

Opinion of the RUIE Non-financial Reporting Board based on a Review of the Sustainability Report for 2016 by Gazprom Neft PJSC for purposes of Public Certification

The Non-financial Reporting Board (“the Board”) of the Russian Union of Industrialists and Entrepreneurs (“the RUIE”), established by resolution of the Bureau of the Board (Resolution dated June 28, 2007), has, on the initiative of the Company Gazprom Neft PJSC (“Gazprom Neft”), reviewed the Sustainability Report of that Company for 2016 (“the Report”).

The Company requested the RUIE to carry out public certification of the Report by the offices of the Board. The Board reached its opinion on the completeness and relevance of the information on the Company's business presented in the Report from the viewpoint of the Social Charter of Russian Business, which sets out principles for responsible business practices.

The members of the Board examined the contents of the Report submitted by the Company in the period from 20 April – 15 May 2017 and prepared this Opinion in accordance with the RUIE’s approved Regulations on the Public Certification of Corporate Non-financial Reports. The Board members have the required expertise in the sphere of corporate responsibility, sustainable development and non-financial reporting; their assessment complies with the ethical requirements of independence and objectivity, and they express their personal expert opinion rather than the opinion of the organizations represented by them.

The Report was evaluated based on the following criteria for the completeness and relevance of the information contained in it:

Information is considered relevant to the extent that it reflects the Company's actions to implement the principles of responsible business practice that are set out in the Social Charter of Russian Business (www.rspp.ru).

Completeness implies that the Company presents its business in the Report comprehensively, encompassing underlying business values and strategic guidelines, management systems and structures, achievements and key performance indicators, and its system of interaction with stakeholders.

The Company's use of 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 international reporting systems is beyond the scope of this Opinion.

The Company is responsible for the information and statements contained in the Report. The public certification does not attempt to ascertain the reliability of factual data contained in the Report.

This Opinion has been prepared for Gazprom Neft. The Company may use this Opinion both for internal purposes and for communication with stakeholders, publishing it without any alterations.

Non-financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs

FINDINGS

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

The Sustainability Report of Gazprom Neft PJSC for 2016 contains relevant information on key areas of responsible business practice in accordance with the principles of the Social Charter of Russian Business, and discloses information about the Company's business in these areas with sufficient completeness.

Recommendations of the Board arising from the public certification of the Company's previous Report for 2015 have been reflected in the Report for 2016. The number of the disclosed parameters has been expanded, including those related to human resources management, environment and energy efficiency, more space is given to quality management and responsibility in the supply chain, it includes information about the use of the results of employee and consumer satisfaction evaluation in the management practice.

The Report for 2016 contains important information on the following aspects of responsible business practice:

Economic Freedom and Responsibility: the Report covers the key directions of the Company's operations, its structure, strategic benchmarks and the Company's business model. It discloses the information characterizing the Company's financial position and the activities aimed at improving its competitiveness. It presents the dynamics of the key production results for 2016 in the context of their conformance to the strategic goals of Gazprom Neft PJSC and planned objectives. It shows the value chain, describes investment projects in oil production and processing. The Report talks about the start of the full-scale development of onshore oilfields beyond the polar circle using cutting-edge technologies. It characterizes in great detail the innovative activities, shows its importance for improving the Company's performance, sustainability of its production operations, improving the quality of its products. It covers the implementation of the integrated program for enhancing industrial safety. It also provides information about the asset modernization policy being implemented by the Company. The Report talks about the Company's efforts in import phase-out (replacement of imported products for consumers and expansion of procurement for the Company from Russian suppliers). It demonstrates that the sustainable development objectives are integrated in the business strategy, the priorities in this field have been defined and reflects their relationship with the UN Sustainable Development Goals until 2030. The Report describes the integration of the corporate social responsibility matters and sustainable development in the corporate management system. It talks about the single approach to risk management used by the Company, including social and environmental risks. It describes the quality management system, special targeted programs and actions related to that. It presents the corporate anti-corruption policy, the actions related to its implementation, including the corruption risk evaluation, personnel training, requirements for suppliers and contractors.

