Appendix № 1

APPROVED Annual General Shareholders Meeting of PSJC Gazprom, June 30, 2023

PSJC GAZPROM ANNUAL REPORT 2022

2022 tested the resilience of everyone and everything – people, companies, industries, and the country in general.

Faced with external challenges, Gazprom confidently continues its well-coordinated and concerted work, remaining a responsible supplier and a reliable partner.

We are Gazprom, a strong and united team of professionals, sharing common values and beliefs, working for the benefit of Russia.

Our assets include a unique, high-tech integrated production network and extensive infrastructure, encompassing production, transportation, processing, and distribution facilities across Russia and connecting all its regions.

Caught in the middle of an economic standoff in 2022, Gazprom leveraged its strong expertise and effective technology to overcome these headwinds and maintain its growth momentum.

The Company transformed external challenges into value for the country, scaling up the gas infrastructure expansion programme, creating new production facilities and jobs, actively participating in import substitution programmes, entering new foreign energy markets, and paying record-high taxes to budgets.

Gazprom has remained resilient and stable – a core pillar of the Russian economy.

From large-scale social projects to substantial investments in promoting and developing science, culture, spiritual values, education, and sports – all these efforts were equally significant highlights of the year, uniting the country and making it even stronger.

The Company's diverse activities and businesses connect countries and regions, industries and technologies, spanning knowledge, people and eras.

Strength in Unity!







































The terms "PJSC Gazprom" and the "Company" used in this Annual Report refer to the parent company of Gazprom Group, i.e. to Public Joint Stock Company Gazprom (before 17 July 2015 – Open Joint Stock Company Gazprom, JSC Gazprom). The terms "Gazprom Group", the "Group" or "Gazprom" mean an aggregate of entities which includes PJSC Gazprom and its subsidiaries and entities. For the purposes of this Annual Report, the lists of Gazprom Group subsidiaries and entities, associates and joint ventures, as well as entities in which Gazprom has investments classified as joint operations, were prepared based on the principles used in the preparation of Gazprom Group's IFRS consolidated financial statements.

Similarly, the terms "Gazprom Neft Group" and "Gazprom Neft" refer to PAO Gazprom Neft and its subsidiaries and entities; "Gazprom mezhregiongaz Group" refers to OOO Gazprom mezhregiongaz and its subsidiaries; "Gazprom energoholding" refers to OOO Gazprom energoholding and its subsidiaries; and "Gazprom neftekhim Salavat" refers to OOO Gazprom neftekhim Salavat and its subsidiaries.

refers to OOO Gazprom neffekhim Salavat and its subsidiaries.

This Annual Report determines some operating and economic metrics in accordance with the IFRS principles for Gazprom Group companies included in Gazprom Group's IFRS consolidated financial statements for the year ended 31 December 2022. Therefore, they may differ from similar metrics used in reports of PJSC Gazprom, which are prepared under Russian statutory requirements.

Moreover, some operating metrics of PJSC Gazprom, its subsidiaries, entities, associates, and joint ventures are determined in accordance with the principles underlying management reporting. Metrics calculated using these methods might be not comparable between each other due to differences in the methodologies used for preparing consolidated financial statements and for management reporting.

Analysis of financial results should be read in conjunction with the audited consolidated financial statements of Gazprom Group for the year ended 31 December 2022, prepared in accordance with IFRS.

Among other things, the Annual Report discloses information on the future production and economic activities of Gazprom Group, based on Gazprom management's forecasts and estimates considering the current situation. Actual results may differ from the said forecasts and estimates due to the effect of various objective factors.

Con	ventions used in the Annual Report
	External factors
<u>-00</u>	Results
	Goals and plans
	Resources and capital
	Human capital
 & & &	Governing bodies
	Risk factors
	Organisation of operations
	Documents





PJSC Gazprom Annual Report 2022

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Letter to Shareholders by the Chairman of PJSC Gazprom's Board of Directors and the Chairman of PJSC Gazprom's Management Committee

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Dear Shareholders,

In 2022, amid turbulent global energy markets, PJSC Gazprom continued operating reliably and sustainably in the interests of its consumers. The Company effectively leveraged its existing production and R&D capabilities to meet its targets and deliver strong bottom-line performance.

Gazprom's main product, natural gas, is the most environmentally friendly, cost-effective and easy-to-use fuel.

Gazprom produces as much gas as is needed for uninterrupted gas supply to domestic consumers and for meeting export demands. In 2022, Gazprom Group produced 412.9 billion cubic metres of gas, with over 50% supplied to the domestic market via Gazprom's gas transportation system.

Much of the demand growth for Russian gas came from China, the world's fastest growing gas market. In 2022, gas exports through the Power of Siberia pipeline regularly exceeded daily contractual obligations of PJSC Gazprom at the requests of the Chinese side, with the total annual delivery way above contractual targets. The Company has once again proved to be a responsible supplier.

China will be the key driver of global gas consumption growth going forward. Therefore, the execution of the second long-term contract between PJSC Gazprom and CNPC to supply Russian pipeline gas via the Far Eastern route is already underway, with study of a potential gas supply to China via Mongolia ongoing.

Russian pipeline gas exports to China via these three routes will total about 100 billion cubic metres once they ramp to full capacity.

PJSC Gazprom always works for the future. Our consumers have no doubt that they will have enough gas for decades to come. To this end, we are consistently building our resource capacity. Thanks to effective exploration, Gazprom has been replacing its reserves faster than it has depleted them for 18 years running.

The Yamal gas production hub is the cornerstone of the Russian gas industry in the 2lst century. In 2022, Gazprom began developing the Neocomian-Jurassic formations at the flagship Bovanenkovskoye field and continued building infrastructure at the Kharasaveyskoye field, the next field to be brought onstream on Yamal. Gazprom and RusGasDobycha joined efforts to launch a new major field – Semakovskoye.

The Company
effectively leveraged
its existing production
and R&D capabilities
to meet its targets
and deliver
strong bottom-line
performance.

In the east of Russia, the launch of Kovyktinskoye, the core field of the Irkutsk gas production hub, and the Kovykta—Chayanda section of the Power of Siberia gas pipeline were landmark events in 2022. PJSC Gazprom has thus finished building infrastructure of a unique scale for integrated gas production, transportation and processing in this part of Russia. This created new opportunities for gas supply to the Russian East and ensured Gazprom would continue to reliably fulfil its contractual obligations to deliver gas to China.

Good progress has been made in two important segments of Gazprom's gas business: natural gas processing and liquefaction.

Gazprom launched new capacities in its traditional production region of Nadym-Pur-Taz, including for more efficient processing of gas condensate, a valuable petrochemical and petroleum refining feedstock, produced from the Achimov formations of the Urengoy field.

Construction of two major processing plants is ongoing in the Amur and Leningrad Regions.

Gazprom's medium-scale LNG complex came online on the shore of the Gulf of Finland near the Portovaya compressor station, bolstering the energy security of the Kaliningrad Region. The complex also supplies its products to commercial consumers, including fuel for NGVs in Saint Petersburg and sea vessels.

Letter to Shareholders by the Chairman of PJSC Gazprom's **Board of Directors** and the Chairman of PJSC Gazprom's **Management Committee**

The Group's power generation and oil businesses also delivered strong results. Gazprom Neft launched an advanced deep conversion complex at the Omsk Refinery, pushing its refining depth close to 100%. A similar complex at the Moscow Refinery is also expected to come online in the near future.

At CHPP-22, Gazprom energoholding commissioned a unique Russian-made cogeneration turbine with the highest capacity in the world, further improving the reliability of heat and electricity supply to households in southeast Moscow and the Moscow Region.

Gazprom's main social project – the expansion of gas infrastructure in the Russian regions - is forging ahead. In 2022, preparations were completed to supply pipeline gas to hundreds of towns and villages. In communities where pipeline gas is already available, Gazprom installs gas lines to properties at no charge for households. Since March 2023, this option has also been available to healthcare and educational institutions.

Gas infrastructure expansion projects satisfy an important need in Russia. Access to gas makes people's lives much more comfortable, especially in rural areas, all while promoting industrial development and the expansion of the NGV fuel market. By 2030, Gazprom will make pipeline gas available in all areas across Russia where technically feasible.

Dear Shareholders,

Gazprom Annual Report 2022

Throughout the challenging environment of 2022, PJSC Gazprom remained a reliable pillar of the Russian economy. The Company contributed over RUB 5 trillion to federal and local government budgets at all levels. The Company's dividend payout for the first half of 2022 hit an all-time high on the Russian stock market at RUB 1.208 trillion.

PJSC Gazprom marked its 30th anniversary in February 2023 as a leader of the global energy market with a proven record of completed projects that are unmatched around the world, ensuring the energy security of Russia.

Gazprom will continue to develop steadily so that the people in our vast country always have clean and affordable energy.



Viktor Zubkov Chairman of the **Board of Directors** PJSC Gazprom





Alexey Miller Chairman of the Management Committee PJSC Gazprom



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Gazprom /

Gazprom is one of the world's largest oil and gas companies in terms of hydrocarbon reserves and production. As the ultimate controlling party, the Russian Federation holds a more than 50% controlling stake (including direct and indirect ownership) in PJSC Gazprom.

Key figures for 2022

11,674.0 RUB bn

Gazprom Group's net sales revenue

1,225.8 RUB bn

Profit for the year attributable to the owners of PJSC Gazprom

2,841.8 RUB br

Capital expenditures

6.4

Cost of debt as at 31 December 2022

4922 thousand people

Total headcount as at 31 December 2022

0.7%

the share of Gazprom Group personnel in the total number of employed Russian citizens

27,942.9_{bcm}

A+B₁+C₁ natural gas reserves in Russia under the Russian classification (as at 31 December 2022)*

412.9_{bcm}

Natural and associated gas production in Russia*

^{*} Including the Group's share in the reserves and production volumes of entities in which Gazprom has investments classified as joint operations, excluding the Group's share in the reserves and production volumes of associates and joint ventures.

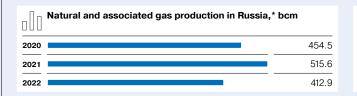
Mission

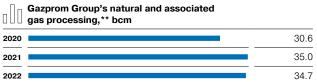
Strategic goal

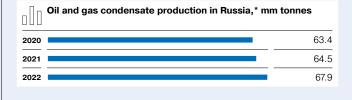
Reliable, efficient and balanced supply of natural gas, other energy resources and their derivatives to consumers.

Strengthening Gazprom's leadership among global energy companies by diversifying sales markets, maintaining energy security and sustainability, driving operational efficiencies and leveraging R&D capabilities.

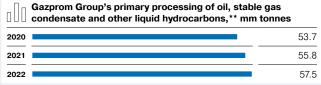
Operating highlights



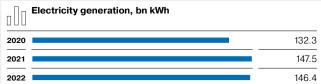




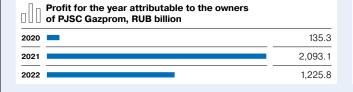
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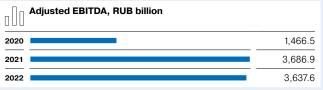






Financial highlights





^{*} Including the Group's share in the production volumes of entities in which Gazprom has investments classified as joint operations, excluding the Group's share in the production volumes of associates and joint ventures.

^{*} Excluding tolling arrangements.

Innovations and import substitution

PJSC Gazprom's technology leadership is driven by the development and deployment of Russian innovative solutions. The Russian science and industry enjoy considerable potential.

The Company strives to take maximum advantage of this potential so as to accelerate technology advancements in the Russian gas industry and consolidate the country's energy security.

Innovations

PUSC Gazprom's Innovative Development Programme is a fundamental instrument for long-term planning and management of innovations embedded into Gazprom's strategic planning framework.

PJSC Gazprom's updated Innovative Development Programme until 2025 was approved by the Board of Directors by its Resolution No. 3513 dated 1 December 2020 (Minutes No. 1338 dated 1 December 2020).



Innovative Development Programme

- Aims to continuously improve the level of technology and organisational development of PJSC Gazprom to maintain its position as a global energy company and a reliable energy supplier
- Covers a period of ten years
- Covers the gas, oil and power generation businesses of the Company
- Provides for a set of interrelated measures aimed at developing and using new technologies, equipment and materials that meet or exceed international standards, and at creating a favourable environment for innovation both within Gazprom Group and in Russia's related industries

Areas of innovation activities at Gazprom Group

Gazprom Group's gas business focuses on a number of promising innovative development areas driven by technological and organisational priorities outlined in the Innovative Development Programme.

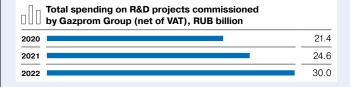
Innovation in the oil business covers oil production, oil refining, petrochemicals production and creation of new types of products that are in high demand among consumers.

Gazprom Group's technological priorities in the power generation business include enhancement of generating equipment and operational efficiency of heat networks.



Technological priorities in the gas business

- Hydrocarbon field exploration and appraisal, including development of unconventional resources
- Brownfield enhancement
- Hydrocarbon development on the continental shelf
- Greenfield development
- Efficiency enhancement of gas trunklines and diversification of gas distribution methods
- Enhancement of gas storage
- Enhancement of gas and condensate processing
- Production of liquefied natural gas (LNG)
- Gas marketing and utilisation





The Group's R&D efforts aim to develop and implement Russian high-tech equipment and sophisticated engineering complexes unrivalled in the world, as well as to create advanced R&D solutions.

The Group's investment projects employ the best available technologies, including those developed with Gazprom's direct involvement.

Gazprom Group is a leader in Russia for managing intellectual property rights, including legal protection of new technical solutions.

As at 31 December 2022, Gazprom Group entities held 3,119 patents for inventions, utility models and industrial designs.

Import substitution

An action plan has been implemented by PJSC Gazprom since 2015 to address the challenges of import substitution and identify the Company's needs for import-substituting equipment and technologies.

In 2021, PJSC Gazprom adopted another Corporate Import Substitution Plan.



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Corporate Import Substitution Plan

- Covers the period until 2025
- Covers the gas, oil and power generation businesses and includes information on the results of integrating the operations of PJSC Gazprom, PAO Gazprom Neft and OOO Gazprom energoholding in creating high-tech import-substituting products
- Provides for a range of initiatives to drive controlled and phasedin substitution of competitive Russian alternatives for imported products in the operations of Gazprom Group entities as well as to create a beneficial environment for developing national production capabilities and domestic supplier networks



Mechanisms for implementing import substitution measures

- Drafting the List of Priority Products for Import Substitution and Production Localisation to Promote the Technological Development of PJSC Gazprom
- Engaging Russian industrial companies and research institutions to manufacture high-tech and import substituting equipment and materials under respective roadmaps to launch the manufacture of products in line with PJSC Gazprom's Corporate Import Substitution Plan and the List of Priority Products for Import Substitution and Production Localisation
- Drafting and implementing roadmaps by equipment type
- Signing long-term contracts with domestic industrial manufacturers to facilitate the launch of the manufacture of import-substituting products in Russia

24.74_{RUB}

RUB billion

actual economic effect from import substitution initiatives in 2022.

The greatest economic effect was brought by Transportation of gas.

Sustainable development

Gazprom has remained committed to social responsibility, environmental protection and improvements to corporate governance for many years and will maintain this commitment in future.



For information on 2022 sustainability highlights, see the <u>Company's History</u> section.

As a key actor in shaping a competitive economic landscape of the Russian Federation, Gazprom Group has numerous environmental and social commitments and makes a significant contribution to the well-being of the present and future generations. Gazprom's relevant activities contribute to the achievement of the national development goals of the Russian Federation through 2030 (as determined by Executive Order of the Russian President No. 474, On the National Development Goals of the Russian Federation through 2030, dated 21 July 2020, and targets of Russian national projects until 2024.

Environmental responsibility

PJSC Gazprom complies with environmental legislation, enhances the energy efficiency and safety of its production processes and uses innovative technologies to prevent environmental damage and encourage responsible energy consumption.

The Company has identified scenarios of sustainable development until 2050 in the light of the global low-carbon economy transition, and has developed PJSC Gazprom's 2050 Climate Roadmap.

PJSC Gazprom's Environmental Policy

PJSC Gazprom's Environmental Policy is the principal document outlining Gazprom Group's environmental commitments and relevant delivery mechanisms, which comprise ensuring environmental safety, including during the development of hydrocarbon fields on the Russian continental shelf and in the Russian Arctic zone, minimising the risks of negative impact on the environment, including on particularly vulnerable natural sites and features of high conservation value.

In line with its Environmental Policy, the Company not only delivers on its own commitments, but also requires that its partners, contractors and counterparties take the same commitments.



PJSC Gazprom's Environmental Management System (EMS)

- Is focused on implementing the Environmental Policy, setting and achieving environmental targets, managing PJSC Gazprom's environmental aspects, and meeting commitments while taking into account risks and opportunities
- Covers business units of PJSC Gazprom's Administration,
 PJSC Gazprom's Environmental Inspection Service, OOO Gazprom VNIIGAZ's Corporate Research and Development Centre for Environmental Protection and Energy Performance, and 37 whollyowned subsidiaries engaged in core gas business activities
- Is certified for compliance with ISO 14001:2015 and the Russian national standard GOST R ISO 14001-2016

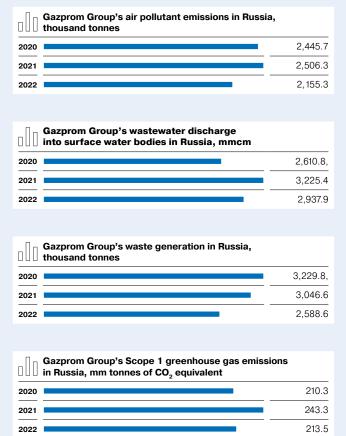
Those Gazprom Group companies that are not covered by PJSC Gazprom's EMS also have in place their own effective, business-specific environmental management systems.

Corporate Environmental Targets for 2020–2022 are set for PJSC Gazprom and its subsidiaries within the EMS scope.

In 2022, PJSC Gazprom met all its Corporate Environmental Targets for 2020–2022, supported by the implementation of PJSC Gazprom's Comprehensive Environmental Programme for 2020–2024.

