

GLOSSARY

ADR

American depository receipt

Alkaline-surfactant-polymer (ASP) flooding

A chemical enhanced oil recovery technique for mature fields where a mixture of alkali, surfactant and polymers is injected into a formation

APG

Associated petroleum gas

Augmented reality

Superimposing digital information (images, videos, text, graphics) on content displayed by an electronic device, be it a smartphone or AR glasses. In production, it is leveraged to promptly receive information about equipment and its condition, simulate work processes, report failures, conduct employee training, etc. This significantly reduces the number of errors and helps to improve performance

B2B

Business-to-business: the exchange of products and services between businesses, rather than between businesses and consumers

B2C

Business-to-consumer: the process of selling products and services directly to consumers, who are the end-users of these products and services

Bps

Basis point

Cased borehole

A portion of the borehole lined with casing pipes, which are screwed or welded together to form a casing string

CGF

Central gathering facility

CGU

Cash-generating units

CIS

Commonwealth of Independent States (former Soviet republics, except for Latvia, Lithuania, Georgia and Estonia)

CNG

Compressed natural gas

Corporate culture

A system of values, attitudes, goals and principles underlying teamwork and workplace dispute settlement, which are shared by all company employees. Corporate culture is based on corporate values

Corporate culture workshops

Employee workshops attended by company and enterprise executives to discuss the current and target corporate culture model in the company and initiatives that may help to build an engaging environment

CPI

Consumer price index

D&O

Directors and officers liability insurance

DCU

Delayed coking unit

EAD

Electronic asset development

EBIT

Earnings before interest and taxes. This measure of company financial performance is in between gross and net profit

EBITDA

Earnings before interest, taxes, depreciation and amortisation

ECA

Export credit agency

Engaging environment

A set of principles and processes that help employees reach their full potential, continuously develop and improve their performance, actively collaborate to address issues, and feel a sense of personal responsibility for their share of work and their contribution to the company achievements

EnMS

Energy management system

Etalon

An operational transformation programme based on an exemplary business model. The commitment to delivering exemplary performance is typical of a mature company that has successfully navigated through development challenges

EURIBOR

Euro Interbank Offered Rate

FAR

Fatal accident rate

Fracking

Hydraulic fracturing

GDP

Gross domestic product

GRI

An internationally recognised sustainability reporting framework developed by the Global Reporting Initiative

Hierarchical management

A classical organisational model integrating top-down management guidance with bottom-up flow of information from personnel on the ground. It is based on strict supervision, clear delineation of responsibilities, red tape and a vertical hierarchy, and is regarded as inefficient in today's world

HRR

Hard-to-recover reserves

HSE

Health, safety and environment

IEA

International Energy Agency

IFRS

International Financial Reporting Standards

Indigenous minorities

Indigenous minorities of the Russian Far North

Industrial Internet of Things (IIoT)

A system of interconnected computer networks and connected physical assets (equipment) with embedded

sensors to enable data collection and exchange. This enables remote equipment control and industrial automation, with no human intervention

IRMF

Integrated risk-management framework

KMAO

Khanty-Mansi Autonomous Okrug

KPI

Key performance indicator

LB

Licence block

Lean production

A management concept based on continuous improvement and commitment to eliminating all types of losses, with all employees being involved in the improvement process

LIBOR

London Interbank Offered Rate

LPG

Liquefied petroleum gas

LTIFR

Lost time injury frequency rate

Management by objectives

A collective approach to formulating goals, setting the direction, and decision-making in the company. It ensures that company executives and employees share the same goals, understand their importance, and are able to assess their performance and make improvements

MET

Mineral extraction tax

MFWKO

Mobile free-water knockout unit

MSHF

Multi-stage hydraulic fracturing

Mud pit

A facility designed for centralised collection, treatment and disposal of drilling waste

Network-based management

A modern management model based on flexible cross-functional teams capable of setting their own goals and making independent decisions. It relies on horizontal hierarchy, lifelong learning and personal responsibility for the outcomes. It is best suited for addressing complex challenges in a rapidly changing environment

NGL

Natural gas liquids

NIS

Naftna Industrija Srbije A.D., Novi Sad

NPP

Non-profit partnership

NPS

Net Promoter Score

OC

Oil company

Oe

Oil equivalent

OECD

Organisation for Economic Cooperation and Development

OGCF

Oil and gas condensate field

OIRSP

Prirazlomnaya offshore ice-resistant stationary platform

OMS

Operations management system

OPEC

Organisation of the Petroleum Exporting Countries

ORF

Oil recovery factor

PMAC

Polymer-modified asphalt cement

PMB

Polymer-modified bitumen used for road construction

Pp

Percentage point

Predictive analytics

A class of data analysis techniques focused on predicting the future behaviour of objects and entities in order to optimise decision-making

Predictive incident management

A fundamentally new approach to equipment maintenance and repairs based on the analysis of digital data gathered from sensors to accurately predict wear and tear. This helps to maximise maintenance efficiency and prevent accidents

PRMS

Petroleum Resources Management System. This is the world's most widely used system for estimating hydrocarbon resources, defining not only the degree of uncertainty

over oil and gas discovery, but also the economic feasibility of extracting hydrocarbons. Reserves to be measured are divided into three categories: proved, probable and possible (3P)

Proppant / propping agent

Granular material designed to keep an induced hydraulic fracture open under ground pressure and thus enhance oil recovery

R&D

Research and development

RAS

Russian Accounting Standards

Refinery

Oil refinery

Regular management practices

Tools used by managers to improve operating performance and safety. They rely on clearly defined algorithms and implementation principles and are applied at all levels of company management. Regular management practices help implement the company values and create a cultural environment that contributes to achieving its strategic goals

ROACE

Return on average capital employed, calculated as net profit (less dividend on shares) divided by the average number of ordinary shares

SEC

US Securities and Exchange Commission

Seismic

Seismic survey

Underbalanced drilling

A drilling technique where formation pressure is higher than the pressure in the wellbore. The pressure difference minimises formation contamination and helps to increase the drilling rate and the oil recovery factor

US GAAP

Generally Accepted Accounting Principles approved in the US

USA

United States of America

VAT

Value-added tax

VIOC

Vertically integrated oil company

YNAO

Yamalo-Nenets Autonomous Okrug