Partnership in business: The Report covers business partnerships with all the key stakeholders, the key directions and forms of cooperation in solving sustainable development issues. It presents the information about the mechanism for protecting the interests of shareholders and investors. It describes in detail the system for interaction with employees on the basis of Human Resources Management Strategy adopted by the Company to 2020. The Report discloses the principles and practices of human resources development, motivation and involvement of employees, liaison with the trade unions. It covers matters related to building business

relationships with suppliers and consumers. It contains information about developing the dialogue with consumers, consumer complaint and query handling system. It covers the work aimed at achieving conformance by the partners with the Company's requirements in relation to industrial and environmental safety and health. It presents information about liaison with governmental and municipal authorities regarding the development of industry-specific legislation, improvement of approaches to regulating business activities, interaction under agreements for social and economic cooperation. It informs about the Company's participation in the work of non-governmental and expert organizations, business associations. Information is also provided about liaison with local communities to resolve the issues related to development of territories, establishment of favourable environment for the work a Gazprom Neft PJSC. It describes interaction with stakeholders in the course of preparation of the Report.

Human rights: The Report includes information about the integration of the principle of observance of human rights in the corporate internal regulations, management system and practice at the Company's operations. It talks about prevention of discrimination on any basis, recognition of the employees' right to create civic associations and organizations to protect their rights and interests, observe the rights of indigenous peoples when arranging the production operations in the territories of their residence. The Report informs about the mechanisms ensuring observance of the human rights, including interactions with stakeholders in matters related to this sphere, risk evaluation and development of preventive measures, development of feedback channels.

Environmental protection: The subjects of environmental and industrial safety protection, rational use of natural resources are reflected in the Report in the context of sustainable development. It is reported that in 2016, the Company included the "target - zero" in its strategic goals, which means zero harm to man, the environment and assets during the work. The Report covers the key directions of implementing the strategy in relation to the protection of the environment, environmental management system, it discloses the amount of investment in this area in 2016. Information is presented about the most important initiatives related to environmental safety, including pollution reduction programs at the Company's oil refineries, implementation of the Clean Territory project aimed at improving the reliability of pipelines and reducing the polluted land area, the program for protecting the biological diversity of the Russian Arctic zone. It contains information related to disposal of associated petroleum gas, greenhouse gas emissions. It shows the environmental impact figures and their trends for a number of years. It discusses the personnel training system development as relates to the protection of the environment. The Report includes information about the principles and practice of interaction with contractors, the program ensuring conformance of the contractors' operations with the corporate safety standards, inclusion of 100% of contractors in the rating system in this area. It covers interaction with environmental organizations, authorities, the practice of holding public hearings on environmental matters when developing new projects. It talks about the main directions of activities, key projects and results in saving energy and energy efficiency.

Participation in local community development: The Report discusses the development of the Company's programs aimed at supporting the social and economic development of the regions of its presence, improvement of the quality of life of the local communities. It covers the corporate regulatory base for implementing the regional policy and structure of management of these activities. It defines the priorities for social investment and principles for selecting the programs for financing, updates the corporate Home Towns program according whereby all work in this sphere is built, including under previously made agreements for social and economic cooperation with regional and municipal authorities. It talks about expanding the geographical envelope and number of completed projects of the program, about interaction with non-governmental organizations, local communities in this regard. It presents information about the actions aimed at supporting the traditional lifestyle and economic activities of small indigenous peoples of the

North. It describes the development of volunteer initiatives. It covers the technologies for selecting projects and approaches to evaluating their results. The Report includes information about a large number of implemented projects, their scope, results and public recognition.

Final provisions

On the whole, the Report extensively characterizes the responsible business practices of Gazprom Neft PJSC, contains information confirming integration of the sustainable development objectives in the Company's strategy, comprehensive approach to management in this area. It presents a large number of indicators reflecting the results achieved in the economic, social, environmental aspects of the Company's operations and the impact it makes on the society and the environment.

