

Gazprom Neft Group of Companies

Policy for Interaction with Indigenous Minority Peoples of the North, Siberia and the Far East

Introduction

When carrying out production operations in areas where indigenous minority peoples of the North, Siberia and the Far East of the Russian Federation traditionally live and pursue economic activities. Gazprom Neft Group of Companies is guided in its policy for interaction with the indigenous inhabitants by:

provisions of the Constitution of the Russian Federation, strategies of the National Policy of the Russian Federation for the period up to 2025, the Concept of Sustainable Development of Indigenous Minority Peoples of the North, Siberia and the Far East of the Russian Federation and other normative acts of federal and regional legislation regarding various aspects of the development of these peoples, and also by principles and norms of international law, recommendations of international organizations and the requirements contained in international standards regarding interaction between resource companies and indigenous peoples.

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1 General Provisions

1.1 This Policy is an internal regulatory document of a general nature with ongoing effect. The Policy defines the goals, objectives, principles and mechanisms of interaction between the Gazprom Neft Group of Companies and indigenous minority peoples of the North, Siberia and the Far East in places of traditional residence and traditional economic activities of these peoples where Group subsidiaries have operations.

1.2 The provisions of this Policy come into force from the time of its approval and remain in force until the approval of an updated version or the cancellation of this document.

1.3 The Policy is mandatory for acquaintance and application by all structural units and all employees of the Gazprom Neft Group of Companies, who have dealings with indigenous minority peoples of the North, Siberia and the Far East.

1.4 The provisions of this Policy are to be applied by subsidiaries without adaptation.

2 Regulatory references *

This document contains references to the following regulatory and administrative documents of the Gazprom Neft Group of Companies:

Corporate Policy-09.01.06.04: Policy for Charity Activities of the Gazprom Neft Group of Companies;

Corporate Policy-16.00-01: Policy on industrial and workplace health, safety and environmental protection; fire and transport safety; and emergency response;

Corporate Standard-09.01.01: Procedure for the Preparation and Conclusion of Socio-Economic Agreements;

Corporate Standard-09.01.06.04: Charity Assistance under the Policy for Charity Activities of the Gazprom Neft Group of Companies

3 Terms and Abbreviations

The present document uses terms and abbreviations defined in Catalogue-004, as well as the following terms:

3.1 Local terms and abbreviations:

interaction with stakeholders: procedures and mechanisms to identify stakeholders and work with them to analyse needs, and to find and implement solutions that enable the achievement of a balance of interests.

stakeholders: any legal entities and individuals whose interests are affected or may be affected by the Gazprom Neft Group of Companies' operations, or the production and distribution of the Gazprom Neft Group of Companies' products, and also whose actions or attitude can significantly affect the success of the Gazprom Neft Group of Companies, its strategy and its ability to conduct its ordinary business.

mechanism of interaction: a set of methods and activities used by the Gazprom Neft Group of Companies in its cooperation with indigenous minority peoples of the North, Siberia and the Far East and other stakeholders for the purposes of implementing this Policy.

locations with business presence (of the Gazprom Neft Group of Companies / subsidiaries of the Company): locations within the administrative-territorial units of the constituent entities of the Russian Federation where the Gazprom Neft Group of Companies /

* Note. While applying this Standard it is advisable to check the validity of the documents listed in the "Regulatory References" and "Bibliography" sections. If the reference document has been replaced (amended), please use the updated (amended) document as a guide while using this Document. If the reference document has been canceled without any replacement, the provision that refers to such a document shall apply to the extent it does not refer to such a reference document

subsidiaries the Company carry out production and other operations.

sustainable development: the development of society in a way that meets the needs of today, without threatening the ability of future generations to meet their future needs (Brundtland Commission Report "Our Common Future", UN, 1987).

3.2 Universal terms and abbreviations:

the Gazprom Neft Group of Companies: the group of legal entities in various forms of ownership, including Gazprom Neft PJSC, in respect of which the latter is the principal or dominant (participating) company.

