

Conclusion of the RUIE Nonfinancial Reporting Board On the Results of Consideration of the JSC Gazprom Neft Sustainability Report for 2012 with the View of its Public Certification

The Nonfinancial Reporting Board of the Russian Union of Industrialists and Entrepreneurs (hereinafter - the Board) established in accordance with the decision of the Bureau of the Board (Resolution dated June 28, 2007) has considered on the initiative of JSC Gazprom Neft (hereinafter - the Company, Gazprom Neft) the Company's Sustainability Report for 2012 (hereinafter - the Report). The Company applied to the RUIE for the public certification of the Report by the Board.

The Board forms its opinion of the completeness and relevance of the information on the Company's activities presented in the Report based on the Social Charter of Russian Business containing the principles of responsible business practices.

In the period from April 20 to May 17, 2013, members of the Board examined the contents of the Report submitted by the Company and made out this Conclusion in accordance with the approved Regulations on the Public Certification of Corporate Nonfinancial Reports. The Board members have the necessary competence in the field of corporate responsibility, sustainable development and nonfinancial reporting; they comply with the ethical requirements of independence and objectivity of ratings, and express their personal expert opinion rather than the opinion of the organizations represented by them.

The Report was evaluated based on the following completeness and relevance criteria as to the information contained therein:

Information is considered relevant when it shows the company's activities to implement the principles of responsible business practices disclosed in the Social Charter of Russian Business (www.rspp.ru).

Completeness implies that the company comprehensively shows its activities in the report - the underlying values and strategic guidelines, its management systems and structures, its achievements and key performance results, the system of interaction with its stakeholders.

The Company's use of the international reporting systems is taken into account as part of the public certification of the Report. However, confirmation of the level of the Report's compliance with the international reporting systems is beyond the scope of this Conclusion.

The Company is responsible for the information and statements contained in the Report.

Reliability of the factual evidence contained in the Report is not covered by the public certification.

This Conclusion is prepared for JSC Gazprom Neft. The Company may use this Conclusion for both its internal purposes and communication with the stakeholders by publishing it without any changes.

FINDINGS

Based on the Report analysis, the public information posted on the Company's official corporate website, and the collective discussion of the results of an independent evaluation of the Report by the members of the RUIE Nonfinancial Reporting Board, the Board confirms the following:

The Sustainability Report of JSC Gazprom Neft for 2012 contains the relevant information, covers the key areas of responsible business practices in accordance with the principles of the Social Charter of Russian Business, and discloses with sufficient completeness information about the Company's activities.

The Company's Report for 2012 contains relevant information on the following aspects of responsible business practices:

Economic Freedom and Responsibility: The Report presents the directions of the Company's operations. It shows its market position in the industry at the national and international levels. It presents the strategic vision in the 2020 perspective. The Report contains detailed information on the production and economic results, which are presented in dynamics for three years for the whole company, where achievements in certain aspects outrun the planned parameters and medium-term targets. It presents information on the ongoing modernization policy, emphasizes the importance of innovation; it shows the directions and the associated opportunities for the business development. The Report outlines the key parameters of a sustainable development strategy, highlights the priorities, objectives and targets in this field, and shows that they are defined in the context of business strategy. It follows from the Report that the Company is focused on providing quality products and services; the Report contains information on the results achieved in this area, including improved environmental performance of the fuel range. It describes the overall corporate governance system, including the allocation of responsibility for sustainable development. Information is given on the implementation of a common approach to risk management, including non-financial risks, based on the approved corporate standard "Integrated Risk Management System". The Report informs about the key approved documents defining the principles of the Company's and its employees' activities - the Corporate Code of Conduct and the Corporate Code disclosing the values, ethics, and the principles of interaction with the stakeholders. As an important element of sustainable development management, the Report states formation of the unified corporate culture based on common values.

