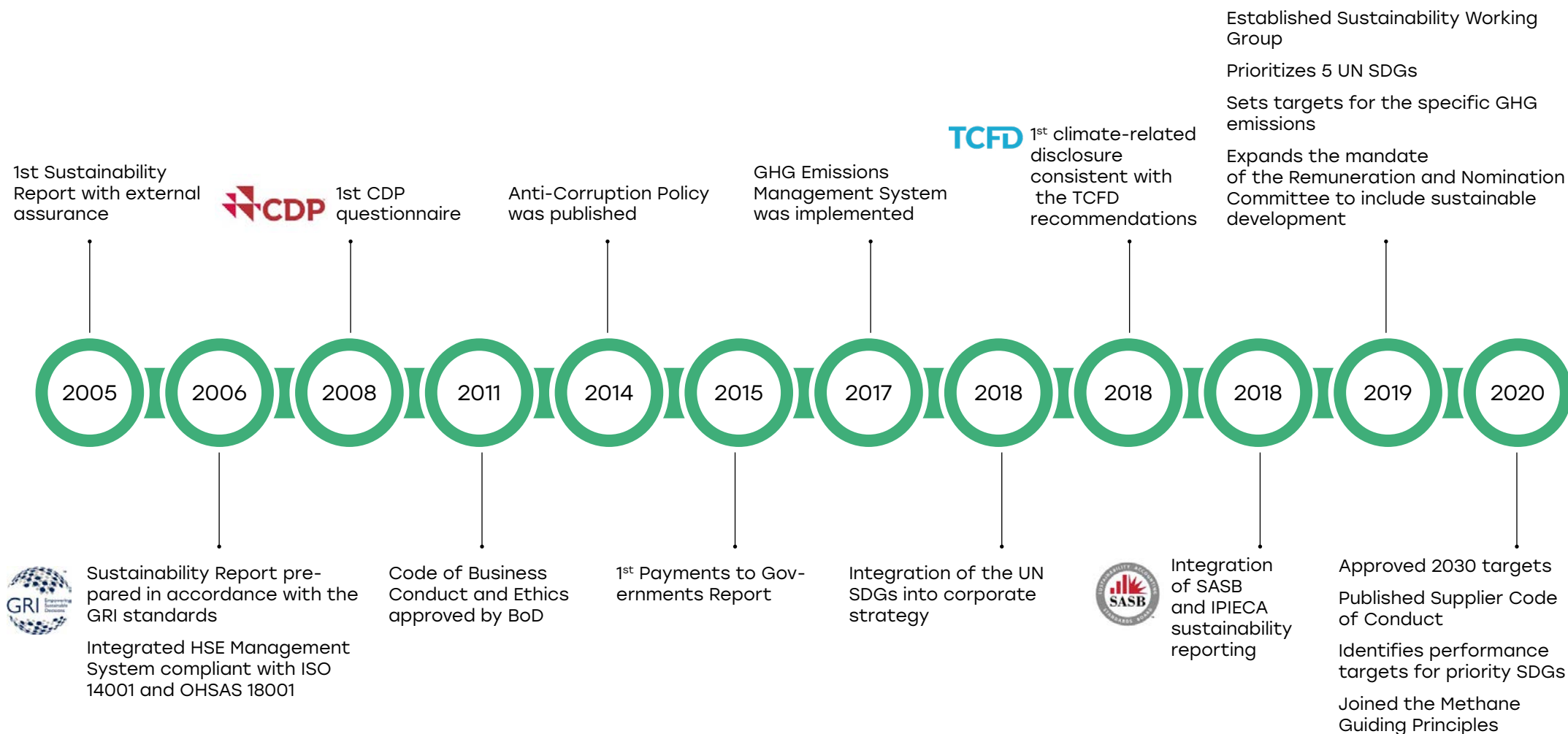
VALUE FOR SOCIETY

- Health and safety for personnel and contractors
- Creating new jobs
- Tax payments
- Educational programs
- Cooperation with local communities
- Charity
- Compliance with human rights



OUR CORPORATE PURPOSE IS TO CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS ACROSS THE WHOLE VALUE CHAIN

Our Sustainability Timeline



Our Position in ESG Ratings

NOVATEK's position in ESG ratings



Score
32.3



Best score in Russian Oil & Gas sector
Rank # 20 out of 147 companies among
O&G industry in 2021



Rating
3.7/5



NOVATEK is a constituent of the
FTSE4Good Emerging Index



Rating
A



NOVATEK - First and only "A" in
Russian Oil & Gas sector



Rating
1



Leader among Energy-focused
corporate issuers in Environmental score



Score
40



Highest (100 out of 100) Environmental
& Social Reporting Percentile

Other Analytical and Rating agencies



WWF

REFINITIV.



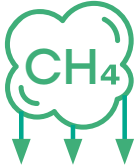

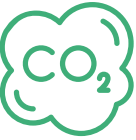
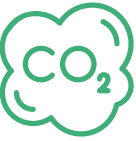
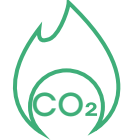

Bloomberg



**LOWEST EMISSIONS INTENSITY LEVEL AMONG O&G UNIVERSE
AS DISCLOSED BY TRANSITION PATHWAY INITIATIVE REPORT IN 2020**

3. ENVIRONMENTAL LEADER IN O&G SECTOR

Environmental and Climate Change Targets

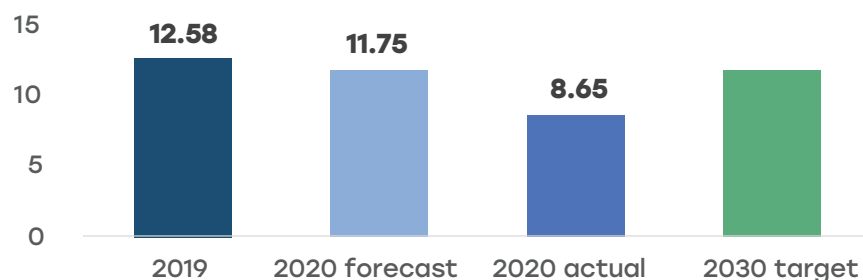
		2019	2030
	Reduce Methane Emissions per unit of production in the production, processing and LNG segments	10.44 TONS / MMBOE	-4% ↓
	Reduce Air Pollutant Emissions per unit of production	0.128 TONS / MBOE	-20% ↓
	Reduce GHG emissions per unit of production facilities in the Upstream segment	12.58 tons of CO ₂ equivalent per 1 mboe	-6% ↓
	Reduce GHG emissions per ton of LNG produced	0.263 tons of CO ₂ equivalent per ton of LNG	-5% ↓
	Increase of Associated Petroleum Gas Utilization Rate	95% legal requirement in Russia	to 99% ↑
	Increase the share of waste directed to utilization and disposal	75%	to 90% ↑

Scorecard of our Environmental and Climate Change Targets

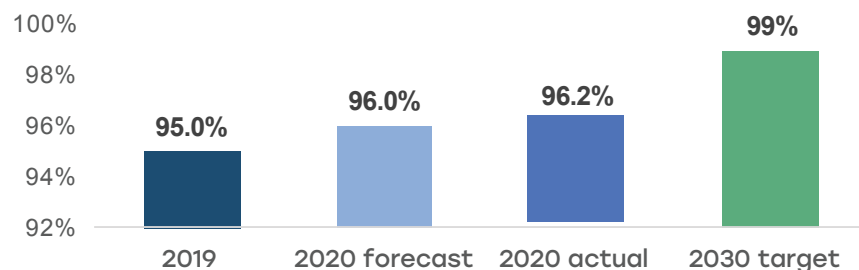
	2019	2020	2030	Y-o-Y
Methane emissions per unit of production	10.44 TONS / MMBOE	14.44 TONS / MMBOE	9.96 TONS / MMBOE	↑
Air pollutant emissions per unit of production	0.128 TONS / MMBOE	0.143 TONS / MMBOE	0.102 TONS / MMBOE	↑
GHG emissions per unit of production in upstream	12.58 tons of CO2 equivalent per 1 mboe	8.65 tons of CO2 equivalent per 1 mboe	11.7 tons of CO2 equivalent per 1 mboe	↓
GHG emissions per ton of LNG produced	0.263 tons of CO2 equivalent per ton of LNG	0.244 tons of CO2 equivalent per ton of LNG	0.249 tons of CO2 equivalent per ton of LNG	↓
APG utilization rate	95%	96.2%	99%	↑
Waste directed to utilization and disposal	75%	69%	90%	↓

Progress on Meeting Environmental and Climate Change Targets (1/2)

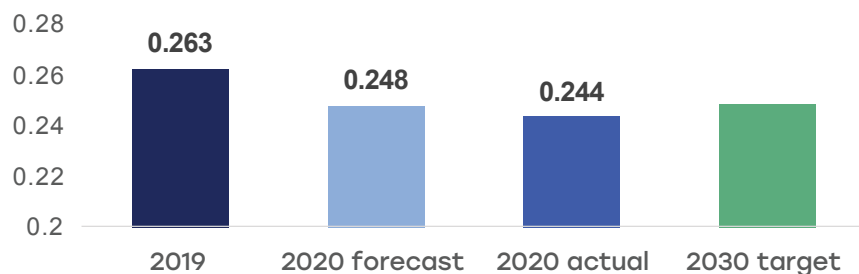
GHG emissions per unit of production in upstream



APG utilization rate



GHG emissions per ton of LNG produced



The Group's operations use cogeneration technology, almost doubling fuel efficiency to achieve lower fuel gas consumption and a significant reduction in GHG emissions.

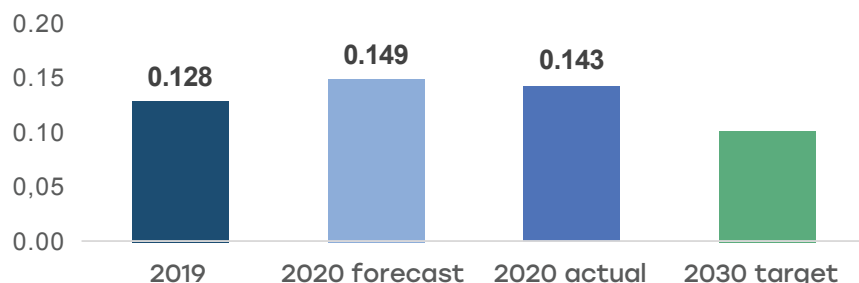
A project to inject APG into deep absorbing horizons while producing oil from the Yarudeyskoye field helped Yargeo to achieve APG utilization target, while cutting direct GHG emissions by 1.2 mmt of CO₂e.

By increasing APG injection for pressure maintenance, we reduced GHG emissions, as indicated by GHG emissions per unit of production in the upstream segment. We achieved our APG target and even exceeded it by 26% vs. the 2020 estimate.

GHG emissions were reduced by 101,656 tons of CO₂ equivalent through cogeneration technologies.