Note: the list of companies included in the Gazprom Neft Group of Companies is presented in Catalogue-003

minority peoples: indigenous minority peoples living in regions of the North, Siberia and the Far East in territories traditionally inhabited by their ancestors, and preserving a traditional way of life, economic activities, and hunting and fishing; numbering less than 50,000 people and aware of themselves as distinct ethnic communities (Federal Law of 20.07.2000 No. 104-FZ as amended on 02.02.2006 "On General Principles of the Organization of Communities of Indigenous Minority Peoples of the North, Siberia and the Far East of the Russian Federation").

the Company: Gazprom Neft PJSC

the Policy: this policy for interaction between the Gazprom Neft Group of Companies and minority peoples.

SECA: Social and Economic Cooperation Agreements for social and economic cooperation.

4 Goal and Tasks of the Policy

4.1 The goal of the Policy for interaction of the Gazprom Neft Group of Companies with minority peoples residing in locations where the Gazprom Neft Group of Companies has operations is to enable sustainable development and implementation of the Group's business strategy without detracting from the traditional economic activities and ethno-cultural traditions of these peoples, on the basis of constructive interaction and long-term cooperation with them.

4.2 This goal is attained by addressing the following tasks:

4.2.1 Involvement of minority peoples and other stakeholders in the process of consultations and negotiations, the creation of an effective system of communication based on mutual respect, trust, and the achievement of a balance of interests.

4.2.2 Orientation to the best international practice of interaction between resource companies and minority peoples and consistent implementation of the relevant approaches in work by the Company, taking account of the specifics of the areas where the Gazprom Neft Group of Companies has operations, ethno-cultural specifics and the priorities of the Gazprom Neft Group of Companies.

5 Principles of Cooperation with Minority Peoples

The Gazprom Neft Group of Companies adheres to the following principles in its work:

5.1 Respect for the rights of minority peoples

5.1.1 The Gazprom Neft Group of Companies carries out its operations in accordance with the requirements of the laws of the Russian Federation and subjects of the Russian Federation concerning observance of the rights of minority peoples, takes account of international norms and standards, adheres to corporate regulations, and implements additional measures over and above the requirements of law, as far as is possible.

5.1.2 The Gazprom Neft Group of Companies promotes preservation of culture, traditions, and heritage sites, including sites that are considered sacred by minority peoples.

5.1.3 The Gazprom Neft Group of Companies promotes the socio-economic development of small peoples and excludes any form of discrimination.

5.2 Information transparency

5.2.1 The Gazprom Neft Group of Companies provides communication channels, by which minority peoples can receive timely information, make applications, complaints and suggestions, and obtain adequate feedback.

5.2.2 The Gazprom Neft Group of Companies creates opportunities for minority peoples to take part in discussion of the Company's operations and production plans, which affect their legitimate interests, and also in the decision-making process.

5.3 Constructive cooperation

5.3.1 The Gazprom Neft Group of Companies meets its obligations under licensing agreements, agreements on social and economic cooperation with regional and municipal authorities, and also with minority peoples and their associations (community organizations).

5.3.2 The Gazprom Neft Group of Companies interacts with all stakeholders, maintains an impartial position in case of inter-group and inter-personal differences and conflicts among minority peoples, and is open to cooperation and partnership if the goals and objectives of the Policy can be best achieved by common efforts.

6 Principles of Implementation of the Policy

6.1.1 The Gazprom Neft Group of Companies work to acquire understanding of specific features of the locations where minority peoples traditionally live and carry on economic pursuits, as well as their ethno-cultural needs and social expectations, and takes the information obtained into account in the planning of its operations, ensuring flexibility in the mechanisms of interaction that are used and in measures to provide social and economic support.

