

Stakeholder engagement

In engaging with its stakeholders and seeking to understand their values and needs, Gazprom Neft aims to deliver on its sustainability goals and strategy. Open and proactive dialogue, mutual trust and a tailored approach underpin the company's stakeholder engagement. Gazprom Neft strictly adheres to the law and takes into account legal requirements set out in industry regulations.

Stakeholder engagement principles

- Respect for stakeholder interests
- Productive relations
- Ongoing engagements
- Delivering on commitments
- Transparency of the company's operations



Gazprom Neft's key stakeholder engagement priorities are reflected in the following corporate documents:

- Corporate Code of Conduct
- Corporate Governance Code
- Contractor Engagement Code
- Regulation on the General Meeting of Shareholders
- Dividend Policy Regulation
- Information Policy Regulation
- Policy for Charity Work
- Policy on Industrial, Fire, Transport, Environmental and Occupational Safety, and Civil Defence
- Policy for Interaction with Indigenous Minority Peoples of the North, Siberia and the Far East

The key stakeholder groups for Gazprom Neft are those whose interests are most tangibly linked to the company's activities and can have a significant impact on its ability to deliver on its strategic goals



Gazprom Neft
at a glance



Sustainable
development
management



Customer
care



Health
and safety



Environmental
safety



Employee
development



Social
policy



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Relations with key stakeholder groups

Key expectations and interests

Engagement mechanisms

SHAREHOLDERS AND INVESTORS

- Increase in shareholder value
- Fair dividend policy
- Transparency
- Respect for shareholder rights

- General Meeting of Shareholders
- Meetings, conferences and conference calls
- Investor Day involving senior management
- Analyst Data Book
- The Investors section on the corporate website
- Hotline and email: shareholders@gazprom-neft.ru
- Corporate reporting and media

EMPLOYEES

- A competitive compensation package
- Safe working conditions
- Opportunities for professional development
- Social benefits

- Internal communications
- Town-hall meetings
- Joint health committees
- Meetings with trade unions
- Employee engagement survey
- Forums, conferences, cultural and sporting events
- Corporate reporting

CONSUMERS

- High quality, consumer value and environmentally-friendly products
- Customer experience and performance of sales channels
- Transparent pricing
- Ethical business practices

- Contracts
- Feedback and services
- Gazprom Neft loyalty programmes
- Business meetings, conferences and forums
- Corporate reporting and media

Strategic partnerships with contractors

Gazprom Neft's engagements with contractors are driven by long-term partnerships based on the Contractor Engagement Code. The Code introduces the concept of strategic partnerships replacing the usual customer-contractor approach with a more effective cooperation format. The company openly discusses existing issues with contractors to come up with optimal solutions for the most challenging problems.

In 2020, the company set up a pool of strategic partners, which includes the most reliable contractors of Gazprom Neft.



Partnership-based engagements with contractors

Key expectations and interests

Engagement mechanisms

GOVERNMENT AUTHORITIES OF THE RUSSIAN FEDERATION AND THE COMPANY'S OPERATING REGIONS

- Energy security
- Taxes
- Technological advances in the industry
- Minimising the company's environmental footprint
- Legal compliance

- Social and economic partnership agreements
- Joint working groups, round tables and meetings
- Commissions and conferences
- Corporate reporting

SUPPLIERS AND PARTNERS

- Fulfilling mutual commitments
- Support for Russian manufacturers
- Transparency, openness and competitive selection of contractors
- Ethical business conduct and anti-corruption efforts

- Competitive tendering
- Contracts and agreements
- A system for contractors to evaluate the company
- Business meetings and forums organised by the company
- External conferences and exhibitions
- Corporate website and procurement portal
- Corporate reporting and media

LOCAL COMMUNITIES ACROSS THE COMPANY'S FOOTPRINT

- Enhancing quality of life in local communities
- New jobs for local communities
- Human capital development across the company's footprint
- Developing local manufacturers and suppliers
- Boosting social activities
- Local taxes
- Industrial and environmental safety

