

ETHICS AND ANTI-CORRUPTION PRACTICES

Gazprom Neft has zero tolerance for potential corruption and fraud risks. With this in mind, the Company joined the Anti-Corruption Charter of the Russian Business adopted by the RSPP.



Anti-Fraud and Anti-Corruption Policy on the Company's website

The Company's framework regulation in this area is the Anti-Fraud and Anti-Corruption Policy, which contains the main requirements to business processes in order to mitigate corruption risks, and sets forth anti-corruption rules and standards for employees. Knowing the policy and complying with its key principles are mandatory for all Gazprom Neft's employees.

The Company runs an anti-fraud and anti-corruption training programme compulsory for all employees, both new and old. To control corruption risks when cooperating with external counterparties, Gazprom Neft's CEO approved standard anti-corruption clauses to be included in agreements with third parties (both Russian and foreign ones).

At Gazprom Neft, Deputy CEO for Security is in charge of anti-corruption activities.

The Company's anti-corruption measures at all internal control levels include:

- > reviewing and updating fraud and corruption risks classified as key corporate risks;
- > applying the due diligence principle to potential counterparties, and including relevant obligations (anti-corruption clauses) in agreements;

- > checking new and old employees for affiliation with third-party businesses and for any conflict of interest;
- > running a hotline to combat fraud, corruption and other violations of the Corporate Code of Conduct. The line allows any violation to be anonymously reported at the Corporate Centre or subsidiaries;
- > carrying out internal investigations of identified cases of fraud and taking action against those at fault.

Following the investigation of hotline reports, no cases of corruption were confirmed in 2018¹.

¹ The applicable legislation puts law enforcement authorities in charge of verifying the cases of corruption. This means they must be notified in the event of suspected corruption. The Company's review of hotline reports identified no need to involve law enforcement authorities in 2018.