Gazprom Group's Sustainability Report 2020

GAZPROM

ENERGY OF LIFE*

*Why do these letters look like that? dobroshrift.ru/about/

Gazprom Group's Sustainability Report 2020

Content

Message from the Chairman of the Gazprom Management Committee

Dear friends,

For many years now, our Company has been working round the clock in the interests of people and industry both in Russia and around the world. Our philosophy is centered on maintaining a highly reliable gas supply, protecting nature and ensuring operational safety. Our Company has in place a responsible social policy that duly accounts for the interests of all who in any way engage with Gazprom.

We take care of our consumers. In the reporting year, just like every other year, we fully upheld all commitments made to them, having exported 179.4 bcm of gas to non-FSU countries (including via the new TurkStream and Power of Siberia pipelines). This result ranks among the top five in the Company's history.

We have and will continue to meet the gas demand in the domestic market too. Moreover, starting 2021 Gazprom is accelerating the construction of new gas networks – the respective arrangements have already been made with 67 Russian regions. Together, we have set an ambitious but achievable goal – within the next five years, i.e. by 2026, we aim to increase Russia's gas penetration rate to 90.1% of what is technically feasible.

Understanding the utmost social significance of that task, Gazprom will triple its investment in this area versus the last five years to RUB 526.1 billion. Natural gas will be made available to a further 3,632 localities, mostly villages and rural areas. That means gas access for 538,000 households and apartments and more than 3,200 boiler houses and businesses.

Natural gas is very simple to use and therefore makes life a lot easier. Crucially, it is also eco-friendly. By widely using gas in energy, transport and other sectors, we all make a significant contribution to preserving the environment for the current and future generations.

On top of that, Gazprom is constantly making technological improvements across all its facilities within the gas supply chain. It is chiefly thanks to this that in 2020 we were able to reduce our water consumption for internal needs by 17.5%, our GHG emissions by 11%, and waste generation by 3.2%.

Furthermore, last year saw Gazprom initiate and carry out upwards of 2,200 environmental projects, including planting trees, renovating walkways and parks, and remediating water bodies.

Everyone has the right to a safe environment. That is why we make every effort to ensure the industrial safety of infrastructure across the Gazprom Group and protect the health of all employees. In 2020, we improved the working conditions for over 8,000 people and significantly minimized the risks of occupational hazards.

The COVID-19 pandemic prompted the Company to make certain adjustments to its operations. We quickly adapted our business processes to maintain uninterrupted work across all facilities.

Most importantly, we did everything we could to ensure the safety of our people. The majority of office employees were switched to remote working. We tightened prevention and disinfection measures and conducted regular COVID-19 testing at workplaces. An additional set of measures was adopted to protect shift workers, which included special buffer zones for medical observation of incoming shift personnel and hospitals with state-of-the-art equipment being set up at a number of fields. In addition, we helped furnish public health centers with modern equipment as well as protective suits for doctors.

I would like to give a special mention to our corporate volunteering initiatives. Thousands of Gazprom's employees came to the aid of people at risk. They delivered food, medicines, and other essentials.

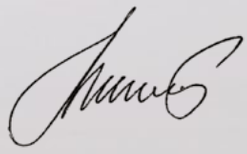
Even in the highly adverse conditions of a worldwide pandemic, Gazprom was able to continue its tradition of supporting important causes, which included helping educational institutions, NGOs, cultural projects, indigenous minorities of the North, and sports development throughout Russia.

Dear friends,

Gazprom works for you. No matter what comes to pass in the global markets, we will always be working to improve our performance in every area, take care of the environment, and facilitate social initiatives. Commitment to the sustainable development principles is what guides Gazprom's long-term development.

That commitment has been enshrined in the Gazprom Group's Sustainability Policy. This fundamental strategic document was approved by the Board of Directors in spring 2021. The implementation of the Policy is personally overseen by the Chairman of the Management Committee.

Alexey Miller
Chairman of the Gazprom Management Committee



About the Report

Overview

Sustainable development is development that satisfies the needs of the present without compromising the ability of future generations to meet their own needs.[1]

The Gazprom Group's Sustainability Report 2020 (the Report) highlights the Gazprom Group's contribution to the country's economic development, well-being of employees and the general population, environmental protection, and climate protection. The Report contains disclosures on the Gazprom Group's corporate governance and values, its input in achieving the Sustainable Development Goals outlined in the United Nations 2030 Agenda and implementing Russia's national projects.

GRI 102-54

This Report has been prepared in accordance with the GRI Standards: Core option.

GRI 102-51

The Report for the year 2020 is the ninth Sustainability Report of the Gazprom Group. The previous Report was published in September 2019.

The 2019 Report won the Best Public Non-Financial Report of an Oil and Gas Company award in a competition held by the Russian Ministry of Energy. The 2019 Report also took first place in the Sustainable Development Reporting Rating of AK&M Rating Agency.

GRI 102-50, GRI 102-52, GRI 102-56

Report name	Gazprom Group's Sustainability Report 2020
Reporting period	From January 1 to December 31, 2020 (calendar year)
Reporting cycle	Annual
Reporting standards, indicators, principles	— GRI Standards — Reference performance indicators of the Council on Non-Financial Statements of the Russian Union of Industrialists and Entrepreneurs (RUIE) — Indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals (UNCTAD) — The Principles of the United Nations Global Compact
Independent professional auditor's assurance	FBK, LLC
Public endorsement	Council on Non-Financial Statements of the Russian Union of Industrialists and Entrepreneurs (RUIE)
Public consultations	Stakeholder representatives

(1) GOST R 54598.1-2015. National standard of the Russian Federation. Management of sustainable development.

Report Preparation and Approval

To prepare the Report, the Company set up a Task Force involving members from various structural units and subsidiaries of PJSC Gazprom who coordinate the activities on the focal areas of sustainable development and engage with stakeholder groups.

At the end of 2020, to further improve the non-financial reporting framework, the *Procedure for Preparation, Publishing and Distribution of the Gazprom Group's Sustainability Report*[2] was updated. Decisions were made to speed up the preparation and disclosure of the Reports and to include them in materials for shareholder meetings.[3]

GRI 102-32

The information included in the Report is confirmed by the heads of dedicated units. The Report is approved by the Chairman of the Management Committee of PJSC Gazprom.

Approach to Presenting Indicators

For comparability purposes, the Report shows the majority of key indicators for a four-year period (2017–2020). Disaggregated data provided throughout the Report may not add up precisely to the relevant totals presented in consolidated financial statements and management accounts due to rounding. The Plans subsections of the Report contain forward-looking information. The Group's actual performance achieved afterwards may differ from forecasts due to objective factors.

GRI 102-45, GRI 102-46

The Report includes the information about the Gazprom Group companies in line with the scope of consolidated statements under IFRS 10 Consolidated Financial Statements, unless specified otherwise.

Due to the existing differences in data gathering and consolidation, certain groups of disclosures may have their individual boundaries (specified in Appendix 2).

Report Publication and Distribution

The Report is publicly available in the Russian and English languages on the Company's website (www.gazprom.ru, www.gazprom.com) and is also available in an interactive version (https://sustainability.gazpromreport.ru/en/2020/).

The printed version is distributed to the key stakeholders by direct mail.

(2) Approved by order of PJSC Gazprom No. 20 dated January 20, 2020 (as amended by order of PJSC Gazprom No. 24 dated January 19, 2021).
(3) Approved by resolution of the Management Committee of PJSC Gazprom No. 1 dated January 28, 2021.

Stakeholder Engagement

Stakeholder Engagement Principles

GRI 102-42

The main principles of the Gazprom Group's stakeholder engagement are inclusivity, materiality, impact, and responsiveness.[4]

Inclusivity

Taking into account Gazprom's stakeholders' points of view as to the significance and impact of a particular matter in order to enable the Group to develop an expedient and commensurate response method.

Materiality

Identifying and ranking relevant and significant matters and underlying factors that make an impact on Gazprom and its stakeholders.

Impact

Monitoring, measuring and assessing the impact of Gazprom's principles, activities and results of operations on the economy, environment, society, stakeholders and the Group itself.

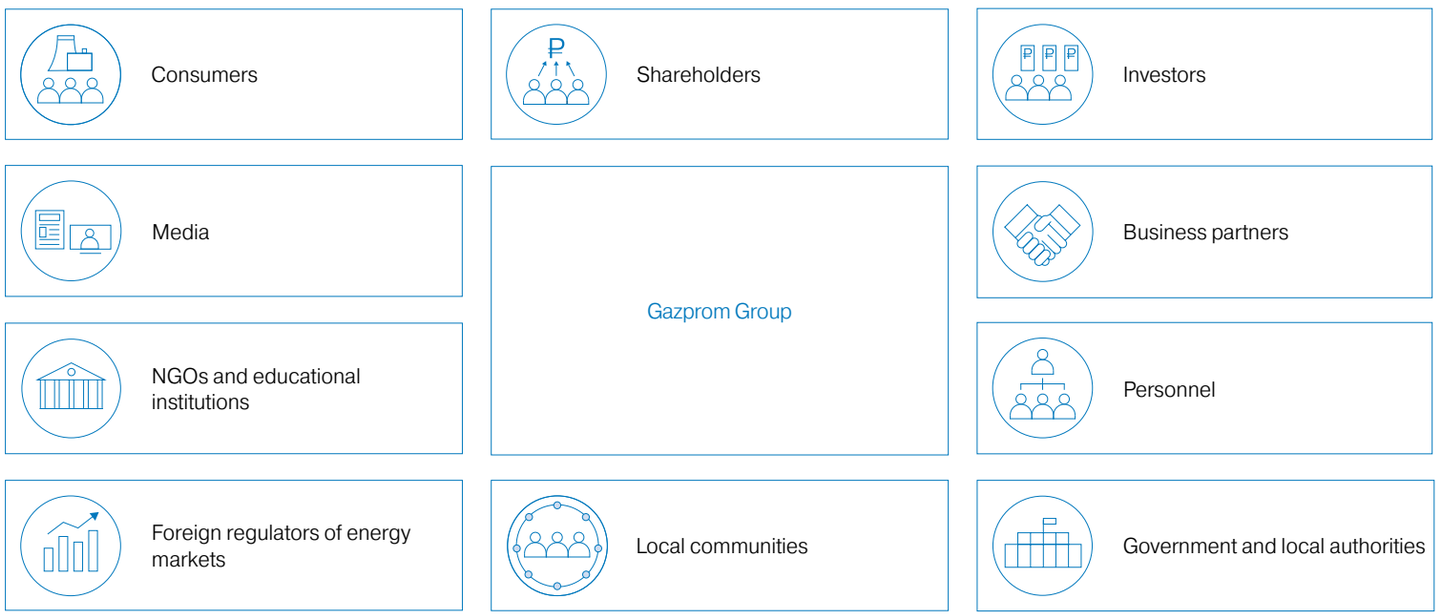
Responsiveness

Taking into account material topics and corresponding impacts in making decisions, taking actions and planning day-to-day operations of the Gazprom Group (including communications).

Gazprom Group's Stakeholders

GRI 102-40

The Gazprom Group identifies ten stakeholder groups:

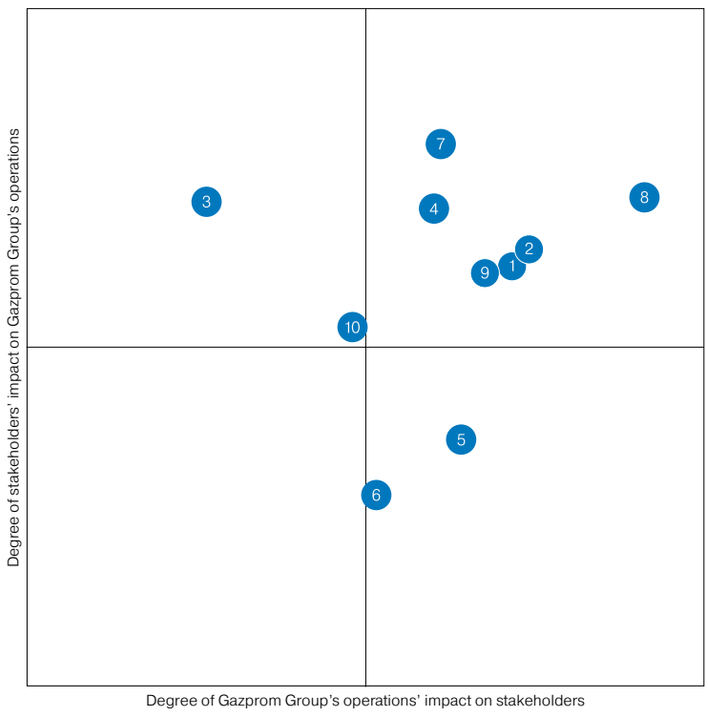


(4) As set out in the internationally recognized AA1000 ACCOUNTABILITY PRINCIPLES (AA1000AP, 2018) and AA1000 Stakeholder Engagement Standard (AA1000SES, 2015).

GRI 102-42

The results of the survey conducted among the Task Force members formed the basis for the stakeholder mapping that shows: (1) the degree to which the Company's operations impact stakeholders' decisions and actions and (2) the degree to which stakeholders' decisions and actions impact the Company's operations. The Task Force members ranked both indicators on a three-point scale from 1.0 (low level) to 3.0 (high level) based on their own experience and competencies. The survey covered 24 people.

Stakeholder groups mapping



1 — Shareholders
2 — Business partners
3 — Foreign regulators of energy markets
4 — Investors
5 — Local communities
6 — NGOs and educational institutions
7 — Government and local authorities
8 — Personnel
9 — Consumers
10 — Media

Alexey Finikov

Deputy Head of Department – Head of Directorate; responsible for shaping and implementing the investor relations strategy of PJSC Gazprom, collects investor feedback and articulates the Company’s approaches to sustainable development.

Stakeholder Engagement Formats

In implementing its information policy, PJSC Gazprom is guided by the principles of regularity, prompt disclosure, accessibility, reliability, completeness, balance, neutrality, and security.

For more details on the disclosure principles, see the Gazprom Group's interactive Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

The main channels to inform stakeholders are press releases and press trips, responses to media requests, press conferences and media scrums, publications on the official website and social media. In 2020, amid the lockdown restrictions, the communication with media representatives continued across all the traditional formats, with the exception of public meetings, such as press conferences and press trips.

In June 2020, PJSC Gazprom launched its official Telegram channel (https://t.me/gazprom) for a broad audience of stakeholders.

Documents governing PJSC Gazprom's information disclosure:

Regulation on Disclosure of Information by PJSC Gazprom;[5]

order of OJSC Gazprom No. 12 dated February 4, 2002 *"On Approval of the Regulation on the Procedure for the Preparation of Information Materials for the Media and their Submission to the Media";*[6]

order of PJSC Gazprom No. 764 dated November 20, 2017 *"On Arranging Information Disclosure by Way of Messaging at PJSC Gazprom".*[7]

In order to ensure efficient interaction between employees and managers at the Gazprom Group, corporate communications are in place, such as intranet portals and information-and-reference systems, including corporate ones, hot lines, e-mail newsletters, and videoconferences with remote corporate units. The Group has corporate media: 64 newspapers and 5 magazines, 1 TV program, 3 in-house TV channels, 2 radio stations, and 1 corporate online media outlet.

GRI 102-21

In 2020, ESG surveys among major shareholders and investors were held with assistance from The Bank of New York Mellon – the issuing bank of American depositary receipts (ADRs) for PJSC Gazprom's shares.

The information obtained in the management's communications with shareholders and investors across various formats was submitted to the PJSC Gazprom Board of Directors as part of the materials prepared on the agenda item "On the outcomes of the measures to streamline the relationship with the shareholders and investors of Gazprom".[8] It is also taken into account in the preparation of activities aimed at further enhancing the Company's corporate governance.

(5) Approved by resolution of the PJSC Gazprom Board of Directors No. 2921 dated March 29, 2017 (as amended by resolution of the PJSC Gazprom Board of Directors No. 3152 dated August 22, 2018).
(6) As amended by orders of OJSC Gazprom No. 20 dated February 25, 2005, and No. 202 dated July 7, 2009.
(7) As amended by orders of PJSC Gazprom No. 415 dated July 17, 2018, and No. 476 dated October 23, 2019.
(8) Minutes of PJSC Gazprom Board of Directors' meeting No. 1344 dated December 24, 2020, agenda item No. 1.

The Gazprom Group has relevant engagement mechanisms in place for each stakeholder group.

GRI 102-43

The system of stakeholder engagement at the Gazprom Group

Stakeholder groups	Corporate Units / Bodies Responsible for Engagement	Engagement Mechanisms	Examples of Engagement in 2020
Shareholders	— Coordinating Committee for Shareholder and Investor Relations of PJSC Gazprom — PJSC Gazprom[9] unit performing the Corporate Secretary functions — Relevant units of PJSC Gazprom	— Implementation of the *Shareholder and Investor Relations Action Plan*[10] — In-person events and teleconferences — Information disclosure — Responses to inquiries, including as part of annual General Shareholders Meetings — Online and offline communications on arising issues	— Annual General Shareholders Meeting in absentia, with electronic voting[11] — Information disclosure in the form of the Issuer's Quarterly Reports, Annual Report, Environmental Report, Gazprom Group's Sustainability Report, and financial statements under the IFRS and RAS — Publishing databooks "Gazprom in Figures", "Analyst Data Book" (Gazprom Neft), "Gazprom Neft Statistic Data", and "Gazprom Energoholding Group of Companies in Questions and Answers" — Placing corporate periodicals, including Gazprom magazine, in the public domain — ESG opinion surveys of shareholders
Investors	— Coordinating Committee for Shareholder and Investor Relations of PJSC Gazprom — PJSC Gazprom unit performing the Corporate Secretary functions — Relevant units of PJSC Gazprom	— Implementation of the *Shareholder and Investor Relations Action Plan* — In-person events and teleconferences — Information disclosure — Online and offline communications on arising issues	– PJSC Gazprom's annual Investor Day (the US and the UK, February 2020). The event in New York involved over 70 representatives of the investor community, with the online broadcast viewed by more than 100 people. The event in London was visited by over 130 investors and shareholders offline and over 120 attendees online. The Company's top management held a total of over 35 meetings with investors in these two cities – PJSC Gazprom's representatives taking part in online events dedicated to the Chinese gas market (led by UBS) and the European gas market (led by Morgan Stanley, Gazprombank, and Goldman Sachs) – First webinar for the international investor community regarding the Chinese gas market, with 136 attendees (July 2020) – PJSC Gazprom taking part in private investor events arranged by VTB Capital and Aton – Over 70 meetings of the Gazprom Group management and representatives with attendees from over 140 Russian and international institutional investment funds (online) – Four conference calls on the publication of the Gazprom Group's consolidated financial statements under the IFRS, attended by the Company's management, following the publication of quarterly and annual IFRS reports – Annual end-of-year online meeting between the Company's management and investment analysts to discuss the preliminary results of the reporting year (December 2020) – Opinion survey on the development level of the Company's corporate governance

(9) Established by order of OJSC Gazprom No. 292 dated November 17, 2008.
(10) Approved by order of PJSC Gazprom No. 124 dated March 25, 2019.
(11) In line with the recommendations of the Bank of Russia's Corporate Governance Code approved by the Bank of Russia's Board of Directors (Letter No. 06-2/2463 dated April 10, 2014).

The system of stakeholder engagement at the Gazprom Group

Stakeholder groups	Corporate Units / Bodies Responsible for Engagement	Engagement Mechanisms	Examples of Engagement in 2020
Business partners	— Relevant units of PJSC Gazprom — Relevant units of subsidiaries	— Contractual relations — Cooperation agreements — Joint Coordination Committees and Joint Task Forces between PJSC Gazprom and foreign partners — Conferences and forums — Industry unions and associations — Pre-qualification of prospective suppliers and contractors	— Implementation of joint projects — Meetings of Joint Coordination Committees and Joint Task Forces focused on key areas of cooperation — Interaction within the framework of economic and energy forums and conferences — Interaction with the Russian Gas Society (Union of Oil and Gas Industry Companies) within the framework of the implementation of the Target Program for the Enhancement of the Legal and Regulatory Framework in Gas Supply as regards making improvements to laws and regulations relating to gas supply — Cooperation, working meetings, and participation in joint task forces with Russian oil and gas companies — 809 companies, including 577 SMEs, were included in the Gazprom Group's Register of Potential Bidders as of February 1, 2021, after the pre-qualification procedure
Personnel	— Department in charge of HR management	— System of internal communications — Feedback — Top management addresses to employees — Satisfaction surveys — Assessment, training and professional development	— Conferences to summarize the results of implementation of the *General Collective Agreement of PJSC Gazprom and its subsidiaries* [12] — Workshop meetings for personnel of HR departments — Regular meetings of representatives of the workforce and the management to resolve topical issues — Training newly hired employees
Government and local authorities	— Department in charge of government relations in the Russian Federation — Regional Policy Commission	— Signing agreements with the regions of the Russian Federation — Presentations on the Gazprom Group's activities to senior government officials — Cooperation under business contracts, agreements and partnership memoranda	— Signing of contracts, agreements and memoranda on cooperation with constituent entities of the Russian Federation (the Komi Republic, Astrakhan Region, and Sakhalin Region) — Participation in parliamentary hearings, forums, round tables and task force meetings held by federal and regional executive authorities and public organizations — Participation in the development of roadmaps — Participation in expert review of draft laws, preparation of proposals, comments and amendments thereto — Implementation of the *Gas Infrastructure Expansion Program in the regions of the Russian Federation*, including the holding of conferences and meetings on gas infrastructure expansion issues — Cooperation with regional governments of the Russian Federation under agreements on promoting the use of natural gas as a motor fuel — Signing of the Gas supply and gas infrastructure expansion programs for 2021–2025 between PJSC Gazprom and 67 regions of the Russian Federation

(12) Approved by the conference of employees of OJSC Gazprom and its subsidiaries on November 23, 2012; extended in 2018 for the 2019–2021 period.

The system of stakeholder engagement at the Gazprom Group

Stakeholder groups	Corporate Units / Bodies Responsible for Engagement	Engagement Mechanisms	Examples of Engagement in 2020
Local communities	— Relevant units of PJSC Gazprom — Regional Policy Commission — Environmental departments of subsidiaries — PR departments of subsidiaries	— Open public hearings — Information centers — Community councils at the Group's companies in the areas of their operations — Information disclosure — Charity and sponsorship projects — Series of environmental awareness events — Group-wide and areas-of-operation opinion surveys — Signing contracts to assist non-profit organizations and public law institutions	— Holding public hearings on environmental impact assessment (EIA) — Charity and volunteering (annual support of culture and arts, projects to preserve historic and cultural heritage, professional and amateur sports, education, healthcare, urban infrastructure development projects; implementation of the Gazprom for Children and Football for Friendship programs, annual New Year initiative run by PJSC Gazprom for children who need social support) — Cooperation with representatives of indigenous minorities of the North: organization of national festivals; preservation of lifestyle, traditional habitat, national crafts, etc. — 6 special practical events as part of the Friends of St. Petersburg project for students of educational institutions specializing in arts, architecture and conservation — tour of the permanent exposition of the Central Naval Museum with young experts in the history of the National Navy from the Nakhimov Naval School and Peter the Great Naval Corps – St. Petersburg Naval Institute taking part, with a quiz on Admiral Kruzenstern — Activities of community councils (e.g. the Amur Gas Processing Plant construction project: ongoing communication with the local community activists; joint events aimed at integration of foreign employees; implementation of social-and-economic and cultural projects and initiatives, etc.)
Foreign regulators of energy markets	— Department in charge of foreign economic activity — Relevant units of subsidiaries	— Information disclosure — Consultations — Participation in international energy conferences and webinars	— Submission of regular reporting materials which cover the terms of signed gas supply contracts and addenda thereto and those of transactions carried out on the Electronic Trading Platform of Gazprom Export LLC, as well as updates on actual gas supplies to the European Union (EU) countries to the Agency for the Cooperation of Energy Regulators (ACER) and Energie-Control Austria (E-Control) — Participation in public consultations on approval of mandatory fees to fund ACER's activities associated with collecting, handling, processing and analysing the information provided by participants of energy markets (or their representatives) pursuant to the requirements of Article 8 of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of the European Union dated October 25, 2011 on wholesale energy market integrity and transparency (REMIT) — Participation in public consultations held by energy market participants (transmission operators, national regulators and other entities) on regulatory initiatives and changes in the energy market regulatory framework, introduction of new rules and regulations of the energy market operation, in particular, information exchange requirements, conditions of cooperation between gas transmission system operators, new rules as to the quality parameters of gas supplied, prescriptive technical standards, technical and commercial conditions for natural gas transportation and storage, regulation and taxation of energy exports and imports, and anti-monopoly regulation — Participation in economic and energy forums and gas and energy conferences (the European Gas Conference, the Flame natural gas & LNG conference, World Energy Week, Eurasian Economic Forum in Verona, etc.)

The system of stakeholder engagement at the Gazprom Group

Stakeholder groups	Corporate Units / Bodies Responsible for Engagement	Engagement Mechanisms	Examples of Engagement in 2020
NGOs and educational institutions	— Relevant units of PJSC Gazprom — Environmental departments of subsidiaries — PR departments of subsidiaries — Social services and units of subsidiaries	— Joint programs and research activities — Open public hearings — Information disclosure — Conferences, on-the-job training and internship programs — Cooperation with anchor universities — Development of training materials and learning aids	— Participation in the Carbon Disclosure Project (CDP), the initiative of the international investor community on disclosure of information on greenhouse gas (GHG) emissions and climate change risks — Participation in industry events for young people (young scientists, specialists and students of Russian and foreign universities) — Setting up special classes at secondary schools, opening specialized departments at Russian universities — Organization of work experience practice for students of secondary vocational education institutions and higher education institutions at subsidiaries — Public assurance of the Gazprom Group's Sustainability Report by the Council on Non-Financial Statements of the RUIE
Media	— Department in charge of information and communication policy — PR departments of subsidiaries	— Information disclosure — In-person events and teleconferences — Responses to inquiries — Development of official websites and other means of communication — Implementation of joint projects with the media — Meetings of top management with media representatives — Holding of events for representatives of the blogger community — Implementation of PJSC Gazprom's own special projects — Implementation of projects related to education and cultural education	— 182 official press releases — 6 interviews with the top management of PJSC Gazprom — About 1,000 explanations, comments and answers to journalists' questions — 18 online and offline media events — 5 tours taking bloggers to PJSC Gazprom's charity sites — 6 special projects with mass media, bloggers and opinion leaders
Consumers	— Department in charge of gas and liquid hydrocarbons marketing — Relevant units of subsidiaries	— Contractual relations — Meetings — Conferences and forums — Claims management system — Satisfaction surveys — Information disclosure	— Marketing incentives to encourage consumers' equipment and vehicles conversion to natural gas (First Time, First Gas; First Time, First Gas NEW; EcoGas: Cost Saving for You!+; EcoCity; Additional Benefit; Pure Saving; Clean City) — About 10,600 vehicles were converted to natural gas under a government subsidies program (and 2,485 of them – with the use of marketing progams) — Information support to customers via official websites of the Group's companies — Customer satisfaction monitoring as related to quality of products and services on production, transportation and processing of gas, gas condensate, oil and petroleum products

Dmitry Filatov

Head of PR and Media Relations Division, PJSC MOEK; in cooperation with his colleagues, has successfully implemented a project for streamlining stakeholder outreach on social media, which made it possible to respond to consumer queries in real time, promptly inform customers about technical failures and the progress of repairs, and communicate with debtors and communities across the Company's areas of operation.

Information Requests from Stakeholders in 2020

GRI 102-44

In the reporting year, the requests from stakeholders (including the media and investment community) were received on the following topics:

Topics and concerns raised by stakeholders

Impact of the epidemiological situation on business processes (measures taken by Gazprom to ensure reliable energy supplies to consumers and protect employees amid the pandemic)	Risks of further expansion of sanctions against Gazprom, its subsidiaries and organizations, and specific projects
Risks of increasing tax burden	Composition of the Gazprom Board of Directors
Unfavourable environment in the global oil and gas market, and measures taken by the management in response to it	Hydrogen energy development outlook
Strengthening competition in the European gas market possible reduction of the Gazprom Group's sales in Europe	The Company's strategy against the backdrop of the global climate agenda evolution

For more details on the Gazprom Group's actions taken to combat COVID-19, see Section 2 Response to COVID-19 Pandemic and its Consequences.
For more information on expanding gas infrastructure across Russian regions, see Subsection 5.3.3 Gas Infrastructure Expansion in Russian Regions.
For more information on hydrogen energy, see Section 4.3 Climate Protection Measures.

Public Consultations on the Draft Report

GRI 102-43

In the course of the preparation of the 2020 Report, remote public consultations were held to make sure that the information disclosed is relevant for stakeholders. A total of 15 representatives of stakeholders took part in the consultations. In the course of the public consultations, 101 comments were received, including 41 suggestions to include additional information in the Report and 54 follow-up questions on the information provided in the Report. As part of the consultation process, representatives of stakeholders were given explanations on 62 comments, with another 21 comments reflected directly in the Report. 17 comments received will be handled by the Task Force for the Report preparation at its meeting in the following reporting period.

For the table of questions and recommendations from stakeholders based on the public consultations on the Report for 2019, see Appendix 2.

Procedure for Defining Material Topics

GRI 102-46
The Gazprom Group's Report has been prepared in accordance with the reporting principles set out in the GRI Standards.

For these principles, see the official webpage of the Report[13]

The topics reflected in the Report, as well as their form of presentation, are defined with due consideration of stakeholders' opinions and sustainability context, as well as the necessity of completeness and accuracy of the data presented and their comparability against previous years.

For the Report 2020 preparation, the materiality of topics was established on the basis of their importance for stakeholders, as well as the Gazprom Group's strong impact observed within a topic. The material topics were defined using a three-stage process.

Stage 1. Compiling a list of potential material topics to be included in the Report

Non-financial statements of leading Russian and international public companies, media publications, the Social Charter of the Russian Business, GOST R ISO 26000:2012 National Standard, and the Principles of the United Nations Global Compact were analysed.

Recommendations of the Council on Non-Financial Statements of the RUIE along with comments and proposals of FBK, LLC regarding the Report for 2019 were taken into account, as well as questions and recommendations resulting from the public consultations on the Report for 2019, and information requests received from stakeholders.

A list of potential material topics corresponding to the Gazprom Group's significant impacts on the economy and management, environmental protection, and interaction with society (personnel, population, and local communities in the Gazprom Group's areas of operation) was compiled.

Stage 1 outcome.

GRI 102-49
The list of potential material topics was updated, with 28 topics included.

(13) https://sustainability.gazpromreport.ru/en/2019/

GRI 102-43

Stage 2. Surveying stakeholder groups' representatives and Task Force members

An online survey[14] of stakeholder groups was run with automatic result processing. The survey covered 1,745 respondents (representatives of nine stakeholder groups[15]), who were proposed to rank each topic using a three-point importance scale.

The significance of the Gazprom Group's actual impact within potential material topics was assessed by Task Force members using expert judgements. The activity involved 24 Task Force members.

The survey results formed the basis for developing a materiality matrix.

Stage 2 outcome.
Ranked lists of material topics compiled with the help of stakeholder groups and Task Force members.

Stage 3. Developing a materiality matrix. Defining material topics

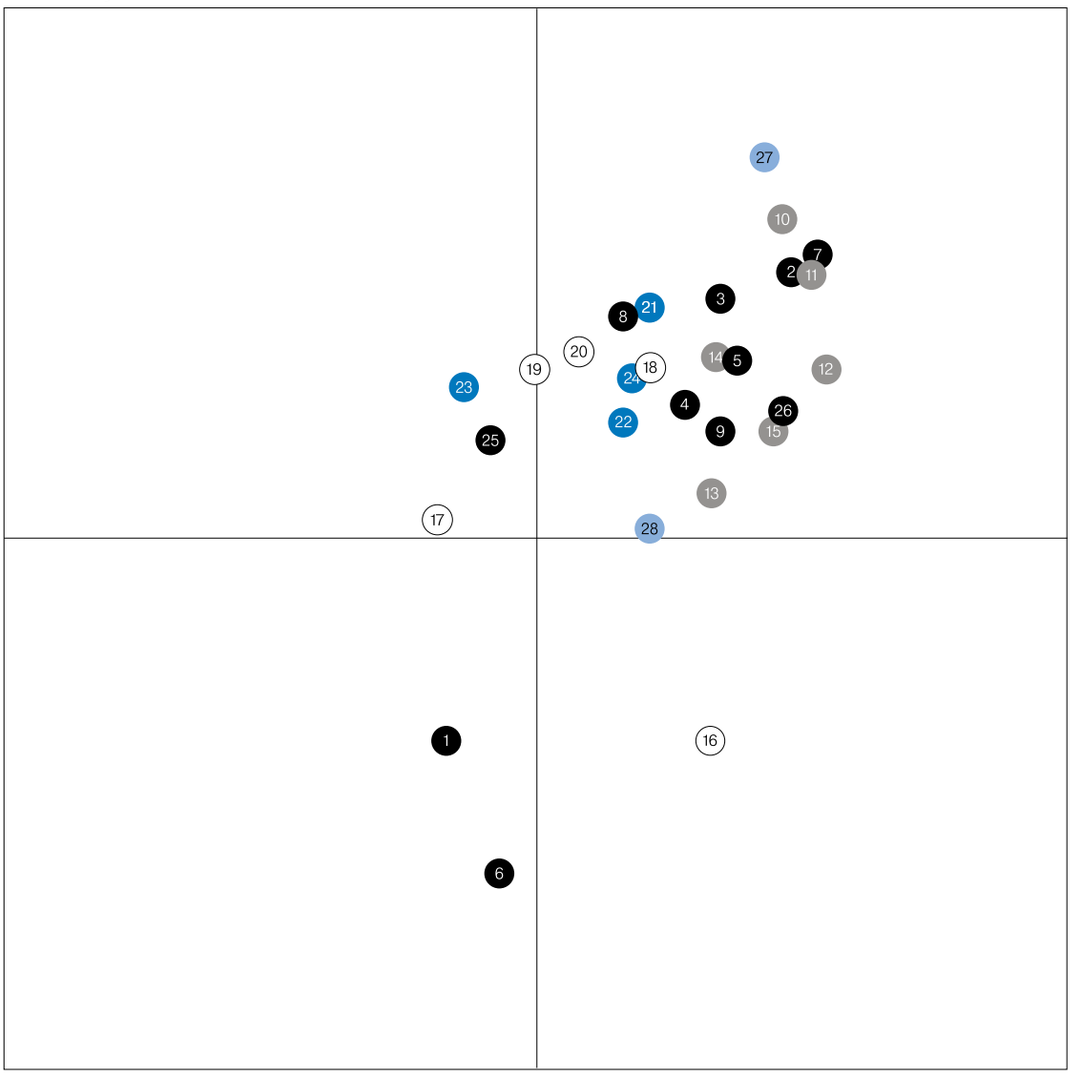
The significance of the Gazprom Group's impact within the material topics is shown along the vertical axis.

The topic importance for stakeholder groups is shown along the horizontal axis.

Stage 3 outcome.
Developing a materiality matrix. The topics in the upper right-hand quadrant of the matrix were identified as the priority topics mandatory for disclosure. With due account for the need to focus on the most material topics, the threshold value for a topic to be included in this quadrant was increased from 2 to 2.4 points.

(14) http://opros.onutc.ru/run/survey/dfaae9a7
(15) Representatives of the "Foreign regulators of energy markets" stakeholder group did not participate in the survey.

GRI 102-46
Materiality matrix



● Economy and Management ● Environment ○ HR Management
● Process Safety ● Social Policy and Community Investment

Correlation between material topics and UN SDGs

- **SDG 1** 2 16 19
- **SDG 2** 22 23
- **SDG 3** 5 7 10 19
- **SDG 4** 18
- **SDG 5** 20 21
- **SDG 6** 12
- **SDG 7** 2 4 14
- **SDG 8** 1 7 16 17 27 28
- **SDG 9** 2 3 22 24
- **SDG 10** 2 7 20 21 23 26
- **SDG 11** 22 23 24 25
- **SDG 12** 11
- **SDG 13** 7 10
- **SDG 14** 13
- **SDG 15** 13 15
- **SDG 16** 8 9
- **SDG 17** 6 22

GRI 102-44
Importance of topics for stakeholder groups

No.	Topic	Stakeholder groups with most interest in the topic (prioritised by extent of interest)
1.	Gazprom Group's procurement system and procurement localization	4, 3, 6
2.	Gazprom Group's economic performance	2, 1, 5
3.	Innovations and R&D at the Gazprom Group	4, 6, 1, 2
4.	Gazprom Group's efforts in replenishment of hydrocarbon reserves	3, 1, 5
5.	Quality management	8, 6, 4
6.	Gazprom Group's participation in political activities and international initiatives	7, 6, 3
7.	Compliance with social, economic and environmental requirements of the law	6, 9, 7
8.	Compliance with anti-trust and monopoly laws	9, 4, 8
9.	Anti-corruption practices at the Gazprom Group	2, 7, 3
10.	Emissions management at the Gazprom Group	7, 2, 6
11.	Waste handling at the Gazprom Group	6, 7, 2
12.	Gazprom Group's efforts to maintain acceptable water quality in the Group's areas of operations	2, 3, 6
13.	Gazprom Group's efforts to preserve biodiversity	6, 7, 4
14.	Energy saving and energy efficiency at the Gazprom Group	2, 6, 1
15.	Disturbed land remediation by the Gazprom Group	7, 3, 6
16.	Gazprom Group's presence in the labor market and employment impact	1, 6, 9
17.	Freedom of association and collective bargaining	5, 6, 1
18.	Training and education for employees and prospective employees	6, 5, 3
19.	Social benefits and non-financial motivation of the employees at the Gazprom Group	5, 6, 1
20.	Equal opportunities for all employees of the Gazprom Group	2, 5, 1
21.	Respect of human rights	2, 6, 9
22.	Interaction with local communities in the Gazprom Group's areas of operations	9, 6, 7
23.	Indigenous peoples in the Gazprom Group's areas of operations	2, 9, 4
24.	Gazprom Group's social projects	7, 6, 9
25.	Natural gas vehicle fuel market development	9, 3, 6
26.	Gas infrastructure expansion in the Russian Federation	3, 9, 1
27.	Occupational health, industrial, and fire safety at the Gazprom Group	5, 6, 2
28.	Ensuring safer work of suppliers and contractors	4, 6, 8

Stakeholder groups legend:
1 – Shareholders
2 – Investors
3 – Media
4 – Business partners
5 – Personnel
6 – NGOs and educational institutions
7 – Local communities
8 – Consumers
9 – Government and local authorities

GRI 102-47

Disclosure of material topics in the Gazprom Group's Sustainability Report 2020

	Topics	Report Sections
Economy and Management		
●	(2) Gazprom Group's economic performance (GRI 201, GRI 207)	About the Gazprom Group, page 79
●	(3) Innovations and R&D at the Gazprom Group	About the Gazprom Group, page 92
●	(26) Gas Infrastructure Expansion in the Russian Federation	In Dialogue with Society, page 187
●	(4) Gazprom Group's efforts in replenishment of hydrocarbon reserves (GRI OG1)	Appendix 3, page 220
●	(5) Quality management (GRI 416)	About the Gazprom Group, page 99
●	(7) Compliance with social, economic and environmental requirements of the law (GRI 307, GRI 419)	Responsibility for the Well-Being of Our Planet, page 111 Appendix 1, page 212
●	(8) Compliance with anti-trust and monopoly laws (GRI 206)	Appendix 1, page 206
●	(9) Anti-corruption practices at the Gazprom Group (GRI 205)	About the Gazprom Group, page 76
Environment		
●	(10) Emissions management at the Gazprom Group (GRI 305)	Responsibility for the Well-Being of Our Planet, pages 119, 128
●	(11) Waste handling at the Gazprom Group (GRI 306, GRI OG7)	Responsibility for the Well-Being of Our Planet, page 121
●	(12) Gazprom Group's efforts to maintain acceptable water quality in the Group's areas of operations (GRI 303, GRI OG5)	Responsibility for the Well-Being of Our Planet, page 114
●	(13) Gazprom Group's efforts to preserve biodiversity (GRI 304)	Responsibility for the Well-Being of Our Planet, page 125
●	(14) Energy saving and energy efficiency at the Gazprom Group (GRI 302)	Responsibility for the Well-Being of Our Planet, page 132
●	(15) Disturbed land remediation by the Gazprom Group (GRI 304)	Responsibility for the Well-Being of Our Planet, page 118
HR Management		
○	(20) Equal opportunities for all employees of the Gazprom Group (GRI 405, GRI 406)	In Dialogue with Society, page 151 Appendix 5, page 238
○	(18) Training and education for employees and prospective employees (GRI 404)	In Dialogue with Society, page 159
○	(19) Social benefits and non-financial motivation of the employees atthe Gazprom Group (GRI 401)	In Dialogue with Society, page 155
Social Policy and Community Investment		
●	(21) Respect of human rights (GRI 412, GRI 410)	About the Gazprom Group, page 74
●	(22) Interaction with local communities in the Gazprom Group's areas of operations (GRI 413)	In Dialogue with Society, page 183
●	(24) Gazprom Group's social projects (GRI 203)	In Dialogue with Society, page 183
Process Safety		
●	(27) Occupational health , industrial and fire safety at the Gazprom Group (GRI 403)	In Dialogue with Society, page 169
●	(28) Ensuring safer work of suppliers and contractors (GRI 403, GRI 414)	In Dialogue with Society, page 182

Gazprom Group's Sustainability Management System

1

17 PARTNERSHIPS FOR THE GOALS

The Gazprom Group's Sustainable Development Policy is approved by the PJSC Gazprom Board of Directors (Resolution No. 3576 dated April 30, 2021)

The Gazprom Group's activities comply with the following international standards:
- ISO 9001:2015 Quality management systems
- ISO 14001:2015 Environmental management systems
- ISO 45001:2018 Occupational health and safety management systems
- ISO 50001:2018 Energy management systems

PJSC Gazprom has improved its ranking scores in key international ESG ratings

PJSC Gazprom was named the best Russian oil and gas company according to CDP's international rating (B for Climate Change and B– for Water Security)

PJSC Gazprom is a leader of the "Responsibility and Transparency" and "Sustainable Development Vector" indices of the Russian Union of Industrialists and Entrepreneurs

PJSC Gazprom received the highest management quality rating, A++.gq, from Expert RA

Sustainability Management

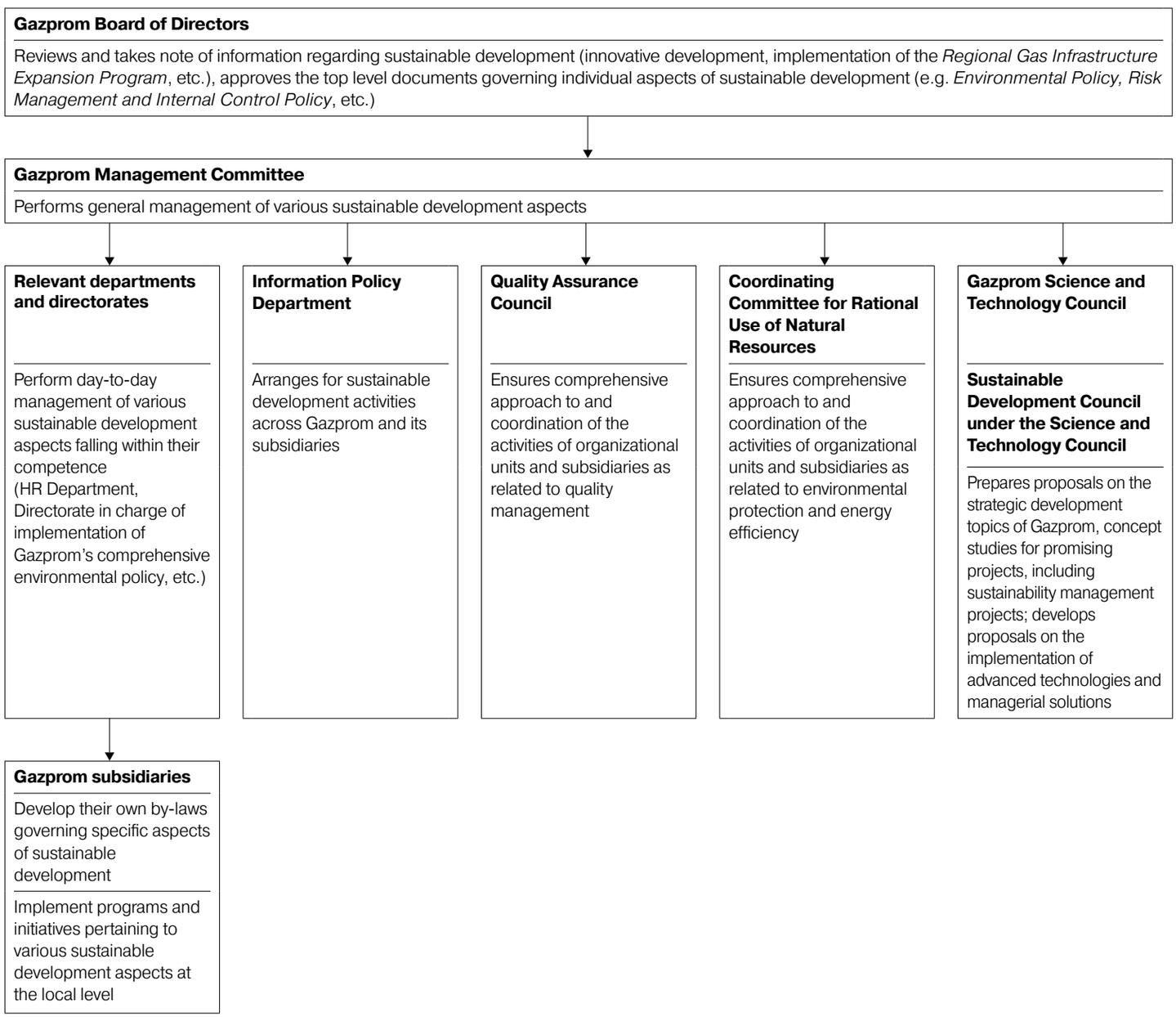
GRI 102-16

The Gazprom Group's mission when it comes to sustainable development is to make a positive contribution to the social and economic development of Russia and other regions of operation in line with environmental and social responsibility standards, so as to preserve and enhance the opportunities for future generations while meeting the needs of today.

Sustainability management is integrated into the corporate governance system of PJSC Gazprom.

GRI 102-20

PJSC Gazprom's Sustainability Management System



GRI 102-19, GRI 102-20, GRI 102-26, GRI 102-22, GRI 102-31, GRI 102-34

The Management Committee and the Chairman of the Management Committee administer the Company's day-to-day operations, including economic, environmental and social matters, based on separation of powers pursuant to the *Articles of Association of PJSC Gazprom* and other applicable regulations. The Management Committee and the Chairman of the Management Committee report to the General Shareholders Meeting and the Board of Directors of the Company.

Activities of PJSC Gazprom Board of Directors and its committees in 2020

Indicator	Board of Directors	Audit Committee	Nomination and Remuneration Committee
Number of directors	11	3	3
incl. independent directors	3	2	2
Number of meetings	**62**	**12**	**8**
In person	5	0	0
In absentia	57	12	8
Number of items addressed	163	13	10
Number of items related to sustainability	17	2	4

The Chairman of the Management Committee may delegate authority to other employees of the Company, including by issuing orders concerning distribution of responsibilities, powers of attorney to represent the Company before third parties.

PJSC Gazprom has established organizational units in charge of various activities, including finance, strategy, environmental protection, occupational safety, HR management, etc. Their heads report to the Chairman of the Management Committee either directly or indirectly.

Sustainable development activities of PJSC Gazprom and its approaches to the implementation of its sustainable development obligations are regulated by the *Sustainable Development Policy of the Gazprom Group* approved by Resolution of the Gazprom Board of Directors No. 3576 dated April 30, 2021.

For the text of the *Policy*, see[16]

Individual areas of PJSC Gazprom's sustainable development activities are covered by other corporate documents.

(16) https://www.gazprom.com/f/posts/74/562608/2021-04-30-sustainability-policy-en.pdf

GRI 102-26

Key strategic documents of Gazprom

Unlocking economic potential:

Long-Term Development Program of PJSC Gazprom;	*Innovative Development Program of PJSC Gazprom until 2025.*

Shaping management approaches:

Corporate Governance Code of PJSC Gazprom;	*Anti-Corruption Policy of PJSC Gazprom;*
Dividend Policy of PJSC Gazprom;	*Risk Management and Internal Control Policy of PJSC Gazprom;*
Quality Management Policy of PJSC Gazprom;	*Regulation on Hot Line for Fighting Fraud, Corruption, and Embezzlement at Gazprom Group;*
Regulation on Procurement of Goods, Works, and Services by PJSC Gazprom and Gazprom Group Companies.	

Environmental protection:

Environmental Policy of PJSC Gazprom;	*Comprehensive Environmental Program of PJSC Gazprom for 2020–2024;*
Energy Efficiency and Energy Saving Policy of PJSC Gazprom;	*Energy Saving and Energy Safety Improvement Program of PJSC Gazprom.*

HR, social policy, and human rights:

HR Management Policy of PJSC Gazprom, its Subsidiaries and Entities;	*Comprehensive Program for Improvement of HR Management at PJSC Gazprom, its Subsidiaries and Entities;*
General Collective Labor Agreement of PJSC Gazprom and its Subsidiaries;	*Code of Corporate Ethics of PJSC Gazprom;*
Regional Policy Concept of PJSC Gazprom;	*PJSC Gazprom's Occupational, Industrial, Fire and Road Safety Policy;*
Process Safety Management System Development Strategy of PJSC Gazprom.	

Dmitry Pashkovsky

Head of Department, PJSC Gazprom; in charge of shaping and implementing the comprehensive risk management and internal control policy. The continuous improvement and enhancement of the integrated corporate framework provides reasonable assurance that the Gazprom Group will achieve its strategic goals and meet its environmental and social obligations.

1.1.1.

Key Impacts, Risks, and Opportunities

1.1.1.1. Risk Management and Internal Controls

Key documents regulating Gazprom Group's risk management and internal controls:

- *Risk Management and Internal Control Policy of PJSC Gazprom;*[17]
- *Risk Index of PJSC Gazprom, its Subsidiaries and Entities;*[18]
- *Regulation on Credit Risk Management at PJSC Gazprom, its Subsidiaries and Entities;*[19]
- *Regulation on Operational Risk Management at the Gazprom Group;*[20]
- *Regulation on Liquidity Risk Management at the Gazprom Group;*[21]
- *Regulation on Foreign Exchange Risk Management at the Gazprom Group;*[22]
- *Regulation on Interest Risk Management at the Gazprom Group;*[23]
- *Risk Management Guidelines Based on Qualitative Assessment.*[24]

The Gazprom Group has in place a robust risk management and internal control system (RMICS) which provides reasonable assurance that the Group will achieve its goals. The Company has established a dedicated unit (Department of PJSC Gazprom) in charge of risk management and internal controls which implements the single risk management and internal control policy and uniform guidelines across PJSC Gazprom and Gazprom Group entities. The *Risk Management and Internal Control Policy of PJSC Gazprom* was developed and approved.
GRI 102-30

For the full text of the *Policy*, see [25]

The RMICS is an integral part of the corporate governance system of PJSC Gazprom and Gazprom Group entities, which is embedded into the planning system and the project management and process safety management systems.

For more details on the RMICS and its performance in 2020, see PJSC Gazprom Annual Report 2020 and the interactive version of the Gazprom Group's Sustainability Report for 2020 at https://sustainability.gazpromreport.ru/en/2020/

PJSC Gazprom's RMICS performance in 2020 was confirmed by the Expert RA rating agency,[26] and PJSC Gazprom's quality management system was reviewed by a third-party organization.

In early 2021, the Expert RA rating agency assessed PJSC Gazprom's risk management system as high-quality and assigned its highest management quality rating, A++.gq, to the Company in appreciation of PJSC Gazprom's dedicated unit in charge of risk management and internal controls, regular risk reporting, and sophisticated RMICS regulations, including operational, credit, foreign exchange and liquidity risk management.

(17) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3195 dated December 25, 2018.
(18) Approved by order of PJSC Gazprom No. 848 dated December 15, 2017 (as amended by orders of PJSC Gazprom No. 8 dated January 16, 2020 and No. 376 dated September 14, 2020).
(19) Approved by order of PJSC Gazprom No. 559 dated December 11, 2019.
(20) Approved by order of PJSC Gazprom No. 291 dated July 11, 2019.
(21) Approved by order of PJSC Gazprom No. 390 dated July 10, 2018.
(22) Approved by order of PJSC Gazprom No. 390 dated July 10, 2018.
(23) Approved by order of PJSC Gazprom No. 390 dated July 10, 2018.
(24) Approved by decree of PJSC Gazprom No. 149 dated June 20, 2019.
(25) https://www.gazprom.ru/f/posts/93/485406/risk-internal-control-policy.pdf
(26) Expert RA's official website at www.raexpert.ru.

1.1.1.2. PJSC Gazprom's Approach to Material Sustainability Risks Management

The year 2020 saw changes in PJSC Gazprom's approach to sustainability risk management, with the following risk management regulations and guidelines developed and introduced.

Risk management regulations and guidelines of PJSC Gazprom:

- *Risk Ranking Guidelines Based on Pairwise Comparison;*[27]
- *Guidelines for Risk Management System Self-Assessment at the Gazprom Group;*[28]
- *Guidelines for Developing Key Risk Indicators;*[29]
- *Guidelines for Risk Reporting at the Gazprom Group;*[30]
- *Regulation on Insurance of Construction, Renovation and Overhaul Projects at PJSC Gazprom, its Subsidiaries and Entities.*[31]

GRI 102-15, GRI 201-2

In 2020, the Gazprom Group's list of sustainability risks was expanded to include sanitary and biological (epidemiological) risks associated with the global spread of the COVID-19 coronavirus infection. The *Plan to Counter the Potential Negative Consequences of the Coronavirus Pandemic, including Measures to Protect Employees and Ensure Business Continuity*[32] was developed and approved.

Risk management activities are governed by the *Risk Management and Internal Control Policy of PJSC Gazprom* and other local regulations of PJSC Gazprom.

Risk management activities include:

- risk assessment and monitoring;
- development, implementation and monitoring of risk management measures;
- risk reporting.

Risk management seeks to:

- analyze internal and external factors;
- forecast potential changes in the external and internal environment;
- identify interrelationships between risk factors;
- rank risks to determine risk management measures and internal controls.

The management of risks identified in 2020 includes, among other things, the development and implementation of action plans to prevent and control the spread of infections among employees.

(27) Approved by decree of PJSC Gazprom No. 163 dated May 8, 2020.
(28) Approved by decree of PJSC Gazprom No. 164 dated May 8, 2020.
(29) Approved by decree of PJSC Gazprom No. 168 dated May 13, 2020.
(30) Approved by decree of PJSC Gazprom No. 176 dated May 19, 2020.
(31) Approved by order of PJSC Gazprom No. 511 dated December 10, 2020.
(32) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3403 dated March 19, 2020.

PJSC Gazprom's Approach to Material Sustainability Risks Management

No.	Risk group	Description	Risk management/mitigation	Risk factors (internal/ external)
Operational risks				
1.	Production risks	Core business operations involving hydrocarbon production, transportation, processing and storage are associated with potential technological, technical, natural and climate risks, as well as the risk of inappropriate actions by employees or third parties.	The Unified Gas Supply System ensures overall reliability of gas supplies. Insurance covers property, interruption of operations at gas processing plants (GPPs), and contractor's liability for construction, repair and operation of industrial facilities.	Internal and external
2.	Occupational health and industrial safety risks	Business activities are exposed to potential risks of adverse impact on employees' health and safety.	The Integrated System of Process Safety Management (ISPSM) is in place. The System is designed to manage risks, achieve targets and meet obligations in the area of occupational health, industrial, and fire safety.	Internal and external
3.	Sanitary and biological (epidemiological) risks	The global spread of the COVID-19 coronavirus infection may affect the operations and interactions of organizational units of PJSC Gazprom and Gazprom Group entities.	The *Plan to Counter the Potential Negative Consequences of the Coronavirus Pandemic, including Measures to Protect Employees and Ensure Business Continuity* was developed and approved. Preventive measures were introduced to mitigate the potential consequences of the spread of the COVID-19 coronavirus infection.	Internal and external
Environmental risks				
4.	Environmental damage resulting from construction and operation of facilities	The core hydrocarbon production, transportation, processing and storage operations are associated with potential risk of environmental pollution.	As part of the Environmental Policy, environmental protection activities are implemented, environmental risk insurance is provided, green technologies are adopted, and programs and activities designed to reduce environmental footprint are carried out.	External
5.	Accidents and incidents associated with business operations	Environmental impact resulting from potential accidents during business operations.	The following activities are carried out: – analysis of the potential adverse environmental impacts and their implications resulting from the identified accidents and other emergencies; – emergency prevention, localization, response, and impact mitigation; – environmental damage assessment in case of accidents and other emergencies.	External
6.	Adverse impact on ecosystems	Potential impacts on ecosystems resulting in land and water pollution, deterioration of soil and vegetation, and erosion. This may lead to degradation of ecosystems and loss of habitat for rare and endangered plant and animal species.	Comprehensive initiatives are underway for enhancement of reliability of pipeline systems, landscape stabilization, soil reclamation, and vegetation rehabilitation.	External

PJSC Gazprom's Approach to Material Sustainability Risks Management

No.	Risk group	Description	Risk management/mitigation	Risk factors (internal/ external)
Natural and climate-related risks				
7.	Climate change and greenhouse gas emissions	State regulation of wholesale prices for gas produced and sold on the domestic market, as well as tariffs for gas transportation via trunklines.	Relations are maintained with government authorities in order to justify the regulated gas prices and tariffs for gas transportation services. Contributions are made to the development and expert review of laws and regulations governing pipeline-based gas transportation.	External
8.	Climate conditions	Potential changes in regulation and laws in the Russian Federation and other countries of the Gazprom Group's operations.	Legislative changes are monitored on a regular basis. Interaction is maintained with government authorities for the purpose of timely adjustment of operations to legislative changes.	External
Legal and industry-specific risks				
9.	Tariff (pricing) regulation of natural monopolies	State regulation of wholesale prices for gas produced and sold on the domestic market, as well as tariffs for gas transportation via trunklines.	Relations are maintained with government authorities in order to justify the regulated gas prices and tariffs for gas transportation services. Contributions are made to the development and expert review of laws and regulations governing pipeline-based gas transportation.	External
10.	Government regulation	Potential changes in regulation and laws in the Russian Federation and other countries of the Gazprom Group's operations.	Legislative changes are monitored on a regular basis. Interaction is maintained with government authorities for the purpose of timely adjustment of operations to legislative changes.	External

PJSC Gazprom's Approach to Material Sustainability Risks Management

No.	Risk group	Description	Risk management/mitigation	Risk factors (internal/ external)
Market, country and regional risks				
11.	Volume risks	Adverse economic conditions, lower demand for energy commodities.	Sales markets and channels are diversified, and the scope of natural gas use is expanded.	External
12.	Price risks	Decline in energy prices and mercantile exchange quotations and/or their long-time stagnation at low levels.	Contract terms are adjusted in line with the current market environment, and permitted transaction types and financial instruments are defined.	External
13.	Foreign exchange risks	Currency exchange rate volatility along with the multicurrency structure of revenues and expenditures.	Hedging strategies are used to address the risk of market-driven shifts in exchange and interest rates, and the debt profile is optimized.	External
14.	Sanction-related risks	Russian companies are exposed to restrictions imposed by the USA, EU, and other countries.	The policy of technological self-sufficiency and import substitution is pursued.	External
15.	Natural gas transit risks	Natural gas transit through the territory of third countries is subject to the risk of default on transit obligations.	Steps are taken to diversify export routes, broaden access to underground gas storage (UGS) facilities, and develop liquefied natural gas (LNG) trade.	External
Credit risks				
16.	Credit risks	Counterparties' default on or failure of timely or completely fulfillment of their financial obligations.	The creditworthiness of counterparties is assessed and monitored. The payment terms are determined and payments of counterparties (guarantees, letters of credit, prepayments) are secured. Credit limits are established and compliance therewith is monitored across PJSC Gazprom and Gazprom Group entities.	External

1.1.2.