- Social projects across the company's operating regions
- Consultations with government authorities, non-profit organisations and indigenous peoples of the North
- Public consultations, round tables and debates
- Corporate reporting and media

INDUSTRY PEERS IN RUSSIA AND WORLDWIDE

- The company's contribution to industry development
- Responsible business operation
- Respect for human rights and HSE compliance
- Information sharing

- Cooperation agreements
- Industry and cross-industry initiatives
- Committees of industry associations
- Joint projects
- Corporate reporting and media

NON-PROFIT AND NON-GOVERNMENTAL ORGANISATIONS

- HSE initiatives at the company
- Company involvement in regional and industry development
- Openness and transparency of operations

- Conferences and exhibitions
- Round tables
- Joint implementation of social projects
- Corporate reporting and media



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Transparency and effective media relations

Gazprom Neft's communication policy aims to:

- boost and maintain Gazprom Neft's profile;
- maintain an equal and partnership-based dialogue with federal, international and regional mass media, press offices of government authorities and non-governmental organisations relevant to the company's operations.

Gazprom Neft's Board of Directors has adopted the Information Policy Regulation. Gazprom Neft implements its information policy via its executive bodies. Compliance with the Information Policy is overseen by the Board of Directors.

The company quickly and effectively updates its stakeholders on key events and aspects of its operations in an unbiased manner. Key communication tools used by the company include the official websites of Gazprom Neft and its subsidiaries, the Sibirskaya Neft trade magazine, as well as the company's community pages on social media such as Facebook, VKontakte, YouTube, and Instagram.

In line with its Regulation on Information Disclosure, the company also uses an Internet page provided by one of the distributors of information on the securities market (Interfax Centre for Corporate Information Disclosure).

Our media relations are guided by Gazprom Neft's information policy approved by the Board of Directors and the Corporate Standard on the Procedure for Media Relations and Distribution of Information Materials. In positioning itself in the media space, Gazprom Neft is guided by its Communication Strategy aligned with the company's business goals.

Gazprom Neft's press office promptly responds to requests from Russian and international media to share comprehensive and detailed information on the company's projects and comment on key topics on the industry's agenda. In 2020, Gazprom Neft's press office continued to develop communication tools, expand its audiences and adopt communication best practices to reflect key international trends while also implementing partner projects with leading media outlets.

Along with conventional communication tools, the press office worked on digital projects to expand the scope of information about the company's activities and its outreach. This included special multimedia projects with leading Russian and foreign media to provide comprehensive and detailed coverage of Gazprom Neft's efforts to adopt new production and refining technology, foster innovation and implement environmental and social projects. The company also worked on developing visual formats and adapting content for each communication channel. Business and industry media outlets published op-eds and interviews with company executives.

In 2020, due to the COVID-19 pandemic, Gazprom Neft's press office focused on remote real-time media communications. The traditional press conference of Gazprom Neft's management for key federal and international media outlets on the results of the Annual General Meeting of Shareholders, as well as other press events, moved online.

Gazprom Neft provides its shareholders and other stakeholders with free and unhindered access to information that is material to them



Information Policy Regulation



The company's webpage in the Interfax Centre for Corporate Information Disclosure (Interfax-TsRKI) system

MAJOR EVENTS AND PROJECTS:

Events under the spotlight in 2020:

- the opening of the Euro+ CORU at the Moscow Refinery attended virtually by Russian President Vladimir Putin;
- launch of a deep conversion complex at the Pančevo Refinery (Serbia) attended by Serbian President Aleksandar Vučić;
- testing of unmanned vehicles at Gazprom Neft's production facilities;
- launch of a joint venture with Shell to develop a large-scale hydrocarbon cluster on the Gydan Peninsula.

New communication formats were launched in 2020:

- online video tours of the company's facilities for the media; and
- the Antivirus news feed on the company's website covering the implementation of Gazprom Neft's programme to combat COVID-19, protect employees, partners and customers from the virus spread, ensure the continuity of all production processes, and maintain the financial stability of the business.



Antivirus news feed



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The company's new website for investors and shareholders

In June 2020, Gazprom Neft launched a new IR website for investors and shareholders, significantly expanding disclosures on Gazprom Neft's activities, including sustainability.