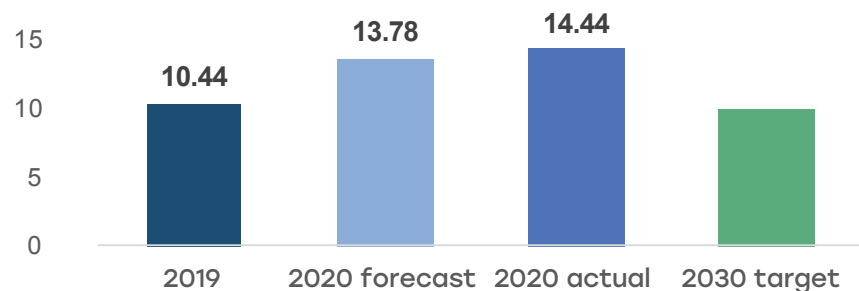
Progress on Meeting Environmental and Climate Change Targets (2/2)

Air pollutant emissions per unit of production



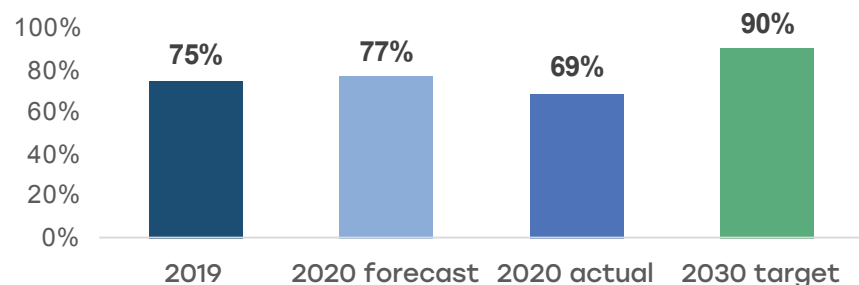
By transitioning to direct pollutant measurements at the emission sources, air pollutant emissions target for per unit of production was achieved against forecast by 4% but higher versus 2030 target.

Methane emissions per unit of production



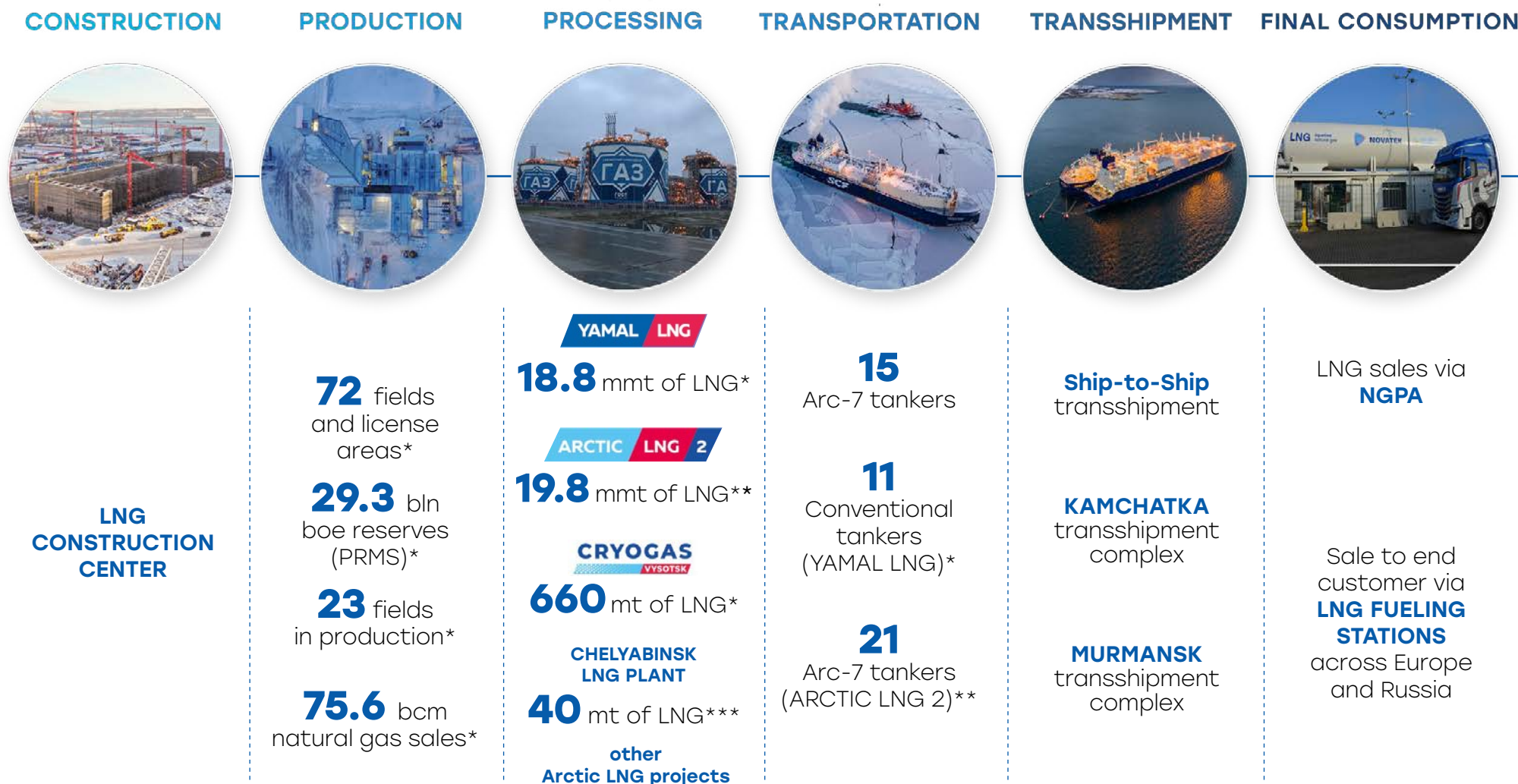
Methane emissions per unit of production exceeded the 2020 estimate by 5% due to increased methane emissions as a result of production capacity growth. The North-Russkoye and East-Tazovskoye fields came onstream in 2020 as additional sources of emissions.

Waste directed to utilization and disposal



Share of waste directed to utilization and disposal were below the 2020 estimate by 8%. This was due to delayed arrivals of contractors to facilities amid COVID-19 restrictions and subsequent temporary suspension of waste recycling.

Our LNG Value Chain



WE CONTROL FULL LNG VALUE CHAIN TO DELIVER LOW-CARBON LNG TO END CONSUMERS

* NOVATEK 2020 FY data

** according to Corporate Strategy 2017

***nameplate capacity


 **Think Green. Think Natural Gas.**

NOVATEK

22

We can monitor, verify and deliver “Green LNG” cargos to the market

Hierarchy of Carbon Emission Reduction approaches

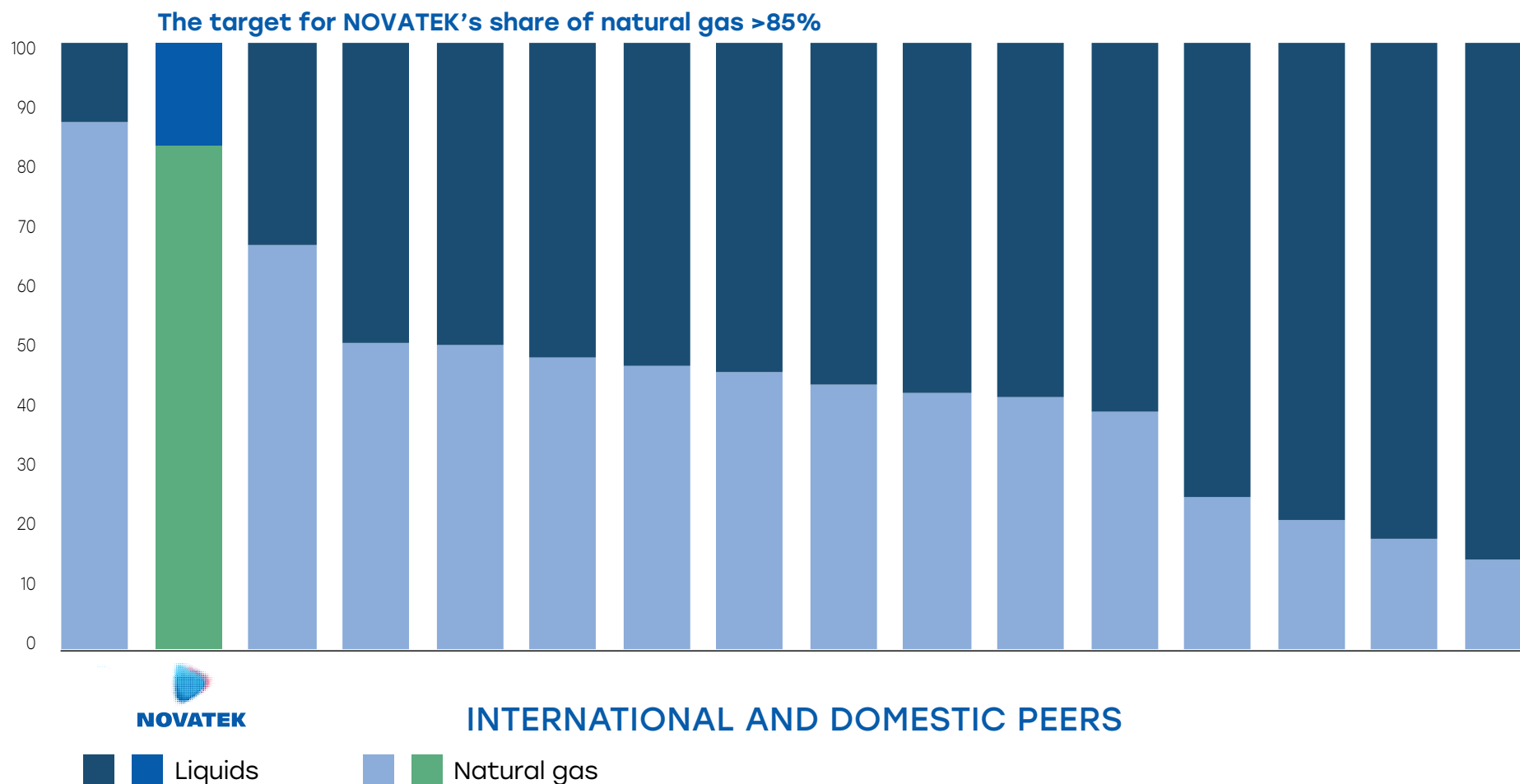


ELIMINATE	Fossil Fuels Phase Out	✗
SUBSTITUTE	Replace Dirty Fuels with Lower Carbon “Cleaner” Fuels	✓
MINIMIZE	Mitigation Solutions in Production, Delivery and Use of Energy	✓
REMEDiate	Carbon Capture, Utilization and Storage Solutions	✓
CARBON OFFSET	Compensate for Emissions Made Elsewhere	✓