Achievement of PJSC Gazprom's Corporate Environmental Targets for 2020–2022 in 2022					
Corporate Environmental Target*	Progress against targets				
Reduce GHG emissions from natural gas transportation	Reduced by 18.99%				
Reduce nitrogen oxide emissions from natural gas transportation	Reduced by 4.73%				
Reduce above-limit pollutant discharges into surface water bodies	Reduced by 5.28 p.p.				
Reduce the landfill share in the Group's total waste	Reduced by 24.84 p.p.				
Reduce the share of subsidiaries that exceed 5% of above-limit impact charges	Reduced by 29.59 p.p.				

Key metrics for the environmental impact from Gazprom Group's operations



The consistent reduction of Gazprom Group's environmental impact is one of its key commitments to preserve the environment for future generations.

The positive trends during the year were primarily driven by:

- changes in Gazprom energoholding's fuel mix, with the proportion of natural gas increasing at the expense of the coal's share
- environmental and energy saving initiatives
- lower consumption of fuel gas.

Gazprom Group's environmental protection costs in Russia, RUB billion						
	2020	2021	2022			
Current environmental protection costs	34.4	36.3	40.4			
Capital expenditures for environmental protection and sustainable use of natural resources	14.0	60.5	48.0			
Negative environmental impact charges	0.7	0.7	0.7			
Total	49.1	97.5	89.1			

Gazprom Annual Report 2022

^{*} From the 2018 baseline.

PJSC Gazprom's Energy Efficiency and Energy Saving Policy

PJSC Gazprom's Energy Efficiency and Energy Saving Policy is aimed at conserving energy resources, boosting the Company's operational energy performance and adopting systematic solutions both in technology and management.

PJSC Gazprom's Energy Efficiency and Energy Saving Policy underlies the Company's corporate goals and energy saving and energy efficiency initiatives.

PJSC Gazprom's Energy Saving and Energy Efficiency Programme covers its core activities: hydrocarbon production and transportation, underground storage, processing and distribution of natural gas, power and water supply and operation of power equipment at the Unified Gas Supply System (UGSS) facilities. The current version of the Programme (covering years 2022–2024) was approved in 2022.

The Programme's short-term priorities include reducing natural gas and electricity consumption for natural gas compression and preventing natural gas venting during repairs at UGSS facilities.



PJSC Gazprom's energy efficiency management system

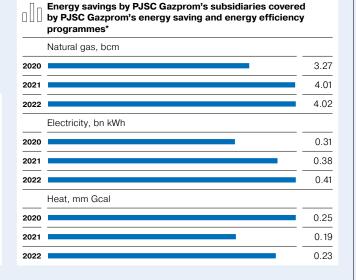
- Focuses on supporting the implementation of the Energy Efficiency and Energy Saving Policy, setting and achieving energy efficiency targets for production processes and saving fuel and energy resources
- Covers business units of PJSC Gazprom's Administration and PJSC Gazprom's 28 subsidiaries engaged in gas production, transportation, underground storage and processing, as well as power and water supply and operation of power equipment at IJGSS facilities
- Is compliant with ISO 50001:2018. Its compliance was confirmed by a surveillance audit conducted in 2022 by an international auditor, Bureau Veritas

4.83 mm t c.e

actual energy savings in 2022

19.75 RUB billion

total cost effect from energy savings



Measures that demonstrated strong performance in 2022 include the use of mobile compressor stations, gas supply to consumers using gas distribution stations and gas blowing from sections under repairs into neighbouring active pipelines.

^{*} PJSC Gazprom achieves its energy saving and energy efficiency objectives through developing and implementing energy saving programmes across PJSC Gazprom. Gazprom Neft, Gazprom energoholding and Gazprom neftekhim Salavat are not covered by PJSC Gazprom's energy saving programmes, as they have their own energy saving and energy efficiency programmes compliant with federal laws and corporate requirements of Gazprom Group.

Climate action

Gazprom's core operations include production, transportation, storage, processing, and use of natural gas, which has the lowest carbon intensity among available fossil fuels. The Group is working consistently to reduce its greenhouse gas emissions across its production chain, contributing to sustainability and maintaining the quality of life for future generations.

Gazprom Group is engaged in climate action across a number of areas:

- reducing greenhouse gas emissions
- enhancing energy efficiency throughout the natural gas lifecycle
- developing the NGV fuel market

Gazprom Annual Report 2022

- expanding gas Infrastructure in Russian regions
- developing and implementing innovative resourcesaving low-carbon technologies.

In 2022, PJSC Gazprom developed its 2050 Climate Roadmap.

The document aims to reduce direct and indirect greenhouse gas emissions and drive cost-effective and environmentally sound low-carbon development of Gazprom Group.



Climate Roadmap

- Outlines targets and measures to reduce and offset greenhouse gas emissions
- Defines measures to adapt operations to climate change in the short-, medium- and long term range
- Provides for annual follow-up on progress, involving subject matter experts where necessary
- Can be updated



For more details on Gazprom Group's Corporate Environmental Targets, environmental performance and environmental protection costs, as well as key energy saving and energy efficiency initiatives, see PJSC Gazprom Environmental Report 2022 and Gazprom Group's Social Impact Report 2022.

— www.gazprom.com

Social responsibility

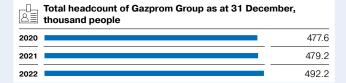
Gazprom Group cares about the social security of its employees and their families. Gazprom's social policy relies on long-term social programmes.

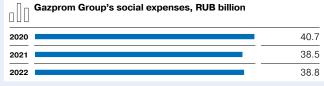
The Group's priorities also include balanced social and economic development of its regions of operation and support for local communities, including indigenous minorities. Gazprom invests in expanding transport infrastructure, creating a comfortable urban environment and upgrading social infrastructure facilities. Gazprom actively supports a number of projects to promote sports and arts, and preserve cultural and historical heritage.

Employees

The Human Resources Management Policy of PJSC Gazprom, Its Subsidiaries and Entities, the Comprehensive Programme for Improvement of HR Management at PJSC Gazprom, Its Subsidiaries and Entities, the General Collective Bargaining Agreement of PJSC Gazprom and Its Subsidiaries, and the Code of Corporate Ethics of PJSC Gazprom fully define the role and importance of Gazprom Group employees as a strategic resource, key approaches to protecting employee labour rights, providing them with comprehensive social support and creating conditions for continuous professional and personal growth.

The above documents guarantee employees protection against any form of discrimination under applicable Russian laws. Ongoing employee training and development are outlined as a prerequisite to ensure that the professional level of employees meets Gazprom Group's requirements and that employees are ready to meet its operational and management challenges.



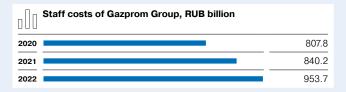


The increase in Gazprom Group's headcount in 2022 was due to the implementation of strategic projects in gas processing and transportation, delivery on PJSC Gazprom's investment programme, reform of the investment guidance function as well as the launch of major liquid hydrocarbon production projects and the development of import substitution at Gazprom Neft companies.

5.9%

Employee turnover rate across Gazprom Group in 2022

Gazprom Group monitors its employee turnover rate, which ranged between 4.4% and 6.4% over the last five years, in line with the average for the energy sector, including oil and gas.



The Group ensures that the professional level of its employees meets the requirements of Gazprom Group's operations and development strategy through consistent training throughout their professional careers.

Employee training principles:

- Focusing on the Company's goals
- Continuous learning
- Comprehensive and tailored approach to employee training
- Effective education

Employee training is provided at educational organisations of PJSC Gazprom, at training and production centres of PJSC Gazprom's subsidiaries and at Russia's leading universities in line with predesigned educational programmes and using divers teaching and learning aids and simulators.



The private pension arrangement is part of the employee long-term incentive scheme and provides for post-employment social benefits.

Gazprom Group Today

Process safety

The Company's efforts to maintain workplace safety are regulated by the Occupational, Industrial, Fire and Road Safety Policy of PJSC Gazprom. PJSC Gazprom's key goals in this area:

- Create a safe working environment and protect the lives and health of the employees
- Reduce the risks of accidents and incidents at hazardous facilities
- Reduce the risks of road accidents related to production activities
- Ensure fire safety

Gazprom Annual Report 2022

Key focus areas in developing the Company's Unified Workplace Safety Management System (UWSMS) are outlined in PJSC Gazprom's Workplace Safety Management System Development Strategy for 2021–2030.

Goals of the Strategy:

- Improving the UWSMS at PJSC Gazprom to maintain a safe production environment and minimise damage to the life and health of employees, equipment and the environment
- Ensuring the sustainable development of PJSC Gazprom within the established workplace safety parameters



Unified Workplace Safety Management System

- In 2022 the UWSMS covers PJSC Gazprom, its major subsidiaries specialising in natural gas, gas condensate and oil production, treatment, transportation, processing, distribution, and storage as well as subsidiaries and entities responsible for the functioning of the Unified Gas Supply System of Russia. In late 2022, the UWSMS's coverage was substantially expanded, mostly through Gazprom Neft, Gazprom energoholding, Gazprom mezhregiongaz Group and OOO Gazprom GNP holding and its subsidiaries. The UWSMS covered more than 621.5 thousand
- The UWSMS complies with ISO 45001:2018 Occupational health and safety management systems - Requirements with guidance for use, and the national standard GOST R ISO 45001-2020 Occupational health and safety management systems -Requirements with guidance for use. In 2022, its compliance was certified by an international certification agency as part of a surveillance audit of the UWSMS.



For more details on employees and workplace safety across Gazprom Group, see Gazprom Group's Social Impact Report 2022 → www.gazprom.com

Charitable activities and sponsorship

Regulations on Sponsorship and Charitable Activities of PJSC Gazprom define the key goals, objectives, principles and areas of sponsorship and charitable activities.

Gazprom Group's objectives in this area include supporting the implementation of the government's social policy to ensure sustainable social and economic development of Russian regions, and helping to address certain social problems.

Every year, the Group supports numerous charitable and sponsorship projects in culture, arts, education, healthcare, and sports.

In 2022, Gazprom Group financed a total of over 3,900 charitable and sponsorship events.

- Key charity and sponsorship efforts of PJSC Gazprom and its subsidiaries and entities in 2022
- Running the Gazprom for Children project
- Celebrating Peter the Great's 350th birthday anniversary
- Contributing to area improvements across the Company's footprint
 - Supporting the beautification and restoration of War Memorials and preserving the historical memory of the Great Patriotic War
 - Supporting healthcare
- Supporting vulnerable groups
- Supporting the preservation of cultural and historical heritage and the revival of cultural and spiritual values
- Supporting culture and arts
- Supporting indigenous minorities
- Supporting sports

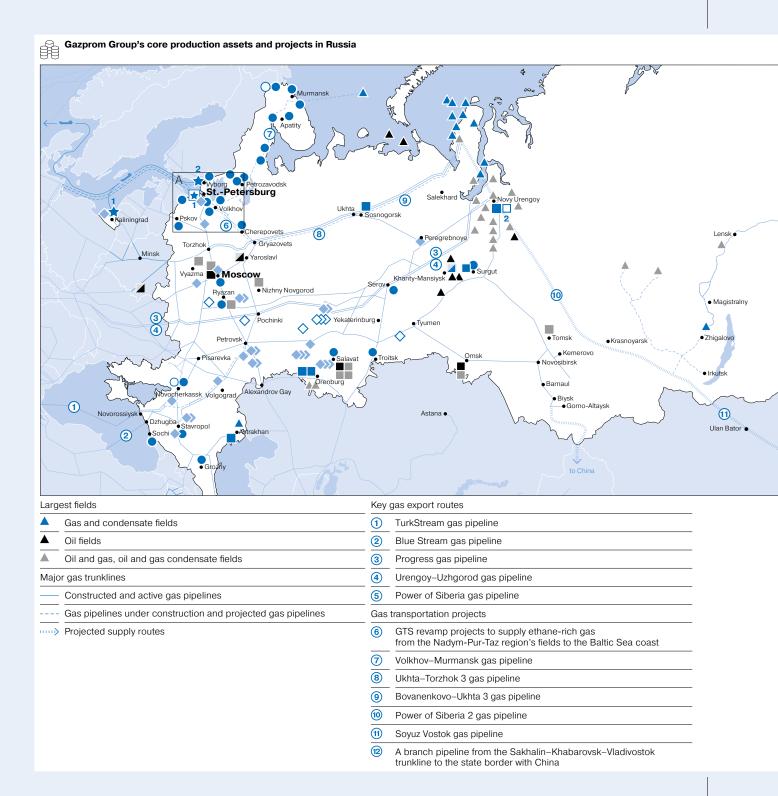


For more details on Gazprom Group's charitable activities and sponsorship projects, see Gazprom Group's Social Impact Report 2022

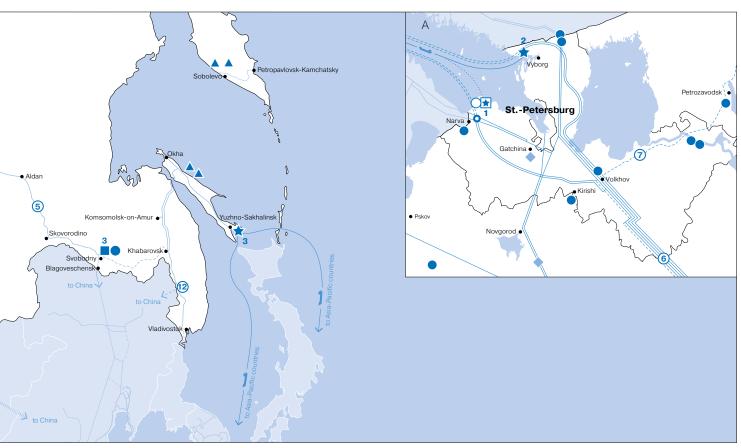
→ www.gazprom.com

Geography of Operations

(Data for 2022 or as at 31 December 2022)



Geography of Operations



Existing refining/processing, gas chemical and petrochemical assets		Underground gas storage facilities				
	GPP	•	Active UGSFs			
	Refineries	$\overline{\qquad}$	UGSFs under construction and projected UGSFs			
	Gas chemical and petrochemical facilities	Powe	er generation facilities			
	Gazprom Group's access to GPP capacity	Active power generation facilities				
4	Gazprom Group's access to refinery capacity		Power generation facilities under construction			
Refining/processing, gas chemical and petrochemical projects			and projected power generation facilities			
★1	★1 Integrated complex for gas processing and liquefaction		LNG production and regasification assets			
<u></u>	near the settlement of Ust-Luga	<u>★</u> 1	Kaliningrad regasification terminal			
2	Novy Urengoy Gas Chemical Complex	<u></u>	LNG production, storage and shipping complex			
3	Amur GPP		near the Portovaya compressor station			
_			LNG plant, Sakhalin			

Gazprom Group's Position in the Global and Russian Energy Industry

(for 2022 or as at 31 December 2022

Hydrocarbon reserves and production

Hydrocarbon processing/refining

No. 1 globally

by explored natural gas reserves

No. 1 in Russia

by gas processing volumes

No. 1 globally

by proven natural gas reserve life

No. 2 in Russia

by volumes of primary oil refining and primary processing of stable gas condensate

No. 1 globally

by gas production

No. 2 in Russia

by oil and gas condensate production*

Gazprom Annual Report 2022

Electricity and heat generation

No. 1 globally

by total length of the gas transportation system (GTS)

No. 1 in Russia

by installed heat capacity

No. 1 in Russia

by heat generation

No. 2 in Russia

by installed electrical capacity

No. 1 in Russia

by electricity generation by CHPPs

Performance Results

Corporate Governance

\equiv

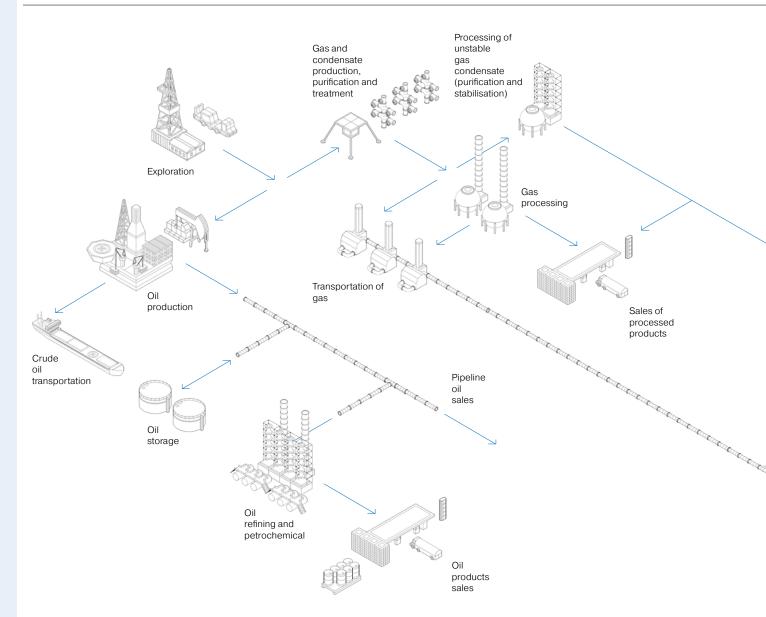
Business Model

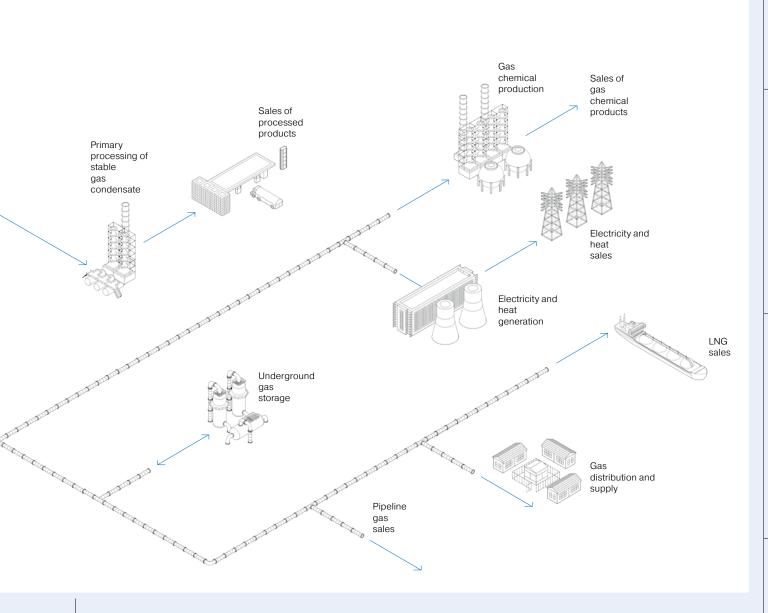
Gazprom Group encompasses all types of activities required to ensure uninterrupted supply of energy to consumers.

