

10.0

26

# Corporate Human Rights Benchmark 2020 Company Scoresheet



Company NameRosneftIndustryExtractivesUNGP Core Score (\*)10.0 out of 26

Score	Out of	For indicators				
Governance and Policy Commitments						
2	2	A.1.1 Commitment to respect human rights				
2	2	A.1.2 Commitment to respect the human rights of workers				
1	2	A.1.4 Commitment to engage with stakeholders				
0	2	A.1.5 Commitment to remedy				
Embedding r	espect and Hun	nan Rights Due Diligence				
Embeddin	ng respect					
1.5	2	B.1.1 Embedding - Responsibility and resources for day-to-day				
		human rights functions				
Human R	ights Due Diliger	nce (HRDD)				
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying				
		human rights risks and impacts				
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified				
		(salient risks and key industry risks)				
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment				
		findings internally and taking appropriate action				
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the				
		effectiveness of actions to respond to human rights risks and				
		impacts				
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts				
		are addressed				
Remedies and	d Grievance Med	chanisms				
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or				
		concerns from workers				
2	2	C.2 Grievance channels/mechanisms to receive complaints or				
		concerns from external individuals and communities				
0	2	C.7 Remedying adverse impacts and incorporating lessons learned				

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note 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 2020 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**

### **Governance and Policies**

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.' It also states 'We are committed to respecting human rights as stated in the following founding international documents: The United Nations Universal Declaration of Human Rights' [Code of business and corporate ethics, 2015: rosneft.com & Human Rights Public Position, N/A: rosneft.com] Score 2  • Met: OECD: The Company indicates that 'it shares and observes the () OECD Guidelines for Multinational Enterprises'. The Company also states 'We are committed to respecting human rights as stated in the following founding international documents: The OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises'. [Sustainability Report 2018, 2019: rosneft.com & Human Rights Public Position, N/A: rosneft.com]
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1  • Met: ILO Core: On its website, the Company indicates that 'The Company is also supportive of general principles and values of the Universal Declaration of Human Rights, and the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work. [Press Release - Public Commitment SDG, 20/12/2018: rosneft.com & Human Rights Public Position, N/A: rosneft.com]  • 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 develpment, 2017: rosneft.com] & Human Rights Public Position, N/A: rosneft.com]  • Met: Explicitly list All four ILO apply to EX BPs: The Company requires to comply with each ILO core area in its declaration for interaction with suppliers of goods, works and services. In relation to freedom of association and collective bargaining, it requires the following: 'The Company expects its suppliers to respect, without discrimination, their workers' right to freedom of assembly and association, to organize and to collective bargaining and to form trade unions'. [Sustainability Report 2019, 2020: rosneft.com] & Declaration on HRs for interacting with suppliers of goods, works and services, N/A: rosneft.com]  Score 2  • Met: Explicit commitment to 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' ri

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Met: H&S applies to EX BPs: The Company states that it 'The Company strictly adheres to health and safety requirements. As part of the implementation of the comprehensive approach to uphold HSE requirements and in connection with the Company's Regulations on Procedure for Interaction with Contractors on Occupational and Fire Safety, Health and Environment Issues that came into effect in 2019 and introduced new HSE qualification criteria, standard criteria for HSE qualification by product, work, and service have been developed.' [Sustainability Report 2019, 2020:

## **Embedding Respect and Human Rights Due Diligence**

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources		The individual elements of the assessment are met or not as follows:  Score 1
	for day-to-day human rights functions	1.5	Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to ILO conventions

