

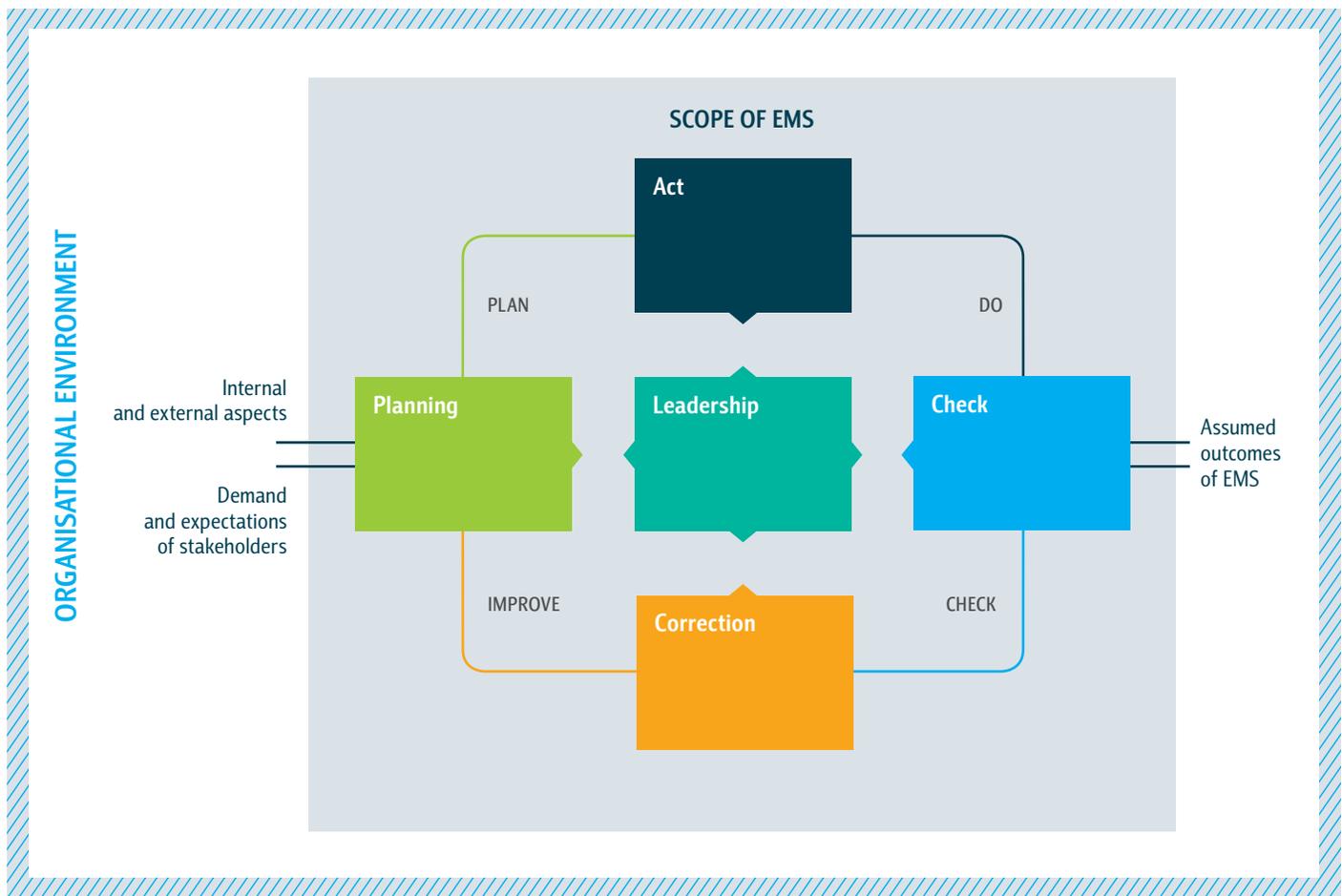
Mitigating the negative environmental impact and the effective use of resources

The priorities of maintaining a favourable environment and the sustainable use of natural resources are among the core principles of the Company's business. Gazprom Neft objectively assesses potential environmental risks and implements measures to prevent negative impacts and to ensure environmental safety.

The integrated environmental management system in place at the Company's enterprises enables Gazprom Neft to implement this principle. In 2015, the Company underwent an audit that confirmed the system's compliance with the requirements of the international standard ISO 14001:2004.

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In accordance with the methodology of the standard, the Company employs the "Plan-Do-Check-Act" (PDCA) management model.

MANAGEMENT MODEL "PLAN-DO-CHECK-ACT" (PDCA) //



Within the framework of this model, Gazprom Neft performs a number of key processes that ensure environment safety and protection:

- the identification of legislative, licensing and corporate requirements;
- an inventory of the sources of adverse effects and an assessment of the environmental impact;
- the identification and ranking of environmental aspects;
- the management of environmental safety assurance programmes;
- risk management in matters of environmental safety, including in environmentally sensitive areas;
- the control of emissions and pollutant discharges, waste production and consumption, and protected land;
- the preservation of biodiversity;
- environmental monitoring and industrial environmental control;
- management of the activities of contracting organisations as regards compliance with corporate requirements for environmental safety;
- an audit of the HSE, OS and CD management system;
- investigations of incidents;
- warning system management, containment of emergencies and clean-up;
- training and development of personnel in environmental safety;
- management of corporate and statistical reporting in environmental safety;
- an analysis of environment safety activities.

When purchasing an asset, the Company conducts a comprehensive evaluation of its condition based on the requirements of national legislation concerning environmental protection and international standards that apply to such assets. The evaluation involves an analysis of the organisational structure of the asset, the planning and control system, and the methods for managing the resources required to implement the environmental policy and comply with production ecology requirements as well as the ranking and assessment of the environmental risks.

The Company insures risks associated with damage to the environment for all Gazprom Neft enterprises. Insurance coverage is provided through reimbursement of the enterprises' expenses that may arise in connection with environmental legislation as a result of the unforeseen, unintentional or sudden pollution of the environment.

Gazprom Neft's environmental protection strategy specifies the Company's liability for nature conservation and aims to achieve the following changes:

- improve the efficiency of the environmental management system;
- reduce the specific indicators of the environmental impact;
- preserve biodiversity;
- ensure the sustainable use of natural resources;
- research activities to search for effective nature conservation techniques and technologies;
- develop an environmental culture in management and production as well as the skills of contracting organisations.