Its comprehensive vertically integrated business model is aligned with Gazprom's strategic goal, driving operational efficiencies, improving reliability of supplies and leveraging the existing production and R&D capabilities.

£

Production and marketing of Gazprom Group





Exploration and production

Resources and capital 27,942.9 bcm of natural gas reserves in Russia*, ** 3,020.1 mm tonnes of oil and gas condensate reserves 68 years of Gazprom Group's proven gas reserve life 7,447 active gas production wells in Russia 10, 146 active oil production wells in Russia

Results

 $412.9_{\,\text{bcm - natural and associated gas production in Russia}^{\star\star}$

679~mm tonnes – oil and gas condensate production in Russia**

 $1.3_{\,-\,\text{natural gas reserve replacement ratio}^{**}}$

Gas transportation and underground storage

Resources and capital

179.3 thousand km – total length of gas trunklines in Russia

27underground gas storage facilities in Russia

662 bcm – working gas inventory in underground gas storage facilities in Russia as at the start of the 2022/2023 withdrawal season



596.7 bcm of gas supplied into Gazprom's GTS in Russia

^{*} A+B.+C. reserves under the Russian classification.

^{**} Including the Group's share in the reserves and production volumes of entities in which Gazprom has investments classified as joint operations and excluding the Group's share in the reserves and production volumes by associates and joint ventures

Business Model

Processing/refining



Resources and capital

gas and condensate processing plants, including 4 gas processing plants, a helium plant, condensate pretransportation preparation plant and condensate stabilisation plant in Russia

Medium-scale LNG production, storage and shipping complex in Russia

5 refineries in Russia and abroad

Gas chemical and petrochemical plants in Russia



Results

 34.7_{bcm} – treatment and processing of natural and associated gas at gas processing facilities*

 $57.5\,\mathrm{mm}$ tonnes – primary oil refining and primary processing of gas condensate*

 $53.4 \hspace{0.1cm} \mathsf{mm} \hspace{0.1cm} \mathsf{tonnes} \hspace{0.1cm} \mathsf{-} \hspace{0.1cm} \mathsf{output} \hspace{0.1cm} \mathsf{of} \hspace{0.1cm} \mathsf{oil} \hspace{0.1cm} \mathsf{products}^{\star}$

3.7 mmcm – helium production*

 $3.7_{\text{mm tonnes} - \text{liquefied petroleum gas production}^{\star}}$

Power generation



Gazprom Annual Report 2022

Resources and capital

37.6 GW – total installed electrical capacity of generating assets in Russia and abroad

Advantageous location of facilities – primarily in the industrialised regions of Russia

Unique mix of production assets: gas-fired, coal-fired and hydropower generation

Significant share of new generating units commissioned under capacity supply agreements in installed electrical capacity



Results

 $146.4 \; \mathsf{bn} \; \mathsf{kWh-total} \; \mathsf{electricity} \; \mathsf{generation} \; \mathsf{in} \; \mathsf{Russia} \; \mathsf{and} \; \mathsf{abroad}$

149.1 mm Gcal – heat generation



For more details, see the <u>Performance Results</u> section.

^{*} Excluding tolling arrangements.

Over the three decades since it was founded in 1993, the Company has grown into one of the global energy market leaders. Gazprom has successfully diversified its core business. In addition to its gas business, the Group has been successfully operating in the oil and power markets, ranking among Russia's top oil companies and number one in Russia by installed heat generation capacity.

Gazprom pioneered the development of the Russian Arctic shelf, launched a fundamentally new gas production hub in the Yamal Peninsula and is building large-scale gas infrastructure in eastern Russia. Gazprom was the first in Russia to introduce underwater production technology enabling gas extraction without above-water structures and teamed up with its foreign partners to launch Russia's first large-scale LNG plant.

The Company's success was driven by its long-term strategy, well-defined vertical integration and competent management. All this will help Gazprom continue competing with global leaders on equal terms, implementing ambitious projects and achieving impressive results.

2022 in the Company's history

Gazprom continued developing its Yamal gas production hub, a key source of gas for the country in the 21st century.	The development of deeper Neocomian-Jurassic deposits was started at the Bovanenkovskoye field, the core asset of the Yamal gas production hub. The Company was making strong progress on the construction at the Kharasaveyskoye field, its second core asset, unique for the scale of its reserves. Gazprom has also launched a project to construct (revamp) the Nadym–Pangody railway section. It will become a part of the Northern Latitudinal Railway, which is strategically important for the development of the Russian Arctic zone, and will enable direct communication between the Northern Railway and the Sverdlovsk Railway.
A new major field has been put onstream in the Arctic.	In December, Gazprom and AO RusGazDobycha launched the Semakovskoye field in the Yamal-Nenets Autonomous Area. Since most of the field's reserves are located in the waters of the Taz Estuary in the Kara Sea, the Company has decided to develop the field by constructing a network of extended reach drilling (ERD) wells to get onshore access to the reserves to avoid the need to build costly offshore infrastructure. The Semakovskoye field was the first offshore gas field in Russia's history to be developed with wells of this type.
A comprehensive project to maximise recovery of hydrocarbon reserves of the Nadym-Pur-Taz region fields has been implemented.	In March, a new liquid hydrocarbons processing and transportation complex was launched in the area of the Urengoyskoye field in the Yamal-Nenets Autonomous Area. The complex comprises a number of facilities, including a stabilisation unit for condensate from the Nadym-Pur-Taz region, the Urengoy oil pumping station, the Urengoy-Pur-Pe oil and condensate pipeline, and a custody transfer point. These facilities are designed to process and transport gas condensate separated from the gas produced at the Urengoyskoye field. In particular, the project enables scheduling a long-term increase in the production of natural gas from the hard-to-reach Achimov deposits of the Urengoyskoye field.
An infrastructure complex comprising production, transportation and processing facilities strategically important for the country has been built in the eastern part of Russia.	The Kovyktinskoye field, the largest gas field in the east of Russia and the core asset of the Irkutsk gas production hub was brought online in December, as well as the Kovykta–Chayanda section of the Power of Siberia trunkline. The entire pipeline's length spanning more than 3,000 km is onstream. The pipeline transports gas from two fields: Kovyktinskoye and Chayandinskoye. To recover more value from gas produced at these two fields, Gazprom continues the construction of its Amur GPP, one of the largest gas processing plants globally. Gazprom's large-scale production facilities generate additional incentives for the social and economic development of Russia's eastern regions while contributing to the reliable delivery on its export commitments.
A second long-term contract for the supply of Russian pipeline gas to China was signed.	In February, Gazprom and China's CNPC signed a long-term sale and purchase agreement for natural gas supplied via the Far East route. A total of 10 bcm of gas will be supplied under the agreement on an annual basis. Once the project is ramped up to its full capacity, the total annual amount of Russian pipeline gas supplies to China will reach up to 48 bcm (including supplies via the Power of Siberia pipeline). The Chinese gas market is the most promising market globally. The signing of this second contract witnesses the highest level of mutual trust and partnership between PJSC Gazprom and CNPC. In the foreseeable future, Russia may become China's largest gas supplier.
A new LNG project was brought online.	In September, a medium-scale LNG production, storage and offloading complex was launched on the north-east coast of the Gulf of Finland near the Portovaya compressor station. The complex's annual design capacity is 1.5 mm tonnes of LNG. The launch of this facility on the Baltic Sea coast has materially reinforced the energy security of the Kaliningrad Region. The asset's products will also be used for refuelling public transport in Saint Petersburg and for ship bunkering.
Gas infrastructure expansion across Russian regions was carried out ahead of schedule.	Gazprom forged ahead with its gas supply and gas infrastructure expansion programmes across Russian regions. In 2022, Gazprom built over 3,000 km of gas pipelines. A total of 423 communities, mostly rural, were connected to gas infrastructure, substantially exceeding targets. Infill projects are carried out by Gazprom in those communities that are already connected to gas infrastructure, by bringing gas grids free of charge to the boundaries of households that are not yet connected to gas infrastructure. As part of these efforts, over half a million Russian households received access to gas grids by 2022-end.

Russia's underground gas storage system set a new potential capacity record.	By the start of the 2022/2023 withdrawal season, the potential maximum daily capacity of Russian underground gas storage facilities (UGSFs) had reached 852.4 mmcm. The working gas inventory in Russian underground gas storage facilities also reached a new historical high of 72.662 bcm. Both values are an absolute record for the Russian gas industry.		
Electricity supply across the Moscow region was made more reliable.	In June, a generating unit featuring the world's most powerful cogeneration turbine was brought online after revamping at CHPP-22 in the Moscow Region. Turbine T-295 is the latest development of Russian turbine engineers, the world's most powerful turbine used in combined heat and power generation for consumers. All core equipment elements of the revamped generating unit were manufactured in Russia.		
The Import Substitution and Technology Leadership Committee was set up at PJSC Gazprom's Board of Directors.	In June, PJSC Gazprom's Board of Directors resolved to approve the composition of its Import Substitution and Technology Leadership Committee. The Committee is responsible for making recommendations to the Board of Directors on how to shape the related agenda for Gazprom Group, evaluate progress on import substitution initiatives and preliminarily review proposals on making improvements to related documents.		
Important environmental protection and energy saving regulations were approved.	In 2022, PJSC Gazprom approved its Corporate Environmental Targets for 2023–2025, with 2018 as baseline. PJSC Gazprom's Energy Saving and Energy Efficiency Programme for 2022–2024 was also adopted, with its short-term objectives including reducing natural gas and electricity consumption for natural gas compression and preventing natural gas venting during repairs at UGSS facilities.		

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1990s					
1993–1998	17 February 1993	According to a resolution of the Russian Government and an executive order of the Russian President, Gazprom State Gas Concern was reorganised into Gazprom Russian Joint Stock Company (RAO Gazprom).			
	April 1994	Privatisation of the Company started in April 1994.			
	31 May 1995	The first annual General Shareholders Meeting was held.			
	26 June 1998	Pursuant to the resolution of the General Shareholders Meeting, RAO Gazprom was reorganised into Gazprom Open Joint Stock Company.			
1999	November	Gas supply started via the Yamal–Europe gas pipeline, running across four countries: Russia, Belarus, Poland, and Germany.			

Gazprom Annual Report 2022

2000s

2001	30 May	Alexey Miller was elected Chairman of the Company's Management Committee.			
	31 October	Gas production started at the Zapolyarnoye field, one of the largest in the world.			
2003	20 February	Commercial gas supplies started via Blue Stream, Russia's first gas offshore pipeline and one of the world's deepest undersea pipelines.			

2005	2 September	Gazprom's first LNG shipment; the gas tanker arrived at a US LNG regasification terminal.		
	21 October	Gazprom Group took control of 75.679% of OAO Sibneft, which provided a platform for further development of Gazprom's oil business.		
	December	The law prohibited the State from holding less than 50% plus one share in the Company. Restrictions were lifted on the acquisition of shares in the Company by foreign investors.		
2006	18 August	Gazprom's first LNG shipment to an Asian market, purchased by Japan.		
2007 25 April		The Board of Directors approved JSC Gazprom's Power Generation Strategy, the implementation of which transformed the Company into one of Russia's largest electricity producers.		
	18 December	The Yuzhno-Russkoye field came on stream, Russia's first international gas production project based on asset swap.		
2009	18 February	Russia's first large-scale LNG plant was put into operation on the island of Sakhalin.		

2010s

2010	12 February	Russia's first coalbed methane project was launched in the Kemerovo Region.			
	29 September	The Sobolevo-Petropavlovsk-Kamchatsky trunk pipeline was put into operation, bringing first natural gas supplies to the capital of the Kamchatka Territory.			
2011	6 June	The Dzhubga-Lazarevskoye-Sochi, Russia's first offshore gas pipeline, was commissioned.			
	8 September	The first section of the Sakhalin–Khabarovsk–Vladivostok gas transportation system, the Far East's first interregional GTS, was commissioned.			
	8 November	Commercial gas supplies started via the first string of the Nord Stream pipeline, a fundamentally new Russian gas export supply route to Europe through the Baltic Sea.			
	25 November	The Company closed the deal to acquire 100% of OAO Beltransgaz, becoming the owner of Belarus GTS.			
2012	23 March	An 800 MW CCGT plant was launched at the Kirishskaya GRES. It was the largest heat generation plant commissioned in 30 years, and Russia's most powerful combined cycle gas turbine unit at the time.			
	23 October	A new major gas production hub was launched in Russia, on the Yamal Peninsula. The Bovanenkovskoye field and the Bovanenkovo-Ukhta gas trunkline came on stream. The transportation corridor was expanded with the new Ukhta-Torzhok gas pipeline.			
2013	23 October	Gazprom was the first in Russia to produce gas by using an underwater production system without recurring to above-water structures on the Kirinskoye field in the Sea of Okhotsk.			
	20 December	Oil production started at the Prirazlomnoye field in the Pechora Sea. It is Russia's first ever Arctic shelf project.			
2014	21 May	The Company and China's CNPC signed a contract for gas supplies – the 30-year gas supply contract for over 1 tcm is the largest of its kind in the entire history of the Russian gas industry.			
2015	14 October	The Company launched the construction (laid the foundation stone) of the Amur GPP, one of the largest gas processing facility globally and the world's leader for helium output. The plant is an essential part of the process chain of natural gas supply to China via the Power of Siberia gas pipeline.			

2016	25 May	The Arctic Gate ("Vorota Arktiki"), a unique oil loading terminal, was commissioned in the Ob Bay enabling, for the first time ever, year-round oil shipments from the Yamal Peninsula by sea.				
	16 September	With Gazprom's involvement, commercial production was launched at the Incahuasi field, one of the largest gas condensate fields in Bolivia.				
2017	18 January	Launch events were held for the commissioning of the Bovanenkovo– Ukhta 2 gas pipeline increasing the supplies of gas from the Yamal Peninsula to Russia's UGSS.				
2018	5 September	Work started to install the deep-water section of the Nord Stream 2 gas pipeline.				
	5 December	The third and final gas production site was commissioned at the Bovanenkovskoye field. Gazprom commissioned the Ukhta–Torzhok 2 gas trunkline within the Northern Gas Transmission Corridor of Russia's UGSS to supply additional gas to northwestern Russia, expand the gas infrastructure and gas supplies to domestic consumers and support export supplies via Nord Stream 2.				
2019	8 January	A commissioning ceremony was held in the Kaliningrad Region for an offshore gas receiving terminal and a floating storage and regasification unit, Marshal Vasilevskiy. The alternative, independent offshore route for gas supplies brought the region's energy security to a fundamentally new level.				
	20 March	The Group commenced the full-scale development of the Kharasaveyskoye field, Gazprom's second core asset on the Yamal Peninsula.				
	2 December	An official ceremony was held to celebrate the start of the first-ever Russian pipeline gas supplies to China via the Power of Siberia gas pipeline.				

2020s

Gazprom Annual Report 2022

2020	8 January	An official ceremony was held to celebrate the start of TurkStream pipeline gas supplies to Turkey and the European market.		
2021	21 May	Construction of the Ethane-Rich Gas Processing Complex, a unique cluster combining gas processing, gas chemistry and natural gas liquefaction was started near the settlement of Ust-Luga in the Leningrad Region		
	9 June	The Amur GPP was put into operation.		
	August	PJSC Gazprom moved its place of business to Saint Petersburg. The Company's headquarters will be located in the Lakhta Centre, the tallest building in Europe.		
	3 September	The world's largest helium hub was commissioned to supply liquid helium from the Amur GPP to the global market.		
	10 September	Construction of the Nord Stream 2 gas pipeline was completed.		
2022	3 February	The Company and Chinese CNPC signed a second long-term contract for gas supplies via the Far East route.		
	September	The LNG production, storage and shipping complex near the Portovaya CS started the manufacturing of marketable products.		
	21 December	Kovyktinskoye field and the Kovykta–Chayanda section of the Power of Siberia pipeline were brought online.		



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Trends and Developments in Global Energy Markets

The transformation of the global energy system in 2022 was accompanied by various manifestations of the crisis such as an unprecedented rise in prices, redistribution of gas supply destinations and lower gas consumption. Energy security and availability of energy resources have become a top priority for most countries. In the longer range, natural gas will continue gain traction in the global energy mix. Gazprom remains committed to strengthening the energy security of Russia and its strategic partners.

Gas markets in 2022

In 2022, the global economy and GDP growth slowed down in most countries amid the completion of the most active phase of the post-COVID recovery. Economic growth has been additionally affected by mounting energy and food costs as well as the disruption of global supply chains, largely caused by the protracted fight against COVID-19 in China and sanctions against Russia.

To combat inflation, global central banks were forced to raise their policy rates, driving up the cost of borrowing and debt service costs of governments while putting even more pressure on economic growth.

The events of 2022 have transformed global energy markets, with the gas industry affected the most.

Global energy markets

The trends in global energy markets in 2022 included an imbalance of supply and demand in the gas market, an unprecedented rise in prices, redistribution of gas supply destinations, and a decline in global consumption.

The first signs of gas shortages in the global market appeared as early as 2021 when gas consumption rose dramatically in a number of global regions while most energy companies failed to supply the required amounts of gas. As a result, a significant portion of the increase in global gas consumption in 2021 was covered by Gazprom's increased output, which played an important role in stabilising the market and curbing the rise in gas prices on trading floors.

In 2022, the global imbalance of gas supply and demand drastically increased, primarily driven by politically motivated decisions by a number of European Union (EU) countries to abandon imports of Russian gas.

A sharp decrease in imports of Russian pipeline gas by European countries as well as restrictions on the operation of several major LNG plants imposed around the same period sent gas prices soaring. Since September 2021, they were twice as high as crude oil parity (on a gas calorific value basis) on average. The average annual price for gas on the TTF hub in Europe exceeded the 2021 average price by 2.5 times. Starting from Q4 2021, the market saw a "European premium" to Asian spot price indices, which reached USD 160 per mcm by 2022 end.