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Met: Senior responsibility for HR: 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'. [Policy on sustainable development, 2017: rosneft.com]  Score 2      Met: Day-to-day responsibility: The Company states that 'Rosneft's Council for Business Ethics is a standing collegial body. As part of its activities, the Council reviews matters of ethical behaviour, human rights and conflicts of interest and monitors compliance activities and adherence to the Code of Business and Corporate Ethics. The body is composed of senior managers responsible for respective areas and managers overseeing related areas. The Council for Business Ethics develops the methodology and corporate position on business ethics and compliance. Enforcement of corporate compliance rules is the responsibility of senior managers and heads of functions and business units.' [Sustainability Report 2019, 2020: rosneft.com]      Not met: Day-to-day responsibility for EX BRs: No information found about how day-to-day responsibility for managing human rights issues with its extractive business partners is allocated. [Sustainability Report 2018, 2019: rosneft.com]  Sustainability Report 2019, 2020: rosneft.com]
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows:  Score 1  Not met: Identifying risks in own operations: The Company indicates that 'HSE Risk management process is the cornerstone of the Company's HSE IMS [], which is a part of the Company's overall risk management system setting up a unified structured process of hazard identification, risk assessment, planning and implementing activities to manage those. Risk management takes place at a number of management levels - from the heads of structural units in subsidiaries to the top managers in Rosneft headquarters. The results of the lower management levels inform the decisions at the higher levels'. The Company also states 'Rosneft recognizes the importance of regular identification, analysis and assessment of potential human right risks and development of proactive response prior to adverse outcomes. The process of risk identification and assessment, as well as development of the risk management initiatives, are part of the Corporate Risk Management System.' However, no evidence was found on the process used by the Company to identify Human Rights risks in their own operations. [Health, safety and environment, N/A: ttps://rosneft.com & Human Rights Public Position, N/A: rosneft.com]  Not met: identifying risks in EX business partners  Score 2  Not met: Ongoing global risk identification: The following sustainability risks are classified as strategic: []human rights-related risks: if identified by the management, these risks are subject to assessment and mitigation as part of the RM&ICS' However, no evidence was found on how this system identifies Human Rights risks. [Sustainability Report 2019, 2020: rosneft.com]  Not met: In consultation with stakeholders  Not met: In consultation with HR experts  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	The individual elements of the assessment are met or not as follows:  Score 1  Not met: Salient risk assessment (and context): Although the Company describes its general Risk Management and Internal Control System (RM&ICS) and states 'Rosneft recognizes the importance of regular identification, analysis and assessment of potential human right risks and development of proactive response prior to adverse outcomes. The process of risk identification and assessment, as well as development of the risk management initiatives, are part of the Corporate Risk Management System'. However, 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). No further information found in latest revision. [Sustainability Report 2018, 2019: rosneft.com & Human Rights Public Position, N/A: rosneft.com]  Not met: Public disclosure of salient risks  Score 2  Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows:  Score 1  Not met: Action Plans to mitigate risks: The Company states ' Integrated in the CWRMS, sustainability risk analysis relies on the relevant corporate methodology. The following sustainability risks are classified as strategic: human rights-related risks: if identified by the management, these risks are subject to assessment and mitigation as part of the RMICS'. The Company also states 'Rosneft recognizes the importance of regular identification, analysis and assessment of potential human right risks and development of proactive response prior to adverse outcomes. The process of risk identification and assessment, as well as development of the risk management initiatives, are part of the Corporate Risk Management System. The Corporate Risk Management System is regulated by Company Policy on the Risk Management and Internal Control System Nr. P4-01 P-01 and Company Risk Management System Standard Nr. P4-05 S-0012'. However, no specific details found on description of how risks are mitigated, nor which are the salient risks faced. [Sustainability Report 2019, 2020: rosneft.com & Human Rights Public Position, N/A: rosneft.com]  Not met: Including amongst EX BPs  Not met: Example of Actions decided Score 2
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows:  Score 1  Not met: System to check if Actions are effective: Although the Company indicates that it has a general risk management system, no evidence found of a system for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Sustainability Report 2019, 2020: rosneft.com]  Not met: Lessons learnt from checking effectiveness  Score 2  Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows:  Score 1  Not met: Comms plan re identifying risks: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1  Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2  Not met: Comms plan re action plans for risks  Not met: Comms plan re reviewing action plans  Not met: Including EX business partners: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1  Score 2  Not met: Responding to affected stakeholders concerns: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Sustainability Report 2019, 2020: rosneft.com]  Not met: Ensuring affected stakeholders can access communications