UNLIKE MOST OF OUR COMPETITORS, WE CONTROL THE FULL LNG VALUE CHAIN – FROM UPSTREAM TO END-CUSTOMER DELIVERY

Commitment to Low Carbon Energy Mix Environment

Share of 2020 natural gas production in O&G companies energy mix, %

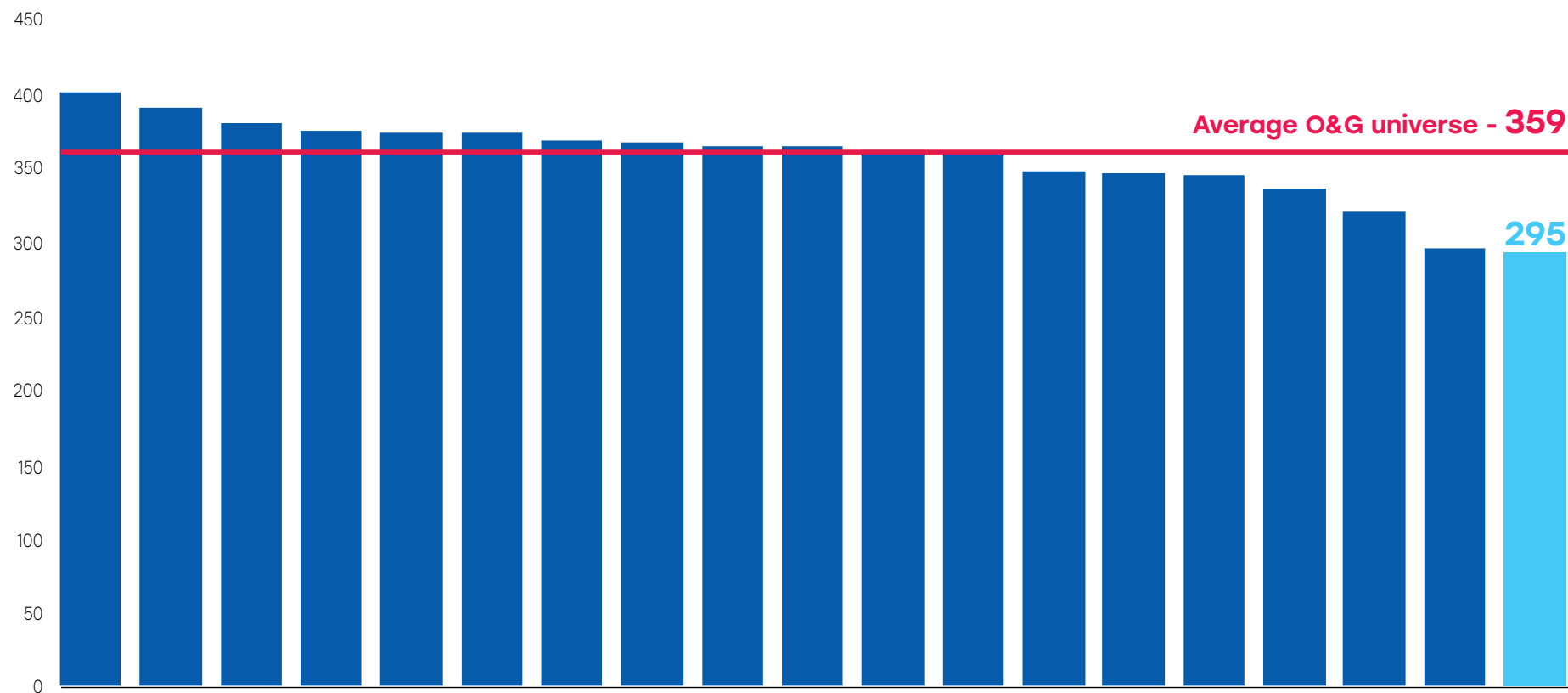


Source: 2020 Companies data

International and domestic peers: ExxonMobil, Chevron, ConocoPhillips, Petrobras, BP, RDSHELL, Rosneft, TotalEnergies, Lukoil, Eni, Equinor, Gazprom, Repsol, PetroChina

One of the Lowest GHG Emissions in O&G Universe

Oil and gas company GHG emissions intensity, kgCO₂e/boe

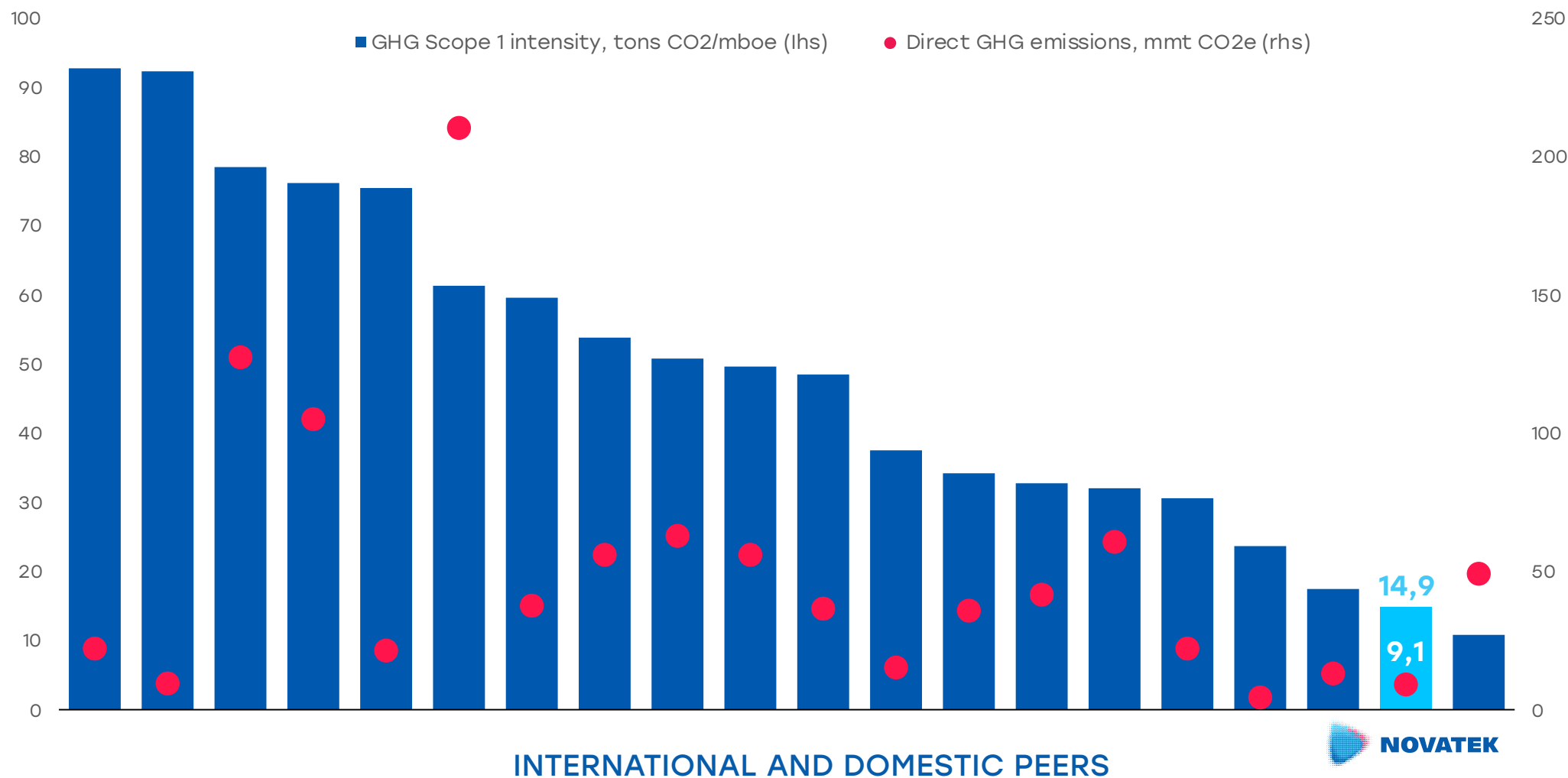


INTERNATIONAL AND DOMESTIC PEERS

International and domestic peers: Suncor, Husky, Petrobras, Lukoil, Rosneft, Chevron, BP, ExxonMobil, ConocoPhillips, TotalEnergies, Eni, Equinor, Shell, Repsol, Gazprom, Gazprom Neft, Saudi Aramco
Source: Companies data 2020, according to CDP methodology

One of the Lowest GHG Emissions Level

O&G majors GHG emissions



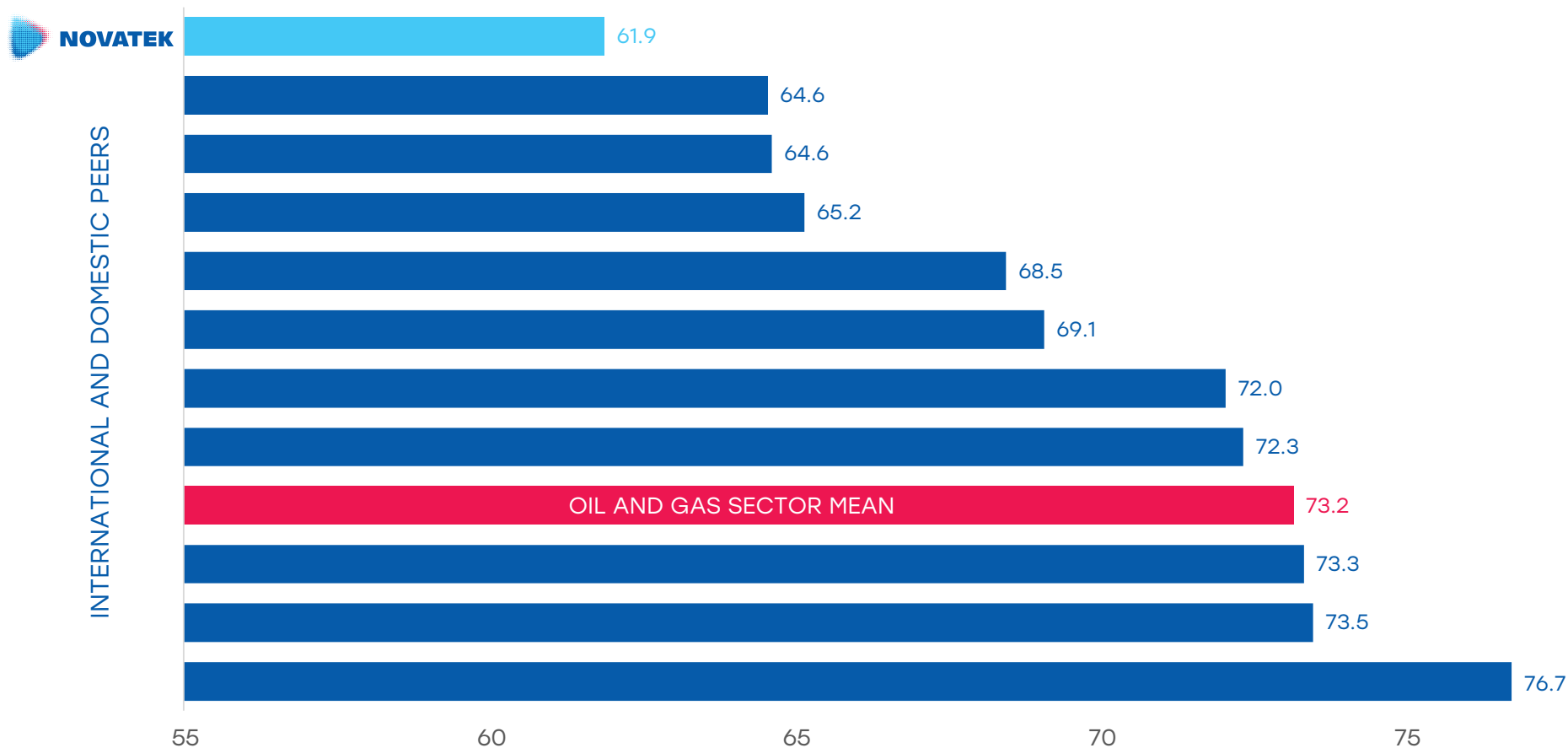
Source: Annual Reports, Sustainability Reports, 2020 Companies data

International and domestic peers: Saudi Aramco, Repsol, Husky, PetroChina, Exxon, Suncor, Chevron, ConocoPhillips, Petrobras, BP, RDSshell, Rosneft, TotalEnergies, Lukoil, Tatneft, Gazprom neft, Eni, Equinor, Gazprom

Think Green. Think Natural Gas.