Trends and Developments in Global Energy Markets

According to Gazprom's preliminary estimates, in 2022, global gas consumption declined by more than 70 bcm year-on-year (down 2%).

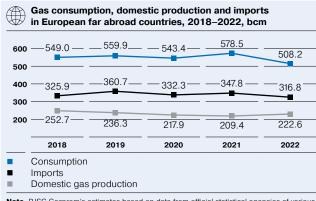
Natural gas volumes shown in the Trends and Developments in Global Energy
Markets section and related to international markets are adjusted to Russian standard terms and conditions (calorific value of 8,850 kcal per cu m at 20°C).

Overall, the events of 2022 have confirmed that fossil fuels are critical for the global economy. Many countries are refocusing their energy policies on securing access to the necessary energy resources while environmental factors remain in the background. For instance, coal consumption in the global energy market in 2022 is preliminarily estimated to reach its record high since 2013, while during the year some European countries, considered to be the major champions of the green agenda, relaunched previously closed coal-fired thermal and power plants and extended the service life of existing facilities, or announced such moves. The use of oil products in electricity generation has also increased.

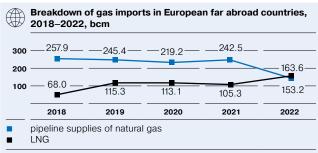
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European gas market



Note. PJSC Gazprom's estimates based on data from official statistical agencies of various countries as well as from international associations; data from gas transportation system operators; data on gas tanker traffic published by various companies; weather data; statements by officials and company representatives. Figures for 2021 and previous years may differ from the data in the Annual Report 2021 since international statistics may have been subsequently updated.



Note. PUSC Gazprom's estimates based on data from official statistical agencies of various countries as well as from international associations; data from gas transportation system operators; data on gas tanker traffic published by various companies; weather data; statements by officials and company representatives. Figures for 2021 and previous years may differ from the data in the Annual Report 2021 since international statistics may have been subsequently updated.



High gas prices have led to reduced consumption in all economic sectors in Europe. As a result, gas consumption in European far abroad countries decreased in 2022 by 70.3 bcm (down 12% year-on-year) to 508.2 bcm.

Weather had a noticeable, although not decisive impact on the decline in gas demand in Europe.Record high gas prices and linked prices under long-term import contracts and LNG spot prices observed in 2022 led to the revision of policies to accelerate the transition away from coal while contributing to the partial substitution of gas in electricity and heat generation.



In addition, a number of industrial enterprises in Europe unable to transition to other fuels due to their existing processes have minimised or irreversibly shut down their operations. Natural gas consumption by industrial companies declined by 62% in Germany, 28% in the Netherlands and 34% in Italy compared to the average level in 2019–2021. Individual companies within the production chain of multinationals have moved their operations closer to sources of more affordable natural gas, primarily in the USA.

Directives adopted by the European Commission as well as risks of gas shortages led to accelerated injection of gas into underground storage facilities, supporting demand for imported gas. By 2022 end, storage facilities in European far abroad countries held 97.8 bcm of gas, up 38.1 bcm year-on-year and up 20.2 bcm compared to the average stock of 2016–2021.

Key drivers behind the competition among suppliers included the artificial restrictions of Russian gas exports to European markets via blocking sanctions imposed by the United States, the EU and the United Kingdom as well as and the adoption of special retaliatory economic measures introduced by the Russian Government; the politically-driven decisions of some European buyers to abandon Russian gas; and the sabotage on the Nord Stream and Nord Stream 2 gas pipelines in September 2022.

As a result of the sabotage on Nord Stream and Nord Stream 2, European countries have lost, for an indefinite term, a key channel for the supply of the most critical energy carrier, which had underlain the EU's energy security for many years.

The Russian gas was replaced with increased LNG imports (163.6 bcm in 2022 compared to 105.3 bcm in 2021, up 55%). US LNG suppliers turned out to benefit the most from this change as they redirected gas originally intended for the Asia-Pacific region (APR) to the premium European market, with shipments increased 2.5 times (69.8 bcm in 2022 compared to 28.7 bcm in 2021, up 143%). However, three-quarters of the increase in US LNG supplies came from the diversion of LNG shipments from other regions rather than a rise in LNG output, which has actually aggravated the "energy poverty" in developing countries.

Domestic production also contributed to the supply of gas in the European market, posting a slight increase (up 13.2 bcm or 6%) for the first time in a long period of time driven by the maximum utilisation of production capacities in Norway (up 10.4 bcm) and in the UK (up 5.8 bcm). The total gas output in European far abroad countries was 222.6 bcm.

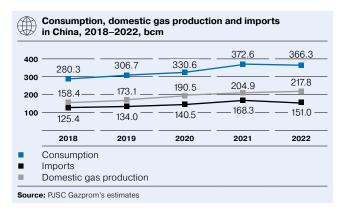
Trends and Developments in Global Energy Markets

Asian Pacific gas market

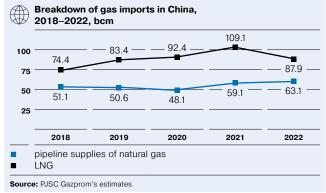
The turmoil and shortage of gas in the European market had a negative impact on the Asian market. Record-high gas prices limited demand from Asian consumers, which also contributed to the diversion of LNG shipments away from China, India, Pakistan, and Japan to the European market. According to PJSC Gazprom's preliminary estimates, in 2022, gas consumption in Asian Pacific countries dropped by 20 bcm (down 2% year-on-year).

For the first time over the last 30 years, gas consumption in China has declined. Economic activity and gas demand in China slowed down due to measures taken by the country to curb the spread of COVID-19.

In 2022, China actively injected gas into its underground storage facilities. China's gas mix saw a significant decrease in imported LNG. The price factor has contributed to the increase in domestic production and pipeline gas supplies.



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Global trade and LNG prices

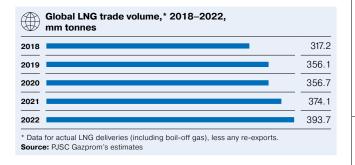
In 2022, total net LNG imports reached 393.7 mm tonnes, up 19.6 mm tonnes year-on-year, boosted exclusively by demand from Europe. The share of Europe in global LNG imports grew from 20% in 2021 to 31% while APR's share fell from 73% to 65%. LNG imports to Europe rose by 55% due to the EU's programme to find alternatives to pipeline gas supplies from Russia. France, the UK and the Netherlands were the principal contributors to the increase in purchases in Europe in 2022. European countries were able to ramp up their LNG purchases mainly because there was no fierce competition for this type of fuel with China.

The bulk of LNG exporters increased their shipments in 2022 in a favourable political and pricing environment, and the largest increase in global LNG shipments was demonstrated by the United States (up 8.8 mm tonnes).

High price volatility was observed in 2022 amid the restocking by European underground gas storage facilities and global political turmoil. In Q1–Q3 2022, average prices were growing, hitting all-time highs, but Q4 2022 saw a sharp drop in prices to the level of 2021 end.

The average monthly LNG spot prices in Asia-Pacific countries jumped from USD 15.0 per mm BTU in 2021 to USD 34.2 per mm BTU (up 128%) in 2022, while in Northwestern Europe they surged from USD 12.3 per mm BTU to USD 33.1 per mm BTU (up 169%).

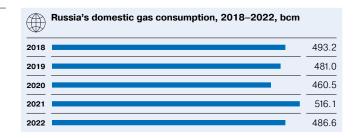
The price volatility observed in the gas market in 2022 and high spot prices for gas contributed to a surge in the volume of long-term contracts for LNG supply globally, reflecting the rising interest of buyers in covering future gas demand. New volumes were primarily contracted to be supplied from new export projects slated to be brought online in 2025 at the earliest.



Trends and Developments in Global Energy Markets

Russian gas market

In 2022, total gas consumption in Russia was 486.6 bcm, down 5.7% year-on-year, with the decrease driven, among other factors, by warmer weather during the autumn and winter of 2021–2023.



The largest consumers of natural gas in Russia include electricity and heat generators (35%), household consumers (11%), the oil industry (10%), the housing and utilities sector (8%), the gas industry (5%), the agrochemical industry (6%), and metallurgy (5%).

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the share of gas produced by Gazprom Group in total gas supplies to Russian consumers via Gazprom's GTS

Gazprom's contribution to covering domestic gas consumption in Russia, 2018–2022, bcm					
Parameter		2019	2020	2021	2022
Domestic gas consumption in Russia		481.0	460.5	516.1	486.6
Supplies to Russian consumers via Gazprom's GTS*		353.9	338.8	376.8	372.1
incl. Gazprom Group via the GTS (with purchases from independents)	244.1	240.0	225.9	258.5	243.8
Supplies to Russian consumers via Gazprom's GTS from Gazprom Group's production*		221.2	208.4	238.1	227.5
* Excluding GTS process needs.					

Area of development	Initiatives	
Improving the calculation of gas transportation tariffs	 In line with the Roadmap for the Energy Strategy of the Russian Federation to 2035 as approved by Directive of the Russian Government No. 1447-r, dated 1 June 2021 (Item 102, Section 4, Improvement to Public Administration and Development of International Relations), PJSC Gazprom has prepared comments and proposals for the draft order of the Russian Federal Antimonopoly Service, On Approval of the Methodology for Calculating Tariffs for Gas Transportation Via Gas Trunklines, which provides for adopting the entry-exit system for pricing gas transportation services. 	
Promoting exchange trade in the Russian market, including improvements to trading arrangements for month-ahead and day-ahead gas contracts.	 In May 2022, PJSC Gazprom began operating as a balancing buyer, purchasing gas not contracted or resold by participants of exchange trading, at a 15% discount from the previous day-ahead exchange price. 	
Improvement of the gas transportation services system	Amendments to the standard-form contract for organising gas transportation services were approved. The amendments aim to improving the contract's terms and conditions and outline the procedure for: gas metering for/after transportation and dispute resolution in case one of the parties has objections regarding the volume of gas delivered/accepted; determining and adjusting the planned monthly volume of transportation to each consumer; redistributing gas volumes among consumers; dispute resolution. A consolidated draft of the standard-form contract is publicly available at www.gazprom.ru.	

Trends and Developments in Global Energy Markets

Area of development	Initiatives
Developing market-based gas pricing approaches	 Proposals were prepared and submitted to the relevant federal executive authorities regarding the transition to market-based gas pricing in the domestic market, including gradual expansion of the non-regulated market segment. In particular, proposals were sent to the Russian Ministry of Economic Development regarding a phased deregulation of gas prices. Coordination with the Russian Federal Antimonopoly Service, OOO Gazprom mezhregiongaz and PJSC Gazprom's entities on addressing gas pricing issues, including elimination of cross-subsidies, indexing tariffs charged by gas distribution entities and payment for supply and sales services above the levels set out in the Forecast of Russia's Socio-Economic Development.
Creating a level playing field for gas supplies in the domestic market	 Proposals were sent to the Russian Government and the Russian Ministry of Energy to create a level playing field for gas supplies within the regulated and non-regulated segments of the domestic market.
Developing a common gas market of the Eurasian Economic Union EAEU)	 Proposals on protecting the interests of the Russian Federation and PJSC Gazprom, in particular on introduction of market pricing principles for gas and preparing an economically viable tariff rate for trunkline gas transportation in the EAEU's common gas market were prepared and submitted to federa executive authorities. PJSC Gazprom developed its position on updating the List of Existing Exemptions in the EAEU Domest Market aiming to reflect Russia's strategic interests in regulating gas exports when developing a common gas market of the Eurasian Economic Union.

Long-term outlook for the global energy market

The events of 2022 substantially increased the uncertainty of global energy outlooks, which, in turn, led to significant adjustments in long-term guidance.

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The global energy market is undergoing a structural transformation. Traditional market relations between energy suppliers and consumers are yielding to constraints caused by ill-conceived political decisions. The acts of sabotage on oil and gas infrastructure facilities exacerbated the uncertainty regarding global energy outlooks. As a result, energy security now implies not only availability of the necessary infrastructure, but also the ability to secure its uninterrupted operation.

Given the increased geopolitical risks in 2022, the growth rates of global demand for gas and other energy resources can be expected to slow down somewhat in the longer range. Underfinancing of hydrocarbon exploration and production, coupled with greenfield development becoming increasingly complex and supply chains more expensive and lengthy, can lead to resource shortages both in the medium and longer term. The resulting imbalance, in turn, may facilitate to a new round of energy price increases.

However, despite these constraints, the proportion of natural gas in the global energy mix will continue to grow, driven by the reliability and environmental friendliness of gas as a fuel. By 2040, global consumption of natural gas may reach about 5 tcm, approximately 20% above the 2022 level.

China will play a key role in boosting global gas consumption. China's natural gas market capacity is projected to exceed the combined capacity of all European countries as early as the end of the decade. China can drive about 40% of the increase in global gas demand over the next 20 years.

High growth rates of gas demand in China will be supported by the residential and industrial sectors, including gas infrastructure expansion to new regions and the continuing campaign to switch consumers from coal to gas. An increase in gas generation capacity will also play a substantial role in reducing greenhouse gas emissions. China's forecast rise in gas consumption will be accompanied by a further increase in gas imports.

In contrast, longer-term guidance for gas consumption in Europe is extremely uncertain. In the medium term, demand for gas in Europe will be driven by the pricing environment as well as by LNG receiving infrastructure and LNG volumes available in the global market to meet the demand for gas in the region. In the longer term, decarbonisation, renewable energy and energy saving initiatives are expected to reduce gas consumption.

Development Strategy by Business Type

PUSC Gazprom's (Gazprom Group's) strategic goal is to strengthen its leadership among global energy companies by diversifying sales markets, maintaining energy security and sustainability, driving operational efficiencies, and leveraging R&D capabilities.

Strategic planning is the top tier of PJSC Gazprom planning framework, covering its gas, oil and power generation businesses, and aims to achieve Gazprom Group's strategic goal. Long-term planning is used to set targets to serve as benchmarks for budgeting and priority projects, laying the groundwork for PJSC Gazprom's investment planning process.



PJSC Gazprom's revised Investment Programme for 2022 was approved by the Board of Directors, Resolution No. 3835 dated 18 October 2022 (Minutes of the Board of Directors' meeting No. 1465 dated 18 October 2022). For more details on the goals and main projects, key areas and expected timelines, see the <u>Gas Business</u> subsection of the Development Strategy by Business Type section and the <u>Capex Programmes</u> section.

In order to quantify targets for achieving Gazprom Group's key objectives, the Company has introduced a planning system using Gazprom Group's strategic performance targets (SPTs).

The Company has created a list of SPTs for the gas, oil and power generation businesses to make sure all business segments of Gazprom are covered. Corporate SPTs reflecting the overall performance of Gazprom Group were developed to consolidate the targets across all business segments. Tier 1 and Tier 2 SPTs give a quantitative detailed description of tasks contributing to Gazprom Group's strategic goals for each of its businesses.



Reference values of corporate SPTs for the end of the current 10-year period (approved by Resolution of PJSC Gazprom's Board of Directors No. 3523 dated 22 December 2020, Minutes No. 1343 dated 22 December 2020)

Parameter	Reference value	
Economic profit growth	Positive	
Debt/equity ratio	Not more than 40%	
Hydrocarbon refining volume	Not less than 150 mm t c.e.	
Hydrocarbon reserve replacement ratio	Not less than 1	
Total installed capacity	Not less than 100 GW	
Peak UGSS autumn and winter capacity	Not less than 2,550 mmcm per day	

Gas Business

The strategic goal of Gazprom Group in the gas business is to maintain its leadership among global oil and gas companies by diversifying natural gas and refined products sales markets and forms of distribution, ensuring reliable gas supplies to consumers, driving efficiency and scale of operations, and developing the Company's capabilities in R&D, technology and human resources.

All the latest updates in the Company's development strategy for 2022 are reflected in the Long-Term Development Programme of PJSC Gazprom (Gazprom Group) for 2023-2032.