Partnership in Business: Interaction with the stakeholders is presented in the Report as an important factor in ensuring sustainability of the Company and its effective performance. Highlighted with a varying degree of detail is the practice of business partnership with all of the key stakeholders. Specified are the principles and mechanisms of interaction, the main directions and priorities stated in the corporate codes. Disclosed is the information on the relationship with the shareholders and investors developed in accordance with the approved regulations. It is noted that the information and statements are the important components of this interaction. The Report provides information on implementation of the set of measures and procedures to improve efficiency of the personnel, including development of the internal communications system. It addresses the issues of building business relationships with suppliers and customers. Special attention is paid to the efforts aimed at compliance with the requirements of the Company's partners in the field of industrial and environmental health and safety, which is based on the approved rules and developed procedures for implementation of the same. The Report provides information on interaction with the state and municipal authorities, including cooperation in the development of sectoral legislation, conclusion of agreements in the field of socio-economic development of the regions of operation. It gives examples of interaction with the non-governmental organizations, especially with the environmental ones, as well as with research centers.

Human Rights: The Report declares commitment to observance of human rights. Presented is detailed information on various aspects related to employment. The Report discloses the available control procedures for discharge of the Company's obligations under the Collective Agreement. It highlights the measures to prevent discrimination (declares equal career opportunities for the staff, its hiring and promotion, etc.). There is evidence of the practiced respect for other human rights related to the activities of the Company (due account for the interests of indigenous minorities of the North, concern for environmental well-being of the population in the regions of operation).

Environmental Conservation: The issues of environmental and industrial safety, environmental conservation and sustainable use of natural resources are disclosed in the Report in the context of sustainable development and in connection of the issues addressed in this area with the overall development strategy of the Company. The relevant guidelines and obligations of the Company are set out in the corporate documents, including the approved policy of JSC Gazprom Neft in this respect. The Report shows availability in the Company of the Unified Integrated Health, Safety and Environment Management System, and implementation of the integrated Environmental Management System. Of particular importance is the production of ecologically clean fuels as an important component of the Company's environmental policy. The Report contains details of implementation of the technological solutions that reduce the negative impact on the environment. It provides information about the growth of the total investment in environmental protection, continuous monitoring of the impacts, including the indicators that show reduction of the adverse

effects of industrial activity (air emissions, land reclamation, waste management). There are targets for 2013. The Report gives a summary of implementation of the program for utilization of associated petroleum gas, of the efforts taken under the Kyoto Protocol. It highlights the efforts to improve energy efficiency, and shows the results of the energy efficiency programs. It is reported on systematic work in this area in order to ensure compliance with ISO 50001 (energy management system), although this work has not been completed so far. The Report informs of the project related to the use of alternative energy sources launched in cooperation with foreign partners.

Participation in the Local Community Development: The Company formulates its position with regard to participation in the local community development as part of its responsible business practices. The Report provides information on the implementation of social projects in the regions of operation, on its activities in the field of corporate philanthropy. It defines the social investment priorities and the principles for selection of projects for funding. In the reporting year, in addition to the Regional Policy Concept and Charity Policy, the Management Board updated and approved the "Home Towns" corporate program underlying all Company's efforts in this field, including the concluded agreements on social and economic cooperation with the regional and municipal authorities. The Report describes some of the significant projects in priority areas. It discloses the programs to support the indigenous minorities of the North. Information is provided on the implementation of charity projects with participation of the employees, on support to and development of volunteering. The document discloses the volumes of social investment.

Final Provisions

In general, the Report suggests that the issues of sustainable development are of strategic importance for the Company. Based on its self-assessment, the Company states that its position in relation to the principles of sustainable development and social responsibility complies with the standard ISO 26000:2010. The disclosures present the Company's position in relation to the priorities and objectives of sustainable development, and highlight the approaches to interaction with the stakeholder in this context. The Company has implemented a comprehensive approach to disclosure of information on the key areas of activity, including economic, environmental and social aspects. The Report contains a significant number of performance indicators.

The Company's Report is prepared using the recommendations applied in the Russian and international accounting practices (GRI Guidelines and the individual sectoral elements for the oil and gas industry), which ensures continuity and comparability of different reporting cycles, as well as comparability with reports from other companies.

It should be noted that the Company has made a significant step towards development of the culture of corporate sustainability reporting - the approach applied in the preparation of the Report to the analysis of responsible business practices of the Company based on the provisions of the international standard ISO 26000:2010. At the same time, this approach provides for the reporting information to cover the key aspects of the responsible business practices set out in the Social Charter of Russian Business due to consistency of the basic provisions in the national document and in the international standard.

