

# Industrial safety and occupational health

**OCCUPATIONAL HEALTH, INDUSTRIAL SAFETY, ENVIRONMENT PROTECTION AND SOCIAL RESPONSIBILITY POLICY IS THE BASIS FOR STRATEGIC PLANNING AND MANAGEMENT OF CURRENT ACTIVITIES OF ZARUBEZHNEFT JSC, SETTING AND ACHIEVING GOALS, CARRYING OUT EFFICIENT MONITORING AND CONTROL, CONSTANT IMPROVEMENT OF ACTIVITIES.**

In 2018, a supervisory audit of CC Zarubezhneft JSC, LLC "JC "RUSVIETPETRO"", Zarubezhneft-Dobrycha Kharyaga LLC was successfully conducted on confirmation of the Certification for compliance with international standards OHSAS 18001:2007. The subsidiaries RMNTK Nefteotdacha JSC and Zarubezhneftstroyontazh LLC were introduced into HSE Management System certification perimeter. A diagnostic audit of ZARUBEZHNEFT-Dobrycha Samara LLC was conducted for compliance with the requirements of international standards OHSAS 18001:2007 for introduction into the certification perimeter in 2019.

Recognizing its responsibility for the favorable environment, preservation of life, health and wellness of people, Zarubezhneft JSC undertakes the following obligations:

- To pursue the "Zero Goal", prevent injuries and deterioration of the peoples' health and environment contamination;
- To use the natural resources, materials and power in a reasonable and rational manner;
- To respect the interests and the rights of the local population in its regions of presence;
- To comply with the Russian and international laws, to fulfill the undertaken obligations before the local communities, state authorities, foreign and Russian business partners and other stakeholders;
- To improve its occupational health, industrial safety and environment protection management system constantly.

To increase competitiveness and unconditional priority when entering international projects of Zarubezhneft JSC, on February 17, 2018, General Director S.I. Kudryashov agreed to join Zarubezhneft JSC enterprises the international Vision Zero Concept, developed by the International Social Security Association (ISSA).

On March 1, 2018, Zarubezhneft JSC positioning the state approach to increasing the safety culture and striving for "Vision Zero" became the first international Company in Russia to join the Concept.

On April 11, 2018, at the 2018 All-Russian Labor Protection Week IV in Sochi, Secretary-General of the International Social Security Association Hans-Horst Konkolewski presented a certificate for Zarubezhneft JSC joining the Vision Zero Concept.

The training was conducted following the Vision Zero Concept:

- for the top management of Zarubezhneft JSC and its subsidiaries – on June 14 and 15
- for heads of Corporate Center structural divisions – on June 21
- for employees of subsidiaries – from June 26 to July 20, and on October 25 and 26.

On October 8, 2018, a meeting with the Ministry of Labor of the Russian Federation was held for setting clear goals and taking concrete practical steps, as the result of which the "Unified Program for Implementation of "Zero accident" Concept, Vision Zero at Zarubezhneft Group of Companies

2018-2021" was formed and approved by S.I. Kudryashov, the Director General of Zarubezhneft JSC on November 12, 2018.

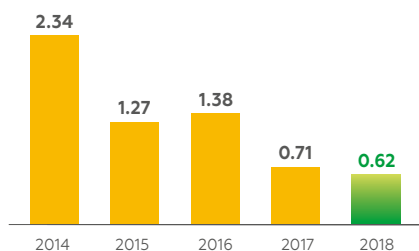
To promote the Vision Zero Concept and involve contracting organizations in its implementation, the 1st International Conference with the contracting organizations of Zarubezhneft JSC GC was held on November 23, 2018 on the implementation of the Vision Zero Concept.

Also, there were carried out cascade visiting Strategic sessions "Leadership in the HSE. The goal is Zero. Implementation of the Vision Zero Concept in Contracting Organizations" in subsidiaries and contracting organizations in the regions of presence (Moscow, Samara, Modriča, Usinsk). According to the Sessions results, HSE Road Maps were formed with the key tasks for subsidiaries for 2019 with an emphasis on the implementation of the Vision Zero Concept principles in the contracting organizations.

