GAZPROM NEFT CARRIES OUT SOCIAL ACTIVITIES WITHIN THE FRAMEWORK OF THE ‘NATIVE TOWNS’ SOCIAL INVESTMENT PROGRAMME. ALL OF THE COMPANY’S CORE SUBSIDIARIES ARE INVOLVED IN THIS WORK. WHEN SCALING INTERREGIONAL PROJECTS IN SPECIFIC REGIONS, THEIR CONTENT IS ADAPTED IN ACCORDANCE WITH THE NEEDS OF THE LOCAL TARGET AUDIENCES.

Subsidiaries annually prepare lists of projects taking into account the urgent objectives for regional development and the opinions of stakeholders – the local and regional authorities, local communities and non-profit organisations. This approach helps the Company achieve a high level of efficiency from its social investments and flexibly take into account the specific features of the regions and the urgent objectives for the development of the regions.

The main tools for implementing the ‘Native Towns’ programme are:
- agreements on socioeconomic cooperation with the regional and local authorities;
- the Company’s own social projects;
- grant competitions for social initiatives;
- corporate volunteering;
- targeted corporate charity.

Stakeholders – local communities, employees, non-profit organisations and the government authorities – serve as active partners for the Company when establishing and implementing the portfolio of projects and programmes. This approach promotes growth in social activity and the competence of local communities in meeting regional development objectives. Key engagement tools include grant competitions for social initiatives, volunteer project competitions and the launch of platforms for local communities to create sociocultural projects.

In 2016, the ‘Native Towns’ programme encompassed 35 regions where the Company operates and featured 165 projects, 287 charitable and volunteer events and seven grant competitions. The Company’s social investments totalled RUB 4.1 billion.

Over its five years of existence, the ‘Native Towns’ programme has implemented more than 2,000 projects valued at almost RUB 19 billion.

When developing and implementing social projects, the Company conducts a comprehensive analysis of the sociopolitical and socioeconomic situation in the regions as well as the federal agenda that influences regional development.

GRANT COMPETITIONS

The Company held grant competitions for social projects in six regions where it operates in 2016. The competition was held for the first time in the Tyumen Region’s Uvatsky District. A total of 460 applications were submitted for the programme, a 21% increase compared with 2015. The competition’s grant fund totalled RUB 24.15 million and 84 projects were implemented as a result.

The assessment is based on data from independent studies that identify pressing problems in the social sector (including in the medium term). The analysis of the key indicators concerning the development of the regions and external environment enables the Company to forecast the development of the sociopolitical and socioeconomic situation and adjust its social activities in accordance with the current problems faced by a particular region. Gazprom Neft also conducts its own research to form a comprehensive picture. In October-November 2016, the Company carried out a sociological study titled ‘Opinions and views of the basic target audiences in the key regions of operations of Gazprom Neft PJSC’. The survey of more than 6,000 respondents measured the optimism level of residents in each of the regions and assessed their vision of the region’s development prospects along with their opinion of the Company’s role in this process.

The highest level of social optimism was seen in the Yamalo-Nenets Autonomous District – the region with the largest share of social investments by Gazprom Neft. Most of the district’s residents know about the ‘Native Towns’ social investments programme and associate it with the Company. Another region with a major share of Gazprom Neft’s social investments – the Khanty-Mansi Autonomous District-Yugra – also showed an increase in the social optimism indicator. In Omsk, where the ‘DIY City’ project laboratory functioned throughout 2016, the percentage of optimistic residents increased by 10%.
The company regularly studies the sustainability of projects that have won grant competitions. Based on organisational, financial and communication criteria, projects that continue to be implemented in full or expand after grant support ends are recognised as sustainable. A 2016 study of the projects carried out by the winners of the 2013-2015 competitions found 98 projects (more than 78%) to be sustainable.

Gazprom Neft makes continuous improvements to its social investments system. In 2016, the Company drafted and approved a regulatory guidance document that describes approaches to the formation and approval of regional

STUDY OF TARGET AUDIENCES

When scaling social programmes in the regions where it operates, Gazprom Neft conducts its own studies (analysis of open sources, in-depth interviews) that make it possible to adapt the programme in accordance with the needs of target audiences. In particular, a study of pressing problems for Khanty-Mansiysk in 2016 revealed that when launching the ‘DIY City’ project laboratory in the city the Company needed to focus on a corporate social initiative for sociocultural project planning. A special emphasis should be placed on expanding interaction among urban activists and traditional cultural institutions. In Omsk, for example, the laboratory primarily worked to solve problems related to the state of the urban environment based on the results of a study of local residents’ needs.
social investment programmes called the ‘Procedure for Preparing, Protecting, Implementing and Monitoring the Social Investment Programmes of Subsidiaries’.

A key component of this work is the advanced training of specialists in the management of social programmes and projects. The Forum of Volunteers, which the Company has been hosting since 2014, holds a special place in a number of the training tools. In 2016, the Forum expanded its scope and took place in a new format – the ‘Native Towns’ Social Investment Forum. The Company’s experts and partners in matters concerning regional development and the implementation of social and charitable projects gathered in St. Petersburg along with the winners of the second competition of Gazprom Neft volunteer projects. The 180 participants in the Forum exchanged experience, discussed relevant problems and trends, and assessed the effectiveness of new social activity tools.

Alexander Dybal
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Thanks to the ‘Native Towns’ programme, we are not only changing people’s lives for the better here and now, but also laying a foundation for the sustainable development of the regions for many years to come and initiating the process of continuous improvements in the cities. We hope that these social investments will lead to the qualitative transformation of the Russian regions.