

Conclusion of the RUIE Nonfinancial Reporting Board On the Results of Consideration of the JSC Gazprom Neft Sustainability Report for 2013 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 2013 (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 16, 2014, 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 2013 contains the relevant information covering the key areas of responsible business practices in accordance with the principles of the Social Charter of Russian Business. The Report discloses with sufficient completeness information about the Company's key lines of business.

Recommendations of the RUIE Board based on the results of public certification of the previous

Report of JSC Gazprom Neft for 2012 are complied with and presented in the Report for 2013 in terms of expanding information about the Company's strategy, its correlation with the goals and activities of JSC Gazprom Neft in the field of sustainable development. Disclosed in more detail are the efforts to improve product quality, and to manage social investment.

The Company's Report for 2013 contains relevant information on the following aspects of responsible business practices:

Economic Freedom and Responsibility: The Report provides information on the improved production and economic performance in 2013, on the events that are important for achieving the strategic goals of the Company. It contains information about the modernization of production and introduction of new technologies, about the achievements in improving product quality (early transition of all refineries to production of fuel in accordance with the Euro-4 and Euro-5 standards, improved parameters of crude oil refining). The Report provides information on the efforts aimed at ensuring availability of the premium grade motor fuel for the end consumers, on development in the sales of gas engine fuels that are more environmentally friendly and economical. The Report informs of approval of the new Development Strategy of JSC Gazprom Neft up to 2025, states the key milestones and business objectives by the operating segments. It provides information on the growing resource base achieved by conducting exploration, on development of gas activities, on improving efficiency of petroleum products sales. It summarizes the approved in 2013 Innovative Development Program of the Company until 2020, and the Innovation Policy. The document discloses the corporate governance system, including information on the distribution of responsibilities of the Board members in the key areas, as well as on the sustainable development issues considered by the Board of Directors and by the Management Board of the Company. It states further development of the Integrated Risk Management System (IRMS), which covered in the reporting year all of the key assets of JSC Gazprom Neft, and creation of the technological conditions for transition to a single database as to the risks of the Company. Disclosed are the results of achieving the goals of sustainable development in 2011-2013. The Report outlines the plans for the next three years as to the mining, processing and sale of petroleum products to the end consumers.

Partnership in Business: The Report shows interaction with all groups of the stakeholders determined by the Company as the key ones. It specifies the key regulatory documents, lines and mechanisms for interaction with the stakeholders. It states that the key aspect of interaction with the shareholders consists in improving the quality of corporate governance, in strengthening the brand and reputation of the Company. The Report discloses the use of different methods of interaction, including new approaches to the dividend policy, the rewards for information transparency. The Report states that cooperation with the authorities is aimed at improving the Company's business environment and at developing partnership in addressing the socio-economic issues of the territories based on the partnership agreements with local authorities. It highlights in detail the channels and methods of interaction with the Company's employees in all major aspects related to labor relations. It reports on the satisfaction surveys and the social climate studies conducted in the work teams in order to improve the personnel management policies. The Report provides information on the systematic efforts in relations with the business partners, suppliers and customers. It indicates growth of the exchange trade share as a modern and transparent mechanism for sale of refined products, development of the customer loyalty program, implementation of the programs to improve the products quality and environmental safety, etc. The Report contains information on interaction with the research and educational institutions, public associations. It gives details of the application of a wide range of tools for communication with the stakeholders.

Environmental Conservation: The Report demonstrates the targeted efforts to develop the Unified Integrated Health, Safety and Environment Management System. It states implementation of the energy management system in accordance with ISO 50001:2011 and creation for this purpose of the unified regulatory and methodological procedures. As it follows from the Report, the Company's Integrated Environmental Management System was successfully certified in the reporting year for compliance with the international standard ISO 14001:2004. The Report briefly describes the Energy Policy of JSC Gazprom Neft adopted in 2013. It provides information on the activities aimed at improving the systems of waste management and wastewater treatment, reducing the APG flaring, improving the production premises, and remediating the disturbed and contaminated land. The results of environmental activities are characterized by the quantitative indicators, which are shown in comparison with prior periods and evidence the positive

dynamics. The Report discloses in detail the targets for 2014 related to the environmental protection, including the data on energy efficiency. It describes some of the measures to interact with the public on environmental issues.

Human Rights: The Report states that labor relations in JSC Gazprom Neft are based on respect for human rights, on providing equal opportunities to the employees, on prevention of discrimination on any grounds. It informs of observance of the employees' socio-economic rights, including through cooperation with the trade unions. It is stated that JSC Gazprom Neft monitors and controls compliance with the labor legislation on the part of the officials, as well as monitors discharge of the Company's obligations under collective agreements. Information is provided on the programs to support indigenous minorities of the North residing in the regions of the Company's operations.

