
Ethics and anti-corruption activities

The Company strictly observes human rights in its activities. Gazprom Neft does not permit any discrimination based on nationality, gender, origin, age and other grounds, recognises the right of workers to form public associations and organisations to protect their rights and interests, and guarantees respect for the rights of indigenous peoples when organising production operations in areas where they reside. The Company ensures the observance of these and other human rights through its risk management system, environmental, production and social management systems, and communications system with internal and external auditors.

Gazprom Neft has approved an Anti-Corruption and Anti-Fraud Policy based on Russian legislation, the Code of Corporate Governance and other internal regulatory acts. Measures to identify and prevent corruption and fraud risks have been included in the Company's risk management system.

The Company has a hotline that it uses as a system to collect and process information about fraudulent actions, administrative violations and violations of industrial safety. The goal of the hotline is to provide any individual with an opportunity to report violations at Gazprom as well as its subsidiaries. All the reports received are processed with the highest level of confidentiality. The information is verified in compliance with the requirements for objectivity and independence by individuals who are not parties to the proceedings in question.

In order to prevent cases of corruption and fraud, Gazprom Neft is committed to developing and utilising advanced tools and practices in this area. In 2015, the Company began work to eliminate the risk of a separation of duties (SoD) among users of the IT system. This work involves forming new role models that eliminate SoD risks as well as the introduction of a specialised IT solution that allows for effectively managing SoD risks during the stage when access is provided to users.

Internal control and risk management

The Gazprom Neft risk management system aims to ensure the Company's financial stability, achieve a balance between growth in the Company's value, profitability and risk, effectively manage business activities, ensure the safekeeping of assets, identify, correct and prevent violations, prepare reliable accounting in a timely manner and improve the Company's investment appeal as a result.

The principles and approaches to organising the Gazprom Neft risk management and internal control system are determined by the Company's Board of Directors. The Audit Committee under the Board of Directors assesses whether the system is functioning effectively and submits a report on the audit results to shareholders as part of materials for the annual

General Meeting of Shareholders. The creation and maintenance of the risk management and internal control system falls within the responsibilities of the Management Board and CEO.

The Company employs a hotline to provide information about violations of legislation, internal procedures or the Corporate Conduct Code by any Company employee and/or member of a management or supervisory body.

¹ A list of the members of the Board of Directors and their specific skills is presented in the Company's Annual Report for 2015.

² Detailed information on compliance with the Code of Corporate Governance is presented in the Company's Annual Report for 2015.

³ Data on the amount of remuneration for members of the Company's Board of Directors and Management Board is presented in the Company's Annual Report for 2015.