Gazprom Group's Sustainable Development Goals

Unlocking economic potential

- Increase shareholder value
- Improve the efficiency of all business areas and lines of activities
- Improve innovative capabilities by adopting innovative technologies and leveraging advanced technological and managerial solutions
- Support domestic R&D and innovations
- Improve labor efficiency
- Ensure end-to-end automation and digitalization

Shaping management approaches

- Balance the interests of all stakeholders
- Improve the corporate governance system
- Prevent corruption at the Gazprom Group
- Identify and mitigate economic, environmental and social risks resulting from the Gazprom Group's operations
- Provide stakeholders with reliable and unbiased information about the Gazprom Group's sustainable development activities in the form and to the extent prescribed by the applicable Russian laws and the Gazprom Group's by-laws
- Integrate sustainability metrics in the KPIs for the Gazprom Group and its employees
- Achieve the Gazprom Group's customer satisfaction target in Russia
- Develop national and global partnerships with stakeholders to meet sustainable development targets for the Gazprom Group and the public at large

Environmental protection

Reduction of environmental footprint

- Reduce air pollutant emissions from core production facilities
- Reduce water consumption and pollutant discharges into water bodies, including seas
- Preserve and restore soils
- Preserve biodiversity and minimize activities in regions at risk of biodiversity loss
- Reduce greenhouse gas emissions, including methane emissions
- Systematically assess and mitigate climate change risks
- Reduce industrial and consumer waste through waste disposal and decontamination
- Reduce the risks of adverse environmental impacts on highly vulnerable natural environments, including the Russian Arctic
- Prevent environmental impacts at all stages of the life cycle of the Company's industrial facilities, including measures to adapt to climate change

Resource and energy saving and energy efficiency

- Continuously reduce unit costs through rational use and saving of energy resources in production operations
- Consistently improve energy efficiency at the Gazprom Group through robust process management and innovative technologies and equipment

Human rights

Rights of employees to labor and education

- Support and develop high-quality vocational education for employees
- Comprehensively motivate each employee to achieve the Gazprom Group's goals
- Provide employees with competitive salaries and benefits
- Protect labor rights, including freedom of association and collective bargaining
- Guarantee equality of rights and protection from any and all forms of discrimination based on gender, nationality, age, etc.
- Prevent the use of child and forced labor
- Create and develop an unbiased and efficient framework to assess personal contribution of each employee
- Ensure that employees' professional expertise meets the Gazprom Group's requirements

Occupational health and safety rights of employees, partners and counterparties

- Create a safe working environment and protect the lives and health of the employees
- Ensure reliable operation of hazardous facilities
- Ensure compliance with fire safety requirements at the Gazprom Group's facilities
- Reduce the rate of mortality due to occupational or other diseases
- Improve the efficiency of control over the compliance with occupational, industrial, fire and road safety requirements to reduce the number of workplace accidents (including those affecting stakeholders) and traffic incidents
- Arrange for medical infrastructure and the best possible insurance coverage to protect the health of the Gazprom Group's employees

Interaction with indigenous minorities in regions of operation

- Support indigenous minorities in promoting their interests and rights to their traditional lifestyle (work and cultural activities), and preserve their original living environment

Contributing to the social and economic development of Russian regions

- Expand gas supplies and gas infrastructure across Russian regions, facilitate regional programs promoting the use of gas as motor fuel
- Participate in solving social issues in the constituent entities of the Russian Federation, build social infrastructure facilities
- Provide for responsible social investment and charitable activities
- Launch new products (natural gas vehicle (NGV) fuel, methane-hydrogen mixtures, helium), develop energy distribution (sales via the Electronic Trading Platform (ETP) and mercantile exchanges) and supply (off-grid gas supply) capabilities
- Promote the principles of equality, fairness and non-discrimination across the Gazprom Group, ensure the absence of unreasonable restrictions on competition among bidders in the process of procurement of goods, works and services

The Gazprom Group's sustainable development goals underpin its operations and are integrated into its strategic, medium-term and short-term planning systems.

1.1.3.

Monitoring the Sustainability Progress

GRI 102-15

The Gazprom Group's sustainability progress is monitored against a set of key performance indicators (KPIs) used in planning PJSC Gazprom's operations or assessing the performance of executives at PJSC Gazprom, its subsidiaries and entities.

Unlocking economic potential:	
economic profit growth;	return on capital employed;
integrated KPI for innovation.	
Improving the corporate governance system:	
total shareholder return;	customer satisfaction index in Russia (gas business, power generation business, natural gas vehicle fuel business).
Environmental protection:	
reduction in unit greenhouse gas emissions (in CO_2 equivalent), including methane;	reduction in specific consumption of fuel and energy resources for internal process needs and transportation losses.
Human rights:	
average hours for all types of training per year by employee category;[33]	share of employees who participated in professional development (for blue-collar staff), skills upgrading and retraining programs by employee category.
Industrial safety:	
reduction in workplace accidents rate;	reduction in workplace incidents rate.

(33) Managers, specialists and other white-collar staff; blue-collar staff.

1.1.4.

Interaction with International and National Industry Organizations and Associations on Topical Issues of the Oil and Gas Market and Sustainable Development

The Company's commitment to sustainable development principles is evidenced by its membership in Russian and international organizations and support of sustainable development initiatives, which enables exchange of information and best practices, as well as dialogue on relevant topics.

GRI 102-13

The Gazprom Group companies are part of the management bodies of and contribute to the work of international and national industry associations and organizations, such as the International Business Congress (IBC), the International Gas Union (IGU), the Global Gas Centre (GGC), the World Energy Council (WEC), the Natural & bio Gas Vehicle Association (NGVA Europe), the German-Russian Forum, the Boao Forum for Asia (BFA), the United Nations Economic Commission for Europe (UNECE), the Gas Exporting Countries Forum (GECF), the Asia-Pacific Economic Cooperation (APEC), the Russian Union of Industrialists and Entrepreneurs (RSPP), the Corporate Owners Club (Non-Commercial Partnership for Efficient Management of Corporate Properties), the Russian Gas Society (Union of Oil and Gas Industry Organizations), etc.

In 2020, the Gazprom Group companies continued to participate in key economic and energy forums and landmark events of international standing, including the European Gas Conference, the Sakhalin Oil & Gas international conference and exhibition, the 26th Annual Flame Gas & LNG Conference (FLAME-2020), the Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC 2020), the Strong Ideas for a New Time Forum, the Budapest Energy Summit, the World LNG Summit, the World Energy Week, etc.

The international economic and energy agenda in 2020 mainly focused on global and regional energy and climate strategies, gas industry development amid the spreading coronavirus infection, energy transition strategies, prospects of the global gas and LNG market, and insights into the gas market in Europe and the Asia-Pacific Region.

PJSC Gazprom seeks to raise awareness among foreign authorities about the importance of gas for sustainable development both directly by participating in meetings and public events and indirectly by communicating the Company's opinion through targeted consultations.

In 2020, PJSC Gazprom took part in the public consultations announced by the European Commission to present its position on such matters as the EU Hydrogen Strategy, the EU strategy to reduce methane emissions, and the EU laws governing sustainable investment.

1.1.5.

Gazprom Group in ESG Ratings

PJSC Gazprom consistently strengthens its relationships with rating agencies and expands the number of its international ratings. The ESG ratings of PJSC Gazprom reflect the Company's sustainability progress and its assessment by the Russian and international communities.

Gazprom in ESG ratings, 2017–2020

2017	2018	2019	2020
S&P CSA (SAM)	**S&P CSA (SAM)**	**S&P CSA (SAM)**	**S&P CSA (SAM)**
MSCI	**Sustainalytics**	**Sustainalytics**	**Sustainalytics ESG Risk Rating**
CDP	**MSCI**	**MSCI**	**MSCI**
	CDP	**CDP**	**CDP Climate Change**
	CHRB	**ISS-Oekom**	**CDP Water Security**
		CHRB	**ISS-Oekom**
		Vigeo Eiris	**FTSE4Good**
			CHRB
			VigeoEiris

Gazprom's ranking scores in key ESG ratings, 2019–2020

Ratings	2019	2020
S&P CSA (SAM)	**36**	**42**[34]
Sustainalytics ESG Risk Rating[35]	**38.9**	**37.5**[36]
MSCI[37]	**BBB**	**BB**
CDP Climate Change	**C**	**B**
CDP Water Security	**C**	**B–**
CHRB	**10.4**[38]	**4.5**[39]
Environmental transparency rating of Russian oil and gas companies	**10**	**8**
Responsibility and Transparency index (RUIE)	**Leader group** (individual index above 0.75)	**Leader group** (individual index above 0.75)
Sustainable Development Vector index (RUIE)	**Leader group** (individual index above 0)	**Leader group** (individual index above 0)

In 2020, PJSC Gazprom (B for Climate Change and B– for Water Security) and PJSC Gazprom Neft (B for Climate Change) were named the best Russian oil and gas companies according to CDP's international rating.[40]

The Company also holds top positions in Russian ratings. It has been ranked among the leaders of the *Responsibility and Transparency* and *Sustainable Development Vector* indices of the Russian Union of Industrialists and Entrepreneurs.[41] In 2020, the Gazprom Group was among the Top 5 in RAEX-Europe's annual ESG ranking in the Environmental category.[42] Gazprom also ranked among the Top 10 in the environmental transparency rating of Russian oil and gas companies conceived by WWF Russia and CREON Group.[43] In the reporting year, Gazprom placed 12th in the Sustainable Development ranking of the Expert magazine.[44]

(34) SAM score for 2020 as of January 26, 2021.
(35) The score reflects the risk level. The lower the better.
(36) Based on the Sustainalytics website data for 2020 in line with the updated ESG Risk Rating.
(37) https://www.msci.com/our-solutions/esg-investing/esg-ratings/esg-ratings-corporate-search-tool/issuer/gazprom-pao/IID000000002167503
(38) CHRB score as of September 26, 2019. The adjusted score for 2019 is 1.5 out of 26 (benchmark for comparison with the 2020 abbreviated questionnaire score).
(39) CHRB score as of September 26, 2020.
(40) https://www.cdp.net/en/companies/companies-scores#446647786929955804cc9a3a08ef1eb4
(41) https://media.rspp.ru/document/1/5/b/5bd2554f88e0c6e866169ca8dda3c1b5.pdf
(42) https://raexpert.eu/media/uploads/rankings/ESG_Ranking_15.12.2020.pdf
(43) https://www.ra-national.ru/sites/default/files/analitic_article/%D0%9D%D0%93%D0%9A2020.pdf
(44) https://expert.ru/expert/2020/50/spetsdoklad/11/

In 2020, **Gazprom Energoholding** companies ranked among the Top 10 in the environmental transparency rating of Russian power generating companies[45] conceived by WWF Russia. In particular, PJSC Mosenergo and PJSC OGK-2 came in second and third out of the 18 possible positions.

(45) https://wwf.ru/upload/iblock/b66/Reyting.pdf

Gazprom Group's Contribution to the Achievement of UN SDGs in 2020

GRI 102-12, GRI 102-15

Supporting the 2030 Agenda for Sustainable Development enacted by the Resolution of the UN General Assembly in 2015, the Gazprom Group makes a significant contribution to the achievement of each of the 17 UN Sustainable Development Goals (SDGs) set forth in it.

Gazprom Group's contribution to the implementation of the UN Sustainable Development Goals and targets and Russia's national development goals.
All the figures provided relate to 2020. If comparisons are made, the data are compared with the previous reporting period.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 1 **End poverty in all its forms everywhere**		
Target 1.2		
By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty according to national definitions.	**National goals:** — Decent and effective jobs and successful enterprise — Preservation of the population, the health and welfare of the people	— Overall number of personnel employed by the Gazprom Group under employment contracts – 477,600 people. — Average monthly salary at subsidiaries responsible for the core operations of PJSC Gazprom – RUB 105,100.[46] — Non-governmental pension scheme participants – 150,300 employees; pension recipients under pension contracts – 144,300 people.
Target 1.3		
Implement nationally appropriate social protection systems and measures, by 2030 achieve substantial coverage of the poor and the vulnerable.		— The Gazprom Group's social expenses amounted to RUB 40.7 billion. — Payroll expenses increased by 7.75% and amounted to RUB 807.8 billion. — Total taxes paid to the budgets of the Russian Federation at all levels – RUB 2,115.52 billion. — Total taxes paid to the budgets of foreign countries – RUB 253.04 billion.

(46) The data were sourced from 26 subsidiaries responsible for the core operations (gas production, processing, transportation and underground storage). For the full list of subsidiaries, see Appendix 5.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **SDG 2** **End hunger, achieve food security and improved nutrition and promote sustainable agriculture**		
Target 2.3		
By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and agricultural inputs, knowledge, financial services, markets and opportunities for value.	**National goals:** — Decent and effective jobs and successful enterprise	— Fertilizer (carbamide) sales to agricultural businesses increased by 4.3% and amounted to 118,300 tons. — 9,800 agricultural facilities were supplied with natural gas. — Funds allocated to support traditional lifestyles of indigenous minorities of the North, including their agro-industrial activities, totaled RUB 257 million.
 **SDG 3** **Ensure healthy lives and promote well-being for all at all ages**		
 **Target 3.4**		
By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	**National goals:** — Preservation of the population, the health and welfare of the people — Comfortable and safe environment **National projects**: — Demography — Healthcare — Environment	— Persons who received health resort and rehabilitation treatment – 39,700 people insured under voluntary medical insurance programs. — Payments for rehabilitation treatment – RUB 2.7 billion.

Vladimir Antonyuk

Eye care professional with 40 years of experience, author of five patents and over 100 scientific papers, Honored Physician of Russia, Honored Oil and Gas Industry Specialist. Founder and lifelong head of the Eye Microsurgery Clinic of OKDC PJSC Gazprom, one of the best vision correction centers in Russia. Since 1998, thousands of Gazprom employees and their families, as well as retired employees of the Company have changed their lives for the better thanks to eyesight recovery and professional rehabilitation programs offered by the Clinic.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **Target 3.8**		
Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	**National goals:** — Preservation of the population, the health and welfare of the people — Comfortable and safe environment **National projects**: — Demography — Healthcare — Environment	— Persons insured under voluntary medical insurance programs – 555,400 people[47] (including family members and retirees). — Payments for targeted preventive initiatives as part of voluntary medical insurance programs – RUB 182 million.[48] — Expenses on measures to prevent the spread of COVID-19 under voluntary medical insurance contracts – RUB 2.07 billion.[49] — Percentage of employees who had a periodic health examination – 24.3%. — In order to protect the employees, over 17 million face masks, over 5 million medical gloves, over 21,000 biological protection suits, and over 30,900 tons of disinfectants were purchased. — Also purchased were 15 lung ventilators, 61 oxygen concentrators, 5 ambulance and intensive care cars, and 20 fixed-site and mobile laboratories were opened.[50] — 200,000 biological protection suits were donated to the Government of St. Petersburg to equip the doctors fighting COVID-19.
 **Target 3.9**		
By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.		— Gross pollutant emissions from stationary sources were reduced by 14.6% to a total of 2,445,700 tons. — In 2020, the Gazprom Group companies operated 577 units for capture and treatment of hazardous substances in waste gases (with a total hourly capacity of 60,546,100 m^3).

(47) The data are provided for PJSC Gazprom and 85 subsidiaries and entities included in PJSC Gazprom's budgeting system with a total headcount of 301,600 employees.
(48) Excluding expenses associated with the measures taken to stop the spread of COVID-19. For the data collection scope, see footnote 47.
(49) For the data collection scope, see footnote 47.
(50) Information on subsidiaries and entities engaged in the core operations.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 4 **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**		
Target 4.3		
By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.		— 2,127 students are in training at higher educational institutions of the Russian Federation under employer-sponsored training agreements with the Gazprom Group companies; in addition, 382 employees are receiving higher education.
Target 4.4		
By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	**National goal:** — Conditions for self-fulfilment and the unlocking of talent **National project:** — Education	— A total of 206,700 workers and 199,400 executives, specialists, and other employees completed training under skills upgrading and professional retraining programs.[51] — 9,874 students of universities and secondary vocational schools took an internship at the Gazprom Group, including 7,394 university students and 2,480 secondary vocational school students. — There are Gazprom Classes at 25 schools. — There are 13 anchor universities and 25 specialized university departments.

(51) The number of employees who completed training is stated in man-courses (where one person received training twice, they are counted twice).

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 5 **Achieve gender equality and empower all women and girls**		
Target 5.1		
End all forms of discrimination against all women and girls everywhere.		— Percentage of women among the Gazprom Group's executives – 24%. — In 2020, 24,500 women were hired to the Gazprom Group (35.8% of the total number of new hires). — There are 2 women among the 14 Members of the Management Committee of PJSC Gazprom (one of the women is Deputy Chairman of the Management Committee).

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 6 **Ensure availability and sustainable management of water and sanitation for all**		
Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	**National goal:** — Comfortable and safe environment **National projects:** — Environment — Housing and Urban Environment	— Partially clean and partially treated water accounted for 97% of wastewater discharged into surface water bodies. — In 2020, the Gazprom Group companies operated 2,080 wastewater treatment plants with a total daily capacity of 1,417,700 m^3. — The volume of recirculated and reused water totaled 11,071.6 mcm. — Investments in protection and sustainable use of water resources totaled RUB 6.56 billion, while current wastewater collection and treatment expenditures amounted to RUB 13.36 billion.
Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater.		— Volume of water withdrawn for water supply purposes was down by 17.5% to 3,237 mcm. — Withdrawal of water from natural sources was reduced by 18.6% to 2,905.8 mcm.
Target 6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.		— Over 34.8 million of various fish species were released (34% increase), including highly-valued ones.[52] — Investments in protection and reproduction of fish resources totaled RUB 133.97 million.

(52) For more details on water bodies stocked with fish, number of fish and fish species, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 7 **Ensure access to affordable, reliable, sustainable and modern energy for all**		
Target 7.1		
By 2030, ensure universal access to affordable, reliable and modern energy services.		— Natural gas sales to Russian consumers – 225.1 bcm. — Natural gas sales to non-FSU countries[53] – 219.0 bcm. — Gazprom Group's natural gas sales to former Soviet Union (FSU) countries[54] – 31.2 bcm. — Sales of large-scale LNG in foreign markets – 7.44 million tons, or 10.92 bcm. — Electricity sales – 134.3 billion kWh (Gazprom Energoholding, including the retail electricity market and exports). — Heat sales – 106.9 million Gcal (Gazprom Energoholding). — Annual hydrogen-containing gas output by the Gazprom Group – over 350,000 tons, with the use of methane pyrolysis – 4,000 tons of hydrogen.

(53) The Gazprom Group's natural gas sales to other countries include LNG sales and also gas sales as part of international hydrocarbons exploration and production projects joined by the Group.
(54) Sales in the FSU countries include natural gas exports from Russia, as well as sales of natural gas purchased by the Group outside Russia.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
Target 7.3		
By 2030, double the global rate of improvement in energy efficiency.		— Electric power generation from renewable energy sources (RES) and secondary energy resources (SER) – 13.28 million MWh. — Associated petroleum gas (APG) utilization at the Gazprom Group increased by 1.9 p.p. to 92.0%.[55] — Fuel and energy consumption at the Gazprom Group – 3,359.89 million GJ. — Fuel and energy savings resulting from the implementation of PJSC Gazprom's energy saving programs – 114.8 million GJ. — Fuel and energy savings resulting from the implementation of Gazprom Energoholding's energy saving programs – 38.0 million GJ. — Energy savings resulting from the implementation of energy saving and energy efficiency programs at Gazprom Neft – 4.5 million GJ. — Energy savings resulting from the implementation of energy saving and energy efficiency programs at Gazprom Neftekhim Salavat – 0.15 million GJ.
SDG 8 **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**		
Target 8.3		
Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	**National goal:** — Decent and effective jobs and successful enterprise **National project:** — Small- and Medium-Sized Businesses and Support for Individual Entrepreneurs	— Gazprom Group's employees hired in 2020 – 68,300 people. — 2,153 university and secondary vocational school graduates were hired. — Gazprom Group entered into more than 35,800 contracts with small- and medium-sized enterprises for an amount exceeding RUB 300.5 billion. — SMEs supplying goods, works and services to the Gazprom Group – 13,200 entities, or 59.6% of the counterparties.

(55) Including the share in production of organizations investments wherein are classified as joint operations.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **Target 8.5**		
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	**National goal:** — Decent and effective jobs and successful enterprise **National project:** — Small- and Medium-Sized Businesses and Support for Individual Entrepreneurs	— Salaries and tariff rates of the employees of PJSC Gazprom's budgeted entities were raised by 3%.[56]
 **Target 8.8**		
Protect labour rights and promote safe and secure working environments for all workers.		— As of the end of 2020, the Gazprom Workers' Union's structure included 647 trade union organizations, and had 360,535 members. — Trade unions of the Gazprom Workers' Union conducted 539 inspections. — Collective agreements cover 72.7% of the Gazprom Group's headcount. — The number if workplaces with harmful and hazardous conditions went down by 0.3 p.p. to 13.7%.[57] — Labor conditions were improved for 8,303 employees, with 5,844 measures taken. — Reduction in the number of injuries in the companies covered by PJSC Gazprom's ISPSM – 17%.

(56) For employees of PJSC Gazprom's Administration and 87 subsidiaries, entities and branches (in accordance with PJSC Gazprom's Order No. 595 dated December 26, 2019).
(57) From 38% in 2013–2020 in the companies covered by the ISPSM, and from 14% in 2019.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 9 **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**		
Target 9.1		
Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	**National goal:** — Comfortable and safe environment **National project:** — Housing and Urban Environment	— 39 sports facilities were completed under the Gazprom for Children program, which covered 63 settlements in 17 regions of Russia. — More than RUB 6.0 billion was spent to improve urban infrastructure across the Gazprom Group's regions of operation. — 596.5 km of the gas transmission system in Russia received major repairs. — Potential maximum daily deliverability of Gazprom's UGS facilities in Russia was at 843.3 mcm of gas.
Target 9.5		
Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially.	**National goals:** — Conditions for self-fulfilment and the unlocking of talent — Digital transformation **National projects:** — Research — Digital Economy	— Investments in research and development (R&D) at the Gazprom Group companies increased by 76.8% to RUB 21.4 billion. —Economic effect from the use of R&D across PJSC Gazprom's subsidiaries (gas business) – RUB 11.2 billion. —328 R&D results were implemented across PJSC Gazprom and its subsidiaries (gas business). —Economic effect from the implementation of technologies based on import substitution totaled RUB 16.6 billion.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG10 **Reduce inequality within and among countries**		
Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.		— Gas penetration rate across the regions of the Russian Federation increased by 1.3 p.p. to 71.4%. — Gas penetration rate increased by 3 p.p. to 64.8% in rural areas and by 0.7 p.p. to 73.7% in cities and towns. — Gas infrastructure expansion program covered 66 constituent entities of the Russian Federation. — 67 programs for gas supply and gas infrastructure expansion in 2021–2025 were signed by and between PJSC Gazprom and regions of the Russian Federation. — Financing of gas infrastructure expansion programs – RUB 56.0 billion. — Construction of 141 gas infrastructure facilities with a total length of 2,190 km was completed. — Gas provided to 200 localities and 63,100 households and apartments.
Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.		— Cases of discrimination across the Gazprom Group – 0. — Violations of rights and conflicts with local communities, including indigenous minorities of the North – 0. — Dividend per ordinary share for 2020 – RUB 12.55.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **SDG 11** **Make cities and human settlements inclusive, safe, resilient and sustainable**		
 **Target 11.4**		
Strengthen efforts to protect and safeguard the world's cultural and natural heritage.	**National goals:** — Conditions for self-fulfilment and the unlocking of talent — Comfortable and safe environment **National projects:** — Culture — Housing and Urban Environment — Environment	— PJSC Gazprom's charity expenses amounted to RUB 28.8 billion. — Gazprom Neft's social investments totaled RUB 6.4 billion. — Gazprom Energoholding spent more than RUB 28.6 million for charity. — Gazprom Neftekhim Salavat LLC's charity expenses totaled RUB 32 million.
 **Target 11.6**		
By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.		— Sales of compressed natural gas (CNG) at CNG filling stations in Russia increased by 8.1% to 842.4 mcm (77% of CNG sold). — Number of active gas filling stations of the Gazprom Group and Gazprom Gazomotornoye Toplivo LLC in Russia – 348. — Investments of the Gazprom Group and Gazprom Gazomotornoye Toplivo LLC in the development of gas filling infrastructure totaled RUB 4.3 billion. — As a result of dedicated marketing programs, consumers converted 9,369 new vehicles to natural gas.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 12 **Ensure sustainable consumption and production patterns**		
Target 12.4		
By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	**National goal:** — Comfortable and safe environment **National project:** — Environment	— 7 waste treatment and recycling facilities with a total annual capacity of 2,170 tons were put onstream. — RUB 60.6 million was invested in implementing waste recycling, treatment, and dumping projects; the current waste management expenses totaled RUB 8.05 billion.
Target 12.5		
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.		— Volume of waste generated went down by 3.2% to 3,229,800 tons. — Percentage of low-hazard and almost non-hazardous waste (classes IV and V) was 92.4%.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **SDG 13** **Take urgent action to combat climate change and its impacts**		
 **Target 13.1**		
Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	**National goal:** — Comfortable and safe environment **National project:** — Environment	— Gazprom Group's GHG emissions (Scope 1) were reduced by 11% to 210.3 million tons of CO_2 equivalent, including a 21% reduction in methane emissions. — Indirect emissions of the Gazprom Group companies (Scope 2) went down by 15% to 11.73 million tons of CO_2 equivalent. — Scope 3 GHG emissions stood at 1,078.50 million tons of CO_2 equivalent. — Carbon intensity of the Gazprom Group's products (when used by end consumers – Scope 3) was at 301.35 kg of CO_2 per boe and is the lowest among global oil and gas majors. — RUB 6,154 million was spent on air protection. — Current expenditures on air protection and climate change prevention amounted to RUB 5,245 million. — 7,999 people received environmental training.
 **SDG 14** **Conserve and sustainably use the oceans, seas and marine resources for sustainable development**		
 **Target 14.2**		
By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration, to achieve healthy and productive oceans.	**National goal:** — Comfortable and safe environment **National project:** — Environment	— RUB 507.29 million was spent on the preservation of biodiversity, protection of designated natural areas, as well as protection and replacement of fish reserves.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
SDG 15 **Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss**		
Target 15.1		
By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands.	**National goal:** — Comfortable and safe environment **National project:** — Environment	— Over 2,200 voluntary initiatives were run to clean up the waterfront of rivers and lakes. — RUB 658.0 million was invested in the protection and sustainable use of lands, including remediation. — Current expenditures on the preservation and restoration of land, open and ground water amounted to RUB 5,670.2 million. — Area of remediated disturbed land – 15,836 hectares. — More than 60,000 young trees were planted and more than 2,900 hectares of land cleaned up.
Target 15.5		
Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.		— RUB 2,424.5 million was invested in operational environmental monitoring and control. — Over 8,000 facilities of the Gazprom Group underwent operational environmental monitoring and control. — Current expenditures on biodiversity preservation and protection of designated natural areas totaled RUB 373.31 million. — Gazprom Group's total expenditures on environmental protection amounted to RUB 49.1 billion in 2020.

UN SDG targets	National development goals of the Russian Federation through 2030, national projects	Gazprom Group's contribution to the achievement of UN SDGs in 2020
 **SDG 16** **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**		
 **Target 16.5**		
Substantially reduce corruption and bribery in all its forms.		— 3,870 employees received anti-corruption training. — More than 600 Hot Line requests and inquiries were reviewed in connection with countering fraud, corruption and theft at the Gazprom Group. — Cases of corruption – 0.
 **SDG 17** **Strengthen the means of implementation and revitalize the global partnership for sustainable development**		
 **Target 17.16**		
Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.	**National goal:** — Conditions for self-fulfilment and the unlocking of talent — Comfortable and safe environment **National projects:** — Culture — Education — International Cooperation and Exports	— 81 cooperation agreements with regions of the Russian Federation are currently in force. — Construction of 23 historical parks is being financed as part of the *Russia. My History* social and cultural project. — 14 roadmaps are being implemented in 15 regions of the Russian Federation to stimulate the manufacture of high-tech innovative and import-substituting products. — Over 90 technical dialogues and joint projects with 13 foreign partners are being implemented as part of scientific and technical collaboration programs. — Over 80 working groups are in charge of key projects and lines of cooperation with 17 foreign partners.

Response to COVID-19 Pandemic and its Consequences

2

Around RUB **22** billion	additional expenditures associated with the efforts to combat the spread of COVID-19 included in the budgets of the Gazprom Group's entities for 2020
100 %	unchanged working hours and salary payment schedule
22,729 employees	PJSC Gazprom and its subsidiaries and entities arranged remote work
Some **800,000** PCR	tests were conducted as part of PJSC Gazprom's voluntary medical insurance programs

Gazprom Group's Expenditures on the Prevention of the Spread of COVID-19

In 2020, the Gazprom Group and the entire world faced the challenge of the COVID-19 pandemic. Our key task during this period was to protect our employees and help local communities in the areas of the Company's operations.

As part of the efforts to combat the spread of COVID-19, the Gazprom Group purchased 15 lung ventilators, 61 oxygen concentrators, 5 ambulance and intensive care cars, and opened 20 fixed-site and mobile laboratories.[58]

Given the high incidence of the coronavirus and the lockdown restrictions, Gazprom's management introduced a number of additional measures related to changes in corporate governance, COVID-19 response expenditures, and ensuring protection of employees and business continuity. The pandemic also made an impact on our stakeholder engagement mechanisms and on the progress of sustainable development initiatives.

As of December 31, 2020, a total of 45,496 cases of COVID-19 were recorded among the employees of PJSC Gazprom, the Gazprom Group companies, and major Group investees at all levels, with 147 deaths.[59]

The additional expenditures associated with the efforts to combat the spread of COVID-19 in the budgets of the Gazprom Group's entities for 2020 amounted to about RUB 22 billion. Approximately RUB 5 billion out of this amount was spent on purchasing personal protective equipment (face masks, gloves, disinfectants, etc.), RUB 4 billion was used to establish observation units at shift personnel camps (rent of premises, meal arrangements, etc.), and about RUB 13 billion was spent on purchasing services for testing personnel, disinfection of facilities, and other measures.

(58) Information on subsidiaries and entities engaged in the core operations.
(59) The monitoring included COVID-19 cases confirmed by the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor).

Coordination of the Efforts to Prevent the Spread of COVID-19

PJSC Gazprom set up an Emergency Task Force to coordinate the measures taken to prevent the spread of COVID-19 at the Gazprom Group's facilities.[60]

The Emergency Task Force's activities:

- coordinating the efforts of units responsible for preventing the spread of COVID-19 at the Gazprom Group's facilities;
- providing prompt information on the epidemiological situation at the Gazprom Group's facilities;
- working with the authorities and organizations responsible for federal sanitary and epidemiological supervision and with executive bodies of the constituent entities of the Russian Federation.

The decisions made by the Emergency Task Force were communicated to all entities of the Gazprom Group. These entities set up their own task forces, engaged with public authorities, put in place action plans to prevent the spread of COVID-19, and allocated the necessary funds.[61]

In 2020, the Emergency Task Force held 32 meetings to discuss sanitary and epidemiological response and preventive measures to be taken at the Gazprom Group in line with the relevant recommendations and resolutions of the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor) (including monitoring, control, and response to threats posed by the coronavirus, provision of personal protective equipment (PPE) for employees, organization of staff rotations, creation of observation units, arrangement of transportation, on-site catering, and COVID-19 testing via PCR or ELISA methods).

In April 2020, the Members of the Management Committee decided to donate their own personal funds (equal to one salary in each case) to help the Botkin Clinical Infectious Diseases Hospital fight COVID-19.

The Gazprom Group monitored the spread of the novel coronavirus at its facilities. A call center was created at OKDC PJSC Gazprom. The Group kept records of all employees, including those of PJSC Gazprom's branches, subsidiaries and entities, who had tested positive during a mass trial, both outpatients and inpatients, as well as of those who had died. A total of 663,200 employees of Gazprom and major Group investees (regardless of the ownership structure) are subject to monitoring.

(60) Order of PJSC Gazprom No. 161 dated April 2, 2020.
(61) In accordance with Order of PJSC Gazprom No. 126 dated March 13, 2020 "On Measures to Prevent the Spread of the Novel Coronavirus", Order of PJSC Gazprom No. 161 dated April 2, 2020, and Resolution of PJSC Gazprom Board of Directors No. 3403 dated March 19, 2020.

Employee Safety and Business Continuity

100% unchanged working hours and salary payment schedule

GRI 403-6

The measures taken by the Gazprom Group to prevent the spread of COVID-19 include:

- medical monitoring with body temperature screenings at the checkpoints of administrative and production facilities;
- providing employees with PPE (in particular, masks and gloves) and disinfectants;
- disinfection of all buildings and facilities (including on-site accommodation and catering units, auxiliary facilities, and offices), vehicles and equipment;
- transitioning a part of the personnel to remote work and supplying them with the necessary office equipment;
- setting up and maintaining 24/7 employee helplines (hot lines) for the employees of the Gazprom Group, as well as various interactive services (for example, mental health support during self-isolation);
- purchasing test kits and conducting regular tests for COVID-19.

The Gazprom Group purchased 17.2 million disposable medical masks, 21,300 biological protection suits, 5.2 million medical gloves, 147,800 COVID-19 test kits, and 30.9 tons of disinfectants.

PJSC Gazprom and its subsidiaries and entities arranged remote work for 22,729 employees.

As an additional measure to support its employees, the Gazprom Group arranged 24/7 medical assistance under voluntary medical insurance contracts to complement the compulsory health insurance program – the main healthcare scheme during the epidemic.

In 2020, some 800,000 PCR tests were conducted as part of PJSC Gazprom's voluntary medical insurance programs.

The following measures concerning the employees responsible for business continuity were taken:

- raising awareness about personal protective measures;
- creating booklets and posters on COVID-19 health hazards, possible consequences, modes of transmission, symptoms, and prevention methods;
- organizing transportation of employees between home and work using corporate vehicles;
- making sufficient PPE and disinfectants available in workplaces.

Entities employing shift personnel established observation units where workers were required to spend 14 days after arrival, and prolonged each shift to three months. A pool of personnel was formed to replace sick employees, if any, as well as people who had been in contact with them.

New logistics solutions were put in place to transport personnel to the Gazprom Group's facilities, such as creating green zones at an airport to register shift workers for their flights and providing a separate vehicle to take them to the aircraft. Plans were also developed to use local air ambulances in case any employees at the Company's facilities need urgent hospitalization.

To keep its corporate education continuous, the Group introduced distance learning across all educational programs, which ensured the necessary training and development for the personnel, including employees at remote facilities (temporary accommodation and observation units), during the pandemic.

Igor Gerelishin

Head of Medical Unit, Gazprom Dobycha Nadym LLC; played an active role in establishing a medical complex at the Bovanenkovskoye field. After the first COVID-19 cases were reported, he initiated a set of measures to curb the virus outbreak and combat the epidemic.

Trade union organizations monitored the moral and psychological climate at work and the social needs of employees during the pandemic. Gazprom Workers' Union initiated and helped develop measures to create favourable and safe working and recreational conditions amid the COVID-19-related restrictions. A dedicated set of measures was implemented to provide additional support to shift workers, including efforts to make their stay at observation units comfortable and safe.

Post-COVID-19 rehabilitation and treatment programs have been developed at PJSC Gazprom's health resort and rehabilitation facilities and are now available to employees and their families.

Large-scale COVID-19 response measures were taken at one of the Gazprom Group's major facilities, Amur GPP, where the purchase of medical and personal protective equipment and disinfectants was complemented by the establishment of five observation units with a total of 344 beds.

Soon after the pandemic started, **Gazprom Neft** developed and implemented Antivirus, a comprehensive program to prevent the spread of COVID-19 that put in place 78 technical and organizational barriers to counter the virus. Gazprom Neft set up 122 buffer zones in its oil-producing regions for shift workers to spend 14 days in and undergo medical check-ups before starting their shifts.

The HealthCheck digital system contains health data and test results of Gazprom Neft personnel and is used to generate an individual QR code for every employee to manage their access to the company's facilities. As part of this system, a mobile app was created for employees to track their test results and report their condition. Over 25,000 employees have installed the app, which is called Gradusnik (Thermometer).

More than 610,000 tests were conducted in 2020. Gazprom Neft introduced a flexible schedule for working hours in the morning to reduce overlapping, arranged remote thermal imaging at the entrances, and established a social distance of 1.5 m between workplaces.

Gazprom Energoholding identified critical power generation facilities and key personnel. It formed a pool of reserve shift workers and made sure the generating companies are prepared for autonomous work with their operating personnel isolated at the facilities. Contacts between employees of various Gazprom Energoholding facilities, departments and shifts were minimized, and all public events were cancelled. The number of people attending permanent workplaces was reduced to the headcount necessary to maintain business continuity.

Gazprom Neftekhim Salavat ensured uninterrupted operation of continuous-cycle production facilities and interaction between the divisions working at them. All employees were sent to work remotely, except for those who were engaged in continuous production.

Stakeholder Engagement during the Pandemic

GRI 102-43

The COVID-19-related restrictions impacted the format of stakeholder engagement.

There was an increase in the number of conference calls. Many events took place online, including the annual General Shareholders Meeting, which involved absentee voting.

In 2020, the Group revised its arrangements for charity and sponsorship projects, reducing the number of attendees, changing the formats and timelines and ensuring sanitary and epidemiological safety for everyone involved.

The online format – in particular, specially developed platforms – helped attract more people to sports and cultural events.

PJSC Gazprom became a partner of stopcoronavirus.rf (стопкоронавирус.рф), Russia's main official source of information on the COVID-19 pandemic, by providing its commercial airtime to promote the website. More than 50 million people watched the commercial on federal TV channels as part of this partnership.

GRI 203-1

The pandemic also shifted the focus in stakeholder engagement. In addition to implementing the scheduled programs, Gazprom Group companies actively helped local communities across its areas/regions of operation in their fight against COVID-19. The Group placed special emphasis on assisting medical workers and institutions. For example:

— Gazprom supported the conversion of the Lenexpo Exhibition Complex in St. Petersburg into a temporary hospital for patients with mild cases of COVID-19, investing over RUB 98 million in these measures. The Company ensured uninterrupted operation of the hospital's infrastructure and security at its outside perimeter and arranged cleaning services.

— 200,000 biological protection suits were donated to the Government of St. Petersburg to equip the doctors fighting COVID-19.

— PJSC Gazprom donated RUB 20 million to the Perm Territory to purchase protective suits, respirators, masks and gloves.

— Gazprom Transgaz Ukhta LLC donated RUB 15 million to the Ukhta City Hospital.

— In 2020, Gazprom Pererabotka Blagoveshchensk LLC assisted the Amur Region, the Svobodnensky District, and the town of Svobodny in purchasing medical and personal protective equipment, medications and sanitizers. Over RUB 1.5 million was spent on hygiene products, linens, and similar items. Gazprom Pererabotka Blagoveshchensk also helped add almost 200 hospital beds in Svobodny (an infectious diseases service at the Amur GPP construction site and a new infectious diseases ward at the Svobodny Hospital).

— Gazprom Dobycha Astrakhan LLC spent RUB 2.45 million to purchase medical equipment and gear for the Alexandro-Mariinskaya Regional Clinical Hospital.

— Gazprom Dobycha Yamburg LLC spent RUB 2 million to buy an ambulance for the Tazovskaya Central District Hospital.

— Gazprom Dobycha Noyabrsk LLC donated some RUB 16 million to hospitals in Noyabrsk and Lensk.

— Gazprom Pererabotka LLC provided RUB 13 million in financial aid to nine hospitals.

— Gazprom Transgaz Tomsk LLC provided a total of RUB 12.9 million to purchase medical equipment and products for over 20 healthcare institutions in the Republic of Sakha (Yakutia), the Khabarovsk, Kamchatka and Altai Territories, and the Omsk, Amur, Novosibirsk and Tomsk Regions, as well as Kuzbass.

— Gazprom Transgaz Saint Petersburg LLC signed a donation agreement to finance a research project on the development of a peptide-based drug for the prevention and treatment of COVID-19 at the St. Petersburg Pasteur Research Institute of Epidemiology and Microbiology.

— **Gazprom Neft** donated medical and personal protective equipment and medications worth more than RUB 400 million to healthcare institutions in its regions of operation.

— **Gazprom Neftekhim Salavat** spent RUB 1.5 million to improve the working conditions for healthcare professionals and support personnel at the Salavat Town Hospital.

Due to pandemic-related restrictions, public transportation was suspended in the Astrakhan Region. Gazprom Dobycha Astrakhan LLC provided corporate buses for village residents involved in continuous service in the regional center (medical personnel, bakery workers, employees of law enforcement agencies, etc.).

One of the most significant forms of support during the pandemic was volunteering. Gazprom Group employees volunteered to deliver food and medications to the families of healthcare professionals and the elderly. Moreover, the Company's personnel participated in the work of dedicated call centers and anti-COVID-19 task forces.

Eighty-five volunteers from Gazprom Transgaz Ukhta LLC joined the #WeAreTogether national charitable campaign. In 2020, they processed 612 applications and provided support to 439 people.

During the pandemic, the Group paid special attention to protecting the rights and interests of the indigenous minorities of the North:

— Gazprom Dobycha Nadym LLC arranged medical assistance for nomadic people at the Bovanenkovo medical complex.

— Gazprom Dobycha Yamburg LLC donated RUB 6 million to the Tazovsky Division of the Yamal for Posterity! association of indigenous minorities of the North.

About the Gazprom Group

3

RUB 2,368.6 billion	total taxes paid in Russia and abroad
97.6%	share of domestic materials and equipment in centralized supplies to Gazprom
59.6%	share of SME suppliers in the total number of counterparties
RUB 300.5 billion	volume of contracts with SME suppliers in 2020
RUB 21.4 billion	investments in R&D in 2020
RUB 377.4 billion	dividends paid to shareholders
4.61 out of 5.00	customer satisfaction level

Gazprom Group Profile

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-10

Gazprom is a global vertically integrated energy company focused on geological exploration and production of gas, gas condensate and oil; transportation and underground storage of gas; hydrocarbon feedstock processing; gas and petrochemistry; sales of gas, gas condensate, oil, and refined hydrocarbon products, as well as generation and marketing of heat and electric power. The parent company of the Group is PJSC Gazprom.

For business processes within the Gazprom Group's gas, oil and electric power businesses, see PJSC Gazprom Annual Report 2020.

Name and legal form of the company	Public Joint Stock Company Gazprom
Head Office	16 Nametkina St., Moscow, 117420, Russian Federation
PJSC Gazprom's form of incorporation	Private property with a state-owned stake. The Russian Federation controls the majority stake in PJSC Gazprom directly and indirectly (over 50%)

There were no significant changes in the share capital structure in the reporting period.

For more details on PJSC Gazprom's share capital structure, see Appendix 3.

The Gazprom Group carries out its operations in more than 20 countries and supplies its products to over 100 countries worldwide.

For more details on the Gazprom Group's geography of operations, see Operations and Marketing Geography, PJSC Gazprom Annual Report 2020.

As of the end of 2020, PJSC Gazprom granted 347 companies the right to use its trademarks and had 129 license and 255 sub-license agreements for the use of its trademarks in the Russian Federation and 50 foreign countries.

Gazprom Energoholding companies carry out heat and electric power generating activities under the Gazprom brand.

PJSC Mosenergo, PJSC MOEK, PJSC TGC-1, and PJSC OGK-2 use the trademark registered in Russia under sub-license agreements.

Gazprom Energoholding LLC uses the international trademarks GAZPROM and in the Republic of Serbia pursuant to a license agreement with PJSC Gazprom on the use of trademarks.

Gazprom Group's Scale of Operations

16%	**share in global gas reserves**
70%	**share in Russian gas reserves**
11%	**share in global gas production**
66%	**share in Russian gas production**
12%	**share in Russian oil and gas condensate production**
>50%	**share in the total gas processing in the Russian Federation**
19%	**share in the total oil and stable gas condensate processing in the Russian Federation**
32.2%	**share[62] in the European gas consumption (other than FSU states)**
16%	**share in the installed electric capacity of the power plants included in the Unified Energy System (UES) of the Russian Federation**
13%	**share in electric power generation in the Russian Federation**
9.2%	**share in heat generation in the Russian Federation**

For more details on the Gazprom Group's operating results for 2018–2020, see PJSC Gazprom Annual Report 2020.

(62) Share of PJSC Gazprom's gas supplies under contracts of Gazprom Export LLC in consumption of gas in Europe (other than FSU states).

German Aydemirov

Chief Specialist, PJSC Gazprom; has a PhD degree in Philosophical Sciences, takes part in developing and updating strategic documents in the fuel and energy sphere, as well as a number of initiatives to ensure sustainable development of PJSC Gazprom and Russia's gas sector in general.

Mission and Strategy

GRI 102-16, GRI 102-26

PJSC Gazprom's mission is to ensure a reliable, efficient and balanced supply of natural gas, other energy resources and their derivatives to consumers.

The Gazprom Group's strategic goal is to strengthen its leading position among global energy companies by diversifying sales markets, ensuring energy security and sustainable development, improving operating efficiency and fulfilling its scientific and technical potential.

The Company's long-term strategic planning relies on a system of strategic target indicators (STI) coming in the shape of well-balanced targets that span the entire range of operations and define the quantitative dimension of strategic goal setting.

The *Long-Term Development Program of PJSC Gazprom* is the key tool for long-term planning. It is developed annually in accordance with the Company's *Planning Procedures* based on the STIs and incorporating the Guidelines on Long-Term Development Programs for Strategic Open Joint Stock Companies and Federal State Unitary Enterprises, and Open Joint Stock Companies in which the Aggregate Share of the Russian Federation Exceeds 50% introduced by Russia's Ministry of Economic Development. Once pre-approved by the Management Committee, the *Program* is submitted for approval to the PJSC Gazprom Board of Directors.

Strategic planning helps outline general development paths and management decisions that are set out in more detail at the stage of medium- and short-term planning in the budgeting and development of the Investment Program of PJSC Gazprom.

In 2020, the *Planning Procedure Based on the Gazprom Group's Strategic Target Indicators*[63] was updated, and the reference values of the strategic target indicators at the corporate and first levels across the business lines of the Gazprom Group[64] were defined and approved.

The *Long-Term Development Program of PJSC Gazprom (2021–2030)* developed in 2020 has been approved by the Management Committee of PJSC Gazprom[65] and the Board of Directors of PJSC Gazprom.[66]

For more details on the strategic planning system, see PJSC Gazprom Annual Report 2020.

(63) Pursuant to resolution of the Management Committee of PJSC Gazprom No. 42 dated September 24, 2020.
(64) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3523 dated December 22, 2020.
(65) Resolution of the Management Committee of PJSC Gazprom No. 35 dated July 2, 2020.
(66) Resolution of the Board of Directors of PJSC Gazprom No. 3483 dated September 22, 2020.

Gazprom Group's Business Model

Assets

Financial and economic

Capital investments	RUB 1,494.2 billion ▼ (-17.8%)

Human and intellectual

Group's headcount	477,600 people ▲ (+0.8%)
Average monthly salary at core business subsidiaries of PJSC Gazprom[67]	RUB 105,100
Payroll expenses	RUB 807.8 billion ▲ (+7.8%)
Social expenses	RUB 40.7 billion ▼ (-9.8%)
Insured under voluntary medical insurance programs	555,400 people ▲ (+0.7%)
Anchor universities	13 ■
R&D investments	RUB 21.4 billion ▲ (+76.9%)
Share of R&D investments in revenue	0.33%

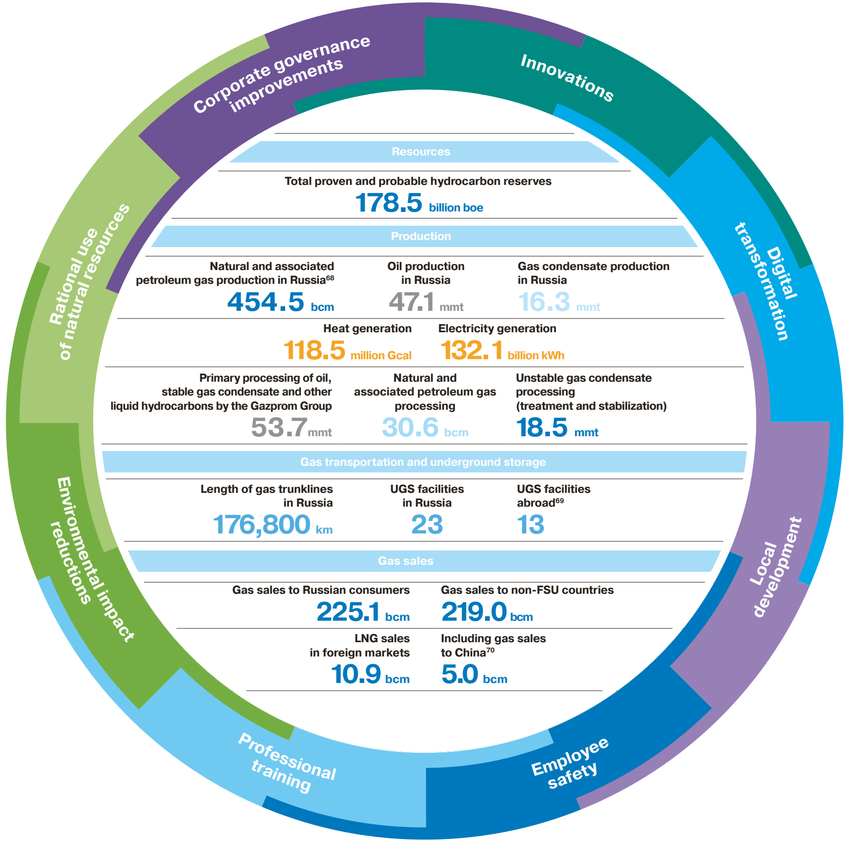
Social and reputational

PJSC Gazprom's charity spending	RUB 28.8 billion ▲ (+4.0%)
PJSC Gazprom's investments allocated to gas infrastructure development in the Russian regions	RUB 56.0 billion ▲ (+14.5%)
Share of investments into gas infrastructure in revenue	0.89%
Financial support of indigenous minorities	RUB 257 million ▲ (+66.9%)

Environmental

Total environmental protection expenditures	RUB 49.1 billion ▼ (-7.7%)
Share of total environmental protection expenditures in revenue	0.78%

(67) For core business subsidiaries of PJSC Gazprom.
(68) Including the Group's share in production of organizations where it has investments classified as joint operations.
(69) Including leased third-party storage capacity.
(70) Including 4. 10 bcm via the Power of Siberia gas trunkline.
(71) The Declared Dividend line from PJSC Gazprom's 2020 IFRS consolidated financial statements.
(72) Labour productivity is calculated for PJSC Gazprom along with all its standalone business units, including branches and representative offices, as the sum of revenue from the sale of products, proceeds from work and services, and revenue from the sale of goods acquired for resale less procurement costs, divided by the number of man-hours worked by the Company's salaried employees and external part-time employees.
(73) At PJSC Gazprom subsidiaries (gas business).



Value creation

Financial and economic

Market capitalization as of December 31, 2020	RUB 5.0 trillion ▼ (-18.0%)
Dividends per ordinary share of PJSC Gazprom for 2020 (recommended)	RUB 12.55 ▼ (-17.7%)
Dividends paid to shareholders[71]	RUB 377.4 billion ▼ (-1.5%)
Total taxes paid in Russia and abroad	RUB 2,368.6 billion ▼ (-23.0%)

Human and intellectual

Gazprom Group's employees covered by collective agreements	72.7% ▼ (-0.6 p.p.)
Labor productivity[72]	RUB 65,260 per man-hour
Employee turnover	4.4% ▼ (-1.4 p.p.)
Labor conditions improved	for 8,300 employees
Employees covered by professional training	406,100 people ▲ (+71.7%)
Economic benefits from the use of R&D results[73]	RUB 11.2 billion ▲ (+6.7%)

Social and reputational

Average gas penetration rate across Russia	71.4% ▲ (+1.3 p.p.)
Sports facilities commissioned under Gazprom for Children program	39 facilities
Cooperation with Russian regions	81 agreements ■

Environmental

GHG emissions (Scope 1)	210.3 mmt of CO_2 equivalent ▼ (-11.0%)
Unit GHG emissions (gas business)	0.239 t of CO_2 equivalent per toe ▼ (-7.7%)
Waste generation	3,229,800 t ▼ (-3.2%)
Water consumption	3,236.6 mcm ▼ (-17.5%)
Power generation units based on RES and SER	2,573 units ▲ (+14.9%)
Electric power generation from RES and SER	13.3 million MWh ▲ (+13.7%)

For details on resource base replenishment, see PJSC Gazprom Annual Report 2020.
For the Gazprom Group's 2017–2020 operating highlights, see Appendix 3.

3.4.

Compliance Management at the Gazprom Group

3.4.1.

Corporate Ethics and Values of the Gazprom Group

111,819 **employees of the Gazprom Group received training in corporate ethics in 2020**[74]

3.4.1.1. Corporate Ethics Management

GRI 102-16, GRI 205-2

The key documents setting values, principles, standards, and norms of behavior at PJSC Gazprom are the *Corporate Governance Code of PJSC Gazprom*,[75] the *Code of Corporate Ethics of PJSC Gazprom*,[76] and the *Anti-Corruption Policy of PJSC Gazprom*.[77]

All stakeholders, including all of the Company's employees, members of governance bodies, business partners, suppliers and contractors, can make themselves familiar with these documents which are publicly available in Russian and English on the Company's official website[78]

The *Corporate Governance Code of PJSC Gazprom* is aimed at protecting the rights and interests of shareholders, ensuring fair treatment of shareholders, transparent decision-making, professional and ethical accountability of the Members of the Board of Directors, other officers of the Company, and shareholders, promoting information transparency, developing the business ethics framework, and consolidating the basic principles of corporate governance.

The *Corporate Governance Code of PJSC Gazprom* is updated if and when necessary, including to reflect relevant changes in the applicable legislation. In 2020, no changes were introduced into the *Corporate Governance Code.*

The *Code of Corporate Ethics of PJSC Gazprom* sets forth corporate values and defines the key rules of business conduct regarding prevention of conflicts of interest and corruption, restrictions on joint work of relatives and employee engagement with PJSC Gazprom's competitors and elected government bodies, gift acceptance, etc.

The provisions of the *Code of Corporate Ethics of PJSC Gazprom* set out the basic principles for the legal entities controlled by PJSC Gazprom. They use the *Code* as a basis to develop and approve their own codes of corporate ethics. In 2020, the Group continued its efforts to extend ethics requirements to the directors of the entities controlled by PJSC Gazprom.

Insofar as it does not contradict the existing obligations, the *Code of Corporate Ethics of PJSC Gazprom* is also recommended for individuals working for the Company under civil law contracts, for contractors and consultants.[79]

Ensuring the implementation of the *Code of Corporate Ethics of PJSC Gazprom* is the responsibility of the Corporate Ethics Commission of PJSC Gazprom. Its performance is reported to the Chairman of the Management Committee of PJSC Gazprom on an annual basis. Every year, PJSC Gazprom's executives make formal written commitments to comply with the *Code*. In 2020, PJSC Gazprom's management signed written commitments to comply with the *Code* and submitted them to the Commission.

Employees are regularly updated on the newly adopted business conduct rules, including the corporate ethics norms related to preventing and combating corruption.

An e-learning Corporate Ethics course was developed at PJSC Gazprom. In 2020, 111,819 employees of the Gazprom Group received training as part of this course. At the end of the training, tests were conducted to assess the knowledge gained by the employees.

(74) In accordance with PJSC Gazprom's Order No. 136 dated April 4, 2019, corporate ethics training in 2019 was mandatory only for the employees of PJSC Gazprom Administration; starting from 2020, it is also taken by employees of PJSC Gazprom's subsidiaries, entities, branches and representative offices.
(75) Approved by resolution of the annual General Shareholders Meeting of PJSC Gazprom dated June 30, 2017, Minutes No. 1.
(76) Approved by resolution of the Board of Directors of OJSC Gazprom No. 2309 dated February 25, 2014, and amended by resolution of the Board of Directors of PJSC Gazprom No. 2795 dated September 1, 2016, resolution of the Board of Directors of PJSC Gazprom No. 3172 dated October 26, 2018, and resolution of the Board of Directors of PJSC Gazprom No. 3307 dated August 20, 2019.
(77) Approved by resolution of the Board of Directors of PJSC Gazprom No. 2846 dated November 15, 2016.
(78) https://www.gazprom.com/investors/documents/
(79) Acting as agents, implementing orders or representing PJSC Gazprom to third parties, if they act on behalf of PJSC Gazprom.

GRI 102-17, GRI 102-25

For interpretation of the provisions of the *Code of Corporate Ethics of PJSC Gazprom* and matters related to its application (including information on violation of the *Code's* provisions), employees can contact:
— their immediate supervisor;
— the Corporate Ethics Commission.
In case of a conflict of interest, employees are required to contact their immediate supervisor, unless the *Code* directly states otherwise. If the immediate supervisor fails to take measures to prevent or eliminate the conflict of interest or the measures taken are insufficient, employees are to inform the Commission thereof.

Being in charge of implementing the *Code's* provisions, the Commission oversees systematic and comprehensive efforts taken at PJSC Gazprom to identify any conflicts of interest among the sole executive bodies of the entities controlled by PJSC Gazprom. The identification, which is based on questionnaires, covered 342 entities in 2020.

The Chairman of the Management Committee may, on his/her own initiative or at the suggestion of the Commission or on the initiative of the immediate supervisor of the employee who violated the *Code*, apply the sanctions provided for by the *Code*.

The Commission receives messages by e-mail at ethics.comission@adm.gazprom.ru, by phone at the Hot Line number +7 495 719 1171 or directly addressed to the Chairman of the Corporate Ethics Commission of PJSC Gazprom. In 2020, the Commission held four meetings and reviewed seven items related to messages submitted by employees of PJSC Gazprom and its subsidiaries.

The performance of the Corporate Ethics Commission is regularly reported to the Board of Directors of PJSC Gazprom and reviewed with other matters related to improving corporate governance and interaction with shareholders and investors.

3.4.1.2. Corporate Values and Commitment to Human Rights at the Gazprom Group

The corporate values of Gazprom

Professionalism	Initiative
Thriftiness	Openness to dialogue
Mutual respect	Continuity
Image	

For more details on PJSC Gazprom's corporate values, see the *Code of Corporate Ethics of PJSC Gazprom* [80]

Gazprom's corporate values are built on the unconditional respect for human rights.

In the sphere of human rights, Gazprom shares the global vision of fundamental values and complies with the applicable Russian and international laws. The Company is primarily guided by the principles set out in the Constitution of the Russian Federation, the United Nations' Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

(80) https://www.gazprom.com/f/posts/74/562608/2014-02-25-codex-of-corporate-ethics-en-2019-08-20-edit.pdf

Key focus areas include:

- rights of employees to labor and education;
- occupational health and safety rights of employees, partners, and contractors;
- rights of indigenous minorities in Gazprom's regions of operation.

GRI 412-1

In addition to complying with Russian laws, the suppliers and contractors operating at the Gazprom Group's facilities in the Russian Federation must conform to the Company's corporate standards in the sphere of industrial safety.

There is no special procedure in place to assess the degree to which the Gazprom Group entities and their suppliers and contractors respect human rights.

GRI 412-3

Agreements and contracts signed by the Gazprom Group do not include human rights clauses or undergo human rights screenings.

GRI 412-2

The Gazprom Group seeks to raise the awareness of its employees about human rights issues. In 2020, these issues were reviewed as part of various educational courses. There were no dedicated training programs on human rights policies or procedures at PJSC Gazprom in 2020.

Gazprom Neft's corporate training system includes materials on human rights and rules of conduct in heterogeneous groups. In 2020, a total of 1,087 training courses covering matters related to human rights were held.

In 2020, **Gazprom Energoholding** did not provide mass training with a focus on human rights policies or procedures.

Gazprom Neftekhim Salavat did not conduct training on policies and procedures related to the aspects of human rights relevant to its activities.

GRI 410-1

Human rights issues are included in mandatory briefings that cover 100% of the Gazprom Group's personnel.

3.4.2. Anti-Corruption

Documents regulating the Gazprom Group's anti-corruption activities:

- *Anti-Corruption Policy of PJSC Gazprom;*[81]
- *Risk Management and Internal Control Policy of PJSC Gazprom;*[82]
- *Code of Corporate Ethics of PJSC Gazprom;*[83]
- *Regulation on the Corporate Ethics Commission of PJSC Gazprom;*[84]
- *Regulation on Hot Line for fighting fraud, corruption, and embezzlement at the Gazprom Group;*[85]
- *The procedure for reporting and regulating conflicts of interest;*[86]
- *The procedure for employees to report violations with signs of corruption committed by other employees, counterparties or other persons, and the procedure for reviewing such reports;*[87]
- *The procedure for reporting attempts to influence an employee to engage in corruption and the procedure for reviewing such reports;*[88]
- *The procedure for protecting employees who report corruption violations committed as part of the Company's operations.*[89]

The *Anti-Corruption Policy of PJSC Gazprom* is the fundamental document for corruption prevention and countering, which reflects the commitment of the Company's management and employees to the ethical standards of conducting legal, open and honest business, improving the corporate culture, following the best corporate governance practices and maintaining a good business reputation.

In 2020, no changes were introduced into the *Anti-Corruption Policy of PJSC Gazprom.*

For the *Anti-Corruption Policy of PJSC Gazprom*, see[90]

To improve the mechanism for preventing and detecting corruption and in accordance with the National Anti-Corruption Plan for 2018–2020 and *PJSC Gazprom's Anti-Corruption Plan for 2018–2020*, the Company continued to improve the efficiency of measures aimed at shaping anti-corruption behavior among employees, promoting anti-corruption standards and raising awareness in 2020.

In 2020, PJSC Gazprom updated the lists of administrative positions requiring anti-corruption training if the employee is appointed for the first time or if the position involves anti-corruption responsibilities.

(81) Approved by resolution of the Board of Directors of PJSC Gazprom No. 2846 dated November 15, 2016.
(82) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3195 dated December 25, 2018.
(83) Approved by resolution of the Board of Directors of OJSC Gazprom No. 2309 dated February 25, 2014.
(84) Approved by order of OJSC Gazprom No. 59 dated February 11, 2014 (as amended by order of OJSC Gazprom No. 34 dated January 30, 2015, and orders of PJSC Gazprom No. 445 dated June 27, 2017, No. 604 dated October 18, 2018, and No. 391 dated September 5, 2019).
(85) Approved by order of OJSC Gazprom No. 423 dated September 4, 2014.
(86) Approved by decree of PJSC Gazprom No. 368 dated November 25, 2016.
(87) Approved by decree of PJSC Gazprom No. 2 dated January 12, 2017.
(88) Approved by decree of PJSC Gazprom No. 3 dated January 12, 2017.
(89) Approved by decree of PJSC Gazprom No. 4 dated January 12, 2017.
(90) https://www.gazprom.com/f/posts/74/562608/anti-corruption-policy-2016-11-15-en.pdf

GRI 205-1

Gazprom monitors business processes with the greatest exposure to corruption risks, including, in particular, procurement and contracting. To identify a potential conflict of interest in procurement activities, contracts concluded with the Company's counterparties require that the counterparties disclose their ultimate beneficiaries.