The new IR website was highly praised by investors and analysts and was also among the winners of the Corporate & Financial Awards in the Best Corporate Website: International category.



IR website of the company

Transparency award

In 2020, Gazprom Neft won the annual award For Active Corporate Policy on Information Disclosure established by Interfax and AK&M news agencies. The jury for this award includes representatives of Moscow Exchange, the Association of Independent Directors, and the Russian Financial Communications & Investor Relations Alliance (ARFI).

The award criteria include completeness and timeliness of reporting, corporate events, information on corporate governance, the concurrence of disclosures for Russian and international investors, and proactivity and cohesiveness of information policy. Other criteria comprised the use of interactive formats, the informational value of news content and focus on environmental, social and governance (ESG) aspects.

The jury noted the layout and navigation of Gazprom Neft's Investor Relations portal, citing its greater depth of archives compared to its peers, and it praised the company's active involvement in the Single Disclosure Window project.



Award For Active
Corporate Policy on
Information Disclosure

Internal communications

In 2020, Gazprom Neft managed to maintain a high level of personnel engagement, loyalty and trust in top management. Many employees embraced external pressures and challenges as another opportunity to realise their potential.

According to employee feedback, the company was able to successfully reorganise work processes to match the new circumstances amid the COVID-19 pandemic, including effective remote-work arrangements for white-collar employees and better interaction between units. Development of electronic communication channels and the increased use of corporate media improved employee awareness.

An Internal Communication Strategy was developed and approved in 2020, setting forth the format and organisational methods for communication with internal target audiences, as well as allocation of responsibilities and a model for internal communications infrastructure

Internal communication policies during the COVID-19 pandemic

- **Top priority given to updates about the fight against the coronavirus**
- **Balance between work-related content and entertainment**
- **Focus on the speed of information dissemination, its validity and sufficiency**
- **One place for gathering information from divisions, subsidiaries, and centres of expertise**
- **Importance placed on managers to personally and regularly reach out to employees**

In 2020, internal communications were based on the agile approach¹. IT products were developed through an iterative process, and cross-functional teams were set up, with increased focus on personal interactions, change readiness and employee feedback.

The Agile approach not only enabled communication channels to flexibly adapt to external changes, but also improved awareness and created an engaging environment for employees. Thus, internal communications made employee adaptation to new working conditions much faster and easier.

OBJECTIVES

Objectives of internal communications during the COVID-19 pandemic:

- to promptly inform employees about the fight against COVID-19;
- to gather regular feedback from employees to maintain engagement and loyalty;
- to prevent social tensions between employees.

¹ – Agile approach – use of agile-development principles in project management.

Five communication campaigns were launched and completed under the comprehensive Antivirus programme to combat COVID-19:

- COVID-19: treatment, prevention, employee testing, supporting the regions;
- remote work for some white-collar employees;
- continuity of operations during the pandemic;
- operation of buffer zones;
- return to office after remote work.

Communication events and flash mobs were held regularly throughout the pandemic to engage and unite staff in the new working environment.

- **Antivirus Agitation Team flash mob.** Employees used poetry to cope with an avalanche of alarming news from outer world. Employees recorded dozens of motivational videos over the first two months of lockdown.
- **Staying at Home flash mob** for employees working from home. Colleagues shared photos and videos of their home “offices” and shared with others what helped them remain motivated for work.
- **#VseVTvoikhRukah (All in Your Hands) flash mob.** The issue of hygiene, which was extremely important early in the pandemic, was not forgotten. Company managers, following in the footsteps of international stars, recorded videos on proper hand washing.
- **#MyComanDa (We Are a Team) flash mob** emphasised the importance of staying together no matter what. Short videos featured managers and employees explaining why Gazprom Neft is a true team.
- **Say Thank You flash mob.** Six virtual postcards reflecting six corporate values. Employees were invited to select one of these and send it to their colleagues to thank them for working together. During the same time, visual solutions for corporate values were updated and new motivational messages were created to reinforce the idea that company values remained alive, driving effective teamwork.

