Sustainability management and stakeholder engagement

Some of the key tools of this dialogue include Gazprom Neft conferences for customers and distributors, off-site meetings and fact-finding missions during which future customer and clients that already cooperate with the Company can see the production process in person, study products in detail and discuss important issues.

SAP QUALITY AWARDS 2014 INTERNATIONAL CONTEST

NIS won a silver medal at the SAP Quality Awards 2014 annual international competition in the Business Transformation category among companies in Central and Eastern Europe. The company was awarded for its successful introduction of the customer relationship management system – SAP CRM. The project helped to create a structured customer base, improve the pre-sale preparation monitoring system and more effectively collect data about customer demands in order to subsequently meet these demands. Another benefit of intruding the SAP CRM was an improvement in the quality of customer service due to better reliability and speed of service.

LOCAL COMMUNITIES

ENGAGEMENT MECHANISMS:

- social projects as part of the "Native Towns" social investment programme;
- public hearings, roundtables and dialogues;
- corporate and external media relations;
- the Company's reporting.

KEY ISSUES:

- the Company's contribution to the socioeconomic development of the regions where it operates and improvements to the quality of life of the local population;
- transparency of the Company's activities and decisions;
- the Company's financial stability;
- the industrial and environmental safety of the Company's activities and nature conservation measures.

The results of dialogues with local communities and studies of the social climate in these areas serve as the foundation for the development of the Company's social projects. Gazprom Neft strives to involve the local population in their implementation since it views the social activity of local communities as an essential factor for regional development. To achieve this objective, the Company develops such social investment formats as grant competitions for social initiatives.

In order to generate awareness about its activities and collect comments and suggestions, the Company has developed the practice of holding dialogues and roundtables with local communities in the regions. Public hearings are also a key mechanism of engagement when developing and implementing production projects. When planning activities in regions where indigenous peoples of northern Russia reside, the Company seeks to ensure a balance between the interests of indigenous peoples and the implementation of its strategy. The Company develops and discusses mechanisms with indigenous peoples of northern Russia to minimise the effects of its industrial impact on their traditional way of life and carries out programmes that aim to support the traditional way of life of indigenous peoples of northern Russia and their families.

The Company develops constructive engagement with local communities to support the socioeconomic development of the regions, create a favourable environment for the activities of Gazprom Neft and preserve cultural traditions as well as the environment of such regions.

TOOLS FOR INTERACTION WITH LOCAL COMMUNITIES

The Company is expanding the range of dialogue tools it employs in order to improve the effectiveness of its engagement with local communities and involve them in social projects. In 2015, Gazprom Neft made active use of online channels, in particular the website of the "Native Towns" social investments programme and a group of social media programmes. As part of the implementation of the "DIY City" Laboratory projects, voting was held on social media concerning the further implementation of the project with a search conducted for volunteers and new participants.

Using the feedback mechanisms on the website of the "Native Towns" programme http://rodnyegoroda.ru/, the Company invites local residents to assess the results of social initiatives and collects suggestions on the development of new initiatives. The Company analyses the social problems addressed in the letters and takes them into account when compiling a list of projects for the future year.



PUBLIC ORGANISATIONS

ENGAGEMENT MECHANISMS:

- conferences and exhibitions;
- roundtables;
- joint implementation of social projects;
- reporting.

KEY ISSUES:

- environmental and industrial safety of the Company's activities and nature conservation measures;
- the Company's involvement in regional development;
- information openness and transparency of activities.

The Company is involved in different public and expert organisations, in particular the activities of the Russian Union of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry of the Russian Federation. These activities aim to promote the sustainable development of the country and the industry.

Gazprom Neft enlists experts from public organisations to develop and implement social and environmental projects as well as to discuss the Company's activities at roundtables and conferences in the regions.

TOOLS FOR INTERACTION WITH LOCAL COMMUNITIES

Gazprom Neft and the Skolkovo Foundation concluded a strategic cooperation agreement in 2015. The primary goal of the agreement is to develop Russian technologies to improve the efficiency of the exploration, production and processing of oil and gas. Gazprom Neft and Skolkovo will provide comprehensive support to domestic technological developments for the oil and gas industry and will also promote the establishment and introduction of high-tech products and technologies. At present, Skolkovo has over 100 small- and medium-sized companies that offer innovative solutions for the oil and gas industry. Most of the solutions not only have significant potential to replace imports, but to also be competitive on the global market. As a result of the cooperation between Gazprom Neft and Skolkovo, these companies will gain access to infrastructure for pilot testing and introduction.