PJSC Gazprom ensures compliance with the basic principles of combating corruption and fraud and avoiding conflicts of interest in procurement. A collegial body, i.e. a procurement committee, is set up to approve the results of bidding and marketing research. The committee's membership is strictly controlled by the Gazprom Group to avoid conflicts of interest. The committee selects the supplier based on the bidding results following the principles of fair, equal and objective treatment of the bidders, and takes into account the criteria for evaluating and comparing bids specified in the procurement documentation (notice of request for proposal).

As part of its procurement activities, the Company has a list of entities interdependent with PJSC Gazprom and applies the *Regulation on Procurement of Goods, Works, and Services by PJSC Gazprom and Gazprom Group Companies*. Interdependent entities include the Gazprom Group companies, including subsidiaries of PJSC Gazprom.

The Group has contracts for the purchase of goods, works and services with 232 interdependent entities, which is 1% of the total number of Gazprom's counterparties. Procurement from these suppliers was compliant with Section 22 of the *Regulation on Procurement of Goods, Works, and Services by PJSC Gazprom and Gazprom Group Companies*.

Gazprom Neft has a corporate risk management and internal control framework in place that covers all business units and operations of the company. Risk assessments are performed regularly.

No significant risks of corruption were identified at **Gazprom Energoholding** in 2020. The risks of corruption are assessed as part of risk management and internal control.

At **Gazprom Neftekhim Salavat**, the risks of corruption were not assessed.

GRI 205-3

No incidents of corruption were identified at PJSC Gazprom, the Gazprom Neft Group, Gazprom Energoholding, and Gazprom Neftekhim Salavat in the reporting period.

GRI 205-2

Since 2019, the Gazprom Group entities have been annually conducting skills upgrading in corruption prevention and countering at Gazprom Corporate Institute, the Center for Entrepreneurial Risks, the Russian Presidential Academy of National Economy and Public Administration, and other institutions. In 2020, 3,870 employees of the Gazprom Group underwent in-person and distance anti-corruption training.

Number of employees who completed anti-corruption training in 2019–2020

2019	2020
1,144	3,870

UNCTAD D.2.2

Skills upgrading under corruption prevention and countering programs in 2019–2020

Indicator	2019	2020
Average duration of anti-corruption training per employee per year, hours	0.1	0.2

Gazprom Neft's corporate training system has the following courses available: Preventing and Countering Corporate Corruption; Corruption Prevention; and Countering Corruption and Fraud. These courses are mandatory for all new hires of Gazprom Neft.

At **Gazprom Energoholding** entities, the training on anti-corruption policies and guidelines was conducted for workers, managers, and specialists in 2020.

Since 2016, the employees of **Gazprom Neftekhim Salavat** have been sent to St. Petersburg for external anti-corruption training. In 2020, there was no anti-corruption training due to the pandemic.

GRI 102-17

Since 2014, PJSC Gazprom has had a Hot Line for fighting fraud, corruption and embezzlement at the Gazprom Group (tel. +7 812 613 1188).[91] The Hot Line details are available on the Company's corporate website. Hot Lines have also been set up and operate in a number of core subsidiaries. Information received via electronic means, telephone, post, or in person, including anonymous messages, is analyzed by PJSC Gazprom's Corporate Security Service and corporate security units of subsidiaries to identify potential or actual corruption at the Gazprom Group. During 2020, the Hot Line received more than 600 calls, most of which were related to the Company's activities rather than the Hot Line's dedicated purpose.

The messages relevant to the Hot Line's purpose were reviewed. No corrupt activities were identified as a result of the review.

(91) Set up by order of PJSC Gazprom No. 423 dated September 4, 2014.

Contribution to Russia's Economy

By paying taxes to budgets of various levels, purchasing products from domestic producers, and cooperating with SMEs, Gazprom makes a significant contribution to the development of the national economy.

The Boston Consulting Group (BCG) global rating ranked Gazprom among the top five oil and gas companies that generated the highest total shareholder return over the last three years. Based on total shareholder return, the ranking included 76 companies with a minimum market capitalization of USD 6 billion and free float of at least 20%.

For the Gazprom Group's key financial and economic indicators,see Appendix 3.

UNCTAD A.2.1

Indicators of the Gazprom Group's contribution to the economy of the Russian Federation, 2017–2020

Indicator	2017	2018	2019	2020
GDP of the Russian Federation, RUB billion	91,843	103,862	109,242	106,967
Gazprom's gross value added, RUB billion	3,392	4,807	4,255	3,391
Gazprom's share in the GDP of the Russian Federation, %	3.7	4.6	3.9	3.2
Investments in fixed assets in the Russian Federation, RUB billion	16,027	17,782	19,329	20,118
Gazprom's capital expenditures,[92] RUB billion	1,406	1,639	1,776	1,523
Gazprom's capex in aggregate investments in fixed assets in the Russian Federation,%	8.8	9.2	9.2	7.6
Payments to budgets of the Russian Federation, all levels (taxes and other similar payments), incl.:	2,315	2,959	2,822	2,116
customs payments, RUB billion	664	932	790	472
mineral extraction tax (MET), RUB billion	883	1,145	1,141	812
income tax, RUB billion	211	285	309	89
property tax, RUB billion	148	158	151	154
Nominal amount of dividend per share,[93] RUB	8.04	8.04	16.61	15.24
Dividend per the government's stake,[94] RUB billion	96	96	198	181
Gazprom's total payments to budgets of the Russian Federation, all levels, RUB billion	2,411	3,055	3,020	2,297

(92) According to the cash flow statement of the consolidated financial statements prepared in accordance with the IFRS.
(93) Amount of dividend per share paid on the basis of the previous year's performance.
(94) PJSC Gazprom's dividends attributable to the government and legal entities controlled by the government.

Sergey Sabinin

Oil and gas production operator of the 6th grade, Honored Oil and Gas Industry Specialist.
For 36 years, has been making gas production and pre-transport treatment at Gazprom Dobycha Urengoy LLC reliable and efficient. Author of innovative and efficiency-improving proposals and an experienced mentor for the youth.

GRI 201-1

Generated and distributed direct economic value, 2017–2020, RUB million

Indicator	2017	2018	2019	2020
Generated direct economic value				
Sales revenue	6,546,143	8,224,177	7,659,623	6,321,559
Net income (expenses) from trade operations with commodities at liquid European marketplaces	(16,352)	18,015	(24,957)	31,349
Financial income (interest income)	83,721	72,652	90,926	60,137
Percentage of the profit of associated companies and joint ventures	126,940	232,483	207,127	136,736
Total generated direct economic value	**6,740,452**	**8,547,327**	**7,932,719**	**6,549,781**
Distributed direct economic value				
Operating expenditures (excl. impairment loss (reversal of impairment loss) on non-financial assets, depreciation and exchange rate differences on operating items), incl.:	5,114,635	5,539,484	5,564,173	4,977,263
social expenses	34,461	42,789	45,114	40,690
payroll expenses	682,060	600,812	749,708	807,824
incl. expenses (income) related to estimated post-employment benefits	48,522	(78,937)	32,241	39,554
taxes, excl. income tax	1,246,059	1,498,278	1,409,248	1,235,822
other operating expenses	3,152,055	3,397,605	3,360,103	2,892,927
Financial expenses (interest expenses)	53,332	50,378	76,426	73,445
Expenses related to current income tax	241,817	278,233	327,618	75,606
Dividends paid to shareholders [95]	196,059	192,822	383,060	377,363
Total distributed direct economic value	**5,605,843**	**6,060,917**	**6,351,277**	**5,503,677**
Undistributed economic value	**1,134,609**	**2,486,410**	**1,581,442**	**1,046,104**

(95) The Declared Dividend indicator from PJSC Gazprom's IFRS consolidated financial statements for the corresponding year.

3.5.1.

Gazprom Group's Investment Projects

The Gazprom Group's investment projects have an impact on the growth of regional economies and contribute to infrastructure improvement. They also have a social effect by providing jobs for local residents.

In the reporting year, priority investment projects continued progressing fully on schedule, with all production plans met. Efforts as part of other projects were adjusted to the unfavorable external environment and uncertainties in the energy markets.

In 2020, investment utilization under the revised Investment Program of Gazprom totaled RUB 922.5 billion.

Key Investment Projects of the Gazprom Group companies in 2020

Activity / project	Country, region
Transportation	
Power of Siberia gas trunkline	Russia, Republic of Sakha (Yakutia), Amur Region
Power of Siberia gas trunkline. Kovykta – Chayanda segment	Russia, Republic of Sakha (Yakutia), Irkutsk Region
Development of the gas transportation facilities of the UGSS in the North-Western Region, Gryazovets – Slavyanskaya segment	Russia, Vologda Region, Leningrad Region
Ukhta – Torzhok gas trunkline system. 2nd string (Yamal)	Russia, Republic of Komi, Arkhangelsk Region, Vologda Region
Sakhalin – Khabarovsk – Vladivostok gas trunkline	Russia, Khabarovsk Territory, Primorye Territory
Development of the Cenomanian-Aptian deposits at the Kharasaveyskoye GCF. Connecting pipeline for the Kharasaveyskoye GCF	Russia, Yamal-Nenets Autonomous Area
Bovanenkovo – Ukhta gas trunkline system	Russia, Yamal-Nenets Autonomous Area
Mozdok – Grozny gas trunkline	Russia, Republic of North Ossetia – Alania, Chechen Republic
Production	
Development of the Chayandinskoye OGCF	Republic of Sakha (Yakutia)
Development of the Cenomanian-Aptian deposits at the Bovanenkovskoye OGCF	Russia, Yamal-Nenets Autonomous Area
Development of the Cenomanian-Aptian deposits at the Kharasaveyskoye GCF	
Development of the Kovyktinskoye GCF	Russia, Irkutsk Region
Development of the Kirinskoye GCF	Russia, the shelf of Sakhalin Island (Sea of Okhotsk)
Development of the Yuzhno-Kirinskoye GCF	

Length of gas trunklines put into operation in 2017–2020

2017	2018	2019	2020
640.2 km	890.8 km	2,279.3 km	1,118.0* km

* Linear sections put into operation.

PJSC Gazprom's investment projects are implemented in accordance with the design and estimate documentation audited by the State Environmental Expert Review of the Russian Federation. According to the Russian laws, this documentation contains requirements and information on the amount of investment to be spent on prevention, mitigation or elimination of pollution and other forms of environmental degradation.

For more details on the implementation of the Gazprom Group's investment projects, see PJSC Gazprom Annual Report 2020.

3.5.2.

National Industrial Development

GRI 102-9

97.6% **share of domestic materials and equipment in centralized supplies to Gazprom**

RUB 16.6 billion **economic benefit from import substitution in 2020**

Gazprom contributes to the national industrial development by involving Russian enterprises in the process of mastering the technologies never used in our country before.

3.5.2.1. Import Substitution Management

Documents regulating import substitution at the Gazprom Group:

PJSC Gazprom Corporate Import Substitution Plan;[96]

List of Priority Products for Import Substitution and Production Localization to Promote the Technological Development of PJSC Gazprom.[97]

Import substitution activities are regulated by the *PJSC Gazprom Corporate Import Substitution Plan*. This document also regulates the improvement of the corporate mechanism for managing import substitution processes, including a monitoring and performance assessment system.

Import substitution measures are implemented through roadmaps designed for certain regions of the Russian Federation, state corporations, major industrial enterprises, and specific types of equipment being developed, as well as long-term contracts and the *List of Priority Products for Import Substitution and Production Localization to Promote the Technological Development of PJSC Gazprom*.

Consistent efforts in the area of import substitution in 2015–2020 helped reduce the number of items on the *List* by 70%. The work in this area continues.

For the *List of Priority Products for Import Substitution and Production Localization to Promote the Technological Development of PJSC Gazprom*, see [98]

GRI 204-1, UNCTAD A.4.1

In 2020, the share of domestic materials and equipment (M&E) in the procurement made by Gazprom Komplektatsiya LLC (the Group's dedicated supplier of M&E) was 97.6%.

Share of domestic M&E in the supplies by Gazprom Komplektatsiya LLC, 2017–2020, %

Item	2017	2018	2019	2020
Domestic M&E	99.4	99.4	99.5	97.6
Imported M&E	0.6	0.6	0.5	2.4

(96) Approved by order of PJSC Gazprom No. 97 dated February 26, 2018.
(97) Approved by order of PJSC Gazprom No. 88 dated February 25, 2020.
(98) https://www.gazprom.ru/f/posts/33/761787/perechen-18-03-2020.pdf

Gazprom Transgaz Tomsk LLC is engaged in active collaboration with enterprises of the Tomsk Region. Thanks to technical solutions developed by local companies, the share of imported products purchased has declined considerably over the last three years. Local companies supply both traditional engineering equipment (cables and wires, electric actuators, axial anti-surge valves) and innovative high-tech products such as digital radio relay and telecommunications equipment.

3.5.2.2. Arranging for Cooperation with Domestic Manufacturers

PJSC Gazprom contracts Russian industrial enterprises and scientific institutions to produce import-substituting and high-tech equipment and materials. To that end, the Company cooperates with the governments of Russian regions as part of roadmaps aimed at setting up the production of items as specified in the *Corporate Plan* and the *List*. In 2020, such works were implemented under 14 roadmaps in 15 constituent entities of the Russian Federation.

On the whole, the work is carried out in line with the relevant schedules set. In 2020, a total of 32 activities were completed, with another 26 still in progress.

To satisfy the requirements of PJSC Gazprom's subsidiaries, the production and supplies of import-substituting products have been arranged under eight long-term contracts.

The counterparties under these eight contracts are as follows:

- Ural Special Valve Plant LLC (special purpose ball valves);
- Tomsk Machine-Building Technologies LLC (axial anti-surge and axial control valves);
- Kazan Compressor-Building Plant OJSC (package modular compressor units of the TAKAT series);
- SkatZ LLC (moisture-resistant silica gel for the production of high-density polyethylene);
- Chelyabinsk Pipe Rolling Plant PJSC (longitudinal welded steel pipes and fittings for offshore and onshore field pipelines);
- Trading House Sinara – Transport Machines LLC (LNG-powered TEMG1 switching locomotive);
- Almaz-Antey Air and Space Defense Corporation JSC (equipment and other elements of offshore hydrocarbon production system);
- NPF Mikran JSC (radio-relay communication complexes).

PJSC Gazprom pays particular attention to research-intensive and high-tech areas, such as LNG and offshore hydrocarbon production. In addition, the Company seeks to develop projects dedicated to increasing the depth of hydrocarbon processing, as well as the volume of products with higher added value.

3.5.2.3. Evaluating the Economic Efficiency of Import Substitution Activities

PJSC Gazprom assesses the economic efficiency of import substitution activities on an annual basis. Its aim is to strengthen the rationale behind management decisions regarding the introduction of import-substituting technologies, equipment, and materials at the facilities of PJSC Gazprom and its subsidiaries, as well as to establish a comprehensive approach to elaboration of the activities for the Company's technological development.

The cumulative economic effect of import substitution between 2016 and 2020 (inclusive) is estimated at RUB 52.2 billion. In 2020, the economic effect from import substitution grew by 12.5% to RUB 16.6 billion as compared to 2019.

In 2016–2020, the greatest economic effect from import substitution was gained in such areas of business activities as Hydrocarbon production (RUB 26.9 billion) and Hydrocarbon transportation (RUB 18.3 billion).

For information on the economic benefit from the implementation of import-substituting technologies, see Appendix 3.

Russia's Ministry of Industry and Trade together with the Ministry of Energy has established an interdepartmental working group which aims to achieve the import substitution goals through fostering consolidated demand and setting up state support measures for import-substituting manufacturers. **Gazprom Neft** is the moderator of five expert groups that are part of the interdepartmental working group.

Gazprom Energoholding participates in the development of the *List of Priority Products for Import Substitution and Production Localization to Promote the Technological Development of PJSC Gazprom* within the scope of its competence. An action plan for import substitution of products included in the List has been developed. The implementation of the plan is being monitored continuously. PJSC Gazprom cooperates with the constituent entities of the Russian Federation to implement the roadmaps of projects aimed at expanding the use of high-tech products, including import-substituting ones. Representatives of Gazprom Energoholding are among members of a provisional working group established for interaction with the constituent entities of the Russian Federation, and the work is underway to fulfil the tasks set by the group.

As of the end of 2020, **Gazprom Neftekhim Salavat** had no import substitution programs. The work was carried out in accordance with the *PJSC Gazprom Regulation on the Selection of M&E Analogues* without the segregation between imported and domestic products. The main objectives are to initiate competition between suppliers by expanding the list of approved analogues, as well as to ensure the independence of Gazprom Neftekhim Salavat from M&E supplied by individual countries.

3.5.2.4. Cooperation with Small and Medium-Sized Enterprises

59.6% **share of SME suppliers in the total number of counterparties**

RUB 300.5 billion **volume of contracts with SME suppliers in 2020**

PJSC Gazprom implements a set of measures to expand the access of SMEs to the procurement carried out by PJSC Gazprom and its subsidiaries.

Procurement procedures in which SMEs can participate have been simplified to the maximum extent possible in order to involve them in cooperation:

- procurement is conducted electronically;
- a minimum set of documents is required;
- no financial security is required to place a bid.

The total value of contracts signed in 2020 by the Gazprom Group with SMEs included in the Unified Register of SMEs (https://ofd.nalog.ru)[99] exceeded RUB 300.5 billion (more than 35,800 contracts), including 4,900 contracts for the amount of over RUB 86.0 billion based on competitive bidding results and market research involving SME suppliers only.

(99) 809 companies, including 577 SMEs, were included in the Register as of February 1, 2021, following the pre-qualification.

In 2020, based on competitive bidding results and market research, a total of over 14,600 contracts worth RUB 548.4 billion were concluded, resulting in savings of 5.5% (the difference between initial (maximum) and award prices), or RUB 32.2 billion.

Under contracts for the supply of goods, works and services to the Gazprom Group signed in 2020, SMEs accounted for over 59.6% of the total number of suppliers (13,200 contracts with SMEs out of 22,200 contracts concluded).

The GBP ETP Small-scale Procurement Trading Portal e-service is used for deals under RUB 1 million. Over 14,000 suppliers, including more than 11,000 SMEs, placed their price lists there covering 415,000 items of goods, works and services. In 2020, the orders placed through the Small-scale Procurement Trading Portal amounted to RUB 3.19 billion, of which orders for RUB 2.11 billion (or 66.1%) were placed with SMEs.

PJSC Gazprom received 134 submissions from SMEs and individual entrepreneurs through the Single Window System in 2020.

For more details on the Single Window System, see PJSC Gazprom's website[100]

Starting from 2015, the System of year-end bonuses for PJSC Gazprom's executives annually sets an individual target for some executives of the Company as to the share of goods, works, and services to be supplied by SMEs, including procurement of innovative goods (works, services), research-and-development, experimental and technological works in the total annual value of contracts concluded by the customer as a result of procurement.

The individual target for the share of goods, works, and services to be procured from SMEs in 2020 has been achieved in full.

Plans for national industrial development

PJSC Gazprom plans to continue its cooperation with domestic producers in order to maximally employ the potential of Russian enterprises and organize the work required for meeting new statutory requirements on the minimum share of purchases of particular Russian-made products.

(100) https://www.oknogazprom.ru/

3.5.3. Tax Policy of the Gazprom Group

Gazprom is among Russia's largest tax payers. In 2020, the Group's tax payments totalled RUB 2,116 billion, 60.7% of which were the mineral extraction tax (MET) and customs duties.[101]

GRI 207-4

For the purposes of country-by-country reporting, PJSC Gazprom being the parent company of an international group of companies submits its country-by-country report to the Federal Taxation Service of Russia not later than within 12 months from the end date of the reporting period pursuant to Article 105.16-3 of the Tax Code of the Russian Federation.

Entities included into the country-by-country report for 2019 (the preparation of which was completed in December 2020) are residents of 48 tax jurisdictions. At the same time, over 80% of the entities included in PJSC Gazprom's international group of companies are located in the Russian Federation, and account for the major part of all disclosures present in the country-by-country report.

The country-by-country report includes the disclosures on the entities which are included in the Gazprom Group's consolidated financial statements prepared under the IFRS. Those entities are residents of 35 tax jurisdictions.

3.5.3.1. Tax Management at PJSC Gazprom

GRI 207-1, GRI 207-2

The *Tax Strategy of PJSC Gazprom* sets out long-term tax goals and targets of PJSC Gazprom and the Gazprom Group's entities. The *Tax Strategy of PJSC Gazprom* is available at the Company's corporate intranet server. The *Strategy* is approved by the PJSC Gazprom Management Committee and is updated as necessary.

PJSC Gazprom implements a single tax policy and ensures uniformity in tax law application by the Gazprom Group entities.

The main principles of this approach are as follows:

- legitimacy, which is based on rigorous and strict compliance with the tax laws of the Russian Federation and other countries where the Gazprom Group operates when determining tax liabilities;
- flexibility and responsiveness: the tax policy must promptly respond to the dynamic environment and adapt to new conditions;
- rationality, optimality, and reasonable care in tax planning: the mechanisms and opportunities of tax planning must be used rationally, taking into account the interests of shareholders and the Company's strategic goals;
- centralization and unification: tax management processes are to be coordinated on a systematic basis by a single methodological center represented by the Company.

These principles are implemented through the search for and use of the most tax efficient solutions in the course of business activities.

The *Tax Strategy of PJSC Gazprom* ties into the corporate strategy and is geared towards cementing PJSC Gazprom's status as a global energy leader. Responsible and diligent performance of tax obligations by PJSC Gazprom has a direct influence on the achievement of its strategic business targets.

(101) For the purposes of the consolidated financial statements, the Gazprom Group does not collect information on its tax payments to regional budgets categorized by federal districts. Starting January 1, 2021, it is planned to to begin collecting data through corporate (specialized) forms of financial statements.

Marina Popovicheva Darya Mukhina

Members of the professional team elaborating the specifics of the tax environment for the construction and operation of the Power of Siberia trunkline. Owing to the work done, tax payments from the project are fairly distributed among budgets of all levels, infrastructure is being developed, new jobs are created, and the standard of living of the population improves.

3.5.3.2. Tax Risks

According to the *Risk Index of PJSC Gazprom, its Subsidiaries and Entities*,[102] operational risks include tax risks associated with the calculation and payment of taxes, charges and insurance premiums, incorrect calculation of the tax base, and tax policy risks associated with the choice of inefficient tax models and schemes, transfer pricing risks, and risks of unjustified actions on the part of tax authorities. The key approaches to identifying, assessing, responding to, monitoring, reporting and disclosing operating risk management information are defined in the *Regulation on Operational Risk Management at the Gazprom Group*.[103]

Self-assessment of compliance with the requirements of the tax management and control system is based on the results of implemented tax control measures, as well as information provided by the Gazprom Group entities in accordance with the by-laws of the Company and the Group's entities.

Tax violations are identified by competent state authorities in accordance with the procedure established by applicable Russian or foreign legislation. The Gazprom Group entities immediately inform PJSC Gazprom of any case of tax violations on the part of subsidiaries identified by tax authorities and documented in relevant audit reports.

The reliability of the information disclosed by an entity is validated by an external auditor. Corporate reports are published on the https://www.gazprom.ru website.

3.5.3.3. Stakeholder Engagement Regarding Taxation Matters

GRI 207-3

The key approach to stakeholder engagement is transparency, since building a constructive dialogue is essential to form the basis for economically sound managerial decisions, business development, and achievement of the Gazprom Group's strategic goals.

PJSC Gazprom actively cooperates with government authorities – the State Duma of the Federal Assembly of the Russian Federation, the Government of the Russian Federation represented by the Ministry of Finance, the Ministry of Economic Development, the Ministry of Energy, as well as the Federal Taxation Service, etc. The Company is involved in the activities of professional communities – the Russian Union of Entrepreneurs and Industrialists, the Chamber of Commerce and Industry of the Russian Federation, the Expert Council of the Committee on Budget and Taxes of the State Duma of the Federal Assembly of the Russian Federation, etc.

In addition, PJSC Gazprom maintains an ongoing dialogue with representatives of international credit rating agencies: Moody's Investors Service (Moody's), Fitch Ratings, and Standard & Poor's (S&P), promptly responding to polls regarding assessment of the current and forecasted tax burden.

3.5.3.4. Transition of the Gazprom Entities to Tax Monitoring: 2020 Results

In 2020, a Data Mart framework was implemented to foster the transition of the Gazprom Group entities to tax monitoring. The framework was expanded to allow subsidiaries to join the tax monitoring regime, improve their interaction with the tax authorities, and develop tax reporting and control procedures.

The Gazprom Group entities implement a phased approach in their transition to tax monitoring. During the first two stages, seven Gazprom Group entities joined the tax monitoring framework. In 2020, it was decided to implement tax monitoring in 17 other entities that will switch to this tax control regime in 2021, followed by 12 more entities in 2022. Upon completion of this phase, tax monitoring will be introduced for tax control purposes in 36 key entities operating in the main business areas.

(102) Approved by order of PJSC Gazprom No. 848 dated December 15, 2017 (as amended by order No. 8 dated January 16, 2020).
(103) Approved by order of PJSC Gazprom No. 291 dated July 11, 2019.

PJSC Gazprom's plans regarding tax policy for 2021–2023[104]

Mitigation of risks associated with the failure of counterparties to fulfil tax obligations	Compliance with tax law requirements regarding transfer pricing
Phased transition of the Gazprom Group entities to tax monitoring	Creating a favorable tax regime
Adapting to changes in Russian and international tax laws and EU tax initiatives	Improving tax efficiency and tax risk management

(104) The PJSC Gazprom Management Committee by its resolution No. 52 dated December 10, 2020, approved *The Key Areas of the PJSC Gazprom Tax Policy for 2021 and the Planning Horizon of 2022–2023*.

Innovations at the Gazprom Group

RUB 21.4 billion — **investments in R&D in 2020**

RUB 11.2 billion — **economic benefit from the use of R&D results by PJSC Gazprom's subsidiaries (gas business) in 2020**

328 R&D results — **implemented across PJSC Gazprom and its subsidiaries (gas business)**

3.6.1. Innovations and R&D at Gazprom

Documents regulating the Gazprom Group's innovative activity:

- *PJSC Gazprom's Innovative Development Program until 2025;*[105]
- *PJSC Gazprom's Patent Strategy until 2025;*[106]
- *R&D Program of PJSC Gazprom and its Subsidiaries;*
- *Key Provisions for Managing Intellectual Property Rights of PJSC Gazprom and its Subsidiaries;*[107]
- a set of PJSC Gazprom's standards pertaining to the Intellectual Property group of standards.

For more details on innovation management at PJSC Gazprom, see PJSC Gazprom Annual Report 2020.

PJSC Gazprom's Innovative Development Program until 2025 is Gazprom's tool for long-term planning and management of innovative activities, covering gas, oil, and electric power businesses of the Gazprom Group. The *Program* was updated in 2020 after comparing the technological development level and KPIs of PJSC Gazprom against those of its major peers taking into account the measures and target indicators of Russia's national projects,[108] the Strategy of Scientific and Technological Development of the Russian Federation until 2035, and action plans (roadmaps) within the National Technology Initiative.

For more details on the *Passport of the Program*, see[109]

In 2020, the *Key Provisions for Managing Intellectual Property Rights of PJSC Gazprom and its Subsidiaries* and the *Action Plan* to implement these *Key Provisions* were developed. The *Key Provisions* are designed to promote the competitive advantages and facilitate the development of PJSC Gazprom.

In addition, amendments to the Corporate Standard *STO Gazprom "Intellectual Property. Innovations"* were developed and approved.

The amendments aim, in particular, to streamline the procedures for reviewing proposals for the purpose of their recognition as innovative, and to determine the sources of financial remuneration granted for the implementation of such proposals.

The number of R&D activities included in the *R&D Program of PJSC Gazprom and its Subsidiaries* increased by 40% in 2020 as compared to 2019.

(105) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3513 dated December 1, 2020.
(106) Approved by order of PJSC Gazprom No. 92 dated March 4, 2019.
(107) Approved by resolution of the Board of Directors of PJSC Gazprom No. 3451 dated July 11, 2020.
(108) "Science", "Education", "Digital Economy", "Environmental Protection", "International Cooperation and Export", "Small and Medium-Sized Enterprises", "Labor Productivity".
(109) https://www.gazprom.com/f/posts/23/578591/prir-passport-2018-2025.pdf

The Company's R&D Commission continues to operate successfully, developing consensual proposals on the arrangement of R&D activities at PJSC Gazprom and its subsidiaries by way of thorough discussions and collegial decision-making practised at its meetings based on the principles of transparency, objectivity, and independence.

In 2020, despite the restrictions introduced to combat the spread of COVID-19, key R&D metrics grew year-on-year as follows:
— total number of R&D activities initiated – by 25%;
— number of R&D initiatives reviewed by the R&D Commission – by 60%;
— number of R&D initiatives approved by the R&D Commission and included in the *R&D Program of PJSC Gazprom and its Subsidiaries* – by 40%.

The R&D activities are aimed at developing and adopting the use of high-tech domestic equipment and unique sophisticated technological complexes, and creating high-potential scientific and technical solutions.

PJSC Gazprom focuses on multiple advanced innovation areas in line with the technological and organizational development priorities set forth in Gazprom's Innovative Development Program.

Promising areas of innovative development

Platform-based borehole geophysical survey systems and homegrown innovative technologies for directional drilling of wells based on a rotary steerable system	Digital modeling of fields and underground gas storage facilities
Technologies for processing complex feedstock to expand the lineup of derived products, advance NGV and hydrogen technologies, promote the LNG business, and support the use of alternative and distributed energy sources	Advanced methods of enhanced gas and oil recovery, engineering solutions for follow-up development of low-pressure Cenomanian gas deposits and development of deep-lying hydrocarbons and hydromineral raw materials for the production of iodine and lithium compounds
Innovative gas transportation technologies	

All investment projects of the Gazprom Group are implemented using the latest available sci-tech solutions, including those developed jointly with Gazprom.

For example, in 2020, pilot development plans were prepared for the Kruzenshternskoye and Kamennomysskoye-Sea gas and condensate fields. Going forward, the resource base of the Yamal Peninsula and adjacent waters will make a significant contribution to the reliability of feedstock supplies for the emerging gas processing and gas chemical industries.

To facilitate efficient development of helium-containing resources in Eastern Siberia and the Far East, an updated digital geotechnical model of production facilities at the Chayandinskoye oil, gas and condensate field was created in the reporting year, and recommendations were issued to regulate well productivity according to the updated model. The multiple-year research and experimental works on the creation of a membrane technology of helium recovery from natural gas were successfully completed, and the technology which ensures an annual production rate of 32 bcm was introduced at the Chayandinskoye oil, gas and condensate field. It is also going to be deployed at the Kovyktinskoye gas and condensate field.

Production and comprehensive processing of formation fluid for obtaining hydromineral products are a promising way to better utilize the resource potential of PJSC Gazprom's fields. When fields are developed, formation saltwater containing a wealth of valuable chemical components is produced in significant volumes along with hydrocarbons. For instance, pre-development of the Kovyktinskoye field included a geophysical survey and a resource base appraisal for setting up the production of lithium compounds and other useful components from formation brines, with resulting engineering solutions for the extraction, processing and disposal of formation brines.

Similar activities are being pursued in the Krasnodar Territory with a view to setting up the production of iodine and iodine-containing products that are highly sought after in the domestic market.

In 2020, innovative technical solutions were developed and implemented to maintain reliable, uninterrupted and efficient operation of the gas transmission system and underground gas storage facilities.

The gas chemical business development strategy of the Gazprom Group envisages the creation of innovative production facilities to produce target amounts of derived products, such as ethane, liquefied petroleum gas, natural gas liquids, polyethylene, polypropylene, etc. Studies are underway for a possible expansion of the ethane-containing gas (ECG) production system in the Nadym-Pur-Taz region in parallel with design works to build a separate ECG transportation system that could deliver feedstock to high-potential processing facilities (such as the ECG processing and LNG production complex near the settlement of Ust-Luga and the gas processing plant in the Republic of Tatarstan).

The Innovative Development Program of Gazprom also identified the key innovative projects, which are currently in progress.

Examples of key innovative projects being implemented

Projects to create low-carbon technologies for hydrogen and methane-hydrogen fuel production.

For more information about hydrogen energy projects, see Subsection 4.3.7. Hydrogen Energy.

Project to create a domestically-produced manned underwater vehicle (MUV) for offshore gas pipeline operation.

As part of the MUV project, as of the end of 2020, the vehicle's engineering design was completed, engineering documentation was developed for the manufacturing of prototypes, and breadboard models of the key components were ready. The project was carried out by a consortium of major domestic R&D enterprises, namely Kurchatov Institute, Malakhit Marine Engineering Bureau, Bauman Moscow State Technical University, and others.

Project to develop technical aids and technologies for horizontal well drilling.

When implemented in the construction of wells, this technology will reduce the time required for well drilling, increase the horizontal length of wells, decrease the accident rate, cut down idle time, and ensure high precision drilling in pay zones.

Project to create a system of hardware and methods for geophysical well exploration.

The implementation of this project will increase the productivity, effectiveness and information value of geophysical exploration works conducted in exploration and production wells, ensure the uniformity of geophysical information for geological interpretation and calculation of hydrocarbon reserves, and reduce the construction costs of exploration and production wells both onshore and offshore.

In addition to technological innovations, PJSC Gazprom extensively develops and uses organizational innovations.

The year 2020 saw active work on enhancing the system of long-term forecasting, cost management, and UGSS modeling.

Documents developed in the area of long-term forecasting, cost management, and UGSS modeling:

Comprehensive Program for the Reconstruction and Re-Equipment of Gas Production Facilities of PJSC Gazprom for 2021–2025;

Unified model for calculating the economic performance indicators of PJSC Gazprom's investment projects;

Comprehensive Program for the Reconstruction and Re-Equipment of Gas and Liquid Hydrocarbon Processing Facilities for 2021–2025;

Economic and mathematical model entitled "Probabilistic model for forecasting the costs for transmission of Russian gas to Europe in the long term";

Program for the development of the mineral and raw material base of PJSC Gazprom until 2045;

Comprehensive development scenarios of off-grid gas supply and distributed gas-fired power generation taking into account the implementation of the Gas House Concept.

The year 2020 saw the implementation of 328 R&D results at PJSC Gazprom and its subsidiaries (gas business).

UNCTAD A.3.3
In 2020, R&D financing at the Gazprom Group grew by 76.8% against 2019 and amounted to RUB 21.4 billion.

R&D investments and actual economic benefit, 2017–2020, RUB billion

Indicator	2017	2018	2019	2020
R&D investments [110]	8.2	9.0	12.1	21.4
Economic benefit from the application of R&D results [111, 112]	12.3	12.3	10.5	11.2

In 2020, PJSC Gazprom and its subsidiaries received 281 patents on previously submitted applications, including 18 foreign patents. The economic benefit from using the patented solutions in production operations amounted to RUB 5.16 billion. As compared to 2019, the overall number of patents increased by 112 and amounted to 2,786 patents.

For more information on the use of patents by PJSC Gazprom's subsidiaries and affiliates, see Appendix 3.

3.6.2.

Partnership in Innovative Activities

Gazprom actively cooperates with foreign and Russian partners in the R&D field. For example, PJSC Gazprom in cooperation with Uniper implements an international scientific and technical project for safe storage of methane-hydrogen mixtures in underground gas storage facilities. The project runs concurrently with a campaign demonstrating the importance of natural gas as a source of energy generating low GHG emissions.

As part of its scientific and technical cooperation with Wintershall Dea and OMV, the Company continues to work on a digital twin project for Severneftegazprom production facilities in order to improve the efficiency of joint operation of the Cenomanian and Turonian deposits of the Yuzhno-Russkoye OGCF.

Cooperation with anchor universities focuses on the core areas of the Company's technological chain such as software development, and digitalization of production and management functions.

In 2020, Gubkin Russian State University of Oil and Gas completed the development of an intelligent system for managing underground gas storage operations, while Far Eastern Federal University finished the preliminary design of a Russian-made robotic complex capable of diagnosing the technical condition of subsea production equipment and monitoring hydrocarbon pollution of water in ice conditions at offshore fields.

PJSC Gazprom is participating in the creation of an innovative scientific and technical center for energy and oil and gas production at St. Petersburg State Marine Technical University (Primorskaya Dolina Science and Technology Center).

In addition to cooperation with the anchor universities, the Company is building connections with other universities. In 2020, under the Cooperation Agreement between the Government of the Republic of Tatarstan and PJSC Gazprom, the Innopolis University continued to develop software for one-dimensional and three-dimensional geomechanical modeling.

For more details on innovation management at the Gazprom Group, see PJSC Gazprom Annual Report 2020.

(110) Including pre-investment studies.
(111) The methodology for calculating the economic benefit from using the R&D results is formalized in a document of PJSC Gazprom standardization system and relies on the generally accepted approach to calculating the benefit based on the difference between cash inflows and outflows.
(112) According to the information provided by PJSC Gazprom subsidiaries (gas business).

Roman Shchekalev

Head of Directorate, PJSC Gazprom; co-author of an innovative analytics software tool for the management of geological exploration projects. Takes part in the automation and digitalization of processes related to Gazprom’s resource base replenishment, and fosters their higher economic efficiency.

3.6.3. Digitalization Projects at the Gazprom Group

Documents governing digitalization and process automation activities at the Gazprom Group:

Comprehensive Target Program for the Development of the Integrated Information Environment (IIE) for 2018–2022;[113]

Comprehensive Target Program for the Reconstruction and Development of Automated Process Control Systems.

5,000+

employees of the Gazprom Group received training with a focus on digitalization in 2020

In order to consolidate and provide information to the Group's employees, identify opportunities for the dissemination, licensing, and commercialization of the best products in the field of digital technology development, the **Gazprom Group**'s **Digital Projects and Technologies Data Bank** was created in 2020.

The implementation of digital technologies is an important tool for enhancing the efficiency of corporate governance and achieving strategic goals of the Gazprom Group.

In 2020, the Company continued implementing the following large-scale digitalization projects with extensive end user coverage and geography.

– **Basic automation of key management processes.** Information and management systems (IMS) have been put into permanent operation at 26 subsidiaries involved in core business activities. In 2020, the IMS of the corporate management level had 34,000 users, while IMS for enterprise business process management were used by over 45,000 people.

– **PJSC Gazprom's Unified Digital Platform for Investment Project Management (UDP).**

The main objective of the project is to create a system of IT solutions unified by a common approach to the implementation of business processes involved in managing PJSC Gazprom's investment projects and designed to collect, store, coordinate, process, visualize and transmit reliable information on the planned and actual progress of investment projects. An IT solution is built on a modular basis, with individual functional blocks planned to be introduced to cover investment planning, information modeling and engineering data management, scheduling and network planning, cost management, management of the scope and terms of contracts, construction control, commissioning support, procurement of materials and equipment, as well as dedicated functions to support managerial decision-making.

– **Gazprom Group's Unified Digital Economic and Technological Optimization Model ("Corporate Digital Twin").** The model development process includes designing a unified storage and filling it with data (both automatically received from facilities and collected by software robots from various sources). The operating prototype of the model is already being used for creating the Long-Term Development Program and the Investment Program of PJSC Gazprom.

– **Automated production and process control systems,** including those based on the unified Russian software and hardware tools. The pilots of such systems were already deployed for infrastructure development at the Bovanenkovskoye OGCF and Chayandinskoye OGCF and the construction of the Power of Siberia gas trunkline.

– **Smart gas metering systems,** including for the residential gas supply sector, which will help optimize retail companies' operations.

– **Gas Transportation Information Management System** to manage the technical condition and integrity of the linear part of a gas trunkline. In 2020, a mechanism was implemented for making management decisions, including those ensuring safe operation of gas pipelines taking into account the required throughput.

– **Upgraded billing management subsystem.** As of October 2020, a total of 413 entities and 185 branches of the Gazprom Group were connected to the system.

– Transition of PJSC Gazprom's subsidiaries to **tax control in the form of tax monitoring.**

For more information, see Subsection 3.5.3 Tax Policy of the Gazprom Group.

– **Full-scale remote work arrangements** put in place for employees amid the COVID-19 restrictions.

For more information, see Subsection 2.3 Employee Safety and Business Continuity.

(113) Approved by resolution of the PJSC Gazprom Management Committee No. 39 dated October 23, 2017.

In the reporting year, the Company also worked to create the **Shared Information Space for Geological, Geophysical and Field-Related Information** and the **Production Control Information System.** Another project was launched to facilitate transition of the Gazprom Group companies to an **electronic document workflow of accounting documents and contracts** based on Russian software.

In 2020, **Gazprom ERC (the Unified Settlement Center of Gazprom) was also established** as a centralized operator processing over 2 million payment orders annually.

Digitalization plans

By the end of 2021, the Gazprom Group plans to develop its *Digital Transformation Strategy*, which will establish new mechanisms for managing digital projects and will provide roadmaps for the gas business and cover general matters such as the development of digital culture, occupational health and safety, industrial safety, and environmental protection. The *Strategy* is being developed in line with the Passport of the national project entitled "Digital Economy of the Russian Federation" National Program.[114]

(114) Approved by Meeting Protocol No. 7 dated June 4, 2019, of the Presidium of the Presidential Council for Strategic Development and National Projects.

3.7.

Quality Management and Customer Relations at the Gazprom Group

3.7.1.

PJSC Gazprom's Quality Management System

Documents regulating quality management at the Gazprom Group:

Quality Assurance Policy of PJSC Gazprom;[115]

Regulation on the Quality Management System of PJSC Gazprom;[116]

STO Gazprom 9000-2018 Management Systems. Quality Management Systems. Main Provisions and Glossary;

STO Gazprom 9001-2018 Management Systems. Quality Management Systems. Requirements.

PJSC Gazprom has a quality management system focused on improving the performance and operating efficiency through reliable supply of energy resources to consumers and providing a strong basis for sustainable development initiatives.

For details of the Quality Management System and the full text of the *Quality Assurance Policy of PJSC Gazprom*, see[117]

In accordance with the requirements of the *Regulation on the Quality Management System of PJSC Gazprom* and the ISO 9001:2015 international standard, the Company sets quality targets on an annual basis. All measures aimed at reaching the 2020 targets were implemented.

The key element of the quality management framework is PJSC Gazprom's Quality Management System (QMS). The QMS covers 14 departments and 70 subsidiaries of PJSC Gazprom and applies to the following lines of business:[118]

Business operations covered by the QMS

Production, transportation, processing and storage of natural gas, gas condensate, and oil	Prospecting, exploration and appraisal works, development of gas, gas condensate, oil, and oil, gas and condensate field
Construction of new gas supply facilities; expansion, reconstruction, technical upgrade, overhaul and diagnostics of the existing facilities	Natural gas supply and sale
Metrological support of hydrocarbon production and supply	Electricity and heat generation
Design and expert review of field development projects; drilling of wells	Sale of CNG and LNG as a vehicle fuel

In 2020, the QMS (with an expanded scope) was re-certified for compliance with the requirements of the ISO 9001:2015 international standard.

(115) Approved by order of PJSC Gazprom No. 643 dated September 20, 2017.
(116) Approved by order of PJSC Gazprom No. 696 dated November 8, 2016.
(117) https://www.gazprom.com/about/ms/quality-management-system/
(118) Export sales of gas and marketing of gas in the foreign countries are not covered by the QMS.

Viktor Olekseychuk

Head of Division, PJSC Gazprom; as part of an author team, developed and implemented a comprehensive system to enhance the reliability and monitor corrosion at gas transportation facilities of Gazprom Transgaz Moscow LLC.

PJSC Gazprom launched and annually holds the Quality Assurance Prize awards.

In 2020, awards in the Business Excellence category went to Gazprom Transgaz Surgut, Gazprom Dobycha Krasnodar, and Gazprom Flot. Gazprom Transgaz Belarus won the award in the Energy of Growth category. The contest was held remotely due to the COVID-19 pandemic.

PJSC Gazprom has in place a set of corporate QMS standards: *STO Gazprom 9000* and *STO Gazprom 9001*. As of December 31, 2020, a total of 26 subsidiaries of the Gazprom Group and 327 suppliers of materials, equipment, works and services were certified for compliance with *STO Gazprom 9001*. Additionally, 61 subsidiaries were certified for compliance with the requirements of ISO 9001:2015.

PJSC Gazprom has been systematically initiating the implementation of quality management systems compliant with *STO Gazprom 9001* by its suppliers to ensure that they meet Gazprom's requirements to the quality of products, works and services, as well as specific requirements to safe operation of the Group's facilities.

Product quality management plans

As part of the QMS development, PJSC Gazprom is working to create a vertically integrated corporate QMS to align the QMS of PJSC Gazprom and those of its subsidiaries on the basis of a common methodology, thus improving the efficiency of the Gazprom Group as a whole.

3.7.2. Product Quality Control

GRI 416-1

The Gazprom Group controls the quality of its products, works and services at all stages of their life cycle. Thus, all of its marketable products have product safety certificates with the details of their key properties and applicable safe handling rules.

Gasoline of various grades and diesel fuel produced by the Group meet the latest requirements, i.e., Class 5 of the Technical Regulation of the Customs Union *On Requirements to Automotive and Aviation Gasoline, Diesel and Marine Fuel*.

The *Single Materials and Equipment Register* includes 3,521 products meeting PJSC Gazprom's requirements and approved for use at the Company's facilities. They are grouped into 57 categories and are produced by 974 manufacturers. About 70% (40 categories) of products and services are subject to quality control (or assessment focused on improving their health and safety impact).

If any products are found to be non-compliant with the quality requirements, the Gazprom Group companies promptly notify consumers thereof.

Gazprom Gazomotornoye Toplivo LLC is working with Gazprom Mezhregiongaz LLC natural gas supplier and obtains combustible natural gas quality certificate compliant with GOST 5542-2014.

At **Gazprom Neft**, research centers and technical control laboratories control the quality of petroleum products along the entire the value chain, from oil refineries to sales to end consumers. All quality control processes exercised with regard to petroleum products are documented by reports certifying the mandatory compliance of the products with the quality requirements of relevant production standards (GOST, STO, technical specifications).

In 2020, the Best Goods of Bashkortostan Awards and the 100 Best Goods of Russia Awards were given to 15 products of three plants of Gazprom Neftekhim Salavat (the Refinery, the Gas Chemical Plant, and the Monomer Plant of Gazprom Neftekhim Salavat), including AI-92-K5 gasoline, Euro DT-3-K5 diesel fuel, BND 70/100 bitumen, Grade B carbamide, and PSM-E polystyrene.

GRI 416-2

The reporting period saw no legal incidents with the Gazrpom Group's products affecting consumer health and safety.

No incidents of non-compliance with electric and thermal power quality regulations concerning the health and safety impacts of products and services were recorded in 2020.

3.7.3.

Consumers Categories Identified for Gazprom's Core Products

GRI 102-2

The Gazprom Group's products are both used as feedstock for further processing and sold to end consumers without further processing.

Industries using the products of the Gazprom Group

Transportation industry (motor fuels, jet fuels, bunker fuel, natural gas vehicle (NGV) fuel)	Power and heat generation industry (gas, fuel oil)	Plastics industry (polyethylene, polystyrene)
Petrochemical industry (gasoline, natural gas liquids (NGLs), ethane, isopentane, ethylene, propylene, benzene, styrene, alcohols, etc.)	Oil refining and heat generation industry (gas, stable gas condensate)	Agriculture (mineral fertilizers – carbamide, ammonia)
Chemical industry (sulphur, ammonia)	Road construction (bitumen materials)	Aerospace, nuclear, medical, and entertainment industries (helium)
Population, state-owned entities (gas, electricity and heat)		

GRI 102-6

In Russia, *natural gas* is supplied to consumers via Gazprom Mezhregiongaz LLC, a subsidiary of PJSC Gazprom.

The key gas consumers include the power generation industry, agrochemical industry, agroindustrial sector, metals industry, petrochemical industry, cement and other industries, heating suppliers, and the general population.

The Gazprom Group sells *refined hydrocarbon products* to 77 constituent entities of the Russian Federation, while the export sales cover 42 countries.

Liquefied petroleum gases (LPG) are sold to petrochemical enterprises, traders, owners of retail gas filling station networks and other retail infrastructure facilities, as well as to retail customers (owners of LPG-powered vehicles, individual entrepreneurs and enterprises using LPG for production purposes).

The **Gazprom Energoholding** companies operate in 17 Russian regions and supply heat to at least 20 million people.

Electricity is sold both at regulated prices (21.8%) and free prices (78.2%). The key electricity consumers in the regulated market are guaranteeing suppliers and power supply companies.

The key consumers of heat energy are the residential sector, state-owned entities, heating suppliers, and the general population.

The Group's heat supply companies have been shifting to direct supply contracts with residents of apartment buildings. In 2020, the number of direct supply contracts grew by 16%. More than 326,000 personal accounts have been opened.

3.7.4.

Customer Relations; Satisfaction Monitoring

In 2019, the Gazprom Group's average customer satisfaction level was 4.61 out of 5.00.

Customer satisfaction level

In 2020, the COVID-19 pandemic encouraged a widespread use of contactless customer feedback tools for monitoring customer satisfaction with the Gazprom Group's products. The results of the 2020 customer satisfaction assessment will be available in August 2021.

In 2020, the inclusion of the following metrics into PJSC Gazprom's strategic target indicators (STIs) was initiated:

– customer satisfaction index for the power generation business;
– customer satisfaction index for the gas business;
– customer satisfaction index for the NGV marketing business.

Currently, work is in progress to integrate these target indicators into the strategic planning system of PJSC Gazprom. The first actual indices will be calculated in 2021.

Gazprom Mezhregiongaz LLC has been actively developing its customer services in the gas distribution and sales segments. Many of regional gas selling companies (RGCs) and gas distribution organizations (GDOs) offer one-stop service for customers to file an application for connection and receive a full package of necessary documents, including a gas supply contract.

In 2020, the company actively developed remote customer services, such as online customer accounts, a common toll-free GDO phone number covering the whole serviced area, and auto-notification systems.

Gazprom Mezhregiongaz LLC has been developing a Billing and Customer Relations Platform. The project is implemented in five pilot RGCs and six GDOs. It will include the development of remote customer services, such as online customer accounts and a mobile app. In 2020, customer accounts of a new type were launched into operation at Gazprom Mezhregiongaz Pskov LLC and Gazprom Mezhregiongaz Veliky Novgorod LC.

Gazprom Neft relies on a multichannel approach in its relations with retail consumers of petroleum products, which includes communication at filling stations and in the mobile app; publication of information materials in the media and official social media communities of the Gazpromneft Filling Stations Network; providing feedback in social networks and through the Unified Customer Support Center (UCSC); face-to-face communication with customers during BTL promotional activities;[119] and the use of traditional and digital advertising. In 2020, the total coverage by all communication channels was more than 118 million of contacts in the media and social networks.

(119) BTL (below-the-line) means all marketing activities other than direct advertising.

All customer calls to Gazprom Neft are recorded in the unified call registration and processing system and classified by specific types and topics. End customer satisfaction is assessed at all stages of the services provision process. Gazprom Neft also runs the Quality 360° program to coordinate the work of PR and marketing units, in-house and external experts, as well as the personnel of the Gazpromneft Filling Stations Network to improve the retail consumer perception of fuel quality.

In 2020, the **Gazprom Energoholding** companies collected customer feedback to assess customer satisfaction on a regular basis. Customer surveys demonstrated high levels of customer satisfaction with the support and services offered. In 2021, Gazprom Energoholding will revise its satisfaction index calculation methodology to incorporate new STIs introduced at the Gazprom Group.

Gazprom Neftekhim Salavat relies on annual customer surveys, analysis of media and web publications and review of customer complaints (in accordance with *STO 14.02-2020-ISO Claims Handling*, which regulates claim preparation and handling procedures) to measure and control customer satisfaction levels. The results of customer satisfaction assessments are used to improve the QMS.

Gazprom Gas-Engine Toplivo launched a customer Hot Line. In 2020, the Hot Line received 29,722 calls, including information requests, business queries, and complaints.

The results of call handling are recorded in an approved register. Extracts from the register are also sent to managers to be used in managerial and HR decision-making.

The company does not monitor the quality of CNG at the Gazprom Group's CNG filling stations in foreign countries. In the reporting period, there were no complaints about the CNG quality at Gazprom's CNG filling stations from foreign customers.

Responsibility for the Well-Being of Our Planet [120]

4

(120) For details on the scope of data collection for this section, see Appendix 4.

0.239 t of CO_2 equivalent per toe	**of products sold — unit GHG emissions of the Gazprom Group's gas business**
210.3 mmt of CO_2 equivalent	**the Gazprom Group's direct GHG emissions (Scope 1)**
11.73 mmt of CO_2 equivalent	**Indirect GHG emissions of the Gazprom Group companies (Scope 2)**
1,078.50 mmt of CO_2 equivalent	**GHG emissions from the use of the Gazprom Group's products as fuels or feedstock (Scope 3)**
2,445,660 tons	**air pollutant emissions at the Gazprom Group**
3,236.63 mcm	**water consumption at the Gazprom Group**
3,229,830 tons	**waste production at the Gazprom Group**
3,359.89 million GJ	**energy consumption at the Gazprom Group**

For key indicators of the Gazprom Group's environmental performance over the past four years (2017–2020), see Appendix 4.

4.1.

Environmental Protection and Climate Preservation Management

The well-being of future generations depends on the health of our planet. Gazprom strictly complies with environmental laws and takes measures to minimize adverse environmental impacts and preserve the climate. These activities are carried out in partnership with all stakeholders – public authorities, communities, and employees of the Gazprom Group's companies.

4.1.1.

Management Framework

Documents regulating environmental protection and climate preservation activities:

- *Environmental Policy of PJSC Gazprom;*[121]
- *Comprehensive Environmental Program of PJSC Gazprom for 2020–2024;*
- *"Water of Life" Water Resources Utilization System Development Program of PJSC Gazprom for 2016–2020;*
- *Master Plan for Production and Consumption Waste Management at PJSC Gazprom's Facilities in Various Regions of Russia;*
- *Biodiversity Preservation Program Based on the List of Flora and Fauna Species Being Indicators of Marine Ecosystems Stability in the Arctic Zone of the Russian Federation;*
- *Energy Efficiency and Energy Saving Policy of PJSC Gazprom;*[122]
- *Roadmap for GHG Emissions Management at the Gazprom Group's Companies until 2030.*

Environmental protection management at PJSC Gazprom is based on the *Environmental Policy* that outlines the Company's commitment to sustainable development. The *Environmental Policy* sets forth Gazprom's key obligations along with the implementation mechanisms: to guarantee environmental safety, in particular, during the development of hydrocarbon fields in the continental shelf and the Arctic zone of the Russian Federation, and minimize the risks of adverse environmental impacts, in particular, on highly vulnerable natural environments and the environments that need to be protected and preserved as a matter of crucial importance.

For more details on the *Environmental Policy*, see[123]

As per the resolution of the Board of Directors, the *Environmental Policy of PJSC Gazprom* is recommended to be followed by all of the Gazprom Group companies.

The Environmental Management System (EMS) of PJSC Gazprom is the mainstay of the Company's *Environmental Policy*. It is designed to set and pursue environmental goals, manage environmental aspects of PJSC Gazprom's operations, and ensure the fulfillment of the assumed obligations.

The EMS of PJSC Gazprom is certified for compliance with the international standard ISO 14001:2015 "Environmental management systems – Requirements with guidance for use". Based on the re-certification audit held in December 2020, the EMS of PJSC Gazprom was certified for compliance with the requirements of ISO 14001:2015 until December 2023.

PJSC Gazprom's EMS encompasses all management levels ranging from the Company's Board of Directors to branches and production facilities of its subsidiaries. It covers the structural subdivisions of PJSC Gazprom Administration, PJSC Gazprom Environmental Inspectorate, and 37 wholly-owned subsidiaries engaged in core business operations.

(121) Approved by Resolution of the Management Committee of OJSC Gazprom No. 21 dated May 25, 2015.
(122) Approved by Resolution of the Management Committee of PJSC Gazprom No. 39 dated October 11, 2018.
(123) https://www.gazprom.com/f/posts/39/502580/environmental_policy_en.pdf

Business processes of the subsidiaries included in the EMS scope

Natural gas and gas condensate production, including offshore production	Well construction, enhancement and overhaul, including offshore wells
Gas and gas condensate processing	Construction and operation of offshore drilling rigs, specialized ships and other watercraft
Gas and gas condensate transportation	Development and operation of offshore fields, onshore supply bases, and port infrastructure
Underground gas storage	Power and water supply to the Unified Gas Supply System facilities and the operation of UGSS power-generating equipment
Exploration	Management of investment projects to build UGSS facilities

The Gazprom Group companies not covered by the scope of PJSC Gazprom's EMS have successfully implemented and operate their own EMSs, the majority of which are certified for compliance with ISO 14001:2015. These EMSs have a number of specific features reflecting the nature of the companies' operations.

In 2020, PJSC Gazprom Environmental Inspectorate conducted 166 internal EMS audits at the subsidiaries. The EMS audit plan was completed in full.

For more details on PJSC Gazprom's EMS, see PJSC Gazprom Environmental Report 2020.

The environmental management system in place at **Gazprom Neft** is certified for compliance with ISO 14001:2015, with the certification scope covering the key production assets of Gazprom Neft. Apart from that, 12 subsidiaries of the Gazprom Neft Group have their own compliance certificates.

Environmental protection management at **Gazprom Energoholding** covers all stages of the production process and relies on the environmental protection functional units. Their work includes overall management, methodological support, prompt communication of changes in environmental legislation, and the analysis of risks associated with such changes to assist with making informed management decisions. They also monitor the negative impact of the Gazprom Group's power generation operations.

The Coordinating Committee for Environmental Protection of Gazprom Energoholding ensures an integrated approach and coordination of the activities of its subsidiaries and affiliates.[124]

Gazprom Energoholding arranges regular annual extended off-site meetings for technical and environmental managers of its subsidiaries to share their achievements and targets in environmental protection.

Technical audits of environmental safety conducted by the Gazprom Group's power generation companies on a cross-company basis enable their experts to assess the organization of environmental protection activities and compliance with environmental legislation at the subsidiaries.

Despite the pandemic, Gazprom Energoholding companies continued to develop regulatory and permitting documentation, performed industrial environmental control and implemented investment initiatives focused on environmental protection. Production control activities were performed on an ongoing basis.

The environmental management system at **Gazprom Neftekhim Salavat** is fully compliant with ISO 14001:2015, as confirmed by a re-certification audit conducted by SAI GLOBAL in 2020. Based on the audit results, the company's EMS was certified for compliance with ISO 14001:2015.

The following documents were approved in 2020:

— *Environmental Policy of Gazprom Neftekhim Salavat;*
— *Environmental Targets of Gazprom Neftekhim Salavat.*

Overall, 28 subsidiaries and entities of the Gazprom Group have environmental management systems certified for compliance with ISO 14001:2015.

For the full text of the *Environmental Policy of Gazprom Neftekhim Salavat*, see[125]

(124) Updated Order of Gazprom Energoholding No. 112-GEH dated December 28, 2018.
(125) https://salavat-neftekhim.gazprom.ru/d/textpage/14/20/gpns.-ehkologicheskaya-politika-2020.pdf

PJSC Gazprom has implemented a single software package encompassing the whole environmental protection process of a vertically integrated company, from collecting and processing production data to generating summary reports submitted to corporate and government systems. The software package has been developed on the basis of the domestic 1C platform as part of IMS development projects covering all core operations of PJSC Gazprom.

4.1.2. Corporate Environmental Targets and Their Achievement

Within its EMS, PJSC Gazprom sets environmental targets based on significant environmental aspects identified on an annual basis and develops and implements environmental protection programs. The corporate environmental targets of the Company are set for a three-year period.

Actions focused on achieving the 2020–2022 Corporate Environmental Targets are implemented in accordance with *PJSC Gazprom's Comprehensive Environmental Program for 2020–2024*. The *Program* serves as a medium-term planning tool that streamlines all actions and initiatives aiming to boost the efficiency of environmental management and ensure environmental safety, rational use of natural resources, and energy saving. It takes into account the key provisions of the previously adopted BAT roadmaps of PJSC Gazprom and the Roadmap for GHG Emissions Management at the Gazprom Group Companies until 2030.

In 2019, PJSC Gazprom approved its 2020–2022 Corporate Environmental Targets using the 2018 performance as the baseline. The following environmental aspects were considered relevant and significant: methane emissions during repair works at gas trunklines and nitrogen oxide emissions from compressor stations, wastewater discharges, and waste disposal.

Achievement of the 2020–2022 Corporate Environmental Targets by PJSC Gazprom in 2020, %

No.	Corporate Environmental Target	Organizations within the EMS scope	Baseline (2018)	Actual performance (2020)	Target achievement status
1.	Reduce GHG emissions during transportation of natural gas, t of CO_2 equivalent / bcm·km	All subsidiaries involved in natural gas transportation	55.30	48.67	Target achieved, with emissions reduced by 11.99%
2.	Reduce nitrogen oxide emissions in the atmosphere during transportation of natural gas, t/mcm	All subsidiaries involved in natural gas transportation	4.23	4.07	Target achieved, with emissions reduced by 3.78%
3.	Reduce excessive discharges of pollutants into surface water bodies, %	All subsidiaries	5.29	0.34	Target achieved, with discharges reduced by 4.95 p.p.
4.	Reduce the share of waste sent for burial in the total waste managed, %	All subsidiaries	38.28	15.22	Target achieved, with the share of waste reduced by 23.06 p.p.
5.	Reduce the share of subsidiaries whose fees for excessive negative environmental impact are above 5%, %	All subsidiaries	35.00	5.41	Target achieved, with the share of subsidiaries reduced by 29.59 p.p.

