

## ENVIRONMENTAL SAFETY

The company is committed to using natural resources sustainably, consistently reducing its environmental footprint, preventing environmental damage from its operations, introducing best global practices and technologies for environmental protection and sustainable use of resources, and developing an environmental safety culture.

The Gazprom Neft approach to environmental safety management is based on the understanding of its potential environmental impact. The company analyses the environmental impact of its operations at all stages; this is a necessary requirement for management and investment decision-making. The company has in place an environmental management system compliant with the international ISO 14001:2015 standard.

Gazprom Neft is implementing a range of key environmental measures, as well as individual programmes or projects aimed at achieving the relevant environmental objectives, and continues to support national and international environmental initiatives.

### Climate impact management

Gazprom Neft supports the implementation of the Paris Agreement, which is aimed at combating climate change.

Assessment of greenhouse gas (GHG) emissions is a key tool forming part of the climate risk management system used by the company.

For this purpose, Gazprom Neft has adopted a corporate standard on GHG emission monitoring and accounting, which is aligned with the applicable Russian legislation and international recommendations.

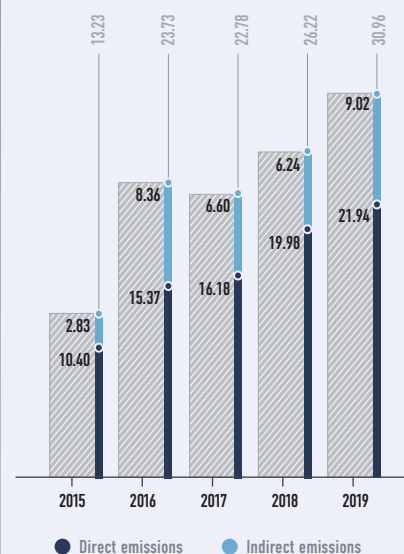
An increase in direct and indirect GHG emissions in 2019 was due to the fact that the company is continuously expanding its geographical footprint, prospecting for and assessing hydrocarbon reserves, and developing upstream and transport infrastructure. As a result, the number of facilities that are a source of additional greenhouse gas emissions is increasing.

However, the company is implementing projects to increase associated petroleum gas (APG) utilisation, develop energy-saving technologies and renewable energy projects. These activities help it to avoid a much bigger increase in GHG emissions.

In 2019, the APG utilisation rate across the company assets in Russia reached 89% (up 11 percentage points year on year). Moreover, at mature fields with well-developed gas infrastructure, the gas utilisation rate has ranged between 92% and 99% since 2016.

### GHG emissions, mt of CO<sub>2</sub> equivalent<sup>1</sup>

Source: company data



#### Memorandum of understanding with WWF Russia

In 2019, Gazprom Neft and the World Wildlife Fund (WWF) signed a Memorandum of Understanding. It expands cooperation in the field of environmental conservation, including efficient and safe development in the Arctic, and joint communications. The parties intend to maintain a dialogue on environmental conservation, discuss projects relevant to environmental conservation and sustainable development, and share information on best international standards and practices for minimising environmental impacts.

<sup>1/1</sup> GHG are presented using the operational management method.