

STAKEHOLDER ENGAGEMENT

ENGAGEMENT WITH A BROAD RANGE OF STAKEHOLDERS ENABLES THE COMPANY TO ALIGN ITS INDUSTRIAL SAFETY AND ENVIRONMENTAL PROTECTION ACTIVITIES AS EFFECTIVELY AS POSSIBLE.



EMPLOYEES

- > The Company actively engages with personnel in establishing safe working conditions. In 2016, occupational safety ombudsmen were hired at Messoykhaneftegaz. Their job includes interacting with the employer on major occupational safety problems faced by oilfield employees, discussing the provision of personal protective gear, the procedure and amount of benefits and allowances for harmful working conditions as well as participation in drafting collective bargaining agreements. In addition, the company employs 38 internal trainers whose job is to promote compliance with occupational safety standards among their colleagues and contractors. The trainers underwent specialised training in 2016.
- > To support the environmental culture at Gazprom Neft, specialised forums and seminars are held at which the Company's environmental experts discuss the best practices needed to form an environmental culture at the Company: enhancing the level of involvement and initiative by employees, meeting environmental requirements and developing environmental safety skills among production unit employees, among other things.
- > Gazprom Neft holds clean-up and planting events each year in an effort to improve the environmental culture at the Company. In 2016, 120 events were held during which some 4,000 tonnes of garbage were collected and more than 7,000 trees, shrubs and flower beds were planted. The Company also conducted approximately 40 environmental education events for employees and local communities in 2016.



120 events

to clean and landscape areas held in 2016

4,000 t

of trash collected

7,000

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Safe working conditions have always been and remain one of the key goals at the company. I strive for engagement with production field workers to maximise their benefits. I see my mission as protecting the right to safe work and improving working conditions in the workplace.

Ayrat Kurmanayev

Occupational Safety Ombudsman and Oil, Gas and Condensate Production Foreman at Messoykhaneftegaz



GOVERNMENT

> Gazprom Neft is involved in work to improve existing industrial safety and environmental protection legislation and to draft new bills as part of its interaction with the legislative and executive government authorities and its work in the Russian Union of Industrialists and Entrepreneurs. Gazprom Neft CEO Alexander Dyukov and Industrial Safety Department Head Oleg Nikolayenko are members of the Industrial Safety Committee of the Russian Union of Industrialists and Entrepreneurs.

In 2016, the Company was actively involved in fine tuning more than 30 bills such as the Federal Law 'On Environmental Protection', the Federal Law 'On the Protection of Atmospheric Air', the Government Resolution 'On the Approval of the Work Procedure for Eliminating Accumulated Environmental Damage' and the draft departmental act 'On the Approval of the Procedure for Submitting a Declaration on Payment for Negative Environmental Impact', among others.

As part of its work on the RUIE Industrial Safety Committee in 2016, the Company submitted proposals to update and prepare expert conclusions and amendments to 37 draft federal laws and bylaws as well as proposals on 43 draft regulatory legal acts concerning environmental safety.

> The Company's environmental protection goals are part of socioeconomic agreements that Gazprom Neft signs with a number of regions in which it operates. In 2016, such agreements were in effect with the government authorities of the Tyumen Region as well as the Khanty-Mansi and Yamalo-Nenets Autonomous Districts.

> Gazprom Neft is actively working to develop manuals of the best available technologies (BAT) as part of Federal Law No. 219-FZ 'On Amendments to Federal Law 'On Environmental Protection' and Certain Legislative Acts of the Russian Federation'. A technical working group in charge of drafting the BAT manuals has currently drafted and approved the manuals: 'Wastewater Treatment for the Manufacturing of Products (Goods), Performance of Work and Rendering of Services at Major Enterprises' and 'Thermal Waste Neutralisation (Waste Incineration)'.

FEDERAL STANDARDS AND RULES

The 'Rules for the Industrial Safety of Oil and Petroleum Product Warehouses' were drafted and approved at the initiative and with the direct involvement of Gazprom Neft in 2016.

> The annual Gazprom Neft Environmental Conference allows for a continued dialogue with the government authorities. At the seventh conference, which took place in December 2016, specialists had the opportunity to hear reports from representatives of the Ministry of Natural Resources, Ministry of Construction and the Federal Service for Natural Resource Usage Oversight. The conference participants discussed problematic aspects of existing environmental legislation and new approaches to regulating the human impact on the environment, prospects for cleaning up accumulated environmental damage as well as global changes in environmental safety legislation as a whole.



LOCAL COMMUNITIES

The Company holds public hearings on draft Environmental Impact Assessments (EIA) when developing new projects. At the hearings, Gazprom Neft informs stakeholders about the proposed activities and their possible environmental impact and provides access to the documents that are being drafted. The Company then adjusts the project documentation based on any suggestions or comments. In 2016, public discussions were held and approval was secured for 40 Gazprom Neft projects, including the modernisation of the Prirazlomnaya offshore ice-resistant fixed platform, the construction of additional wells at the Vygapurovskoye field of Gazpromneft-Noyabrskneftegaz and the construction of well clusters at the Novoportovskoye oil and gas condensate field of Gazpromneft-Yamal, among others. The hearings were attended by representatives of the indigenous peoples of the Far North, local residents and municipal administration officials.

ECOLOGY OF A MEGALOPOLIS

In 2016, RIA Novosti launched a special project with Gazprom Neft's support called 'Ecology of a Megalopolis', which was established jointly with the Moscow Department of Nature Management and Environmental Protection. The project raises awareness about the primary factors impacting the environment in major cities, the main sources of air pollution in Moscow and measures that are being taken to improve the city's environmental condition.



Gazprom Neft is involved in work to improve the capital's environment in a number of ways: it is modernising the Moscow Oil Refinery, implementing volunteer projects to make the city greener and developing an automated system to monitor industry's environmental impact jointly with the Moscow government. We can only applaud Gazprom Neft's support of the information project on the city's environmental issues.

Anton Kulbachevsky

Director of the Moscow Department of Nature Management and Environmental Protection



EXPERT COMMUNITY AND NGOS

The Company develops environmental programmes and introduces new technologies in cooperation with scientific institutions and non-governmental organisations. In particular, Gazprom Neft is drafting and implementing biodiversity conservation programmes jointly with the Severtsov Institute of Ecology and Evolution.

Gazprom Neft cooperated with the Sysin Research Institute of Human Ecology and Environmental Health over the last year to develop unified pollutant standards to be used by industrial enterprises throughout Russia.



PARTNERS AND OTHER ENTERPRISES IN THE INDUSTRY

Gazprom Neft actively exchanges experience with leading companies in the industry. In 2016, Gazprom Neft hosted a two-day conference called 'Conscious Safety' as part of the All-Russian Occupational Safety Week. The conference was attended by more than 120 employees with HSE, OS and CD functions as well as representatives of Shell, Surgutneftegas, Bashneft and NOVATEK, among others.

During the reporting year, Gazprom Neft implemented the online project 'Muscovites Coming Clean' – a test for Moscow region residents who are interested in environmental issues. The test at the website moskvalogiya.ru enables users to assess their level of environmental responsibility and also learn about environmentally friendly initiatives at the Moscow Oil Refinery and in the region. People who take the test can then share the results on social media and also invite new participants to take the test.