All of *PJSC Gazprom's 2020–2022 Corporate Environmental Targets* set for 2020 were achieved through the implementation of activities included in corporate programs and projects.

For details on Corporate Environmental Targets achievement by the Gazprom Neft Group, see Gazprom Neft's 2020 Sustainable Development Report.

The 2020 Corporate Environmental Targets of Gazprom Energoholding (PJSC Mosenergo)[126]

No.	Corporate Environmental Target	Baseline (2018)	Target (2020)	Actual (2020)	Target achievement status
1.	Reduce NO_x emissions in the atmosphere, t/mcm	0.37	0.34	0.34	Target achieved. (Actual versus target: 0.00)
2.	Reduce the share of waste sent for burial, %	0.95	0.93	0.91	Target achieved. Measures aimed at re-utilization of bottom ash waste are in progress. (Actual versus target: –0.02)
3.	Reduce the share of fees for excessive negative environmental impact, %	0.39	0.31	0.33	Target not achieved. The reduction of fees for excessive negative environmental impact was affected by a fourfold increase in applicable multiplying factors in 2020. (Actual versus target: +0.02)

The 2020 Corporate Environmental Targets of Gazprom Neftekhim Salavat

No.	Corporate Environmental Target	Target		Target achievement status
		Baseline (2018)	Actual (2020)	
1.	Reduce GHG emissions	0.42 mmt of CO_2 equivalent / mmt of hydrocarbons	0.4 mmt of CO_2 equivalent / mmt of hydrocarbons	Target achieved. Emissions were reduced by 4.8%.
2.	Reduce hydrogen sulphide emissions in the atmosphere	0.94 t / mmt of hydrocarbons	0.849 t / mmt of hydrocarbons	Target achieved. Emissions were reduced by 9.6% versus the baseline level.
3.	Keep fees for excessive environmental impact below 5% of total negative environmental impact fees	0.33%	0.034%	Target achieved. The share of excessive negative environmental impact fees is below 5%.
4.	Reduce the share of waste sent for burial in the total waste managed	71.7%	72.86%	Target not achieved. A 1.16% variance is attributable to the sale of a large quantity of metal scrap in 2019 and the resulting decrease in waste volumes as at the beginning of 2020.
5.	Implement the Plan to Reduce Pollutant Discharges into the Water Body Used for the Disposal of Wastewater from PromVodoKanal Treatment Facilities in 2018–2022	No baseline level has been set because the implementation of the plan must be assessed on an annual basis	RUB 3.054 billion	Target achieved.

(126) PJSC Mosenergo is the only subsidiary of Gazprom Energoholding with an implemented and certified EMS.

4.1.3. Precautionary Principle

GRI 102-11

In accordance with the precautionary principle (Principle 15 of the *UN Rio Declaration on Environment and Development*, 1992), PJSC Gazprom takes steps to minimize potential technogenic impact on the natural environment, especially when it is necessary to preserve rare and endangered species of flora and fauna along with unique natural areas and sites.

As part of investment project development, Gazprom's experts perform environmental impact assessments and identify the most vulnerable ecosystems. Their findings are used to develop project solutions aimed at preventing the disturbance of natural balance in the course of the construction and operation of Gazprom's facilities. The Gazprom Group's companies implement compensatory initiatives to preserve natural ecosystems, including measures to restore fish stocks.

Operational environmental control and monitoring (OECM) is carried out to track various environmental parameters, including the state of flora and fauna. In 2020, over 8,000 of the Gazprom Group's facilities were subject to environmental control and monitoring. The Gazprom Group spent RUB 2.4 billion on operational environmental monitoring and control in 2020.

In 2017–2020, the Gazprom Group invested a total of RUB 10.3 billion in operational environmental monitoring and control activities.

Gazprom Group's operational environmental monitoring and control expenditures, 2017–2020, RUB million

2017	2018	2019	2020
2,705.73	2,602.79	2,528.35	2,424.51

For more details on the OECM system, see the Gazprom Group's Sustainability Report 2019[127]

Plans

In 2021, the plan is to allocate over RUB 2.8 billion for operational environmental control (monitoring).

4.1.4. Control by Public Authorities

GRI 307-1

In 2020, state supervisory bodies carried out 531 checks of compliance with environmental requirements by the Gazprom Group's facilities, including 45 checks of construction projects, and identified 548 breaches, whereas 306 checks showed no breaches of environmental requirements.

Out of 548 breaches identified, 48 breaches (8.8%) were overturned by courts of law, 204 breaches (37.2%) were remedied within the established timeframes, the period for remedying 217 breaches did not expire in the reporting year, 58 breaches are being contested in courts of law, and 21 breaches were not remedied (the period for remedying expired).

272 breaches (50%) did not entail any penalties for legal entities.[128]

In 2020, the penalties paid by the Gazprom Group amounted to RUB 12.38 million, including RUB 3.63 million paid for the breaches identified in the previous years.

(127) https://sustainability.gazpromreport.ru/en/2019/
(128) Non-monetary sanctions refer to instructions of government supervisory agencies, including those that do not entail any fines.

Environmental penalties paid by the Gazprom Group (excluding joint operations) in the Russian Federation, 2017–2020, RUB million

2017	2018	2019	2020
11.4	17.1	14.6	12.4

Breakdown of the Group's environmental penalties by company, 2020, %

Gazprom Neft	53.0%	Other Group companies	9.6%
PJSC Gazprom	30.6%	Gazprom Energoholding	6.8%

4.1.5. Gazprom Group's Spending on Environmental Protection in 2020

UNCTAD A.3.1
In 2020, the Gazprom Group's environmental protection expenditures totaled RUB 49.12 billion, down 7.7% versus 2019.

Gazprom Group's environmental protection expenditures, 2017–2020, RUB million

Indicator	2017	2018	2019	2020
Investments in capital assets aimed at environmental protection and rational use of natural resources	35,585	29,189	20,421	13,987
Current environmental protection expenditures	34,468	39,154	32,180	34,441
Negative environmental impact fees	768	616	618	693
Total environmental protection expenditures across the Gazprom Group	70,820	68,959	53,219	49,121

The decrease in the Gazprom Group's investments in capital assets aimed at environmental protection and rational use of natural resources as compared to 2019 is attributable to the optimization of costs on the construction of a gas turbine power plant and a comprehensive gas treatment unit at Gazprom Neft facilities, and to the actual completion of the gas infrastructure construction project at the Urmano-Archinskaya group of fields.

In 2020, the Gazprom Group's current environmental protection expenditures increased by 7% versus 2019 due to an increase in the cost of environmental protection services related to safe handling of drilling waste. Also, gas transportation subsidiaries significantly increased their expenditures on environmental protection services related to air protection and climate change prevention as a result of the growing use of mobile compressor stations (MCS) in gas transportation to reduce pollutant emissions into the atmosphere.

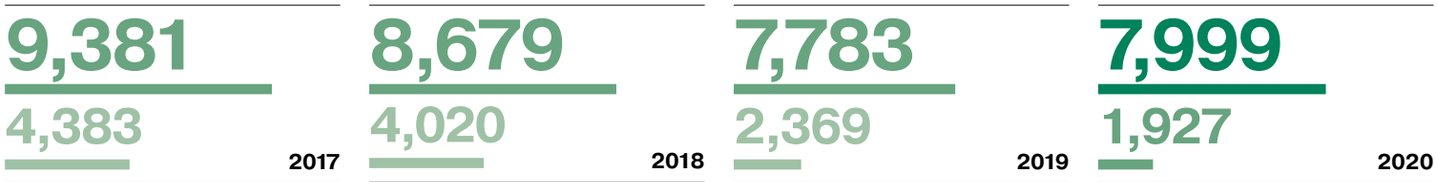
The amount of negative environmental impact fees grew by 12% in 2020. The increase was mainly attributable to changes in environmental legislation, which entered into force on January 1, 2020, in particular, a lack of necessary permits and the application of multiplying factors, rather than to any additional impact on the environment.

For more details on the environmental protection expenditure breakdown, see PJSC Gazprom Environmental Report 2020.

4.1.6. Improving Environmental Competence of Gazprom's Employees

Gazprom has been continuously enhancing environmental capabilities of its personnel. Training courses are arranged for managers and specialists, environmental officers, and employees of structural units that are not directly involved in environmental protection. In 2020, Gazprom Corporate Institute and other educational institutions provided training and professional development courses to 7,999 employees of Gazprom (1,927 of them received training in the EMS), including 5,890 employees of PJSC Gazprom and its subsidiaries (1,882 of them received training in the EMS), 885 employees of the Gazprom Neft Group (32 of them received training in the EMS), and 472 employees of Gazprom Energoholding.

Environmental training of the Gazprom Group's employees, 2017–2020, persons



Number of employees who received environmental training
Including employees who received training in the EMS

The environmental department of Gazprom Transgaz Tomsk LLC implemented an educational project, Practical Course for Corporate Ecologists, to increase environmental awareness and promote environmental culture among the young generation. The project of Gazprom Transgaz Tomsk won the National Environmental Award in the Environmental Education for Sustainable Development category.

For more details on training programs completed by managers and experts of environmental units at PJSC Gazprom's subsidiaries and environmental protection courses within the scope of professional development programs, see PJSC Gazprom Environmental Report 2020.

4.2.

Environmental Protection

Gazprom takes a set of special measures to minimize the adverse impacts of its production processes on land and water resources, protect the atmosphere, preserve biodiversity, and reduce industrial waste.

4.2.1.

Reducing Water Consumption and Improving Water Quality

11,071.61 mcm — **volume of recirculated and reused water across the Gazprom Group in 2020**

44 — **wastewater treatment plants with a total daily capacity of 17,000 m³ and one recirculated water system with a daily capacity of 240,000 m³ were put into operation at the Gazprom Group in 2020**

19.5 % — **decrease in water discharges into surface water bodies across the Gazprom Group in 2020 versus 2019**

97.0 % — **share of partially clean (untreated) water and water partially treated at purification plants in the total volume of wastewater discharged by the Gazprom Group's facilities into surface water bodies in 2020**

4.2.1.1.

Management of Water-Related Impacts

GRI 303-1, GRI 303-2

Efficient water resources management[129] is part of the measures taken to implement the *Environmental Policy of PJSC Gazprom*, which facilitates cooperation with local communities, the government and investors. The Company's facilities each have a water management system in place. A water supplier in certain Russian regions, Gazprom is responsible for providing local communities with clean water. In a number of cases, the Group receives wastewater under contracts with external parties, which prompts the Company to pay even closer attention to non-production wastewater discharges.

The main goal of PJSC Gazprom in water resources management is to discharge less water into surface water bodies and improve wastewater treatment. As required by the applicable laws, the Company measures and monitors the wastewater quality (including temperatures) to make sure it meets the regulatory requirements at every production facility. *PJSC Gazprom's Comprehensive Environmental Program for 2020–2024* envisages a set of measures to reduce the share of excess discharges into surface water bodies to 4%.

(129) For more details on the Gazprom Group companies' water-related impacts, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

In water resources protection, the EMS of PJSC Gazprom sets the Corporate Environmental Target for 2020–2022 to achieve a lower share of polluted and insufficiently treated wastewater discharged into surface water bodies than the 2018 baseline level of 5.29%. The status of achieving the Corporate Environmental Target is evaluated annually. In 2020, the target was *achieved* at 4.95 p.p. below the baseline.

In 2020, the Company completed the *"Water of Life" Water Resources Utilization System Development Program of PJSC Gazprom for 2016–2020*.

The results of the *"Water of Life" Program* in 2020:
— share of water purification plants that ensure conformity to the existing sanitary and epidemiological requirements for the quality of potable water increased from 70% in 2014 to 93%;
— share of wastewater purified at sewage treatment facilities to match the standard parameters in the total volume of wastewater discharged into the water bodies increased from 60.7% in 2014 to 97% in 2020, exceeding the target of 72%;
— water intensity of commercial products manufacturing decreased by 10%;
— volume of water reused for process purposes more than tripled, growing above the target of 25%.

4.2.1.2. Water Consumption

GRI 303-1, GRI 303-3, GRI 303-4, GRI 303-5, UNCTAD B.1.3

The Gazprom Group companies withdraw water from surface and subterranean sources solely in accordance with the effective legislation and pursuant to water use agreements and extraction licenses, without causing any significant impact on the environment. None of the regions of the Company's production operations are classified as areas with water stress.

In 2020, the Gazprom Group companies withdrew (received) 3,236.63 mcm of water for water supply purposes, which is 17.5% less than in 2019. Gazprom Energoholding accounts for around 90% of the total annual water withdrawal. PJSC OGK-2, a subsidiary of Gazprom Energoholding, withdrew 23%, or over 650 mcm, less water in 2020 than a year ago as electric power generation reduced by 19%.

Gazprom Group's water consumption structure by types of sources in 2017–2020, mcm

Indicator	2017	2018	2019	2020
Water withdrawn and received, total	**4,523.45**	**4,280.21**	**3,921.41**	**3,236.63**
incl. from surface sources	4,103.56	3,911.53	3,484.33	2,824.11
incl. freshwater	4,074.33	3,884.02	3,446.98	2,781.69
non-freshwater	29.23	27.51	37.35	42.42
incl. from ground water sources	179.96	153.80	86.95	81.67
incl. freshwater	179.96	153.80	86.95	81.67
non-freshwater	0	0	0	0
incl. from public water supply utilities	145.84	133.79	143.11	137.96
incl. freshwater	145.84	133.79	143.11	137.96
non-freshwater	0	0	0	0
incl. from other water supply systems	94.09	81.09	207.02	192.89
incl. freshwater	94.09	81.09	207.02	192.89
non-freshwater	0	0	0	0

Natural sources account for 90% of the Group's water withdrawal, with the shares of surface water bodies and underground water sources at 97.2% and 2.8%, respectively. The Group's water consumption structure by types of sources depends upon specific features of production operations and locations of the facilities.

Gazprom Group's natural source water consumption, 2017–2020, mcm

Indicator	2017	2018	2019	2020
Water withdrawn and received, total	4,523.45	4,280.21	3,921.41	3,236.63
incl. from natural sources	4,283.52	4,065.34	3,571.28	2,905.78
incl. freshwater	4,254.29	4,037.82	3,533.93	2,863.36
non-freshwater	29.23	27.51	37.35	42.42

Gazprom Energoholding accounts for 90% of the Gazprom Group's water consumption and 97% of its water discharges into surface water bodies, while the Group's gas business accounts for a mere 1.8% of the latter (including 0.9% at PJSC Gazprom).

GRI 303-5

Gazprom Group's water resources use indicators, 2017–2020, mcm

Indicator	2017	2018	2019	2020
Water used, total, incl. water used for:	4,421.11	4,180.89	3,863.11	3,175.81
household and drinking purposes	47.25	63.09	54.98	31.83
production purposes	4,164.84	3,947.36	3,678.12	3,008.63
other purposes	209.01	170.44	130.01	135.35

Water consumption for internal (production) needs was as follows:
— 0.014 m^3 per ton of reference fuel for the hydrocarbon production and exploration companies;
— 0.206 m^3 per ton of reference fuel for the processing companies;
— 0.012 m^3 per ton of reference fuel for the gas transportation companies.

UNCTAD B.1.1

Volume of water recirculated and reused at the Gazprom Group, 2017–2020, mcm

Indicator	2017	2018	2019	2020
Volume of water recirculated and reused	12,006.85	11,063.73	11,409.12	11,071.61

In 2020, the share of recirculated water at the Gazprom Group was 342%.

4.2.1.3 Wastewater Disposal

GRI 303-4
In 2020, the Gazprom Group's wastewater disposal reduced by 19.1% to 2,742.73 mcm on lower withdrawal to ensure process water supply for cooling PJSC OGK-2's power generating equipment.

For more details on the Gazprom Group's 2017–2020 water discharge trends by destination, including breakdown by treatment method, see Appendix 4.

In 2017–2020, the Gazprom Group reduced wastewater discharges into surface water bodies by 33%, with partially clean (untreated) water and water partially treated at purification plants accounting for 97% of its total discharges into surface water bodies.

Gazprom Group's wastewater discharges into surface water bodies, 2017–2020, mcm

Indicator	2017	2018	2019	2020
Water discharge, total, incl.:	4,141.40	3,871.11	3,389.63	2,742.73
Freshwater	4,118.99	3,849.78	3,359.87	2,713.76
Non-freshwater	22.41	21.33	29.76	35.97
Water discharge to surface water bodies, total, incl.:	3,905.26	3,658.44	3,241.79	2,610.78
Freshwater	3,882.85	3,637.11	3,212.03	2,574.81
Non-freshwater	22.41	21.33	29.76	35.97
Water discharge on land, total, incl.:	1.18	0.97	1.10	0.94
Freshwater	1.18	0.97	1.10	0.94
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to subterranean layers, total, incl.:	45.28	44.69	45.67	43.37
Freshwater	45.28	44.69	45.67	43.37
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to irrigation sewage fields, total, incl.:	5.15	5.96	6.63	6.23
Freshwater	5.15	5.96	6.63	6.23
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to absorption fields, total, incl.:	0.58	0.52	0.47	0.46
Freshwater	0.58	0.52	0.47	0.46
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to holding basins, total, incl.:	0.99	0.57	0.45	0.43
Freshwater	0.99	0.57	0.45	0.43
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to public utilities, total, incl.:	144.15	134.02	82.92	68.95
Freshwater	144.15	134.02	82.92	68.95
Non-freshwater	0.00	0.00	0.00	0.00
Water discharge to other systems, total, incl.:	38.81	25.94	10.60	11.57
Freshwater	38.81	25.94	10.60	11.57
Non-freshwater	0.00	0.00	0.00	0.00

Gazprom Group's wastewater discharges into surface water bodies (by business line), 2017–2020, mcm

Company	2017	2018	2019	2020
Gazprom Group	3,905.26	3,658.44	3,241.79	2,610.78
Gas business companies	33.87	31.80	41.83	45.90
incl. PJSC Gazprom	10.74	9.78	18.89	23.08
Gazprom Neft Group*	0.12	0.11	0.09	0.07
Gazprom Energoholding	3,832.00	3,587.15	3,161.88	2,525.10
Gazprom Neftekhim Salavat	39.26	39.38	37.99	39.71

* Excluding Gazprom Neft Group's foreign assets.

Polluted (untreated) and insufficiently treated wastewater discharges into surface water bodies were as follows:
— 0.0000288 m^3 per ton of reference fuel for the hydrocarbon production and exploration companies;
— 0 m^3 per ton of reference fuel for the processing companies;
— 0.000562 m^3 per ton of reference fuel for the gas transportation companies.

For more details on the formation water produced by the Gazprom Group, see Appendix 4.

4.2.2.

Land Preservation and Restoration

Geological exploration, drilling, hydrocarbon production, and the construction and use of pipelines and other facilities cause land disturbance and pollution. The Gazprom Group follows the required remediation and rehabilitation procedures to put the disturbed or polluted land back into economic use. The Gazprom Group companies use land in ways that ensure preservation and restoration of soils' fertility and environmental functions.

In the reporting year, the Gazprom Group companies disturbed 23,850 hectares of land, 4% more than in 2019. The 2020 increase was mainly attributable to geological exploration and seismic surveys at PJSC Gazprom's assets. In places where these activities had been completed, the lands were remediated, including those disturbed or polluted in previous years. The remediation covered a total of 15,840 hectares.

Gazprom takes comprehensive measures to enhance the reliability of pipeline systems, which has a positive impact on the preservation of soils and other components of the natural environment.

Land-related impacts are not an acute environmental issue for the Group, with remediation taking place as necessary and in due time.

GRI 304-3

Gazprom Group's land protection performance, 2017–2020, hectares

Indicator	2017	2018	2019	2020
Territory of lands disturbed during the year	42,162.29	25,786.97	22,885.37	23,837.88
incl. polluted lands	87.33	111.26	73.16	79.41
Disturbed lands remediated during the year	19,600.05	15,767.52	17,670.50	15,836.39
incl. polluted lands	89.10	96.13	65.69	65.77

For more details on the restoration of disturbed and polluted lands, see PJSC Gazprom Environmental Report 2020.

4.2.3.

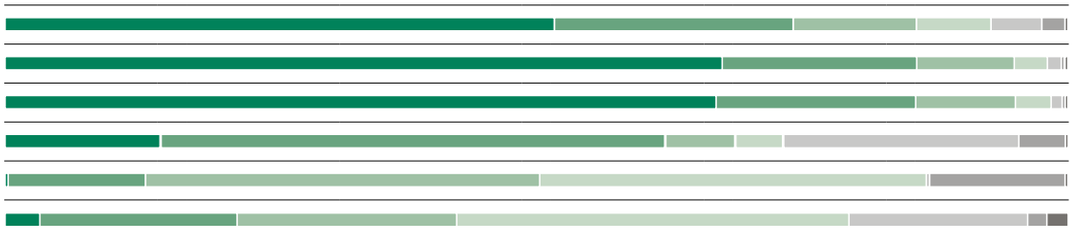
Reducing Air Pollutant Emissions

GRI 305-7

In 2020, gross pollutant emissions from stationary sources of the Gazprom Group companies amounted to 2,445,660 tons, which is 14.6% lower than in 2019.

The structure of the Group's emissions is determined by the specifics of the production activities of PJSC Gazprom and other gas business companies. The main pollutants in Gazprom's gross emissions are hydrocarbons (including methane), carbon monoxide, nitrogen oxides and sulphur dioxide. Solid emissions come mostly from Gazprom's energy segment, while volatile organic compounds are commonly associated with the Gazprom Neft Group and gas business companies.

Component structure of air emissions across the Gazprom Group in 2020, thousand tons, %



	Gazprom Group	Gas business	Including PJSC Gazprom	Gazprom Neft	Gazprom Energoholding	Gazprom Neftekhim Salavat
Hydrocarbons (including methane)	1,266.42	1,207.35	1,108.84	57.48	0.52	1.07
Carbon monoxide	550.66	327.80	311.53	185.82	30.86	6.18
Nitrogen oxides	284.22	164.24	155.60	25.77	87.33	6.88
Sulphur dioxide	171.97	55.87	55.83	17.64	86.17	12.29
Volatile organic compounds	117.22	24.37	17.27	86.99	0.27	5.60
Solids	53.57	3.95	2.77	17.99	31.03	0.60
Other gaseous and liquid substances	1.60	0.70	0.45	0.19	0.04	0.67

Sulphur dioxide and hydrocarbon emissions decreased the most because of natural gas replacing coal in the fuel mix of Gazprom Energoholding's generating facilities, lower volumes of gas transported, and initiatives related to gas saving (employing mobile compressor stations during maintenance works at trunklines, using distribution stations to deliver gas to consumers, blowing natural gas from the section under repairs into an active pipeline, and using gas from a compressor shop's process pipelines for internal needs).

Pollutant emissions amounted to:
— 0.312 kg per ton of reference fuel for the hydrocarbon production and exploration companies;
— 2.391 kg per ton of reference fuel for the processing companies;
— 1.851 kg per ton of reference fuel for the gas transportation companies.

For more details on pollutant emissions, see PJSC Gazprom Environmental Report 2020.

Yulia Chizhova

Head of Environmental Unit at Operations Directorate, PJSC OGK-2; managed the successful implementation of projects to restore bioresources (fish stocking in the Kan River) and eliminate accumulated environmental damage across the company's areas of operation (remediating lands and industrial waste landfills, minimizing bottom ash waste generation and dumping).

4.2.4. Waste Handling

92.4% of the Gazprom Group's production waste are low-hazard and virtually non-hazardous waste

22% waste reduction by the Gazprom Group in 2017–2020

>500 measures taken in 2020 to protect the environment from production and consumption waste

4.2.4.1. Waste Reduction

Document governing waste handling activities:

Master Plan for Production and Consumption Waste Management at PJSC Gazprom's Facilities in Various Regions of Russia.

For more details on the *Master Plan for Production and Consumption Waste Management at PJSC Gazprom's Facilities in Various Regions of Russia*, see[130]

GRI 306-1, GRI 306-2

The Company has been adopting the latest production practices related to the best available and innovative technologies aimed at minimizing waste generation and burial and increasing the share of waste sent for recycling.

Protecting the environment from adverse drilling waste effects is a key well construction requirement. During the pre-development of fields, this is achieved by actively implementing design solutions to minimize the impact of drilling operations on ecosystems. The Group develops and uses low-toxic drilling muds and the pit-free drilling method for the construction of wells. The drilling waste recycling technologies that produce mineral construction materials for general construction works in the course of field pre-development are increasingly being used.

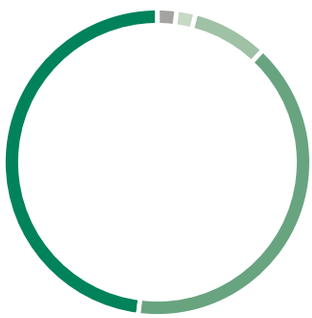
GRI 306-2, GRI 306-3

At the Gazprom Group, most of the waste is bottom ash waste of Gazprom Energoholding (solid coal combustion products generated by TPPs), as well as drilling waste and oil sludge mainly generated by oil and gas production and processing facilities.

(130) See the *Waste Reduction* subsection of Gazprom Group's Sustainability Report 2019 at https://sustainability.gazpromreport.ru/en/2019

Gazprom Group's waste production by type, 2020, %

Gazprom Group companies' share in waste production, 2020, %



The majority of waste belongs to the low-hazard and almost non-hazardous categories. Beyond the use of production facilities, waste generation is also driven by construction and repairs.

In accordance with the *Environmental Policy*, PJSC Gazprom assesses risks while planning its activities or implementing its investment projects and controls the activities of contractor companies, including waste handling. In 2020, over 948,800 tons of waste was generated by contractor companies involved in capital construction (investment) projects, with 75% recycled or neutralized.

During the procurement stage, bidders are checked for availability of documents certifying their environmental compliance (including licenses for handling every type of waste) and the equipment and technical infrastructure for handling the Group's waste. Every contract sets out compliance obligations, including those related to the *Environmental Policy of PJSC Gazprom*. The Company's Environmental Inspectorate is among those who regularly monitor the handling of waste produced by contractor companies at the Group's construction sites.

The EMS of PJSC Gazprom sets the 2020–2022 target for reducing the share of buried waste versus the 2018 baseline level (38.28%). In 2020, this share was 23.06 p.p. below the baseline.

All Group companies have implemented sorting procedures for waste of Hazard Classes I–V, which helps reduce the share of dumping. Waste that may not be buried is handed over for recycling or neutralization.

To reduce the share of waste sent for burial, the Group optimizes its waste treatment activities, adapting them to regional specifics, and leverages the best available technologies in waste disposal and neutralization.

For the block diagram of waste handling at the Gazprom Group, see Appendix 4.

GRI 306-3, GRI 306-4, UNCTAD B.2.3.

In 2020, the Gazprom Group companies produced 3,229,830 tons of waste, which is 3.2% less than in 2019, as Gazprom Energoholding replaced coal with natural gas in its fuel mix, thus reducing the generation of Hazard Class V bottom ash waste by 20%.

The reporting year saw the share of recycled and neutralized waste at the Group increase to 0.61 t/t from 0.56 t/t in 2019.[131]

(131) Bottom ash waste of Hazard Class V not included in the Group's waste generation and handling volumes.

Gazprom Group companies' waste production, 2017–2020, thousand tons

2017	2018	2019	2020
4,130.29	3,555.09	3,337.08	3,229.83

Under the legislation of the Russian Federation, all waste across the Gazprom Group is classified as hazardous (Hazard Classes I–V).

Gazprom Group companies' waste production by hazard class, 2017–2020, thousand tons

	2017	2018	2019	2020
Total waste generated in the reporting period	4,130.29	3,555.09	3,337.08	3,229.83
Hazardous waste, incl.:	1,389.93	1,286.29	1,448.87	1,755.71
Hazard Class I	0.27	0.21	0.24	0.23
Hazard Class II	0.75	0.78	0.83	0.79
Hazard Class III	94.26	84.82	154.59	244.36
Hazard Class IV	1,294.65	1,200.48	1,293.21	1,510.33
Almost non-hazardous waste (Class V)	2,740.36	2,268.80	1,888.21	1,474.12

For more details on production and consumption waste neutralization and disposal by the Gazprom Group, see Appendix 4.
For more details on production and consumption waste management at the Gazprom Group, see Appendix 4.

According to the environmental hazard classification, the bulk of the Gazprom Group's waste belongs to class IV (low-hazard) or class V (almost non-hazardous) and is typically either recycled or handed over for safe placement. These two classes account for 47% and 46%, respectively, of the total waste generated by the Group.

Class I and II waste is handed over for neutralization or recycling. Its share is 0.03%.

Class III is represented, inter alia, by some of the oil-contaminated waste (that with a share of petroleum products greater than 15%).

4.2.4.2. Oil-Contaminated Waste

GRI 306-3

Oil-contaminated waste accounts for about 9.5% of the total waste generated by the Group and is handed over for neutralization or recycling.

Handling of oil-contaminated waste at the Gazprom Group, 2020, %

Handed over to third parties for recycling and neutralization — 63%

Handed over to third parties for dumping — 19%

Present at the enterprise as of the end of the reporting year, including storage facilities — 18%

Nikita Pershin

Chief Offshore Inspector, PJSC Gazprom; has actively contributed to the development of measures for protecting wildlife and marine biodiversity on the continental shelf, as well as to the provision of accident-free operation of marine machinery and equipment and enhancement of the respective regulatory environment.

4.2.4.3. Drilling Waste

GRI 306-3, GRI OG7

In 2020, a total of 1,354,900 tons of drilling waste (including 241,900 tons present at the beginning of the year, 1,106,200 tons generated and 6,800 tons received from other entities) were in circulation; of this total volume, 74.7% (1,013,100 tons) of waste was recycled at the facility or handed over to specialized licensed organizations for recycling and neutralization.

Handling of drilling waste at the Gazprom Group, 2020, %

Handed over to third parties for recycling and neutralization	72%
Present at the enterprise as of the end of the reporting year, including storage facilities	23%
Recycled at the facility	3%
Disposed at own dumping facilities	2%

For more details on drilling waste generation and management at the Gazprom Group in 2017–2020, see Appendix 4.

4.2.5. Biodiversity Support

RUB 507.29 million **was allocated by the Gazprom Group for the preservation of biodiversity, protection of designated natural areas, as well as protection and replacement of fish reserves in 2020**

34.8 million fish **were released into water bodies in 2020**

GRI 304-3

The Gazprom Group companies greatly contribute to international, Russian and local programs on plant and animal life protection in their regions of operation. Strict compliance with environmental laws and standards, care for the environment, and prevention of damage to marine and terrestrial ecosystems are all preconditions for the projects of Gazprom.

The Group seeks to minimise any and all adverse impacts by:
— applying modern technological solutions to mitigate the environmental impacts of its production operations;
— performing continuous environmental monitoring;
— implementing biodiversity preservation programs both across the Group companies' footprint and in other Russian regions.

Bird and terrestrial wildlife protection activities include:
— suspending construction works during the spring nesting season;
— establishing buffer zones where operations and movement of vehicles are prohibited for the duration of the nesting season for birds of prey and the period when their nestlings begin flying (zones of this kind are also used during repair works at the facilities);
— setting helicopter routes so as to avoid any harm to nesting sites;
— implementing bioengineering initiatives, including artificial roost sites and nesting tree protection measures;
— installing special bird protection devices on power transmission lines;
— having suspension insulators equipped with polymeric covers and their cross-arms grounded;
— arranging special passages crossing linear structures not to hinder reindeer migration.

To avoid disturbance to the well-being of river and sea inhabitants, the water intake facilities of the Gazprom Group companies are equipped with fish protection devices. To preserve protected animal species and perform works safely, the Company takes a set of measures, such as the setting of corridors and speed restriction for marine vessels, determination of safe distances from marine mammals to be observed, and obligatory presence of observers onboard to mitigate the risk of possible collision.

To track biodiversity preservation efforts and assess their efficiency, the current monitoring results are compared against the data obtained in previous years, as well as against the values of the same type observed in the control area which is not affected by the production facilities.

To achieve strategic objectives and targets[132] and ensure biodiversity preservation during the development of oil and gas fields at the Arctic continental shelf of the Russian Federation, at inland sea waters, in the territorial waters, and contiguous zone of the Russian Federation, PJSC Gazprom annually submits data on the implementation of programs for the preservation of biodiversity in the Arctic zone of the Russian Federation to the Federal Service for Supervision of Natural Resources. The programs are designed to boost the efficiency of biodiversity preservation in areas affected by geological prospecting, exploration and production of oil and gas, construction or placement of facilities required for the development of offshore fields or other infrastructure of offshore fields, as well as transportation of hydrocarbons.

PJSC Gazprom subsidiaries provide financing to the projects implemented in the Arctic in collaboration with the Russian Geographic Society, including the monitoring of island ecosystems and the preservation of populations of rare marine mammal species and the polar bear within the designated conservation areas in the north-eastern part of the Barents Sea.

Gazprom is implementing the *Biodiversity Preservation Program Based on the List of Flora and Fauna Species Being Indicators of Marine Ecosystems Stability in the Arctic Zone of the Russian Federation.*[133] The *Program* contains PJSC Gazprom's biodiversity preservation strategy and *Action plans to be carried out in the course of the Gazprom Group's projects implementation at the Arctic continental shelf of the Russian Federation, at inland sea waters, in the territorial waters, and contiguous zone of the Russian Federation.*

The *Program* was developed with the participation of leading research and scientific institutes of the Russian Academy of Sciences, Russian Arctic National Park Federal State Budgetary Institution, and Marine Mammal Council Regional Public Organization.

The reporting year saw the following fieldwork performed in the Arctic zone:
— ichthyological research, observations of marine mammals, bird fauna studies in the Kara and Barents seas;
— sampling of various aquatic bioresources with the necessary repeatability and from different horizons in the Gulf of Ob (phytoplankton, zooplankton, zoobenthos, ichthyoplankton), compiling of an account of the species composition and population numbers of the fauna (mammals, birds) living near Arctic terminal facilities on the Novoportovskoye field in the Cape Kamenny area, as well as in the area of the main oil transportation routes;
— coastal bird studies, hydrobiological works, studies of phytoplankton, zooplankton, ichthyoplankton and benthos;
— ichthyological research, Atlantic walrus studies in the area of the Prirazlomnoye license block, offshore areas near the Matveyev, Golets, and Dolgy islands of the Nenets State Nature Reserve, as well as Vaygach Island (Lyamchina Bay).

The research and monitoring did not identify any significant changes in the ecosystems and confirmed that the Company's operations bear no negative impact on the Arctic biodiversity.

(132) Set by Decree No. 204 (Section 7) of the President of the Russian Federation dated May 7, 2018.
(133) Developed in furtherance of the Order of the President of the Russian Federation following a meeting on effective and safe exploration of the Arctic on June 5, 2014.

GRI 304-4

Nordmann's greenshank is one of the rarest and least studied bird species in the world whose population is exceptionally small. It is on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species (Russia, Sakhalin Region). Gazprom Dobycha Shelf Yuzhno-Sakhalinsk LLC conducted research that yielded information on the state of the Nordmann's greenshank population, its habitats, feeding and nesting grounds in the areas near the mouths of the Orkunyi, Chyornaya, Nabil and Vazi rivers, as well as on a number of limiting factors that affect the Sakhalin population of the bird.

For more details on the Gazprom Group companies' activities that affect animal species on the IUCN Red List and national conservation list, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

Impact on Designated Conservation Areas

GRI 304-1

The Gazprom Group's facilities are located, inter alia, in or near environmentally vulnerable and designated conservation areas (DCAs). In particular, these include:

— Anyuysky, Kislovodsky, Losiny Ostrov, Meshchersky, Nechkinsky, Orlovskoye Polesye, Pleshcheevo Ozero, Pripyshminskiye Bory, Sochinsky, Ugra, Khvalynsky, Yugyd Va national parks;

— Klyazminsky, Nadymsky, Priazovsky, Ryazansky, Saratovsky, Severo-Osetinsky, Kurgalsky, Utrish state nature reserves and federal reservations;

— some regional DCAs.[134]

The Gazprom Group's OECM programs include environmental monitoring of designated conservation areas or sites with a special environmental status located on the territories potentially affected by the Group's entities.

To track biodiversity preservation efforts and assess their efficiency, the current monitoring results are compared against the data obtained in previous years, as well as against the values of the same type observed in the control area which is not affected by the production facilities.

The Group performs its activities in DCAs in full compliance with the national environmental protection legislation and land use terms and conditions specified for a relevant DCA.

GRI 304-2

The reporting year saw no significant direct or indirect impact of the Group entities' operations on vulnerable ecosystems and biodiversity.

GRI 304-3

For more details on the habitats preserved and rehabilitated by the Gazprom Group companies in the period from 2017 to 2020, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

(134) For more details on the activities of the Gazprom Group's production sites that are located within DCAs and their protected zones, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

4.3.

Climate Protection Measures

Documents regulating the Gazprom Group's climate strategy:

- *Long-Term Development Program of PJSC Gazprom;*
- *Environmental Policy of PJSC Gazprom;*
- *Energy Saving and Energy Efficiency Program of PJSC Gazprom;*
- *Roadmap for the Greenhouse Gas Management System at the Gazprom Group looking forward to 2030.*
- *PJSC Gazprom's Innovative Development Program until 2025;*
- *Energy Efficiency and Energy Saving Policy of PJSC Gazprom;*
- *PJSC Gazprom's Integrated Environmental Program for 2020–2024;*

The Gazprom Group's climate policy and strategy for managing GHG emissions and reducing man-made environmental impact are governed by international and national regulations and guidelines in the realm of energy efficiency, energy saving and environmental protection.

4.3.1.

Corporate Targets for Preserving the Climate

Reduction of the adverse environmental impact exerted by production facilities is one of the key goals outlined in the updated *PJSC Gazprom's Innovative Development Program until 2025*.

To assess the results achieved, a variety of indicators is used, including the reduction of specific greenhouse gas emissions in CO_2 equivalent (KPI).

GRI 305-5

The gas business reported a target reduction in specific GHG emissions from 0.259 tons of CO_2 equivalent per ton of oil equivalent in 2019 to 0.239 tons of CO_2 equivalent per ton of oil equivalent in the reporting year, which was made possible thanks to the implementation of measures provided for by the *Roadmap for the Greenhouse Gas Management System at the Gazprom Group looking forward to 2030* and the *Energy Saving and Energy Efficiency Program of PJSC Gazprom.*

The targets for 2031 (versus the reference level of 2018) are:

— 11.2% for PJSC Gazprom;
— 10.5 % for Gazprom Energoholding LLC.

4.3.2.

GHG Emissions Control at the Gazprom Group

The measures to reduce GHG emissions in 2020 were implemented in line with the *Roadmap for the Greenhouse Gas Management System at the Gazprom Group looking forward to 2030* and the *Energy Saving and Energy Efficiency Program of PJSC Gazprom*.

The process losses of natural gas during production, transportation, processing and storage in 2020 were reduced through the renovation and comprehensive overhaul of equipment, application of advanced and innovative techniques to save gas during repair works, use of energy saving technologies, optimization of process flows in the gas transmission system facilities, use of pipes with smooth internal coating, etc.

GRI 305-4

Specific GHG emissions amounted to:[135]

— 29.564 kg of CO_2 equivalent per ton of reference fuel for companies engaged in hydrocarbon production and geological surveying;

— 119.144 kg of CO_2 equivalent per ton of reference fuel for processing companies;

— 107.595 kg of CO_2 equivalent per ton of reference fuel for gas transportation companies.

4.3.2.1. Direct GHG Emissions (Scope 1)

210.3 mmt of CO_2 equivalent — **GHG emissions (Scope 1)**

11% or **26.2** mmt of CO_2 equivalent — **reduction of the Gazprom Group's GHG emissions in 2020 vs 2019**

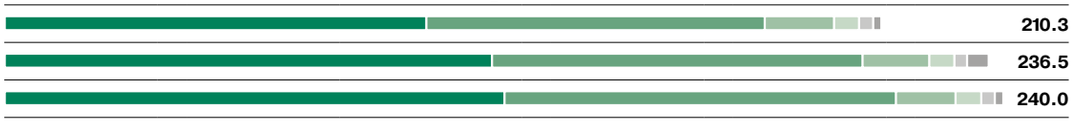
190.31 mmt of CO_2 equivalent — **the Gazprom Group's GHG emissions in 2020 measured through the Global Temperature change Potential[136]**

GRI 305-1, UNCTAD B.3.1

Direct GHG Emissions

All companies of the Gazprom Group perform control and accounting of GHG emissions. Since 2016, all Group subsidiaries regardless of their line of business have been monitoring and calculating the quantity of GHG emissions according to a uniform procedure described in the Methodological Guidance on the Quantification of Greenhouse Gas Emissions by Entities Engaging in Business and Other Activities in the Russian Federation.[137]

GHG emissions of the Gazprom Group companies (Scope 1), 2017–2020, mmt of CO_2 equivalent



	2017	2018	2019	2020
PJSC Gazprom	113.17	120.09	117.09	100.97
Gazprom Energoholding	96.17	94.06	89.03	81.32
Gazprom Neft Group	13.31	14.33	16.04	16.65
Gazprom Neftekhim Salavat	5.75	6.18	6.04	6.01
Sakhalin Energy	3.22	3.25	3.05	3.40
Other companies	2.21	2.06	5.20	1.96

(135) Direct GHG emissions (Scope 1) were considered for the purposes of calculation.
(136) Use of the 100-year Global Temperature change Potential in line with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the resolution adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement helps provide a more unbiased picture of the climate impact produced by GHG emissions. It was therefore resolved to use the conversion factor of 6 to assess the CO_2 equivalent of fossil methane (CH_4) emissions.
(137) Approved by Order of the Russian Ministry of Natural Resources and Environment No. 300 dated June 30, 2015.

GRI 305-5

In 2020, GHG emissions of the Gazprom Group's facilities (Scope 1) amounted to 210.3 mmt of CO_2 equivalent, with 12.5% of them coming from methane. The 11% year-on-year decrease in absolute GHG emissions of the Gazprom Group came on the back of the renovation and comprehensive overhaul of equipment, application of advanced and innovative gas saving techniques during repair works (emissions in the amount of 8 mmt of CO_2 equivalent were avoided due to the use of mobile compressor stations), use of energy saving technologies, etc. This corresponds to the climate target criteria established under the SBTi initiative within the CDP.

In 2020, the GHG emissions of PJSC Gazprom's facilities (Scope 1) amounted to 100.97 mmt of CO_2 equivalent, including 75.45 mmt of CO_2 equivalent coming from carbon dioxide (CO_2) emissions and 25.52 mmt of CO_2 equivalent coming from methane (CH_4) emissions. GHG emissions associated with natural gas transportation declined by 17% or 16.04 mmt of CO_2 equivalent.

For more details on pollutant emissions, see PJSC Gazprom Environmental Report 2020.

GHG Emissions Reduction Plans

Implementation of energy saving measures is estimated to help avoid 19.3 mmt of CO_2 equivalent of GHG emissions in the year 2021.

4.3.2.2. Energy Indirect GHG Emissions (Scope 2)

GRI 305-2, UNCTAD B.3.2

To keep stakeholders updated on emissions across the entire production chain, PJSC Gazprom discloses its energy indirect GHG emissions, i.e. GHG emissions resulting from the purchase of electricity or heat by an enterprise.

Energy indirect GHG emissions at PJSC Gazprom (Scope 2) by key types of activities, 2018–2020, mmt of CO_2 equivalent[138]

Activity	2018	2019	2020
Natural gas production	0.51	0.35	0.30
Natural gas transportation	4.62	3.33	2.42
Natural gas processing	2.98	2.34	2.01
Underground natural gas storage	0.10	0.06	0.04

Energy indirect GHG emissions at the Gazprom Group companies (Scope 2) in 2020, mmt of CO_2 equivalent

Company	Energy indirect emissions
PJSC Gazprom	4.77
Gazprom Neft Group	4.40
Gazprom Neftekhim Salavat	2.56
Gazprom Energoholding	0.00

(138) The emission calculations took into account all greenhouse gases in line with the Methodological Guidance approved by Order of the Russian Ministry of Natural Resources and Environment No. 330 dated June 29, 2017. The calculation of the emission rates for power and heat production in Russia is based on the energy mix data of the Russian Federation for 2019 (the entire national market).

GRI 305-3

Since 2018, the Gazprom Group has been assessing indirect (Scope 3) GHG emissions resulting from the use of products as fuels or feedstock both in Russia and abroad. The calculation includes GHG emissions from all types of products sold – natural gas, oil, gas condensate, automotive gasoline, diesel fuel, jet fuel, LPG, and fuel oil.

The Gazprom Group's GHG emissions (Scope 3), 2018–2020, mmt of CO_2 equivalent[139]

Product sold	2018	2019	2020
Gas	956.15	930.09	872.11
Oil; gas condensate	78.55	83.84	74.16
Other energy resources	138.25	140.61	132.23
Total	1,172,95	1,154.54	1,078.50

In 2020, the carbon intensity of the Gazprom Group's products burnt by end consumers was 301.35 kg of CO_2 equivalent per boe.

GRI 305-6, UNCTAD B.4.1

PJSC Gazprom, Gazprom Neft, Gazprom Energoholding and Gazprom Neftekhim Salavat do not use ozone-depleting substances on an industrial scale.

4.3.3.

Flaring Reduction

92.0%

APG utilization across the Gazprom Group's assets in Russia in 2020[140]

GRI OG6

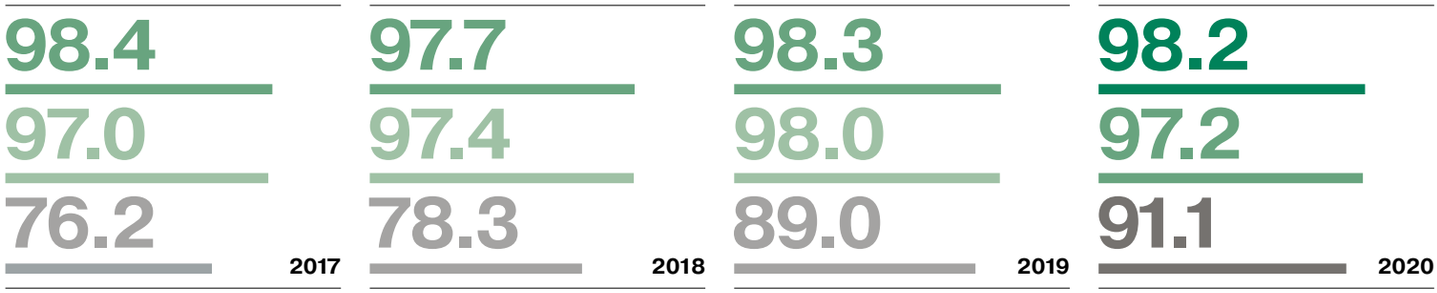
The reduction in APG flaring plays a significant role in decreasing emissions of pollutants and greenhouse gases and saving resources. The Gazprom Group is implementing APG utilization investment projects at its fields with the aim of achieving an APG utilization of at least 95%.[141]

In 2020, APG utilization was 98.2% at the fields of PJSC Gazprom's gas production subsidiaries (including JSC Gazprom Dobycha Tomsk), 91.1%[142] across the Gazprom Neft Group, and 97.2% at Sakhalin Energy.

The actual APG utilization at the operating facilities of the **Gazprom Neft Group** reached 91.1% in 2020, i.e. increased by 2.1 p.p. versus 2019, with the actual rise in APG production amounting to 1.3 bcm (+8%).

(139) The calculations of all potential emissions associated with the use of the Gazprom Group's products included all greenhouse gases in line with *CDP Technical Note: Guidance methodology for estimation of Scope 3 category 11 emissions for oil and gas companies* (estimation of GHG emissions from the use of products sold) and the Methodological Guidance approved by Order of the Russian Ministry of Natural Resources and Environment No. 300 dated June 30, 2015.
(140) Including the share in production of organizations in which Gazprom has investments classified as joint operations.
(141) As per Resolution of the Government of the Russian Federation No. 1148 dated November 8, 2012.
(142) Taking into account long-term risk service agreements in force at the fields of PJSC Gazprom.

Dynamics of APG utilization at the Gazprom Group's companies, 2017–2020, %



In 2020, APG utilization across the Gazprom Group's assets in Russia (excluding the share in production of organizations in which the Group has investments classified as joint operations) reached 91.6% (versus 89.9% in 2019).

For more details on hydrocarbons flaring across the Gazprom Group, see Appendix 4.

4.3.4. Energy Saving and Energy Efficiency

3,359.89 million GJ — **fuel and energy consumption across the Gazprom Group in 2020**

114.8 million GJ (3.917 mmt of reference fuel) — **fuel and energy savings achieved by PJSC Gazprom in 2020**

4.3.4.1. Energy Saving Goals and Targets for 2020

The *Energy Saving and Energy Efficiency Program of PJSC Gazprom* sets out key energy saving measures to be implemented and key fuel and energy saving targets to be achieved. The *Program* stipulates relevant measures for all types of activities with a view to enhancing (maintaining) the energy efficiency of production processes and reducing fuel and energy consumption, including by minimizing energy losses.

In the short tem, initiatives focusing on increasing natural gas savings during repair works are among the most important energy efficiency measures to be taken. To achieve this target, i.e. to minimize gas bleeding, a comprehensive program is being implemented involving the use of mobile compressor stations to blow gas from the section under repair into an adjacent or parallel pipeline section.

The program covers 13 gas transportation subsidiaries of PJSC Gazprom. In 2020, gas pumping helped save 486 mcm of natural gas. With the fleet of mobile compressor stations slated for expansion in 2021, natural gas savings are expected to reach 700 mcm.

GRI 302-4

The 2020 Corporate Targets required reducing the consumption and increasing the savings of fuel and energy, as well as taking steps to prepare for the ISO 50001:2018 certification.

Implementation of the *Energy Saving and Energy Efficiency Program of PJSC Gazprom* in 2020 contributed to the fuel and energy savings of 114.8 million GJ (3,916,590 tons of reference fuel).

Fuel and energy savings resulting from the implementation of PJSC Gazprom's energy saving programs, 2017–2020[143, 144]

Period	Natural gas		Electric power		Heat energy		Fuel and energy	F_r
	mcm	million GJ	million kWh	million GJ	thousand Gcal	million GJ	million GJ	%
2017	3,013.5	102.0	331.5	3.2	268.4	1.1	106.3	6.9
2018	2,951.9	99.9	364.2	3.5	235.9	1.0	104.4	5.9
2019	3,286.9	111.3	330.5	3.1	252.7	1.1	115.5	6.0
2020	3,273.8	110.9	305.9	2.9	251.9	1.1	114.8	7.8

In the table above, F_r (expressed in %) means the reduction factor for fuel and energy consumption resulting from the implementation of the *Energy Saving and Energy Efficiency Program of PJSC Gazprom*. This factor reflects the share of the fuel and energy savings achieved under the energy saving programs in the total energy consumption.

For the list of major measures aimed at fuel and energy savings at PJSC Gazprom, PJSC Gazprom Neft and Gazprom Energoholding, and for more details on fuel and energy cumulatively saved by PJSC Gazprom, see PJSC Gazprom Environmental Report 2020.

The Company also proved the compliance of its energy management initiatives with the existing standards: Bureau Veritas, an international certification body, has confirmed the conformity of PJSC Gazprom's Energy Management System (EnMS) with the requirements of ISO 50001:2018.[145]

The Energy Management System certification scope covers production and treatment of natural gas and gas condensate, transportation of natural gas, as well as power, heat and water supply to, and operation of, energy equipment at the facilities of the UGSS, and underground gas storage.

The targets set were achieved.

2020–2022 Corporate Energy Targets of PJSC Gazprom

No.	Target	Energy Performance Indicator (EPI), unit of measurement	EPI values			
			Reference period, 2018	Actual EPI in 2020	Target period, 2021	Target period, 2022
1.	Improve the energy efficiency of PJSC Gazprom's business activities	Reduction of specific consumption of fuel and energy resources in transportation	100%	–10.8%	–1.2%	–1.2%
2.	Save fuel and energy resources in natural gas production, transportation, underground storage, processing, and distribution	Natural gas savings, mcm	2,951.9	3,273.8	4,182.5	6,306.4
		Electric power savings, million kWh	364.2	305.9	407.8	613.7
		Heat savings, thousand Gcal	235.9	251.9	295.4	428.1
3.	Develop, implement, prepare for certification, maintain and improve PJSC Gazprom's EnMS in line with ISO 50001:2018	Certification of conformity within the scope and perimeter of PJSC Gazprom's EnMS (international certificate)	No certificate.	Certificate confirmed in line with the EnMS scope and perimeter.	Certificate confirmed in line with the EnMS scope and perimeter.	Certificate confirmed in line with the EnMS scope and perimeter.

For the list of documents used for calculating the savings in fuel and energy consumption, see Appendix 4.

For the full list of entities covered by the *PJSC Gazprom's Energy Saving and Energy Efficiency Program*, see Appendix 4.

(143) The following industry standards were used to calculate the fuel and energy savings:
— *STO Gazprom 2-3.5-113-2007 Methodology for Assessing Energy Efficiency of Gas Transportation Facilities and Systems;*
— *R Gazprom 2-1.20-819-2014 Methodology for Calculating Fuel and Energy Savings Resulting from the Implementation of Energy Saving Initiatives at Subsidiaries.* The baseline is the previous year's fuel and energy consumption.

(144) The consumption reduction results are calculated with due consideration of the data on natural gas, electric power, and heat energy used by PJSC Gazprom subsidiaries for internal process needs.

(145) Certificate No. IND/20/9040/EN/U dated June 04, 2020, obtained.

GRI 302-4

At **Gazprom Neft**, the Downstream and Upstream Divisions' energy saving and energy efficiency programs helped save 3.5 million GJ of energy and 1 million GJ of electric power, respectively, in 2020.

Gazprom Energoholding uses specific consumption in terms of reference fuel for power generation as an industry energy-efficiency metric. In 2017–2020, the overall reduction in specific consumption in terms of reference fuel for power generation across Gazprom Energoholding amounted to 10.7 g/kWh, or 4%. Over the same period, specific consumption in terms of reference fuel for heat generation went down by 1.5 kg/Gcal, or 1%.

The total fuel savings due to changes in specific consumption in terms of reference fuel were reached owing to a higher share of combined heat and power output, and also streamlining of the equipment mix. The measures provided for by energy saving programs aim to reduce the consumption of fuel and energy resources (fuel, electric power, heat, water).

Total reduction in energy consumption as a direct result of energy saving initiatives at Gazprom Energoholding, 2017–2020, million GJ

2017	2018	2019	2020
30.4	38.8	44.0[146]	38.0

Outcomes of energy saving and energy efficiency programs' implementation at Gazprom Energoholding in 2020

	Fuel savings, thousand tons of reference fuel		Electric power savings, million kWh	Heat energy savings, thousand Gcal
	Total	Incl. gas		
Total	1,167.06	1,154.00	649.62	353.68
Total, million GJ	34.19	33.81	2.34	1.48

The cost of energy resources saved is RUB 6,580.7 million.

Gazprom Neftekhim Salavat achieved the following results through its energy saving and energy efficiency initiatives.

Results of energy saving and energy efficiency programs' implementation at Gazprom Neftekhim Salavat LLC, 2017–2020

Indicator	2017	2018	2019	2020
Natural gas savings, mcm	49.935	43.783	43.511	—[147]
Electric power savings, million kWh	0.880	0.440	1.311	8.849
Heat energy savings, thousand Gcal	21.503	49.675	35.559	16.229
Total, thousand tons of reference fuel	61.033	57.809	55.761	5.194
Total, million GJ	1.789	1.694	1.634	0.152

(146) The data are different from those in the Gazprom Group's Sustainability Report 2019 as the indicator was updated.
(147) Natural gas saving initiatives are at their final stage. They are scheduled for completion in 2021.

Plans for further savings in fuel and energy consumption

In accordance with the *Energy Saving and Energy Efficiency Program of PJSC Gazprom* for 2021–2023, there is a plan to further increase the efficiency of production processes, to ensure the total savings of resources in the amount of 9.3 million tons of reference fuel, to reduce specific consumption of fuel and energy resources (natural gas and electric power) per amount of gas transmitted (at least by 1.2% a year).

PJSC Gazprom expects to save fuel and energy in the amount of 3,183,500 tons of reference fuel in 2021.

4.3.4.2. Energy Consumption within and beyond the Organization[148]

Energy consumption at the Gazprom Group, 2017–2020, million GJ

Resource	2017	2018	2019	2020
Natural gas				
PJSC Gazprom	1,571.21	1,698.57	1,614.72	1,418.50
Gazprom Neft Group	100.30	112.70	118.20	127.40
Gazprom Energoholding	1,392.60	1,398.20	1,353.80	1,219.00
Gazprom Neftekhim Salavat LLC	30.35	31.78	30.25	31.14
Electric power				
PJSC Gazprom	119.03	123.42	121.46	109.51
Gazprom Neft Group	69.10	66.70	66.90	64.00
Gazprom Energoholding	43.90	42.50	41.70	38.90
Gazprom Neftekhim Salavat LLC	12.73	13.65	12.72	13.11
Heat energy				
PJSC Gazprom	93.42	94.48	94.80	89.26
Gazprom Neft Group	43.10	44.70	42.40	46.40
Gazprom Energoholding	43.50	47.30	42.40	42.00
Gazprom Neftekhim Salavat LLC	36.51	39.53	38.29	39.77
Other fuel and energy resources				
Gazprom Energoholding	221.10	187.00	157.90	120.90
Fuel and energy resources, total	3,776.85	3,900.53	3,735.54	3,359.89

Notes:
1. All the energy consumed is used for in-house needs.
2. Ton of reference fuel is a unit of energy measurement equal to 29.3 GJ.

(148) The information is obtained through corporate reporting forms approved by the relevant order of PJSC Gazprom on an annual basis. PJSC Gazprom's Order No. 238 dated February 27, 2020 approved the following corporate reporting forms for 2020:
— 103-gas Fuel and Energy Efficiency Report of a Gas Transmission Subsidiary;
— 105-gas Fuel and Energy Efficiency Report of Underground Gas Storage Stations;
— 106-gas Fuel and Energy Efficiency Report of Gas, Gas Condensate and Oil Processing Entities;
— 107-gas Fuel and Energy Efficiency Report in Gas Distribution and Supply;
— 143-gas Fuel and Energy Efficiency Report of a Gas Producing Subsidiary;
— 142-gas Progress under the Energy Saving and Energy Efficiency Program;
— Rosstat Order No. 713 dated November 28, 2019 "On Approval of Guidelines for Completing Federal Statistical Monitoring Form No. 4-TER Details of Fuel and Energy Utilization".

The key reasons behind the changes in the fuel and energy consumption in the reporting period are associated with initiatives aimed at fuel and energy savings within the *Energy Saving and Energy Efficiency Program of PJSC Gazprom*, as well as with the reduction of the gas transmission amount by 7.3%.

Energy consumption from non-renewable sources at the Gazprom Group, 2017–2020, million GJ

Resource	2017	2018	2019	2020
Natural gas				
PJSC Gazprom	1,571.21	1,698.57	1,614.72	1,418.50
Gazprom Neft Group	100.30	112.70	118.20	127.40
Gazprom Energoholding	1,392.60	1,398.20	1,353.80	1,219.00
Gazprom Neftekhim Salavat LLC	30.35	31.78	30.25	31.14
Coal				
Gazprom Energoholding	208.35	173.27	143.76	108.20
Fuel oil				
Gazprom Energoholding	12.57	13.47	14.02	12.49
Diesel fuel				
Gazprom Energoholding	0.21	0.26	0.10	0.08
Fuel and energy resources, total	3,315.59	3,428.25	3,274.85	2,916.81

Electric power and heat energy consumption for internal process needs in PJSC Gazprom's core production activities, 2017–2020[149]

Resource	2017	2018	2019	2020
Electric power, million kWh	12,496.9	12,958.0	12,886.6	11,488.7
Heat energy, million GJ	93.42	94.48	94.80	89.26

The reduced consumption of electric power is associated with a lower gas transmission amount and consequent reduction in the work load of the most energy intensive equipment, such as electric gas pumping units and air cooling units.

The reduced consumption of heat energy is due to favourable climate conditions in the reporting year.

The consumption of steam in key production operations of the Company is accounted for as part of natural gas consumption.

In 2020, **Gazprom Neft**'s energy consumption for internal needs totaled 257 million GJ (vs. 229.2 million GJ in 2019).

The amount of RES power consumption totaled 1,041,700 kWh (3,750 GJ).

In 2020, **Gazprom Energoholding**'s energy consumption for internal needs totaled 2.76 million tons of reference fuel (80.9 million GJ), vs. 4.8 million tons of reference fuel in 2019 (140.85 million GJ).

The amount of RES power consumption stood at 4,000 tons of reference fuel (0.117 million GJ).

In 2020, **Gazprom Neftekhim Salavat LLC**'s energy consumption for internal needs totaled 68.02 million GJ, while the total energy consumption amounted to 84.03 million GJ. In 2019, the company's energy consumption for internal needs stood at 66.25 million GJ and its total energy consumption amounted to 81.27 million GJ.

There was no RES power consumption.

