

APPROVED
Gazprom Management Committee Decree #45
September 25, 2008

GAZPROM ENVIRONMENTAL POLICY

I. General Provisions

Open Joint Stock Company Gazprom is the world's largest gas company and one of the largest energy companies dealing with natural gas, gas condensate and oil prospecting, production, transportation, storage, processing and marketing, as well as power generation both in Russia and abroad.

Gazprom, its subsidiary companies and organizations represent a vertically integrated company (hereinafter referred to as the Company).

Being strategically important to the economy of Russia and other countries, Gazprom's business activities affect the interests of millions of people. Environmental impacts made by the Company during its operations determine its responsibility to the society.

Recognizing this responsibility, Gazprom was one of the first Russian companies to adopt the Environmental Policy in 1995. Responding to the tightened requirements for environmental protection, the Company assumed in 2000 additional commitments in this area, which was reflected in the adjusted version of the Environmental Policy.

Nowadays Gazprom as a global energy company is accepting greater responsibility for the environmental preservation as well as product supply safety and security when fulfilling the environmental and social commitments set out in this Environmental Policy.

Gazprom's Environmental Policy is based on the Constitution of the Russian Federation, federal laws and other legal acts of the Russian Federation, international agreements of the Russian Federation related to environmental protection and natural resource conservation.

In accordance with the principles of the Concept of the Transition of the Russian Federation to Sustainable Development approved by Russian President in the Decree No. 440 dated April 1, 1996 and of this Environmental Policy it seems possible to ensure well-balanced resolution of socioeconomic tasks and maintenance of a favorable natural environment and natural resource potential in the aim of securing the Company's substantial contribution to the aspirations of the global community to meet the needs of both current and future generations by reaching harmony with the nature and shaping the sphere of reason (noosphere) as advanced by V.I. Vernadsky.

II. Company Commitments

The underlying principle of the Company's business is sustainable development construed as intensive economic growth accompanied by maximal conservation of natural resources and preservation of a favorable natural environment for future generations.

In order to fulfill this principle the Company assumes the commitments as follows:

1. Guaranteeing compliance with all standards set by the Russian Federation legislation and international legal acts related to environmental protection, as well as observing the principles of the Russian Federation Ecological Doctrine approved by the Russian Government in the Decree No. 1225-r dated August 31, 2002.
2. Securing resource conservation, reducing negative environmental impacts and taking all possible measures to conserve the climate and biodiversity as well as to compensate for possible environmental damage.

3. Enhancing energy efficiency of production processes at all stages.
4. Consistently streamlining both the Company's environmental activity and its management system.
5. Preventing pollutions, which means giving priority to preventive actions aimed at non-admission of negative environmental impacts over actions aimed at elimination of consequences of such impacts.
6. Continuously improving labor and industrial safety at its production facilities and ensuring that working conditions meet the requirements of safety and hygiene standards.
7. Taking into account the interests and rights of indigenous minorities with respect to their traditional lifestyle and original habitat retention.
8. Effectuating gasification of population centers and expanding utilization of natural gas as vehicle fuel for the purpose of enhancing the living standards and security of Russia's population.
9. Arranging for continuous professional and environmental training of the Company's personnel.
10. Ensuring broad availability of environmental data on Gazprom's operations as well as transparency of its environmental activities and relevant decisions.

The commitments assumed by the Company form a basis for setting **long-term strategic goals in the environmental protection area**. These include:

- minimizing specific negative technogenic impacts on the natural environment (per marketable product unit);
- increasing the efficiency of non-renewable natural resource and energy source utilization;
- involving the Company's entire personnel in activities aimed at reducing environmental risks, improving the environmental management system and performance indicators in the environmental area.

III. Environmental Policy Implementation Mechanisms

The Company will achieve its strategic goals in the environmental area by virtue of:

- introducing and maintaining an effective environmental management system based on the ISO 14001 international standard;
- cooperating with all organizations engaged in energy production and supply in order to minimize environmental impacts and conserve natural resources;
- participating in global, including international, programs aimed at achieving sustainable development as well as climate and biodiversity conservation;
- planning target-oriented activities for the mitigation of environmental risks as well as measures for the implementation of the Environmental Policy;
- keeping record of eco-economic and environmental aspects alongside conventional financial & economic parameters during project development and execution;

- allocating sufficient organizational, material, human and financial resources enabling to secure the commitments assumed;
- taking reclamation and other technical & organizational actions to compensate for environmental damage;
- arranging for and conducting investigations on renewables including hydrogen energy, exploiting unconventional resources such as coalbed methane and methane gas hydrate;
- applying the best available technologies in all production areas;
- considering environmental factors during the development of a procurement policy and fulfillment of works and services by contractors;
- implementing environmental certification of products;
- performing and stimulating scientific research aimed at increasing energy efficiency, reducing negative environmental impacts and risks;
- insuring against high environmental risks;
- improving the environmental training system;
- motivating personnel in order to use every employee's creative potential in the process of resource conservation and environmental risk reduction;
- actively interacting with civil society structures interested in the environmentally safe operation of the Company.

This Environmental Policy represents a priority and is communicated to every employee of the Company.

The Environmental Policy, which expresses the Company's attitude toward the natural environment and the implementation of sustainable development principles in the present-day conditions, serves as a basis for defining the corporate Environmental Strategy and planning its target environmental activities in the short- and mid-term.

The Environmental Policy will be implemented through the introduction of environmental obligations for projected regions of Gazprom's activity into agreements with the Company's contractors and suppliers.

The Environmental Policy is subject to revision, adjustment and improvement in the event the Company's development priorities and operational conditions are changed.