### **Remedies and Grievance Mechanisms**

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mec hanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows:  Score 1  • 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]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2  • Met: Number grievances filed, addressed or resolved: The Company indicates that it 'continued to run the ethics hotline, which is designed to obtain feedback on ethics issues. A total of 88 queries were received in 2018, relating mostly to compliance with labor laws (26%), ethics breaches including human rights matters (17%), requests for additional information about business ethics, and other questions. All queries were duly handled by the relevant departments. There is an ongoing exchange of information with the Security Service that supervises the Company's Security Hotline'. The Company also indicates in latest report that it 'in 2019 the ethics hotline received 51 queries relating mostly to ethics or human rights violations (21%), requests for additional information about business ethics (18%) and compliance with labour laws (19%). Other themes included living and working conditions, social programmes, corruption and conflict of interest, feedback, etc'. [Sustainability Report 2018, 2019: rosneft.com]  • Not met: Channel is available in all appropriate languages: The company also indicates that it 'has required processes in force aimed at prompt responses to human rights complaints. The Security Hotline and Ethics Hotline are the key tools in this area. These hotlines are available both for the Company's employees and for any other stakeholders' representatives (written messages are accepted in all local languages used in the countries and regions where the Company operates)'. However, it is not clear that the channel is available in in all appropriate languages. [Sustainability Report 2018, 2019: rosneft.com]  • Met: Opens own system to EX BPs workers: As indicated above, in relation to human rights complaints, the Company states that 'the Security Hotline and Ethics Hotline are the key tools in this area. These hotlines are available both for the
C.2	Grievance		Company's employees and for any other stakeholders' representatives'.  [Sustainability Report 2018, 2019: rosneft.com]  The individual elements of the assessment are met or not as follows:
	channel(s)/mec hanism(s) to receive complaints or concerns from external individuals and communities	2	• Met: Grievance mechanism for community: The company indicates that ' Rosneft has efficient procedures in place for responding to human rights grievances, including the Security Hotline and the Business Ethics Hotline. Hotlines are open not only to Company employees, but to other stakeholders including customers, contractors, suppliers and representatives of the general public'. [Human Rights Public Position, N/A: rosneft.com] Score 2  • Met: Describes accessibility and local languages: The company's hotline is available online, and 'written messages are accepted in all local languages used in the countries and regions where the Company operates'. [Sustainability Report 2018, 2019: rosneft.com]  • Met: EX BPs communities use global system: 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'. It so states ' The Company has implemented the effective procedures for the rapid response to claims and complaints, including the ones in the field of human rights —a security hotline. Applications are accepted by e-mail sec_hotline@rosneft.ru or by phone: +7(800)500-25-45. The Company guarantees confidentiality and security of messaging. [Code of business and corporate ethics, 2015: rosneft.com & Declaration on HRs for interacting with suppliers of goods, works and services, N/A: rosneft.com]
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows:  Score 1  • Not met: Describes how remedy has been provided: The Company states ' The Company has the necessary tools to collect and process complaints and claims relating to huma rights. The Company's employees and any stakeholders, including those from the Company's regions of operation abroad, may contact the Security Hotline or the Ethics Hotline (written requests are accepted in all local languages across the footprint). The Company guarantees confidentiality and security of any requests it receives. Matters related to human rights can also be raised by the Company's employees with Rosneft's Council for Business Ethics and ethics champions available in most of the Group Subsidiaries. The Company investigates all the cases and takes measures to rectify violations whenever any are identified in the area of human rights.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			For its employees, the Company provides regular training on human rights matters, with respective modules integrated into a variety of corporate training courses.' However, no evidence was found of an example of a specific case of specific remedies provided. [Sustainability Report 2019, 2020: rosneft.com & Declaration on HRs for interacting with suppliers of goods, works and services, N/A: rosneft.com]  • Not met: Says how it would remedy key sector risks: See above. No evidence was found on the standard process to provide remedy for victims. [Sustainability Report 2019, 2020: rosneft.com] Score 2  • 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

### Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious		No allegations meeting the CHRB severity threshold were found.
	allegation No 1		

### 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 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, 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.

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