(149) No separate records are maintained to track energy consumption for the cooling of buildings and facilities. No information is available on the actual energy consumed for cooling. Assuming the overall consumption mix and domains, the share of energy consumed for cooling might be marginal.
No separate records are maintained to track steam consumption. Assuming the overall consumption mix and domains, the share of steam consumption might be marginal.

4.3.4.3. Energy Intensity

GRI 302-3

PJSC Gazprom assesses the energy intensity of its process operations through specific energy consumption, which is defined as the ratio of total energy resources consumption converted into reference fuel (tons of reference fuel) to the output of products.

Since the technologies of production processes vary significantly for each type of activity carried out by PJSC Gazprom subsidiaries (gas production, transportation, underground storage, distribution and processing), each business activity requires an individual approach when setting specific energy intensity indicators which maximally reflect the specifics of each activity, making it impossible to consolidate them into a single indicator for PJSC Gazprom.

Energy intensity in gas production, transportation, and underground storage is measured using natural gas and electric power consumption for internal process needs, while in gas and liquid hydrocarbons processing it factors in consumption of gas, electric power and heat energy.

The output is expressed in volumes of gas produced (thousand m^3) in gas production, volumes of gas transported (mcm·km) in gas transportation, total volumes of gas withdrawn and injected (thousand m^3) in underground gas storage, volumes of gaseous and liquid hydrocarbons processed (tons of reference fuel) in gas processing.

Decline in specific consumption of natural gas for internal process needs during transportation

The target for 2011–2020 is at least 11.4% (compared to 2011).
The actual reduction in 2011–2020 was 27.2%.
Target achieved.

Energy intensity of the core activities of PJSC Gazprom, 2017–2020

Activity	2017	2018	2019	2020
Gas production, kg of reference fuel per thousand m^3	17.95	18.99	19.99	20.99
Gas transportation, kg of reference fuel per mcm·km	27.30	27.86	26.97	24.86
Underground gas storage, kg of reference fuel per thousand m^3	7.15	6.91	8.20	7.04
Gas processing, kg of reference fuel per ton of reference fuel	46.99	50.52	50.53	50.45

Energy intensity is calculated on the basis of the energy consumption within PJSC Gazprom.

The reasons behind the changes in energy intensity metrics in the reporting period, in addition to the initiatives envisaged by the *Energy Saving and Energy Efficiency Program of PJSC Gazprom*, are the changes in production metrics that have a non-linear relationship with energy consumption across the core activities.

In 2020, **Gazprom Energoholding**'s energy intensity totaled 1.64.

Energy intensity of the Gazprom Energoholding companies, 2017–2020

Indicator	Unit of measurement	2017	2018	2019	2020
Power plant busbar output (other than HPPs)	million kWh	126,944	124,068	121,919	104,599
Productive supply of heat energy to end customers (net of intercompany balances)	thousand Gcal	116,276	119,048	110,945	106,861
Reference fuel consumption at sources	thousand tons of reference fuel	55,066	54,085	51,586	45,179
Third-party heat energy procurement	thousand Gcal	2,727	3,124	2,979	3,063
Electric power consumption at boiler houses	million kWh	572	556	500	501
Electric power consumption at heat networks	million kWh	969	955	962	950
Power output by hydro generators at HPPs	million kWh	13,686	12,819	11,674	13,249
Busbar output at HPPs	million kWh	13,595	12,730	11,585	13,161
Energy intensity of TPPs		1.75	1.72	1.72	1.67
Energy intensity of HPPs		1.12	1.12	1.12	1.12
Total energy intensity		1.72	1.69	1.69	1.64

The energy intensity of Gazprom Energoholding's companies is defined as the ratio of fuel consumption at power plants and boiler houses of the subsidiaries, heat energy supplied to the subsidiaries' networks by third parties, electric power consumed at boiler houses and heat networks facilities of the subsidiaries to the total busbar output of the power plants and heat energy supply to end customers (all intragroup balances of heat energy are excluded).

The energy intensity of HPPs is defined as the ratio of electric power generated multiplied by the average efficiency ratio of hydroturbine units (assumed at 0.9) to HPP busbar output.

Gazprom Neftekhim Salavat does not calculate the energy intensity ratio.[150]

(150) Calculation of the energy intensity ratio for Gazprom Neftekhim Salavat is unpractical due to product diversity, and is not envisaged by the reporting documents.

4.3.5.

Renewable and Secondary Energy Resources

13.28 million MWh

of electric power was generated by the Gazprom Group using renewable and secondary energy resources in 2020

2,573 power generation units

based on secondary energy resources and renewable energy resources were used by the Gazprom Group in 2020

GRI OG2, GRI OG3

The Gazprom Group relies on alternative energy sources wherever it is economically and technically feasible, particularly in remote or technologically isolated areas. The Gazprom Group uses renewable energy resources and secondary energy resources to generate energy for internal needs and for sale to third-party consumers. In terms of heat and power generation, secondary energy resources have a huge energy-saving potential as their use helps reduce the consumption of primary energy resources.

For example, the Izobilnenskoye Gas Pipeline Operation Center runs gas distribution stations with solar power units, while Gazprom Mezhregiongaz LLC uses solar generators and solar-wind modules to power its gas pressure reduction stations.

In 2020, the Gazprom Group operated 2,573 secondary energy resources- and renewable energy sources-based power generation units (other than hydroelectric units), such as turbo expanders, thermoelectric generators, solar modules and batteries, and wind power generators. The total electric power generated by these power units amounted to 1,805.24 MWh.

The Gazprom Group invested RUB 21.6 million in alternative energy sources in 2020.

Power generation from renewable and secondary energy resources at the Gazprom Group, 2017–2020, MWh

2017	2018	2019	2020
13,723,908.4	12,844,199.3	11,703,054.8	13,281,763.4

JSC Gazpromneft-ONPZ (the Omsk Refinery, part of the **Gazprom Neft** facilities) completed the construction of a 1 MW solar power plant (Phase 1). In 2020, the actual energy output of the plant stood at 1,041,700 kWh. A decision on the construction of a 20 MW solar power plant of the same type at the Omsk Refinery will be made in 2021.

Gazprom Neft produced 3,750 GJ of energy from renewable resources.

In 2020, **Gazprom Energoholding** made the following progress in developing green energy generation:

— a project to build a small-scale 16.5 MW HPP in the Murmansk Region was selected by competitive tender, with capacity supply agreements to be awarded on the basis of the bidding procedure. The HPP is scheduled to be put in operation in December 2024;
— in the reporting year, PJSC TGC-1 and Siburenergomanagement JSC signed the first non-regulated electricity sale and purchase contract, with green electricity to be supplied by the Lesogorskaya HPP located in the Leningrad Region.

Gazprom Energoholding's strategic priorities in unconventional energy

- Participating in project selection under RES CSA 2.0
- Increasing the number of green electricity supply contracts with industrial consumers
- Elaborating a 200 MW wind park construction project in the Republic of Serbia (prospective sites are already selected)

For the total amount of renewable energy generated by source, see Appendix 4.

4.3.6. Natural Gas Vehicle Fuel Market Development

348	**gas filling facilities are owned by the Gazprom Group and Gazprom Gazomotornoye Toplivo LLC in Russia[151]**
2.67 bcm	**total capacity of the gas filling stations network**
65	**CNG filling stations are owned by the Gazprom Group in Europe**
39	**CNG filling stations are owned by the Gazprom Group in FSU countries**

The Russian NGV fuel market development is one of PJSC Gazprom's key sustainable development projects.

For more details on the benefits of using natural gas as a vehicle fuel, see the Gazprom Group's Sustainability Report 2019.[152]

4.3.6.1. Gazprom Group's Progress in Fostering NGV Fuel Market Development in Russia

The number of CNG filling facilities owned by the Gazprom Group and Gazprom Gazomotornoye Toplivo LLC increased to 348 (versus 318 CNG filling facilities in 2019), with their annual capacity amounting to over 2.6 bcm. CNG sales at filling stations increased by 8.1% to 842 mcm in 2020 (versus 779.2 mcm in 2019). In 2020, the Gazprom Group and Gazprom Gazomotornoye Toplivo LLC operated their CNG filling stations in 64 constituent entities of the Russian Federation.

Gazprom Gazomotornoye Toplivo LLC expanded its retail network by 30 stations in the reporting year. There was one facility commissioned at PJSC Gazprom's subsidiaries – a multi-fuel filling station at the Sterlitamakskoye Gas Pipeline Operation Center. In 2020, the construction of CNG filling stations was underway in the Rostov, Belgorod, Leningrad, Kaliningrad Regions and St. Petersburg in line with the roadmaps for fast-track development projects signed with Russian regional governments.

For more details on the NGV fuel market development in Russia and abroad, see PJSC Gazprom Annual Report 2020.

(151) Gazprom Gazomotornoye Toplivo LLC is a single operator for the development of the NGV fuel market, including the sales of gas a vehicle fuel and development of the retail network of CNG filling stations in the Russian Federation.
(152) Pages 94, 209 of the Gazprom Group's Sustainability Report 2019, https://www.gazprom.com/f/posts/72/802627/sustainability-report-en-2019.pdf

4.3.6.2. NGV Fuel Promotion: Blue Corridor 2020

In 2020, the Gazprom Group took part in the traditional international Blue Corridor project. The Gazprom Group, Uniper, and local partners such as Germany's Zukunft Gas (Gas Future) industry group acted as the organizers. The Blue Corridor 2020 project involved both online and offline roundtables and panel discussions on topics relating to the high environmental efficiency of natural gas as a vehicle fuel, bringing together political and business representatives in Tallinn, Riga, Bratislava, Zagreb, and Rome. The possible use of other gaseous fuels with a zero carbon footprint, such as biomethane, bioLNG and hydrogen, was also covered. The focus on the climate agenda was placed as the European Commission considered the adoption of a new law in June 2021 to regulate CO_2 emissions in the European road transport segment.

NGV Market Development Plans

Gazprom Gazomotornoye Toplivo LLC plans to build 65 new gas filling facilities in 2021. PJSC Gazprom subsidiaries plan to put into operation 9 gas filling facilities at production sites.

By the end of 2023, Gazprom Gazomotornoye Toplivo LLC is set to build 285 gas filling facilities, including 55 along major federal highways as part of the *Gazprom Group's Federal Highway CNG/LNG Filling and Production Infrastructure Development Program*.[153]

4.3.7. Hydrogen Energy

4.3.7.1. Hydrogen as an Energy Resource: Current Status and Outlook

Hydrogen energy is now viewed by many countries as a key priority in their national low-carbon development strategies.

Potential applications of hydrogen as an energy resource:

- heat and electricity generation (and storage in the longer term);
- industrial use;
- transport sector;
- household use.

There was no global market for "energy" hydrogen in 2020, with this resource still used directly as a raw material or an industrial reagent. Neither was there production of hydrogen with low GHG emissions on an industrial scale. Implementing the use of hydrogen as an energy resource requires significant governmental support and a favorable regulatory environment.

At the same time, the share of hydrogen in the global energy may, by various estimates, be from 7% (IRENA) to 24% (Bloomberg NEF) by 2050 under different decarbonization scenarios in the world economy.

(153) Order of PJSC Gazprom No. 447 dated October 28, 2020.

4.3.7.2. Modern Hydrogen Production Methods

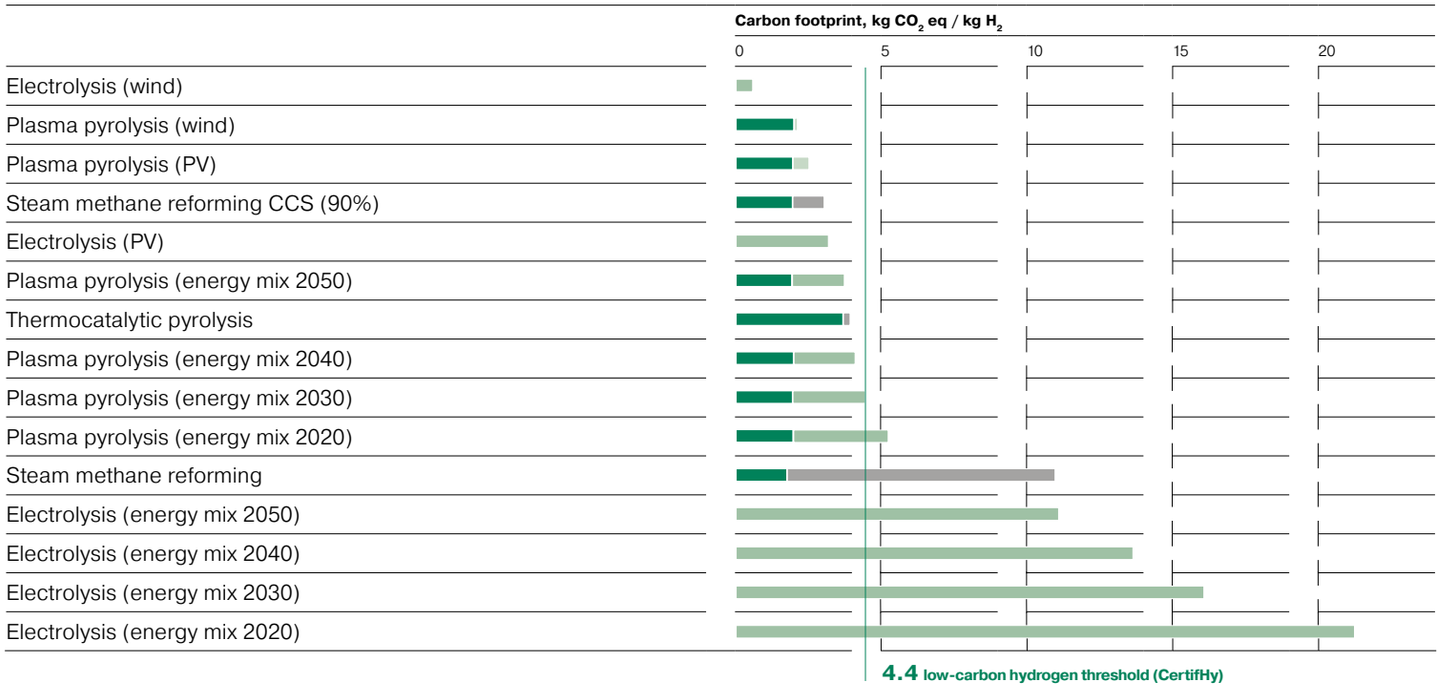
The global industry has already mastered various hydrogen production technologies, the specifics of which depend on both the raw materials used and the ways of generating energy. Among fossil hydrocarbons, natural gas is mainly used for the intended production of hydrogen. That said, hydrogen is a secondary energy resource, i.e. additional energy is required to produce it from water or hydrocarbons, which will always impact the cost of production.

Key hydrogen production methods

	Water electrolysis	Steam methane reforming	Methane pyrolysis
	– high electricity consumption per unit of hydrogen produced;	– CO_2 is emitted;	+ CO_2 is not emitted (natural gas decomposes into hydrogen and carbon in solid form);
	– high equipment costs;	– complete CO_2 capture is impossible, even if appropriate equipment is installed;	+ it is possible to receive valuable products in the form of solid carbon (graphite, graphene, fullerenes, etc.);[154]
	– high cost of hydrogen production;	– CO_2 capture is not a cost-effective solution and significantly increases the cost of hydrogen;	+ using electricity from the grid has an advantage in terms of carbon footprint over water electrolysis due to low energy consumption;
	– significant carbon footprint if electricity from the grid is used.	+ a proven and reliable technology.	= specific GHG emissions from water electrolysis and plasma pyrolysis using renewable electricity are comparable.
Direct CO_2 emissions, kg CO_2 / kg H_2	0	8.85	0
Minimum energy consumption, kJ / mol H_2	286	27	37

(154) For more details on valuable products of methane pyrolysis, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/

The carbon footprint for various hydrogen production methods in the EU as estimated by the Technical University of Munich



Hydrogen produced by methane pyrolysis meets the low-carbon hydrogen criteria specified in the European hydrogen strategy and is one of the efficient solutions for achieving the EU's short- and long-term climate goals.

4.3.7.3. Gazprom Group's Position on Hydrogen Energy Development

Addressing topical issues related to hydrogen is an integral part of Gazprom's activities, due to the environmental benefits of natural gas and its importance for the development of the global hydrogen market.

The Gazprom Group is working on the following scientific and technical initiatives to promote application of hydrogen as an energy resource:

1. Innovative technologies aimed at using methane-hydrogen fuel in production activities (to reduce the carbon and toxic footprint and increase the efficiency of gas transportation/supplies).
2. Innovative technologies aimed at producing hydrogen from methane without CO_2 emissions (e.g. methane pyrolysis) and with CO_2 capture and utilization.

Such technologies, when used extensively, could generate additional demand for natural gas as a raw material for hydrogen production, which is particularly relevant in the context of energy transition.

Pipeline exports of hydrogen-based energy carriers in the form of a methane-hydrogen mixture are currently not possible for a number of reasons:

— any addition of hydrogen to the gas transmission network would change the properties and price of exported gas, which could possibly trigger breaches of export contractual obligations, and would also require separate special certification of gas trunklines;
— the issues of process equipment integrity and industrial safety have yet to be addressed;
— there are no uniform regulatory and technical documents governing the pipeline transportation of methane-hydrogen mixtures either in Russia or in European countries.

Therefore, taking into account technical, economic, legal and environmental aspects, **the best possible option would be to export natural gas with subsequent production of hydrogen or methane-hydrogen mixtures using low-carbon processes near end users** (power generation facilities, steelmaking plants, etc.).

4.3.7.4. International Cooperation in Hydrogen Energy

The Gazprom Group cooperates with foreign organizations in hydrogen energy, looking to expand the use of natural gas in the global energy market. In July 2020, its position that draws on the benefits of hydrogen production from natural gas was voiced to the European Commission in connection with the development of the EU hydrogen strategy.[155]

Gazprom actively participates in consortiums, associations, coordination councils, framework programs, etc. on matters related to hydrogen production, storage, and use by the end consumer, as well as identification of priority areas for hydrogen technology development and implementation of joint projects to demonstrate the capabilities of natural gas during the transition to low-carbon energy. Hydrogen-related discussions are ongoing with Wintershall Dea, N.V. Nederlandse Gasunie, VNG, Uniper, OMV, KOGAS, Royal Dutch Shell, Linde, Engie, ThyssenKrupp, Japan's Agency for Natural Resources and Energy, Mitsui & Co., Mitsubishi, Siemens, etc.

A dialogue is maintained with Linde and Siemens to produce a methane-hydrogen mixture and use it as fuel for gas turbines to reduce CO_2 emissions.

PJSC Gazprom is working jointly with a number of foreign companies to assess technologies and GHG emissions in the natural gas value chain for various methods of hydrogen and methane-hydrogen fuel production, transport and use in Central Europe.

A pilot project to build a hydrogen filling station in Moscow is being discussed with Hyundai Motor Company.

In cooperation with German companies and R&D centers, Gazprom has prepared a study of technological solutions for CO_2-free hydrogen production from natural gas, including an assessment of the carbon black market. A potential pilot project is under consideration.

The Gazprom Group is continuously exploring options to further develop foreign operations concerning the generation and use of low-carbon hydrogen produced from natural gas.

(155) https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12407-A-EU-hydrogen-strategy/F523992

Plans for hydrogen energy

In the medium term, PJSC Gazprom will participate in key pilot projects as part of the "Hydrogen Energy Development in the Russian Federation until 2024" [156] government action plan.

To this end, a special-purpose company, Gazprom Hydrogen LLC, is being established to consolidate organizational, technological, human and intellectual resources.

The company will address the following focus areas:

— developing technologies for hydrogen production from natural gas without carbon dioxide emissions to be followed by the implementation of industrial hydrogen production projects;

— assessing in a comprehensive manner the impact of hydrogen on the integrity and stability of the gas supply system to determine the possibility of transporting methane-hydrogen mixtures, including the development of regulatory and technical proposals;

— producing and using methane-hydrogen fuel in gas turbine engines of gas compressor units and during electricity generation;

— building gas processing capacities that bring the quality of hydrogen-containing gas up to consumer requirements and creating the respective infrastructure for hydrogen storage and shipment at gas processing facilities;

— promoting in a comprehensive manner the benefits of natural gas in building a hydrogen economy to ensure non-discriminatory treatment of hydrogen produced from it.

There is continuing consideration of possible bilateral and multilateral cooperation, including in relation to standardization, with hydrogen producing and consuming countries such as Germany, Japan, Denmark, Italy, the Netherlands, South Korea, and others. PJSC Gazprom will continue to look for new business opportunities in the hydrogen energy segment.

4.3.8. Gazprom's Risks and Opportunities due to Climate Change

GRI 201-2, GRI 102-15

4.3.8.1. Gazprom Group's Disclosures in Line with the TCFD Principles

The Gazprom Group companies actively follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in their strategic planning, corporate governance, risk assessment, and disclosures in terms of international and corporate reporting. The TCFD methodology enables holistic and comprehensive climate risk management.

The TCFD recommendations are currently integrated into the CDP questionnaire.

PJSC Gazprom disclosed the following information in the CDP Climate Change Questionnaire 2020:

— senior management's involvement in climate risk management;

— use of scenario analysis in strategic planning;

— identification of both physical and transition climate risks;

— monitoring the performance against climate goals using special indicators.

In accordance with the TCFD recommendations, PJSC Gazprom voluntarily identifies and evaluates climate-related risks as well as discloses its decarbonization goals.

The Gazprom Group plans to integrate the TCFD recommendations in its activities on an expanded basis by taking steps aimed at decarbonizing production and increasing the share of investments in green technologies such as RES and hydrogen energy.

(156) Approved by Resolution of the Russian Government No. 2634-r dated October 12, 2020: https://minenergo.gov.ru/node/19194

4.3.8.2. Assessment of Climate-Related Risks and Opportunities for Gazprom

PJSC Gazprom identifies and assesses climate-related risks in two key areas:

— risks associated with the transition to a low-carbon development scenario (transition risks) such as changes in Russian and international legislation, decreased investment activity, investment policy revisions, etc.;

— risks associated with physical changes in the environment due to climate changes (physical risks) such as reduced climate predictability, more frequent hydro-meteorological hazards in the regions of operation, etc.

Risk assessment covers three time periods, specifically short-term (up to 1 year), medium-term (from 1 to 3 years), and long-term (from 3 to 10 years and more). The Company assesses risks for all subsidiaries which are covered by the scope of PJSC Gazprom's EMS. Information is published on the CDP platform, in environmental reports and sustainable development reports.

For a detailed list of financial implications and other risks and opportunities due to climate change, see Appendix 4.

Taking into account probable climate change scenarios and associated geocryological hazards, the *Program for adapting PJSC Gazprom's business activities to climate and geocryological changes* has been developed, the provisions of which are also reflected in the *Long-Term Development Program of PJSC Gazprom*.

PJSC Gazprom develops adaptation technologies in cooperation with a wide range of scientific and production enterprises in related industries, small and medium innovative companies, as well as major foreign companies (in certain focus areas).

For more details on the *Program*, see the Gazprom Group's Sustainability Report 2019[157]

In 2021–2022, PJSC Gazprom will continue to work on elaborating sustainable development scenarios through 2050, taking into account the global shift to a low-carbon economy.

As part of this work, St. Petersburg State University of Economics together with the Institute of Economic Forecasting of the Russian Academy of Sciences is analyzing the role of natural gas compared to other energy sources in achieving sustainable development goals, assessing the synergies of expanding the use of natural gas and its annual contribution to reducing the Russian economy's carbon intensity through 2050, taking into account PJSC Gazprom's technological development forecasts.

The result of this work will be *PJSC Gazprom's Climate Roadmap through 2050*, which will include a set of the most efficient solutions aimed at adapting PJSC Gazprom's business to the low-carbon transition.

For more details on Gazprom's risks and opportunities due to climate change, see PJSC Gazprom Environmental Report.

(157) Page 210 of the Gazprom Group's Sustainability Report 2019 at https://www.gazprom.com/f/posts/72/802627/sustainability-report-en-2019.pdf

In Dialogue with Society

5

477,600 people	the Gazprom Group's headcount
24 %	percentage of women among executives of the Gazprom Group
4.4 %	employee turnover at the Gazprom Group
72.7 %	the Gazprom Group's employees covered by collective agreements
45 hours	average annual duration of training for the Gazprom Group's managers, specialists and other white-collar staff
63 hours	average annual duration of training for the Gazprom Group's blue-collar staff
For 8,300 employees	labor conditions improved
66 regions	took part in the Regional Gas Infrastructure Expansion Program
RUB 56.0 billion	allocated to gas infrastructure expansion in Russian regions
71.4 %	gas penetration rate across Russia as of the beginning of 2021
RUB 28.8 billion	PJSC Gazprom's charity spending

5.1.

Gazprom's Personnel: Relationship Based on Partnership

Personnel is one of Gazprom's key resources enabling the Company to achieve its goals and objectives. Gazprom highly values the professionalism and commitment of its employees and seeks to provide them with comfortable and safe working conditions, financial and non-financial incentives, training opportunities and access to medical care. Gazprom has always put social partnership at the heart of its employee engagement, striving to strike the right balance between stakeholder interests in pursuit of the Group's objectives and responsibilities assumed.

Key Social Metrics for 2020:

477,600 **employees headcount as of the end of the reporting period**

RUB 40.7 billion **social expenses**

RUB 807.8 billion **payroll expenses**

For more details on social metrics for 2017–2020, see Appendix 5.

5.1.1.

HR Management at the Gazprom Group

GRI 102-12

For documents governing the social and labor relations in the Gazprom Group, see the Gazprom Group's Sustainability Report 2019[158]

Gazprom's HR policy is aimed at retaining highly skilled professionals who can efficiently deliver on day-to-day and strategic tasks.

Gazprom is among Russia's largest employers. In 2020, Gazprom was ranked in the top of Universum's ratings in the following categories: Engineering / Natural Sciences among students, and Business / Commerce and Engineering / Natural Sciences among practicing professionals.

PJSC Gazprom develops and implements consistent HR management approaches in its subsidiaries and affiliates. PJSC Gazprom's key HR management solutions are applied at the Gazprom Neft Group, Gazprom Energoholding, and Gazprom Neftekhim Salavat.

The key HR management principles are defined in the *HR Management Policy of PJSC Gazprom, its Subsidiaries and Entities.*

For more details on the *Policy*, see[159]

(158) Gazprom Group's Sustainability Report 2019, page 111, https://www.gazprom.com/f/posts/72/802627/sustainability-report-en-2019.pdf
(159) https://www.gazprom.ru/f/posts/42/687423/hr_politics.pdf

Lyudmila Rimskaya

Head of Division, PJSC Gazprom; supervises the implementation of the non-governmental pension insurance of the Gazprom Group employees. Gazprom's social programs catering to employees of various ages are essential to ensuring sustainable HR management.

The Comprehensive Program for Improvement of HR Management at PJSC Gazprom, its Subsidiaries and Entities in 2016–2020[160] is designed to improve the HR management processes. The goals set under the *Program* have been achieved in full.

In 2020, PJSC Gazprom was to meet the following HR management objectives: efficiency control with respect to the implementation of the HR Management Policy through the KPI system, and identification of comprehensive approaches to providing HR support for the Company's strategic projects. The above objectives were accomplished in full.

For more details on the Gazprom Group's headcount, see Appendix 5.

HR Management Plans for 2021

The plan for 2021 is to approve the *Comprehensive Program for Improvement of HR Management at PJSC Gazprom, its Subsidiaries and Entities in 2021–2025.*

5.1.2.

Commitment to Labor Rights at the Gazprom Group

GRI 406-1

Gazprom undertakes to protect its employees from any forms of discrimination as required by the applicable Russian and international laws. The Gazprom Group tolerates no labor discrimination on the basis of gender, nationality, religion or other grounds. The HR, compensation and social security policies shall not offer any preferences based on nationality, gender, or age. Equal pay and equal remuneration for men and women are ensured for equivalent jobs with the same competence requirements.

Gazprom also adheres to the ILO standards as related to daily working hours and labor conditions, occupational safety, remuneration, social security, and paid holidays.

Social benefits are provided to all employees of the Gazprom Group, as well as to special categories of employees in accordance with the legislation of the Russian Federation.

The Company's employees who believe that they are not properly protected against discrimination can apply for protection to the Corporate Ethics Commission.

No cases of discrimination were identified in the Gazprom Group during the reporting period.

5.1.3.

Employment of People with Disabilities

The Gazprom Group complies with the government-imposed quota system and employment requirements for people with disabilities. Employees with special needs are entitled to benefits prescribed by the Russian Labor Code subject to their individual rehabilitation plan. In some regions of the Gazprom Group's operations where compliance with the government quotas is impossible due to the specific character of operations, agreements with third-party organizations are signed to finance the employment of people with disabilities as a way to fulfil the relevant quotas.

(160) Approved by decree of PJSC Gazprom No. 29 dated February 17, 2016 (as amended by decrees of PJSC Gazprom No. 249 dated August 1, 2017, and No. 169 dated July 12, 2019).

5.1.4.

Shift Personnel

The Group's operations cover remote regions of Siberia, the Far North, and Russian offshore areas. As many as 51,800 shift workers are employed at the fields located in remote areas far away from populated localities, in harsh weather conditions.

The Gazprom Group's shift personnel,[161] 2017–2020, thousand people

Indicator	As of December 31, 2017	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
Roster of employees of the entities which use the shift system, thousand people, total	164.5	165.2	224.7	231.7
Headcount of shift staff, thousand people, including:	35.6	35.2	50.5	51.8
people working in the Far North and areas considered equivalent to it, thousand people[162]	34.0	33.8	47.8	47.6
Relative share of shift staff in the organization's roster, %	21.6	21.3	22.5	22.4

The average headcount of shift workers in 2020 exceeded that of 2019 by 1,300 people (or 2.6%) due to the commissioning of new facilities relying on shift personnel in remote areas, including in the Far North.

The shift staff enjoys an effective working environment and comfortable living conditions. The Company provides transport to bring shift workers from the meeting point to the place of work and back. There are ongoing efforts to expand the camp infrastructure as a way to guarantee high living standards for the shift personnel during their time at the shift camp. Gazprom offers its employees high-quality medical, social and amenity services, and makes sure that the work and rest schedules are respected.

(161) In accordance with the average headcount data.
(162) No information is collected or analysed in terms of gender.

5.1.5.

Financial Incentives for Employees

The *PJSC Gazprom Employee Remuneration Management Policy* requires that the salary and tariff rates used at the Company factor in the employees' qualifications and business skills, extra payments and allowances made subject to relevant labor conditions and workload, monthly performance-based bonuses, one-off bonuses (paid for launching new production facilities and construction projects, export gas supply, introduction of new equipment, energy savings, contribution to process streamlining and R&D, and discovery of new deposits), and year-end performance bonuses.

The *Policy* provides for the fixed part of remuneration (salaries / tariff rates) and the variable part (extra payments, allowances and bonuses). Linked to the remuneration system, the fixed part constitutes up to 70% of the remuneration.

From January 1, 2020, the employees of PJSC Gazprom's budgeted entities located in Russia saw their salaries and tariff rates increase by 3.0% based on the growth of the consumer price index projected by the Ministry of Economic Development of Russia.

In 2020, the average monthly salary at the subsidiaries responsible for the core operations of PJSC Gazprom (gas production, processing, transportation and underground storage) amounted to RUB 105,100.[163]

Average monthly salary at the Gazprom Neft Group, 2017–2020, RUB thousand

2017	2018	2019	2020
112.9	122.6	134.0	141.0

Average monthly salary at Gazprom Energoholding, 2017–2020, RUB thousand[164]

2017	2018	2019	2020
66.2	70.3	71.5	74.7

Average monthly salary at Gazprom Neftekhim Salavat, 2017– 2020, RUB thousand

2017	2018	2019	2020
52.1	52.0	57.9	59.1

The Gazprom Group ensures equal remuneration for men and women in positions with the same level of professional expertise. The ratio of fixed and variable remuneration is the same for both genders.

(163) The data was sourced from 26 subsidiaries responsible for the core operations (gas production, processing, transportation and underground storage). For the full list of subsidiaries, see Appendix 5.
(164) The data was sourced from PJSC OGK-2, PJSC TGC-1, PJSC MOEK, PJSC Mosenergo, and JSC Murmansk CHPP.

Sergey Dobychin

Head of Directorate, PJSC Gazprom; in charge of developing the comprehensive insurance system for the Gazprom Group companies, which includes such essential benefits offered to Gazprom's employees as voluntary medical insurance, as well as insurance against accidents and diseases.

5.1.6.

Social Policy of the Gazprom Group

555,400 **employees were insured in 2020 under the voluntary medical insurance programs effective in PJSC Gazprom and its subsidiaries and entities**[165]

RUB 15.41 billion **spent on health insurance programs in 2020**[166]

144,300 **employees received pensions under non-governmental pension agreements in 2020**

The social policy is one of the Gazprom Group's advantages in the labor market. It relies on the social partnership mechanism set forth in the *General Collective Bargaining Agreement of PJSC Gazprom and its Subsidiaries* and collective agreements of Gazprom's subsidiaries. The interests of employees are represented by the Gazprom Workers' Union Interregional Organization.

For more details on the activities of the Gazprom Workers' Union Interregional Organization in 2020, see the interactive version of the Gazprom Group's Sustainability Report 2020 at https://sustainability.gazpromreport.ru/en/2020/ and on the website газпромпрофсоюз.рф.

GRI 102-41, UNCTAD C.4.1

In 2020, 100% of employees of PJSC Gazprom and its subsidiaries were covered by collective agreements.[167] The collective agreements covered 47% of employees of the Gazprom Neft Group, 99% of employees of Gazprom Energoholding and the companies consolidated under its management, and 86.8% of employees of Gazprom Neftekhim Salavat.

In 2020, the total share of the Gazprom Group's employees covered by collective agreements stood at 72.7%.

In accordance with the *General Collective Bargaining Agreement of PJSC Gazprom and its Subsidiaries for 2019–2021,* the Social and Labor Relations Commission inspected compliance with the *General Collective Bargaining Agreement* at PJSC Gazprom and its subsidiaries in 2020. The Commission found out that the obligations of the parties envisaged by the *General Collective Bargaining Agreement of PJSC Gazprom and its Subsidiaries* had been performed in full in 2019.

Gazprom keeps developing and putting in place long-term social programs helping the employer to attract and retain staff with required qualifications and experience for a long time.

GRI 401-2

For more details on benefits provided to full-time, part-time and temporary employees working under an employment contract (GRI 401-2), see Appendix 5.

5.1.6.1. Social Payments

Gazprom makes social payments to all its staff members, as well as certain staff categories (employees of subsidiaries located in the Far North or equivalent areas, young professionals, employees who have multi-child families and children with disabilities, and others).

(165) The data is for PJSC Gazprom and 85 subsidiaries and entities included in PJSC Gazprom's budgeting system with a total headcount of 301,600 employees.
(166) Expenditures on voluntary medical insurance, accident and disease insurance, and life insurance. For the data collection scope, see the previous footnote.
(167) For the list of subsidiaries signatories to the *General Collective Bargaining Agreement*, see Appendix 5.

5.1.6.2. Personal Insurance

In addition to compulsory statutory social insurance against workplace accidents and occupational diseases, the Gazprom Group provides its employees with voluntary insurance against accidents and diseases.

The life insurance program covers executives from PJSC Gazprom Administration and Gazprom's gas production, processing, storage, transportation and sales subsidiaries.

5.1.6.3. Medical Care

UNCTAD C.3.1

RUB 2.07 billion — **spent on COVID-19 programs under voluntary medical insurance contracts[168]**

RUB 2.7 billion — **paid under voluntary medical insurance contracts for the purposes of rehabilitation treatment in 2020[169]**

RUB 182 million — **paid under voluntary medical insurance contracts for the implementation of targeted preventive initiatives in 2020[170]**

39,700 — **employees insured under voluntary medical insurance contracts received health resort and rehabilitation treatment in 2020**

GRI 403-3, GRI 403-6

The Gazprom Group's employees are entitled to a wide range of prophylactic and rehabilitation treatment options under voluntary medical insurance contracts.

The employees of Gazprom and their families, as well as retirees (former employees of the Gazprom Group's entities), can join the voluntary medical insurance programs at no charge in line with the existing collective agreements and other local regulations of respective entities. The voluntary medical insurance programs offer a comprehensive range of health services, including dental and rehabilitation treatment services provided by leading healthcare facilities.

In 2020, the voluntary medical insurance covered 555,400 people, including 301,600 employees, 89,900 retirees, and 163,900 employee family members.

Number of people insured under voluntary medical insurance programs in 2019–2020, thousand people[171]

The Gazprom Group's corporate medical infrastructure is an extensive network of advanced healthcare and rehabilitation facilities, including 178 health units, 309 first aid posts, 21 outpatient clinics / general care outpatient clinics, 83 dental units / rooms, 5 round-the-clock inpatient facilities, 18 health resort and rehabilitation facilities, 11 medical units, 17 recreational facilities, and 28 facilities of other type. The medical facilities' headcount is 9,092 employees, including 1,731 doctors and 3,423 mid-level medical staff.

As a way to prevent diseases and reduce morbidity, Gazprom organizes annual prophylactic medical screenings for its employees, which help identify symptom-free disease forms, determine risk factors and develop individual health improvement plans, including rehabilitation treatment options. Other measures include implementation of immunity-strengthening activities, such as flu vaccination.

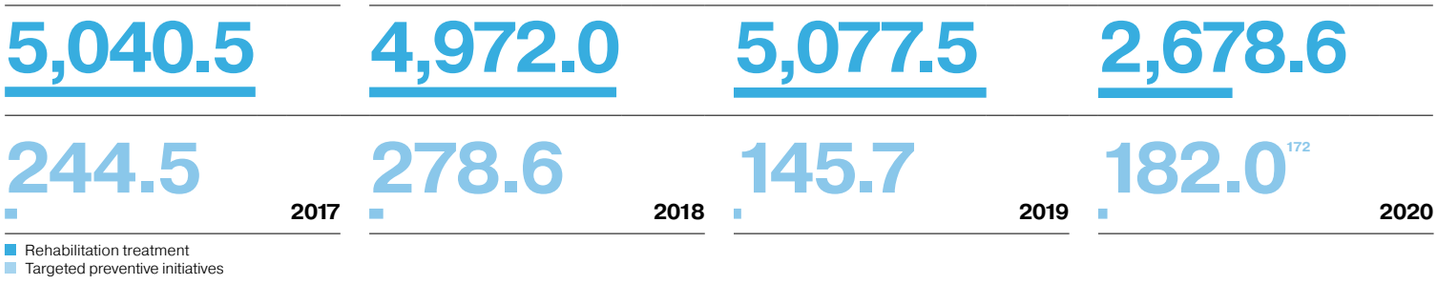
(168) The data is for PJSC Gazprom and 85 subsidiaries and entities included in PJSC Gazprom's budgeting system with a total headcount of 301,600 employees.
(169) For the data collection scope, see previous footnote; part of expenditures under the health insurance programs.
(170) For the data collection scope, see previous footnote; part of expenditures under the health insurance programs.
(171) The data is provided for 110 entities included in PJSC Gazprom's budgeting system with a total headcount of over 310,000 employees in 2019, and 85 entities included in PJSC Gazprom's budgeting system with a total headcount of 301,600 employees in 2020.

Employees are informed about risk factors causing most frequently encountered illnesses and disabilities (respiratory, musculoskeletal and cardiovascular diseases, tumors, injuries, etc.) and relevant preventive measures against these conditions.

The number of employees who attended prophylactic medical screenings in 2020 decreased by 13.9%, with their share amounting to 24.3% of the total headcount. The decrease was caused by the suspension of prophylactic screenings in 2020 due to the spread of the COVID-19 pandemic.

2020 saw a number of initiatives to expand the insurance coverage for the employees of PJSC Gazprom, its branches, subsidiaries and entities by including the services designed to stop the spread of COVID-19 (diagnostics, observation and treatment). Expenses under the voluntary medical insurance contracts with the Gazprom Group's entities incurred in conjunction with the efforts to prevent the spread of COVID-19 amounted to RUB 2.07 billion.

Payments made by the Gazprom Group's entities for rehabilitation treatment and targeted preventive initiatives under voluntary medical insurance contracts in 2017–2020, RUB million



5.1.6.4. Housing

The corporate housing program serves to retain the Company's key employees for longer periods. The program is funded by both employees and the employer through bank mortgage schemes (using a co-financing approach).

5.1.6.5. Non-Governmental Pension Insurance

In accordance with the Long-Term Development Strategy of the Pension System in the Russian Federation, the Gazprom Group provides a Corporate Pension arrangement for its employees. The arrangement is integrated into the long-term incentive package and offers employees post-employment social benefits. The arrangement is run through Non State Pension Fund GAZFOND JSC.

This pension arrangement covers employees who have worked at PJSC Gazprom's entities for at least 15 years and by the time of retirement are entitled to receive an old-age pension. As of the end of 2020, 150,300 employees from 89 entities of PJSC Gazprom took part in the pension program, with over 144,300 people granted pensions under relevant agreements.

GRI 201-3

Number of retired employees of the Gazprom Group's entities drawing pensions from Non-State Pension Fund GAZFOND JSC, 2017–2020, thousand people

(172) Excluding expenses associated with the measures taken to stop the spread of COVID-19.

Maxim Osipov

Electric welder of the 6th grade, prize-winner of national professional skills competitions, seven-time Best Welder of the Orenburg Region. Responsible for the seamless operation of gas transportation facilities at Gazprom Dobycha Orenburg LLC, thus helping minimize adverse impacts on human health and the environment and reduce greenhouse gas emissions.

5.1.7. Non-Financial Incentives

Under PJSC Gazprom's incentive system, the Gazprom Group's employees get state, presidential and government awards, industry awards from Russia's Ministry of Energy and other ministries and agencies, as well as corporate awards of PJSC Gazprom.

In 2020, 5,223 employees and 9 teams received awards for their personal contribution to gas industry development, outstanding achievements, and many years of diligent work.

Another important non-financial incentive is professional contests. Despite the COVID-19–related restrictions, 2020 saw the following contests in different formats:

- professional skills competition among the teaching staff of PJSC Gazprom subsidiaries' training units;
- PJSC Gazprom's 20th competition in computer design and IT;
- competition among the environmental departments of PJSC Gazprom's subsidiaries (with awards in the Best Environmental Service and Best Ecologist categories);
- PJSC Gazprom's Best Innovator contest.

In 2020, **Gazprom Neft** developed and implemented the People of Progress corporate award program as part of the comprehensive compensation model.

Gazprom Energoholding held a corporate contest among the operating personnel of multi-unit TPPs in 2020.

421 employees of **Gazprom Neftekhim Salavat** received various awards in 2020.

5.1.8. Training and Education

199,400 **managers, specialists, and other white-collar staff of the Gazprom Group received further professional training in 2020**[173]

206,700 **blue-collar staff of the Gazprom Group received professional training in 2020**[174]

364,600 **employees of the Gazprom Group received remote training in 2020**[175]

(173) The number of employees who completed training is shown in man-courses (if one person received training twice, they are counted twice). Programs exceeding 16 hours, including remote-learning and off-site employee training forms.
(174) The number of employees who completed training is shown in man-courses (if one person received training twice, they are counted twice).
(175) Including less than 16 hours of training.

GRI 404-2

The key to Gazprom's success is its team of professionals who improve and update their knowledge to reflect the development of the industry and the Group's business processes.

In line with the existing Continuous Vocational Education and Training System and on the basis of the competitive selection procedure, PJSC Gazprom annually approves the centralized *Skills Upgrading and Professional Retraining Schedule for Managers and Specialists of PJSC Gazprom, its Subsidiaries and Entities*. The subsidiaries and entities adopt their own training plans for work-study centers and educational institutions in the regions of operation. Employees receive training aimed at bringing their qualification in line with the relevant professional standards.

In 2020, as part of enhancing the Continuous Vocational Education and Training System, PJSC Gazprom developed the *Framework for Personnel Training in LNG Production, Transportation, Storage and Distribution across PJSC Gazprom Facilities*. The Company also approved the *Training Plan for Procurement Personnel* and the *List of Gazprom Corporate Institute Programs for 2021–2025*.

GRI 404-1, UNCTAD C.2.1

In 2020, the average duration of training per employee of the Group's core subsidiaries engaged in gas production, transportation, processing, and underground storage was 75 hours for blue-collar staff and 54 hours for managers, specialists, and other white-collar staff.

The average duration of training per employee of the core subsidiaries engaged in gas production, transportation, processing, and underground storage, 2018–2020, hours

Indicator	2018	2019	2020
Average number of hours for all types of training during the year: managers, specialists and other white-collar staff	57	55	54
Average number of hours for all types of training during the year: blue-collar staff	80	82	75

In 2020, the average duration of training per employee of the Gazprom Group was 45 hours for managers, specialists, and other white-collar staff and 63 hours for blue-collar staff.

In the reporting year, the total training hours at the Gazprom Group amounted to 18,902,000 hours for men and 4,876,000 hours for women.

Number of employees[176] covered by the Gazprom Group's skills upgrading and professional retraining programs, 2017–2020, thousand people

Indicator	2017	2018	2019	2020
Number of managers, specialists, and other white-collar staff who participated in further professional training programs[177]	169.9	196.0	236.5	199.4
Number of blue-collar staff who participated in professional development training	173.0	185.1	219.7	206.7

In 2019–2021, 22 employees of the Gazprom Group are studying under the targeted MBA program on Sustainable Development and Corporate Social Management (a 2-year 9-module program run by the St. Petersburg State University of Economics).

(176) The number of employees who completed training is shown in man-courses (if one person received training twice, they are counted twice).
(177) Programs exceeding 16 hours, including remote-learning and off-site employee training forms.

Number of Gazprom employees who received remote training, 2020[178], thousand people

Indicator	2020
Total number of employees who received remote training, including:	364.6
managers, specialists, and other white-collar staff	259.9
blue-collar staff	104.7

More than 50% of training programs scheduled for 2020 migrated online and were held using distance learning technologies. To improve the efficiency of training, the Company is continuously working on the development of digital learning tools as part of its Integrated Information Environment.

In order to absorb best practices, PJSC Gazprom runs international training programs for its employees in cooperation with international partners in the field of personnel training and development. In 2020, 229 employees received remote training under 24 programs devoted to Hydrogen Energy, Oil and Gas Resource Trading, LNG Industry, etc.

In 2020, the **Gazprom Neft Group** implemented measures to improve the system of personnel training and education and developed 68 new module-based adaptive training programs; 80% of the programs are multi-format (offline and online). A total of 545 online courses were held for Gazprom Neft employees in 2020.

RUB 1,715 million – Gazprom Neft's investment in personnel training and development in 2020.

Gazprom Energoholding's offline employee training system was switched to a remote format in 2020. The company adjusted and fine-tuned the system's online features and the training programs themselves. As a result, over 30,000 people received remote training in 2020.

RUB 127.4 million – Gazprom Energoholding's investment in personnel training and development in 2020.[179]

A total of 6,501 employees of **Gazprom Neftekhim Salavat** (including 5,523 men and 978 women) underwent training in 2020. Remote training was provided to 3,833 people in the reporting year.

RUB 31.5 million – Gazprom Neftekhim Salavat's investment in personnel training and development in 2020.

(178) Including less than 16 hours of training.
(179) The data was sourced from PJSC OGK-2, PJSC TGC-1, PJSC MOEK, PJSC Mosenergo, and JSC Murmansk CHPP.

Vladimir Alexeenkov

Deputy Director for Information Technology, Gazprom School; has a PhD degree in Physics and Mathematics, is a top-rank teacher, assistant professor, winner and runner-up of professional competitions. Responsible for career guidance at Gazprom School and is in charge of the Gazprom School science park – a high-tech educational environment that enables pupils to come to grips with the professions of tomorrow.

5.1.9.

Gazprom's Contribution to the Development of Professional Standards

Over 480 **professional standards are implemented at PJSC Gazprom**

Gazprom takes an active part in building a national system of qualifications based on professional standards.

In 2020, four professional standards developed by PJSC Gazprom were approved by Orders of the Ministry of Labor and Social Protection of the Russian Federation. In the reporting year, the Company finished four draft professional standards, and another seven drafts are scheduled for development in 2021. Gazprom Neft prepared two draft professional standards.

PJSC Gazprom, together with its subsidiaries and entities, implements over 480 professional standards. In the reporting year, 138 of them were mandatory for application as regards the requirements to staff competence, as is stipulated by the legislation of the Russian Federation and PJSC Gazprom's local regulations. In 2021, the number of mandatory standards is expected to reach 169.

5.1.10.

Young Employees of Gazprom

2,153 **graduates of higher education and secondary vocational institutions were hired by the Gazprom Group**

2,127 **students sponsored by the Gazprom Group were studying at higher education institutions in 2020**

Recruitment and on-boarding of young specialists is one of the priorities of the Group's HR management policy. In 2020, the Group hired 2,153 graduates of universities and secondary vocational institutions.

Vocational guidance efforts by operating subsidiaries make it possible to maintain a high share of students in the total number of those hired by the subsidiaries: in 2020, this share stood at 8.5%.

Total number of graduates of higher education and secondary vocational institutions hired by the Gazprom Group, 2017–2020, persons

Indicator	2017	2018	2019	2020
Total number of graduates of higher education and secondary vocational institutions hired, including:	3,190	2,931	2,896	2,153
graduates of higher education institutions	2,206	2,048	2,012	1,610
graduates of secondary vocational institutions	984	883	884	543
For reference:				
PJSC Gazprom Neft	432	283	505	212
Gazprom Energoholding LLC	512	443	433	323

PJSC Gazprom annually assesses the need of its subsidiaries for graduates of secondary vocational institutions and higher education institutions based on 10-year headcount planning, and arranges for proactive targeted training of future talent.

As of the end of 2020, the Group was sponsoring 2,127 students of higher education institutions.

Number of Gazprom Group-sponsored students who studied at higher education institutions in 2017–2020, persons

In 2021, the Group's entities plan to sign contracts for employer-sponsored studies at higher and secondary vocational education institutions with 537 candidates.

To reward the sponsored students for outstanding achievements in studies, PJSC Gazprom annually holds a competition for personal scholarships among the students of secondary vocational and higher education institutions.

To attract and retain young specialists, PJSC Gazprom has the *Program for Additional Social Support for Young Employees.*[180]

PJSC Gazprom's entities arrange workshops and conferences for young scholars and specialists to engage the young generation in tackling the R&D challenges faced by the industry. Every two years, PJSC Gazprom holds the All-Russian Conference of Young Scientists, Specialists and Students "New Technologies in the Gas Industry." The next Conference is scheduled for 2021.

Reports prepared by prizewinners of research-to-practice conferences of young scholars and specialists are included in the annual collection of works "Innovation Potential of Young Scientists and Specialists of PJSC Gazprom" published on the Company's web resources to promote innovation activities and engage the target audience in the search for ways to bring new technical solutions into production.

Gazprom Energoholding implements programs intended to look for and develop the potential in the younger generation (Contest for Young Specialists and Innovators, School of Young Specialists, IMPT SCHOOL: Inventive, Management and Production Technologies).

The councils of young specialists participate in industry events and meetings of regional councils.

The council of young specialists has been active at **Gazprom Neftekhim Salavat** since 2015. As of late 2020, it had 96 members.

5.1.11. Talent Pool

In 2020, the talent pool across the Gazprom Group entities was 16,687 people, and 68% of staff were appointed to management positions of all levels.

Talent pool employees are evaluated using a comprehensive approach, which supplements traditional formal qualification methods with new ones, such as the Assessment Center, the Development Center, training sessions, meetings with the Company's management, sociological surveys, participation in project groups, etc.

The employees included in the talent pool for promotion to the executive positions receive training under special corporate programs: Gazprom Corporate Institute, St. Petersburg State University of Economics, as well as programs in other leading higher education institutions of Russia.

(180) Approved by Sergey Khomyakov, Deputy Chairman of the Management Committee, on May 17, 2019, as amended on September 21, 2020.

5.1.12.

Gazprom Classes

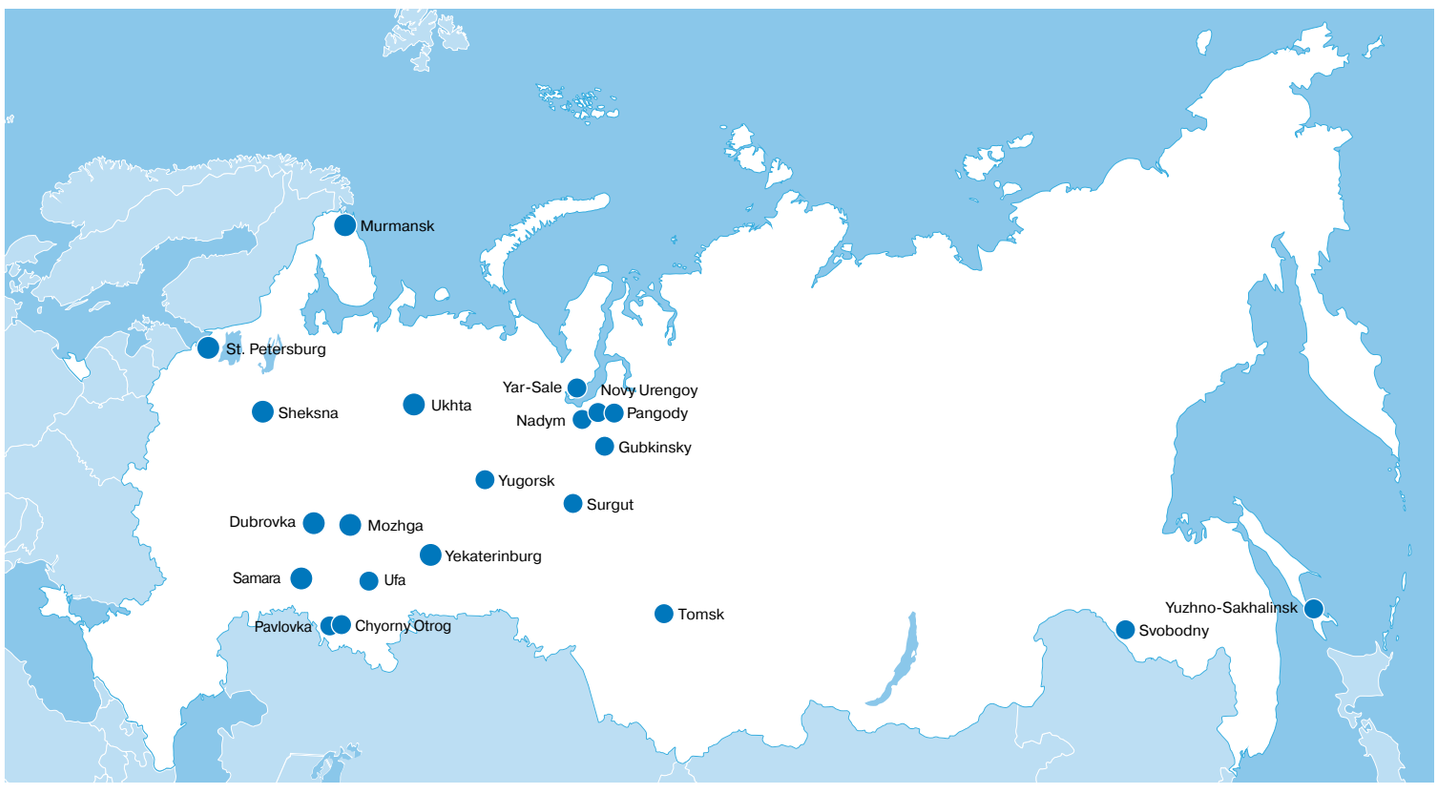
The Gazprom Classes project seeks to provide early career guidance to school students in the areas of presence of the Gazprom Group entities and to select the most talented school students motivated for a successful professional career. The classes provide targeted education in areas that meet the needs of the Gazprom Group entities.

Gazprom Classes,[181] supported by 21 entities of the Group, are implemented in 25 schools located in 5 federal districts of Russia.

In 2020, Gazprom Dobycha Orenburg LLC helped launch a new Gazprom Class in the Chyorny Otrog village, Orenburg Region.

PJSC Gazprom's subsidiaries and entities which actively contributed to the creation of Gazprom Classes arrange various team building and career guidance training sessions along with sports and cultural events for schoolchildren.

Gazprom Classes Geography



In March 2020, 54 students of Gazprom Classes from 18 regions of Russia participated in the Future Is Yours career academic program arranged by PJSC Gazprom jointly with Tyumen Industrial University at the Sirius Educational Center in Sochi. During the sessions, the young people were studying geophysics, designing drilling rigs, and tackling tasks related to Arctic shelf exploration.

(181) Gazprom Classes are also arranged by the subsidiaries that are not included in the list of the Group's companies: Gazprom Dobycha Irkutsk LLC (Irkutsk), PJSC Gazprom Gazoraspredeleniye Ufa (Ufa).

Ivan Tokarev

Deputy Head of Division, PJSC Gazprom; has a PhD degree in Engineering, works on advanced high-tech solutions to improve the reliability and efficiency of power supply for gas production and transportation infrastructure facilities. Winner of the 3rd edition of the Oil and Gas Projects: A Glance into the Future International competition for young scientists.

5.1.13.

Collaboration with Higher Education Institutions

7,394 **students of higher education institutions took an internship at the Gazprom Group entities in 2020**

The fundamental principles of Gazprom's collaboration with the anchor universities are continuity, systemic approach, and innovations. They are included in the approved *University Collaboration Concept* and the *Regulation on Collaboration with Anchor Universities*.

As of the end of 2020, 13 higher education institutions had the status of anchor universities.

Anchor Universities of the Gazprom Group

Kazan National Research Technological University (1 specialized department)	Bauman Moscow State Technical University (National Research University)	Lomonosov Moscow State University	National Research Tomsk Polytechnic University	National Research University Higher School of Economics
Gubkin Russian State University of Oil and Gas (National Research University) (4 specialized departments)	St. Petersburg Mining University	St. Petersburg State Marine Technical University	St. Petersburg State University of Economics (1 specialized department)	Peter the Great St. Petersburg Polytechnic University (1 specialized department)
Industrial University of Tyumen	Ufa State Petroleum Technological University (4 specialized departments)	Ukhta State Technical University (5 specialized departments)		

In order to share hands-on knowledge and build additional competencies in students, specialized departments are established at universities with support from the Gazprom Group entities. As of the end of 2020, there were 25 specialized departments. In 2020, Gazprom Transgaz Krasnodar LLC opened a specialized department at Kuban State Technological University.

In 2020, 7,394 students of higher education institutions took an internship at PJSC Gazprom's subsidiaries and entities, including 2,645 students from the anchor universities.

In 2020, the Student Olympiad of PJSC Gazprom project continued to be implemented by PJSC Gazprom in collaboration with 14 partner universities. The aim is to find students interested in engineering and technical professions and capable of technical creativity and innovative thinking with an ambition to start a career in the oil and gas sector in order to subsequently provide them with targeted education and employment opportunities.

The universities regularly host Job Fairs of PJSC Gazprom and the Gazprom Days. Offsite events have been suspended since March 2020 due to the COVID-19 outbreak.

In 2020, the **Gazprom Neft Group** signed 56 agreements with universities. There are 3 specialized departments and 286 company-sponsored students. Internships at Gazprom Neft were arranged for 923 students, and 200 graduates were hired following the internship.

In 2020, Gazprom Neft launched the League of Universities, a new large-scale project directed at developing partnerships with Russian higher education institutions. Partnering universities will be involved in joint research and in developing educational programs that meet the needs of the oil and gas sector. 24 universities from 13 regions of Russia, all chosen by a panel of experts, have already joined the League of Universities.

Gazprom Energoholding prepares specialists with the necessary qualifications by interacting with higher education institutions across the entire country. It arranges training programs and practice-oriented training groups, offers company-sponsored education to students, and organizes pre-graduation and industrial work placements for students. In 2020, 521 students took an internship at the facilities of the Gazprom Energoholding Group. 290 university graduates were hired.

Gazprom Neftekhim Salavat had 4 agreements with higher education institutions in 2020. 20 university students completed pre-graduation training and internships at Gazprom Neftekhim Salavat. A total of 29 university graduates were hired in 2020.

5.2

Process Safety at the Gazprom Group

Safe working environment, life and health of employees are the Gazprom Group's absolute priority. The Group seeks to mitigate fire, emergency and accident risks at hazardous facilities, establish process safety culture, and improve the Process Safety Management System.

5.2.1.

Labor Safety Management at the Gazprom Group

5.2.1.1.

Process Safety Management System at the Gazprom Group

GRI 403-1
Documents governing PJSC Gazprom's occupational, industrial, fire and road traffic safety activities:

- Labor Code of the Russian Federation;
- laws and regulations and other regulatory documents of the Russian Federation;
- *PJSC Gazprom's Occupational, Industrial, Fire and Road Safety Policy;*[182]
- *PJSC Gazprom's Process Safety Management System Development Strategy until 2021;*[183]
- *PJSC Gazprom's Process Safety Management System Development 183 Strategy for 2021–2030.184*

The fundamental document governing PJSC Gazprom's process safety management activities is the *Occupational, Industrial, Fire and Road Safety Policy of PJSC Gazprom*.

For more details on the *Policy*, see[185]

The *Occupational, Industrial, Fire and Road Safety Policy of PJSC Gazprom* is implemented via the Integrated System of Process Safety Management (ISPSM).

GRI 403-2
The ISPSM activities are regulated by a set of documents within PJSC Gazprom's standardization system, with *STO Gazprom 18000.1-001-2021 Integrated System of Process Safety Management. Key Provisions*[186] being the fundamental document in this regard.