Key strategic tasks of Gazprom Group's gas business

- Ensuring efficiency of the gas business
- Realising the potential of existing fields and building new gas production hubs
- Ensuring the reliability of gas supplies to consumers
- Ensuring the operation and development of UGSS and other gas pipeline systems with provisions for peak consumption of natural gas
- Driving market diversification
- Expanding LNG production, transportation and sales (including small-scale LNG)
- Driving leadership in the modernisation and operational efficiency of downstream assets
- Boosting high value added product sales
- Developing NGV fuel production and sales (including abroad)
- Developing gas business on foreign markets
- Driving innovative development, enhancing own technology capabilities, including through import substitution policy



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Gas exploration and production

- Building gas production hubs in eastern Russia
- Bringing into development the Yamal Peninsula's unique.
- Bringing online new fields in the Nadym-Pur-Taz region
- Further exploration of deep-lying Achimov and Jurassic sediments and above the Cenomanian sediments in the fields under development in the Yamal-Nenets Autonomous Area
- Bringing into development continental shelf fields in Russian

Medium-term priority development focus areas

Ensuring increased reserve replacement rates

to maintain target gas production levels

- Further building of new gas production hubs in Russia Revamps and retrofits of existing gas production facilities
- northern seas















Transportation of gas

Strategic priorities

- Synchronised commissioning of gas production, transportation and storage facilities
- Diversification of gas export routes
- Construction of new gas transportation capacity
- Revamps and retrofits of existing gas transportation facilities

Medium-term priority development and optimisation focus areas

- Construction of gas transportation capacity to ensure diversification of gas export routes
- Construction of new gas transportation capacity in Russia to ensure gas supplies to the domestic market and meet obligations under export contracts
- Implementation of comprehensive programmes for revamping and retrofitting existing gas transportation facilities
- Decommissioning of excess gas transportation system (GTS) capacity



Development Strategy by Business Type

Gas Business











Underground gas storage

Strategic priorities

- Maintaining UGSF capacity through revamps and replacement of worn-out and obsolete fixed assets as well as debottlenecking of UGSFs and the GTS
- Increasing the flexibility of Russia's UGSF system by constructing small peak-shaving gas storage facilities in salt caverns to maintain deliverability rates during increased gas withdrawal periods through to 1 February: introducing compressor withdrawal at operating storage facilities and multi-cycle operation of storage facilities Providing UGSF capacity to regions where such capacity is in short
- supply Increasing daily deliverability and working gas inventory of active

UGSFs to satisfy current and projected gas demand

Medium-term priority development and optimisation focus areas

- Revamps and replacement of worn-out and obsolete fixed assets at existing UGSFs, including the Elshano-Kurdyumskoye, Stepnovskoye and Peschano-Umetskoye UGSFs
- Construction and expansion of the peak-shaving Kaliningradskove and Volgogradskoye UGSFs as well as the Udmurtsky Reserving Complex
- Adoption of compressor gas withdrawal at UGSFs to increase the time of UGSF's operation at maximum peak capacity
- Operating UGSFs in the multi-cycle mode to enable optimising the operation of gas transmission corridors and production facilities during periods of low gas consumption, making up working gas inventories depleted since the start of the autumn and winter period and restoring daily deliverability
- Construction of new UGSFs in high-potential Northwestern, Siberian, Urals, and Far Eastern Federal Districts of Russia
- Further construction, revamping and commissioning of underground gas storage facilities and adjacent GTS areas in Russia to achieve the strategic target - the potential maximum daily capacity of underground gas storage facilities in the UGSS area - of 1.0 bcm













Processing/refining

Strategic priorities

- Construction of new gas processing facilities to support hydrocarbon developments in Eastern Siberia and the Far East
- Processing and transportation of projected volumes of liquid hydrocarbons produced at fields in Western Siberia, the Yamal Peninsula and the adjacent continental shelf of the Kara Sea
- Processing of ethane-rich gas from fields in Western Siberia
- Increasing LNG production

Medium-term priority development focus areas

- Construction of new gas processing facilities to support hydrocarbon developments in Eastern Siberia and the Far East as well as processing of the projected volumes of liquid hydrocarbons produced at fields in Western Siberia
- Revamps of existing facilities
- Implementation of LNG production projects in Russia















Gas distribution

Strategic priorities

- Development of gas supply and gas infrastructure across Russia
- Additional gas infrastructure expansion in Russian regions
- Development of the NGV fuel market and gas filling infrastructure in Russia
- Diversification of export destinations by supplying LNG to markets that are unable to import Russian pipeline gas
- Higher gas supplies to international markets driven by the expansion of LNG production and trading

Medium-term priority development focus areas

- Implementation of programmes for gas supply and infrastructure expansion in Russian regions for 2021–2025
- Development of the Russian NGV fuel market

Driving leadership in the modernisation and operational

Key strategic tasks of Gazprom Group's oil business

efficiency of downstream assets

Maximising premium sales of own oil products

0 2

Oil exploration and production

Strategic priorities

Efficient development of mature assets

and environmental responsibility.

- Developing the resource base of the Yamal Peninsula
- Bringing into development and monetising the uniquely vast liquid hydrocarbon reserves in the Nadym-Pur-Taz region
- Developing technology for viable development of the Bazhenov formation, Domanic and Paleozoic deposits

The strategic goal of Gazprom Group in the oil business is

to maintain its status as one of the largest international global oil and gas companies by driving effective asset portfolio

management throughout the value chain and using cutting-

performance and meeting the highest standards of social

edge technology while aiming to maximise financial

- Bringing into development the remaining recoverable reserves that are currently uneconomic through deployment of new technologies
- Building up the resource base to support production beyond 2025

Medium-term priority development focus areas

- Driving mature asset performance and implementing the enhanced oil recovery programme
- Bringing into development the previously untapped reserves in the oil rims and Achimov and Neocomian-Jurassic reservoirs of Gazprom Group fields
- Developing technology for viable development of hard-to-recover hydrocarbon reserves





Logistics, refining and marketing

Strategic priorities

- Increasing refining depth and light product yields
- Enhancing the efficiency of processing/refining and marketing
 Improving conventional business sustainability through
- developing petrochemical businesses
- Maintaining leadership and growing market shares in existing and new markets for Gazprom products

Medium-term priority development focus areas

- Continued refinery upgrade programmes and capacity development
- Further expansion of the product mix and marketing infrastructure development
- Catalyst plant construction

Company Information

Strategy

Performance Results



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Power Generation Business

The strategic goal of Gazprom Group in the power generation business is to maintain its leadership in power and heat capacity installed in Russia by remaining a reliable supplier of heat and electricity for consumers and delivering sustainable profit growth while meeting the highest standards of social and environmental responsibility.



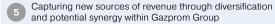
Key strategic tasks of Gazprom Group's power generation business





Improving operational efficiency of power generation assets; ensuring reliability of power and heat supply

Leveraging new technologies with priority given to Russian technologies











Electricity and heat generation and sales

Strategic priorities by activity

- Optimising the generation capacity mix
- Improving operational efficiency and optimising costs
- Constructing new and upgrading existing generating capacity, and decommissioning low-performing facilities
- Innovative development
- Diversifying the power generation business by entering promising markets

Medium-term priority development focus areas

- Generating capacity upgrades
- Decommissioning low-performing and idle capacity
- Implementation of operational efficiency and cost optimisation initiatives
- Participation in the selection of generation equipment of thermal power plants to be upgraded in 2028–2031
- Participation in the selection of investment projects to construct renewable generation facilities
- Participation in the programme to construct and upgrade thermal power plants in non-pricing zones

Capex Programmes

In 2022, Gazprom Group made further progress on its capex programmes with a focus on its key projects: the Power of Siberia gas trunkline and its resource base, as well as the Yamal gas production hub. The Group boosted its capital investments to RUB 2,841.8 billion (RUB 2,164.7 billion in 2021) on the back of favourable market conditions and improving financial performance.

Gazprom Group's 2022 capital expenditures were directed mostly towards a number of projects across its core business segments, as detailed below.

The Semakovskoye gas field was commissioned with the support of Gazprom Group.

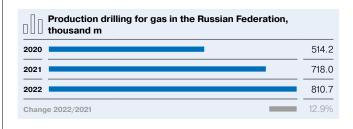
In gas production:

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- Production drilling and field facility construction at the Kovyktinskoye, Chayandinskoye and Kharasaveyskoye fields
- Production drilling and infrastructure expansion at the Bovanenkovskoye field and development of the Kirinskoye field
- Infrastructure expansion at the second pilot block of the Achimov deposits at the Urengoyskoye field
- Implementation of a joint project to develop the Semakovskoye field

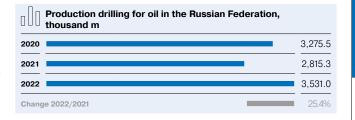
Commercial gas production launched at the Irkutsk gas production hub

In Q4 2022, the Kovyktinskoye field brought online six gas well clusters, CGTU-2 with an annual capacity of 6.9 bcm of gas, a gas condensate pipeline, and facilities of a loading terminal, with gas supplied to the Power of Siberia gas trunkline. As part of a phased-in ramp-up to design capacity, the Company continued to construct development wells at eight well pads as well as CGTU-3 with an annual capacity of 13.9 bcm.



In oil and gas condensate production:

- Investment projects at the conventional assets of Gazprom Neft
- Development of Block 3A of the Achimov deposits and oil rims of the Urengoyskoye field, as well as Neocomian-Jurassic deposits of the Bovanenkovskoye and Kharasaveyskoye fields
- Development of the Novoportovskoye field and the Prirazlomnoye field



In gas transportation:

- Continued construction of the Power of Siberia trunkline
- Construction of regional gas infrastructure expansion facilities (greenfield construction, expansion and revamping of branch pipelines and gas distribution stations)
- Revamping, upgrade or retrofit of gas transportation infrastructure
- Continued construction of compressor facilities at the Bovanenkovo–Ukhta 2 trunkline

In gas storage:

- Construction of facilities at the Volgogradskoye and Kaliningradskoye UGSFs as well as the Udmurtsky Reserving Complex
- Revamps and retrofits of facilities at the Elshano-Kurdyumskoye, Stepnovskoye and Peschano-Umetskoye UGSFs

In processing/refining:

- Construction of the Amur GPP
- Construction of a complex for gas processing and liquefaction near the settlement of Ust-Luga (a joint project of Gazprom Group and AO RusGazDobycha)
- Revamping of the condensate de-ethanisation unit of the first stage of the Urengoy Condensate Pre-Transportation Preparation Plant as part of a programme to restore the plant's operability
- Construction of an industrial sulphur production unit and retrofit of a hydrotreatment unit at the Gazprom neftekhim Salavat's refinery, as well as retrofit of a gas chemical plant
- Implementation of projects to increase refining depth at the Omsk and Moscow Refineries

The last project under a programme to enable liquid hydrocarbon transportation from the Nadym-Pur-Taz region (the 124.9 km Urengoy-Pur-Pe oil and condensate pipeline) has been put into operation.

$\left[\begin{array}{c} \\ \end{array}\right]$ A programme to increase the Omsk Refinery's refining depth has been completed

A programme to increase the Omsk Refinery's refining depth has been completed, with an advanced oil refining facility brought online. The new facility combines hydrocracking and delayed coking sections, which fully refine heavy oil fractions into marketable products. Following the facility's launch, the Omsk Refinery has been able to ramp up drastically its output of motor gasoline, diesel fuel, jet fuel as well as high-quality petroleum coke, which is in high demand as feedstock in the aluminium and metallurgical industries. The facility has reached a refining depth of more than 95%.

In gas supplies:

Gas supply and gas infrastructure expansion in Russian regions

The LNG production, storage and shipping complex near the Portovaya CS was brought online

In September 2022, a medium-scale LNG production, storage and offloading complex was launched on the north-east coast of the Gulf of Finland near the Portovaya compressor station. The complex's annual design capacity is 1.5 mm tonnes of LNG. Gas undergoes the necessary treatment at the plant's facilities and is then sent directly to liquefaction. LNG is supplied for the needs of public transport in Saint Petersburg. The Portovy tank vessel, a floating storage unit, is also used for offshore shipments of LNG to LNG tankers.

Amid substantial external constraints, the complex was prepared for and put into operation without involving the natural gas liquefaction technology licensor and without technical or operational support from foreign equipment manufacturers.

The Company plans to explore various opportunities for expanding production.

In electricity and heat generation and sales:

Retrofitting and revamping generating facilities, maintaining equipment's operational reliability and cost-effectiveness, ensuring its readiness to support the autumn and winter peak loads, ensuring safe operation of generating facilities, and replacing worn-out generating facilities

The commissioning of unit No. 9 at Gazprom energoholding's CHPP-22 has increased the reliability of electricity supply in the Moscow region.

Long-Term Development Programme

The Planning Procedure Based on Strategic Performance Targets of PJSC Gazprom (Gazprom Group) (approved by Resolution of PJSC Gazprom's Management Committee No. 42 dated 24 September 2020 and put into effect on 1 January 2021) sets forth the key principles of strategic (long-term) planning for Gazprom Group.

The Long-Term Development Programme of PJSC Gazprom (Gazprom Group) serves as a comprehensive integrated plan for the Company's development to drive the achievement of SPTs across all types of business and to maximise the systematic economic benefits from the Company's growth.



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Key objectives of the Long-Term Development Programme of PJSC Gazprom (Gazprom Group)

- Identifying priority growth areas for the Company based on insights into trends in the global and Russian energy markets and competition analysis
- Defining development options for each business line of Gazprom Group and prioritising projects for PJSC Gazprom
- Assessing strategic risks and opportunities of PJSC Gazprom (Gazprom Group)
- Analysing PJSC Gazprom's strategic risks
- Preparing recommendations and developing action plans to achieve the Company's SPTs and support its sustainable growth

The Long-Term Development Programme is developed annually in accordance with the Planning Procedure Based on the Strategic Performance Targets (Gazprom Group), and incorporating the Guidelines on Long-Term Development Programmes 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% (Instruction of the Government of the Russian Federation No. ISh-P13-2583 dated 15 April 2014). Once pre-approved by PJSC Gazprom's Management Committee, the Programme is submitted for approval to the Company's Board of Directors.

The Long-Term Development Programme of PJSC Gazprom (Gazprom Group) (2023–2032), put together in 2022, was approved by PJSC Gazprom's Board of Directors, Resolution No. 3861 dated 8 December 2022 (Minutes of the Board of Directors' meeting No. 1477 dated 8 December 2022).

The strategic goals and objectives as well as the structure of the Long-Term Development Programme of PJSC Gazprom (Gazprom Group) have not fundamentally changed compared to 2021. At the same time, Gazprom Group's development focus areas have been updated to reflect the current environment in global energy markets.

In 2022, PJSC Gazprom's progress on its Long-Term Development Programme (2021–2030) over 2021 was audited by OOO FBK.



Results of the progress audit of PJSC Gazprom's Long-Term Development Programme (Audit Report No. 155113, dated 19 October 2022)

- The auditor found that PJSC Gazprom's current internal performance monitoring and reporting system and the relevant document flow could be considered effective and enabling the provision of reliable information about the progress on the Long-Term Development Programme.
- Completed procedures and identified evidence did not provide any grounds to believe that the performance metrics of PJSC Gazprom's Long-Term Development Programme (2021–2030) for the year that ended on 31 December 2021 have any misrepresentations materially affecting the validity thereof.

3

Performance Results

Exploration and Production

Natural gas is a clean, affordable and effective energy source. Gazprom is the global leader by gas reserves and production. The Group conducts a large-scale exploration programme on an annual basis and effectively replenishes and develops its resource base. Gazprom's customers can rest assured that they will be reliably supplied with gas for decades to come.

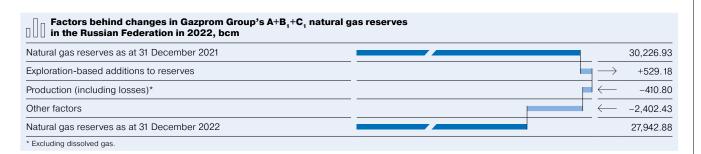
Consistent replenishment of its resource base is a key strategic goal of Gazprom Group. From year to year, the Company successfully addresses this goal, primarily by carrying out large-scale exploration. In 2022, the Company continued the construction of exploration wells at Bovanenkovskoye and Kharasaveyskoye, the base fields of its Yamal hub, as well as Chayandinskoye and Kovyktinskoye fields, the core assets of its Yakutia and Irkutsk gas production hubs.

Moreover, the Company is exploring the deep-lying Achimov and Jurassic deposits at the conventional fields of the Nadym-Pur-Taz region. The Group's gas reserve replacement consistently remains at levels exceeding its gas production volumes.

Mineral resource base

As at 31 December 2022, Gazprom Group's $A+B_1+C_1$ hydrocarbon reserves in Russia (including the share in the reserves of entities in which Gazprom has investments classified as joint operations) were 27,942.9 bcm of natural gas, 1,262.4 mm tonnes of gas condensate and 1,757.7 mm tonnes of oil (compared to 30,226.9 bcm of natural gas, 1,369.3 mm tonnes of gas condensate and 1,874.1 mm tonnes of oil as at 31 December 2021). Gazprom Group's $A+B_1+C_1$ hydrocarbon reserves total 204.56 bboe.

Subsoil licence portfolio in the Russian Federation as at 31 December 2022				
Gazprom Group				
343	licences for geological surveying, exploration and production of hydrocarbons			
606.8 thousand square km	total area of licence blocks			
Entities in which Gazprom has investments classified as joint operations				
4	licences for geological surveying, exploration and production of hydrocarbons			
2.8 thousand square km	total area of licence blocks			



Exploration and Production

Almost half (47%) of Gazprom Group's explored reserves of natural gas are located in the new rapidly developing gas production regions, as well as in stable production fields in the well-explored Nadym-Pur-Taz region and the European part of Russia. Fields located on the Russian continental shelf contain 29% of the country's explored reserves of natural gas.

The Group's share in A+B₁+C₁ hydrocarbon reserves of associates and joint ventures in Russia as at 31 December 2022 stood at 1,747.0 bcm of natural gas, 160.7 mm tonnes of gas condensate and 761.3 mm tonnes of oil, totalling 18.23 bboe (as at 31 December 2021: 1,079.3 bcm of natural gas, 122.0 mm tonnes of gas condensate and 726.5 mm tonnes of oil, totalling 13.33 bboe).

Most of Gazprom's annual reserve additions in Russia come from exploration.

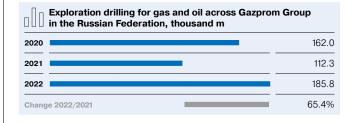
Exploration

To replace and expand its mineral resource base, Gazprom Group pursues an aggressive exploration programme employing advanced prospecting and exploration techniques. The programme primarily focuses on the area of UGSS, Russian continental shelf, Eastern Siberia, and the Russian Far East.

Gazprom leverages its highly effective organisation of exploration to maintain low exploration costs. In 2022, the average cost of replacing explored hydrocarbon reserves stood at RUB 23.4 per boe.

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In 2022, the Company acquired 10.1 thousand square km of 3D seismic data in Russia. Exploration drilling totalled 185.8 thousand m, with 42 oil and gas wells completed and 40 wells proving to be productive when tested.



1.3

Gazprom Group's gas reserve replacement ratio

In 2022, the Company also used sidetracking in idle wells for further exploration of existing fields. Drilling meterage totalled 10.4 thousand m. Two productive wells were completed.

In 2022, Gazprom Group allocated RUB 100.8 billion for its exploration programmes (inclusive of VAT). The hydrocarbon exploration programme completed in 2022 ensured the replenishment of reserves.

The most significant growth in gas reserves was achieved at the Tambeyskoye and Pestsovoye fields in the Yamal-Nenets Autonomous Area and at the Chayandinskoye field in the Republic of Sakha (Yakutia). As a result of its exploration activities, the Group has discovered the Seyakhinskoye gas condensate field in the Yamal Peninsula as well as 25 new deposits at previously discovered fields in the Yamal-Nenets Autonomous Area, Khanty-Mansi Autonomous Area – Yugra, Tomsk Region, and Krasnoyarsk Territory.

The exploration success rate in 2022 was 23.2 thousand boe per metre drilled (excluding entities in which Gazprom has investments classified as joint operations).

