

WE ARE PLEASED TO PRESENT YOU WITH THE COMPANY'S REPORT ABOUT ITS SUSTAINABLE DEVELOPMENT ACTIVITIES FOR 2017. THE REPORT HIGHLIGHTS THE COMPANY'S APPROACHES TO MEETING CHALLENGES RELATED TO SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY AS WELL AS THE MAIN FOCUSES AND RESULTS OF THIS WORK.

The Report highlights the Company's approaches to meeting challenges related to sustainable development and corporate social responsibility as well as the main focuses and results of this work.

The key sections of the Report are devoted to the effectiveness of economic activities, ensuring industrial safety, supporting and developing staff, and promoting socioeconomic development in the regions where Gazprom Neft operates. The Company believes it is essential to regularly provide stakeholders with comprehensive information about aspects of its activities that are significant for them and obtain feedback about the Report.

The Report is prepared using the basic version of GRI Reporting Standards taking into account the provisions of ISO 26000:2010 (Guidance on Social Responsibility). The Report underwent independent public assurance with the Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs (RUIE).

The Report presents information about Gazprom Neft PJSC and its subsidiaries and affiliates (hereinafter referred to as Gazprom Neft or the Company) for the 2017 calendar year. The Company's financial position and operating results are presented using consolidated data from Gazprom Neft PJSC. Unless otherwise indicated in the text, data on the Company's social and labour relations and its environmental performance include figures for Gazprom Neft PJSC and its subsidiaries and affiliates based in the Russian Federation and the Commonwealth of Independent States (CIS).

The Report details the Company's medium- and long-term plans. This information is forward-looking in nature. The feasibility of the declared intentions depends on factors (economic, social, and legal) that are beyond

the Company's control or influence. The actual results may therefore differ from those indicated in the plans.

The Report is published in Russian and in English in hard copy and electronic form.

The document as well as previous sustainable development Reports may be viewed on the Company's [website](#).

SIGNIFICANT THEMES OF THE REPORT

When determining the significant themes to be covered in the Report, Gazprom Neft analyses their relevance for both the Company's development as well as its stakeholders. We constantly monitor the scale and nature of the impact of the Company's activities on the economy, social and natural environment as well as information requests from stakeholders. We also consider the importance of the themes of the Report in terms of the public context and the obligations of business, including those enshrined in Russian and international documents. When determining significant themes and related indicators, the Company took into account:

the provisions of the UN Global Compact and the Social Charter of Russian Business

international and Russian standards in corporate social responsibility and sustainable development as well as the non-financial Report standards ISO 26000 and GRI

studies on the industry-wide practice for the management of sustainable development and Reporting in this regard

an analysis of the scope of the Company's stakeholder engagement

The analysis of the Company's engagement with stakeholders and the identification of significant themes focused on the following:

materials from a survey of managers and specialists as part of the

preparation of this Report
the results of employee feedback
the results of an annual study of the Company's social and psychological climate, minutes of meetings between employees and management, and team meetings
materials from Gazprom Neft's regular interaction with investors, the federal and regional authorities, business partners, non-profit and public organizations, experts, and local communities
materials from roundtables and public hearings in the regions (the participants and content of dialogues are presented in Appendix 2 to this Report)
recommendations and comments received by the Company as part of the public assurance of its 2017 Sustainability Report by the Non-Financial Reporting Board of the RUIE

The topics identified are relevant for all of the Company's subsidiaries.

MATRIX PRIORITIZING THE SIGNIFICANT THEMES OF THE REPORT