The Sustainability Report of JSC Gazprom Neft for 2012 is the fifth report of the Company, which demonstrates consistent development of the nonfinancial reporting process.

RECOMMENDATIONS

Noting the merits of the Report, the Board draws attention of the Company to some aspects of its relevance and complete disclosure that are material for the stakeholders, and recommends considering the same in order to further improve the reporting process and to give a balanced presentation of all aspects of the Company's activities.

It is recommended to further strengthen economic analysis of the activities by means of a more in-depth look at the industry context, taking into account the issues of development of the oil and gas and power industries that are relevant to both the Russian and the global economy. Due to the fact that the Company plans updating in 2013 its long-term strategy in view of some internal and external factors, it would be appropriate

to give their brief analysis in the next report, to disclose in more detail the content of the strategy, and to demonstrate its relation to the activities in the areas of sustainable development.

It would be worth paying more attention to assessment of the Company's impact on the economy of the country and the regions of its operation (for example, tax revenues, creation of jobs and their quality, the Company's share in the GRP, etc.).

The form of the results presentation could be improved by comparison with the planned parameters. In respect of some business lines, the Report gives the targets for 2013, which makes it possible to compare the targets and the results achieved in the next reporting cycle and to visualize the structured data. This would allow a more in-depth assessment of the progress achieved, the problem areas and the growth points. At the same time, more attention should be paid to analysis of the problematic aspects. It is recommended for the future to disclose in more detail the process of identifying the unresolved issues and difficulties, including involvement of the stakeholders.

It is recommended for the future to include in the reports, along with the generalized indicators for the whole Company, more information showing the results of the activity related to the key production facilities that are significant for the external community. First of all, it means the industrial and environmental health, safety, energy consumption and human resources management indicators.

It would be useful further on to systematize the information on such essential aspect for disclosure in the reports as improvement of the quality of the products and services, given the attention paid to these issues by the Company. It is recommended to present the products quality issues in a more concentrated form, to cover in more detail the activities and approaches to the management in this area, as well as the plans to implement ISO 9001 (quality management).

It follows from the Report that JSC Gazprom Neft carries out the activities aimed at involving the stakeholders in implementation of the Company's projects, which allows adjusting their development and to identify and eliminate the existing risks. It seems appropriate to pay more attention to this issue in subsequent reports, to include information on the results of interaction and on taking into account the views of the stakeholders, and to give specific examples.

It is recommended further on to consistently expand the list of the indicators showing the environmental impact, the total consumption of energy resources, and the efficiency in the environmental field. Given the importance of the environmental and industrial safety issues for the regions of operation of the Company's big enterprises, it would be reasonable to report more complete, systematic information on their impact and on implementation of the targets and objectives of the corporate policy in this area.

Concerning the coverage of the activities' social aspects in the external community, it would be advisable to increase the focus on disclosures with regard to the projects implementation mechanisms, to the substantive aspects of partnership with the authorities, non-profit organizations and business partners.

Emphasized should be the importance of the information on the diagnostics carried out under ISO 26000:2010, noting at the same time the practicality of a more detailed description of the self-assessment process in the future, which would allow the stakeholders to better understand how the CSR principles are integrated into the Company's operations. It is also recommended to extend the scope of self-assessment in accordance with the standard ISO 26000:2010 and to move consistently towards integration of the principles of social responsibility in the business processes, including all levels of management and areas of responsibility. It would be useful to present in the reports information about such efforts, about the use of its results in the management practices, about the activities conducted for this purpose, and the progress achieved.

The RUIE Nonfinancial Reporting Board favorably appraises the Report, acknowledging the Company's commitment to the principles of responsible business practices and noting consistency and progress in the reporting process development, and confirms that the Sustainability Report of JSC Gazprom Neft for 2012 has passed public certification.

Chairman of the RUIE Nonfinancial Reporting Board

F.T. Prokopov

Deputy Chairman of the RUIE Nonfinancial Reporting Board

E.N. Feoktistova