

INDUSTRIAL AND OCCUPATIONAL SAFETY

Improving the industrial safety management system is one of Gazprom Neft's most important priorities. The Company strives to continuously improve industrial safety levels, performs comprehensive work to minimise the rate of equipment failure and industrial injury, and also introduces best practices and advanced technologies in this area.



The Company's main programmes to improve industrial and occupational safety levels include:

- > the prevention and management of emergency situations;
- > an expert assessment of equipment safety and harmonising production facilities with the requirements of industrial safety standards;
- > the modernisation of emergency shutdown systems;
- > monitoring compliance with industrial safety requirements;
- > ensuring safe work conditions;
- > measures to protect workers' health;
- > comprehensive training of employees in occupational safety.

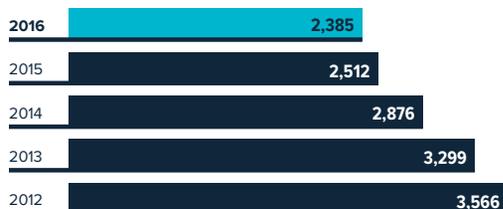
The plans for these programmes are developed taking into account an analysis and assessment of occupational safety risks.

PRODUCTION CONTROL

A new type of production control that was introduced in 2015 – a leadership behavioural safety audit – gained traction during the reporting year. It consists of a manager observing an employee's work and then holding a discussion about safe or hazardous behavioural strategies. This approach helps to establish the proper behavioural model for the employee, correct dangerous behaviour and also identify why work is performed in violation of safety rules and assess the effectiveness of industrial and occupational safety activities.

NUMBER OF INCIDENTS AT HAZARDOUS PRODUCTION FACILITIES

Source: Company data



> The work carried out in 2016 resulted in a reduction in the number of incidents at the Company's production facilities. The Company was unable to fully eliminate fatal accidents in the workplace during the reporting year. The Company is doing everything it can to prevent such tragedies from reoccurring. Special commissions formed to investigate each incident conducted a detailed analysis of each accident, identified their causes and took action to minimise the risk of such incidents reoccurring. The results of the investigations were reviewed at meetings of the HSE, OS and CD Committee.

The Company spent more than RUB 41.7 billion on occupational safety measures in 2016 (excluding joint and foreign assets).

The work carried out in 2016 resulted in a reduction in the number of incidents at the Company's production facilities and a further decline in the LTIFR.

In an effort to ensure civil defence, the Company is improving the sustainability of its production facilities when emergencies arise and training employees in actions to take in the event of emergencies, including work in challenging climate.

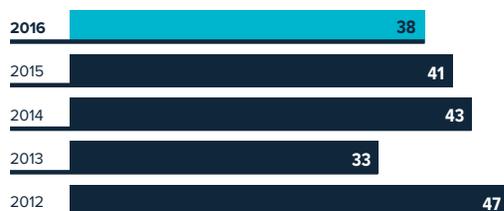
The 'Occupational Safety in the Office' online training course in 2016 took first place and earned a gold medal in the 'Health and Safety-2015' contest.

The Company is implementing a long-term disease prevention strategy as part of which personnel regularly undergo medical check-ups, clinical examinations and vaccinations, training on first aid methods and other measures. Gazprom Neft holds 'Health Days' each year during which employees can receive an express analysis and diagnosis of their condition along with consultations on how to provide paramedical first aid.

Gazprom Neft received a number of prestigious awards during the Russian Occupational Safety Week in Sochi from 19-22 April. The 'Occupational Safety in the Office' online training course in 2016 took first place and earned a gold medal in the 'Health and Safety-2015' contest.

NUMBER OF INJURIES IN WORKPLACE ACCIDENTS

Source: Company data



LTIFR INJURY RATE

Source: Company data

