

Regional policy and development of local communities

Gazprom Neft is heavily involved in the socioeconomic development of the regions where it operates. The company contributes to regional development as an employer, taxpayer, business entity, social investor and a partner of the government and the public in the resolution of priority regional objectives.

In its interaction with the regions, the Company bases its activities on the principles of social responsibility and sustainable development. The top priorities of Gazprom Neft's regional policy are to contribute to the prosperity of the regions, improve the quality of life and expand opportunities for the personal fulfilment of local residents. In its efforts to meet these objectives, the Company actively develops cooperation with all stakeholders.

Main tools used to implement Gazprom Neft's regional policy:

- agreements on socioeconomic cooperation with the authorities of the constituent entities of the Russian Federation and municipalities;
- internal social projects;
- targeted corporate philanthropy;
- corporate volunteering;
- grant contests.



Social investment programme of Gazprom Neft

RUB **3,966** mn
Investment in social activities in 2015

'NATIVE TOWNS'



All of Gazprom Neft's social activities since 2013 have been carried out within the framework of the 'Native Towns' social investment programme. The programme's portfolio of social and charitable projects is compiled based on the results of interaction with stakeholders (the public, employees, regional authorities, non-profit organisations) and a range of studies concerning the socioeconomic situation of a particular region. When scaling interregional projects in a region where the Company operates, their content is determined in accordance with the needs of the local target audiences. As it implements the 'Native Towns' programme, the Company strives for local residents to become more involved in carrying out social projects. This helps to boost their commitment and

competence in resolving regional development problems and achieve a long-term systemic effect from social investments. A key tool in meeting this objective is the concept of grant contests for social initiatives. In 2015, such contests were held in the Omsk, Tomsk and Orenburg Regions, the Yamalo-Nenets Autonomous District and the Khanty-Mansi Autonomous District – Yugra. The grant fund totalled RUB 21.89 million.

In 2015, the 'Native Towns' programme encompassed 34 regions and included more than 450 implemented projects. Investment in social activities amounted to more than RUB 3,966 million in 2015.