6.1.2 The Gazprom Neft Group of Companies takes steps to prevent risks associated with its production activities, compensates any damage caused by providing reasonable compensation and takes other measures to support minority peoples, as well as measures to promote the rational use of natural resources, restoration of disturbed land and biodiversity.

6.1.3 The Gazprom Neft Group of Companies monitors its interaction with minority peoples, including specific monitoring, evaluation of results and reporting. Information on the mechanisms and results of interaction with minority peoples is included in public corporate reports.

6.1.4 The Gazprom Neft Group of Companies takes part in international projects and initiatives that promote the development of cooperation with minority peoples and the exchange of best practice in this sphere.

7 Mechanisms for Implementing the Policy

7.1 The principal mechanism for the implementation of the Policy is the making of agreements on socio-economic cooperation with the administrations of subjects of the Russian Federation and municipalities, in accordance with the requirements of the Corporate Standard-09.01.01.

7.2 Other mechanisms include: providing information, holding consultations, organizing channels for feedback, setting up joint working bodies, cooperating with community organizations of minority peoples, carrying out research and expert studies, and interacting with employees of subsidiaries and contractor organizations regarding compliance with the provisions of this Policy.

8 Actions

The principle actions of the Gazprom Neft Group of Companies for implementation of this Policy are as follows:

8.1 Preparing plans of interaction and measures for their implementation.

8.2 Organization and implementation of measures to carry out agreements on social and economic cooperation and support programmes, and targeted assistance to vulnerable

members of minority peoples, including children and people with disabilities.

8.3 Organization and implementation of measures to reduce negative impact on the environment, conservation of biodiversity and restoration of disturbed lands under the Health Safety, Environment and Civil Defence Policy of the Gazprom Neft Group of Companies (Corporate Policy-16.00-01).

8.4 Organization and implementation of measures to provide social support under the Policy for Charity Activities of the Gazprom Neft Group of Companies (Corporate Policy-09.01.06.04) in accordance with the requirements of Corporate Standard-09.01.06.04, including assistance in preserving languages, culture, customs, and traditional sports.

9 Stakeholders:

9.1 Relevant stakeholders in respect of implementation of industrial operations by the Gazprom Neft Group of Companies are:

9.1.1 Small peoples leading a nomadic, semi-nomadic or settled way of life, including: families, including those leading a nomadic existence in remote areas of the tundra; clans and territorially adjacent communities; reindeer farming enterprises (state farms, cooperatives, small enterprises); enterprises for the processing of meat and fish, harvesting of wild plants, reindeer farmers, as well as unregistered land users (not officially recognized as having the status of landowners or land users by law);

9.1.2 community organizations of minority peoples;

9.1.3 public authorities, including administrations of the constituent entities of the Russian Federation, municipalities, executive and legislative bodies, as well supervisory bodies at federal and regional levels;

9.1.4 employees of the subsidiaries of the Gazprom Neft Group of Companies;

9.1.5 employees of organizations that carry out work on instructions, contracts or in the interests of the Gazprom Neft Group of Companies;

9.1.6 public and environmental organizations, research institutes, social and charity organizations engaged in social and cultural development projects and support for minority peoples;

9.1.7 other companies with operations in adjacent territories;

9.1.8 international financial institutions, investment organizations and rating agencies

10 Requirements of the Policy

10.1 The provisions of this Policy are subject to compliance by all subsidiaries of the Company. Organizational, regulatory and other corporate regulatory documents should not conflict with the provisions of this Policy. The Policy is used by subsidiaries as a basis for the design of their internal regulations.

10.2 The provisions of this Policy are brought to the attention of the employees of subsidiaries and of the Company, and also of its business partners, suppliers and contractors, who are required to respect the rights of minority peoples, reflecting the Gazprom Neft Group of Companies' acknowledgement of its responsibility in the supply chain. The relevant requirements are established in contracts.

10.3 Company conducts periodic analysis and updates its list of stakeholders in order to ensure that the list is fully comprehensive.