For the text of the document, see[187]

The ISPSM development and enhancement activities carried out in 2020 were guided by *PJSC Gazprom's Process Safety Management Development Strategy until 2021.*

In 2020, the Company also developed *PJSC Gazprom's Process Safety Management Development Strategy for 2021–2030* which defines the key priorities, as well as the development goals and objectives in process safety management.

(182) Approved by order of PJSC Gazprom No. 416 dated September 17, 2019.
(183) Approved by order of PJSC Gazprom No. 432 dated June 22, 2017.
(184) Approved by order of PJSC Gazprom No. 368 dated September 9, 2020.
(185) https://www.gazprom.com/f/posts/74/562608/2019-09-17-safety-policy-en.pdf
(186) Approved by order of PJSC Gazprom No. 2 dated January 12, 2021.
(187) https://invest.gazprom.ru/d/textpage/4b/75/sto-gazprom-18000.1-001-2021-osnovnye-polozheniya.pdf

GRI 403-8

The ISPSM covers PJSC Gazprom, its core subsidiaries specializing in natural gas, gas condensate and oil production, treatment, transportation, processing, distribution, and storage, as well as subsidiaries, entities and branches responsible for the functioning of the Unified Gas Supply System of Russia. In 2020, PJSC Gazprom Administration and 96 subsidiaries, entities and branches of PJSC Gazprom were included in the list of entities covered by the ISPSM. The total headcount of the companies covered by the ISPSM is 318,000 people.

The ISPSM does not cover the companies of the Gazprom Group's oil and electric power businesses, as well as the representative offices abroad.

For the full list of subsidiaries, entities and branches covered by the ISPSM, see Appendix 5.

To implement the requirements of ISO 45001:2018 at PJSC Gazprom, a set of regulatory documents was developed and updated in 2020.

For the full list of updated documents, see Appendix 5.

In 2020, the ISPSM was certified for compliance with ISO 45001:2018 Occupation Health and Safety Management Systems. Requirements with Guidance for Use.

For more details on the framework of the Integrated System of Process Safety Management, see PJSC Gazprom's website[188]

GRI 403-1

Gazprom Neft has a vertically integrated process safety management system. The fundamental by-law regulating process safety at Gazprom Neft is the *Policy on Industrial and Workplace Health, Safety and Environmental Protection; Fire and Transport Safety; and Civil Defense.*

For more details on the above *Policy* of Gazprom Neft, see[189]

At **Gazprom Energoholding**, occupational safety management is part of the company's overall management system. The Occupational Health and Safety (OHS) Management System ensures management of the company's occupational health and safety activities. All of the Group's entities have the *Regulations on the Occupational Health and Safety Management System* in place.

For more details on the OHS Management System, see the Gazprom Energoholding Group Sustainability Report for 2018–2019[190]

Gazprom Neftekhim Salavat has the Occupational and Industrial Safety Management System in place that is implemented in accordance with the *Occupational, Industrial, Fire and Road Safety Policy of Gazprom Neftekhim Salavat.*[191]

For more details on the above *Policy* of Gazprom Neftekhim Salavat, see[192]

(188) https://www.gazprom.com/about/production/safety/
(189) https://ir.gazprom-neft.com/disclosure/internal-regulations/#policy-on-industrial-and-workplace-health
(190) https://energoholding.gazprom.ru/d/textpage/5c/92/18-19-sustainability-geh-report-en.pdf
(191) Approved by Order of Gazprom Neftekhim Salavat LLC No. 779 dated October 21, 2019.
(192) https://salavat-neftekhim.gazprom.ru/d/textpage/71/113/politika-v-oblasti-pbiot-2019_a4_g.pdf

5.2.1.2. Process Safety Goals of the Gazprom Group

Almost 90 % of the companies covered by the ISPSM were successful in achieving their process safety goals.

STO Gazprom 18000.1-003-2020 Integrated System of Process Safety Management. Setting Goals, Developing Action Plans and Monitoring Their Implementation[193] determines the procedure for setting process safety goals, monitoring their achievement, as well as the procedure for developing and monitoring the implementation of programs and action plans to achieve such goals.

For the text of the above document, see[194]

PJSC Gazprom set the following process safety goals for 2020:[195]
— to create a safe working environment and to protect the lives and health of the employees of PJSC Gazprom;
— to reduce the risks of accidents and incidents at hazardous facilities;
— to ensure fire safety at PJSC Gazprom's facilities.

86 subsidiaries, entities and branches of PJSC Gazprom covered by the ISPSM were successful in achieving their process safety goals, while 9 subsidiaries and 1 branch did not achieve them.

In the companies that failed to accomplish the goals, a variable pay serving as an incentive pay was included into their remuneration in line with the *Methodology for Assessing Delivery of Occupational, Industrial and Fire Safety Objectives at PJSC Gazprom Subsidiaries and Entities.*[196]

The performance against the current goals is monitored on a weekly basis by the authorized Directorate of PJSC Gazprom.

Gazprom Neft Group achieved the goals to reduce the accident and occupational injury rates for its own and the contractors' employees through adopting a three-level (strategic, tactical, and operational) process safety risk management model, adopting the PSE Tier 1–4 international process safety events classification in line with API-754 and IOGP 456, and introducing the External Assessment of Knowledge, a system of training and knowledge checks, in its Upstream Division.

In 2020, **Gazprom Energoholding** achieved the following operational process safety goals:
— no fatal workplace injuries of the employees recorded;
— reduction or non-exceedance of the set number of employee workplace injuries.

Gazprom Neftekhim Salavat failed to achieve two of the goals set for 2020:
— to reduce the risks of accidents and incidents at hazardous facilities;
— to ensure fire safety.

The goal "*to create a safe working environment and to protect the lives and health of the employees*" was successfully achieved at Gazprom Neftekhim Salavat.

5.2.1.3. Process Safety Risk Management

100 % **of the companies covered by the ISPSM have undergone process safety risk assessment**

GRI 403-2

The Company's structural units perform hazard identification, risk assessment and risk management in accordance with *STO Gazprom 18000.1-002 Integrated System of Process Safety Management. Hazard Identification and Risk Management for Process Safety Purposes.*[197] Compliance with the requirements of this corporate standard is monitored and evaluated by way of administrative in-process control over the adherence to process safety requirements, as well as in the course of the ISPSM audits.

For the text of the above document, see[198]

(193) Approved by order of PJSC Gazprom No. 26 dated January 24, 2020.
(194) https://invest.gazprom.ru/d/textpage/4b/75/05.-sto-gazprom-18000.1-003-2020-esupb.-ustanovlenie-tselej.pdf
(195) Administrative document of PJSC Gazprom No. 03-233 dated October 11, 2019.
(196) Approved by order of PJSC Gazprom No. 196 dated April 23, 2018.
(197) Approved by order of PJSC Gazprom No. 37 dated January 30, 2020.
(198) https://invest.gazprom.ru/d/textpage/4b/75/04.-sto-gazprom-18000.1-002-2020-esupb.-identifikatsiya-opasnostej.pdf

Dmitry Chetin

Deputy Head of Directorate, PJSC Gazprom; responsible for coordinating the support, improvement and certification efforts for the Integrated System of Process Safety Management, seeking to ensure a safe working environment at the Company and prevent accidents and incidents.

In 2020, process safety risks assessment was carried out in each subsidiary, entity and branch covered by the ISPSM. The assessment revealed no critical risks at PJSC Gazprom and identified 21 process safety risks, including 3 significant risks:

— the risk of injury to employees in road traffic accidents;
— the risk of loss of containment in process equipment and technological devices at hazardous facilities of gas trunklines;
— the risk of fire in motor vehicles.

There are risk response measures and risk mitigation actions stipulated for each risk. In addition, each of the risks was found to be highly responsive to control. The results of hazard identification and risk assessment are taken into account when formulating process safety goals for PJSC Gazprom, its subsidiaries, entities and branches.

To mitigate the key process safety risks, **Gazprom Neft** launched a company-wide Safety Framework project.

For more details on the Safety Framework project, see[199]

Gazprom Energoholding uses mechanisms of occupational hazard identification and occupational risk assessment, and mechanisms incorporated in the multilayered hazard elimination and risk mitigation system. Employees are trained on the rules and methods of hazard and risk detection, identification and assessment.

Gazprom Neftekhim Salavat ensures continuous hazard identification, risk assessment, risk analysis and risk management for industrial and occupational safety purposes. To determine the procedure for hazard identification, risk assessment and development of measures aimed at managing occupational and industrial safety risks, corporate standard *STO 18.02.2019-ISO Hazard Identification and Risk Management* was developed.

5.2.2. Occupational Safety Performance

17% **reduction in the number of persons suffered in accidents at the companies covered by the ISPSM of PJSC Gazprom**

29% **reduction in the number of fatal accidents at the companies covered by the ISPSM of PJSC Gazprom**

0 **fatal accidents registered at Gazprom Neft, Gazprom Energoholding and Gazprom Neftehim Salavat**

(199) https://mesng.ru/ustoychivoe-razvitie/promyshlennaya-bezopasnost/Каркас безопасности 1.pdf

5.2.2.1. Analysis of Workplace Injuries

Number of injuries and fatalities as a result of incidents at the Gazprom Group, 2017–2020, persons

Item	2017	2018	2019	2020
Companies covered by the ISPSM				
injured	61	89	47	39
incl. fatalities	6	3	7	5
Gazprom Neft Group[200]				
injured	74	85	68	75
incl. fatalities	4	1	2	0
Gazprom Energoholding				
injured	16	18	8	5
incl. fatalities	1	0	0	0
Gazprom Neftehim Salavat				
injured	2	0	2	0
incl. fatalities	1	0	0	0

For the information on the number of injuries and fatalities as a result of accidents in 2020 by gender and region, see Appendix 5.

In 2020, the most common accidents at work were falls and road traffic accidents.

The analysis of the reasons behind accidents at PJSC Gazprom became the foundation for the development of a set of measures, and the implementation of these measures as of the date has made it possible to reduce the possibility of specific significant risks. As a result of this, the risk of injurues in road traffic accidents has reduced by 80% since 2018, and the risk of employee injuries resulting from falls has reduced by 61% since 2018.

Despite precautions taken to the contrary, a number of employee fatalities in the course of production activities occured in 2020.

To identify the reasons behind process safety events and implement the measures for their prevention, Gazprom has in place a procedure to determine and analyse the root causes of incidents (*STO Gazprom 18000.4-008-2019 Integrated System of Process Safety Management. Analysis of Root Causes of Incidents. Procedure for their Identification and Development of Preventive Measures*).[201]

For the text of *STO Gazprom 18000.4-008-2019*, see[202]

(200) Figures for 2017–2020 have been adjusted taking into account the foreign assets of the Gazprom Neft Group in Serbia, Iraq, Italy, Eastern Europe, and Central Asia.
(201) Approved by order of PJSC Gazprom No. 208 dated May 31, 2019.
(202) https://pererabotka.gazprom.ru/d/textpage/6e/110/sto-gazprom-18000.4-008-2019-analiz-kornevykh-prichin.pdf

UNCTAD C.3.2
In 2020, a decrease in injury frequency rate was observed at the companies covered by the ISPSM, Gazprom Energoholding and Gazprom Neftekhim Salavat.

Injury frequency rate [203], Gazprom Group, 2017–2020

Item	2017	2018	2019	2020
Companies covered by the ISPSM	0.19	0.28	0.15	0.12
Gazprom Neft Group	0.52	0.35	0.59	0.67
Gazprom Energoholding	0.44	0.50	0.21	0.14
Gazprom Neftekhim Salavat	0.25	0	0.24	0

Lost time injury frequency rate (LTIFR) at the companies covered by the ISPSM, Gazprom Energoholding and Gazprom Neftekhim Salavat decreased in 2020 as compared to 2019.

Lost time injury frequency rates (LTIFR), [204] Gazprom Group, 2017–2020

Item	2017	2018	2019	2020
Companies covered by the ISPSM	0.11	0.17	0.09	0.08
Gazprom Neft Group[205]	0.60	0.64	0.50	0.54
Gazprom Energoholding	0.25	0.28	0.12	0.08
Gazprom Neftekhim Salavat	0.14	0	0.13	0

In 2020, fatality rate (FAR) resulting from incidents decreased as compared to 2019 across the subsidiaries of PJSC Gazprom. There were no fatal workplace injuries at the Gazprom Neft Group, Gazprom Energoholding and Gazprom Neftekhim Salavat in 2019 and 2020, and a zero fatality rate (FAR) was achieved.

Fatality rates (FAR) resulting from incidents, [206] Gazprom Group, 2017–2020

Item	2017	2018	2019	2020
Companies covered by the ISPSM	1.17	0.57	1.35	0.97
Gazprom Neft Group[207]	3.08	0.74	1.46	0
Gazprom Energoholding	1.57	0	0	0
Gazprom Neftekhim Salavat	6.97	0	0	0

(203) Number of persons injured as a result of incidents / average headcount of employees × 1,000.
(204) Number of persons injured as a result of incidents where lost time was involved / total man-hours worked × 1,000,000.
(205) Figures for 2017–2020 have been adjusted taking into account the foreign assets of the Gazprom Neft Group in Serbia, Iraq, Italy, Eastern Europe, and Central Asia.
(206) Number of persons who suffered fatal accidents / total man-hours worked × 100,000,000.
(207) Figures for 2017–2020 have been adjusted taking into account the foreign assets of the Gazprom Neft Group in Serbia, Iraq, Italy, Eastern Europe, and Central Asia.

Occupational disease rate (ODR),[208] Gazprom Group, 2017–2020

Item	2017	2018	2019	2020
Companies covered by the ISPSM	0.045	0.030	0.062	0.029
Gazprom Neft Group	0.009	0.018	0.016	0.008
Gazprom Energoholding	0	0.031	0	0
Gazprom Neftekhim Salavat	0	0	0	0

5.2.2.2. Measures Intended to Improve Labor Conditions and Ensure Occupational Safety

34% **increase in occupational safety spending across the Gazprom Group from 2017 to 2020**

0.46% **of the Gazprom Group's revenue spent on industrial safety, occupational safety, and health protection activities[209]**

UNCTAD C.3.1

Information on occupational safety spending across the Gazprom Group, 2017–2020, RUB million

Item	2017	2018	2019	2020
Companies covered by the ISPSM	10,795	15,450	17,565	16,677
Gazprom Neft Group	1,592	7,943	—	—
Gazprom Energoholding	1,467	1,533	1,626	1,843
Gazprom Neftekhim Salavat	171	228	187	212

PJSC Gazprom's spending on labor conditions improvement, labor safety and occupational health amounted to RUB 130 million.[210]

In 2020, the following measures were implemented to reduce the exposure of workplaces to occupational hazards and, consequently, to improve labor conditions.

Measures Intended to Reduce the Exposure of Workplaces to Occupational Hazards

- Overhaul of buildings and structures
- Reduction of work time spent in harmful working environments (technological process optimization)
- Renovation, replacement of special equipment
- Improvement of workplace ergonomics (provision of comfortable furniture, installation of drinking water dispensers)
- Renovation of equipment
- Upgrade of climate and lighting systems
- Noise insulation of spaces containing the equipment with increased noise characteristics
- Introduction of remote automatic control systems for technological processes and production activities, etc.

(208) Number of incident cases of occupational diseases / total man-hours worked × 1,000,000
(209) Without Gazprom Neft Group.
(210) For PJSC Gazprom Administration and its 4 branches.

All employees of PJSC Gazprom tasked with jobs exposed to hazardous working environments are provided with personal protective equipment (PPE), which ensures their full protection against harmful and hazardous factors at workplaces.

The Company has in place a comprehensive system of products admission to its facilities. As part of this admission procedure, the PPE needs to show compliance with the requirements of *PJSC Gazprom's standards of series "Personal Protective Equipment Used at PJSC Gazprom"*.

5.2.2.3. Special Labor Conditions Assessment

199,923 workplaces **were covered by the special labor conditions assessment (SLCA)**

8,303 employees **saw improvement of their working conditions in 2020**

GRI 403-3

Every year, a special labor conditions assessment (SLCA) is carried out across the Gazprom Group companies. Based on its outcomes, activities aimed at the improvement of the employees' labor conditions are developed and implemented.

199,923 workplaces were covered by the SLCA in the companies covered by the ISPSM, which accounts for 95.4% of the total number of their workplaces. The remaining 4.6% are newly-arranged workplaces scheduled for the SLCA in 2021.

Following the results of the SLCA, 86.3% of workplaces were identified as those with optimal and allowable workplace conditions (Class 1 and 2), and harmful labor conditions (Class 3) were revealed at 13.7% of workplaces. No workplaces exposed to hazardous labor conditions (Class 4) were identified in the companies covered by the ISPSM.

Number of Class 3 and 4 workplaces and the number of employees working at such workplaces at the companies covered by the ISPSM, 2020.

Indicator	Class				
	3.1	3.2	3.3	3.4	4
Number of workplaces, units	19,225	8,989	669	23	0
Number of employees, persons	42,923	26,121	2,449	78	0

Since 2013, the number of workplaces exposed to harmful and hazardous working environments in the subsidiaries of PJSC Gazprom has declined from 38% to 13.7%. Similar rates for the Russian Federation by type of activity were as follows in 2019: mining – 55.4%,[211] oil and gas – 33.1%. The number of workplaces exposed to harmful working environments was reduced thanks to the implementation of action plans for labor conditions improvement developed by PJSC Gazprom's subsidiaries.

To improve and ensure sanitation of the working environment, PJSC Gazprom's subsidiaries developed and implemented over 5,844 activities for a total amount exceeding RUB 1,358.1 million. The working conditions of 8,303 employees were improved.

(211) https://rosstat.gov.ru/storage/mediabank/7rdJXYdJ/tab1_dyn.xlsx

Alexander Demchenko

Managed to ensure a seamless and accident-free operation of the Severnoye Siyaniye (Northern Lights) semi-submersible floating drilling rig (operated by the Murmansk branch of Gazprom Flot LLC) in the extremely challenging weather conditions of the Sea of Okhotsk.

5.2.3. Industrial Safety Performance

5.2.3.1. Information on Accidents and Incidents at Hazardous Facilities

As of December 31, 2020, PJSC Gazprom operated 4,727 hazardous facilities.

GRI OG13

Information on the number of industrial accidents and incidents across the Gazprom Group, 2017–2020

Item	2017	2018	2019	2020
Companies covered by the ISPSM				
Accidents	5	8	5	6
Incidents	21	8	5	8
Gazprom Neft Group				
Accidents	0	1	0	0
Incidents	2,183	1,068	920	600
Gazprom Energoholding				
Accidents	0	0	0	1
Incidents	129	99	71	55
Gazprom Neftekhim Salavat				
Accidents	0	0	1	0
Incidents	1	9	1	1

Industrial safety events are classified in compliance with the requirements of Federal Law No. 116-FZ “On Industrial Safety” dated July 21, 1997.

5.2.3.2. Actions Intended to Reduce the Number of Accidents and Incidents

To maintain fixed assets and equipment in a good state of repair and condition, Gazprom implements a number of programs:

Comprehensive Program for the Reconstruction and Re-Equipment of Gas Production Facilities for 2021–2025;

Comprehensive Action Plan to Improve the Reliability and Safety of Gas Transmission Facilities for 2017–2021;

Program for Comprehensive Overhaul of Linear Sections of Gas Trunklines of PJSC Gazprom for 2017–2021;

Comprehensive Program for the Reconstruction and Re-Equipment of Gas Transmission Facilities for 2021–2025.

PJSC Gazprom has also developed and adopted corporate standard *STO Gazprom 18000.2-010-2020 Integrated System of Process Safety Management. Ensuring Preparedness for Emergencies at the Gazprom Group*. The standard specifies requirements for training the Gazprom Group's employees to respond to possible emergencies at hazardous facilities of PJSC Gazprom, its subsidiaries and branches.

For more details on *STO Gazprom 18000.2-010-2020*, see[212]

Information on industrial safety spending across the Gazprom Group, 2017–2020, RUB million

Companies	2017	2018	2019	2020
Companies covered by the ISPSM	11,452	5,576	5,299	4,320
Gazprom Neft Group	5,964	918	–	–
Gazprom Energoholding	649	218	467	513
Gazprom Neftekhim Salavat	830	478	809	469

5.2.4. Ensuring Fire Safety

Total number of fires and number of injuries (fatalities) at the facilities of PJSC Gazprom and its subsidiaries in 2017–2020

Indicator	2017	2018	2019	2020
Total number of fires	4	3	2	6
incl. at production facilities	0	0	0	2
Fire injuries	2	1	0	1
incl. fire fatalities	0	0	0	0

Damages incurred due to fires at the facilities of PJSC Gazprom and its subsidiaries in 2017–2020, RUB million

Indicator	2017	2018	2019	2020
Fire damage	9.5	1.7	7.0	4.2

Every year, the Company develops a *Fire Safety Organizational and Technological Activities Plan for PJSC Gazprom Facilities*[213] aimed at implementing measures to prevent fires and violation of fire safety requirements.

(212) https://gnpholding.gazprom.ru/d/textpage/6b/107/sto-gazprom-18000.2-010-2020.pdf
(213) Administrative Document No. 03-270 dated December 8, 2019.

5.2.5.

Process Safety Culture Improvement

Development of a strong process safety culture, commitments, behavior models, workplace policies and approaches, including motivation, is one of the key areas of implementing *PJSC Gazprom's Process Safety Management System Development Strategy until 2021.*[214]

Process safety culture is characterized by understanding the importance of process safety for personal and social values, prevalence of safe behavior stereotypes in everyday activities and dangerous situations.

Development of leadership skills among managers and promotion of employee commitment are among the Company's main goals in forging the process safety culture. PJSC Gazprom has in place *the Gazprom Group Management Leadership Skills Development Program*[215]. The Company arranges annual leadership workshops for its executives under the Process Safety Leadership special-purpose program. In November 2020, twelve executives of PJSC Gazprom's structural units took part in a remote workshop.

It is planned to train 62 top executives of subsidiaries under the Process Safety Leadership special-purpose program in 2021.

5.2.5.1. Employer-Employee Partnership in Process Safety

GRI 403-4

The ISPSM stipulates vertical and horizontal corporate communications promoting open communication of process safety matters to employees. The interests of employees in process safety matters are represented by Gazprom Trade Union and occupational safety officers.

In 2020, Gazprom Trade Union and its structural units performed trade union (public) control in relation to occupational safety. The work was carried out by 23 in-house technical labor inspectors and 7,267 occupational safety officers.

The technical labor inspectors conducted 305 inspections of the state of occupational safety, identified a total of 464 violations, and issued 61 notices to eliminate the violations of the labor legislation. Eleven written claims from employees concerning the violation of their occupational safety rights were reviewed; all of these claims were resolved in favor of employees.

GRI 403-2

The procedure of dealing with Hot Line reports, complaints about actual or potential incidents, as well as process safety proposals is regulated by *R Gazprom 18000.2-012-2020.*[216]

5.2.5.2. Employee Training in Process Safety

GRI 403-5

The Gazprom Group has set requirements to employees' process safety skills for each type of activity. Training and Professional Development Programs have been developed for each category of the Gazprom Group employees at both internal professional training centers and specialized educational organizations.

PJSC Gazprom has set up the Central Examination Board to assess occupational safety knowledge and conduct industrial safety certification.

Occupational safety knowledge assessment and industrial safety certification are carried out by Central Examination Boards at PJSC Gazprom subsidiaries and entities, and by Examination Boards at branches.

The executives and specialists of PJSC Gazprom's Administration undergo training in occupational safety at Gazprom Corporate Institute to prepare for further certification by the Central Examination Board.

In 2020, the Central Examination Board assessed occupational safety knowledge of 348 employees of PJSC Gazprom structural units and 192 executives and members of Central Examination Boards.

In addition, Central Examination Boards and Examination Boards of PJSC Gazprom subsidiaries and entities arranged occupational safety training and knowledge assessment for 228,360 employees, and industrial safety certification for 2,300 employees.

(214) Approved by order of PJSC Gazprom No. 432 dated June 22, 2017.
(215) Approved by Vitaly Markelov, Deputy Chairman of the PJSC Gazprom Management Committee on February 15, 2018.
(216) Approved by Sergey Menshikov, Member of the Management Committee, Head of Department on October 30, 2020.

5.2.6.

Process Safety Control in the Supply Chain

GRI 403-7

The ISPSM defines general safety requirements for works and services performed by contractors[217] and subcontractors under any construction or reconstruction project.

Process safety violations by contractors may delay repair and construction and thus result in late commissioning of production facilities. If any violations affecting safety and quality are revealed, the works are suspended until decisions on the elimination of faults are made jointly with the relevant contractor.

During the procurement stage, potential suppliers and contractors are checked for availability of documents certifying their compliance with process safety requirements. Suppliers and contractors working at the Group's facilities shall strictly comply with all occupational, industrial, and fire safety standards and regulations. Contractors failing to meet the above criteria are not allowed to take part in the procurement procedures.

Number of injuries and incidents among contractors working at PJSC Gazprom's facilities in 2018–2020

Item	2018	2019	2020
Injured	106	114	118
incl. fatalities	12	12	8
Fires	11	20	31
Incidents	2	5	6

Gazprom Neft's relations with its partners in terms of process safety are based on the Code of Upstream Division's Interaction with Contractors binding upon all existing and new contractors.

For the *Code of Upstream Division's Interaction with Contractors* see [218]

Process safety and environmental protection requirements form an integral part of **Gazprom Energoholding**'s contracts. Contractors' employees undergo trainings and briefings in labor and occupational safety. Third-party employees also take part in corporate safety activities and meetings.

GRI 414-1

When selecting contractors, **Gazprom Neftekhim Salavat** takes into account their compliance with the labor and occupational safety requirements by including such requirements in its procurement documents. In 2020, a total of 41 companies were checked, and 9.7% of their bids were rejected due to non-compliance with the set criteria.

(217) For PJSC Gazprom subsidiaries that are part of the Unified Gas Supply System (involved in production, transportation, storage and processing), the main contractor organizations are subsidiaries enabling the functioning of the UGSS, which are covered by the ISPSM. They include, in particular, the subsidiaries and entities performing overhauls, construction, design and survey activities, supplying energy resources and providing motor and railway transport and special machinery and equipment.

(218) https://zakupki.gazprom-neft.ru/instructions/services/standards/codex/

5.3.

Gazprom Group and Local Communities

Gazprom actively cooperates with stakeholders across its footprint, implements charity projects, builds long-term partnerships with authorities of constituent entities of the Russian Federation, local organizations, and communities.

5.3.1.

Gazprom's Cooperation with the Regions

81 Russian regions **are covered by agreements with Gazprom**

Documents regulating interaction with the regions:

Regulation on the Regional Policy Commission of PJSC Gazprom;

Regional Policy Concept of PJSC Gazprom.[219]

GRI 203-1, GRI 203-2, GRI 413-1

Gazprom's cooperation with the regions is governed by the *Regional Policy Concept*. The document sets forth a multi-level system of relations between the Company and the constituent entities of the Russian Federation that is based on cooperation agreements. They take into account both PJSC Gazprom's strategic interests in the regions and the Company's responsibility for environmental protection and impact on local communities and indigenous peoples.

In 2020, the Gazprom Group continued its interaction with public and municipal authorities of the constituent entities of the Russian Federation. Existing forms of partnership were improved, and steps were taken to find new ones.

At the end of 2020, the Company had 81 perpetual cooperation agreements with the regions of the Russian Federation, as well as fixed-term agreements with St. Petersburg, the Komi Republic, the Arkhangelsk, Vologda, and Leningrad Regions.

As part of fighting the COVID-19 pandemic in 2020, the Company interacted with the government agencies in the deployment of observation facilities (special cooperation agreements with the governments of the Amur, Volgograd, and Novosibirsk Regions were made to ensure safe quarantine and transit of the Amur GPP's staff), monitoring of hospital stock levels in public health facilities, including for employees of gas transportation and gas production organizations, as well as on-site PCR testing and vaccination.

PJSC Gazprom has been implementing a major support program of St. Petersburg development. It is a comprehensive program encompassing the Company's core activity (gas infrastructure expansion, public transport conversion to methane, etc.) and providing for urban improvement of the historic city center, implementation of restoration projects, and support of culture and sports facilities. Such approach is aimed at developing comfortable urban environment, creating opportunities for holistic personal growth, and promoting qualitative growth of the regional economy.

St. Petersburg urban improvement program includes designing, paving, and repair of pavements, city streets, and squares, including reconstruction of traffic management facilities, hardscaping, replacement of doors, reconstruction of street lighting, and architectural highlighting.

St. Petersburg urban improvement program in numbers since 2007:

— over 70 streets, parks, embankments, and squares;
— over 11,000 lights and flood lamps (including more than 2,000 LED lighting fixtures used for outdoor lighting);
— eight architecture awards.

Only in 2020, the area of St. Petersburg landscaped by Gazprom reached about 40,000 m^2, over 28,000 m^2 of pavements were laid, over 9,000 linear meters of granite curbs were installed, over 300 shrubs and trees were planted.

(219) Approved by resolution of the OJSC Gazprom Management Committee on May 22, 2003.

In 2020, Gazprom also implemented the following infrastructure and social development projects under cooperation agreements with the regions:

St. Petersburg:
— construction of a multifunctional sports ground and a school stadium in the Nevsky District;
— construction of a school stadium in the Smolyachkovo town, Kurortny District.

Leningrad Region:
— construction of a sports and fitness complex in the city of Tikhvin;
— construction of a sports and fitness complex in the city of Svetogorsk;
— construction of a school stadium in the Zimititsy town, Volosovsky District.

Vologda Region:
— construction of a sports and fitness complex with a swimming pool and an outdoor stadium in the city of Babayevo;
— construction of a multifunctional sports complex in the Sheksna town;
— overhaul of hockey ground in the city of Gryazovets;
— overhaul of the Gryazovets Art School building at the Children and Youth Center;
— roof construction for skating-rink in the Nyuksenitsa village.

Komi Republic:
— overhaul of six departments and auxiliary facilities of Ukhta Town Hospital No. 1;
— overhaul of Ukhta Interterritorial Maternity Hospital.

Under its social and economic agreements with governments of constituent entities of the Russian Federation, **Gazprom Neft** provides financing for construction and reconstruction of infrastructure facilities, provides charity support, and supports indigenous minorities.

In the reporting year, 17 new social and economic agreements with constituent entities of the Russian Federation and municipal districts were made, four addenda to existing agreements were signed.

The key projects of Gazprom Neft in 2020 included strengthening of social partnership with the Khanty-Mansi Autonomous Area – Yugra (KhMAA – Yugra), support of the Orenburg Region's social development, expansion of social cooperation with districts of the Tomsk and Omsk Regions, and a cooperation agreement with the Government of Yakutia with regard to supplying the region with high-tech bitumen materials.

In 2020, Gazprom Neft's social investments under the social and economic agreements totaled RUB 1.59 billion.

Gazprom Neftekhim Salavat fulfills its obligations to develop areas located next to its facilities. For example, RUB 5.5 million was allocated in 2020 for road maintenance in Salavat.

5.3.2.

Gazprom Group and Indigenous Minorities

RUB 257 million **was allocated by the Gazprom Group to support indigenous minorities in 2020**

GRI OG9, GRI OG12
Indigenous minorities belong to the Local Communities group of the Gazprom Group's stakeholders. Preservation of their native habitats and traditional way of life is one of the Company's priorities in dealing with indigenous peoples.

Documents regulating interaction with indigenous minorities:

- *Regional Policy Concept of PJSC Gazprom;*
- *Environmental Policy of PJSC Gazprom;*
- *Code of Corporate Ethics of PJSC Gazprom.*

Key principles of interaction with indigenous minorities

PARTNERSHIP
Long-term partnership relations with associations of indigenous minorities and administrations of municipal districts

SPECIFICITY
Factoring in the specifics of the economic and social development, use of natural resources by indigenous minorities

EQUALITY
Equal cooperation and mutual interests in dealing with common objectives

SOCIAL RESPONSIBILITY
Gazprom's involvement in solving social issues of indigenous minorities

The Gazprom Group identifies the potential ethnological impact at the stage of planning construction works in the areas populated by indigenous minorities, and develops mitigation steps.[220] Thus, Gazprom implements its projects taking into account where and how the indigenous peoples live, with no relocation programs being developed.

When designing the Bovanenkovskoye field's infrastructure, Gazprom Dobycha Nadym LLC gained unique experience of arranging crossings of its utility lines by reindeer herds. As a result of active cooperation with reindeer herders, indigenous public organizations, and representatives of local authorities 22 crossings were designed to allow animals and sledges to easily cross the field along special low-sloped banks or thanks to overhead utility lines. The crossings are used twice a year. The migration usually involves about 100 people and over 8,000 animals.

Lack of amenities is one of the main problems for nomadic indigenous minorities. The Gazprom Group's medical units provide emergency aid and hospital care to tundra people, arrange consultations by specialist physicians at the Bovanenkovo health center.

(220) According to Federal Law No. 49-FZ dated May 7, 2001 "On the territories of traditional nature management of the indigenous peoples of the North, Siberia and the Far East of the Russian Federation" and other federal laws on subsoil user activities; Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 639 dated September 20, 2019 "On the approval of rules for preparing technical design documentation for hydrocarbon field development".

Preservation of indigenous traditions and culture include arrangement of dialogues with public consultations, researches and other activities to provide systemic social support to the communities. The Company regularly cooperates with associations of indigenous minorities such as *Yamal for Posterity!, Yamal*, and *Vozrozhdeniye* social movement.

The main interaction mechanisms include:

- grants for postgraduate studies, tutorship;
- scholarships;
- free services and works;
- sponsorship for gifted children to participate in international contests and festivals;
- organizing national festivals, such as Reindeer Herders' Day, Fishermen's Day.

In 2020, Gazprom Dobycha Yamburg LLC provided scholarships to two sponsored students from among indigenous minorities. Four students from among indigenous minorities graduated from universities and were employed by the subsidiary.

In 2020, Gazprom Dobycha Yamburg LLC employed 17 representatives of indigenous minorities.

Gazprom Neft also operates in regions inhabited by indigenous minorities. The Company's approaches to indigenous minorities are governed by the *Policy for Interaction with Indigenous Minority Peoples of the North, Siberia and the Far East.*[221]

Cooperation with indigenous minorities in 2020:

— economic agreements between subsidiaries and representatives of indigenous families leading a traditional way of life within the license blocks;
— medical aid, air medical service call;
— transportation of indigenous minorities to the places of living, help with overnight accommodation (with due account of epidemiological restrictions);
— support based on one-time requests (provision of food, fuels and lubricants, construction materials, and equipment).

GRI 411-1

In 2020, no violations involving rights of indigenous minorities were identified across the Gazprom Group's license blocks. No complaints about the business operations were submitted by indigenous minorities.

GRI OG10

No significant disputes with local communities or indigenous peoples were recorded in the reporting period.

Plans for developing cooperation with indigenous minorities

In 2021, comprehensive work with indigenous minorities will continue, in particular, support of the agricultural sector in the Yamal-Nenets Autonomous Area (reindeer herding, fishing), targeted aid, payment for education of students from among indigenous minorities, cooperation with non-profit organizations and associations of indigenous minorities.

(221) https://ir.gazprom-neft.com/disclosure/internal-regulations/#policy-for-interaction-with-indigenous-minority-peoples

5.3.3.

Gas Infrastructure Expansion in Russian Regions

RUB 56.0 billion was allocated to gas infrastructure expansion in Russian regions in 2020

71.4 % gas penetration rate across Russia as of the beginning of 2021

66 regions took part in the Regional Gas Infrastructure Expansion Program as of the end of 2020

Gas infrastructure expansion in Russian regions is one of PJSC Gazprom's priorities. Use of natural gas instead of other sources of fuel such as coal, wood, etc. by industrial facilities and households allows to reduce pollutant emissions and substantially improve human well-being, supports more efficient operation of social infrastructure facilities, and promotes social and economic development of regions.

5.3.3.1. Management of Gas Infrastructure Expansion

PJSC Gazprom expands the gas infrastructure according to the *Program for Gas Infrastructure Expansion in Russian Regions* in partnership with the Government of the Russian Federation and regional authorities. Gazprom is responsible for the construction of inter-settlement gas pipelines, while local authorities oversee the construction of intra-settlement distribution networks and preparation for gas receiving. PJSC Gazprom's involvement in gas infrastructure expansion in the regions is defined by the *Concept of PJSC Gazprom Involvement in Regional Gas Infrastructure Expansion*.

To align its gas infrastructure expansion efforts with those of local authorities, Gazprom Mezhregiongaz LLC prepares annual synchronization plans of gas infrastructure expansion programs implementation. Gas infrastructure facilities are included in the Schedules following regional government proposals supported by guarantees of preparing the consumers for gas receiving. The documents are drafted based on consumer readiness for gas receiving using the previously built facilities as well as the fulfillment of payment obligations with regard to previously supplied gas.

The mid-term planning is based on the programs for gas supply and gas infrastructure expansion in Russian regions, while the list and deadlines of the respective activities are specified in the annual synchronization plans.

5.3.3.2. Results of Implementing the Programs for Gas Infrastructure Expansion in 2020

The approved *Program for Gas Infrastructure Expansion in Russian Regions for 2020* covered 66 constituent entities of the Russian Federation. Gazprom Mezhregiongaz LLC allocated RUB 39.3 billion for the program as part of its investment program. Additionally, under the Investment Program of PJSC Gazprom pipeline branches and gas distribution stations were built to expand gas infrastructure and supply in the regions. The Company allocated RUB 16.7 billion (including VAT) for these purposes in 2020. In total, Gazprom invested RUB 56 billion in the reporting period to expand gas infrastructure and supply in Russia's regions.

In 2020, a total of 141 inter-settlement gas pipelines with a length of 2,190 km were built in 39 regions. This made it possible to bring gas to 200 localities and 63,100 homes.

As of December 31, 2020, gas penetration rate across Russia totaled 71.4%, including 73.7% in cities and towns and 64.8% in rural areas.

Plans for implementation of gas infrastructure expansion and gas supply Programs

In 2020, PJSC Gazprom prepared gas supply and gas infrastructure expansion programs for 2021–2025 [222] for 67 regions of the Russian Federation. All programs were approved by the heads of respective constituent entities of the Russian Federation and Alexey Miller, Chairman of the Management Committee of PJSC Gazprom.

The Gazprom Group's investments in the implementation of the *Programs* in 2021–2025 are estimated at RUB 526.1 billion.

The Group intends to build over 24,000 km of gas pipelines (2.5 times expansion versus 2016–2020) and bring gas to 3,600 localities (2.7 times growth versus 2016–2020). Two investment projects aimed at developing off-grid gas supply in the Tomsk and Sakhalin Regions using natural gas liquefaction technologies will be implemented as part of the programs of gas supply and gas infrastructure expansion in constituent entities of the Russian Federation in 2021–2025.

5.3.3.3. Stakeholder Engagement in Gas Infrastructure Expansion

In 2020, the Company arranged off-site meetings of the task force members to sign the programs involving heads of the regions (the Kabardino-Balkarian Republic, Republic of Kalmykia, Komi Republic, Republic of Mari El, as well as the Arkhangelsk, Bryansk, and Smolensk Regions).

The Company maintained relations with federal authorities, including the Executive Office of the President of the Russian Federation, the Executive Office of the Government of the Russian Federation, the Federation Council Committee on Economic Policy and the State Duma Committee on Energy of the Federal Assembly of the Russian Federation, the Ministry of Energy and the Ministry of Economic Development of the Russian Federation. The cooperation is primarily focused on developing draft regulations and supporting legislative initiatives to eliminate existing administrative barriers for implementation of the *Gas Infrastructure Expansion Program*, optimizing the process of connecting consumers to gas distribution networks, reducing the time and cost to design, construct, reconstruct, and overhaul gas pipelines and gas distribution networks.

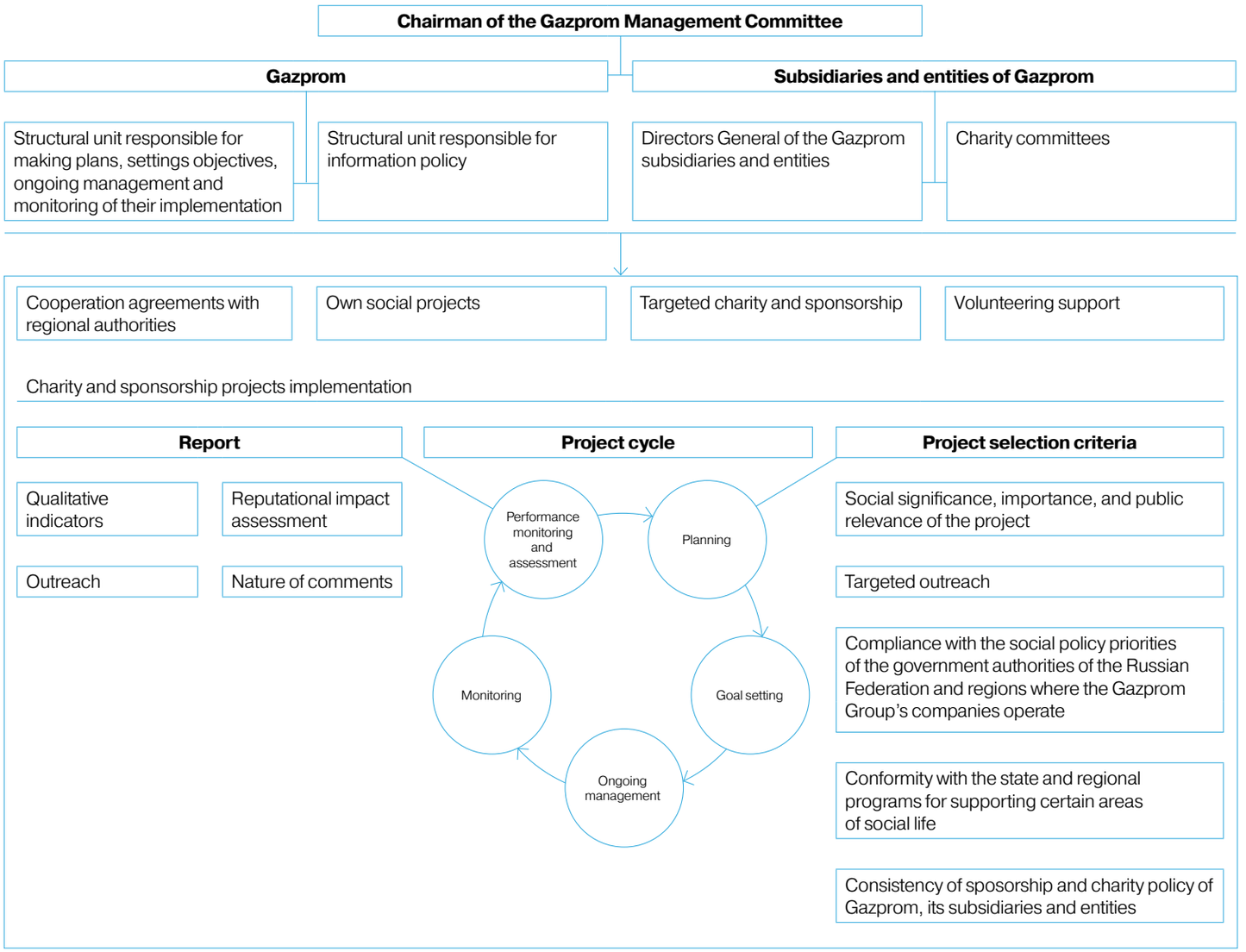
5.3.4. Charitable Initiatives and Sponsorship

Charitable activities and social projects are implemented on the basis of the *Regulation on Sponsorship and Charitable Activities.*

The Gazprom Group's charitable activity is aimed at selfless and gratuitous involvement in ensuring the public good and meaningful contribution to addressing urgent, high-priority issues and objectives of social and economic development in the countries and regions of the Group's operation.

(222) As per decision of the PJSC Gazprom Board of Directors No. 3330 dated October 22, 2019.

5.3.4.1. Management of the Gazprom Group's Charity and Sponsorship Projects



In the reporting year, the Company implemented multiple charity projects scheduled for 2020, as well as humanitarian projects required due to the coronavirus pandemic.

For more details on charity projects during the pandemic, see Subsection 2.4 Stakeholder Engagement during the Pandemic.
For more details on social investments in the regions of the Gazprom Group operation, see Subsection 5.3.1 Gazprom's Cooperation with the Regions.

5.3.4.2. Charity Spending of the Gazprom Group

GRI 203-1, UNCTAD A.3.2

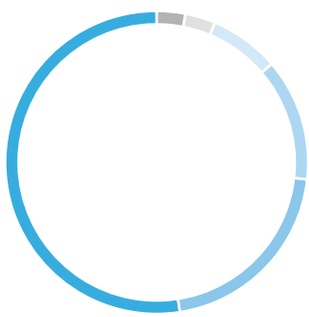
Over the last five years, PJSC Gazprom and the Gazprom Group subsidiaries and entities included in PJSC Gazprom's budgeting system implemented more than 250 and over 10,000 charity projects, respectively.

RUB 28.8 billion spent by PJSC Gazprom on charity in 2020

PJSC Gazprom's charity spending, 2017–2020, RUB million

2017	2018	2019	2020
27,297	35,020	27,724	28,771

Gazprom's charity spending in 2020

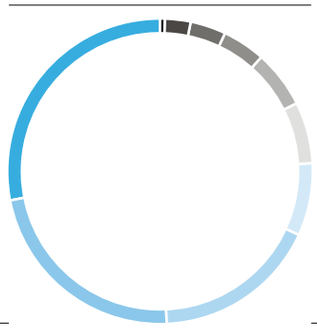


Support of sports development (including sports facilities construction under the Gazprom for Children program)	52.46%
Urban infrastructure improvement in the Company's regions of operation	20.75%
Support of healthcare, science, socially vulnerable groups, and other aspects	13.06%
Support of education	7.46%
Support of culture	3.22%
Support of spiritual values	3.05%

RUB 6.4 billion Gazprom Neft's social investments in 2020

RUB 28.6 million Gazprom Energoholding's charity spending in 2020

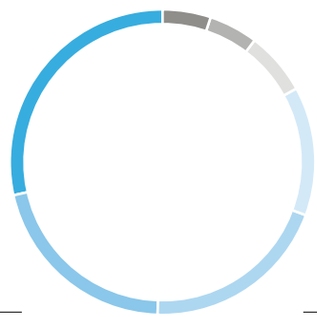
Gazprom Energoholding's charity spending in 2020



Support of NGOs and religious organizations, ex-servicemen and veterans	28.19%
Targeted medical aid	22.65%
Cultural projects	17.47%
Support of disabled children, orphans and children from low-income families	7.68%
Support of science and education	6.51%
Support of sports	6.10%
Support of government bodies and local authorities	4.54%
Support of healthcare	3.77%
Support of environmental projects	2.73%
Support of children and youth initiatives	0.36%

RUB 32 million **Gazprom Neftekhim Salavat's charity spending in 2020**

Gazprom Neftekhim Salavat's charity spending in 2020



Support of NGOs	28.48%
Children and youth projects	21.00%
Social infrastructure development	19.88%
Medicine and healthcare	13.65%
Support of people with disabilities	6.70%
Social support for non-working retirees and veterans	5.19%
Support of education	5.10%

5.3.4.3. Gazprom Group's Cooperation with Non-Profit Organizations

Most of the social cooperation of the Gazprom Group companies is maintained with non-profit organizations (NPOs) of different types. This is due to the active role the NPOs play in social life of the Russian society by pulling together individual efforts and engaging the business community in achieving socially useful goals.

One example of PJSC Gazprom cooperation with NPOs is *Russia – My History*, an important social and cultural project covering the whole country. Since 2016, PJSC Gazprom and the constituent entities of the Russian Federation have been co-financing the creation of historical parks where the history of the country and its regions is represented in a multimedia format using state-of-the-art technologies. 2020 saw the launch of multimedia sites in Pyatigorsk and Vladivostok. Since 2017, the Company has co-financed the construction of 23 historical parks, 22 of which are already open to the public. .

Plans for cooperation with NPOs

In 2021–2022, the construction of the Pskov multimedia site will continue. It is also planned to create a historical park in Kaliningrad.

5.3.4.4. Major Charity and Sponsorship Projects in 2020

Over 250 **charity projects were carried out by Gazprom in 2016–2020**

Over 10,000 **projects were carried out by the Group's subsidiaries and entities in 2016-2020**

Restoration of historical and cultural sites

PJSC Gazprom continued cooperation with the Tsarskoe Selo State Museum and Heritage Site. Since 2016, the Company has been supporting the restoration works in of the Palace Chapel of the Resurrection at the Catherine Palace. In 2019, the church was opened to visitors. As the icons were lost during the war, the museum specialists are restoring icons for the church. The works are expected to be completed in 2022.

In 2020, the project on conservation and restoration of the interiors of the Palace Chapel of the Resurrection at the Catherine Palace, Tsarskoe Selo State Museum and Heritage Site, became a winner of 2020 Golden Trezzini Awards for Architecture and Design in the Best Implemented Restoration/Reconstruction Project category.

In 2020, the interior reconstruction of the Lyons Hall continued. It is planned to restore fireplaces faced with Carrara marble and decorated with lazurite, gold-plated cast bronze pieces, sculptural compositions, and chandeliers; balcony architraves from lazurite decorated with cast bronze pieces; encrusted doors; wall mirrors in lazurite frames decorated with cast bronze pieces; mirror tables from lazurite. The works are expected to be completed in 2021.

As part of their cooperation, in 2019–2020 Gazprom and the Peterhof State Museum Reserve continued the comprehensive restoration works in the Chinese Palace, unique cultural monument of federal importance. The Plaster Chamber was completely restored, the works in the Big and Small Chinese Studies, the Small Antechamber continued, and restoration of the Chinese Bedroom commenced. A total of 11 out of 17 rooms of the Chinese Palace have been restored by now. The entire set of works is expected to be completed in December 2024.

In addition, an equestrian monument of Peter the Great, renovated with the support of Gazprom, was officially opened in the Alexandria Park of the Peterhof State Museum Reserve in 2020. The original memorial monument was subsequently returned to the park's historical space.

Support of theater

PJSC Gazprom supports the leading theaters of St. Petersburg, giving them the opportunity to turn their creative plans into reality, arrange tours in Russia and abroad, showing the best works of Russian theaters.
For example, the Company is the primary sponsor of the Saint Petersburg Lensoviet Theatre. Thanks to the cooperation, the theater presented the premieres of Duck Shooting and Without a Dowry plays in 2020. The Company supports the National Drama Theater of Russia (Alexandrinsky Theater). In 2020, it financed the Ukhta tour of the Alexandrinsky Theater.
PJSC Gazprom also provided support to the following projects:

— the *Golden Mask* theater festival in Moscow. The Company's support allowed nine theater companies from St. Petersburg to take part in the festival and made it possible to show three festival plays in St. Petersburg;
— the 8th International Festival of Contemporary Choreography the *Context. Diana Vishneva*;
— theatrical productions of the Primorsky Stage of the Mariinsky Theater in Vladivostok. In 2020, the theater was able to make an impressive ballet production, One Thousand and One Nights, amidst the lockdown;
— the *White Nights of St. Petersburg* international music festival.

Support of socially vulnerable groups

Support for socially vulnerable groups, as well as the development of various children's and youth's talents are among the priorities of Gazprom's charitable activity fully maintained in 2020. Below is just a small number of projects implemented by the Group companies in this area.

Charity support was provided to GAOORDI Association of Non-Governmental Organizations of Parents to Children with Disabilities in Saint Petersburg: funding of the programs on social protection of children with disabilities, young people with lifelong disabilities and their family members; support in health examination, rehabilitation treatment, and respective expenses, purchase of special equipment.

Almost RUB 2 million was spent on projects of Children's Village – SOS Pushkin private social service entity: *Family Hearth, Theater House, Football Life*, and *Bright Village*.

As part of a joint project of Gazprom Dobycha Urengoy LLC and Yamine charity fund, *The Future Together – the Good for Children*, the targeted support of almost RUB 11.5 million was provided to children with disabilities residing in the Yamal-Nenets Autonomous Area. Over 3,000 children from the North (indigenous minorities, boarding school students, low-income families) received New Year presents in 2020 thanks to the events arranged by PJSC Gazprom's subsidiaries.

Gazprom Dobycha Yamburg LLC allocated RUB 8.7 million to the sponsored schools and pre-school institutions in the Yamal-Nenets Autonomous Area. Gazprom Transgaz Volgograd LLC and Gazprom Inform LLC donated 249 computers and peripherals to 26 rural schools in the Volgograd Region to create and upgrade their computer science rooms. Gazprom Transgaz Surgut LLC sponsored outfitting of the Social Services training room in the Surgut remedial school.

In 2020, Gazprom Transgaz Moscow LLC together with the Gift to an Angel charity foundation implemented the *Special Parent School* online project in the Kaluga, Ryazan and Tula Regions where the company operates. The project involved parents and foster parents of children with cerebral palsy and other motor disorders, as well as specialists working with special children. During the project, they visited online conferences with a physical therapist and a rehabilitation therapist, received private consultations and personal recommendations of a speech therapist, support from psychologists, as well as permanent access to a virtual account with practical video lessons and instructions for home exercises developed by specialists.

Gazprom Transgaz Nizhny Novgorod LLC in cooperation with the Nizhny Novgorod Department of the Russian Children's Foundation implemented *Stitches to Success* charity project in the result of which 30 boarding school students got a profession of tailor – fashion designer.

In 2020, **Gazprom Neftekhim Salavat** allocated RUB 1.7 million under the *New Generation* program to purchase laptops as memorable gifts for outstanding and honours students. The company also provided funds to replace window units in Salavat kindergarten No. 1.

Gazprom Transgaz Samara LLC supported the *Silver Good* International Mini-Grant Competition for groups of activists from among 'silver' volunteers of the Samara Region and non-profit organizations from neighboring countries. The subsidiary will provide funds to implement seven out of twelve winner projects aimed at elderly people integration into social life and self-fulfillment.

Charity support for socially important events and projects

In spite of the difficult epidemiological situation, the Gazprom Group companies continued providing charity support for important environmental protection, social, and cultural initiatives in 2020. They include:

— support to two non-profit organizations – the Amur Tiger Population Research and Preservation Center and the Eurasian Center for Preservation of Far Eastern Leopards – which implement projects aimed at preserving and increasing the population of rare animal species included in the Red Book of Russia;

— underwater examination of sunken tanker T-12 by the Underwater Research Center of the Russian Geographical Society to examine the ship and develop the emergency response plan aimed at preventing possible oil spill in the Baltic Sea;

— *Development of Innovative Approaches to Treat Acquired Aplastic Anemia in Children* project implemented by Dmitry Rogachev National Research Center of Pediatric Hematology, Oncology and Immunology;

— the Russian Academy of Education's competition for young educational scientists held in 2020 (including payments to the winners and laureates);

— arranging and holding the Victory concert on Mamayev Kurgan in Volgograd in June 2020;

— the *Memory Garden* international event when 27 million trees were planted in memory of those killed during the Great Patriotic War.

In 2008, Gazprom launched the *Eternal Flame* project to provide gas supplies to memorials located in Russia's Hero Cities. Since 2013, the Company has been working on the gasification of memorial complexes, transition from gas cylinders to network-based gas supply, restoration of monuments honoring fallen soldiers in over 1,300 Russian cities.

In March–June 2020, PJSC Gazprom arranged the *Eternal Flame*. *Eternal Memory* social and awareness raising project, a part of the *Eternal Flame* project to commemorate the 75th anniversary of the Victory. It was aimed at raising awareness, in particular among the young generation, about the deeds of the heroes of the Great Patriotic War.

The project included development of a special web page with unique content. In the section devoted to a specific war memorial with an *Eternal Flame* installation, the participants of the project posted personal stories about their relatives with photos keeping the memory and sharing it with next generations. The posted stories and photos were used to create the online Eternal Memory Wall for the living and future generations.

The cross-platform approach made it possible for the project to encompass Russia and former Soviet Union, as well as different generations.

In 2020, the project received two significant awards:

— the first place in Social and Environmental Initiative category at the 6th All-Russian MediaTEK Contest of Mass Media, Press Offices of Fuel and Energy Companies, and Regional Administrations in 2020. The contest is supported by Russia's Ministry of Energy;

— prize in the Best Social Project category of KonTEKst contest held by the FEC Communications Development Center and the Russian Public Relations Association (RPRA).

Plans for implementation of charity projects

In 2021, Gazprom plans to continue with the current long-term projects and respond to new requests.

Due to the unfavorable epidemiological situation, the following projects were postponed to 2021:

— creation of theater and exhibition space and cultural environment in the Lakhta Center;

— tour of the Alexandrinsky Theater to the cities of Belgrade (Serbia), Irkutsk, Tomsk, and Yuzhno-Sakhalinsk.

In 2021, it is also planned to commence a series of dramatic plays about great rulers of the Russian Empire with the support of PJSC Gazprom. The first play set by Valery Fokin, the Artistic Director of the Alexandrinsky Theater, will be dedicated to Emperors Alexander II and Alexander III.

5.3.4.5. Volunteering in the Gazprom Group

Volunteering has been ingrained in the corporate culture of the Gazprom Group. Employees of the Group are actively involved in various charity projects.

In 2020, the volunteer efforts were focused, among other things, on supporting people most vulnerable to the COVID-19 pandemic.

See Section 2 Response to COVID-19 Pandemic and its Consequences.

In 2020, a new form of corporate volunteering, *#GAZ_active*, involving 60 people was introduced at Gazprom Dobycha Noyabrsk LLC. The volunteers delivered food and medicine to those in need, provided targeted aid to people in hardship.

In the reporting period, the *Call of the Heart* charity project of Gazprom Transgaz Ukhta LLC aimed at voluntary fundraising for people in need attracted 1,600 employees of the subsidiary. RUB 1.2 million was raised.

One of the remarkable examples of the targeted support in 2020 was fundraising for the Syrtsev family from Yugorsk (Khanty-Mansi Autonomous Area – Yugra). Employees of Gazprom Transgaz Yugorsk LLC helped to raise RUB 150 million, and in March–April 2020 the company arranged for the Syrtsevs a trip to the U.S. to provide treatment to little Yuliana Syrtseva.

Volunteering is an important part of the *Home Towns* social investments program and corporate culture of **Gazprom Neft** covering 36 cities and localities. In 2020, over 3,000 volunteers from Gazprom Neft took part in 126 events.

At the end of 2020, **Gazprom Energoholding** launched the corporate volunteering development project to mark the Power Engineers' Day and the New Year. Under *#DobroPomoshch-TGC-1* initiative, the office and plant employees prepared New Year presents for those in need – children with disabilities in hospitals and elderly people in nursing homes. In spite of the difficulties due to remote work, over 200 people supported the initiative. Such volunteering projects will continue in 2021.

5.3.5.

Support of Sports

5.3.5.1. Gazprom for Children

39 sports facilities **were commissioned by the Gazprom Group under the Gazprom for Children program in 2020**

GRI 413-1

Since 2007, when the *Gazprom for Children* program was launched, the Company has constructed 1,859 various sports facilities in Russia.

In 2020, Gazprom put into operation seven sports and fitness complexes, one culture and exhibition center, 20 multifunctional sports grounds, three school stadiums, seven stadiums (after overhaul); constructed a stadium with a football field in the city of Valdai (Novgorod Region).

For the number of social facilities commissioned in 2020 with a breakdown by region (federal districts of the Russian Federation), see Appendix 5.

The program encompassed 17 Russian regions (63 localities).

For financing under the program with a breakdown by region, see Appendix 5.

The projects under the *Gazprom for Children* program are implemented by the Gazprom Social Initiatives Support Foundation, which monitors the projects throughout the implementation period.

The major social facilities commissioned in 2020 include a multipurpose center with a skating rink in Astrakhan, an ice arena in Tula, a sports and fitness complex with a skating rink in Svetogorsk (Leningrad Region), and a multifunctional sports ground in the Tissi-Akhitli village (Tsumadinsky District of the Republic of Dagestan).

Plans for the implementation of the Gazprom for Children program

The program's goals for the foreseeable future remain unchanged – to set up sports and fitness infrastructure available to Russian people. In 2021–2025, it is planned to finance construction (reconstruction) of 157 sports facilities, including 69 capital construction projects, 80 outdoor flatworks, and 8 other facilities, in 29 Russian regions under the *Gazprom for Children* program and other PJSC Gazprom's charity programs.

5.3.5.2. Football for Friendship

The year 2020 saw the eighth season of *Football for Friendship*, an international Gazprom's program for children aged 12, including those with disabilities, aimed at promoting healthy lifestyle, well-being for all at all ages, and universal human values. The program is supported by FIFA, UEFA, national football associations, and the leading football clubs of the world.

In the reporting year, the major events of the *Football for Friendship* program included:

— *Stadium is Where I Am* weekly online program: eight world famous professional freestylers and players taught various techniques and tricks with a ball; 21 series of the program gathered over 435,000 participants and over 3.7 million viewers;

— a series of public talks about the UN Sustainable Development Goals when young participants, experts, and stars discussed the current environmental problems and the role of football in the future (over 20,000 participants and 1 million viewers).

The final event of the season initially scheduled for May was postponed to the end of the year 2020 and held online. The Football for Friendship digital platform was developed. It comprised the *Football for Friendship World* multiplayer football simulator. Over 100 football academies from around the world presented their projects to support and train young athletes at the annual International Football for Friendship Forum. The season was closed by the online Football for Friendship World Championship organized on the platform of the new online game.

The final event set a world Guinness record for the largest online football workshop in the world – over 10,000 participants from 104 countries. During the entire season, over 1 million people took part in the program events.

The *Football for Friendship* program became the winner in Cross Cultural Campaign category of the ICCO Global Awards (UK), and received Eventiada IPRA award for the support of the UN Sustainable Development Goals in the Best Campaign Supporting Healthy Lives and Promoting Well-being for All at All Ages category.