Since November 30, 2018, Zarubezhneft JSC has been an official member in the International Council for the implementation of the Vision Zero Concept.

Lost Time Injury Frequency Rate (LTIFR) is accepted in the international practice as the main indicator of the company's efficiency in the area of occupational health and industrial safety. LTIFR has been applied in Zarubezhneft JSC since 2015.

## LTIFR dynamics



The subsidiaries have regularly held training and examinations in the following categories in the area of the labor safety:

- "Industrial safety";
- "Labor safety and first pre-medical aid";
- "Basics of fire safety";
- "Knowledge of rules and norms of working at electrical units";
- "Safe operation of electrical units".

A long-term corporate HSE training program of Zarubezhneft Group of Companies for the period of 2017-2019 was developed and approved by Zarubezhneft JSC. The program is aimed at the development of leadership and safe production culture.

In addition, obligatory employee medical examinations and special evaluations of working conditions (SEWC) at workplaces were carried out.

All personnel of the Company and the subsidiaries is insured under voluntary medical insurance program with SOGAZ LLC.

The relevant reports on labor conditions safety and improvement were submitted to the governmental, supervisory and statistic authorities in due time.



In 2018 the rate of accidents index was 0.62 – it more than 2 times lower than that value in 2015 (1.27).

In 2018, the Company's employees were provided with special footwear, personal breathing protection equipment as well as overalls complying with the unified corporate style of Zarubezhneft GC.

All necessary emergency response and consequences mitigation plans were developed and approved in the subsidiaries (oil spill contingency plan, emergency response plan).

Expert evaluations of industrial safety at hazardous production facilities (HPF) were carried out, Industrial safety statements for the HPF were developed in time.

In-process control is one of the most important elements of efficient HSE management system operation. When carrying out in-process control over occupational health, industrial safety and environment protection, personnel of subsidiaries is guided by the relevant legal and regulatory documents of the Russian Federation and regions of presence as well as internal regulatory documents, including Regulation on performance of in-process control over HSE condition of Zarubezhneft JSC Group of Companies and a procedure of "Occupational health, industrial safety and environment protection risks management".

This procedure is an integral part of the common corporate risk management system and regulates the order of HSE risk management in relation to:

- Violation of the facilities' integrity (emergency situations);
- Injury to workers, counter-agents and visitors;
- Negative environmental impact in carrying out works;
- Negative environmental impact as a result of technological processes.

The Company maintains the preparedness for civil defense and emergencies is ensured through an integrated approach by:

- The testing of safety facilities and the training of the people in charge of civil defense and emergencies training centers;
- Timely development and approval from the state supervisory authorities of response plans for oil (OSR) and oil-products spills at the fields;
- Teaching and the attestation of emergency accident rescue teams in the fields;
- The conclusion of agreements to hold drills twice a year with specialized professional units that provide gas rescue and well blowout safety services.
- Training the personnel to act in case of possible emergencies.



Constant planned interaction with contractor entities carrying out their activities at production facilities of Zarubezhneft JSC as per the laws of the Russian Federation and approved internal requirements of the Company is an integral part of Zarubezhneft JSC personnel operations in the framework of occupational health and industrial safety management system.

The Company pays special attention to enhancing the production culture, leadership and involvement of managers, increase of internal interaction level in the area of HSE, and the actual integration of the target programs at production facilities contributes to this cause:

- "12 life saving rules";
- "Leadership in area of HSE";
- "HSE risks management";
- 5S system in the framework of Zarubezhneft JSC Production system.

The training sessions have been held and in-house trainer groups for 5S have been established both in the Corporate Center and the Subsidiaries (142 persons) in the framework of the 5S System development in Zarubezhneft JSC Group of Companies.

Under the results of 2018 the investment costs for the provision of safe labor conditions in Zarubezhneft Group of Companies amounted to RUB 509,771.043 thousand.