Transfer of licenses to associates and joint ventures, sales and revaluation of assets

The increase in the Group's share of A+B₁+C₁ hydrocarbon reserves of associates and joint ventures in parallel with a decline in Gazprom Group's hydrocarbon reserves during the year was primarily driven by organisational measures (such as transfer of licenses to joint ventures and sale of interest stakes in their authorised capitals) taken as part of hydrocarbon field development projects implemented jointly with Gazprom's strategic Russian partners.

Gazprom Group's natural gas reserves also continue to be affected by the work started in 2016 to include its recoverable gas reserves into the State Register of Mineral Reserves of the Russian Federation with relevant recovery factors. As at 31 December 2022, Gazprom completed the estimation of gas recovery factors for the fields containing 78% of Gazprom's total A+B,+C, reserves.

Exploration and Production

Production

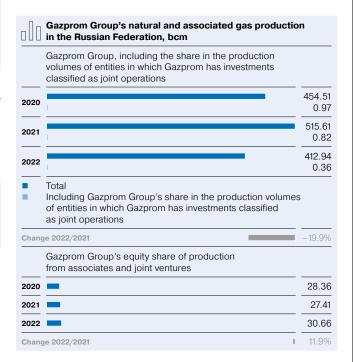
In 2022, Gazprom Group produced 412.94 bcm of natural and associated gas in Russia. The decline in the Group's gas production was directly driven by politically motivated decisions by a number of countries to abandon imports of Russian gas.

Gazprom Group's hydrocarbon production assets in the Russian Federation as at 31 December 2022				
Gazprom Group				
151	fields in commercial development			
7,447	producing gas wells			
10,146	producing oil wells			
Entities in which Gazprom has investments classified as joint operations				
1	fields in commercial development			

By leveraging cutting-edge hydrocarbon production technology and advanced enhanced oil and gas recovery techniques, Gazprom Group maintains the required maximum daily gas production rates during peak consumption periods.

Maximum daily production of gas in the autumn and winter in the Russian Federation, mmcm					
2019/2020	2020/2021	2021/2022			
1,514.1	1,548.1	1,542.2			

In 2022, Gazprom Group continued to ramp up production at the Chayandinskoye field, the core asset of the Yakutia gas production hub, with additional production capacities brought online at the field. The work on infrastructure expansion at the field will continue into 2023. In addition, in Q4 2022, commercial gas production was started at the Kovyktinskoye field of the Irkutsk gas production hub, with its gas supplied to the Power of Siberia gas trunkline. In 2022, Gazprom Group brought online oil and gas infrastructure facilities of the Pestsovoye field (Valanginian deposits) in the Nadym-Pur-Taz region, ahead of schedule.



Exploration and Production

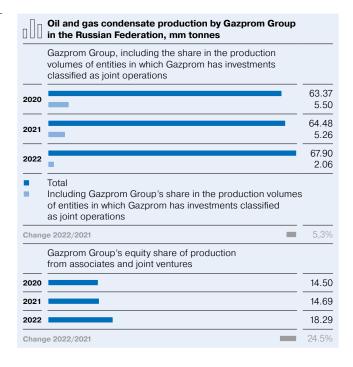
In 2022, production of oil and gas condensate by Gazprom Group in the Russian Federation stood at 67.90 mm tonnes, with 18.29 mm tonnes produced by associates and joint ventures.

The increase in Gazprom Group's liquid hydrocarbon output was primarily driven by the launch of production facilities (CGTU process trains, production wells) during the year as part of projects to develop blocks 2, 4 and 5 of the Achimov deposits at the Urengoyskoye field.

Considerable progress was made in implementing projects for developing the Valanginian deposits of the Pestsovoye field and the oil rim of the Botuobinsk deposit at the Chayandinskoye field.

The increase in Gazprom Group's equity share of hydrocarbon production from associates and joint ventures was driven, among other factors, by the completion of the creation of a joint venture in Q2 2022 to develop the fields of a large oil and gas cluster in the Nadym-Pur-Taz region of the Yamal-Nenets Autonomous Area based on the Tazovskoye field.

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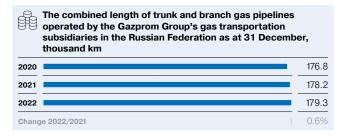


Transportation and Underground Storage

Gazprom has been systemically developing its unique gas transportation system (GTS), the longest and most reliable in the world. Even during peak consumption periods, Gazprom consistently supplies natural gas to households, the power generation industry as well as industrial and municipal enterprises.

Gas transportation

The UGSS of Russia is a centrally operated system of natural gas production, processing, treatment, transportation, and storage. The UGSS incorporates the world's longest network of high-pressure gas trunklines covering European Russia and Western Siberia. Gazprom also owns gas trunklines in the east of Russia: Power of Siberia, Sakhalin–Khabarovsk–Vladivostok and Sobolevo–Petropavlovsk-Kamchatsky. PJSC Gazprom's gas transportation subsidiaries also operate and maintain trunk gas pipelines (mainly branch pipelines) owned by organisations outside the Group. Gazprom's GTS, which is unique in its size and quality parameters, ensures highly reliable gas supplies for consumers.



The combined length of gas trunklines and branch pipelines operated by Gazprom Group's gas transportation subsidiaries in the Russian Federation as at 31 December 2022 reached 179.3 thousand km, primarily driven by the commissioning of new gas trunkines and branch pipelines, including as part of expansion of gas supply and gas infrastructure in Russian regions.

During 2022, a total 596.71 bcm of gas were supplied into Gazprom's GTS in Russia. The year-on-year decrease was primarily due to lower gas supplies from Russia to European far abroad countries.



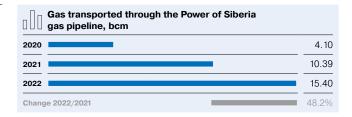
Under applicable laws, as the owner of the Russian section of the GTS, PJSC Gazprom provides non-discriminatory access to its free gas pipeline capacity for independent companies outside Gazprom Group provided they have a gas production licence and a supply contract with the buyer of the supplied gas. Such third-party gas needs to meet relevant technical standards. In 2022, PJSC Gazprom provided gas transportation services via its trunklines to 18 third-party companies.

To ensure reliable gas supply, Gazprom Group is focused on the continuous development of the GTS in Russia – building new, hi-tech gas pipelines and revamping, upgrading and retrofitting the existing pipeline capacity, as well as implementing a programme to decommission excess gas transportation capacity. Activities ensuring the reliability and safety of linear sections of trunk gas pipelines (overhauls and scheduled maintenance) are planned and carried out depending on the technical condition and operating risks of the respective facilities. The GTS Operability and Integrity Management System was incorporated in PJSC Gazprom's production activities to ensure the reliable and safe operation of GTS facilities.

Transportation and Underground Storage

Russian gas is transported to China via The Power of Siberia gas trunkline.

In 2022, supplies of natural gas to China via the Power of Siberia trunkline increased by more than 48% year-on-year and exceeded PJSC Gazprom's total contracted volumes for the year.



Underground gas storage

The network of underground gas storage facilities (UGSF) created in Russia is a necessary, reliable and stable structure. The UGSF network is an integral part of the country's UGSS, enabling balanced and economic development of fields in the Russian Far North through streamlined operation and uniform utilisation of the GTS. The consistent expansion of the UGSF network enables levelling seasonal irregularity of domestic gas consumption and gas exports; maintaining gas inventories for use in case of UGSS emergencies or prolonged abnormally cold winters; maintaining long-term gas inventories for use in case of force majeure; and covering domestic and export demand spikes along with PJSC Gazprom's production.

In Russia, Gazprom Group operates 23 UGSFs in 27 geological structures: 17 in depleted gas reservoirs, 8 in aquifers, and 2 in salt caverns.

Gazprom Annual Report 2022

Gazprom operates the world's largest Kasimovskoye UGSF made in an aquifer and Severo-Stavropolskoye UGSF created in a depleted gas field.

UGSFs are located in key gas consumption areas and provide up to 22% of domestic and export gas supplies during the heating season, and as much as 44% of total natural gas in the UGSS during cold spells. Their use provides the most effective and environmentally friendly way to streamline the operation of global gas supply system.

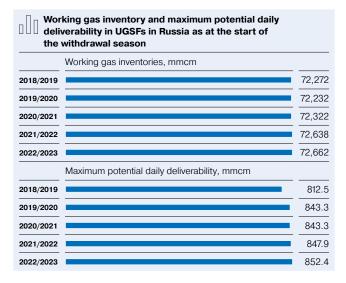
Autumn and winter of 2021/2022

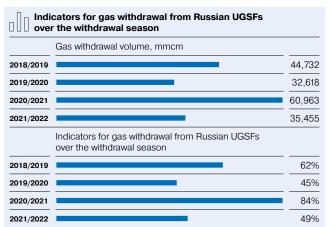
December 2021 saw an abrupt decrease in ambient air temperature in Russia, with the average monthly temperatures across all regions covered by the UGSS standing at -17°C on 23 December, or 9.3°C below the average climate normal. Between 18 December and 24 December 2021, there was a rise from 1,343 bcm to 1,656 bcm in daily gas consumption across gas transportation systems within the UGSS area (a December record high over the last decade starting from 2012), which was covered by an increase in gas withdrawal from UGSFs. The maximum daily deliverability of Russian UGSFs was reached on 29 December 2021, standing at 548.2 bcm.

During 2022, withdrawal and injection amounts for Russian UGSFs totalled 35.73 bcm and 44.88 bcm of gas, respectively. By the start of the 2022/2023 withdrawal season, the potential maximum daily deliverability of Russian UGSFs had reached 852.4 mmcm.

Transportation and Underground Storage

On 26 October 2022, the working gas inventory for UGSFs in Russia reached an all-time high of 72.662 bcm, in line with the target for the year.





Due to changes in the market environment, an additional amount of deliverable gas was injected into four UGSFs of Gazprom Group in Russia in 2022, with more gas injected into two of them during the winter to optimise the operation of gas transmission corridors and production facilities during periods of low gas consumption.

Gas Distribution, Gas Infrastructure Expansion and NGV Fuel Markets

Access to natural gas means higher living standards for local residents and new growth opportunities for the agricultural and manufacturing industries. Every year, Gazprom expands access to gas infrastructure for more and more rural communities across Russia. Moreover, natural gas is the most profitable and environmentally friendly motor fuel. Gazprom has been consistently expanding its network of gas filling stations.

As the leader of Russia's gas business, Gazprom Group operates the country's gas distribution systems in a safe and reliable way while providing corporate control over compliance with industrial safety requirements. The Group's gas distribution networks are operated by AO Gazprom gazoraspredelenie, its subsidiaries and associates, and OOO Gazprom transgaz Kazan.

As at 31 December 2022, Gazprom Group's gas distribution subsidiaries and associates owned and operated a total of 852.1 thousand km of gas distribution networks in Russia.

In 2022, Gazprom's gas distribution subsidiaries and associates transported 247.4 bcm of natural gas via their gas distribution networks. Natural gas was supplied to:

- 28.9 million apartments and private households
- 36.5 thousand industrial facilities
- 9.6 thousand agricultural facilities
- 367.4 thousand utility facilities.

Expansion of gas infrastructure in Russian regions

Gas supply and gas infrastructure expansion in Russian regions is Gazprom Group's main social project.



Sazprom Annual Report 2022

Fundamental laws and regulations of the Russian Federation covering gas infrastructure expansion

- Lists of Instructions of Russian President Vladimir Putin, No. Pr-907 dated 31 May 2020, No. Pr-753 dated 2 May 2021 and No. Pr-2067 dated 30 October 2022
- Federal Law No. 69-FZ On Gas Supply in the Russian Federation dated 31 March 1999
- Action plan (roadmap) for the implementation of a socially oriented and economically efficient system of gas infrastructure expansion and gas supply in Russian regions (approved by Decree of the Russian Government No. 1152-r dated 30 April 2021)



PJSC Gazprom's key focus areas in gas infrastructure expansion

- Development of gas supply and gas infrastructure expansion to achieve a technically feasible penetration rate of 100% for gas infrastructure in Russian regions. This ambition is delivered through the construction of branch pipelines, gas distribution stations, inter-settlement gas pipelines, and intra-settlement distribution networks as well as by using LNG-based off-mains solutions.
- Additional gas infrastructure expansion activities to provide the connection to gas appliances of individual homeowners (up to land plot boundaries) to the existing gas grid, including households in allotment associations (up to the allotment boundaries) as well as healthcare and educational organisations located in communities where pipeline gas is already available in previously built gas distribution networks, at no cost to such homeowners or healthcare or educational organisations (infill projects).

Gas Distribution, Gas Infrastructure Expansion and NGV Fuel Markets

The Russian Government has designated Gazprom mezhregiongaz Group's subsidiary, OOO Gazprom gazifikatsiya as the Single Operator of Gas Infrastructure Expansion.

Single Operator of Gas Infrastructure Expansion – a centre responsible for gas infrastructure expansion in Russian regions, including the construction of branch pipelines, gas distribution stations, inter-settlement gas pipelines, intra-settlement gas distribution networks, and last-mile gas pipelines to consumers' land plot boundaries.

As at 31 December 2022, the Single Operator was responsible for 72 Russian regions as well as for the Sirius federal territory. There were also 13 Regional Operators of Gas Infrastructure Expansion as at 31 December 2022. Regional Operators of Gas Infrastructure Expansion are responsible for gas infrastructure expansion in those Russian regions in which they have more gas distribution networks than gas distribution entitles of Gazprom Group.

The Single and Regional Operators of Gas Infrastructure Expansion enable the synchronisation of activities to build all necessary gas infrastructure and the extension of gas pipelines directly to plot boundaries in settlements covered by infill projects while significantly reducing time to connect consumers to gas distribution networks.



Procedure for PJSC Gazprom's involvement in gas infrastructure expansion in Russian regions

Gas infrastructure expansion Provides a framework for interactions between PJSC Gazprom and the region's government bodies agreement during the implementation of gas infrastructure expansion programmes in the region. Fuel and energy balances Contain interrelated quantitative metrics reflecting the balance between the supply and consumption of fuel/energy in respective Russian regions, determine the distribution of fuel/ energy between energy supply systems and energy consumers and define the energy use efficiency. Gas supply and gas infrastructure Determine key focus areas in gas supply expansion, including use of local resources and energy expansion master plans saving programmes. Developed in accordance with Resolution of the Government of the Russian Federation No. 903 Interregional and regional 10-year dated 10 September 2016. Starting from 2021, new programmes take into account projected energy gas infrastructure expansion programmes for utilities. consumption levels and options to use gas sources alternative to pipeline gas (liquefied natural industrial and other organisations gas or liquefied petroleum gas) or other fuels. The programmes determine the effectiveness of network-based and alternative infill projects, priority of activities, funding sources, and settlement gas supply patterns while also providing for a consolidated and detailed additional gas infrastructure expansion plans. 5-year programmes for gas Developed in accordance with the Concept of the Company's Involvement in Gas Infrastructure supply and gas infrastructure Expansion in Russian Regions; define gas infrastructure expansion parameters agreed with expansion in Russian regions regional administrations (timeframe, gas pipeline length, number of consumer connections), provide estimates of investment requirements and define sources of financing Annual synchronisation Synchronise PJSC Gazprom's construction with consumer preparations to receive gas. schedules of programmes for gas infrastructure expansion in Russian regions Annual programmes for Specify annual financing requirements which are subject to consumers meeting expansion of gas infrastructure their gas connection readiness obligations and changes in the outstanding debt for in Russian regions delivered natural gas.

Gas Distribution, Gas Infrastructure Expansion and NGV Fuel Markets

As at 31 December 2022, programmes for gas supply and gas infrastructure expansion in Russian regions for 2021–2025 covered for 72 regions. During the year, the list of such regions was extended: four more Russian regions (Sverdlovsk, Chelyabinsk and Kostroma Regions, as well as the Republic of Tatarstan) had their programmes for gas supply and gas infrastructure expansion approved for 2021–2025. On top of that, the Company has been continuously in contact with the authorities of Russian regions to update and supplement the previously approved gas supply and gas infrastructure expansion programmes so as to reflect substantiated demand of the regions for the construction of priority gas transportation and gas distribution infrastructure facilities.

In 2022, construction of 177 inter-settlement gas pipelines with a total length of 3.3 thousand km was completed, enabling 81.7 thousand households and apartments as well as 350 boiler facilities across 423 communities to connect to the gas grid. During the year, a total of RUB 66.0 billion (including VAT) were invested in facilities covered by the Programme for Expansion of Gas Infrastructure in Russian Regions.

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73.1%

overall gas penetration rate in Russia at year-end 2022

PJSC Gazprom continued the construction of branch pipelines and gas distribution stations under its Investment Programme to ensure gas supply and gas infrastructure expansion in Russian regions. The actual amount of PJSC Gazprom's investment in this area totalled RUB 76.7 billion (including VAT). The construction of 13 gas distribution stations with branch pipelines was completed. Two gas distribution stations with branch pipelines (Kokshamary gas distribution station in the Republic of Mari El, Pitkyaranta gas distribution station in the Republic of Karelia) were completed ahead of schedule.

In 2022, the Company continued delivering on its gas supply and gas infrastructure expansion programmes for the Russian Far East and Eastern Siberia for 2021–2025. As part of gas infrastructure expansion projects in the east of Russia, the Company has completed the construction of the intersettlement gas pipeline from the Uglegorsk gas distribution station to the Vostochny Cosmodrome in the Amur Region and secured gas supply at the Svobodny gas branch pipeline and gas distribution station in the Amur Region and the Korsakov gas branch pipeline and gas distribution station in the Sakhalin Region.

Infill projects

In 2022, the Company made great progress on accelerating gas infrastructure expansion to connect households to the existing gas grid across Russia, with gas grids extended to the boundaries of more than 0.5 million households across the country. A total of RUB 57.1 billion (including VAT) was invested in such infill projects.

The additional gas infrastructure expansion programme receives all necessary financial, technical and human resources.

