

HEALTH, SAFETY AND ENVIRONMENT (HSE)¹

As part of comprehensive business transformation, the company has set itself a strategic goal of becoming one of the safest oil and gas companies by 2030.



To achieve its stated HSE safety goals, Gazprom Neft is implementing a risk-oriented approach. Today, the company focuses on the making sure that it puts in place defences against key risks in all assets. Digital technology is essential to the effective management of this process. Another strategic objective is to ensure that only those people who are qualified to do so will be able to work at our facilities.

Anton Gladchenko,
Head of HSE Directorate,
Gazprom Neft PJSC

Safety invariably remains the key priority for Gazprom Neft. The Gazprom Neft HSE strategy is aimed at achieving 'Target Zero': zero harm to people, the environment, or property in our operations.

Gazprom Neft judges itself alongside the world's safest Top 10 producers of liquid hydrocarbons. If, by 2030, the company achieves a Fatal Accident Rate and Process Safety Event (PSE) Tier 1 values lower than those industry leaders against which it measures itself, this will demonstrate the effectiveness of its policy.

The company is consistently improving HSE management by building risk management processes and developing safety culture among employees and contractors.

The Gazprom Neft Policy on Industrial and Occupational Safety, Environmental

Protection, Fire and Transport Safety, and Civil Defence is a framework HSE regulatory document.

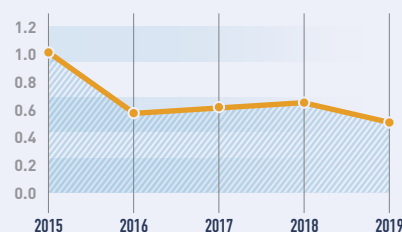
Gazprom Neft has in place a comprehensive system of collegial bodies responsible for making decisions on key HSE matters. The HSE Professional Board is responsible for consolidated decision-making supporting the development of a company-wide HSE management system, and for submitting strategic initiatives for review to the Supervisory Board and the Gazprom Neft Management Board.

The HSE Supervisory Board is a collegial body comprised of senior executives of operational units. It is tasked with reviewing strategic matters related to safety improvements in the company, drawing on the expertise of operational functions. Key decisions are reviewed by the Management Board at its meetings.

Fatal Accident Rate (FAR)²



Lost Time Injury Frequency Rate (LTIF)³



/ 1 / HSE requirements include, but are not limited to, industrial, fire and environmental safety, occupational safety and health, electrical safety, and emergency prevention and response standards.

/ 2 / The Fatal Accident Rate is calculated as the number of fatalities / total hours worked × 100 million.

/ 3 / The Lost Time Injury Frequency is calculated as the number of lost time injuries (including fatalities) in the workplace / total hours worked × 1 million man-hours.

In addition to Gazprom Neft assets in Russia, the injury rate is also calculated for joint ventures whose operations are managed by Gazprom Neft, as well as Gazprom Neft assets overseas (in Serbia, Iraq, Italy, Eastern Europe and Central Asia).

In 2018, the company initiated a transformation of its HSE system, underpinned by a risk-focused approach.

In 2019, the company completed the first round of practical implementation of this approach. To manage key HSE risks, at the corporate level, Gazprom Neft identified 31 scenarios of events that may lead to catastrophic consequences. In order to develop and implement effective preventative measures to mitigate these risks, Gazprom Neft launched the Safety Framework Project. An independent inspection team assesses the efficiency of measures taken by Gazprom Neft enterprises to determine whether these protective barriers are robust.

The company is aware that employees play a key role in maintaining a safe working environment. Accordingly, it places a special emphasis on communications with personnel. Every year, the company holds Safety Days, which are attended by Gazprom Neft top managers. During these events, Gazprom Neft employees and contractors express their opinions on workplace hazards. This enables the company to receive high-quality feedback, and promptly address any issues arising in the workplace.

To assess technology-related risks in the course of design, construction, operation and decommissioning of facilities, the company uses advanced international methodologies, such as HAZID/ENVID (hazard identification), HAZOP (hazard and operability study) and PHSER (analysis of HSE risks).

Reliability management is underpinned by risk assessment at all stages of the life cycle of a production facility, from design to dismantling and reclamation. At the operation stage, the company seeks to ensure the uninterrupted operation of equipment and reduce the number of repairs.

In addition, Gazprom Neft is implementing a number of transport safety programmes, which include introducing a vehicle tracking system, training in defensive driving, on-site training and briefings on transport safety, etc.

Occupational health

Gazprom Neft is implementing a corporate programme to develop an occupational health system.

As a preventative measure, employees, including those in contractor organisations, are only authorised to work on Gazprom Neft sites if no contraindications or restrictions on health grounds have been identified during the initial or regular health examination carried out by a healthcare provider accredited by the company.

A major focus of the corporate occupational-risk management strategy is on providing modern and affordable medical aid at production sites: providing first-aid posts with diagnostic and emergency medical equipment, ambulances, and robust telecommunication services, including telemedicine.

Responsible contractor management

The company is taking active steps to incorporate its contractors in the HSE system. Gazprom Neft informs contractors of the rules, codes and procedures that it applies, and holds joint meetings which are aimed at developing the best solutions to improve workplace safety. All standard forms of contract include requirements for compliance with the codes and rules applicable in the regions in which the company operates, as well as with corporate HSE requirements.