For more details on the *Football for Friendship* program, see[223]

5.3.5.3. Cooperation with Sports Federations

In 2020, Gazprom maintained fruitful cooperation with the Russian Olympic Committee and Russian sports federations (rhythmic gymnastics, volleyball, swimming, biathlon, kayaking and canoeing, billiards), the Russian Biathlon Union, and the Russian Football Union.

Using the funds granted by PJSC Gazprom, the Russian Olympic Committee and the federations hosted a variety of national championships and sports events, stages of international competitions, and training activities for promising young athletes.

For example, the 3rd Winter Youth Olympic Games for athletes aged 14–18 from 79 countries were arranged in Lausanne in January 2020. For the first time in the history, the Russian team won the unofficial team classification with a record number of medals – 29.

In 2020, PJSC Gazprom continued cooperation with the UEFA as its global partner. Due to the epidemiological situation, the sponsorship rights were mainly exercised online.

In the reporting year, the Company served as a general partner at several chess tournaments organized by the International Chess Federation (FIDE). Gazprom supported the First FIDE Online Chess Olympiad – the largest chess event of 2020, the Online World Youth Rapid Chess Championship, and the First Online Chess Olympiad for People with Disabilities. The most fascinating game of each competition was awarded the Gazprom Brilliancy Prize. Thanks to the partnership with FIDE, meetings of chess grandmaster Daniil Dubov with young chess players from St. Petersburg and chess grandmaster Peter Svidler with FC Zenit fans were arranged.

5.3.6. Support of Business Events

The Gazprom Group companies contribute to maintaining favorable business environment at the national and international levels by sponsoring major forums and congresses.

In January 2020, PJSC Gazprom supported the 11th Gaidar Forum 'Russia and the World: Goals and Values'. However, due to the COVID-19 pandemic, other business events traditionally sponsored by the Gazprom Group companies were either cancelled or postponed.

Plans for support of business events

In 2021, the Company plans to support a number of important forums:
- the 12th Gaidar Forum 'Russia and the World: Goals and Values';
- Russian Investment Forum in Sochi;
- the 24th St. Petersburg International Economic Forum;
- the 6th Eastern Economic Forum in Vladivostok;
- the 10th St. Petersburg International Gas Forum;
- Russian Energy Week 2021 International Forum.

(223) https://footballforfriendship.com/

Appendices

Appendix 1.
GRI Content Index and UNCTAD Indicators

GRI 102-55

GRI Content Index

Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 101	Foundation (2016)	About the Report / *Procedure for Defining Material Topics*	20
GRI 102: General Disclosures (2016). Organizational profile			
GRI 102-1	Name of the organization	About the Gazprom Group / *Gazprom Group Profile*	69
GRI 102-2 **SDG 2, 7, 8, 9, 16, 17**	Activities, brands, products, and services	About the Gazprom Group / *Gazprom Group Profile* About the Gazprom Group / *Consumer Categories Identified for Gazprom's Core Products*	69 102
GRI 102-3	Location of headquarters	About the Gazprom Group / *Gazprom Group Profile*	69
GRI 102-4 **SDG 7, 17**	Location of operations	About the Gazprom Group / *Gazprom Group Profile* See Operations and Marketing Geography, PJSC Gazprom Annual Report 2020	69
GRI 102-5	Ownership and legal form	About the Gazprom Group / *Gazprom Group Profile*	69
GRI 102-6 **SDG 7, 17**	Markets served	About the Gazprom Group / *Consumer Categories Identified for Gazprom's Core Products* See Section 3.2.4 "Issuer's Target Markets for Products (Work, Services)" of Quarterly Issuer's Report as of Q4 2020 See Operations and Marketing Geography, PJSC Gazprom Annual Report 2020	102
GRI 102-7 **SDG 7, 8, 9, 17**	Scale of the organization	Appendix 3. To About the Gazprom Group section Appendix 5. To In Dialogue with Society section As of December 31, 2020, the IFRS consolidated financial statements included the indicators of the following number of organizations: subsidiaries – 330, joint operations – 6, associated organizations and joint ventures – 53. See the Balance sheet in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2020	220–221 233
GRI 102-8 **RUIE – 3.1.1.** **SDG 8**	Information on employees and other workers	Appendix 5. To In Dialogue with Society section	236–237
GRI 102-9	Supply chain	About the Gazprom Group / *National Industrial Development* See Business Model, PJSC Gazprom Annual Report 2019 See Section 3.2.3 "Issuer's Materials, Goods (Feedstock) and Suppliers" of Quarterly Issuer's Report as of Q3 (6M) 2020	83–86

GRI Content Index

Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 102-10	Significant changes to the organization and its supply chain	About the Gazprom Group / *Gazprom Group Profile* In the reporting period, the organization and its supply chain did not change materially.	69
GRI 102-11	Precautionary Principle or approach	Responsibility for the Well-Being of Our Planet / *Precautionary Principle*	111
GRI 102-12 **RUIE – 3.3.4.** **SDG 16, 17**	External initiatives	Gazprom Group's Sustainability Management System / *Gazprom Group's Contribution to the Achievement of UN SDGs in 2020* In Dialogue with Society / *HR Management at the Gazprom Group* See Gazprom Group at Present, PJSC Gazprom Annual Report 2020	42 149
GRI 102-13 **RUIE – 3.3.5.** **SDG 16, 17**	Membership of associations	Gazprom Group's Sustainability Management System / *Interaction with International and National Industry Organizations and Associations on Topical Issues of the Oil and Gas Market and Sustainable Development* See Section 3.4 "Issuer's Participation in Banking Groups, Banking Holdings, Holdings and Associations" of Quarterly Issuer's Report as of Q1 2020 (no changes in the reporting period)	39
GRI 102: General Disclosures (2016). Strategy			
GRI 102-14	Statement from senior decision-maker	Message from the Chairman of the Gazprom Management Committee	5–6
GRI 102-15	Key impacts, risks, and opportunities	Gazprom Group's Sustainability Management System / *Key Impacts, Risks, and Opportunities* Gazprom Group's Sustainability Management System / *Monitoring the Sustainability Progress* Gazprom Group's Sustainability Management System / *Gazprom Group's Contribution to the Achievement of UN SDGs in 2020* Responsibility for the Well-Being of Our Planet / *Gazprom's Risks and Opportunities due to Climate Change* Appendix 4. To Responsibility for the Well-Being of Our Planet section	32–35 38 42–58 145–146 229–232
GRI 102: General Disclosures (2016). Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Gazprom Group's Sustainability Management System / *Sustainability Management* About the Gazprom Group / *Corporate Ethics and Values of the Gazprom Group* About the Gazprom Group / *Mission and Strategy*	27 73 71

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 102-17 **SDG 16**	Mechanisms for advice and concerns about ethics	About the Gazprom Group / *Corporate Ethics and Values of the Gazprom Group* About the Gazprom Group / *Anti-Corruption*	74 78
GRI 102: General Disclosures (2016). Governance			
GRI 102-18	Governance structure	See PJSC Gazprom's Corporate Governance Model, PJSC Gazprom Annual Report 2020	–
GRI 102-19	Delegating authority	Gazprom Group's Sustainability Management System / *Sustainability Management*	28
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Gazprom Group's Sustainability Management System / *Sustainability Management*	27–28
GRI 102-21 **SDG 17**	Consulting stakeholders on economic, environmental, and social topics	About the Report / *Stakeholder Engagement Formats*	13
GRI 102-22 **SDG 5**	Composition of the highest governance body and its committees	Gazprom Group's Sustainability Management System / *Sustainability Management* See Section 5.2 "Information about Persons Comprising the Issuer's Management Bodies" of Quarterly Issuer's Report as of Q4 2020 See PJSC Gazprom's Corporate Governance Model and Report on Compliance of PJSC Gazprom's Corporate Governance Standards with the Principles Stipulated in the Russian Corporate Governance Code, Including the Statement on Compliance with Corporate Governance Principles, PJSC Gazprom Annual Report 2020	28
GRI 102-23	Chair of the highest governance body	The chair of the highest governance body is not an executive officer in the organization.	–
GRI 102-24 **SDG 5**	Nominating and selecting the highest governance body	See PJSC Gazprom's Corporate Governance Model, PJSC Gazprom Annual Report 2020 See Article 35 of *PJSC Gazprom's Articles of Association*: https://www.gazprom.com/f/posts/74/562608/gazprom-articles-2020-06-26-ed-en.pdf See Section 5.2 "Information about Persons Comprising the Issuer's Management Bodies" of Quarterly Issuer's Report as of Q4 2020 See Resolution of the Board of Directors *On Recognizing Certain Candidates to the PJSC Gazprom's Board of Directors as Independent* (in Russian): https://www.gazprom.ru/f/posts/13/302401/meeting-protocol-decision.pdf	–

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GRI 102-25 **SDG 16**	Conflicts of interest	About the Gazprom Group / *Corporate Ethics and Values of the Gazprom Group* See Clauses 5.5 and 5.7 of the *Regulation on Board of Directors of PJSC Gazprom*: https://www.gazprom.com/f/posts/74/562608/regulations-board-of-directors-2020-06-26-en.pdf See Section 5.2 “Information about Persons Comprising the Issuer’s Management Bodies” of Quarterly Issuer’s Report as of Q4 2020 See Note 38 “Related Parties” to Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2020 See Ensuring Compliance in Operations, PJSC Gazprom Annual Report 2020	74
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Gazprom Group’s Sustainability Management System / *Sustainability Management* About the Gazprom Group / *Mission and Strategy* See p. 3. of the *Regulation on Board of Directors of PJSC Gazprom*: https://www.gazprom.com/f/posts/74/562608/regulations-board-of-directors-2020-06-26-en.pdf	28–29 71
GRI 102-30	Effectiveness of risk management processes	Gazprom Group’s Sustainability Management System / *Key Impacts, Risks, and Opportunities* See Risk Management and Internal Controls, PJSC Gazprom Annual Report 2020	31
GRI 102-31	Review of economic, environmental, and social topics	Gazprom Group’s Sustainability Management System / *Sustainability Management* See PJSC Gazprom’s Corporate Governance Model, PJSC Gazprom Annual Report 2020 See Board of Directors’ Report on PJSC Gazprom’s Development in Priority Business Areas, PJSC Gazprom Annual Report 2020	28
GRI 102-32	Highest governance body’s role in sustainability reporting	About the Report / *Overview*	9
GRI 102-33	Communicating critical concerns	See PJSC Gazprom’s Corporate Governance Model, PJSC Gazprom Annual Report 2020 See Board of Directors’ Report on PJSC Gazprom’s Development in Priority Business Areas, PJSC Gazprom Annual Report 2020 See p. 8. of the *Regulation on Board of Directors of PJSC Gazprom*: https://www.gazprom.com/f/posts/74/562608/regulations-board-of-directors-2020-06-26-en.pdf	–

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 102-34	Nature and total number of critical concerns	Gazprom Group's Sustainability Management System / *Sustainability Management* See PJSC Gazprom's Corporate Governance Model, PJSC Gazprom Annual Report 2020 See Board of Directors' Report on PJSC Gazprom's Development in Priority Business Areas, PJSC Gazprom Annual Report 2020	28
GRI 102-35	Remuneration policies	See Remuneration of Members of Governing and Supervisory Bodies, PJSC Gazprom Annual Report 2020	–
GRI 102-37	Stakeholders' involvement in remuneration	See Remuneration of Members of Governing and Supervisory Bodies, PJSC Gazprom Annual Report 2020	–
GRI 102: General Disclosures (2016). Stakeholder engagement			
GRI 102-40	List of stakeholder groups	About the Report / *Gazprom Group's Stakeholders*	10
GRI 102-41 **RUIE – 3.1.4.** **SDG 3, 4, 5, 8, 10**	Collective bargaining agreements	In Dialogue with Society / *Social Policy of the Gazprom Group* Appendix 5. To In Dialogue with Society section Share of employees of PJSC Gazprom and its subsidiaries, which signed the General Collective Labor Agreement, covered by collective agreements in 2017–2020: 100%. Share of Gazprom Neft Group employees covered by collective agreements: 47%. Share of employees of Gazprom Energoholding and the companies consolidated under its management covered by collective agreements: 99%. Share of Gazprom Neftekhim Salavat employees covered by collective agreements: 86.8%.	155 239
GRI 102-42	Identifying and selecting stakeholders	About the Report / *Stakeholder Engagement*	10–11
GRI 102-43 **SDG 16**	Approach to stakeholder engagement	About the Report / *Procedure for Defining Material Topics* About the Report / *Stakeholder Engagement Formats* About the Report / *Public Consultations on the Draft Report* Response to COVID-19 Pandemic and its Consequences / *Stakeholder Engagement during the Pandemic*	21 14–17 19 66
GRI 102-44	Key topics and concerns raised	About the Report / *Procedure for Defining Material Topics* About the Report / *Information Requests from Stakeholders in 2020* Appendix 2. To About the Report section	23 19 216–218

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GRI 102: General Disclosures (2016). Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	About the Report / *Approach to Presenting Indicators* See Note 35 "Subsidiaries" to Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2020 (the list of major subsidiaries is available)	9
GRI 102-46	Defining report content and topic Boundaries	About the Report / *Approach to Presenting Indicators* About the Report / *Procedure for Defining Material Topics* Appendix 2. To About the Report section The boundary of each material topic was defined by the persons in charge of managing the respective topics.	9 20–22 218–219
GRI 102-47	List of material topics	About the Report / *Procedure for Defining Material Topics*	24
GRI 102-48	Restatements of information	There were no restatements in the reporting period.	–
GRI 102-49	Changes in reporting	About the Report / *Procedure for Defining Material Topics* The list of material topics was revised and updated on the basis of stakeholder engagement processes. Topics excluded from the list of material topics versus the previous reporting period: Gazprom Group's procurement system and procurement localization, Gazprom Group's presence in the labor market and employment impact, Freedom of association and collective bargaining, Indigenous peoples in Gazprom Group's areas of operations, Natural gas vehicle fuel market development, Implementation of major gas transportation projects. There were no significant changes of the topic boundaries versus the previous year.	20
GRI 102-50	Reporting period	About the Report / *Overview*	8
GRI 102-51	Date of most recent report	About the Report / *Overview*	8
GRI 102-52	Reporting cycle	About the Report / *Overview*	8
GRI 102-53	Contact point for questions regarding the report	Contacts and Feedback	250
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the Report / *Overview*	8
GRI 102-55	GRI Content Index	Appendix 1. GRI Content Index and UNCTAD Indicators	198–212
GRI 102-56	External assurance	About the Report / *Overview* Appendix 8. Assurance by FBK, LLC (professional assurance)	8 246–247

Appendix 1. GRI Content Index and UNCTAD Indicators

GRI Content Index

Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 103: Management Approach (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	About the Report / *Procedure for Defining Material Topics* Appendix 2. To About the Report section	20–24 218–219
GRI 103-2 **RUIE – 1.1.** **SDG 1–17**	The management approach and its components	About the Gazprom Group / *Quality Management and Customer Relations at the Gazprom Group* (material topic 5) About the Gazprom Group / *Compliance Management at the Gazprom Group* (material topics 7, 8, 9, 21) About the Gazprom Group / *Innovations at the Gazprom Group* (material topic 3) About the Gazprom Group / *Mission and Strategy / Gazprom Group's Investment Projects / Tax Policy of the Gazprom Group* (material topics 2, 4) Responsibility for the Well-Being of Our Planet / *Environmental Protection and Climate Preservation Management / Environmental Protection* (material topics 11, 12, 13, 15) Responsibility for the Well-Being of Our Planet / *Climate Protection Measures* (material topics 10, 14) In Dialogue with Society / *Gazprom's Personnel: Relationship Based on Partnership* (material topics 18, 19, 20) In Dialogue with Society / *Process Safety at the Gazprom Group* (material topics 27, 28) In Dialogue with Society / *Gazprom Group and Local Communities* (material topics 22, 24, 26) No complaints with regard to the Group's operations were received in the reporting period.	99–104 73–78 92–98 71, 82, 87–91 107–109, 114–115, 118,121–122,125–127 128, 132–133, 135, 137–138 149–152, 155–168 169–174, 176–177, 179–182 183–184, 187–196
GRI 103-3 **RUIE – 1.1.**	Evaluation of the management approach	About the Gazprom Group / *Quality Management and Customer Relations at the Gazprom Group* (material topic 5) About the Gazprom Group / *Compliance Management at the Gazprom Group* (material topics 7, 8, 9, 21) About the Gazprom Group / *Innovations at the Gazprom Group* (material topic 3) About the Gazprom Group / *Mission and Strategy / Gazprom Group's Business Model /Contribution to Russia's Economy* (material topics 2, 4) Responsibility for the Well-Being of Our Planet / *Environmental Protection and Climate Preservation Management / Environmental Protection* (material topics 7, 11, 12, 13, 15) Responsibility for the Well-Being of Our Planet / *Environmental Protection / Climate Protection Measures* (material topics 10, 14) In Dialogue with Society / *Gazprom's Personnel: Relationship Based on Partnership* (material topics 18, 19, 20) In Dialogue with Society / *Process safety at the Gazprom Group (*material topics 27, 28) In Dialogue with Society / *Gazprom Group and Local Communities* (material topics 22, 24, 26) Appendix 1. GRI Content Index and UNCTAD Indicators (material topic 7)	99–104 73–78 92–98 71–72, 79–82, 87–91 107–112, 114–118, 121–127 119, 128–138 149–152, 155–168 170–182 183–184, 187–196 212

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
Material topics			
SDG 7, 8, 9, 11, 12, 17	Innovations and R&D at the Gazprom Group	About the Gazprom Group / *Innovations at the Gazprom Group*	92–98
SDG 2, 7, 8, 9, 11, 12, 17	Gas infrastructure expansion in the Russian Federation	In Dialogue with Society / *Gas Infrastructure Expansion in Russian Regions*	187–188
GRI 201: Economic Performance (2016)			
GRI 201-1 **RUIE – 1.2., 1.3., 1.4., 1.5., 1.6., 1.7.** **SDG 8, 9**	Direct economic value generated and distributed	About the Gazprom Group / *Contribution to Russia's Economy*	81
GRI 201-2 **SDG 13**	Financial implications and other risks and opportunities due to climate change	Responsibility for the Well-Being of Our Planet / *Gazprom's Risks and Opportunities due to Climate Change* Gazprom Group's Sustainability Management System / *Key Impacts, Risks, and Opportunities* Appendix 4. To Responsibility for the Well-Being of Our Planet section The financial implications and risk management costs are assessed as part of both the sustainable development scenarios for Gazprom through 2050, given the low-carbon trends in the global economy, and PJSC Gazprom's Climate Roadmap through 2050, which are planned to be completed in 2022.	145–146 32,34 229–232
GRI 201-3 **RUIE – 1.8.**	Defined benefit plan obligations and other retirement plans	In Dialogue with Society / *Social Policy of the Gazprom Group* See Note 25 "Contingent Liabilities" to Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2020	157
GRI 203: Indirect Economic Impacts (2016)			
GRI 203-1 **RUIE – 1.7.** **SDG 9**	Infrastructure investments and services supported	Response to COVID-19 Pandemic and its Consequences / *Stakeholder Engagement during the Pandemic* In Dialogue with Society / *Gazprom's Cooperation with the Regions* In Dialogue with Society / *Charitable Initiatives and Sponsorship*	66 183–184 190–191
GRI 203-2 **SDG 3, 4, 8, 11, 17**	Significant indirect economic impacts	In Dialogue with Society / *Gazprom's Cooperation with the Regions*	183–196
GRI OG: Reserves			
GRI OG1	Volume and type of estimated proven reserves and production	Appendix 3. To About the Gazprom Group section	220
GRI 204: Procurement Practices (2016)			
GRI 204-1 **SDG 8, 11, 12**	Proportion of spending on local suppliers	About the Gazprom Group / *National Industrial Development*	83

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GRI 205: Anti-corruption (2016)			
GRI 205-1[224] **SDG 16**	Operations assessed for risks related to corruption	About the Gazprom Group / *Anti-Corruption*	77
GRI 205-2[225] **SDG 16**	Communication and training about anti-corruption policies and procedures	About the Gazprom Group / *Anti-Corruption* About the Gazprom Group / *Corporate Ethics and Values of the Gazprom Group*	77 73
GRI 205-3 SDG 16	Confirmed incidents of corruption and actions taken	About the Gazprom Group / *Anti-Corruption*	77
GRI 206: Anti-competitive Behaviour (2016)			
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	See Note 40 “Operational Risks” to the Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2020	–
GRI 207: Tax (2019)			
GRI 207-1 SDG 17	Approach to tax	About the Gazprom Group / *Tax Policy of the Gazprom Group*	87
GRI 207-2 SDG 17	Tax governance, control and risk management	About the Gazprom Group / *Tax Policy of the Gazprom Group*	87, 90
GRI 207-3 SDG 17	Stakeholder engagement and management of concerns related to tax	About the Gazprom Group / *Tax Policy of the Gazprom Group*	90
GRI 207-4 SDG 17	Country-by-country reporting	About the Gazprom Group / *Tax Policy of the Gazprom Group* As the country-by-country report of the transnational Gazprom Group contains information regarding the companies included in the list of strategic enterprises and joint stock companies under the legislation of the Russian Federation, and their subsidiaries, such report is provided to any authorized body of a foreign country (jurisdiction) subject to a respective sanction by a federal executive agency duly authorized by the Government of the Russian Federation. Therefore, public disclosure of information contained in the country-by-country report would contradict the legislation.	87
GRI 302: Energy (2016)			
GRI 302-3 RUIE – 2.2.1. SDG 7, 11, 12	Energy intensity	Responsibility for the Well-Being of Our Planet / *Energy Saving and Energy Efficiency*	137–138

(224) Total number and percentage of the units (by type of activities) which were assessed for corruption-related risks are not provided because no centralized records are kept.
(225) The following information is not provided because no centralized records are kept: data broken down by region, total number and percentage of the members of governance bodies trained on the anti-corruption policies and methods, data broken down by employee category and region.

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 302-4[226] **SDG 7, 11, 12**	Reduction of energy consumption	Responsibility for the Well-Being of Our Planet / *Energy Saving and Energy Efficiency* Appendix 4. To Responsibility for the Well-Being of Our Planet section	132–134 227
GRI OG 2 **SDG 7, 9, 17**	Total amount invested in renewable energy	Responsibility for the Well-Being of Our Planet / *Renewable and Secondary Energy Resources*	139
GRI OG 3 **SDG 7**	Total amount of renewable energy generated by source	Responsibility for the Well-Being of Our Planet / *Renewable and Secondary Energy Resources* Appendix 4. To Responsibility for the Well-Being of Our Planet section	139 228
GRI 303: Water and Effluents (2018)			
GRI 303-1 **SDG 6, 11, 12**	Interactions with water as a shared resource	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	114–115
GRI 303-2 **SDG 6, 11, 12**	Management of water discharge-related impacts	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	114
GRI 303-3 **RUIE – 2.3.** **SDG 6, 11, 12**	Water withdrawal	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	115–116
GRI 303-4 **SDG 6, 11, 12, 14**	Water discharge	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality* Appendix 4. To Responsibility for the Well-Being of Our Planet section	115, 117–118 224
GRI 303-5 **RUIE – 2.3.** **SDG 6, 11, 12**	Water consumption	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	115–116
GRI OG5[227] **SDG 3, 6, 11, 12, 14**	Volume and disposal of formation or produced water	Appendix 4. To Responsibility for the Well-Being of Our Planet section	224
GRI 304: Biodiversity (2016)			
GRI 304-1 **SDG 3, 14, 15**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Responsibility for the Well-Being of Our Planet / *Biodiversity Support*	127
GRI 304-2 **SDG 3, 14, 15**	Significant impacts of activities, products, and services on biodiversity	Responsibility for the Well-Being of Our Planet / *Biodiversity Support*	127
GRI 304-3 **SDG 3, 14, 15**	Habitats protected or restored	Responsibility for the Well-Being of Our Planet / *Biodiversity Support* Responsibility for the Well-Being of Our Planet / *Land Preservation and Restoration*	125–127 118

(226) Consolidated data for the Gazprom Group is not provided in the Report because no centralized records are kept.
(227) Information on use of produced (formation) water is not provided because no centralized records are kept.

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 304-4 **SDG 3, 14, 15**	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Responsibility for the Well-Being of Our Planet / *Biodiversity Support* Due to the ongoing development of the information collection system, differences in rarity criteria for subspecies in the areas of the Gazprom Group companies' production activities across the Russian regions, and in order to avoid double counting of species, counting their total number is not currently underway. The information is presented with a breakdown by a number of the Gazprom Group companies operating in respective regions.	127
GRI 305: Emissions (2016)			
GRI 305-1 **RUIE – 2.5.** **SDG 3, 11, 12, 13**	Direct (Scope 1) GHG emissions	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group* See Greenhouse Gas Emissions, PJSC Gazprom Environmental Report 2020	129
GRI 305-2 **RUIE – 2.5.** **SDG 3, 11, 12, 13**	Energy indirect (Scope 2) GHG emissions	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group* See Greenhouse Gas Emissions, PJSC Gazprom Environmental Report 2020	130
GRI 305-3 **RUIE – 2.5.** **SDG 3, 11, 12, 13**	Other indirect (Scope 3) GHG emissions	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group* See Greenhouse Gas Emissions, PJSC Gazprom Environmental Report 2020	131
GRI 305-4 **SDG 11, 12, 13**	GHG emissions intensity	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group*	129
GRI 305-5 **SDG 11, 12, 13**	Reduction of GHG emissions	Responsibility for the Well-Being of Our Planet /*Corporate Targets for Preserving the Climate* Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group*	128 130
GRI 305-6 **SDG 3, 11, 12, 13**	Emissions of ozone-depleting substances (ODS)	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group*	131
GRI 305-7 **RUIE – 2.6.** **SDG 3, 11, 12, 13**	Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	Responsibility for the Well-Being of Our Planet / *Reducing Air Pollutant Emissions* See Atmospheric Air Impact, PJSC Gazprom Environmental Report 2020	119
GRI 306: Waste (2020)			
GRI 306-1 **RUIE – 2.7., 2.7.2.** **SDG 3, 6, 11, 12, 14, 15**	Waste generation and significant waste-related impacts	Responsibility for the Well-Being of Our Planet / *Waste Handling* Appendix 4. To Responsibility for the Well-Being of Our Planet section	121 225
GRI 306-2 **RUIE – 2.8.** **SDG 3, 6, 11, 12, 14, 15**	Management of significant waste-related impacts	Responsibility for the Well-Being of Our Planet / *Waste Handling*	121–122
GRI 306-3 **RUIE – 2.9.** **SDG 3, 6, 11, 12, 14, 15**	Waste generated	Responsibility for the Well-Being of Our Planet / *Waste Handling*	121–125

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GRI 306-4 **SDG 6, 11, 12, 14, 15**	Waste diverted from disposal	Responsibility for the Well-Being of Our Planet / *Waste Handling* Appendix 4. To Responsibility for the Well-Being of Our Planet section The data is collected using the methodology set out in statistic form 2-TP (waste). For the lack of centralized records, no breakdown is given for the following operations (separately at the facility and by third parties): i. Reusing waste for the intended purpose (recycling); ii. Bringing back to the production cycle after appropriate treatment (recovery); iii. Other waste disposal actions.	122 226
GRI 306-5 **SDG 6, 11, 12, 14, 15**	Waste directed to disposal	Appendix 4. To Responsibility for the Well-Being of Our Planet section The Gazprom Group does not use incineration with energy generation. Incineration with energy generation is not classified as a separate category of waste management.	226
GRI OG6 **SDG 3, 6, 11, 12, 14**	Volume of flared and vented hydrocarbon	Responsibility for the Well-Being of Our Planet / *Flaring Reduction* Appendix 4. To Responsibility for the Well-Being of Our Planet section See Utilization of Associated Petroleum Gas, PJSC Gazprom Environmental Report 2020	131–132 226–227
GRI OG7 **SDG 3, 6, 11, 12**	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Responsibility for the Well-Being of Our Planet / *Waste Handling* Appendix 4. To Responsibility for the Well-Being of Our Planet section	125 226
GRI 307:Environmental Compliance (2016)			
GRI 307-1 **RUIE – 2.10.** **SDG 11, 12, 14, 15**	Non-compliance with environmental laws and regulations	Responsibility for the Well-Being of Our Planet / *Control by Public Authorities*	111–112
GRI 401: Employment (2016)			
GRI 401-1 **SDG 8**	New employee hires and employee turnover	Appendix 5. To In Dialogue with Society section In line with PJSC Gazprom's by-laws, personnel loss (and hiring) turnover is calculated as the ratio of the number of quitters (hired) to the average headcount, including external part-timers. Since the Group does not have an average headcount breakdown by gender and age, no hiring and personnel loss rates are disclosed with a breakdown by age and gender. The coefficients of turnover for personnel hiring and loss in the context of age, gender and region have not been disclosed.	234–235
GRI 401-2 **SDG 8**	Benefits provided to full-time employees that are not provided to temporary or part-time employees	In Dialogue with Society / *Social Policy of the Gazprom Group* Appendix 5. To In Dialogue with Society section Part-time employment means employees working part-time in accordance with the Labor Code of the Russian Federation.	155–157 239

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 403: Occupational Health and Safety (2018)			
GRI 403-1 **SDG 8**	Occupational health and safety management system	In Dialogue with Society / *Labor Safety Management at the Gazprom Group*	169–170
GRI 403-2 **SDG 8**	Hazard identification, risk assessment, and incident investigation	In Dialogue with Society / *Process Safety Culture Improvement* In Dialogue with Society / *Labor Safety Management at the Gazprom Group*	181 169, 171–173
GRI 403-3 **SDG 8**	Occupational health services	In Dialogue with Society / *Occupational Safety Performance* In Dialogue with Society / *Social Policy of the Gazprom Group*	177 156–157
GRI 403-4 **SDG 8**	Worker participation, consultation, and communication on occupational health and safety	In Dialogue with Society / *Process Safety Culture Improvement*	181
GRI 403-5 **RUIE – 1.4.** **SDG 4, 8**	Worker training on occupational health and safety	In Dialogue with Society / *Process Safety Culture Improvement*	181
GRI 403-6. **RUIE – 1.4.** **SDG 3, 8**	Promotion of worker health	Response to COVID-19 Pandemic and its Consequences / *Employee Safety and Business Continuity* In Dialogue with Society / *Social Policy of the Gazprom Group*	63–65 156–157
GRI 403-7 **SDG 8**	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	In Dialogue with Society / *Process Safety Control in the Supply Chain*	182
GRI 403-8 **SDG 8**	Workers covered by an occupational health and safety management system	In Dialogue with Society / *Labor Safety Management at the Gazprom Group*	170
GRI OG13 **SDG 3, 8**	Number of process safety events, by business activity	In Dialogue with Society / *Industrial Safety Performance*	179
GRI 404: Training and Education (2016)			
GRI 404-1 **RUIE – 3.1.10.** **SDG 4, 8**	Average hours of training per year per employee	In Dialogue with Society / *Training and Education* In line with PJSC Gazprom's by-laws, the average duration of training is calculated as the ratio of the total number of training hours to the average headcount, excluding external part-timers. Since the Group does not have an average headcount breakdown by gender, the average duration of training per male or female employee cannot be provided.	160
GRI 404-2 **SDG 4, 8**	Programs for upgrading employee skills and transition assistance programs	In Dialogue with Society / *Training and Education*	160–161

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Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI 405: Diversity and Equal Opportunity (2016)			
GRI 405-1 **RUIE –3.1.12.** **SDG 5, 8, 10**	Diversity of governance bodies and employees	Appendix 5. To In Dialogue with Society section	238
GRI 406: Non-discrimination (2016)			
GRI 406-1 **RUIE – 3.2.2.** **SDG 5, 8, 10**	Incidents of discrimination and corrective actions taken	In Dialogue with Society / *Commitment to Labor Rights at the Gazprom Group*	151
GRI 410: Security Practices (2016)			
GRI 410-1 **SDG 4**	Security personnel trained in human rights policies or procedures	About the Gazprom Group / *Corporate Values and Commitment to Human Rights at the Gazprom Group*	75
GRI 411: Rights of Indigenous Peoples (2016)			
GRI 411-1 **RUIE – 3.2.3.** **SDG 10**	Incidents of violations involving rights of indigenous peoples	In Dialogue with Society / *Gazprom Group and Indigenous Minorities*	186
GRI 412: Human Rights Assessment (2016)			
GRI 412-1 **SDG 16**	Operations that have been subject to human rights reviews or impact assessments	About the Gazprom Group / *Corporate Values and Commitment to Human Rights at the Gazprom Group*	75
GRI 412-2 **SDG 4**	Employee training on human rights policies or procedures	About the Gazprom Group / *Corporate Values and Commitment to Human Rights at the Gazprom Group*	75
GRI 412-3 **SDG 17**	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	About the Gazprom Group / *Corporate Values and Commitment to Human Rights at the Gazprom Group*	75
GRI 413: Local Communities (2016)			
GRI 413-1[228] **RUIE – 3.3.3.** **SDG 1, 2, 3, 4, 8, 10, 11**	Operations with local community engagement, impact assessments, and development programs	In Dialogue with Society / *Gazprom's Cooperation with the Regions* In Dialogue with Society / *Support of Sports*	183–184 195
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual or potential negative impact on local communities was detected in the reporting period.	–
GRI OG10 **RUIE – 3.2.3.** **SDG 10**	Number and description of significant disputes with local communities and indigenous peoples	In Dialogue with Society / *Gazprom Group and Indigenous Minorities*	186

(228) The share (in per cent) of operations in which community engagement programs have been implemented is not provided because no centralized records are kept.

GRI Content Index

Standard / Disclosure / SDG	Standard name / Disclosure name	Location in the Report	Page
GRI OG9 **SDG 1, 2, 3, 4, 8, 10, 11**	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	In Dialogue with Society / *Gazprom Group and Indigenous Minorities* List of the Gazprom Group companies operating in the areas inhabited by the indigenous ethnic minorities or in immediate proximity to such areas: Gazprom Dobycha Nadym LLC's subdivisions, Gazprom Dobycha Yamburg LLC, Gazprom Dobycha Noyabrsk LLC, Gazprom Dobycha Urengoy LLC, JSC Gazpromneft-NNG, Gazpromneft-Yamal LLC, Gazpromneft-Khantos LLC, Gazprom Neft Razvitiye LLC, Gazpromneft-Zapolyarye LLC, JSC Messoyakhaneftegaz, Bazhen Technology Center LLC, Gazpromneft-Palyan LLC – located in the traditional settlement area of indigenous minorities of the North (the Nenets people).	185–186
GRI OG12 **RUIE – 3.2.3.**	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	In Dialogue with Society / *Gazprom Group and Indigenous Minorities*	185
GRI 414: Supplier Social Assessment (2016)			
GRI 414-1 **SDG 8, 16**	New suppliers that were screened using social impact criteria	In Dialogue with Society / *Process Safety Control in the Supply Chain*	182
GRI 416: Customer Health and Safety (2016)			
GRI 416-1 **RUIE – 3.4.2.** **SDG 3, 12**	Assessment of the health and safety impacts of product and service categories	About the Gazprom Group / *Product Quality Control*	101
GRI 416-2 **RUIE – 3.4.2.** **SDG 3, 12**	Incidents of non-compliance concerning the health and safety impacts of products and services	About the Gazprom Group / *Product Quality Control*	101
GRI 419: Socioeconomic Compliance (2016)			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	At PJSC Gazprom, there were no cases of non-compliance with laws and regulations in the social and economic area that resulted in significant fines or non-monetary sanctions in the reporting period, except for the cases disclosed in the quarterly reports published by PJSC Gazprom. **Gazprom Neft** was subject to no significant fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic area in the reporting period. The total amount of fines faced by **Gazprom Energoholding** companies for non-compliance with laws and regulations in the social and economic area was RUB 15.563 million. In 2020, **Gazprom Neftekhim Salavat** paid a total of RUB 1.455 million in fines to budgets of various levels. There were no non-monetary sanctions against Gazprom Neftekhim Salavat in 2020. No cases of dispute settlement were reported.	–

UNCTAD Indicators

Indicator code	Area	Indicator	Disclosure	Page
A. Economic area				
A.1	Revenue and/or (net) value added	A.1.1. Revenue	Appendix 3. To About the Gazprom Group section	220
		A.1.2. Value added	RUB 3,391 billion	–
		A.1.3. Net value added	RUB 2,593 billion	–
A.2	Payments to the Government	A.2.1. Taxes and other payments to the Government [229]	About the Gazprom Group / *Contribution to Russia's Economy*	79
A.3	New investment/ expenditures	A.3.1. Green investment	Responsibility for the Well-Being of Our Planet / *Gazprom Group's Spending on Environmental Protection in 2020*	112–113
		A.3.2. Community investment	In Dialogue with Society / *Charitable Initiatives and Sponsorship*	190–191
		A.3.3. Total expenditures on research and development	About the Gazprom Group / *Innovations and R&D at Gazprom*	95
A.4	Local supplier/purchasing programs	A.4.1. Percentage of local procurement	About the Gazprom Group / *National Industrial Development*	83
B. Environmental area				
B.1	Sustainable use of water	B.1.1. Water recycling and reuse	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	116
		B.1.2. Water use efficiency	Water withdrawal to net value added ratio: 0.00125 m^3/RUB	–
		B.1.3. Water stress	Responsibility for the Well-Being of Our Planet / *Reducing Water Consumption and Improving Water Quality*	115–116
B.2	Waste management	B.2.1. Reduction of waste generation	Reduction of waste generation in 2020: 107.25 thousand tons (3.2%) Change in reduction of waste generation to net value added ratio: 0.0000331 tons/RUB	–
		B.2.2. Waste reused, re-manufactured and recycled	Appendix 4. To Responsibility for the Well-Being of Our Planet section	226
		B.2.3. Hazardous waste	Responsibility for the Well-Being of Our Planet / *Waste Handling* Class I and II waste is handed over for neutralization or recycling. Its share is 0.03% of the total waste generated by the Group.	122–123

(229) VAT is not included since this tax is indirect and actually paid by consumers of products, work and services.

UNCTAD Indicators

Indicator code	Area	Indicator	Disclosure	Page
B.3	Greenhouse gas emissions	B.3.1. Greenhouse gas emissions (Scope 1)	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group* See Greenhouse Gas Emissions, PJSC Gazprom Environmental Report 2020	129
		B.3.2. Greenhouse gas emissions (Scope 2)	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group* See Greenhouse Gas Emissions, PJSC Gazprom Environmental Report 2020	130
B.4	Ozone-depleting substances and chemicals	B.4.1. Ozone-depleting substances and chemicals	Responsibility for the Well-Being of Our Planet / *GHG Emissions Control at the Gazprom Group*	131
B.5	Energy consumption	B.5.1. Renewable energy	Share of renewable energy sources in total energy consumption: 0.0036%	–
		B.5.2. Energy efficiency	Energy consumption to net value added ratio: 1,295,884 J/RUB	–
C. Social area				
C.1	Gender equality	C.1.1. Proportion of women in managerial positions	Appendix 5. To In Dialogue with Society section	211
C.2	Human capital	C.2.1. Average hours of training per year per employee	In Dialogue with Society / *Training and Education*	160
		C.2.2. Expenditure on employee training per year per employee[230]	RUB 1,715 million – Gazprom Neft's investment in personnel training and development in 2020. RUB 127.4 million – Gazprom Energoholding's investment in personnel training and development in 2020. RUB 31.5 million – Gazprom Neftekhim Salavat's investment in personnel training and development in 2020.	–
		C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	Total payroll (salaries and social benefits) to total revenue ratio for the reporting period: 0.134	–
C.3	Employee health and safety	C.3.1. Expenditures on employee health and safety as a proportion of revenue	In Dialogue with Society / *Occupational Safety Performance* In Dialogue with Society / *Social Policy of the Gazprom Group*	176 156
		C.3.2. Frequency/incident rates of occupational injuries	In Dialogue with Society / *Occupational Safety Performance*	175

(230) The indicator is disclosed partially. Amount of expenditure per year per employee is not provided because no centralized records are kept.

UNCTAD Indicators

Indicator code	Area	Indicator	Disclosure	Page
C.4	Coverage by collective agreements	C.4.1. Percentage of employees covered by collective agreements	In Dialogue with Society / *Social Policy of the Gazprom Group* Share of employees of PJSC Gazprom and its subsidiaries, which signed the General Collective Labor Agreement, covered by collective agreements in 2017–2020: 100%. Share of Gazprom Neft Group employees covered by collective agreements: 47%. Share of employees of Gazprom Energoholding and the companies consolidated under its management covered by collective agreements: 99%. Share of Gazprom Neftekhim Salavat employees covered by collective agreements: 86.8%.	155
D. Institutional area				
D.1	Corporate governance disclosure	D.1.1. Number of board meetings and attendance rate	Number of PJSC Gazprom's Board of Directors meetings: 62 (5 in person; 57 in absentia).	–
		D.1.2. Number and percentage of female board members	There are no female members of PJSC Gazprom's Board of Directors.	–
		D.1.3. Board members by age range	Composition of PJSC Gazprom's Board of Directors by age range: – over 50 y.o. – 9 people; – 30 to 50 y.o. – 2 people.	–
		D.1.4. Number of meetings of audit committee and attendance rate	Number of meetings of the Audit Committee of PJSC Gazprom's Board of Directors: 12 (0 in person; 12 in absentia).	–
		D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	See Remuneration of Members of Governing and Supervisory Bodies, PJSC Gazprom Annual Report 2020	–
D.2	Anti-corruption practices	D.2.1. Amount of fines paid or payable due to settlements	In the reporting period, the Gazprom Group faced no fines paid or payable in relation to corruption.	–
		D.2.2. Average number of hours of training on anti-corruption issues, per year per employee	About the Gazprom Group / *Anti-Corruption*	77

Appendix 2.
To About the Report section

GRI 102-44

Table of questions and recommendations from stakeholders based on public consultation on Report 2019

Recommendations	PJSC Gazprom response
It is stated that gas trunkline overhaul was completed. However, the number of ruptures, explosions, and fires at gas trunklines is not specified.	**Number of accidents[231] at the linear part of gas trunklines** / **2018** / **2019** / **2020** number / 8 / 4 / 6 number per 1,000 km / 0.05 / 0.02 / 0.03 Main causes of accidents at the linear sections of gas trunklines: – corrosion; – construction defects of past periods (construction before the 2000s); – third-party actions (for example, during cable laying). Over the past three years, the number of accidents at the linear sections of gas trunklines tends to decline. Number of accidents per 1,000 km of gas trunkline is of particular interest as this indicator takes into account the constant growth of the gas transmission system and thus the increasing risks of corrosion, defects, and possible third-party actions. In 2019, this indicator was close to the minimum possible value. It is impossible to completely eliminate corrosion and other defects, as there is no perfect diagnostics method.
Direct GHG emissions and indirect (Scope 3) emissions are shown for the Gazprom Group, while indirect Scope 2 emissions are stated only for PJSC Gazprom.	The Report structure has been updated in accordance with the recommendations. See Subsection 4.3.2 *GHG Emissions Control at the Gazprom Group.*
It is recommended to disclose information about environmental safety and infrastructure of the production facilities in the regions of operation.	The Report structure has been updated in accordance with the recommendations. For information about activities at the production sites of the Gazprom Group companies located within designated conservation areas and their protected zones, see the interactive version of the Report at https://sustainability.gazpromreport.ru/en/2020/ For information about environmental safety of the production facilities at the regions of operation, see Environment section on the subsidiaries' websites, subsidiaries' environmental reports, and PJSC Gazprom Environmental Report. Information about main environmental safety initiatives in the regions is posted in the Media section on PJSC Gazprom's website.
It is recommended to move key sustainability risks from Appendix to the main part of the Report.	The Report structure has been updated in accordance with the recommendations. See Subsection 1.1.1.2 *PJSC Gazprom's Approach to Material Sustainability Risks Management.*
It is recommended to move *Indicators of the Gazprom Group's contribution to the economy of the Russian Federation, 2017–2020* table and GRI 201-1 table from appendix to the main part of the Report.	The Report structure has been updated in accordance with the recommendations. See Subsection 3.5 *Contribution to Russia's Economy.*
Product quality assurance aspects are specified in various sections. It is recommended to gather them in one subsection on Quality Management.	The Report structure has been updated in accordance with the recommendations. See Subsection 3.7 *Quality Management and Customer Relations at the Gazprom Group.*
It is recommended to disclose the calculation method for the economic benefits from using R&D results.	The calculation method is documented according to PJSC Gazprom's standardization system. It is intellectual property of the Company and thus cannot be disclosed in full. The method is based on the common calculation approach using the difference between cash inflows and outflows.

(231) Accident means loss of pipe integrity with subsequent pipeline destruction and potential ignition of gas-air mixture.

Table of questions and recommendations from stakeholders based on public consultation on Report 2019

Recommendations	PJSC Gazprom response
It is recommended to specify the causes of fatalities.	We study the possibility to disclose such information in subsequent reports.
Are charity projects post-evaluated in terms of efficiency carried out?	The Report structure has been updated in accordance with the recommendations. See Subsection 5.3.4 *Charitable Initiatives and Sponsorship.*
It is recommended to provide more details on Gazprom's contribution to the "Environmental Protection" national project.	The Report structure has been updated in accordance with the recommendations. See the *Gazprom Group's Contribution to the Implementation of the UN Sustainable Development Goals and Targets and Russia's National Development Goals* table.
Gazprom Neftekhim Salavat calculates no energy intensity ratio. It is recommended to specify the reason.	Calculation of the energy intensity ratio at Gazprom Neftekhim Salavat makes no economic sense due to product diversity and it is not provided for by the reporting documents.
It is recommended to specify the percentage of recycled water.	The Report structure has been updated in accordance with the recommendations. See Subsection 4.2.1.2 *Water Consumption* (GRI 303-1, GRI 303-2, GRI 303-5).
It is recommended to describe sustainable development scenarios for PJSC Gazprom through 2050 taking into account the global shift to a low-carbon economy.	The Report structure has been updated in accordance with the recommendations. See Subsection 4.3.8.2 *Assessment of Climate-related Risks and Opportunities for Gazprom.*
Some initiatives are mentioned without information on their time and place.	The Report structure has been updated in accordance with the recommendations. See Subsection Stakeholder Engagement Formats.
Cooperation agreements were entered into with 81 constituent entities of the Russian Federation. It is recommended to specify how they reflect the responsible business conduct and sustainable development practices.	The cooperation agreements with constituent entities of the Russian Federation currently contain no provisions with regard to the sustainability approaches and obligations of the parties.
It is recommended to supplement the *Biodiversity* subsection with quantitative monitoring indicators to assess the dynamics of changes in flora, fauna, and aquatic animals and plants in the most vulnerable regions of operation.	The Report structure has been updated in accordance with the recommendations. Subsection 4.2.5 *Biodiversity Support* includes some data for 2020. For more details on the respective activities of the Gazprom Group, see the interactive version of the Report: https://sustainability.gazpromreport.ru/en/2020/ It is planned to specify the dynamics in subsequent reports.
It is recommended to supplement information about inclusion.	The Report structure has been updated in accordance with the recommendations. See Subsection 5.1.3 *Employment of People with Disabilities*.
It is recommended to supplement employee satisfaction/ engagement analysis (if any).	PJSC Gazprom carried out no employee satisfaction surveys in 2020. Gazprom Neft conducts annual psychosocial surveys to assess employee engagement and satisfaction. In 2020, the survey covered 46,000 people.
Number of people insured under voluntary medical insurance programs. Percentage of employees who had a periodic health examination. It is recommended to provide comparison with the previous period.	The Report structure has been updated in accordance with the recommendations. See Subsection 5.1.6 *Social Policy of the Gazprom Group.*

Table of questions and recommendations from stakeholders based on public consultation on Report 2019

Recommendations	PJSC Gazprom response
It is recommended to specify the number of localities connected to gas supplies in Russia.	The Report structure has been updated in accordance with the recommendations. See Subsection 5.3.3 *Gas Infrastructure Expansion in Russian Regions.*
It is recommended to provide specific indicators: R&D investments versus total investments.	According to the common approaches, including those provided for by the Ministry of Economic Development of the Russian Federation, the performance indicator in this area is the ratio of R&D spending to revenue. The targets for this indicator are defined in the I*nnovative Development Program of PJSC Gazprom until 2025* and specified in the *Passport of the Program* available on the Company's website. The actual value is provided in the annual public reports on the Company's activity, including the Report (see Subsection 3.3 *Gazprom Group's Business Model*).

GRI 102-46, GRI 103-1

Topic Boundaries in the Report

Topic (topic number)	PJSC Gazprom	Key subsidiaries involved in gas production, transportation, processing, and underground storage[232]	Other subsidiaries	Gazprom Neft Group	Gazprom Energo-holding	Gazprom Neftekhim Salavat
Gazprom Group's economic performance (2)						
Innovations and R&D at the Gazprom Group (3)						
Gazprom Group's efforts in replenishment of hydrocarbon reserves (4)						
Quality management *(QMS boundaries)* (5)						
Compliance with social, economic, and environmental requirements of the law (7)						
Compliance with anti-trust and monopoly laws (8)						
Anti-corruption practices at the Gazprom Group (9)						
Emissions management at the Gazprom Group (10)						
Waste handling at the Gazprom Group (11)						
Gazprom Group's efforts to maintain acceptable water quality in the Group's areas of operations (12)						
Gazprom Group's efforts to preserve biodiversity (13)						

(232) **Topic "Gas infrastructure expansion in the Russian Federation"** covers the Group's gas business companies: Gazprom Dobycha Yamburg LLC, Gazprom Dobycha Urengoy LLC, Gazprom Dobycha Nadym LLC, Gazprom Dobycha Noyabrsk LLC, Gazprom Dobycha Astrakhan LLC, Gazprom Dobycha Orenburg LLC, Gazprom Dobycha Krasnodar LLC, Gazprom Pererabotka LLC, Gazprom Transgaz Surgut LLC, Gazprom Transgaz Ukhta LLC, Gazprom Transgaz Yugorsk LLC, Gazprom Transgaz Moscow LLC, Gazprom Transgaz Saint Petersburg LLC, Gazprom Transgaz Tomsk LLC, Gazprom Transgaz Tchaikovsky LLC, Gazprom Transgaz Yekaterinburg LLC, Transgaz Makhachkala LLC, Gazprom Transgaz Stavropol LLC, Gazprom Transgaz Nizhny Novgorod LLC, Gazprom Transgaz Saratov LLC, Gazprom Transgaz Volgograd LLC, Gazprom Transgaz Samara LLC, Gazprom Transgaz Ufa LLC, Gazprom Transgaz Kazan LLC, Gazprom Transgaz Krasnodar LLC, OJSC Gazprom Transgaz Belarus, Gazprom UGS LLC.

Topic Boundaries in the Report

Topic (topic number)	PJSC Gazprom	Key subsidiaries involved in gas production, transportation, processing, and underground storage[232]	Other subsidiaries	Gazprom Neft Group	Gazprom Energo-holding	Gazprom Neftekhim Salavat
Energy saving and energy efficiency at the Gazprom Group (14)				[233]		
Disturbed land remediation by the Gazprom Group (15)						
Training and education for employees and prospective employees (18)						
Social benefits and non-financial motivation of the employees at the Gazprom Group (19)						
Equal opportunities for all employees of the Gazprom Group *(boundaries for collecting information on cases of discrimination and labor disputes)* (20)						
Respect of human rights (21)						
Interaction with local communities in the Gazprom Group's areas of operations *(boundaries for collecting information on the programs for development of local community engagement)* (22)						
Gazprom Group's social projects *(boundaries for collecting information on the amount of charitable expenses)* (24)						
Occupational health, industrial and fire safety at Gazprom Group (27)						
Ensuring safer work of suppliers and contractors *(boundaries for collecting information on the requirements for suppliers and contractors to adhere to occupational health, industrial and fire safety norms and standards)* (28)						

Information on all entities
Information on the most significant entities
Entities do not have any material impacts on the topic, therefore, no data is collected

(233) Gazpromneft-Yamal LLC, JSC Messoyakhaneftegaz, JSC Gazpromneft-NNG, Gazpromneft-Khantos LLC, Gazpromneft-Vostok LLC, Gazpromneft-Orenburg LLC, Slavneft-Megionneftegaz LLC, JSC Gazpromneft-ONPZ, JSC Gazpromneft-MNPZ, NIS, OJSC Slavneft-YANOS, JSC Gazpromneft MZSM, Gazpromneft-RZBM LLC, and OZSM.

Appendix 3. To About the Gazprom Group section

PJSC Gazprom's share capital structure, %

Shareholder	As of December 31, 2019	As of December 31, 2020
The Russian Federation represented by the Federal Agency for State Property Management[234]	38.37	38.37
JSC Rosneftegaz	10.97	10.97
JSC Rosgazifikatsiya	0.89	0.89
ADR holders[235]	19.70	16.71
Other registered persons	30.07	33.06

GRI 102-7, UNCTAD A.1.1
The Gazprom Group's key financial and economic indicators, 2017–2020

Indicator	2017	2018	2019	2020
PJSC Gazprom's market capitalization at year end, RUB trillion	3.1	3.6	6.1	5.0
Sales revenue, RUB million	6,546,143	8,224,177	7,659,623	6,321,559
Profit on sales, RUB million	871,405	1,930,030	1,119,857	614,851
Profit for the year under IFRS, RUB million	766,879	1,528,996	1,269,517	162,407
Profit for the year attributable to PJSC Gazprom's shareholders, RUB million	714,302	1,456,270	1,202,887	135,341
Discounted EBITDA,[236] RUB million	1,467,692	2,599,284	1,859,679	1,466,541

For more details on the volumes of sales and marketing of the Gazprom Group's products, see PJSC Gazprom Annual Report 2020

GRI 102-7, GRI OG 1
The Gazprom Group's key operating indicators, 2017–2020

Indicator	2017	2018	2019	2020
PRMS hydrocarbon reserves				
Proven and probable gas reserves, bcm	24,146.6	24,255.1	24,395.5	24,521.0
Proven and probable gas condensate reserves, mmt	1,105.7	1,090.2	1,063.2	1,110.2
Proven and probable oil reserves, mmt	1,360.0	1,335.4	1,374.8	1,403.2
Total proven and probable hydrocarbon reserves,[237] billion boe	175.7	176.1	177.1	178.5
Operating highlights				
Natural and associated petroleum gas production,[238] bcm	472.1	498.7	501.2	454.5
Oil production,[239] mmt	48.6	48.3	48.0	47.1
Gas condensate production,[240] mmt	15.9	15.9	16.7	16.3
Hydrocarbon production,[241] mboe [242]	3,550.5	3,720.7	3,741.2	3,428.0
Natural and associated petroleum gas processing (tolling arrangements excluded), bcm	30.8	31.1	31.5	30.6

(234) The cumulative stake in PJSC Gazprom directly or indirectly controlled by the Russian Federation equals 50.23% and is secured by a 100% stake of the Russian Federation in JSC Rosneftegaz, which also holds a 74.55% stake in JSC Rosgazifikatsiya.
(235) The issuing bank of ADRs (American depositary receipts) for PJSC Gazprom's shares is the Bank of New York Mellon.
(236) Calculated as operating profit less depreciation and asset impairment loss (excluding accounts receivable, issued advances and prepayments).
(237) For management accounting purposes, the Gazprom Group measures hydrocarbon reserves and production in metric units. In this Report, gas, oil and gas condensate reserves are converted from metric units to barrels of oil equivalent at the following ratio: 1,000 cubic meters of natural gas = 6.49 boe, 1 ton of oil = 7.33 boe, 1 ton of gas condensate = 8.18 boe.
(238) Including the share in production of organizations in which Gazprom has investments classified as joint operations.
(239) Including the share in production of organizations in which Gazprom has investments classified as joint operations.
(240) Including the share in production of organizations in which Gazprom has investments classified as joint operations.
(241) Including the share in production of organizations in which Gazprom has investments classified as joint operations.
(242) For management accounting purposes, the Gazprom Group measures hydrocarbon production in metric units. In this Report, produced gas, oil and gas condensate are converted from metric units to barrels of oil equivalent at the following ratio: 1,000 cubic meters of natural gas = 6.49 boe, 1 ton of oil = 7.33 boe, 1 ton of gas condensate = 8.18 boe.

Indicator	2017	2018	2019	2020
Primary processing of oil, stable gas condensate and other liquid hydrocarbons by the Gazprom Group, mmt	53.1	55.9	55.0	53.7
Unstable gas condensate processing (treatment and stabilization), mmt	17.5	17.8	18.8	18.5
Electric power generation, billion kWh	156.6	153.2	149.0	132.1
Heat energy generation, million Gcal	127.3	131.2	122.4	118.5
Hydrocarbon sales				
Gas sales, bcm				
Russia	229.9	239.7	235.8	225.1
Non-FSU countries[243]	242.0	243.3	232.4	219.0
FSU countries[244]	35.0	38.1	38.7	31.2
Sales of oil and gas condensate,[245] mmt				
Russia	4.3	2.7	2.6	2.9
Non-FSU countries	21.6	21.2	22.8	20.1
FSU countries	1.7	1.7	1.7	1.1
Total	**27.6**	**25.6**	**27.1**	**24.1**

Taxes paid by the Gazprom Group to regional budgets in 2020, RUB million	
Far Eastern Federal District	21,628
Volga Federal District	39,124
North-Western Federal District	62,382
North Caucasian Federal District	4,190
Siberian Federal District	42,586
Urals Federal District	199,220
Central Federal District	56,220
Southern Federal District	35,246
Total	**460,596**

(243) Sales in Europe and other countries include natural gas exports from Russia, as well as sales of natural gas purchased by the Group outside Russia.
(244) Sales in the FSU countries include natural gas exports from Russia, as well as sales of natural gas purchased by the Group outside Russia.
(245) Sales of oil and gas condensate, excluding intragroup sales.

Economic benefit from import substitution by business activity

Activity	Economic benefits by year, RUB million					Total benefits in 2016–2020	
	2016	2017	2018	2019	2020	RUB million	%
Production	2,595.0	2,596.5	3,704.6	7,465.5	10,580.0	26,941.6	51.6
Hydrocarbon transportation	2,588.3	3,118.3	4,248.2	4,088.6	4,266.2	18,309.6	35.1
Processing	25.4	303.2	95.3	75.5	31.8	531.3	1.0
UGS	0.3	4.9	4.9	19.1	0.5	29.8	0.06
LNG production	–	–	–	–	3.7	3.7	0.01
Other	131.4	190.4	1,137.2	3,149.1	1,761.9	6,370.0	12.2
The Gazprom Group's total	**5,340.5**	**6,213.3**	**9,190.3**	**14,797.9**	**16,644.1**	**52,186.1**	**100**

Number of patents held by subsidiaries and affiliated companies, including patents generating economic benefit, 2017–2020

Indicator	2017	2018	2019	2020	Total patents on the books as of the end of 2020
Patents received by PJSC Gazprom	29	26	26	27	461
Patents received by subsidiaries and affiliated companies	202	283	234	254	2,325
Patents excluded from the books	158	96	119	169	–

Economic benefits from patent utilization, 2017–2020

Indicator	2017	2018	2019	2020
Production utilization of patents held by PJSC Gazprom's subsidiaries and affiliated companies, units	427	441	459	516
Including patents generating economic benefits	114	157	158	123
Economic benefits generated from the utilization of performing patents, RUB million	7.7	10.3	14.5	5.2

Appendix 4. To Responsibility for the Well-Being of Our Planet section

The data collection perimeter for this section (unless otherwise stated):

PJSC Gazprom, the Company – the parent company of the Gazprom Group – Public Joint-Stock Company Gazprom – and its 100% subsidiaries and entities involved in exploration, production, transportation, underground storage, processing of hydrocarbons, as well as operation of the Unified Gas Supply System (UGSS):

Gazprom Dobycha Astrakhan LLC, Gazprom Dobycha Irkutsk LLC, Gazprom Dobycha Krasnodar LLC, Gazprom Dobycha Kuznetsk LLC, Gazprom Dobycha Nadym LLC, Gazprom Dobycha Noyabrsk LLC, Gazprom Dobycha Orenburg LLC, Gazprom Dobycha Shelf Yuzhno-Sakhalinsk LLC, Gazprom Dobycha Urengoy LLC, Gazprom Dobycha Yamburg LLC, Gazprom Energo LLC, Gazprom Flot LLC, Gazprom Gas-Engine Fuel LLC, Gazprom Geotekhnologii LLC, Gazprom Invest LLC, Gazprom Nedra LLC, Gazprom Novy Urengoy Gas Chemical Complex LLC, Gazprom Pererabotka LLC, Gazprom Sotsinvest LLC, Gazprom Transgaz Grozny LLC, Gazprom Transgaz Kazan LLC, Gazprom Transgaz Krasnodar LLC, Gazprom Transgaz Makhachkala LLC, Gazprom Transgaz Moscow LLC, Gazprom Transgaz Nizhny Novgorod LLC, Gazprom Transgaz Saint Petersburg LLC, Gazprom Transgaz Samara LLC, Gazprom Transgaz Saratov LLC, Gazprom Transgaz Stavropol LLC, Gazprom Transgaz Surgut LLC, Gazprom Transgaz Tchaikovsky LLC, Gazprom Transgaz Tomsk LLC, Gazprom Transgaz Ufa LLC, Gazprom Transgaz Ukhta LLC, Gazprom Transgaz Volgograd LLC, Gazprom Transgaz Yekaterinburg LLC, Gazprom Transgaz Yugorsk LLC, Gazprom Tsentrremont LLC, Gazprom UGS LLC, Gazpromavia Aviation Company LLC, Gazpromtrans LLC, OJSC Gazpromtrubinvest.

