

# Energy consumption and efficiency

Energy conservation and improving the energy efficiency of production assets are among the top strategic priorities of Gazprom Neft.

The Company has employed a corporate Energy Policy since 2013. The Policy is a public document that declares the intentions and obligations of the Company's management to all stakeholders to ensure improvements in the energy efficiency indicators of its production facilities as well as mitigate its negative environmental impact and also reduce the consumption of non-renewable energy resources.

In accordance with the Energy Policy, Gazprom Neft management carries out systematic work in this area to meet the following key objectives:

- to allocate the necessary resources to introduce, maintain and continuously improve the Company's energy management system;
- to consistently improve energy efficiency indicators;

- to establish benchmarks that correspond to the best global standards;
- to observe legislative requirements concerning the use and consumption of energy and energy efficiency.

The Company's activities in energy conservation and improved energy efficiency are based on the methodology of the international standard ISO 50001:2011 "Energy management systems. Requirements with guidance for use", which is the best generally accepted international practice for the systematic management of activities in this area.

In accordance with the top-level division of business processes at Gazprom Neft, the Upstream and Downstream Divisions have independent structural units that are responsible for energy conservation and improved energy efficiency at the enterprises within the divisions. These units form a unified energy management system for their respective divisions in accordance with the requirements of international standard ISO 50001.

## GOALS AND PERFORMANCE RESULTS IN 2015

Goals	Results
Establishment of a centre of excellence, personnel training and improved qualification levels among the chief power engineers of subsidiaries	The "Power" centre of excellence comprised of employees from the Company's corporate headquarters and representatives of subsidiaries was established in 2015. It includes the Energy Efficiency network group whose goal is to identify and exchange best practices and experience in energy conservation and improved energy efficiency.
Implementation of energy conservation and improved energy efficiency programmes for 2015-2017	Energy savings totalled 205 million kWh (RUB 640 million) in the Upstream Division and 3,973.9 TJ in the Downstream Division. Energy intensity in the Downstream Division declined 1.5% due to the introduction of new process units.
Cost optimisation for the purchase of energy resources	In addition to the savings from the implementation of the Energy Conservation Programme, the Downstream Division reduced energy resource expenditures by RUB 242 million.
Introduction, certification and development of the EMS for the Downstream Division in accordance with the requirements of international standard ISO 50001:2011	Projects are being implemented at certain enterprises (JSC Gazpromneft-Moscow Oil Refinery) to introduce the EMS and prepare for its certification. Preparations are also under way to introduce and certify the unified energy management system at the Division, which will unite local energy management systems that were previously established at oil refining enterprises. The projects are expected to be completed in 2016.
Certification and development of a unified EMS in the Gazprom Neft Upstream Division for compliance with the requirements of international standard ISO 50001:2011	The unified EMS for the Upstream Division was certified at the Division's Corporate Headquarters and at the enterprises of Gazpromneft-Noyabrskneftegaz and Gazpromneft-Khantos.
Development of a programme of organisational measures to introduce the EMS at all enterprises of the Downstream Division	The programme of organisational measures was developed and introduced throughout the year.
Further modernisation and development of energy infrastructure	For examples and results, continue reading this section.
Implementation of targeted integrated programmes that aim to improve the reliability of energy conservation at the enterprises of the Upstream and Downstream Divisions	Programmes to improve the reliability of power supplies at the enterprises of the Upstream and Downstream Divisions were approved based on joint work performed by the power engineers of Corporate Headquarters and subsidiaries.