Lowest Emissions Intensity by TPI

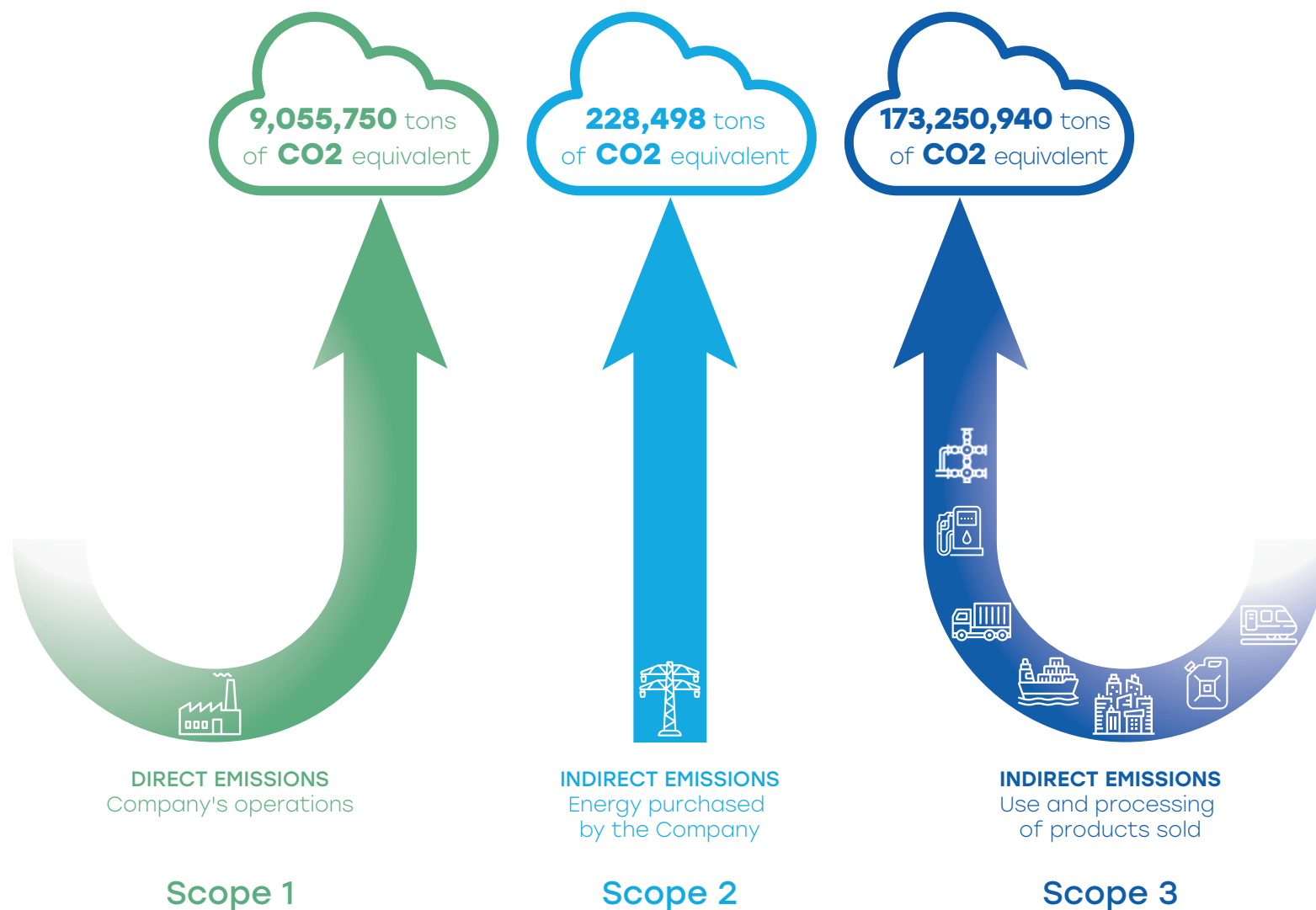
Emissions intensity in 2019 (gCO₂e / MJ) – Scope 1, 2 and 3



Source: Transition Pathway Initiative data as of October 2020

International and domestic peers: BP, RDSHELL, Rosneft, Total, Lukoil, Eni, Equinor, Gazprom, Woodside, Repsol

Reporting on All Scope Emissions



OUR SCOPE 1 + 2 EMISSIONS ARE ONLY 5% OF ALL SCOPE EMISSIONS

Scope 3 is calculated under Accounting and Reporting Standard of the GHG Protocol
"Use of sold products" subcategory

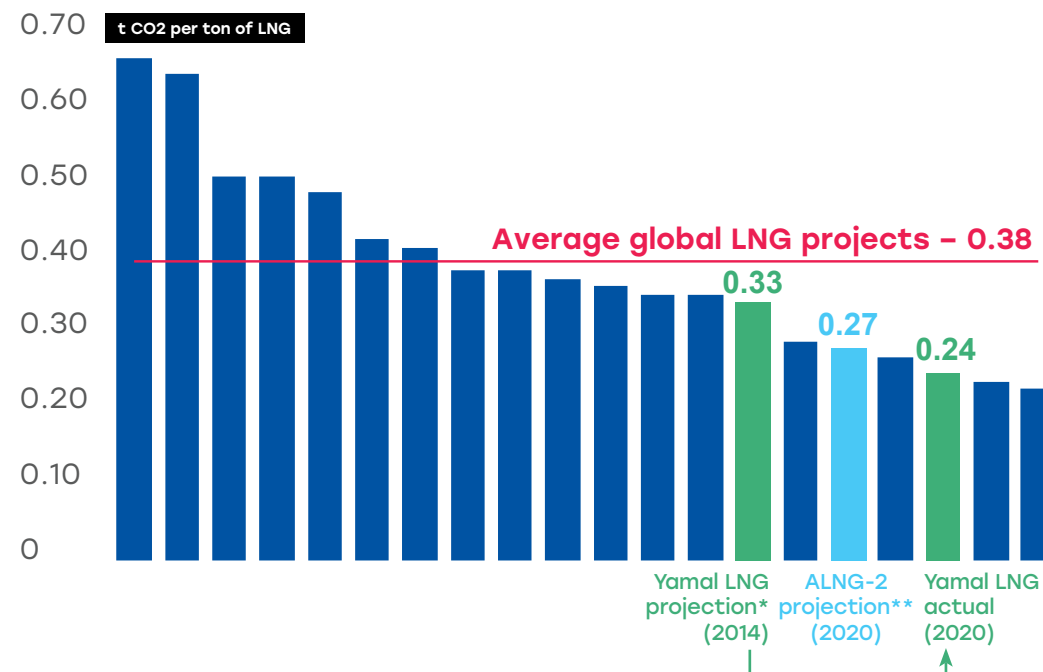
Yamal LNG Top Tier GHG Performance



**MODULAR ASSEMBLY OF YAMAL LNG
ALLOWED TO SIGNIFICANTLY REDUCE
IMPACT ON THE ENVIRONMENT.**

**MODULES WERE PRODUCED MAINLY ON
CHINESE YARDS.**

GHG emissions intensity from major LNG plants in the world



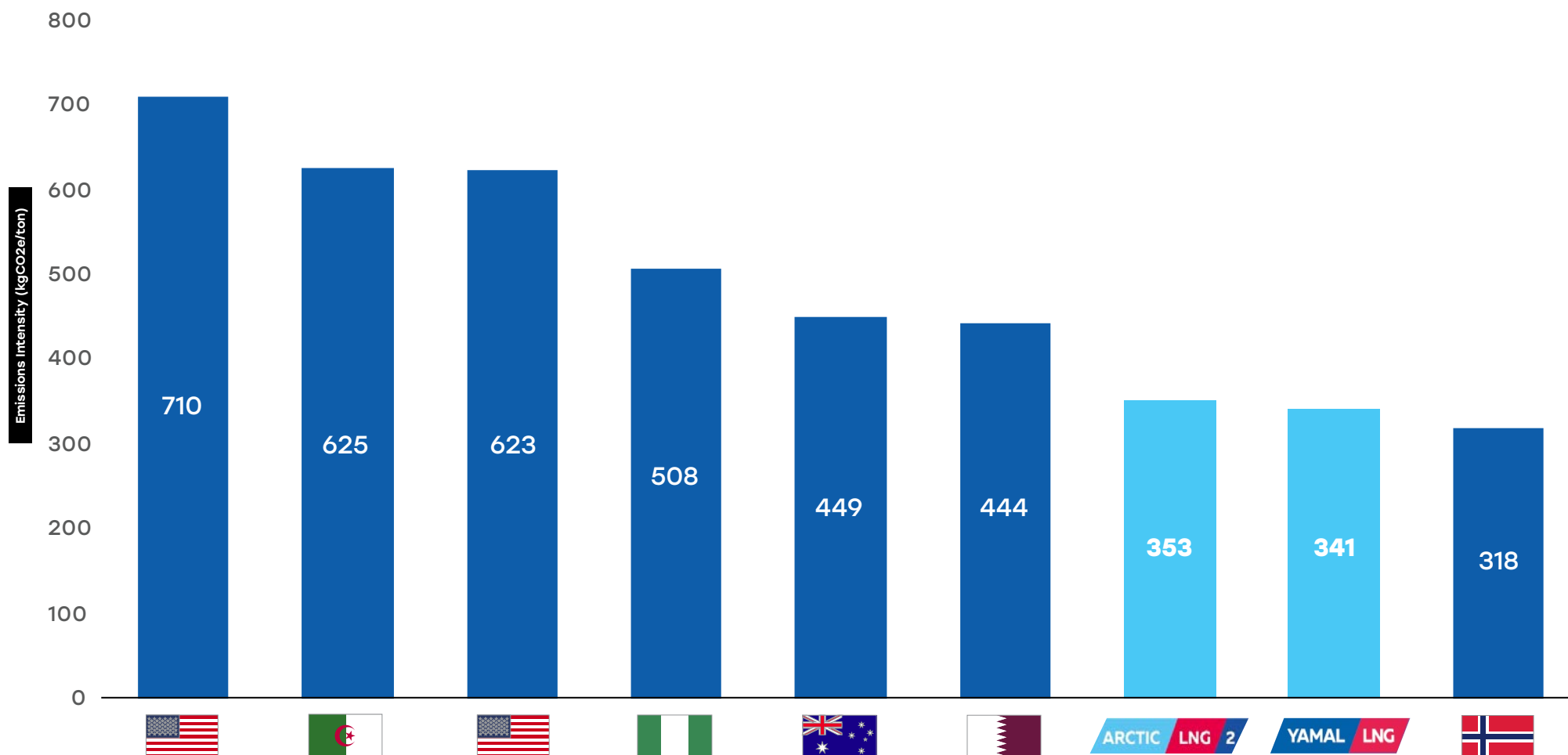
*Estimations from E&S Impact Assessment of the Yamal LNG project, 2014

**GHG and Energy Efficiency Philosophy of the Arctic LNG 2, 2021

- Actual Yamal LNG performance is better than projected
- Yamal LNG is one of the world leaders in energy efficiency due to low ambient temperature which minimizes CO₂ emissions per ton of LNG produced
- There is a potential of further decrease in volumes of CO₂ emissions due to the CCS technology.

Our LNG projects have low GHG emission levels

Full-cycle GHG emissions intensity from major LNG plants in the world



Source: NOVATEK interpretation of WoodMac estimates
Full cycle = Upstream + Pipeline + Liquefaction emissions

Northern Sea Route Navigation

Unique Arc7 ice-class LNG carriers were specifically designed for the Yamal LNG project, capable of navigating the NSR without icebreaker support

The Arc7 tankers are powered by low-carbon natural gas which emits significantly lower CO2 emissions, no sulphur (compliant with new IMO 2020 requirements), no particulate matter emissions, and completely eliminates a significant environmental risk as the threat of oil spills

Shipping LNG eastbound via the NSR significantly cuts the transportation time to the Asian-Pacific markets, thus reducing the climate impact from transportation (shipping times to Asia are accelerated by over 40%).