- Progress made by Gazprom mezhregiongaz Group entities and OOO Gazprom transgaz Kazan on connecting individuals to gas network (as at 31 December 2022, cumulatively since the start of the additional gas infrastructure expansion programme)
- The technical feasibility of connecting 502.2 thousand households was ensured
- 530.7 thousand contracts for additional gas infrastructure expansion to households were signed
- 371.2 thousand contracts for additional gas infrastructure expansion to land plot boundaries of households were completed
- 167,000 households were connected to gas grids, with gas supply launched

Gas Distribution, Gas Infrastructure Expansion and NGV Fuel Markets



Measures to support households as part of gas infrastructure expansion activities, implemented or under development in 2022

- As a measure to support households during gas infrastructure expansion activities, the Company teamed up with the Russian Government, regional authorities and potential partner banks to start the development of a "gas mortgage" programme for residents of settlements already connected to gas infrastructure. Homeowners will be able to get a bank loan to purchase relevant equipment and pay for connecting their houses to the gas grid. The interest on the loan is planned to be covered by federal and regional subsidies.
- Services for connecting home gas appliances to gas distribution networks are exempted from VAT.
- In accordance with item 2 of the List of Instructions of the Russian President No. Pr-2067, dated 30 October 2022, the highest officials (heads of supreme executive government authorities) of Russian regions are recommended to ensure that certain categories of residents in settlements connected to gas infrastructure should receive subsidies of at least RUB 100 thousand per household to purchase gas equipment and organise the related activities within the boundaries of their land plots, provided that they have applied for such subsidies.

In accordance with Instruction of Russian President Vladimir Putin No. Pr-2067, dated 30 October 2022, the additional gas infrastructure expansion programme has been extended for an indefinite period of time, now also covering healthcare and educational institutions.

Gazprom Group entities bring forward initiatives to support households as part of relevant gas infrastructure expansion activities. They are also involved in preparing proposals to improve the legal framework covering this area.

Use of natural gas as motor fuel

Expanding the use of natural gas as NGV fuel in Russia is one of Gazprom Group's priorities.

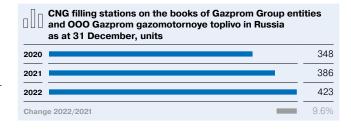
OOO Gazprom gazomotornoye toplivo has been designated as the single operator for the NGV fuel market development in Russia. The company sells gas as motor fuel and develops a retail network of CNG filling stations in Russia, under the Gazprom and EcoGas brands.

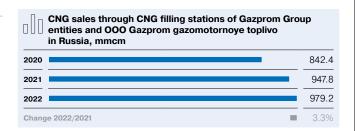
As at 31 December 2022, Gazprom Group entities and OOO Gazprom gazomotornoye toplivo had 423 CNG filling stations on their books, with a total annual capacity of 3.14 bcm.

Their retail network was expanded with 19 new CNG filling stations commissioned and 18 filling stations purchased from third-party operators.

The existing gas filling network of Gazprom Group entities and OOO Gazprom gazomotornoye toplivo covers 64 Russian regions across eight federal districts.

Another 11 CNG filling stations of third-party companies were also launched under franchise agreements in 2022.





Gas Distribution, Gas Infrastructure Expansion and NGV Fuel Markets

In 2022, compressed natural gas (CNG) sales by Gazprom Group entities and OOO Gazprom gazomotornoye toplivo through their own network of CNG filling stations in Russia increased to 979.2 mmcm, reaching 1,057 mmcm of CNG including partner outlets, or 71% of total CNG sales in Russia.

Since 2014, Gazprom has been engaged in a comprehensive programme to convert vehicles owned by its gas production, transportation, processing, underground storage, and sales subsidiaries to NGV fuel: as at 31 December 2022, their fleet of NGVs reached 14,050 units (63% of the total fleet of vehicles suitable for conversion to NGV fuel).

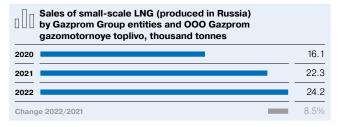
Total consumption of natural gas (methane) as motor fuel between 2014 and 2022 reached 510 mmcm, with savings from the replacement of liquid motor fuel with natural gas estimated at RUB 12.1 billion (including VAT), and the reduction of air emissions estimated at 241 thousand tonnes. A programme for 2023–2025 was approved in 2022 to drive wider usage of natural gas as motor fuel in own fleets operated by Gazprom Group entities.

Driving small-scale LNG production and use in Russia

Gazprom Group is working to create small-scale LNG production facilities, including as off-mains solutions for settlements that are too remote from gas trunklines. As at 31 December 2022, Gazprom Group's small-scale LNG production infrastructure included seven LNG facilities: LNG complexes in the Kaliningrad, Leningrad and Moscow Regions as well as in the Sverdlovsk Region (Yekaterinburg and Pervouralsk) and in the Perm Territory, and an LNG plant in Vladivostok.

As at 31 December 2022, three LNG complex projects were underway in the Amur, Tver and Tomsk Regions. On top of that, as part of gas infrastructure expansion in the Sakhalin Region, a financial and economic feasibility study for project to produce and deliver LNG to the Kuril Islands is currently in preparation, with work ongoing on relevant engineering, process and logistical solutions.

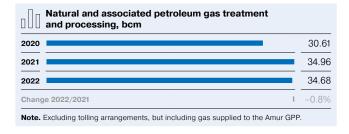
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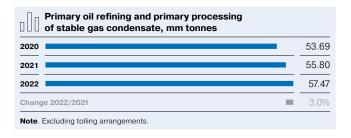


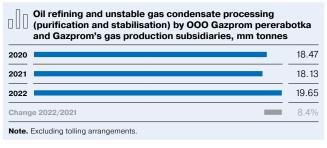
Hydrocarbon Processing/Refining

Gazprom is No. 1 in Russia for the amount of natural gas processing and continues to consolidate its position in this business segment. The Company creates new highly effective facilities in the east and west of the country to produce value-added products from gas, which are in high demand in the gas chemical production, healthcare, space, electronic, and other industries.

In 2022, Gazprom Group's downstream facilities treated and processed 34.68 bcm of natural and associated petroleum gas, as well as provided primary refining and processing of 57.47 mm tonnes of oil and stable gas condensate (excluding tolling arrangements).







OOO Gazprom pererabotka and gas production subsidiaries purified and stabilised 19.65 mm tonnes of unstable gas condensate.

The commissioning of the facilities of the Alternative System for Liquid Hydrocarbons Transportation and Processing in the Nadym-Pur-Taz Region as well as the equipment repair acceleration at the Astrakhan GPP has facilitated an increase in oil refining and unstable gas condensate processing (purification and stabilisation).

49.39

51.50

53.40

Operations and Marketing

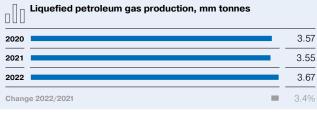
Hydrocarbon Processing/Refining

2020

2021 2022

Change 2022/2021

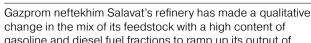
Higher gas processing volumes at the Astrakhan GPP as a result of accelerated equipment repair compared to 2021 supported an increase in the output of gas processing products, including liquefied petroleum gas.



The decrease in Gazprom's helium output was caused by lower

helium production by the Orenburg Helium Plant.

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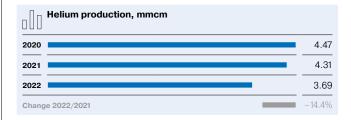


The Moscow Refinery has set up production of new

grades of high-tech polymer-bitumen binders and petroleum bitumens for road construction.

Output of oil products, mm tonnes

gasoline and diesel fuel fractions to ramp up its output of marketable motor gasolines and diesel fuel.



In 2022, Gazprom Neft's refineries were fully supplied with cat-cracking and hydrotreatment catalysts produced using the Group's proprietary technologies.

In 2022, Gazprom Group continued to develop its lineup of oil products and catalysts produced using the Group's proprietary technologies.

The increase in the output of oil products by Gazprom Group in 2022 was mainly driven by higher output of motor gasolines and diesel fuel, primarily due to the commissioning of the advanced oil refining facility at Gazprom Neft's Omsk Refinery.

Medium-scale LNG production

LNG is currently in the spotlight as an engine of the global gas industry growth.

In 2022, Gazprom Group launched its own medium-scale LNG production at the LNG Complex commissioned near the Portovaya compressor station: during the year, the new facility produced 402.8 thousand tonnes of LNG.

In 2022, LNG was shipped from the LNG Complex near the Portovaya CS for public transport of Saint Petersburg, with LNG also shipped to gas tankers via a floating storage unit, the Portovy tank vessel. In 2023, the Company has started shipping small-scale LNG batches for vessel bunkering in Russia.

In January 2023, Gazprom Neft's Dmitry Mendeleev, Russia's first LNG bunkering vessel, made its first regular LNG loading from the LNG Complex near the Portovaya CS.



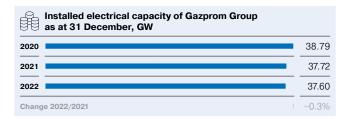
Power Generation

Gazprom is one of Russia's largest electricity and heat generators. The Company builds new and upgrades existing generation facilities, using advanced domestic equipment. One of the 2022 highlights included the launch of a generating unit featuring the world's most powerful cogeneration turbine after revamping at CHPP-22 of PAO Mosenergo.

Gazprom energoholding, Russia's largest vertically integrated power generation holding company, has been established within Gazprom Group and has consolidated electricity and heat generating assets, heat transmission and distribution assets, as well as assets in related segments such as power engineering and repair and maintenance services for the mechanical engineering industry.

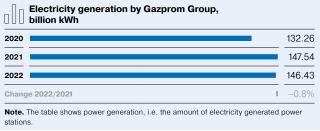
Gazprom is the largest heat generator in Russia, supplying heat to more than 20 million people, including in Moscow and Saint Petersburg – cities of federal significance.

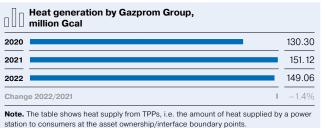
In 2022, the Group generated 146.43 billion kWh of electricity and 149.06 million Gcal of heat.





The change in installed capacity in 2022 was mainly due to the decommissioning of obsolete and low-performing generating equipment, installed capacity upgrades as well as capacity relaunch in Russia after revamping.

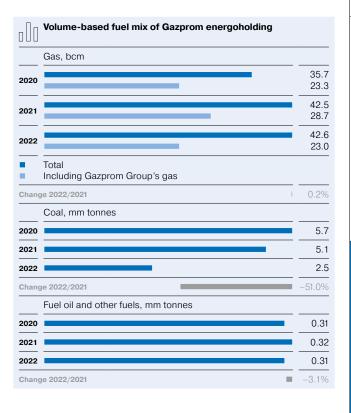




Power Generation

The slight decrease in electricity generation was driven by lower electricity consumption in certain Russian regions as well as optimisation of Gazprom energoholding's low-performing equipment. The decrease in heat supply was mainly due to higher temperatures during the heating season in Russia, compared to 2021.

Natural gas dominates the fuel mix of Gazprom energoholding. Its coal consumption has significantly dropped due to an increase in the proportion of natural gas to 92% in the fuel mix of PAO OGK-2. The trends in consumption have also been affected by lower electricity and heat generation.



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Marketing

Securing reliable gas supply to Russian consumers, particularly during the cold season, is a top priority for Gazprom. The Company has a strong track record of delivering on all of its commitments to domestic consumers while exporting the contracted volumes of gas to other countries. In particular, the Company has ramped up its gas supplies to China via the Power of Siberia pipeline.

Gas sales

In 2022, Gazprom Group sold 379.8 bcm of gas (508.2 bcm in 2021). Net sales of gas (net of excise tax, VAT and customs duties) were RUB 6,512.9 billion (RUB 5,656.0 billion in 2021). Net sales revenue growth was primarily driven by higher average prices (including excise tax and customs duties) of gas sold to customers in far abroad countries. Amid the sharp rise in forward gas prices across different delivery dates, the weighted average selling price of PJSC Gazprom's gas under contracts for supply to European far abroad countries showed a significant year-on-year growth in 2022.



For more details on gas market trends in Russia and far abroad countries, see the <u>Trends and Developments in Global Energy Markets</u> section.

In 2022, Gazprom ensured reliable gas supplies to Russian consumers according to their needs.

Politically motivated decisions made by a number of EU countries to abandon Russian pipeline gas led to a ecrease in gas sales to far abroad countries.



Sales of gas for roubles in European far abroad countries

Amid the challenging geopolitical environment and sanctions pressure, the Company carried out an extensive work to ensure that its existing counterparties adopt Russian roubles as their payment currency in relationships with the Company in accordance with Executive Order of the Russian President No. 172, On the Special Procedure to Allow Foreign Buyers to Meet their Commitments to Russian Natural Gas Suppliers, dated 31 March 2022. Negotiations conducted with most of Gazprom's customers helped the Company to agree on new terms of payment, enabling further proceeds from its sales of natural gas starting from April 2022.

At the same time, pipeline gas supplies to China via the Power of Siberia pipeline continued to grow in line with contracts and reflecting requests of the Chinese counterparties for additional gas supplies. PJSC Gazprom and CNPC signed a number of supplementary agreements to the Gas Sale and Purchase Agreement between the parties, regulating gas supplies via this route; in particular, the parties agreed to adopt their respective national currencies in their settlements.



Preparing potential pipeline routes for natural gas supplies to China via Mongolia and from the Russian Far East

On 25 January 2022, an important milestone was reached in preparing a project for gas supplies from Russia to China via Mongolia as the Mongolian side approved the results of a feasibility study for the construction of the Soyuz Vostok trunkline, which will continue the Power of Siberia-2 trunkline across Mongolia. Survey and engineering activities under the project were ongoing during 2022.

3 February 2022 PJSC Gazprom and CNPC signed a sale and purchase agreement for natural gas to be supplied from Russia to China via the Far East route. In 2022, the Company worked on preparing the project for implementation, in particular by drafting, finalising and signing the necessary agreements, including an agreement between the Russian Government and the Chinese Government on cooperation in the supply of natural gas from Russia to China via the Far East route.

Since October 2022, PJSC Gazprom and its Turkish partners have been considering the creation of a gas hub in Turkey. The Russian side has presented its concept of the gas hub, and the parameters and principles of its operation.

In 2022, sales to the FSU countries mostly included Belarus, Uzbekistan, Moldova and Armenia.

Sales of crude oil, gas condensate and refined products

Net revenue from sales of crude oil, gas condensate and refined products (net of excise tax, VAT and customs duties) came in at RUB 3,942.4 billion (RUB 3,477.3 billion in 2021). The increase in sales was primarily driven by a rise in average selling prices.

Gazprom Group sold 25.67 mm tonnes of crude oil and stable gas condensate (25.35 mm tonnes in 2021) and 68.55 mm tonnes of refined products (67.73 mm tonnes in 2021). The increase in sales of crude oil and stable gas condensate in 2022 was mainly attributed to higher own output. As sanctions were imposed the Company took steps to rechannel sales of refined products from external markets to the domestic market of Russia.

Electricity and heat distribution

During the year, electricity produced by the Group's Russian generating companies was mainly traded competitively in the Russian wholesale electricity market. Starting from May 2022, exports of electricity produced by PAO TGC-1 to Finland have been terminated due to the sanctions.

In 2022, Gazprom Group's net electricity and heat sales (net of VAT) were RUB 595.0 billion (RUB 595.5 billion in 2021). The decrease in sales revenue was mainly driven by lower electricity and heat sales.

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The Russian wholesale electricity and capacity market is one of the world's largest, with over 1,000 billion kWh of annual electricity output (dispatch curve), which is in high competitive demand.

Financial Performance

In 2022, Gazprom posted strong financial performance despite global changes in energy markets.

The Company primarily focuses on stringent cost control, cash flow optimisation and financial resilience.

Revenue

Energy prices were high in 2022. Gazprom Group's net sales (net of excise tax, VAT and customs duties) were RUB 11,674.0 billion in 2022 (RUB 10,241.4 billion in 2021).

Operating expenses

The Group's operating expenses amounted to RUB 9,307.0 billion in 2022 (RUB 7,681.4 billion in 2021).

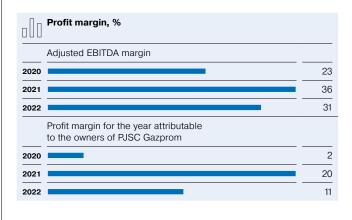
Taxes payable by the Group (other than income tax) totalled RUB 2,875.1 billion in 2022 (RUB 1,539.5 billion in 2021).

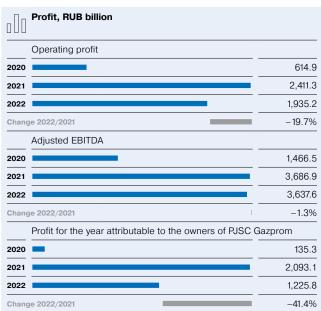
Higher tax expenses in the reporting year were attributable to an increase in mineral extraction tax expenses and was mainly driven by a year-on-year increase in energy prices, gas condensate output and mineral extraction tax rates for oil and gas condensate resulting from the tax manoeuvre in the oil industry as well as an extra rise in the mineral extraction tax for gas for PJSC Gazprom in 2022.

Financial Performance

Profit

In 2022, Gazprom Group's operating profit was RUB 1,935.2 billion, and adjusted EBITDA stood at RUB 3,637.6 billion. Gazprom Group's adjusted EBITDA margin in 2022 was 31.2%.





Debt management

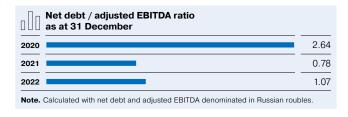
As at 31 December 2022, Gazprom Group's total debt was RUB 5,065.9 billion, while its net debt amounted to RUB 3,908.3 billion.

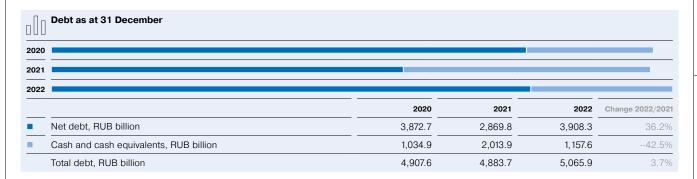
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The debt ratio, defined as the Net debt / adjusted EBITDA ratio, stood comfortably at 1.07 in 2022.

The weighted average interest rate stood at 6.4% as at 31 December 2022 (5.0% as at 31 December 2021).

The Group's debt portfolio is well-balanced in terms of maturity: as at 31 December 2022, 86% of borrowings maturing in more than one year, and borrowings maturing in more than five years accounting for 34% of the debt portfolio.