The Report was prepared using the OK1 04 Guidelines used in the Russian and international reporting practice, which ensures continuity of information of different reporting cycles and comparability with reports of other companies. It presents information about the procedure for selecting the material subjects disclosed in the Report which were identified taking into consideration the opinions of stakeholders.

The Report of Gazprom Neft PJSC on sustainable development for 2016 is the tenth report made by the Company, which demonstrates consistency in the development of the reporting process and the Company's movement along the path of increasing information transparency.

RECOMMENDATIONS

While noting the strengths of the Report, the Board draws the attention of the Company to a number of significant issues for stakeholders regarding the relevance and completeness of the information, which is disclosed, and recommends that they should be taken into account in the Company's reporting practice in the future.

The Board notes that it appears useful to apply the recommendations prepared on the basis of the analysis of the Company's previous reports when preparing the Company's reports in the future.

The 2016 Report presents the Company's objectives in the main directions of activities related to sustainable development. Compared with the previous year, a certain expansion of the number of quantitative benchmarks and specific planned actions was noted. The recommendation related to further development of this approach and wider inclusion of measurable benchmarks still remains valid.

It is recommended to enhance in the future the analysis of the economic aspects of activities, especially as relates to the Company's impact on the country's economy, on the development of the areas where it is present and to include a wider selection of quantitative parameters. It is useful to apply comparison of data concerning the scope of the Company's operations and results with Russian and global leaders in this industry sector.

In order to ensure the completeness of information, it is recommended to present the data about the strategy and results in the context of analysis of the general economic situation existing in the reporting period, specifics of its industry-related aspects which may be connected with the new current and future challenges and risks, for the Company among others, including climate change, prospects of development of the energy sector. In the subsequent reporting cycles, it seems expedient to pay more attention to the context, global trends, their impact on the Company.

The format of information presentation may be made more versatile by including systematic data

relating not only to the Company as a whole and business segments, but also broken down by regions. For instance, given the importance of environmental and industrial safety matters for the territories of presence of the Company's large enterprises, it would be useful to provide more detailed and systematic information about the impacts they make in such areas, achievement of goals and objectives of the environmental safety policy and other corporate policies.

The Report includes a wide number of parameters characterizing the Company's operations, which makes it possible to better present the impact made by the Company on the society and the environment. It should, however, be noted that, for better understanding of the situation, it is important to accompany the parameter dynamics with clear comments. This especially refers to the cases of material changes during the reporting period or deterioration of certain parameters or incomplete implementation of the planned tasks (such as increased air emissions, reduced land reclamation, achieved level a energy efficiency compared to plans).

It appears viable to pay more attention in the future to evaluating the influence of the actions implemented under corporate programs on the Company's performance, improvement of its figures in various aspects of its operations, including the social investment.

Another recommendation that remains valid is the one regarding fuller representation in the Report of the interaction with stakeholders during the preparation of the Report, including when selecting the material subjects. It appears viable to expand information about the specific results of the dialogs conducted, the proposals received by the Company from the stakeholders and their reaction.

The Report shows the relationship between the Company's sustainable development targets with the UN Sustainable Development Goals. Such an approach of describing the Company's strategy and targets appears relevant, it is recommended to give more details of this information in the next report, show the contribution made by the results of activities of Gazprom Neft PJSC to the movement towards such global goals, including resolution of related specific tasks outlined in the UN document Transforming Our World: the 2030 Agenda for Sustainable Development.

The RUIE Board for Non-Financial Reporting gives a positive assessment of the Report and applauds the commitment of Gazprom Neft to the principles of responsible business practices and, noting consistent development of the reporting process, confirms that Sustainability Report of Gazprom Neft PJSC for 2016 has successfully passed its Public Certification.

Chairman of the RUIE
Board for Non-financial Reporting

F.T. Prokopov

Deputy Chairman of the RUIE Board for Non-
financial Reporting

E.N. Feoktistova