STRUCTURE OF THE 'NATIVE TOWNS' SOCIAL INVESTMENT PROGRAMME //

Programme focuses	Objectives	Activities	2015 results
 <p>CITIES FOR PEOPLE</p>	Creation of a high-quality urban environment, expanded prospects for the personal fulfilment of residents	Construction and major repair of housing, beautification of urban areas, infrastructure development of outdoor play areas for children, improvement in the quality of medical services, establishment of a barrier-free environment and the implementation of joint initiatives with stakeholders	<ul style="list-style-type: none"> ➤ In 2015, a 27-apartment building was built in the Novy Port village of the Yamalo-Nenets Autonomous District with most of the housing provided to indigenous people who relocated from the tundra. ➤ In 2015, construction continued on a 120-apartment residential complex in the city of Khanty-Mansiysk. ➤ Social infrastructure development: construction of playgrounds and bicycle stations in the regions where the Company operates. ➤ The 'DIY City' project laboratory in Omsk. Local residents along with experts and representatives of the government and business utilise the site to develop and launch their own social initiatives for the development of the urban environment. Five projects were implemented in 2015. ➤ Support for the Stenografraffa interregional street art festival where street art is used for the decorative design of a monochrome urban environment.
 <p>FIELDS OF VICTORY</p>	Fostering a healthy generation and the establishment of strong regional sports schools	Development of infrastructure for children's and grassroots sports along with support for sporting events	<ul style="list-style-type: none"> ➤ Construction of sports infrastructure facilities. In 2015, multi-purpose stadiums were built in the cities of Noyabrsk and Tarko-Sale, an ice arena was built in Noyabrsk, the Muravlenko sports complex and an indoor hockey rink were built in the village of Khanymey, six multi-purpose sports facilities were built in the Orenburg Region, Yamalo-Nenets Autonomous District and the Leningrad Region. ➤ The Gazprom Neft Cup international children's hockey team tournament – one of the largest children's hockey competitions in Europe. Twenty-five teams took part in the tournament in 2015. ➤ Support for regional sports projects that have special significance for the area (chess in Yugra, motor sports in Noyabrsk and the opening of a martial arts school in Omsk).
 <p>NEW HORIZONS</p>	Development of intellectual potential, support for educational sectors – from preschool to postgraduate – and the promotion of science among young people	Establishment of innovative preschool development centres, staging of scientific research tournaments, support for gifted children and the support and development of school and university educational programmes	<ul style="list-style-type: none"> ➤ The oil and gas-themed 'Multiplying Talent' school tournament, which aims to enhance the appeal of engineering and technical professions among school students and develop their research skills. In 2015, tournament participants included 1,221 people from six regions in which the Company operates. ➤ 'Mathematical Progression' – a joint project implemented by Saint Petersburg State University and Gazprom Neft that involves students from 23 Russian regions who have undergone competitive selection in order to attend popular scientific lectures by famous scholars. Gazprom Neft has also established scholarships as part of the project for the best students from the Faculty of Mathematics and Mechanics of Saint Petersburg State University and incentive payments for young scholars. ➤ 'Career Centre' – an educational project being implemented jointly by the Faculty of Liberal Arts and Sciences of Saint Petersburg State University. The project aims to develop skills among the local community in the creative industry and social planning. ➤ 'Creative Social Entrepreneurship and Social Planning Tools' international research and training conference, which brought together leading experts in social planning as well as representatives of the authorities, business and the creative industry. ➤ Support for educational institution infrastructure in small villages. ➤ Promotion of maritime professions among young people – the establishment of specialised maritime classes and children's maritime and shipbuilding associations in Rostov and Saint Petersburg, the 'Morfest' maritime intercollegiate festival and other events.

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 <p>CULTURAL CODE</p>	Development of the cultural potential of the regions	Support for cultural events and initiatives that are significant for the residents of the regions where the Company operates and expanded access to high-quality cultural products for the residents of regions	<ul style="list-style-type: none"> ➤ 'Native Towns' festival, which aims to broaden family entertainment opportunities, consolidate the local community and expand prospects for the personal fulfilment of residents. ➤ Support for the 'Spirit of Fire' film debut festival and the 'PORA!' social communications festival. ➤ Support for the activities of cultural institutions.
 <p>KEEPING TRADITIONS</p>	Support for the traditional ways of life of Northern indigenous peoples and facilitating their integration into the modern economic and social landscape	Financial support for families of Northern indigenous peoples, housing construction, the development of parks and museums, and hosting of ethnic holidays and festivals	<ul style="list-style-type: none"> ➤ Support for events that help to preserve the national identity of Northern indigenous peoples, establish cultural ties between various communities and families, and attract public attention to the preservation of traditional crafts and trades. ➤ Financial assistance for the families of Northern indigenous peoples: compensation for family living expenses and the supply of fuel and lubricants. ➤ Assistance to indigenous farming communities working in areas of hydrocarbon exploration and production. ➤ Funding for housing construction in remote villages and homes for representatives of Northern indigenous peoples.




CORPORATE VOLUNTEERING

Gazprom Neft has been developing the 'Personal Contribution' volunteer movement since 2008. The Company's volunteer movement expanded to 38 Russian cities during the reporting year and included 2,633 people. Gazprom Neft volunteers took part in 265 events in 2015 with the key events being donation, support for orphanages and boarding schools, the clean-up of different areas as well as landscaping and beautification.

In 2015, the Company held the first volunteer project contest for employees. A total of 23 winning projects that aim to solve urgent social problems in regions where the Company operates were implemented in Moscow, Muravlenko, Noyabrsk, Omsk, Orenburg, Saint Petersburg, Tomsk, Tyumen and Chelyabinsk.

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 Additional information available
at the website
www.rodnyegoroda.ru