Reduction of Global CO₂ emissions by replacing Coal



LNG production

2020

53
mln CO₂

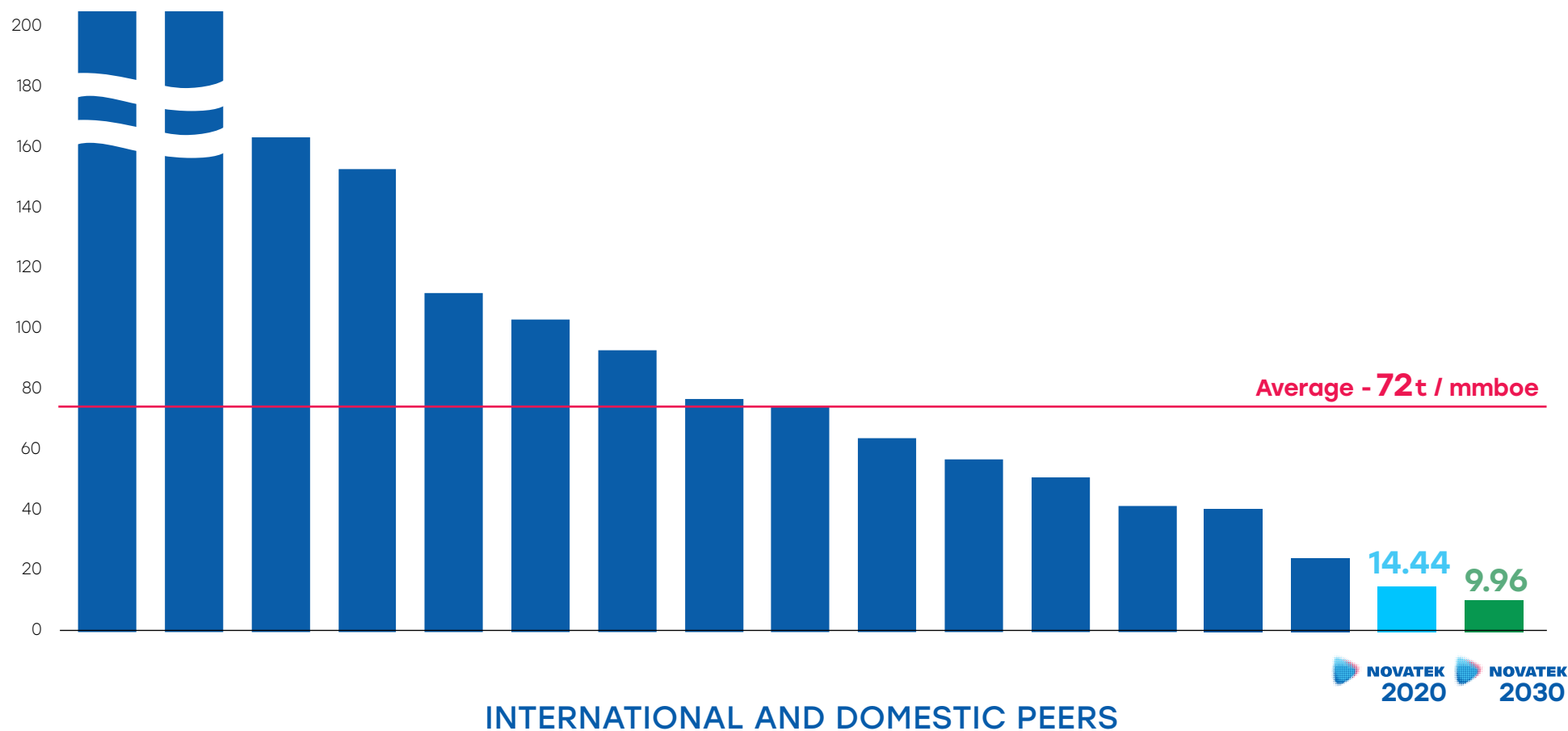
2030

>170
mln CO₂

18.8 mmt LNG

62 mmt LNG

Industry Lowest Methane Emissions Level





Source: Annual Reports, Sustainability Reports, 2020 Companies data

International and domestic peers: Chevron, ConocoPhillips, Petrobras, BP, RDSHELL, Rosneft, TotalEnergies, Lukoil, Tatneft, Gazprom neft, Eni, Equinor, Gazprom


New Permafrost Monitoring Disclosures


 Engineering and design of each facility includes stability testing by the Company's contractors for various climate warming scenarios

 Yamal LNG buildings and structures were designed with allowance for potential air temperature rise scenarios and the associated warming of the soil layers; therefore, underlying soil design and preparation allows potential warming.

 Permafrost sensitivity analysis was conducted for scenarios of potential rise in average air temperature by 2 °C and 4 °C and soil temperature by 1 °C and 2 °C, respectively. Measurements at special background sites and weather stations indicate that the situation is currently developing according to the most favorable scenario.

GEOCRYOLOGICAL RISK ASSESSMENT

 Since all our facilities are designed to minimize their impact on permafrost and use temperature stabilization and geotechnical monitoring, the likelihood of this risk is evaluated as medium.

 Prediction and monitoring of permafrost condition and cryogenic processes is an important consideration during pre-project surveying, engineering and design, construction and operation of buildings and structures.

THE RESULTS OF REGULAR CRYOLOGICAL MONITORING SHOWS THAT THE RISK OF THAWING AND DEGRADATION OF PERMAFROST IS INSIGNIFICANT

Geotechnical and Environmental Monitoring

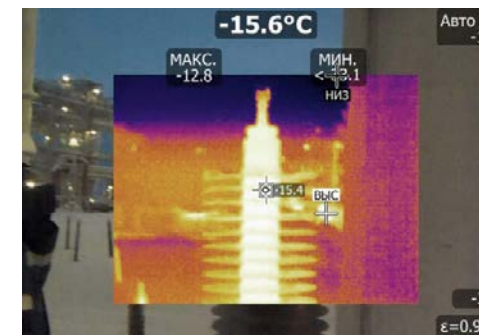
Proactive Construction Measures

- During construction process of Yamal LNG project more than 38,000 piles were drilled primarily to eliminate any risks of thawing and environmental negative consequences;
- Our second large-scale Arctic LNG 2 will be Russia's first LNG production facility on GBS platforms, where new technologies applied will significantly reduce the project's capital intensity along with minimizing its environmental footprint.



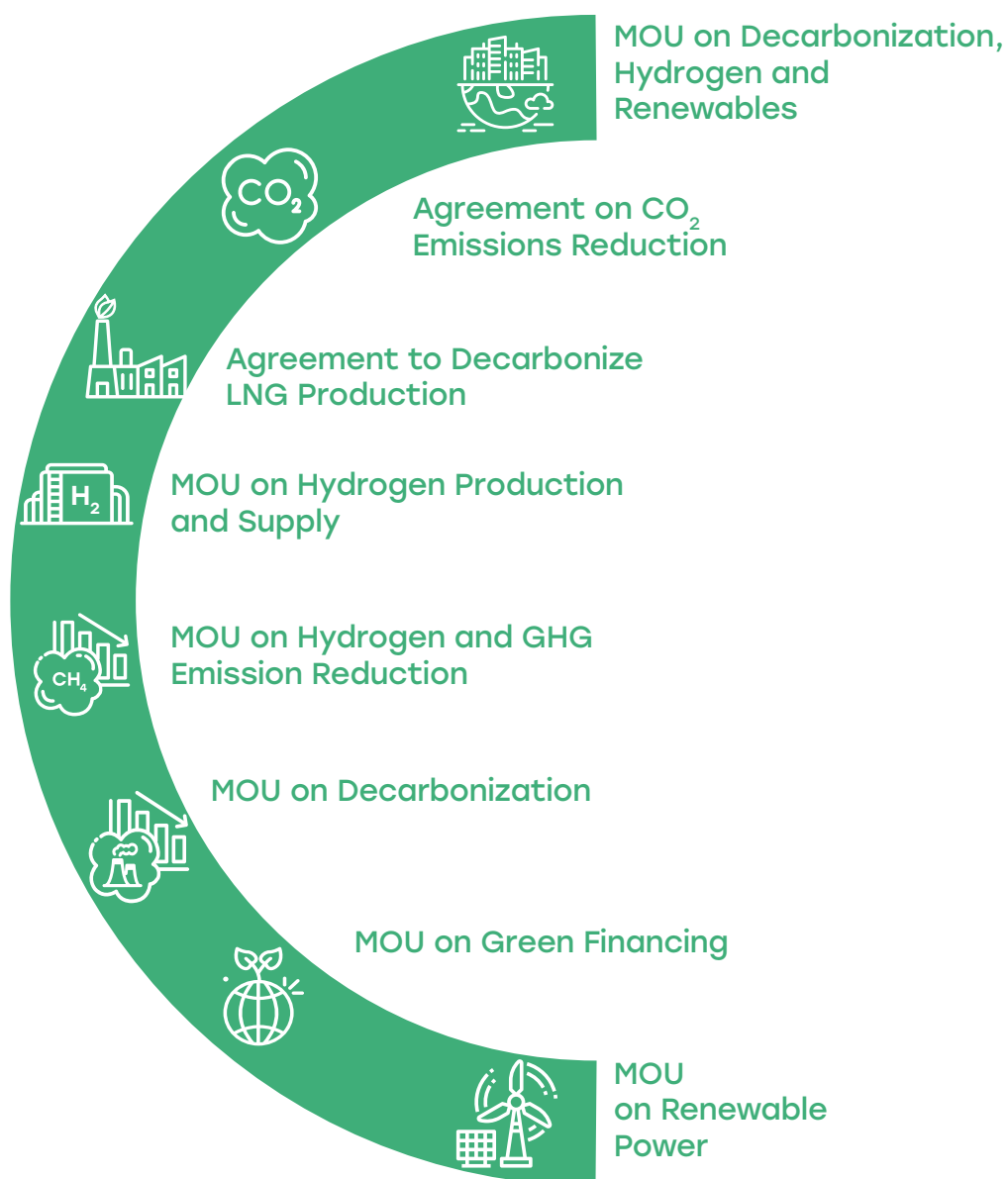
Control of permafrost condition

- To prevent potential negative effects of climate change, we monitor thermal stabilization of permafrost soils for pile foundations
- To prevent possible adverse consequences of changes in permafrost condition, appropriate measures are taken at the Company's fields to make sure subsoil under buildings and structures remains frozen.



