



ABOUT THE REPORT

For Gazprom Neft, publishing annual sustainable development reports is a major component in stakeholder engagement that allows for obtaining feedback as well as presenting comprehensive information about significant aspects of the Company's activities for stakeholders, its position at the time the Report was prepared and its development prospects.

The Report is prepared in accordance with the basic version of Sustainability Reporting Guidelines — GRI-G4 — and taking into account the provisions of ISO 26000:2010 (Guidance on Social Responsibility). The reporting principles, the GRI index of standard disclosures and ISO 26000:2010 indicators are presented in Appendix 2.

Gazprom Neft has published sustainability reports since 2007. Since 2008, these reports have been published at the same time as the Company's annual reports, thereby enabling the Company to present comprehensive coverage of its activities to solve economic, environmental and social problems in a strategic context

The Report presents information about Gazprom Neft PJSC and its subsidiaries and affiliates (hereinafter referred to as "Gazprom Neft", "the Company" and "the Group") for the 2015 calendar year. The Company's financial position and operating results are presented using consolidated data from Gazprom Neft PJSC. The Report draws on the management and audited financial accounts of Gazprom Neft PJSC drafted in accordance with International Financial Reporting Standards (IFRS). Unless otherwise indicated in the text, data on the Company's social and labour relations and its environmental performance include figures for Gazprom Neft PJSC and its subsidiaries and affiliates based in the Russian Federation and the Commonwealth of Independent States (CIS).

The Report details the Company's medium- and long-term plans. This information is forward-looking in nature. The feasibility of the declared intentions depends on factors (economic, social, and legal) that are beyond the Company's control or influence. The actual results may therefore differ from those indicated in the plans.

The Company employs the external assurance procedure for its Report to enhance the credibility of the presented information and to verify whether the approaches selected to highlight sustainable development matters are consistent with the principles of responsible business practices. In 2015, the Report underwent independent public assurance by the Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs (RUIE). The assurance certificate is published in Appendix 1.

The Report is published in Russian and in English, and is also available on the Company's website.

KEY THEMES AND ASPECTS OF INFORMATION DISCLOSURE

The contents of the Report describe a range of significant themes and aspects that may be reasonably important for reflecting the Company's impact on the economy, environment and society or influencing stakeholders.

When determining significant themes and the corresponding indicators, the Company took into consideration the provisions of the UN Global Compact, the Social Charter of Russian Business as well as the following standards and studies:

- international and Russian standards in corporate social responsibility (CSR) and sustainable development and non-financial report standards (ISO 26000, GRI—G4, G4 Sector Supplement);
- studies on the industry-wide practice for the management of sustainable development and reporting in this area;
- an analysis of the scope of the Company's stakeholder engagement.

The analysis of internal stakeholder engagement utilised surveys of Company employees (executives and specialists) conducted as part of the preparation of this Report, the results of annual research on the social and psychological climate at the Company and the minutes of meetings between employees and management as well as workforce meetings.

When identifying themes that are significant for external stakeholders, Gazprom Neft utilised materials from its regular interaction with investors, the federal and regional authorities, business partners, non-profit and public organisations, experts and local communities. Materials from roundtables that Gazprom Neft organises in the regions to inform stakeholders about the Company's approaches and performance results in sustainable development were also employed. In 2015, special roundtable sessions were devoted to a discussion of the Company's sustainable development reporting. A detailed breakdown of these meetings is presented in Appendix 3. The Company also took into account the recommendations and comments it received as part of the public assurance of its 2014 Sustainability Report by the Non-Financial Reporting Board of the RUIE.

These measures made it possible to outline the range of themes that are significant in terms of the Company's values and strategy as well as from the standpoint of stakeholders.

SIGNIFICANT THEMES AND ASPECTS OF THE 2015 REPORT

Themes and aspects	Priorities of internal stakeholders	Priorities of external stakeholders
ECONOMIC PERFORMANCE		
Company's strategy	✓	✓
Investment programme	✓	✓
Financial stability	✓	
Production efficiency	✓	
Product quality	✓	✓
Innovative activities	✓	
INDUSTRIAL AND OCCUPATIONAL SAFETY		
Safety of production processes	✓	✓
Emergency preparedness	✓	✓
Occupational health and care for employee health	✓	✓
ENVIRONMENTAL SAFETY		
Industrial environmental monitoring	✓	
Compliance with environmental legislation requirements	✓	✓
Environmental impact of the Company's activities at the Prirazlomnoye field	✓	✓
Utilising energy and energy efficiency	✓	
Sustainable use of natural resources	✓	✓
Greenhouse gas emissions	✓	✓
HUMAN CAPITAL		
Equitable remuneration and social support for personnel	✓	✓
Employee training and development	✓	
Labour relations and employment	✓	✓
COMPANY'S IMPACT ON THE REGIONS WHERE IT OPERATES		
Local community development programme	✓	✓
Import substitution programme	✓	✓
Local supplier development programme	✓	✓
Rights of indigenous peoples		✓

The Company hopes to further develop a dialogue with stakeholders on matters concerning corporate social responsibility and sustainable development. We would appreciate feedback on these issues.