Participation in the Local Community Development: The Report states the priorities of its regional policy, shows the organizational management structure in this area. The Company informs that within the framework of the Home Towns social investment program it implemented 348 projects, extended the program geography; it presents the results achieved in the field of education and culture, child and mass sports support, urban development, cooperation with indigenous minorities of the North, and outlines its plans for the future. The Report provides information on the adoption in 2013 of the Charity Concept, on the introduction of a new instrument for social investments in the territories - grant competitions, on the ways and methods to receive feedback from the public. It is noted that the findings of the public opinion survey were taken into account when choosing the lines to distribute the charitable funds. Published are details of cooperation with the regional and municipal authorities, participation of employees in the volunteer activities, targeted support to the vulnerable groups of population, social investments and charity expenditures of the Company.

Final Provisions

In general, the information disclosed in the Report presents the Company's position in relation to the priorities and objectives of sustainable development in the context of a long-term business strategy and as part of collaboration with the stakeholders. 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 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 comparability of the information with reports from other companies. It should be noted that in preparation of the Report, the Company applies the approach to the analysis of its responsible business practices based on the provisions of the international standard ISO 26000:2010 - Social Responsibility Guidelines, which is consistent with the provisions of the Social Charter of Russian Business.

The Sustainability Report of JSC Gazprom Neft for 2013 is the seventh report of the Company, which evidences consistency in development of the nonfinancial reporting process, responsible attitude of the Company to its obligations in the field of improving transparency.

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 the further reporting cycles.

The Board notes that the recommendations made based on the results of analysis of the previous Report for 2012 can also be used in the Company's further reporting practices.

Information on the positive results of production and economic activity in the context of sustainable development of the Company will be more convincing when they are presented more clearly and linked with the goals and objectives of sustainable development, which are the usual targets for the oil and gas companies. Those include the strategy and the risks associated with the extraction of non-conventional

energy resources, with the mining in difficult conditions and specific areas; with the environmental impact management in connection with the drilling operations; with the prevention of oil spills, etc. This is all the more important that production growth by itself does not necessarily indicate achievements in the field of sustainable development, and can even contradict its principles.

It would be useful to present more clearly the Company's position on the issues significant for the stakeholders, which have no common opinion in the external community, give rise to certain concerns and are not discussed publicly (in particular, reliability of environmental safety in oil production in the Arctic, development of shale oil). The Company's response to such doubts and concerns is essential; and it is recommended to include this issue in the Report, including assessment of the risks involved.

The Report states that the Company carries out activities focused on involvement of the stakeholders in the implementation of its projects. It is recommended to pay more attention in the future to covering the specific results of participation of the stakeholders (customers, suppliers, business partners, and citizens) in such projects, which are of mutual interest and aimed at creating common values. Results of the feedback from various stakeholders deserve a wider coverage in the reports.

It is also proposed to pay attention in the future to development of the forms of interaction with the stakeholders in the preparation of reports. It is recommended to use such proven tools as conducting dialogues and public hearings. This will help to choose the priority themes and the topical issues for disclosure in the report, provide convincing information on the decisions taken on the basis of discussion with respect to disclosure of the significant topics.

To ensure more clarity and completeness of information on the energy efficiency issues, it is recommended to extend the section on energy consumption, to give more detailed information on the components of the energy sources consumed, to provide explanations as to the meaning of the cited indicators, and to assess the Company's achievements in this field.

It is also advisable, along with the aggregated energy consumption data and other environmentally significant parameters, to include data on the key assets, or to give references to the sources of such information.

It is recommended to pay special attention in the Report to the challenging areas and issues that can serve as benchmarks for setting goals for the future. A more balanced presentation of the material will foster the growth of confidence in the information provided.

Given the importance of correct determination of the reporting boundaries for clear perception of the information provided, it is recommended to highlight this issue in more detail in the future. This applies to the newly acquired businesses, to the foreign assets in respect of which explanations are required, whether the details of such assets are included in the disclosed figures, whether all such assets are covered by the consolidated data, for example, in terms of environmental performance.

The RUIE Nonfinancial Reporting Board, favorably appraising the Report, acknowledging commitment of Gazprom Neft to the principles of responsible business practices and noting consistency and progress in the reporting process development, confirms that the Sustainability Report of JSC Gazprom Neft for 2013 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