Within each COVID-19 communication campaign, communication packages were put together containing a range of materials tailored to target audiences of particular offices or production facilities

A | N | T | I
V | I | R | U | S
GAZPROM NEFT
vs. COVID-19



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The #NAVAKHTE – rus. #ONSHIFT motivational campaign

The biggest corporate flash mob ever in Gazprom Neft took place. It supported fly-in personnel working at continuous production facilities who had to stay in the harsh Arctic conditions for 2-3 months during the first wave of the COVID-19 pandemic, rather than one month as usual.

Employees would add the #NAVAKHTE – rus. #ONSHIFT hashtag to their avatars on social media to show involvement in company efforts and support fly-in personnel. This show of support was joined not only by Gazprom Neft employees (over 400 people from 32 business units in 15 Russian regions), but also famous athletes, performers and TV personalities.

#HABAXTE



Thanks for being
#NAVAKHTE – rus.
#ONSHIFT

In 2020, thanks to the provision of remote access, the corporate portal remained the main gateway for communication with white-collar workers, although a large fraction of them transitioned to remote work. New sections concerned with working in new conditions were promptly added: "Antivirus" and "Hotline" with clear and simple answers to pressing issues. The new sections helped employees to better understand the new reality, build effective work-from-home setups and to stay in touch with their colleagues.

Traditional interactive services – contests, celebrating holidays with colleagues – were still available on the portal, allowing employees to use the familiar tools as before.

The print edition of Sibirskaya Neft corporate magazine was discontinued, the magazine is now available in PDF files and at www.sibneft.ru. Announcements are emailed across the company to notify employees of new issues of the magazine.

Internal communication tools

Gazprom Neft's unified system of intranet portals

The system is used by over 40,000 employees. In 2020, the number of regular users accessing the system at least once a week grew by 11% to 17,000. The number of unique users hit an all-time high this year at 22,000 users per day.

Mobile Newsfeed

A corporate media channel accessible from employees' personal devices with an option to create and maintain own professional channels. In 2020, the number of registered users exceeded 32,000, with over 1.3 million views of published posts, 86 new channels created, 30 contests held and over 20 live webcasts. The Mobile Newsfeed proved to be the fastest communication channel when a large part of employees were working from home during the COVID-19 pandemic.

Sibirskaya Neft

Due to the pandemic, the magazine has been published only in an electronic format since March 2020, with the number of unique views of the online version growing by 110% to 655,000 in 2020.

Corporate radio

The radio broadcasts to the Moscow and Omsk Refineries, fillings stations and Gazpromneft-Aero.

Sibirskaya Neft is now published in electronic format only



Sibirskaya Neft corporate magazine

сибирская нефть

40,000+
employees using the unified intranet portal system

32,000+
users of the Mobile Newsfeed

«**МОБИЛЬНАЯ ЛЕНТА**»

60,000 people on average viewing the Sibirskaya Neft channel on Yandex.Zen every month

Neftegazeta

In 2020, a new express format was developed for printing issues via office printers and posting on information boards. The functionality of the Neftegazeta mobile app was expanded to include the ability to download and read current and back issues.

Online communication system

Panel discussions, town-hall meetings, and various other discussions (conferences, round tables) were held online.

19 issues of the
Neftegazeta per year

нефтегазета



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Employee engagement survey

In 2020, digital-communication tools were used to enable faster feedback and contactless data acquisition. A total 68% of employees participated in the survey. The survey showed that the company managed to maintain a high level of employee engagement and loyalty despite the 2020 challenges. Employees at most production facilities appreciated company measures to preserve jobs, maintain uninterrupted salary payments and launch numerous health-protection and well-being initiatives.

The company runs annual employee engagement surveys (EES) to assess employee engagement and satisfaction, identify Gazprom Neft's strengths and weaknesses as an employer, and identify areas for improvement

Results of the employee engagement survey

80% employee
engagement rate

81% employee
loyalty rate

8% growth in employee
awareness year-on-year

46,000 employees
completed the survey
questionnaire (+12% year-on-year)