

SOCIAL ACTIVITIES ABROAD

SERBIA

Gazprom Neft is a major investor in Serbia's economy and implements large-scale social projects in the country. In 2016-2017, as part of a programme to support humanitarian projects in the field of culture and to preserve Serbia's historical heritage, unique work was carried out to make a mosaic for the dome of the Church of St. Sava

in Belgrade. Making the ornamentation for the dome was one of the most ambitious projects in the world in terms of decorating a curvilinear space: the total area of the mosaic covers 1,248 square metres. The church is an architectural monument of Serbia and one of the largest Orthodox churches in the world.

In addition, Gazprom Neft has been a partner of Serbia's largest classical music festival, the Bolshoi, since 2013. The festival is aimed at supporting young musicians from Serbia and Russia and developing social and cultural cooperation between the two countries.

Bolshoi Festival

One of the most significant social projects carried out by the Company in Serbia is the Russian-Serbian Bolshoi Festival of Classical Music.

Established by Serbian film director Emir Kusturica and Gazprom Neft, the festival is held every year in the Serbian village of Drvengrad in Mokra Gora National Park.

Among the 62 participants in 2017 were young musicians from Gazprom Neft's key regions of operations: St Petersburg, Tyumen, Omsk, Orenburg, Tomsk, Khanty-Mansiysk and Muravlenko. For many of them, this was their first time at an international festival. Kusturica has created a unique atmosphere for creativity: this ethnographic village in the mountains has been transformed into a platform where young musicians can mingle with global stars. A number of famous Russian

"I try not to forget how I took my first steps in art. It wasn't easy. And here I am giving young people a chance to take their first steps. After this, they will be able to find opportunities and gain more confidence in themselves so as to go further."

Emir Kusturica

Director, musician, festival founder

and Serbian musicians have performed in Drvengrad, including Denis Matsuev, Yuri Rozum, Nemanja Radulović and Alena Baeva. In 2017, Valery Gergiev, Artistic Director of the Mariinsky Theater, was an honoured guest at the festival.

REPUBLIC OF IRAQ

The Company is implementing a social programme for the development of the Badra field region together with its partners in the project. The programme focuses on stabilizing electricity supplies, providing medical equipment, and developing the educational system in the region.

In 2017, Gazprom Neft completed the modernization of power networks in areas adjacent to the field, which included the construction of new power lines in the city of Badra, the villages of Zurbatiyah and Gassan, and surrounding settlements.

The Badra training centre, which the Company opened to train

specialists for a gas plant from among the local population, produced the first specialists during the reporting year. After completing training, the trainees will transition to the category of interns and commence the production practice in the workplace. A total of USD 9 million was invested in the social development of Badra.

KURDISH AUTONOMOUS REGION OF THE REPUBLIC OF IRAQ

Gazprom Neft is implementing an extensive social programme in the region with total investment of more than USD 3 million. Social projects are being implemented in close cooperation with the local authorities at different levels and are approved by the Ministry of Natural Resources of the Kurdish Autonomous Region.

In 2017, Gazprom Neft conducted a socioeconomic study of the Garmian region, which is adjacent to the Company's operating area. A five-year programme for social projects in the region was developed based on the results of this study with a focus on sports, the environment, education, medicine, cultural heritage, and support for children and youth.

The Company also continued to implement social projects based on the current needs of the local population, which included the supply of fuel to residents of surrounding villages and emergency assistance to victims of natural disasters in 2017.

GOALS AND OBJECTIVES FOR 2018

INTERACTION WITH THE REGIONS

- Carry out the measures stipulated in the socioeconomic cooperation agreements with the regions. Hold at least one meeting with the regional authorities to review the implementation of agreements and to adjust the action plan
- Conduct an expert examination of 100% of the existing local regulatory legal acts or legislative initiatives that have been published and may have an impact on the Company's operations published in order to assess their regulatory impact
- Increase the number of regions of the Russian Federation that cooperate with the Company in the import substitution of lubricants and process fluids to 17 territories
- Conclude agreements on the supply of innovative bitumen materials produced by Gazprom Neft to the governments of at least five regions of the Russian Federation
- Introduce the Policy on Interaction with Indigenous Peoples of the North, Siberia, and the Far East in KMAD-Yugra and YNAD and implement a plan for interaction with indigenous peoples
- Continue the practice of holding meetings chaired by the heads of regions on a range of issues of bilateral cooperation in key regions where the Company operates; expand the geography of meetings

SOCIAL ACTIVITIES

- Continue the implementation of the Avangard Hockey Academy project, including launching a branch of the Academy in Labytnangi in the YNAD
- Continue the implementation of key projects as part of the Native Towns social investment programme
- Conduct grant competitions for social initiatives in six regions where the Company operates (Omsk, Tomsk, Orenburg, and Tyumen Regions, YNAD, KMAD-Yugra). Support at least 100 initiatives, including at least 20 projects from initiative groups of citizens. Introduce the practice of holding contests for citizens' initiative groups in all regions
- Continue the development of the Company's volunteer movement, including the organization of distance education for volunteers and the fourth contest of volunteer projects in which at least 50 initiatives of employees should be supported