

Health, Safety and Environment

All of Gazprom Neft's facilities have a corporate safety management system in place. In 2017, the Company established a single Operating Management System Committee, a high-level collegial body headed by CEO Alexander Dyukov. The Committee is responsible for the HSE strategy.

In 2018, the Company's workplace safety function set up an HSE Professional Board comprising senior management of the HSE Directorate and representatives of workplace safety functions across the Divisions. The Board is designed to prepare consolidated resolutions on key matters for Gazprom Neft's workplace function.

In 2018, Gazprom Neft embarked on the transformation of its HSE system as part of a wider business transformation exercise, with the Company seeking to join the ranks of global workplace safety champions by 2030 in line with its Development Strategy.

More than 80 internal experts from across the Company's production and non-production units, Divisions and hierarchy levels (all the way through from the Corporate Centre to subsidiaries) were mobilised to help draft the occupational safety transformation programme. Their mission was to identify inconsistencies in HSE management and suggest solutions for their elimination.

The system transformation relies on a risk-based approach, with a series of PDCA (Plan-Do-Check-Act) projects developed within Gazprom Neft for its implementation.

The launch of projects to introduce a cyclical risk-focused approach to HSE management is scheduled for 2019.

SAFETY CULTURE

The Company views safety culture as an important tool in achieving the Goal Zero objective and seeks to make sure that its employees have no concerns about their safety when they start working on a new assignment.

Gazprom Neft's safety training system plays a pivotal role in the Company's corporate safety culture. The training process is all-encompassing and highly standardised while also being closely related to other elements of the safety management system.

In 2018, the number of the Company's employees who completed HSE training exceeded 26,000². In-house coaching is another key driver behind the Goal Zero mission. Corporate coaches are the Company's employees who combine their main job responsibilities with mentorship assignments. This format has proved its efficiency over the years, with Gazprom Neft now focusing closely on the organisation of training sessions and coach meetings along with the assessment of mentorship competencies.

² Number of employees trained under additional corporate HSE programmes..

Fatal accident rate (FAR)¹

Source: Company data

**HSE**

HSE improvement programmes include:

- > equipment safety reviews and alignment of production facility characteristics with workplace safety regulations;
- > upgrade of accident prevention systems;
- > emergency prevention and response plans;
- > control of compliance with HSE rules;
- > maintenance of safe working conditions and workplaces that fully meet statutory and corporate safety requirements;
- > provision of personal protective equipment;
- > occupational health initiatives;
- > comprehensive HSE trainings;
- > improving safety performance.

In 2018, investments in HSE improvements stood at around ₹ 12 bn². In the reporting year, the Company registered one accident and 1,068 incidents at hazardous production facilities³.

The Company has a dedicated Emergency Prevention and Response System, with 236 employee and management training sessions and drills held as part of it in 2018, including a large-scale oil spill response exercise at the Pirazlomnaya platform and drills to protect the coastlands of the Varandey settlement and Dolgy Island from oil contamination.

Gazprom Neft's transport safety programmes include workplace control initiatives, defensive and winter driving courses, safety briefing and raining sessions and monthly HSE meetings (stand-ups).

Technology**Use of neural networks to improve HSE**

In 2018, Gazprom Neft's IT team completed an R&D project focusing on the application of cutting-edge video analysis technologies to improve road transport safety at the Company's sites. As part of the project, the researchers sought to develop a tool based on a neural network algorithm to analyse and control driver behaviour. The new system is self-learning. As soon as it accumulates sufficient data, it becomes capable of not only registering standard incidents, but also identifying the new ones.

¹ Fatal accident rate (FAR) indicates the number of fatalities / total number of hours worked by all employees * 100 million

² Including investments in health, safety (including industrial, fire and transport safety) and civil defence; excluding environmental investments.

³ To calculate the number of accidents in 2018, the Company used a new methodology as prescribed by Order of the Federal Environmental, Industrial and Nuclear Supervision Service (Rostekhnadzor) No. 29 On Approval of Methodological Guidelines for Classification of Technogenic Events in the Realm of HSE Taking Place at Hazardous Oil and Gas Production Facilities dated 24 January 2018. In line with these new guidelines, some of the incidents previously classified as first grade technogenic events or incidents, are classified as second grade technogenic events and no longer regarded as incidents starting from 2018.

HEALTH MANAGEMENT SYSTEM

Gazprom Neft is developing Health Management System in order to:

- > ensure health and well-being of the Company's employees (create safe working and living conditions at field sites and make sure there are well-equipped healthcare facilities within a reasonable distance from the Company's sites);
- > align an employee's health condition and physical abilities with the job characteristics and requirements;
- > identify and eliminate workplace health hazards;
- > raise employees' awareness about occupational health.

To achieve these goals, the Company undertakes to:

- > put in place disease prevention initiatives (including regular and in-depth medical check-ups at qualified (recommended) clinics, installation of automated systems for pre-work medical screening at health facilities, identification and control of cardiovascular disease risk groups);
- > develop an emergency response framework (first medical aid and evacuation capabilities, first aid training for employees);
- > assess and minimise occupational disease risks;
- > promote healthy lifestyles (including vaccination, healthy living awareness campaigns, alcohol and drug abuse prevention initiatives, insurance activities).

The Company's Health Management System for 2018–2023 won the top prize in the nomination for Advanced Occupational Disease Prevention and Employee Rehabilitation Solutions of the Health and Safety competition held as part of Russia Health and Safety Week 2018.



Life cycle: Gazprom Neft upgrades its HSE system



Safety technologies: digital platform for managing HSE Policy Statement risks