OUR INFRASTRUCTURE WAS NOT INHERITED FROM SOVIET YEARS, BUT NEWLY BUILT

Our Cooperation on Decarbonization



Reduction of GHG emissions by implementing CCS technologies and utilizing renewable energy sources

Converting gas turbines to hydrogen-based fuel gas mix

Replacing fuel natural gas used in the production of electricity and LNG with carbon-neutral hydrogen

Developing an integrated hydrogen production, transportation and supply chain

Producing “blue” hydrogen from natural gas and by using technologies for CCS

CCUS solutions, hydrogen production technologies and the use of hydrogen as a clean-burning fuel

Secure “green financing” on projects relating to environmental protection and climate change mitigation

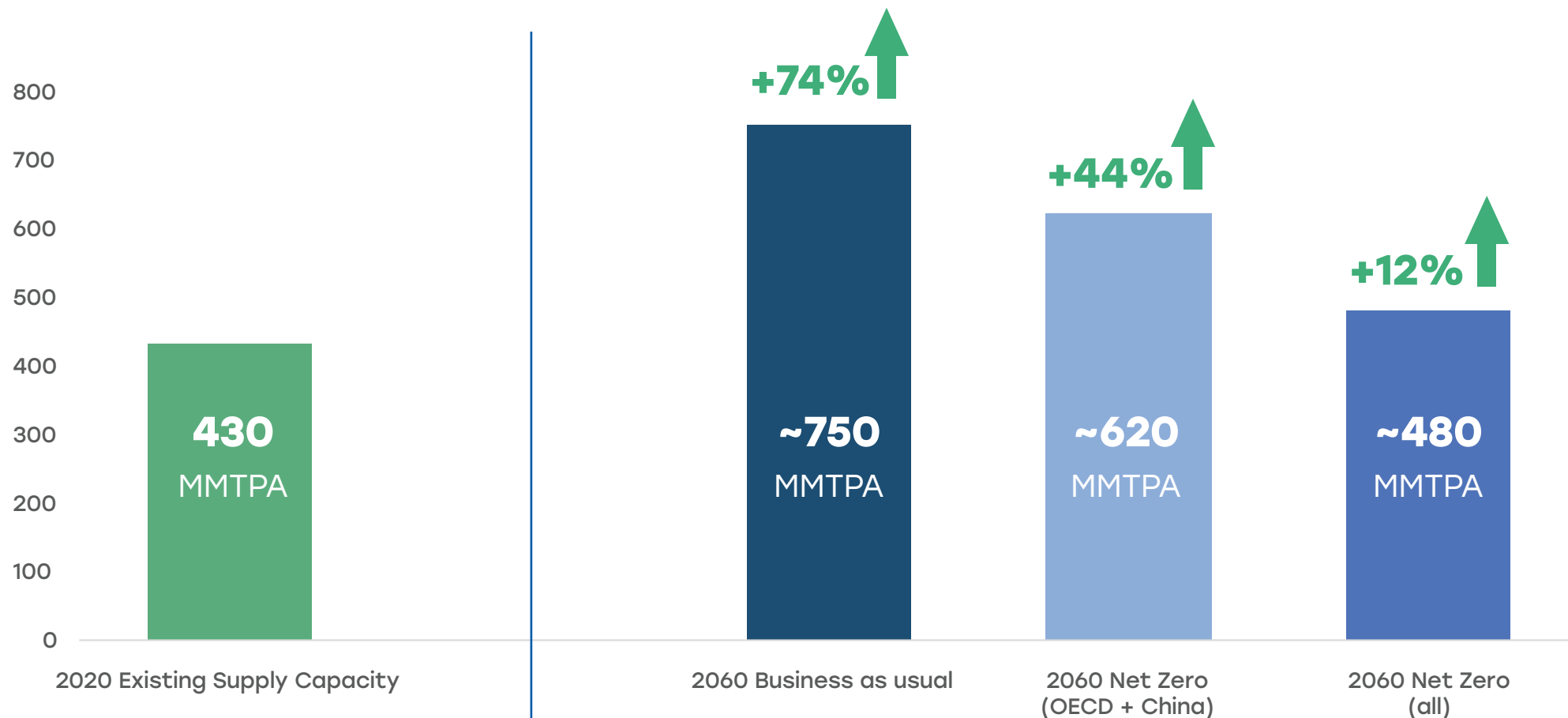
Cryogas-Vysotsk LNG project will purchase electricity produced by Fortum’s renewable power facilities



4. NATURAL GAS – CLEANEST FOSSIL FUEL

LNG Growth in Every Net Carbon Zero Scenario

New LNG supply by 2060, mmtpa

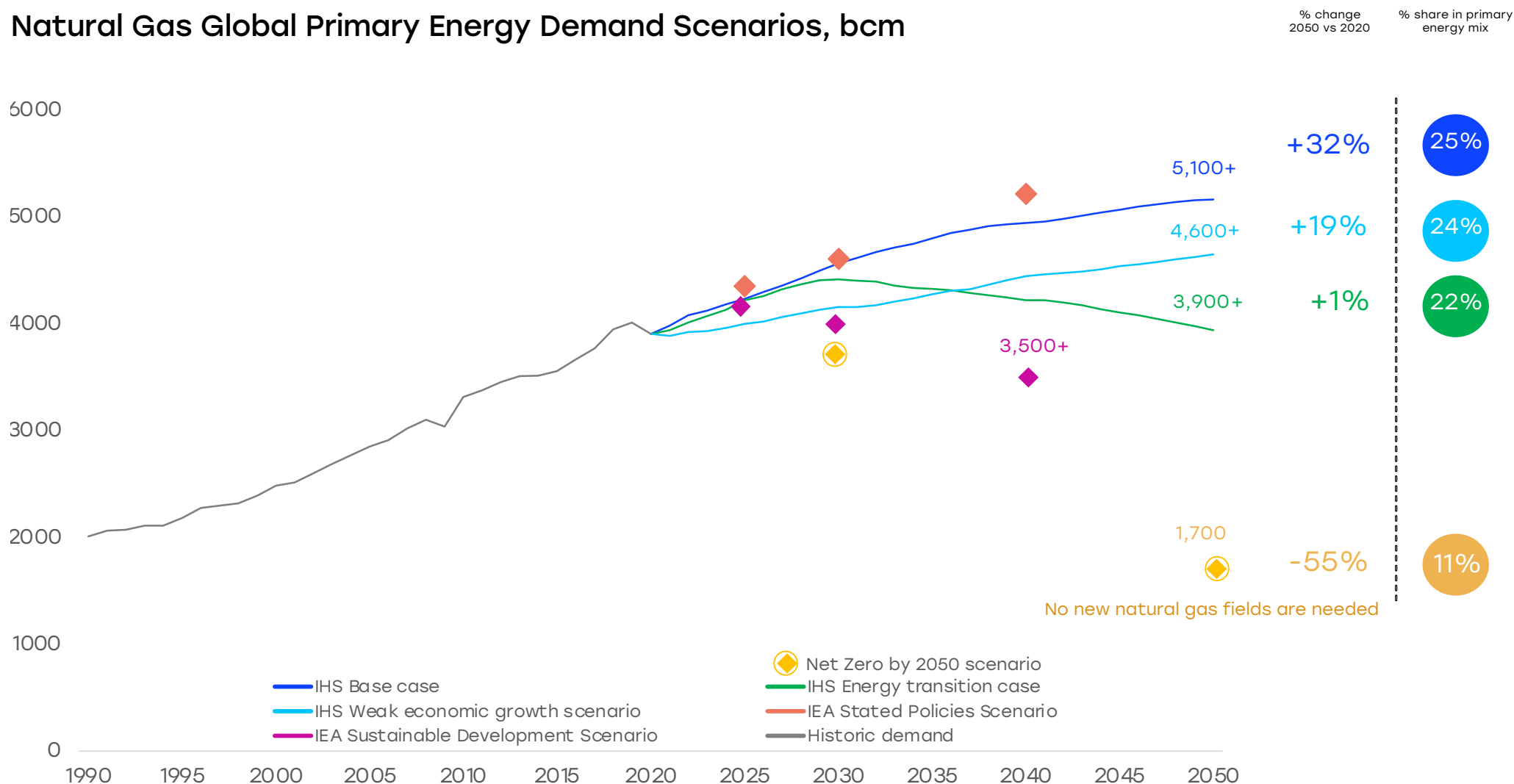


CHINA AND INDIA ARE THE KEY AREAS FOR LNG DEMAND GROWTH

Source: NOVATEK's interpretation of Bloomberg and Bernstein data

Natural gas demand in realistic vs unrealistic scenarios

Natural Gas Global Primary Energy Demand Scenarios, bcm



NATURAL GAS WILL BE THE STRONGEST GROWING FOSSIL FUEL IN GLOBAL ENERGY MIX

Source: NOVATEK's interpretation of IHS and IEA data as of 2021



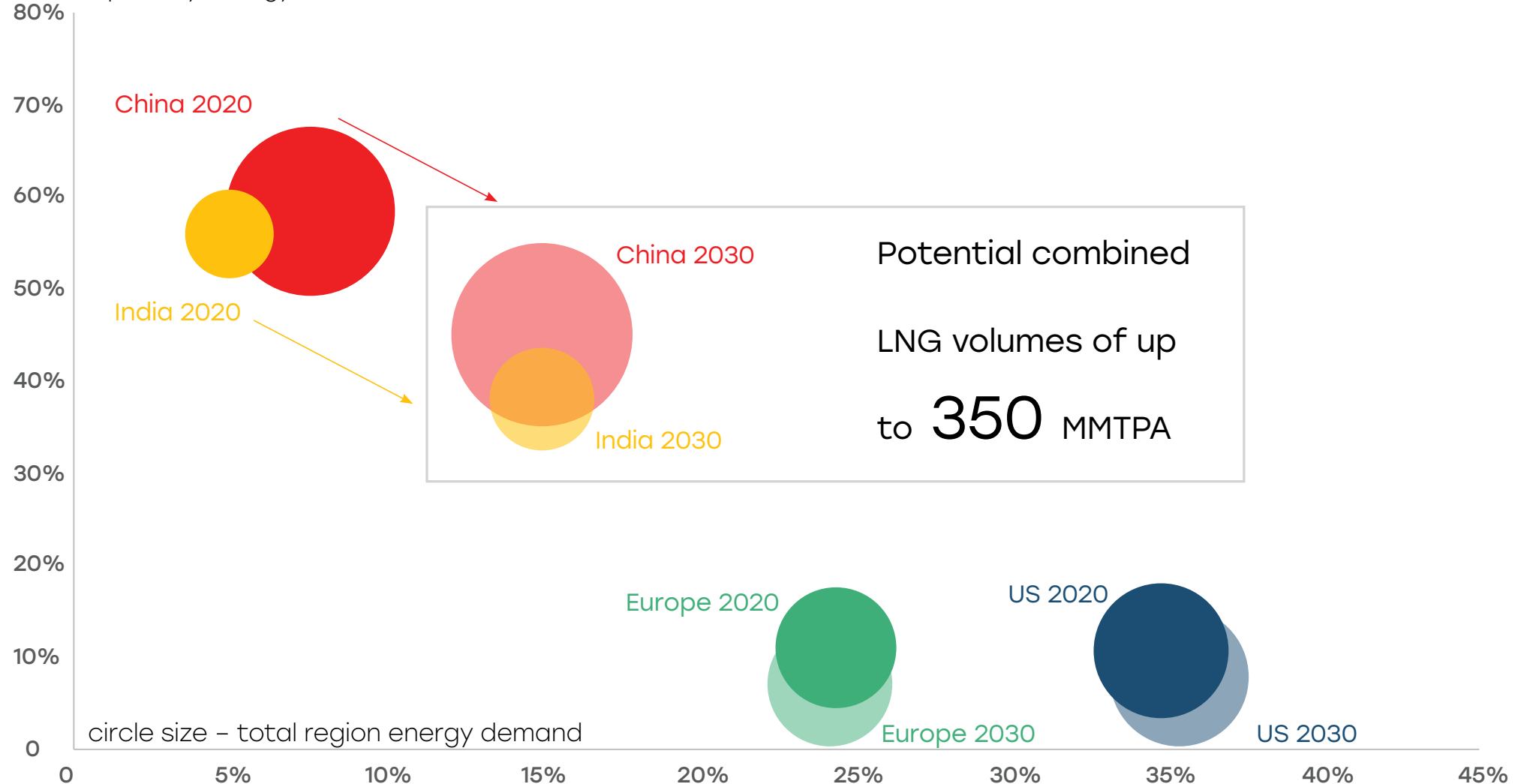
Think Green. Think Natural Gas.