Gazprom Neft Group and Gazprom Neft mean PJSC Gazprom Neft and its subsidiaries.

Gazprom Neftekhim Salavat means Gazprom Neftekhim Salavat LLC and its subsidiaries.

Gazprom Energoholding means Gazprom Energoholding LLC and its subsidiaries (PJSC Mosenergo, PJSC MOEK, PJSC OGK-2, PJSC TGC-1, PJSC Gazprom Teploenergo).

Gazprom Group, Gazprom or the Group mean PJSC Gazprom (with all the above subsidiaries and fully-owned entities) and the following companies:

Gazprom Neft Group, Gazprom Energoholding, Gazprom Neftekhim Salavat, Vostokgazprom Group, Gazprom Mezhregiongaz LLC, JSC Daltransgaz, Sakhalin Energy Investment Company Ltd. (Sakhalin Energy), OJSC Severneftegazprom, PJSC Gazprom Spetsgazavtotrans, CJSC Purgaz.

The Group's gas business companies include PJSC Gazprom (100% of its subsidiaries and entities involved in production, transportation, underground storage and refining of hydrocarbons, as well as operation of the UGSS): Gazprom Mezhregiongaz LLC, Vostokgazprom Group (JSC Gazprom Dobycha Tomsk), JSC Daltransgaz, Sakhalin Energy Investment Company Ltd., OJSC Severneftegazprom, CJSC Purgaz, PJSC Gazprom Spetsgazavtotrans.

The environmental impact, ecological and economic indicators are shown for Gazprom Group's operations in Russia.

Gazprom Group's key environmental indicators, 2017–2020

Indicator	2017	2018	2019	2020
Current environmental protection costs, RUB billion	34.47	39.15	32.18	34.44
Pollutant emissions, thousand tons	2,796.0	2,894.0	2,862.7	2,445.7
GHG emissions, mmt of CO_2 equivalent	233.8	240.0	236.5	210.3
Waste generation, thousand tons	4,130.3	3,555.1	3,337.1	3,229.8
Wastewater discharge into surface water bodies, mcm	3,905.3	3,658.4	3,241.8	2,610.8
Area of remediated land, thousand hectares	19.6	15.8	17.7	15.8

GRI 303-4

Gazprom Group's water discharges by destination, including by treatment method, 2017–2020, mcm

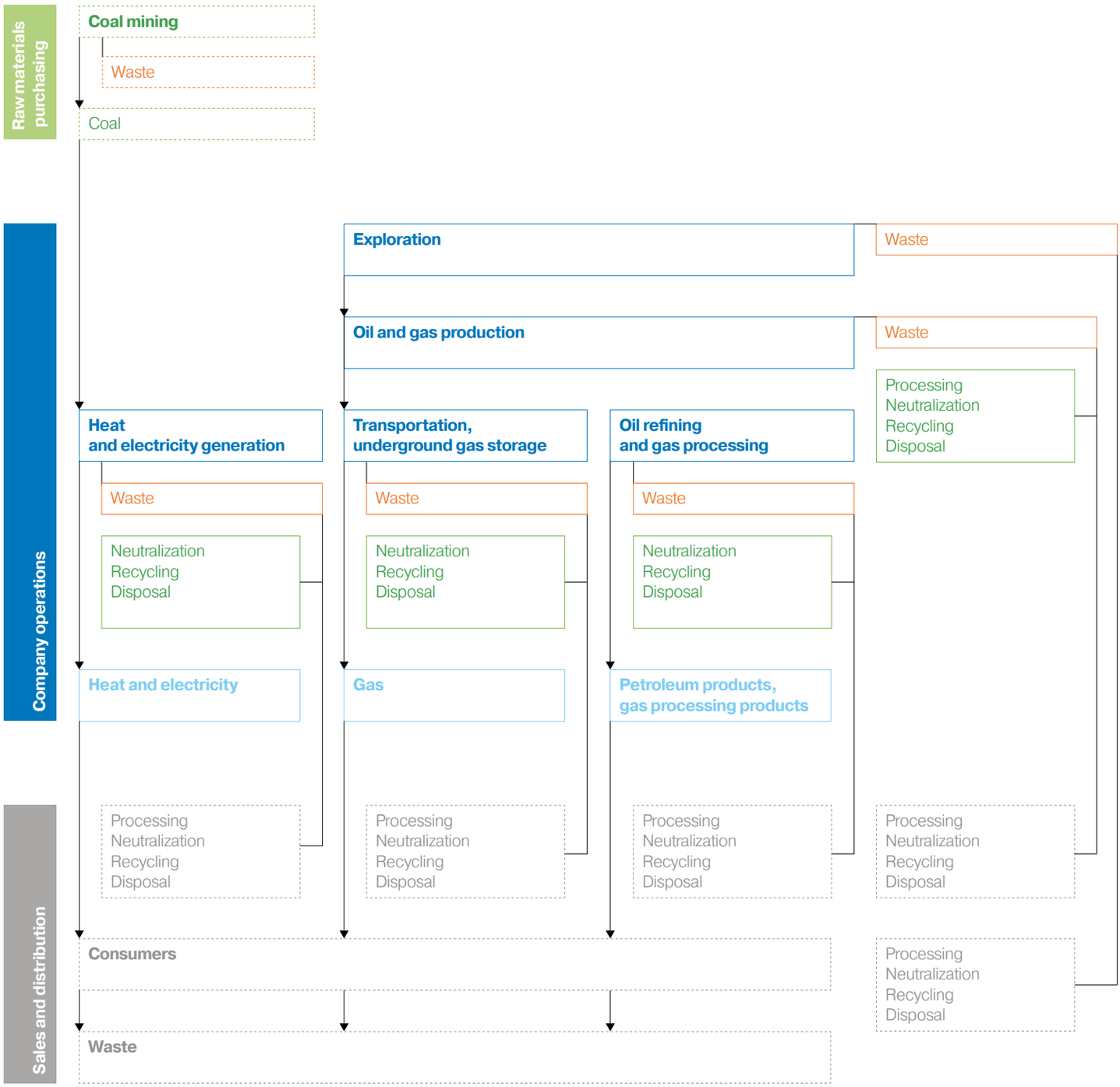
Indicator	2017	2018	2019	2020
Water discharge, total, incl.:	4,141.40	3,871.11	3,389.63	2,742.73
Water discharge to surface water bodies, total, incl.:	3,905.26	3,658.44	3,241.79	2,610.78
polluted (untreated)	60.02	56.56	67.80	60.16
polluted (insufficiently treated)	63.56	22.39	21.28	16.92
partially clean (untreated)	3,754.89	3,514.68	3,079.47	2,454.10
partially treated, total, incl.:	26.79	64.80	73.24	79.60
at biological purification plants	10.61	49.67	49.22	51.47
at physical and chemical purification plants	0.25	0.35	0.21	0.24
at mechanical purification plants	15.92	14.77	23.81	27.89
Water discharge on land, total, incl.:	1.18	0.97	1.10	0.94
polluted (untreated)	0.01	0.00	0.01	0.00
polluted (insufficiently treated)	0.26	0.19	0.19	0.04
partially clean (untreated)	0.03	0.01	0.01	0.01
partially treated, total, incl.:	0.88	0.78	0.88	0.89
at biological purification plants	0.35	0.37	0.46	0.49
at physical and chemical purification plants	0.00	0.01	0.01	0.02
at mechanical purification plants	0.52	0.40	0.41	0.38
Water discharge to subterranean layers, total, incl.:	45.28	44.69	45.67	43.37
for the formation pressure maintenance	38.69	36.66	37.92	36.47
Water discharge to irrigation sewage fields	5.15	5.96	6.63	6.23
Water discharge to absorption fields	0.58	0.52	0.47	0.46
Water discharge to holding basins, total	0.99	0.57	0.45	0.43
Water discharge to public utilities	144.15	134.02	82.92	68.95
Water discharge to other systems	38.81	25.94	10.60	11.57

GRI OG5

Formation water produced by the Gazprom Group, 2017–2020, thousand tons

Indicator	2017	2018	2019	2020
Produced formation water	3,210.7	3,754.4	4,701.4	4,274.7

GRI 306-1 Waste handling at the Gazprom Group – flowchart



GRI 306-4, GRI 306-5, UNCTAD B.2.2

Gazprom Group's production and consumption waste neutralization and disposal, 2017–2020, thousand tons

Indicator	2017	2018	2019	2020
Waste recycled at the facility	170.93	21.67	94.71	58.58
Waste neutralized at the facility	77.99	75.16	67.41	90.22
Waste handed over to other business entities for recycling	1,088.33	910.10	1,078.95	1,421.21
Waste handed over to other business entities for neutralization	250.97	338.78	231.90	247.52
Recycled and neutralized, total	**1,588.22**	**1,345.71**	**1,472.97**	**1,817.53**

Gazprom Group's production and consumption waste directed to storage and otherwise treated, 2017–2020, thousand tons

Indicator	2017	2018	2019	2020
Waste disposed at operated (own) storage facilities	12,586.78	1,446.31	1,168.68	926.78
Waste disposed at operated (own) burial facilities	652.03	493.64	383.35	265.02
Waste handed over to other business entities for storage	5.94	11,019.34	1.38	2.39
Waste handed over to other business entities for burial	302.68	314.82	335.92	285.30

GRI OG7

Gazprom Group's drilling waste generation and handling trend, 2017–2020, thousand tons

Indicator	2017	2018	2019	2020
Drilling waste generated	947.60	748.00	887.85	1,106.22
Received from other business entities	0.00	9.14	61.83	6.81
Treated at the enterprise	0.00	0.00	0.00	0.00
Recycled at the enterprise	86.84	0.00	0.00	41.03
Neutralized at the enterprise	5.14	1.27	0.00	0.00
Handed over to third parties, total, including:	731.29	688.88	790.43	971.05
for treatment	0.00	0.33	0.00	0.00
for recycling	620.41	596.45	727.32	944.79
for neutralization	110.88	92.10	63.11	26.26
for storage	0.00	0.00	0.00	0.00
for burial	0.00	0.00	0.00	0.00
Disposed at own storage facilities	6.80	0.00	61.83	6.81
Disposed at own burial facilities	49.76	59.28	57.03	30.71

GRI OG6[246]

APG resource and utilization across the Gazprom Group as of 2017

Indicator	APG resources, mcm	Flared, mcm	Utilization level, %
Gazprom Group	13,090.97	2,748.62	79.0
incl. PJSC Gazprom Neft	11,434.86	2,726.42	76.2
incl. PJSC Gazprom's fields	1,656.11	22.27	98.5

(246) Excluding the Group's share in production of organizations where it has investments classified as joint operations.

APG resource and utilization across the Gazprom Group as of 2018

Indicator	APG resources, mcm	Flared, mcm	Utilization level, %
Gazprom Group	16,000.94	3,147.20	80.3
incl. PJSC Gazprom Neft	14,398.06	3,111.56	78.4
incl. PJSC Gazprom's fields	1,602.88	35.64	97.7

APG resource and utilization across the Gazprom Group as of 2019

Indicator	APG resources, mcm	Flared, mcm	Utilization level, %
Gazprom Group	18,320.07	1,854.45	89.9
incl. PJSC Gazprom Neft	16,640.54	1,829.71	89.0
incl. PJSC Gazprom's fields	1,679.53	24.74	98.5

APG resource and utilization across the Gazprom Group as of 2020

Indicator	APG resources, mcm	Flared, mcm	Utilization level, %
Gazprom Group	19,666.0	1,643.2	91.6
incl. PJSC Gazprom Neft	18,087.5	1,614.9	91.1
incl. PJSC Gazprom's fields	1,578.5	28.3	98.2

Fuel and energy savings

GRI 302-4

The following standards were used to calculate the fuel and energy savings:

1. STO Gazprom 3.3-2-044-2016 Standards and Targets of Resource Consumption, Equipment Usage and Inventory Development at PJSC Gazprom. Methodology of Setting Natural Gas Consumption Limits for Internal Process Needs and Technological Losses during Trunkline Gas Transportation;
2. STO Gazprom 2-1.20-601-2011 Methodology of Estimating the Effect of Fuel and Energy Savings from Internal Process Needs of the Trunkline Gas Transportation;
3. STO Gazprom 2-1.9-191-2008 Methodology of Estimating the Heat Consumption Limits for the Internal Process Needs of OJSC Gazprom's Gas Transportation Businesses;
4. STO Gazprom 2-3.5-113-2007 Methodology for Assessing Energy Efficiency of Gas Transportation Facilities and Systems;
5. STO Gazprom 3.3-2-001-2006 Methodology of Setting Power Consumption Limits for Internal Process Needs of Gas Transportation;
6. STO Gazprom 3.0-2006 Standards and Targets of Resource Consumption, Equipment Usage and Inventory Development at PJSC Gazprom. Main Provisions;
7. STO Gazprom RD 1.19-126-2004 Methodology of Estimating Unit Gas Consumption Standards for Heat Generation and Calculation of Losses in Heating Systems (Boiler Stations and Heat Supply Networks);
8. R Gazprom 2-1.20-819-2014 Methodology of Estimating the Amount of Fuel and Energy Savings from Implementation of Energy Saving Initiatives at the Subsidiaries;
9. R Gazprom 2-1.20-742-2013 Methodology of Defining the Energy Saving Potential of Process Facilities.

Fuel and energy savings are shown for PJSC Gazprom's subsidiaries:

Gazprom Dobycha Astrakhan LLC
Gazprom Dobycha Krasnodar LLC
Gazprom Dobycha Nadym LLC
Gazprom Dobycha Noyabrsk LLC
Gazprom Dobycha Orenburg LLC
Gazprom Dobycha Shelf Yuzhno-Sakhalinsk LLC
Gazprom Dobycha Urengoy LLC
Gazprom Dobycha Yamburg LLC
Gazprom Energo LLC
Gazprom Pererabotka LLC
Gazprom Transgaz Grozny LLC
Gazprom Transgaz Kazan LLC
Gazprom Transgaz Krasnodar LLC
Gazprom Transgaz Makhachkala LLC
Gazprom Transgaz Moscow LLC
Gazprom Transgaz Nizhny Novgorod LLC
Gazprom Transgaz Saint Petersburg LLC
Gazprom Transgaz Samara LLC
Gazprom Transgaz Saratov LLC
Gazprom Transgaz Stavropol LLC
Gazprom Transgaz Surgut LLC
Gazprom Transgaz Tchaikovsky LLC
Gazprom Transgaz Tomsk LLC
Gazprom Transgaz Ufa LLC
Gazprom Transgaz Ukhta LLC
Gazprom Transgaz Volgograd LLC
Gazprom Transgaz Yekaterinburg LLC
Gazprom Transgaz Yugorsk LLC
Gazprom UGS LLC

GRI OG3

Power generation from renewable and secondary energy resources at the Gazprom Group, 2017–2020

	Power generation, MWh				Number of units, pcs			
Generation type	**2017**	**2018**	**2019**	**2020**	**2017**	**2018**	**2019**	**2020**
All types of renewable energy sources and secondary energy resources	13,723,908.4	12,844,199.3	11,703,054.8	13,281,763.4	2,077	2,272	2,358	2,689
incl. PJSC Gazprom	362.4	459.7	557.9	589.4	1,423	1,555	1,585	1,641
Turbo expanders	143.9	93.2	74.7	105.3	20	17	21	18
incl. PJSC Gazprom	143.9	93.2	74.7	105.3	20	17	21	18
Thermogenerators and electrochemical generators	2.7	6.4	257.4	258.1	719	726	820	830
incl. PJSC Gazprom	2.7	6.4	257.4	258.1	719	726	820	830
Solar and wind generators	324.9	483.1	354.1	1,441.9	1,220	1,411	1,399	1,725
incl. PJSC Gazprom	215.8	360.1	225.8	226.1	684	812	744	793
Hydroturbines	13,723,436.9	12,843,616.6	11,702,368.5	13,279,958.2	118	118	118	116
incl. PJSC Gazprom Energoholding	13,685,902.1	12,819,013.7	11,673,658.3	13,248,799.1	115	115	115	113
Gazprom Neftekhim Salavat	37,534.8	24,602.9	28,710.3	31,159.1	3	3	3	3

GRI 201-2, GRI 102-15

Financial implications and other risks and opportunities due to climate change likely to have a material effect on Gazprom's operations, revenues and expenses (based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD))

No.	Risk/opportunity	Type	Exposure	Mitigants
1.	Risk 1: Carbon tax introduction	Transitional	Higher indirect (operating) costs as a result of Russia potentially introducing special taxes to ensure the achievement of national commitments to reduce GHG emissions.	PJSC Gazprom maintains a dialogue with government authorities and stakeholders on the legislative regulation of GHG emissions in Russia in the context of the prospective carbon tax introduction. Consistent reduction of carbon footprint.
2.	Risk 2: Emissions cap and trade	Transitional	Higher production costs and weaker competitive capacity as a result of Russia potentially introducing emission caps to ensure the achievement of national commitments to reduce GHG emissions, which will force Gazprom to reduce the same below economically viable levels and targets.	PJSC Gazprom maintains a dialogue with government authorities and stakeholders on GHG emissions regulation in Russia. GHG reduction initiatives are underway.
3.	Risk 3: Emerging laws and regulations for existing products/ services	Transitional	Lower revenues due to weaker demand for products and services. The Paris Agreement is giving rise to new regulatory requirements as countries seek to meet their stated GHG reduction contributions. The countries that rely on natural gas supplied by Gazprom may potentially impose requirements or implement measures to support renewable energy to meet their national commitments to reduce GHG emissions, which is likely to result in lower demand for gas.	PJSC Gazprom complies with customs regulations and closely watches regulatory changes as they emerge; maintains a dialogue with government authorities, consumers, regulators and lawmakers to demonstrate advantages of natural gas as a more eco-friendly fuel compared to other fossil fuels.
4.	Risk 3: Emerging laws and regulations for existing products/ services	Physical	Possible deviations from standard operating procedures and process flows due to rising average temperatures, which translates into seasonal production drawdowns; thawing of the most sensitive frozen soils; weather hazards rising in number and strength; shorter periods of winter roads operation. Changes in the depth of seasonal permafrost thawing pose a serious threat to Gazprom's operations in the Arctic.	The design process for each production facility involves gathering and analyzing information about physical and climatic conditions in the prospective area, including temperature ranges and mean monthly and yearly temperatures. If climatic parameters change thereafter, PJSC Gazprom procures to adapt its production facilities to ensure their reliability and stability.
5.	Risk 5: Extreme weather hazards, including cyclones and floods, rising in frequency and strength	Physical	Lower productivity/downtime. Due to weather hazards, the regions where Gazprom operates an extensive infrastructure are potentially exposed to the risks of damage to buildings and structures, higher failure rates of pipeline transportation systems and deformation of water supply and sewerage systems, which translates into increased costs for construction and repair and maintenance works and lower revenues pro rata to the value of natural gas lost as a result of breakdowns.	PJSC Gazprom assesses climate change consequences for its operations and ongoing projects, including identification and ranking of Gazprom's regions of operation exposed to climate change effects, predictive assessment as to the operation of equipment (reliability), technologies and process flows (predictability) used in changing climate environments. The Company relies on a set of measures to minimize the adverse climate change consequences. In particular, it uses extra-durable pipe products in the geologically challenging permafrost areas, regularly monitors and timely replaces its process equipment, constructs backup power supply plants at the gas production facilities located in the permafrost areas.

Financial implications and other risks and opportunities due to climate change likely to have a material effect on Gazprom's operations, revenues and expenses (based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD))

No.	Risk/opportunity	Type	Exposure	Mitigants
6.	Risk 6: Changes in the bearing capacity of permafrost soils, emerging dangerous exogenous processes	Physical	Destruction of supporting infrastructure across Gazprom's production and transportation systems driven by dangerous exogenous processes (water thermal erosion, thermokarst, cryoplanation, solifluction, frost heaving, etc.).	PJSC Gazprom monitors permafrost rocks and emerging dangerous exogenous processes across its footprint. Adaptation efforts are in place to prevent dangerous exogenous processes and further permafrost thawing and to restore disturbed lands in view of ongoing climate changes.
7.	Risk 7: Deterioration of the Company's reputation (image) due to its failure to meet the stated GHG reduction targets	Transitional	Lower revenues due to weaker demand for products and services. Weaker market capitalization and investment appeal.	Thanks to its heavy reliance on natural gas, the Gazprom Group boasts the lowest carbon footprint among global oil and gas majors. The Company has been consistently reducing GHG emissions across its operations and developing new low-carbon energy sources, including RES and hydrogen. The Company has a risk management framework in place. The *Innovative Development Program of PJSC Gazprom until 2025* contains KPI 4: reduction in per unit GHG emissions in CO_2 equivalent against the baseline 2014. To this end, the Company implements its Energy Saving and Energy Efficiency Improvement Program, as well as comprehensive programs for reconstruction and re-equipment of its facilities. Gazprom's new energy-efficient projects (Nord Stream, TurkStream, etc.) also help reduce its carbon footprint.
8.	Risk 8: Changing consumer behaviors	Transitional	Lower revenues due to weaker demand for products and services. The onrush of alternative energy sources threatens to shift consumer preferences in favor of renewable energy. The carbon intensity becomes increasingly important as it affects competitiveness of products in the commodity and financial markets.	Dialogue with consumers, regulators and lawmakers to demonstrate advantages of natural gas as a more eco-friendly fuel compared to other fossil fuels and the best feedstock to produce hydrogen and supplement renewable energy sources, which ensures dependable energy supplies, especially during peak loads. Consumer activity analysis is conducted annually. Ongoing research into the carbon footprint throughout the life cycle of natural gas versus other energy resources.
9.	Risk 9: Uncertain market environment	Transitional	Higher CAPEX as a result of the EU considering imposing prohibitive customs barriers and duties on products originating from the countries that defy GHG reduction efforts.	PJSC Gazprom maintains a dialogue with its European partners to develop a common understanding and approach when assessing the efficiency of GHG reduction initiatives.

Financial implications and other risks and opportunities due to climate change likely to have a material effect on Gazprom's operations, revenues and expenses (based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD))

No.	Risk/opportunity	Type	Exposure	Mitigants
10.	Opportunity 1: Development and/or expansion of low-emission products and services	Products and services	Higher revenues driven by demand for lower-emission products and services. Natural gas features the lowest carbon footprint compared to other hydrocarbons. As such, NGV fuel competes in eco-friendliness and price, which is almost 2 times lower than that of gasoline and diesel fuel. Transport migration to natural gas helps significantly reduce emissions both when it is used and along the entire production chain. Thus, the growth of Gazprom's NGV fuel sales correlates directly with reduction of GHG emissions in the transport sector.	The low-carbon energy production and distribution is a strategic focus area for PJSC Gazprom. Gazprom's dedicated company, Gazprom Gazomotornoye Toplivo LLC, was established to foster the NGV fuel market. It coordinates the efforts of interested players of the domestic NGV fuel market, engages major businesses with large vehicle fleets, continues to cooperate on the use of natural gas as motor fuel in the CIS countries and beyond. PJSC Gazprom entered into agreements with 45 Russian regions with a view to promoting the use of natural gas as motor fuel. Government support measures include the removal of retail price caps on gas fuel and the program providing regional governments with annual subsidies to purchase NGVs and machinery for public utilities in major cities. Gazprom Hydrogen LLC, a special-purpose company, is being established to facilitate the low-carbon production of hydrogen from natural gas.
11.	Opportunity 2: Use of low-emission energy sources	Energy resource	Higher revenues driven by demand for lower-emission products and services. Natural gas features the lowest carbon footprint compared to other hydrocarbons. As such, NGV fuel competes in eco-friendliness and price, which is almost 2 times lower than that of gasoline and diesel fuel. Transport migration to natural gas helps significantly reduce emissions both when it is used and along the entire production chain. Thus, the growth of Gazprom's NGV fuel sales correlates directly with reduction of GHG emissions in the transport sector.	The low-carbon energy production and distribution is a strategic focus area for PJSC Gazprom. Gazprom's dedicated company, Gazprom Gazomotornoye Toplivo LLC, was established to foster the NGV fuel market. It coordinates the efforts of interested players of the domestic NGV fuel market, engages major businesses with large vehicle fleets, continues to cooperate on the use of natural gas as motor fuel in the CIS countries and beyond. PJSC Gazprom entered into agreements with 45 Russian regions with a view to promoting the use of natural gas as motor fuel. Government support measures include the removal of retail price caps on gas fuel and the program providing regional governments with annual subsidies to purchase NGVs and machinery for public utilities in major cities. Gazprom Hydrogen LLC, a special-purpose company, is being established to facilitate the low-carbon production of hydrogen from natural gas.
12.	Opportunity 3: Carbon market participation	Markets	Additional investments in low-emission technology. Emission quota trading tools will push carbon prices upwards and stimulate replacement of coal as a fossil fuel with natural gas.	A subsidiary of Gazprom, Gazprom Marketing & Trading, undertakes to manage end-to-end activities, from customer acquisition and support to carbon unit trading. Gazprom Marketing & Trading will search for projects with the largest GHG reduction potential and set up a project team tasked with increasing the price of carbon units obtained and selling them in the carbon market.

Financial implications and other risks and opportunities due to climate change likely to have a material effect on Gazprom's operations, revenues and expenses (based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD))

No.	Risk/opportunity	Type	Exposure	Mitigants
13.	Opportunity 4: Lower demand for fuel and energy resources due to changes in the average temperature	Energy resource	Lower operating expenses. With the average temperature growing, the Company will need less heat and electricity (both generated in house and purchased from third parties) and, as a result, produce less GHG emissions.	Monitoring and analysis of global climate change forecast models.
14.	Opportunity 5: Sustainable corporate reputation (image) and higher loyalty and trust from stakeholders	Sustainability	Higher shareholder value. Higher demand for existing products/services	GHG reduction programs and initiatives and publications about GHG emissions in mass media improve stakeholder trust and loyalty and contribute to the alignment of activities of the Company's entities in the regions where we operate with stakeholder initiatives. Gazprom regularly monitors the media universe and publications and shares its expertise by way of bilateral cooperation, meetings, conferences and working groups.
15.	Opportunity 6: Use of new technology and development of hydrogen energy projects	Energy resource	Production and use of hydrogen and methane mixtures significantly reduces GHG and other emissions of heat engines.	Gazprom is developing a zero-carbon technology to produce hydrogen from natural gas and conducting research into using hydrogen and methane mixtures.
16.	Opportunity 7: Efficient use of resources, more efficient production and distribution processes	Efficient use of resources	Lower operating expenses (for example, by improving efficiency and reducing costs). Reduction of GHG emissions correlates directly with a decrease in natural gas (methane) losses and a technology-based reduction in natural gas consumption for internal needs.	Innovative technology used by Gazprom to reduce losses, including those associated with natural gas transportation: — High-strength large-diameter pipes with smooth internal coating to reduce hydraulic losses; — New generation of high-performance gas compressors; — New generation of electric-driven variable-speed gas compressor units; — New generation of air cooling units; — Hot tapping, a method of connecting gas pipelines without interrupting or emptying the pipeline in operation; — Aviation-grade pipeline testing systems. Carbon footprint of the Russian natural gas tends to decrease due to annual upgrades and energy efficiency improvements in the gas transmission system.

Appendix 5.
To In Dialogue with Society section

Subsidiaries responsible for the core operations of PJSC Gazprom (gas production, processing, transportation and underground storage)	
Included in the scope of average monthly salary calculation:	**Other:**
1. Gazprom Dobycha Astrakhan LLC	PJSC Gazprom (including branches and representative offices)
2. Gazprom Dobycha Krasnodar LLC	Gazprom Dobycha Irkutsk LLC
3. Gazprom Dobycha Nadym LLC	Gazprom Dobycha Kuznetsk LLC
4. Gazprom Dobycha Noyabrsk LLC	Gazprom Dobycha Shelf Yuzhno-Sakhalinsk LLC
5. Gazprom Dobycha Orenburg LLC	Gazprom Export LLC
6. Gazprom Dobycha Urengoy LLC	Gazprom Flot LLC
7. Gazprom Dobycha Yamburg LLC	Gazprom Geologorazvedka LLC
8. Gazprom Pererabotka LLC	Gazprom Geotekhnologii LLC
9. Gazprom Transgaz Kazan LLC	Gazprom Komplektatsiya LLC
10. Gazprom Transgaz Krasnodar LLC	Gazprom LNG Vladivostok LLC
11. Gazprom Transgaz Makhachkala LLC	Gazprom Mezhregiongaz LLC
12. Gazprom Transgaz Moscow LLC	Gazprom Nedra LLC
13. Gazprom Transgaz Nizhny Novgorod LLC	Gazprom Pererabotka Blagoveshchensk LLC
14. Gazprom Transgaz Saint Petersburg LLC	Gazprom Portovaya LNG LLC
15. Gazprom Transgaz Samara LLC	Gazprom Proyektirovaniye LLC
16. Gazprom Transgaz Saratov LLC	Gazprom Transgaz Grozny LLC
17. Gazprom Transgaz Stavropol LLC	Gazprom VNIIGAZ
18. Gazprom Transgaz Surgut LLC	Gazpromtrans
19. Gazprom Transgaz Tchaikovsky LLC	NIIgazeconomika LLC
20. Gazprom Transgaz Tomsk LLC	Novy Urengoy Gas Chemical Complex LLC
21. Gazprom Transgaz Ufa LLC	OJSC Gazprom Transgaz Belarus
22. Gazprom Transgaz Ukhta LLC	
23. Gazprom Transgaz Volgograd LLC	
24. Gazprom Transgaz Yekaterinburg LLC	
25. Gazprom Transgaz Yugorsk LLC	
26. Gazprom UGS LLC	

GRI 102-7

Gazprom Group's key social metrics, 2017–2020

Metric	2017	2018	2019	2020
Headcount as at the end of the reporting period, thousand people	469.6	466.1	473.8	477.6
Social expenses, RUB million	34,461	42,789	45,114	40,690
Payroll expenses, RUB million	682,060	600,812	749,708	807,824

The increase in the Gazprom Group's headcount in the reporting year was due to the implementation of strategic projects in gas processing and transportation as well as changes in legislation.

GRI 401-1

Number of employees hired, 2017–2020, thousand people

2017	2018	2019	2020
70.5	79.0	76.6	68.3

Number of employees hired in 2018–2020, broken down by age, thousand people

Age group	2018	2019	2020
under 30 y.o.	28.7	28.3	22.7
	36.4%	36.9%	33.2%
30 to 40 y.o.	24.2	23.4	22.9
	30.6%	30.6%	33.6%
40 to 50 y.o.	15.4	14.8	14.3
	19.5%	19.3%	20.9%
50 y.o. or more	10.7	10.1	8.4
	13.5%	13.2%	12.3%

Number of employees hired in 2019–2020, broken down by gender, thousand people

Gender	2019	2020
Male	48.2	43.8
	63.0%	64.2%
Female	28.4	24.5
	37.0%	35.8%

Number of employees hired in 2018–2020, broken down by region, people

Russia / foreign countries	2018	2019	2020
Central Federal District	10,620	13,370	9,010
North-Western Federal District	9,584	11,612	11,820
Volga Federal District	17,827	12,582	8,792
Urals Federal District	19,028	19,736	16,654
Siberian Federal District	4,356	5,582	5,426
Southern Federal District	11,366	6,311	4,805
North Caucasian Federal District	1,556	1,540	1,156
Far Eastern Federal District	1,150	2,082	2,446
Russia's continental shelf	12	12	–
Foreign countries	3,530	3,780	8,155
Total	**79,029**	**76,607**	**68,264**

Quitters headcount, 2017–2020, thousand people

2017	2018	2019	2020
71.1	82.1	71.5	65.3

Quitters headcount in 2018–2020, broken down by age, thousand people

Age group	2018	2019	2020
under 30 y.o.	20.2	19.8	14.5
	24.6%	27.7%	22.3%
30 to 40 y.o.	21.1	19.3	18.5
	25.7%	27.0%	28.3%
40 to 50 y.o.	14.6	13.1	13.0
	17.8%	18.3%	19.9%
50 y.o. or more	26.2	19.3	19.3
	31.9%	27.0%	29.5%

Quitters headcount in 2019–2020, broken down by gender, thousand people

Gender	2019	2020
Male	43.4	39.2
	60.7%	60.1%
Female	28.1	26.1
	39.3%	39.9%

Quitters headcount and staff turnover by region, 2018–2020

Russia / foreign countries	Total quitters, people			Incl. due to staff turnover, people			Staff turnover, %		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Central Federal District	13,081	12,653	**12,368**	6,114	6,600	**4,796**	8.1	8.8	**6.5**
North-Western Federal District	7,614	9,340	**9,577**	3,268	4,112	**3,495**	5.9	6.8	**5.3**
Volga Federal District	18,293	13,590	**9,900**	3,973	3,841	**2,640**	4.5	4.5	**3.1**
Urals Federal District	20,099	19,023	**16,104**	5,127	5,083	**4,461**	4.1	4.0	**3.5**
Siberian Federal District	4,351	4,765	**6,372**	2,254	2,218	**1,691**	9.1	8.8	**6.7**
Southern Federal District	12,597	6,162	**4,833**	2,340	2,495	**1,751**	5.5	6.0	**4.2**
North Caucasian Federal District	1,643	1,466	**1,431**	440	402	**317**	3.6	3.3	**2.6**
Far Eastern Federal District	546	609	**877**	212	188	**253**	4.5	3.0	**3.3**
Russia's continental shelf	11	298	–	3	–	–	1.0	–	–
Foreign countries	3,884	3,565	**3,858**	1,750	1,462	**1,320**	6.9	5.7	**4.5**
Total	**82,119**	**71,471**	**65,320**	**25,481**	**26,401**	**20,724**	**5.6**	**5.8**	**4.4**[247]

(247) The decrease in employees hired and quit was mainly driven by the restrictions introduced in 2020 due to the COVID-19 pandemic.

GRI 102-8

Headcount as of the end of the reporting period by employment contract type, 2018–2020, thousand people

2018		2019		2020	
Fixed-term employment contract	**Indefinite-term employment contract**	**Fixed-term employment contract**	**Indefinite-term employment contract**	**Fixed-term employment contract**	**Indefinite-term employment contract**
27.1	439.0	28.5	445.3	31.2	446.4

Information on the number of employees employed under fixed-term employment contracts has been collected since the issue of the 2018 Report.

The increased number of employees working under fixed-term employment contracts is related to the legislation of the Republic of Serbia which requires employers to transfer the employees working under outstaffing agreements to direct employment contracts once the commercial operation of the project begins.

Headcount as of the end of the reporting period by employment contract type and gender, 2020, thousand people

Fixed-term employment contract		Indefinite-term employment contract	
Male	**Female**	**Male**	**Female**
17,3	13,9	324,9	121,5

Information on the number of employees employed under fixed-term employment contracts categorized by gender has been collected since the issue of the 2020 Report.

Headcount as at the end of the reporting period by region, 2020, thousand people

Russia / foreign countries	Headcount
Far Eastern Federal District	8.6
Volga Federal District	86.6
North-Western Federal District	67.7
North Caucasian Federal District	12.2
Siberian Federal District	25.4
Urals Federal District	130.5
Central Federal District	73.3
Southern Federal District	42.3
Foreign countries	31.0
Total	**477.6**

No information is collected on the number of employees employed under fixed-term employment contracts categorized by region.

Headcount as of the end of the reporting period by employment type and gender,2018–2020, thousand people

2018				2019				2020			
Full-time employment		Part-time employment		Full-time employment		Part-time employment		Full-time employment		Part-time employment	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
329.5	133.7	0.6	2.3	336.4	134.3	0.7	2.4	341.4	132.9	0.8	2.5

Information on the number of employees by employment type and gender has been collected since the issue of the 2018 Report.

The higher number of part-time employees is due to an increase in the number of employees who have returned from maternity leave to work on a part-time basis.

Part-time employment means employees working part-time in accordance with the Labor Code of the Russian Federation.

No information on seasonal headcount fluctuations is collected. The information provided is based on the corporate statistical reports (Form No. 27- year).

GRI 405-1, UNCTAD C.1.1

Gazprom Group's employees by categories, gender and age, 2017–2020

Headcount as at the end of the reporting period, thousand people	**2017**	**2018**	**2019**	**2020**
	469.6	466.1	473.8	477.6
incl.:	**Share of the Gazprom Group's employees by category, %**			
Executives	**13.9**	**14.2**	**14.4**	**14.2**
incl.:				
male	75.7	75.0	75.4	76.0
female	24.3	25.0	24.6	24.0
incl.:				
under 30 y.o.	5.6	5.0	4.6	4.0
30 to 50 y.o.	66.9	68.4	69.3	69.7
over 50 y.o.	27.5	26.6	26.1	26.3
Specialists and other white-collar staff	**31.5**	**32.4**	**33.0**	**33.4**
incl.:				
male	57.4	56.9	58.4	58.7
female	42.6	43.1	41.6	41.3
incl.:				
under 30 y.o.	16.1	14.5	13.5	12.5
30 to 50 y.o.	66.0	67.5	68.2	68.5
over 50 y.o.	17.9	18.0	18.3	19.0
Workers	**54.6**	**53.4**	**52.6**	**52.4**
incl.:				
male	77.0	77.5	78.0	78.8
female	23.0	22.5	22.0	21.2
incl.:				
under 30 y.o.	17.3	16.8	15.7	15.0
30 to 50 y.o.	54.6	55.9	56.4	57.0
over 50 y.o.	28.1	27.3	27.9	28.0

GRI 102-41

Subsidiaries which are parties to the General Collective Agreement:

1. Gazprom Dobycha Astrakhan LLC
2. Gazprom Dobycha Krasnodar LLC
3. Gazprom Dobycha Nadym LLC
4. Gazprom Dobycha Noyabrsk LLC
5. Gazprom Dobycha Orenburg LLC
6. Gazprom Dobycha Urengoy LLC
7. Gazprom Dobycha Yamburg LLC
8. Gazprom Export LLC
9. Gazprom Mezhregiongaz LLC
10. Gazprom Pererabotka LLC
11. Gazprom Transgaz Kazan LLC
12. Gazprom Transgaz Krasnodar LLC
13. Gazprom Transgaz Makhachkala LLC
14. Gazprom Transgaz Moscow LLC
15. Gazprom Transgaz Nizhny Novgorod LLC
16. Gazprom Transgaz Saint Petersburg LLC
17. Gazprom Transgaz Samara LLC
18. Gazprom Transgaz Saratov LLC
19. Gazprom Transgaz Stavropol LLC
20. Gazprom Transgaz Surgut LLC
21. Gazprom Transgaz Tchaikovsky LLC
22. Gazprom Transgaz Tomsk LLC
23. Gazprom Transgaz Ufa LLC
24. Gazprom Transgaz Ukhta LLC
25. Gazprom Transgaz Volgograd LLC
26. Gazprom Transgaz Yekaterinburg LLC
27. Gazprom Transgaz Yugorsk LLC
28. Gazprom UGS LLC

Headcount of subsidiaries which are parties to the General Collective Agreement amounted to 228,900 people as of December 31, 2020.

GRI 401-2

Benefits provided to full-time employees that are not provided to temporary or part-time employees[248]

Benefits	Full-time employment	Temporary employment*	Part-time employment**
Life insurance***	Yes	Yes	No
Medical services (voluntary medical insurance)	Yes	Yes	No
Injury and disability compensation (insurance against accidents and diseases)	Yes	Yes	No

* Temporary employment refers to fixed-term employment contracts. If their term is less than 3 years, life insurance is not provided. If their term is less than 2 months, medical services (voluntary medical insurance) are not provided.

** Part-time employment as per Article 93 of the Labor Code of the Russian Federation. The benefits are not provided under civil law agreements for the purchase of services.

*** Covers executives of PJSC Gazprom's Administration and subsidiaries engaged in core operations.

List of subsidiaries, entities and branches covered by the Integrated System of Process Safety Management (ISPSM):

Subsidiaries of the Gazprom Group (gas business) engaged in core operations (production, treatment, transportation, processing, distribution and storage of natural gas, gas condensate and oil). The total of 32 subsidiaries.

Gazprom Dobycha Astrakhan LLC, Gazprom Dobycha Irkutsk LLC, Gazprom Dobycha Krasnodar LLC, Gazprom Dobycha Kuznetsk LLC, Gazprom Dobycha Nadym LLC, Gazprom Dobycha Noyabrsk LLC, Gazprom Dobycha Orenburg LLC, Gazprom Dobycha Shelf Yuzhno-Sakhalinsk LLC, Gazprom Dobycha Urengoy LLC, Gazprom Dobycha Yamburg LLC, Gazprom Flot LLC, Gazprom Geologorazvedka LLC, Gazprom Pererabotka LLC, Gazprom Transgaz Grozny LLC, Gazprom Transgaz Kazan LLC, Gazprom Transgaz Krasnodar LLC, Gazprom Transgaz Makhachkala LLC, Gazprom Transgaz Moscow LLC, Gazprom Transgaz Nizhny Novgorod LLC, Gazprom Transgaz Saint Petersburg LLC, Gazprom Transgaz Samara LLC, Gazprom Transgaz Saratov LLC, Gazprom Transgaz Stavropol LLC, Gazprom Transgaz Surgut LLC, Gazprom Transgaz Tchaikovsky LLC, Gazprom Transgaz Tomsk LLC, Gazprom Transgaz Ufa LLC, Gazprom Transgaz Ukhta LLC, Gazprom Transgaz Volgograd LLC, Gazprom Transgaz Yekaterinburg LLC, Gazprom Transgaz Yugorsk LLC, Gazprom UGS LLC.

(248) The benefits are not provided under civil law agreements for the purchase of services.

The Gazprom Group's subsidiaries, entities and branches (gas business) engaged in gas supply network operations. The total of 64 entities:

Gazprom Invest LLC, Gazprom Sotsinvest LLC, Gazprom LNG Vladivostok LLC, Gazprom LNG Portovaya LLC, Novy Urengoy Gas Chemical Complex LLC, Gazprom Tsentrremont LLC, Gazpromavia Aviation Company LLC, Gazprom Gaznadzor LLC, Gazprom Gazobezopasnost LLC, Gazprom Nedra LLC, Gazprom Inform LLC, Gazprom Komplektatsiya LLC, JSC Gazprom Space Systems, Gazprom Export LLC, Gazprom Svyaz LLC, Gazprom Mezhregiongaz LLC, Gazprom Upravlenie Aktivami LLC, Gazprom Pitanie LLC, Gazprom Transservis LLC, Gazprom Energo LLC, JSC Gazprom Bytovye Systemy, OJSC Gazpromtrubinvest, Gazpromtrans LLC, Gazprom Geotekhnologii LLC, CJSC Gazprom Armenia, Gazprom Kyrgyzstan LLC, OJSC Gazprom Transgaz Belarus, OJSC Gazprom – South Ossetia, Gazprom Proyektirovaniye LLC, JSC SevKavNIPIgaz, Gazprom College Volgograd, Gazprom Corporate Institute, Gazprom Vocational School Novy Urengoy, Gazprom Training Simulator Computer Center, PJSC Gazprom Training Center, PJSC Gazprom ONUTC, Gazprom Shkola, Gazprom Investholding LLC, Gazprom VNIIGAZ LLC, Gazprom Expo LLC, NIIgazeconomika LLC, OKDC PJSC Gazprom Private Healthcare Institution, ChOP Gazprom Okhrana LLC, Gazprom EP International B.V., Gazprom CNIS Private Entity, PJSC Gazprom Branch for Office Buildings Management, PJSC Gazprom Branch Avtopredpriyatie PJSC Gazprom, PJSC Gazprom Branch Bogorodskoye Official Reception House, PJSC Gazprom Branch Morozovka Recreation House, PJSC Gazprom Branch Soyuz Recreation House, PJSC Gazprom Branch Sluzhba Korporativnoy Zashchity PJSC Gazprom, PJSC Gazprom Branch Glavnoye Upravlenie Okhrany PJSC Gazprom in St. Petersburg, Branch Dalnevostochnoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Khabarovsk, PJSC Gazprom Branch Privolzhskoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Samara, PJSC Gazprom Branch Severo-Uralskoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Novy Urengoy, PJSC Gazprom Branch Sibirskoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Tomsk, PJSC Gazprom Branch Tsentralnoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in the Moscow Region, PJSC Gazprom Branch Yuzhno-Uralskoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Yekaterinburg, PJSC Gazprom Branch Yuzhnoye Mezhregionalnoye Upravlenie Okhrany PJSC Gazprom in Krasnodar, PJSC Gazprom Branch 644 in St. Petersburg, Gazprom 335 LLC, Gazprom Investproject LLC, Gazprom Personal LLC.

List of regulations updated in order to implement the requirements of ISO 45001:2018 at PJSC Gazprom:

– *Corporate standard STO Gazprom 18000.1-001-2021 Integrated System of Process Safety Management at Gazprom. Key Provisions* (Version No. 2 dated 12.01.2021);

– *Corporate standard STO Gazprom 18000.1-002-2020 Integrated System of Process Safety Management at Gazprom. Hazard Identification and Industrial Safety Risk Management* (Version No. 37 dated 30.01.2020);

– *Corporate standard STO Gazprom 18000.3-004-2020 Integrated System of Process Safety Management at Gazprom. Arranging and conducting audits* (Version No. 94 dated 02.03.2020);

– *Corporate standard STO Gazprom 18000.1-003-2020 Integrated System of Process Safety Management at Gazprom. Establishment of goals and development of action plans, their implementation monitoring* (Version No. 26 dated 24.01.2020);

– *Corporate standard STO Gazprom 18000.2-005-2021 Integrated System of Process Safety Management at Gazprom. Procedure for developing, recording, amending, revoking and canceling documents* (Version No.46 dated 05.02.2021);

– *Corporate standard STO Gazprom 18000.2-010-2020 Integrated System of Process Safety Management at Gazprom. Ensuring emergency preparedness in Gazprom Group* (Version No. 243 dated 08.06.2020);

– *R Gazprom 18000.2-012-2020 Procedure for handling complaints and enquiries received by Gazprom Group entities* (approved on 30.10.2020);

– *Regulations on arranging and implementing production control over compliance with industrial safety requirements in PJSC Gazprom, its subsidiaries and entities* (approved by order of PJSC Gazprom No.120 dated 10.03.2020).

Number of injuries and fatalities due to incidents in 2019–2020 in the companies covered by the ISPSM, by gender, persons

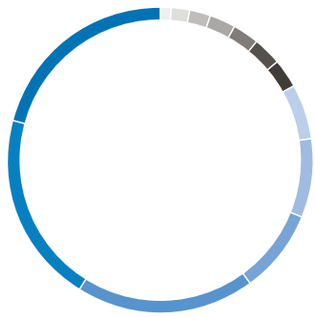
Item	2019		2020	
Companies covered by the ISPSM	**Male**	**Female**	**Male**	**Female**
Injured	44	3	35	4
Including fatalities	7	0	5	0

Number of injuries and fatalities due to incidents in 2020, by region, persons

Companies covered by the ISPSM	Russian Federation	Foreign countries
Injured	39	0
Including fatalities	5	0

Financing of the Gazprom for Children program by regions of the Russian Federation, as a % of total program funding in 2020

Novgorod Region	20.85	Tula Region	2.83
Krasnodar Territory	20.44	Jewish Autonomous Region	2.78
St. Petersburg	18.91	Kirov Region, Kursk Region, Pskov Region, Saratov Region, Tambov Region	2.63
Republic of Sakha (Yakutia)	8.70	Rostov Region	2.24
Amur Region	8.52	Khabarovsk Territory	1.99
Yaroslavl Region	5.75	Leningrad Region	1.19
Belgorod Region	3.17		



Number of socially important facilities commissioned in 2020, by federal districts of the Russian Federation

Federal district	Number of facilities
Central Federal District	7
Far Eastern Federal District	12
North Caucasian Federal District	13
North-Western Federal District	1
Southern Federal District	5
Volga Federal District	1

Appendix 6. Glossary of Abbreviations and Code Names Used in the Report

Name	Definition
ADR	American depositary receipt
APG	Associated petroleum gas
BAT	Best available technologies
bcm	Billion cubic meters
boe	Barrel of oil equivalent
CDP	International project that runs the global disclosure system to manage the environmental impacts of companies
CIS	Commonwealth of Independent States
CNG	Compressed natural gas
CNG filling station	Automobile gas-filling compressor station
Company	PJSC Gazprom
CSA	Capacity supply agreement
DCA	Designated conservation area
ECG	Ethane-containing gas
EIA	Environmental impact assessment
EMS	Environmental management system
EnMS	Energy Management System
EPI	Energy Performance Indicator
ESG	Environmental, social and governance criteria
ETP	Electronic Trading Platform
EU	European Union
FIFA	Federation Internationale de Football Association
FSU countries	Countries located in the former Soviet Union territory other than the Russian Federation
Gazprom Energoholding	Gazprom Energoholding LLC and companies consolidated under its management (PJSC Mosenergo, PJSC MOEK, PJSC TGC-1, and PJSC OGK-2)
Gazprom Neft Group, Gazprom Neft	PJSC Gazprom Neft and its subsidiaries
Gazprom Neftekhim Salavat	Gazprom Neftekhim Salavat LLC and its subsidiaries
Gazprom, Gazprom Group, Group	A group of companies consisting of PJSC Gazprom (parent company) and its subsidiaries
GBP ETP	Electronic Trading Platform of Gazprombank Group
GCF	Gas and condensate field
GDO	Gas distribution organization
GDP	Gross Domestic Product
GHG	Greenhouse gas
GPP	Gas processing plant
GRI	International project that develops and improves sustainability reporting standards
HPP	Hydro power plant
IFRS	International Financial Reporting Standards
IMS	Information Management System

Appendix 6. Glossary of Abbreviations and Code Names Used in the Report

Name	Definition
ISO	International Organization for Standardization
ISPSM	Integrated System of Process Safety Management
KhMAA – Yugra	Khanty-Mansi – Yugra Autonomous Area
KPI	Key performance indicator
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
M&E	Materials and equipment
mcm	Million cubic meters
MCS	Mobile compressor station
MET	Mineral extraction tax
NGLs	Natural gas liquids
NGV	Natural gas vehicle fuel
NPO	Non-profit organization
OECM	Operational environmental control and monitoring
OGCF	Oil and gas condensate field
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
PJSC Gazprom and its key subsidiaries	PJSC Gazprom and its gas production, transportation, processing and underground storage subsidiaries: Gazprom Dobycha Yamburg LLC, Gazprom Dobycha Urengoy LLC, Gazprom Dobycha Nadym LLC, Gazprom Dobycha Noyabrsk LLC, Gazprom Dobycha Orenburg LLC, Gazprom Dobycha Astrakhan LLC, Gazprom Pererabotka LLC, Gazprom Dobycha Krasnodar LLC, Gazprom Transgaz Ukhta LLC, Gazprom Transgaz Surgut LLC, Gazprom Transgaz Yugorsk LLC, Gazprom Transgaz Saint Petersburg LLC, Gazprom Transgaz Moscow LLC, Gazprom Transgaz Tomsk LLC, Gazprom Transgaz Tchaikovsky LLC, Gazprom Transgaz Yekaterinburg LLC, Gazprom Transgaz Stavropol LLC, Gazprom Transgaz Makhachkala LLC, Gazprom Transgaz Nizhny Novgorod LLC, Gazprom Transgaz Saratov LLC, Gazprom Transgaz Volgograd LLC, Gazprom Transgaz Samara LLC, Gazprom Transgaz Ufa LLC, Gazprom Transgaz Kazan LLC, Gazprom Transgaz Krasnodar LLC, OJSC Gazprom Transgaz Belarus, Gazprom UGS LLC
PPE	Personal protective equipment
PRMS	Petroleum Resources Management System, the most widespread international system for classification of hydrocarbon reserves
QMS	Quality Management System
R&D	Research and development
RAS	Russian accounting standards
Refinery	Oil refinery
Report	Gazprom Group's Sustainability Report
RES	Renewable energy sources
RGC	Regional gas selling company
RUIE	Russian Union of Industrialists and Entrepreneurs
Sakhalin Energy	Sakhalin Energy Investment Company Ltd.
SDG	Sustainable development goal

Name	Definition
SER	Secondary energy resources
SLCA	Special labor conditions assessment
SME	Small and medium-sized enterprises
STI	Strategic target indicator
TCFD	Task Force on Climate-related Financial Disclosures, non-profit organization responsible for the development of respective disclosure standards
Ton of reference fuel	Ton of reference fuel (coal equivalent) equal to 877 m3 of natural gas, 0.7 ton of oil and gas condensate
TPP	Thermal power plant
UEFA	Union of European Football Associations
UGS	Underground gas storage
UGSS	Unified Gas Supply System
UNCTAD	United Nations Conference on Trade and Development which presented core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals
VAT	Value-added tax
YaNAA	Yamal-Nenets Autonomous Area

Appendix 7. Assurance of the Russian Union of Industrialists and Entrepreneurs (public assurance)

CERTIFICATE

of Public Endorsement
of a Corporate Non-Financial Report

Gazprom Group's Sustainability Report for 2020

has received public endorsement by the RSPP Council on Non-Financial Reporting

A detailed opinion of the RSPP Council regarding public endorsement of Gazprom Group's Sustainability Report for 2020 has been sent to the Company, which may publish it without amendment and use it both for corporate purposes and for the purposes of stakeholder engagement.

Registration number 174.01.05.01.20

RSPP President **A.Shokhin**

Moscow, 2021

Appendix 8. Assurance by FBK, LLC (professional assurance)

GRI 102-56

FBK

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT [TRANSLATION FROM RUSSIAN ORIGINAL]

To the management of PJSC «GAZPROM»

We have undertaken a limited assurance engagement of the accompanying Gazprom Group's Sustainability Report 2020 (hereinafter referred to as the Report) compliance with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option.

Responsibility of management of PJSC «GAZPROM»

Management of PJSC «GAZPROM» is responsible for preparation of the Report in compliance with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Rules of Independence of the Auditors and Audit Organizations and The Code of Professional Ethics of the Auditors, which are in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Control 1, Quality Control for Firm that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Report compliance with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Report is free from material misstatement.

A limited assurance engagement undertaken in accordance with this standard involves assessing compliance of the Report with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we have undertaken the following activities:

- Interviewing the management and employees of PJSC «GAZPROM» and obtaining documentary evidence.
- Study of information available on the websites Gazprom Group's companies related to their activities in the context of sustainable development.
- Study of public statements of third parties concerning economic, environmental and social aspects of Gazprom Group's companies activities, in order to check validity of the declarations made in the Report.
- Analysis of non-financial reports of companies working in the similar market segment for benchmarking purposes.

TRANSLATION NOTE: Our report has been prepared in Russian and in English. In all matters of interpretation of information, views or opinions, the Russian version of our report takes precedence over the English version. 1 из 2

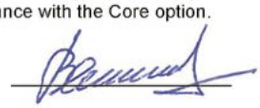
FBK

- Selective review of documents and data on the efficiency of the management systems of economic, environmental and social aspects of sustainable development Gazprom Group's companies.
- Study of the existing processes of collection, processing, documenting, verification, analysis and selection of data to be included into the Report.
- Analysis of information in the Report for compliance with the requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option.

The procedures were performed only in relation to data for the year ended 31 December 2020.
The evaluation of reliability of the information on performance in the Report was conducted in relation to compliance with the requirements of Standards to the report prepared in accordance with the Core option and information referred to in the GRI Content Index. In respect to this information assessment of its conformity to external and internal reporting documents provided to us was performed.
The procedures were not performed in relation to forward-looking statements; statements expressing the opinions, beliefs and intentions of PJSC «GAZPROM» as the parent company of Gazprom Group to take any action related to the future; as well as statements based on expert opinion.
The procedures were performed in relation to the version of the Report subject to public verification by Non-Financial Reporting Board of the Russian Union of Industrialists and Entrepreneurs, as well as sending to Global Reporting Initiative in order to notify it of the use of the Standards in the Report preparation.
The procedures were performed in relation to the Russian version of the Report, which includes information to be published in a hard-copy form as well as in digital form.
We had no chance to verify that the Annual Report and Environmental Report of PJSC «GAZPROM» for 2020, which are referred to in the Report, are published due to the fact that the date of signing this Assurance Report preceded the planned dates of these activities completion.
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about compliance of the Report, in all material respects, with the requirements of Standards to the report prepared in accordance with the Core option.

Limited Assurance Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report has not complied, in all material aspects, with requirements of GRI Sustainability Reporting Standards to the report prepared in accordance with the Core option.

FBK, LLC



V.Y.Skobarev

Practitioner
Partner
acting under Power of Attorney No. 76/18 of December 17, 2018

The Russian Federation, Moscow
May 12, 2021

TRANSLATION NOTE: Our report has been prepared in Russian and in English. In all matters of interpretation of information, views or opinions, the Russian version of our report takes precedence over the English version.

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Appendix 9. Opinion Issued Following Public Consultations

Introduction

PJSC Gazprom (the "Company") proposed that we assess the information disclosed in the Gazprom Group's Sustainability Report 2020 (the "Report") for alignment with stakeholder expectations, along with the quality of the Company's response to the recommendations and proposals received from stakeholders during the Report preparation.

Report Assessment Procedure

We were given an opportunity to read the draft Report provided by the Company, ask questions and offer feedback during dedicated online Public Consultations. In the course of the Public Consultations, we received the required comments and the table on how the Company took into account our recommendations and proposals. We provide assessment of the above information only.

We are unaware of any facts that may compromise the reliability of information disclosed in the Report. Yet, it should be noted that reviewing the collection and analysis system for the reported information and its reliability is beyond the scope of this assessment. Besides, the assessment does not purport to confirm the extent of the Report compliance with any Russian and international reporting and/or operational standards.

When assessing the Report, we expressed our opinion as independent experts, not representatives of the companies that employ us. We confirm our independence and objectivity in respect of the Report assessment. We did not receive any remuneration from the Company for taking part in the Public Consultations.

The results of our work are presented in this Opinion issued following the Public Consultations. The Opinion contains judgements on which we have come to an agreement. The Company may use it for corporate and stakeholder communication purposes by publishing the original version without any changes.

Disclosure Alignment with Stakeholder Expectations

The Report presents the list of material topics jointly defined by the Company's representatives and a wide range of stakeholders. We believe that the selected material topics reflect the key interests of stakeholders.

In our opinion, all material information presented in the Report is sufficient for the stakeholders to gain an understanding of the Gazprom Group's current state and development prospects.

The disclosure is well-balanced as it presents both the positive aspects of the Company's performance and the challenges it faces along with the ways of tackling them.

The Company's Response to Stakeholder Recommendations as part of the Report Preparation

To take into account information queries from a wide range of stakeholders in the best possible way, the Company surveyed 1,745 representatives of such stakeholders. The results served as a basis for the final list of material topics to be reflected in the Report.

Additionally, the Company held Public Consultations on the draft Report enabling us as stakeholder representatives to comment on the Report's contents. The Company recorded all proposals and recommendations received during the public consultations, analyzed them and provided the information on how they were taken into account in preparing the Report, which proves that the dialogue was constructive.

Conclusions

We are agreed to give a positive opinion on the Report in terms of its format and the extent of disclosure. The Company prepared an informative and well-structured reporting document that meets our expectations.

We highly appreciate the Company's initiative aimed at expanding its interaction with stakeholders in preparing the Sustainability Report, and recommend that the Company should continue close cooperation on this issue with representatives of the target audiences of the Report.

Public Consultations: Signatures of Participants

Full name	Position	Signature
BELIKOV, Igor	Director of the Russian Institute of Directors Non-Profit Partnership	
BESSEL, Valery	Professor of the Department of Thermodynamics and Thermal Engines at Gubkin Russian State University of Oil and Gas	
BRILEV, Sergey	President of the Association "Global Energy"	
GERASIMOVA, Svetlana	Head of the Expert Council of the Sustainable Development Week, partner of the Project Office «Strategies and Practices for Sustainable Development», Head of the School of CSR and Sustainable Development, MBA Lecturer at the Moscow International Higher Business School «MIRBIS», Senior Lecturer at the Basic Department of the Federal Antimonopoly Service of the Russian Federation, Head of FVE Programs at the Plekhanov Russian University of Economics	
GOLOVNEV, Andrey	Member of the Russian Academy of Sciences, professor, Doctor of Sciences, director of the Peter the Great Museum of Anthropology and Ethnography of the Russian Academy of Sciences	
GRISHANKOVA, Svetlana	CEO, Rating Agentur Expert RA GmbH	
ESIPOVA, Irina	General Director of Fuel and Energy Communications Development Center	
ZAVALNY, Pavel	Deputy of the State Duma of the Federal Assembly of the Russian Federation, Chairman of the State Duma Energy Committee	
KNIZHNIKOV, Aleksey	Head of the Program for the Business Environmental Responsibility at WWF Russia	
KOVALCHUK, Vladimir	Chairman of the Gazprom Workers' Union Interregional Organization	
PLAKIDA, Alexander	Chair of the Boards of the Association "National Network of the Global Compact"	
REMCHUKOV, Maxim	Sustainable Development Director, SIBUR	
TKACHENKO, Galina	Chair of the NGO "Visit" Youth Leisure Center in Svobodny (Amur Region), Chair of the Public Council of the Amur GPP Construction project	
FEOKTISTOVA, Elena	Deputy Chair of the Committee on Corporate Social Responsibility and Sustainable Development, Managing Director for Corporate Responsibility, Sustainable Development and Social Entrepreneurship, The Russian Union of Industrialists and Entrepreneurs	
KHUDI, Valery	Chairman of the Management Board of Yamal Regional Social Movement of Indigenous Minorities "Yamal"	

Contacts and feedback

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Should you have any questions regarding this Sustainability Report, please contact PJSC Gazprom's Department responsible for the common information policy.

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