NOVATEK

39

Natural Gas as an increasing share in region primary energy mix

% of coal in primary energy mix



Source: NOVATEK's interpretation of IHS data
China and India natural gas share in energy mix is based on region's 2030 government plans

5. CORPORATE GOVERNANCE FOCUS

Solid Corporate Governance Model

Board independence, effectiveness and expertise	Representative composition of the BoD, a wide range of expertise, significant experience in strategic, operational, financial and ESG activities
Adopt best ESG practices on Management Board level	Sustainability function within the Remuneration and Nomination Committee and established a Subcommittee on Climate and Alternative Energy
Election of a female to the BOD	The first female Board member - Tatiana Mitrova, Director of the SKOLKOVO Energy Center
3 Independent Directors	Committees Chairperson comprise of Independent Board Members with expertise and functional best practices

EFFECTIVE RISK MANAGEMENT AND OVERSIGHT

Strong Focus on Corporate Governance



TIMELY AND IN-DEPTH FINANCIAL
REPORTING

CLEAR STRUCTURE OF FINANCIAL FLOWS

DETAILED TRANSACTIONS HISTORY

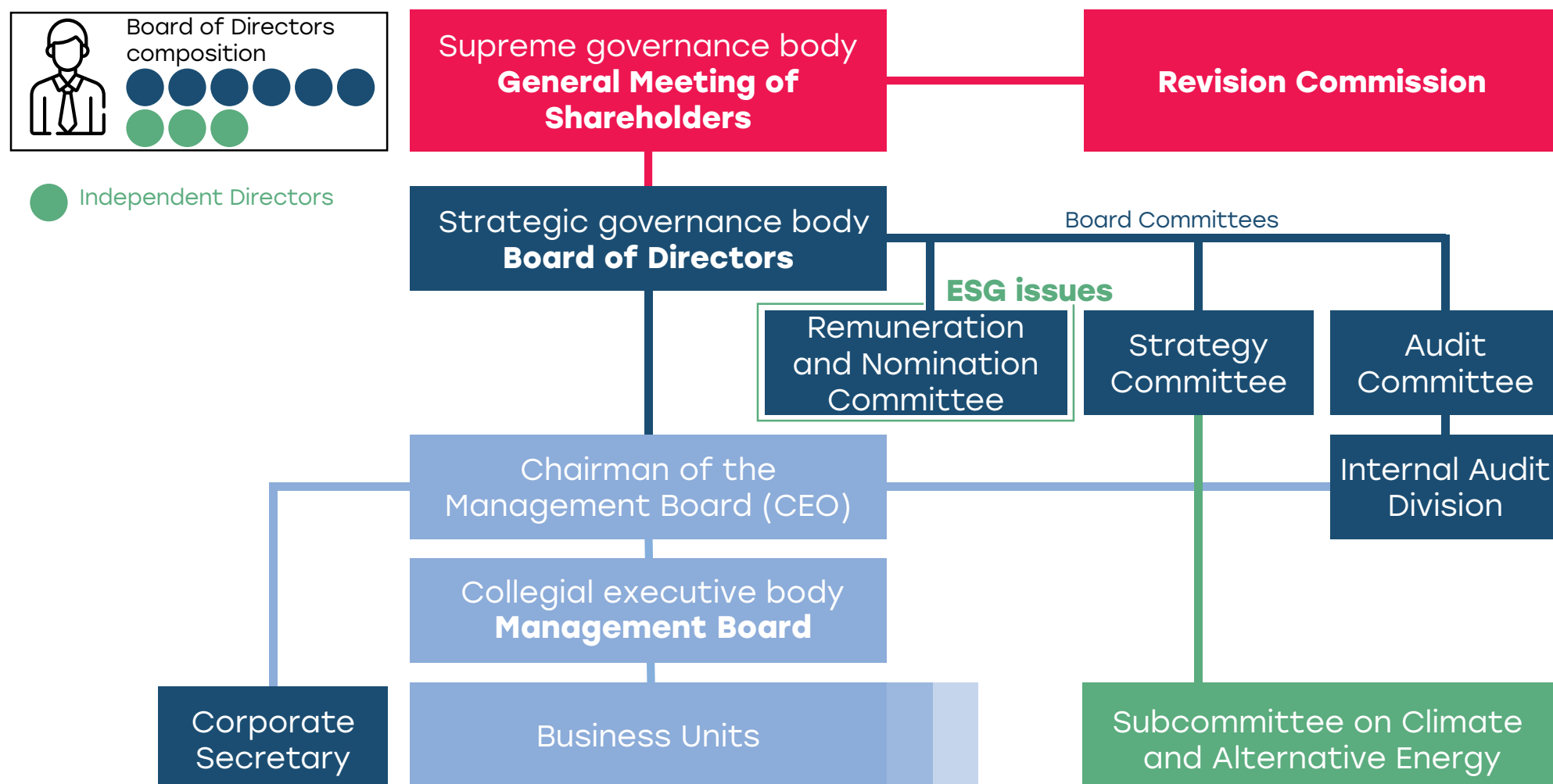
NO MAJOR LEGAL OR CORRUPTION
RELATED CONTROVERSIES

NO SIGNIFICANT OPERATIONAL ISSUES

**EFFECTIVE AND TRANSPARENT CORPORATE GOVERNANCE FRAMEWORK
CREATES SUSTAINABLE SHAREHOLDER VALUE**

NOVATEK's Corporate Governance Structure

Committed to sustainable development, the Company goes beyond mandatory compliance with Russian laws and internal regulations: it adheres to a variety of standards, codes, Russian and international best practices



Our Board of Directors Profile Matrix

Name	Alexander E. Natalenko	Andrei I. Akimov	Robert Castaigne	Arnaud Le Foll	Dominique Marion	Leonid V. Mikhelson	Tatyana A. Mitrova	Gennady N. Timchenko
Age (as of 31 December 2020)	74	67	74	42	59	65	46	68
Tenure (as of June 2021)	17	15	6	2	1	18	1	12
Independent Director			✓				✓	
Gender Diversity							✓	
CEO / President Experience	✓	✓	✓	✓	✓	✓		✓
Senior Executive Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Outside Public Boards (Current)		✓	✓	✓	✓	✓	✓	✓
Outside Public Boards (Prior)	✓	✓	✓	✓	✓	✓	✓	✓
O&G Industry Expert	✓	✓	✓	✓	✓	✓	✓	✓
Financial Expert		✓	✓	✓			✓	
Government / Public Policy / Regulatory	✓			✓				
Environmental / HSE Experience	✓			✓	✓		✓	
Strategic Advising	✓	✓		✓		✓	✓	✓

Efficient Multilevel System of Risk Management

We implemented a multilevel system of risk management and internal control to support managerial decision making

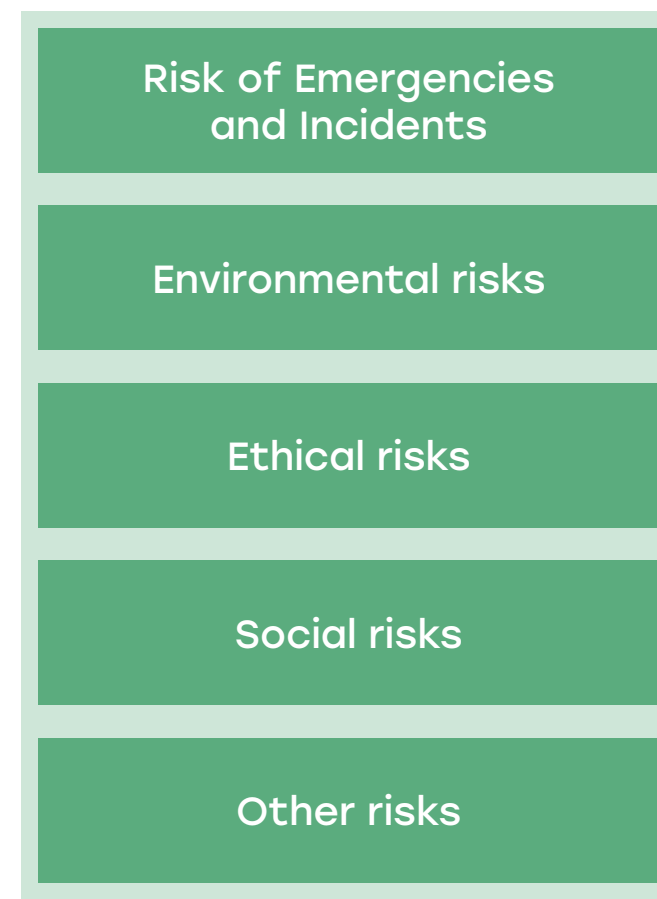
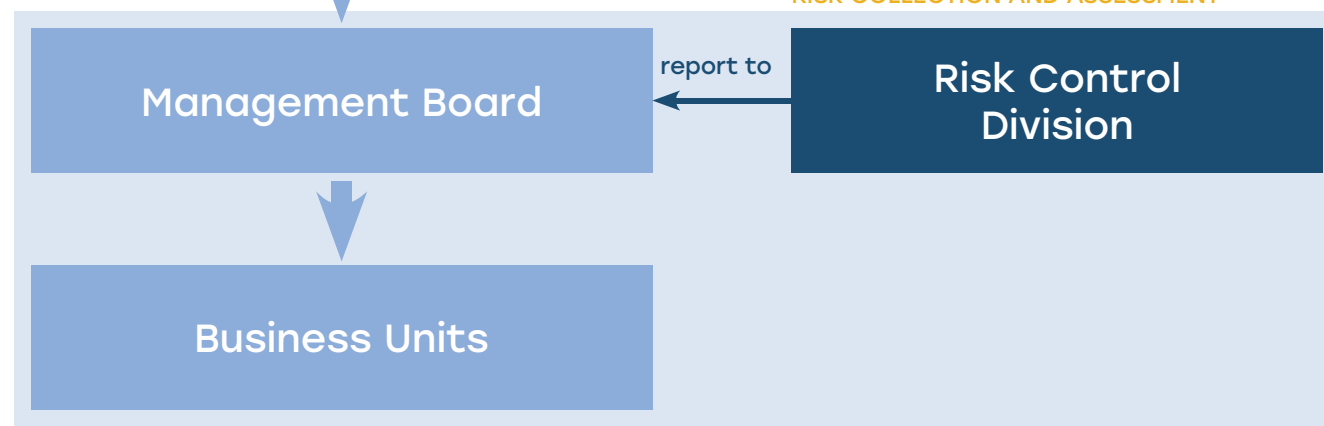
STRATEGIC LEVEL



TACTICAL LEVEL



ORGANIZATIONAL AND OPERATIONAL LEVEL



High Corporate Governance Scores



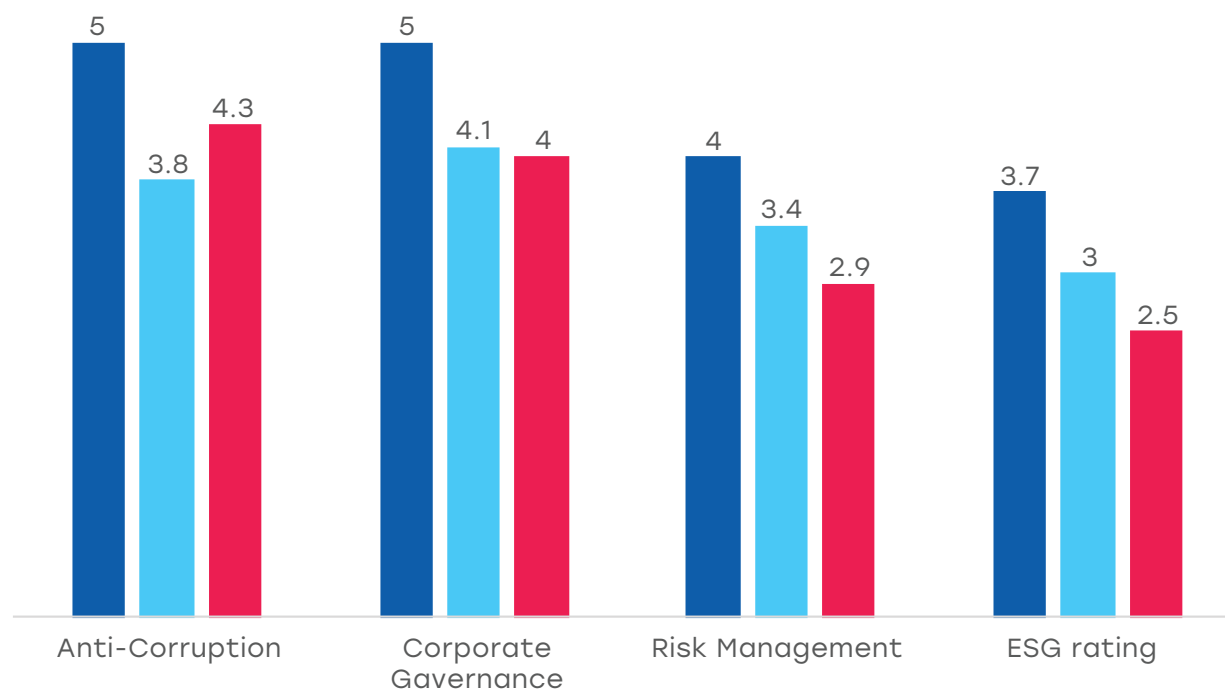
FTSE4Good

The highest scores in Governance and Anti-Corruption – top decile

ISS QualityScore

Governance Score – low risk

Ahead of peers in Governance themes score*



- NOVATEK
- Sub Sector Average: Integrated Oil&Gas
- Country Average: Russia

* FTSE4Good analysis for 2021FY (1-5 rating score)

6. APPENDIX

Our Response to the COVID-19 Pandemic

We are committed to the well-being of our valued employees above operational and financial results and implemented necessary measures to preserve our employees' health and ensure safe working conditions

We joined in the local efforts to address regional problems, with considerable assistance provided to municipal health-care facilities in the Chelyabinsk, Kostroma and Murmansk Regions, the Yamal-Nenets Autonomous Region and the Kamchatka Territory.

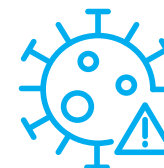
We provided the necessary equipment, reagents and medical supplies to local diagnostic laboratories.

400,000 pieces of equipment, materials and tests for healthcare facilities;

55 ventilators and **2,000** non-contact thermometers were supplied;

3.5 mln PPE items (protective suits, medical masks, shoe covers and gloves) were purchased.

repaired the Murmansk regional hospital and supplied it with more than **100** additional hospital beds.



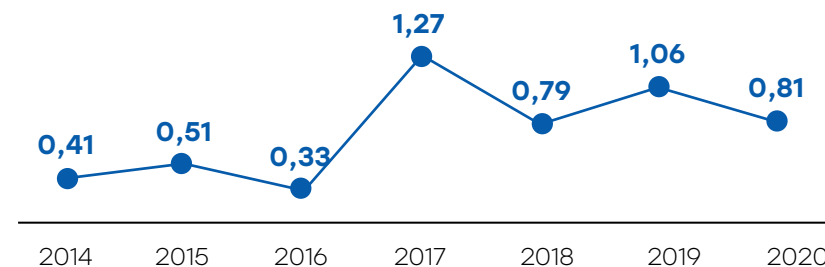
RR 0.7 BLN SPENT IN REGIONAL SUPPORT IN THEIR COVID-19 RESPONSE EFFORTS

NOVATEK Values Well-being Above Business Performance

	MINIMIZE RISKS AND PREVENT THREATS OF ACCIDENTS AND INJURIES TO THE WORKFORCE
	COMPLY WITH RUSSIAN OHS LAWS, AIM TO MEET RELEVANT INTERNATIONAL STANDARDS AND BEST PRACTICES
	CONTINUOUSLY IMPROVE AND ENHANCE THE OHS MANAGEMENT SYSTEM BASED ON CONTROL AND MONITORING RESULTS, AS WELL AS ROUTINE AUDITS AND REGULAR REVIEWS OF THE SYSTEM'S EFFECTIVENESS
	CREATE COMFORTABLE WORKING CONDITIONS AIMED AT REDUCING THE OCCUPATIONAL DISEASES RATE AND THE NUMBER OF WORK DAYS LOST
	ENSURE THAT THE MANAGEMENT BODIES, EMPLOYEES, AND EMERGENCY RESCUE TEAMS ARE READY TO CONTAIN AND RESPOND TO POTENTIAL ACCIDENTS, FIRES, AND EMERGENCIES

	2019	2020	
LTIFR*	0.69	0.49	↓
Fatalities	0	0	✓
Injuries	15	13	↓

Injury Frequency Rate**



* Lost Time Injury Frequency Rate is calculated as number of lost time injuries × 1 mln person-hours/total hours worked

** Number of injuries divided by the average headcount

Employee Motivation and KPI System

- Our KPI system is simultaneously aimed at maximizing performance in delivering the Company's strategy and motivating respective key employees.
- A new corporate document on Regulations on Remuneration and Compensations Payable to Members of Board of Directors was adopted in 2019.

The Company's KPI system is aimed at:

- delivering on the Company's Development Strategy;
- improving financial and operational performance;
- motivating employees to achieve the Company's priority objectives.

Key performance indicators adopted by the Company to assess its top management, incl. ESG:



- **ESG factors such as the HSE Management System performance index, which also covers climate change management**
- EBITDA
- profit growth
- achieve target production plans
- reserves growth
- market capitalization growth against the market benchmark
- R/P ratio
- liquid hydrocarbons sales volumes

Our KPI system considers the Company's performance in sustainable development

External Social Policy

We are fully committed to being a socially responsible corporation and supports local communities and the regions in which it operates through projects and programs, as well as social welfare with a particular focus on helping individuals in need



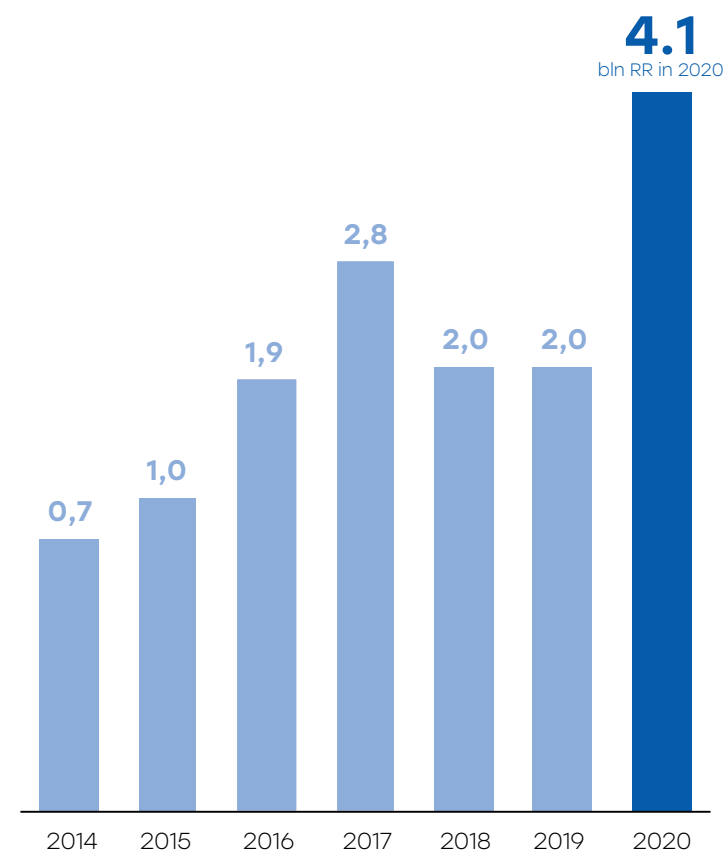
Cooperation With Russian Regions

Preserving Cultural Heritage

Support Of Indigenous Minorities Of The Far North

Educational Programs

Social investments



Commitment to Lawful, Fair and Ethical Practices

We make every effort to prevent corruption, take care to maintain impeccable reputation and seek to implement the most stringent international ethical standards

Anti-corruption Policy

- Strictly abides by the anti-corruption laws of Russia and other countries in which it operates;
- Guided by unified regulatory requirements to managing anti-corruption efforts, imposing and cancelling a trade secret regime, and protecting insider information;
- All employees receive ongoing training in ethical conduct and zero tolerance approach to illegal activities;
- The company's security hotline is one the most important anti-corruption tools;
- All partners of the Company are made aware of NOVATEK's Anti-Corruption Policy and strict standards of ethical business practices, and undertake to comply with them.



When developing our Anti-Corruption Policy, we took into account the requirements of international and foreign regulations, recommendations of anti-corruption bodies and agencies

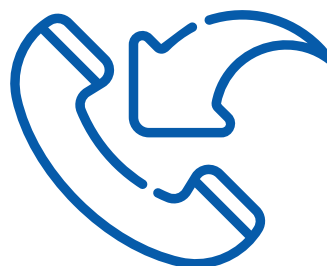
Respect Human Rights and Promote Equal Opportunities

We are in full compliance with the Labor Code of the Russian Federation and Russian laws in general, prohibiting any discrimination/limitation of labor rights and freedoms

The Company shares the universal principles enshrined in:

- The UN Global Compact;
- Universal Declaration of Human Rights;
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work;
- The Social Charter of Russian Business.

Security Hotline



624

reports from citizens
and organizations

Grievance Mechanism



ethics@novatek.ru

We take reasonable care to select partners and strives to do business only with reliable market players who operate in a lawful manner and prohibit discrimination, corruption and the abasement of human dignity

Disclaimer – forward looking statement

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for our products; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- changes in the balance of oil and gas supply and demand in Russia, Europe, and Asia;
- the effects of domestic and international oil and gas price volatility and changes in regulatory conditions, including prices and taxes;
- the effects of competition in the domestic and export oil and gas markets;
- our ability to successfully implement any of our business strategies;
- the impact of our expansion on our revenue potential, cost basis and margins;
- our ability to produce target volumes in the event, among other factors, of restrictions on the Company access to transportation infrastructure;
- the effects of changes to our capital expenditure projections on the growth of our production;
- inherent uncertainties in interpreting geophysical data;
- commercial negotiations regarding oil and gas sales contracts;
- changes to project schedules and estimated completion dates;
- potentially lower production levels in the future than currently estimated by our management and/or independent petroleum reservoir engineers;
- our ability to service our existing indebtedness;
- our ability to fund our future operations and capital needs through borrowing or otherwise;
- our success in identifying and managing risks to our businesses;
- our ability to obtain necessary regulatory approvals for our businesses;
- the effects of changes to the Russian legal framework concerning currently held and any newly acquired oil and gas production licenses;
- changes in political, social, legal or economic conditions in Russia and the CIS;
- the effects of, and changes in, the policies of the government of the Russian Federation, including the President and his administration, the Prime Minister, the Cabinet and the Prosecutor General and his office;
- the effects of international political events, including changes in the foreign countries' and their governments' policy towards the Russian Federation and Russian companies;
- the effects of technological changes;
- the effects of changes in accounting standards or practices; and
- inflation, interest rate and exchange rate fluctuations.

This list of important factors is not exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The information and opinions contained in this document are provided as at the date of this review and are subject to change without notice. In order to avoid inconsistency, any person who made themselves acquainted with any information provided in this presentation shall rely on their own analysis of factors and figures that may be related to or may be linked with the facts, phenomena or events described, and shall be guided by their own conclusions when making any decisions, including whether any investments are justified or not. By participating in this presentation or by accepting any copy of this document, you agree to be bound by the foregoing limitations.