Corporate Governance

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Letter to Shareholders by Chairman of PJSC Gazprom's Board of Directors

Dear Shareholders,

In 2022, amid the seismic transformation of the global energy industry, Gazprom remained committed to its corporate governance principles.

PJSC Gazprom's level of governance quality is lauded by independent experts. In 2022 and 2023, the Expert RA rating agency twice affirmed its highest governance quality rating on PJSC Gazprom, A++.gq, first assigned to the Company in 2021. Analysts particularly praise our commitment to protecting shareholders' rights and interests as well as the efficient organisation of the collective governing bodies' activities, strategic planning and the risk management system.

Pursuant to Russian statutory requirements, PJSC Gazprom ADR programmes were terminated in spring 2022. The Company put a huge effort into enabling holders of depositary receipts to convert their securities into ordinary shares of PJSC Gazprom and receive dividends. In addition, the Company started replacing eurobonds with Russian securities for the benefit of Russian investors.

A heightened emphasis was placed on creating stronger engagement with Russian institutional and retail investors throughout 2022. Gazprom Group continued its practice of holding meetings with members of the investment community. The Company set up profiles on several dedicated social media platforms to directly reach out to retail investors.

In 2022, as before, our Board of Directors closely monitored Gazprom Group's activities across all focus areas, evaluated the effectiveness of business process management and carefully reviewed strategic development matters, financial, economic and investment activities as well as HR policy.

In the reporting year, important steps were taken to further improve corporate governance at PJSC Gazprom.

Gazprom is committed to responsible business principles for the benefit of current and future generations.

In early 2022, the Board of Directors established yet another dedicated Committee, bringing the total number of Committees to four. The new Committee is charged with making recommendations on import substitution and the Company's technological development. Its preliminary expert review of materials helps maximise the quality of decision-making outcomes.

Gazprom is committed to responsible business principles for the benefit of current and future generations. In 2022, we started compiling a list of indicators to enable quantitative assessment of the Group's contribution to Russia's social and economic development. The use of these metrics will help achieve specific goals when implementing projects important to the people of Russia.

In addition, to support the further development of our corporate ethics system over the year, we designed an e-learning course for employees of third-party organisations cooperating with Gazprom, aimed at familiarising them with Gazprom Group's ethical standards.

I would like to highlight to all shareholders that Gazprom will continue to enhance its operating principles and move forward confidently, continuously working for the benefit of you and our consumers as well as for the good of our country.

Viktor Zubkov

Chairman of the Board of Directors PJSC Gazprom



PJSC Gazprom places great emphasis on enhancing the performance of its corporate governance system, complying with the listing rules of Russian stock exchanges throughout its operations, and respecting the corporate governance principles stipulated by the Corporate Governance Code recommended by Letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014 On the Corporate Governance Code (the Russian Corporate Governance Code, the Code).

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Key documents of PJSC Gazprom ensuring protection of shareholder rights

Documents	Year of approval / amendment
Articles of Association of Public Joint Stock Company Gazprom	2015 / 2021
Regulations on the General Shareholders Meeting of PJSC Gazprom	2016 / 2022
Regulations on the Board of Directors of PJSC Gazprom	2016 / 2021
Regulations on the Management Committee of PJSC Gazprom	2016 / 2019
Regulations on the Chairman of the Management Committee of PJSC Gazprom	2016 / 2017
Regulations on the Audit Commission of PJSC Gazprom	2020
Regulations on the Audit Committee of PJSC Gazprom's Board of Directors	2014 / 2021
Regulations on the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors	2016 / 2019
Regulations on the Sustainable Development Committee of PJSC Gazprom's Board of Directors	2021
Regulations on the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors	2022
Dividend Policy of PJSC Gazprom	2019
Corporate Governance Code of PJSC Gazprom	2017
Code of Corporate Ethics of PJSC Gazprom	2014 / 2022
Regulations on the Senior Independent Director of PJSC Gazprom's Board of Directors	2021
Induction Programme for First-Time Elected Members of the Board of Directors of PJSC Gazprom	2019
Procedure for Documenting Shareholder Proposals and Requests Related to the Convocation of the General Shareholders Meeting of PJSC Gazprom	2016
Procedure for Providing Information about PJSC Gazprom to Shareholders	2016 / 2018
Regulations on Information Disclosure by PJSC Gazprom	2017 / 2018
Sustainable Development Policy of Gazprom Group	2021 / 2022
Anti-corruption Policy of PJSC Gazprom	2016 / 2022
PJSC Gazprom's Internal Control Rules for Preventing, Detecting and Stopping the Unlawful Use of Insider Information and/or Market Manipulation	2021
Regulations on the Hotline for Fighting Fraud, Corruption and Embezzlement at Gazprom Group	2014



The Articles of Association and internal documents of PJSC Gazprom are available on PJSC Gazprom's website.

→ www.gazprom.com



Overview of the most significant aspects of the corporate governance model and practice

The corporate model of PJSC Gazprom is set apart by the fact that the Russian Federation is its controlling shareholder.

Key principles underlying corporate governance are set forth in the Corporate Governance Code of PJSC Gazprom.

According to the Corporate Governance Code of PJSC Gazprom, the following bodies comprise the corporate governance and control system:

- General Shareholders Meeting
- **Board of Directors**
- Management Committee
- Chairman of the Management Committee
- **Audit Commission**
- Auditor

PJSC Gazprom's General Shareholders Meeting is the supreme governing body of the Company. The Board of Directors is responsible for the general supervision of PJSC Gazprom's activities. PJSC Gazprom's Board of Directors has in place dedicated committees set up to review critical matters related to the Company's operations that fall within the remit of the Board of Directors. In 2022, the number of committees of PJSC Gazprom's Board of Directors increased to four: The Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors was set up by Resolution of the Board of Directors of PJSC Gazprom No. 3707 dated 18 January 2022.

Day-to-day operations of PJSC Gazprom are managed by the Management Committee (collective executive body).

As the sole executive body, the Chairman of the Management Committee is responsible for implementing resolutions passed by the General Shareholders Meeting, the Board of Directors and the Management Committee.

For more information on the competencies of the Company's governing bodies, see PJSC Gazprom's website. > www.gazprom.com



PJSC Gazprom's Audit Commission, a permanent elected body responsible for overseeing the Company's financial and business operations, prepares proposals to improve the effectiveness of PJSC Gazprom's asset management, ensure the mitigation of financial and operational risks and improve the internal control system.



Audit Commission, see PJSC Gazprom's website www.gazprom.com



The auditor contracted to audit PJSC Gazprom's financial and business operations in accordance with Russian regulations is approved by the General Shareholders Meeting on the proposals from the Board of Directors following a tender.

The Internal Audit Department of PJSC Gazprom has been set up to perform fair assessment of the internal control performance and develop recommendations for improvement.

The risk management and internal control unit coordinates risk management and internal control activities at business units of PJSC Gazprom (Gazprom Group entities).

PJSC Gazprom also has in place the Coordinating Committee for Shareholder and Investor Relations established to ensure a comprehensive approach and coordinate the activities of business units as part of the ongoing relations with the Company's shareholders and investors. Relations with the investment community are governed by the annual plan of the Coordinating Committee.

PJSC Gazprom also has in place the role of Corporate Secretary (Resolution of the Board of Directors No. 2817 dated 30 September 2016). The Corporate Secretary functions are delegated, to the extent recommended by the Russian Corporate Governance Code, to several business units of the Company, in line with the regulations governing their activities as approved by the Board of Directors.

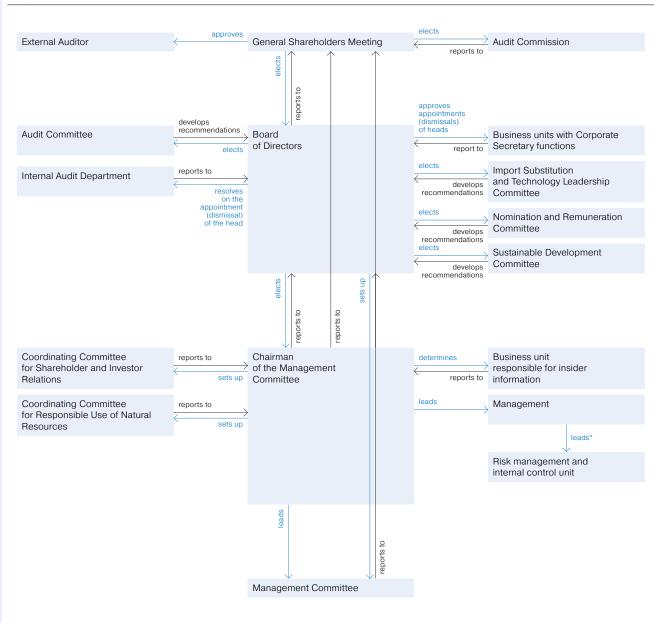


For more information on the role of Corporate Secretary at the Company, see PJSC Gazprom's website > www.gazprom.com



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PJSC Gazprom's corporate governance structure



^{*} Reports to the Deputy Chairman of the Management Committee.

PJSC Gazprom also has in place the Coordinating Committee for Responsible Use of Natural Resources. The Company's environmental management and energy efficiency system covers different levels of management, from the Board of Directors to branches and production facilities of PJSC Gazprom's subsidiaries.

To ensure an integrated approach and coordinate the environmental and energy management activities of PJSC Gazprom's business units, PJSC Gazprom has in place a permanent working group for enhancing PJSC Gazprom's Environmental Management System and a permanent working group for enhancing PJSC Gapzrom's energy efficiency management (energy management) system.

Methodology used to assess compliance with the corporate governance principles set out in the Corporate Governance Code

PJSC Gazprom assesses compliance with the key corporate governance principles set out in the Russian Corporate Governance Code and continues to implement the Code's individual recommendations taking into account the specifics and scale of the Company's operations.

The assessment focuses on the Code's key provisions, which include certain principles and recommendations that correspond to the mandatory requirements of listing rules of Russian stock exchange (mandatory for maintaining PJSC Gazprom shares on first level quotation lists of stock exchanges).

Assessment of compliance with the corporate governance principles set out in the Corporate Governance Code

Core principles of the Russian Corporate Governance Code are fully complied with at PJSC Gazprom, some principles are partially complied with, and several principles are not complied with.

Key principles and recommendations of the Russian Corporate Governance Code not complied with or not fully complied with, along with the description of corporate governance mechanisms and tools used by PJSC Gazprom instead of those recommended

The Code recommends that independent directors constitute at least one third of the elected members of the board of directors (paragraph 2.4.3 of the Code).

The Code recommends that independent directors constitute at least one third of the elected members of the board of directors (paragraph 2.4.3 of the Code).

The Board of Directors of PJSC Gazprom (11 members) was elected by the Annual General Shareholders Meeting on 30 June 2022. Two independent directors joined the Board of Directors.

As part of the procedures set forth in listing rules of Russian stock exchanges and the Russian Corporate Governance Code, PJSC Gazprom's Board of Directors passed resolutions determining Viktor Martynov and Vladimir Mau to be independent nominees to PJSC Gazprom's Board of Directors although Viktor Martynov and Vladimir Mau met the formal criteria of being related to PJSC Gazprom, Vladimir Mau and Viktor Martynov met the formal criteria of being related to the state, and Viktor Martynov met the formal criteria of being related to PJSC Gazprom's significant counterparty, as it does not affect their ability to make impartial and independent judgements in good faith considering their professional experience, knowledge and business reputation (resolutions of PJSC Gazprom's Board of Directors No. 3777 dated 9 June 2022 and No. 3778 dated 9 June 2022.

To preview matters of supervision over the company's financial and business performance, the Code recommends to set up an audit committee comprised of independent directors (paragraph 2.8.1, Recommendation 173 of the Code)

In 2022, the Company partially complied with this principle and recommendation of the Code due in part to objective reasons (an insufficient number of independent directors on the Board

In 2022, PJSC Gazprom's Board of Directors set up the Audit Committee of the Board of Directors comprised of three members. Mikhail Sereda, a member of PJSC Gazprom's Board of Directors, and two independent directors (in accordance with the independence criteria established by listing rules of Russian stock exchanges and the Russian Corporate Governance Code) - Viktor Martynov (Committee Chairman) and Vladimir Mau (Resolution of PJSC Gazprom's Board of Directors No. 3796 dated 30 June 2022).

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To preview matters of adopting an effective and transparent remuneration scheme, the Code recommends to set up a remuneration committee comprised of independent directors and headed by an independent director who is not the chairman of the board of directors (paragraph 2.8.2, Recommendation 179 of the Code).

To preview matters of talent management (succession planning), professional composition and efficiency of the board of directors, the Russian Corporate Governance Code recommends to set up a nomination (appointments and HR) committee, predominantly comprised of independent directors (paragraph 2.8.3 of the Code).

Where setting up a separate nomination committee is not practicable, its functions may be assigned to any other committee of the board of directors, i.e. a corporate governance committee or a remuneration committee (Recommendation 185 of the Code).

In 2022, PJSC Gazprom partially complied with the principles and recommendations of the Russian Corporate Governance Code due in part to objective reasons (an insufficient number of independent directors on the Board of Directors).

As prescribed by listing rules of Russian stock exchanges, the above committees must be comprised of independent directors, and if it is impossible for objective reasons, independent directors must make up the majority of committee members, and the remaining committee members may be members of the Board of Directors who are not the sole executive body and/or members of the issuer's collective executive body.

In 2022, by Resolution No. 3797 dated 30 June 2022 PJSC Gazprom's Board of Directors set up the Nomination and Remuneration Committee of the Board of Directors comprised of three members. The majority of the Committee members are independent directors (Viktor Martynov and Vladimir Mau). Committee Chairman Mikhail Sereda is not the sole executive body or a member of the collective executive body.

In 2021, the Expert RA rating agency assigned the Company the highest governance quality rating for the first time. The governance quality evaluation by experts covered the Company's position (including business reputation and development strategy); governing and supervisory bodies; information transparency; the rights of shareholders and other stakeholders; support factors (additional positive changes); and stress factors (factors that have a significant negative impact on the rating).

In February 2022, Expert RA confirmed the Company's highest governance quality rating, and at the year-end, the agency's experts initiated the next cycle of activities to assess the quality of PJSC Gazprom's governance system.

The performance of PJSC Gazprom's Board of Directors was independently assessed by the experts involved, including on criteria such as its composition and structure, organisation of its activities, and key functions. The process was completed in February 2023, when the rating agency published a press release announcing yet another confirmation of PJSC Gazprom's highest governance quality rating.

In the second half of 2022, a regular performance evaluation of the members of PJSC Gazprom's Board of Directors, the Audit Committee of PJSC Gazprom's Board of Directors, the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors, and the Sustainable Development Committee of PJSC Gazprom's Board of Directors for the 2021/2022 corporate year was conducted in the form of directors' self-assessment (through questionnaires). The evaluation covered the composition and structure, organisation of activities, and key functions of the Board of Directors and Board committees.

All members of PJSC Gazprom's Board of Directors gave the highest rating to the current maturity level of PJSC Gazprom's Board of Directors and its committees (four points out of four). The self-evaluation results were presented to the Nomination and Remuneration Committee of the Board of Directors (Minutes No. 64 dated 14 October 2022) and discussed at a meeting of the Company's Board of Directors in November 2022 (Minutes No. 1472 dated 17 November 2022).



rating of PJSC Gazprom's governance quality from the Expert RA rating agency

The regular external independent assessment of PJSC Gazprom's corporate governance complies with the highest corporate standards.



Corporate governance features highlighted by Expert RA experts when confirming PJSC Gazprom's highest governance quality rating in February 2023

- High level of organisation of the activities of PJSC Gazprom's collective governing bodies, namely:
 - The bodies' activities are clearly regulated by internal documents
 - The Board of Directors and its committees have a high workload (a large number of meetings)
 - There are four dedicated committees of the Board of Directors
 - An independent director chairs the Audit Committee of PJSC Gazprom's Board of Directors
- Liability insurance of directors and officers with large insurance amounts.
- 3. Collective governing bodies' involvement in the ESG agenda.
- The Company has in place a system of corporate KPIs for evaluating the performance of the Management Committee members and other executives and motivating members of the Board of Directors.
- 5. A highly effective risk management system.
- Effective protection of the rights of the owners, other stakeholders and employees of the Company.
- A Corporate Secretary function.
- 8. An effective system to prevent and resolve conflicts of interest.
- An anti-corruption system aligned with all the key international and Russian regulations.
- 10. Highly effective strategic planning.



Expert RA's methodology for awarding governance quality ratings is available on the agency's website.

raexpert.ru



Improvement of the corporate governance model and practice

In the reporting year, PJSC Gazprom continued its efforts to improve corporate governance standards. Key initiatives focused on the Company's primary concern areas such as the management model, corporate ethics and protection of insider information.

The Company's plans for the medium term include further improving the governance model and ensuring compliance with corporate values. For example, in 2023 it is planned to pilot an e-learning course for suppliers' employees on Gazprom Group's corporate ethics standards and continue implementing control measures to protect insider information. Another comprehensive independent assessment of PJSC Gazprom's corporate governance will be conducted; its results will inform future actions.

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Enhancement of PJSC Gazprom's corporate governance standards in 2022

Governance model

The Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors was set up and the regulations governing its activities were approved by Resolution of PJSC Gazprom's Board of Directors No. 3707 dated 18 January 2022.

Dedicated committees set up within the Board of Directors facilitate in-depth preview of certain matters while complying with the recommendations of the Russian Corporate Governance Code (Clause 2.8).

Corporate Ethics

The Code of Corporate Ethics of PJSC Gazprom (Resolution No. 3821 of PJSC Gazprom's Board of Directors dated 20 September 2022) was supplemented with a provision on regular (at least once every three years) reporting to PJSC Gazprom's Board of Directors on compliance with the corporate ethics standards at the Company.

The amendments helped strengthen corporate control over compliance with corporate ethics standards at PJSC Gazprom.

Steps were taken to standardise codes of corporate ethics across Russian organisations where PJSC Gazprom directly and/or indirectly holds 50% or more of the authorised capital (about 700 companies).

The standardisation of the provisions of the codes of corporate ethics makes it easier for employees of the Gazprom Group organisations to understand the documents and facilitates control over the contents of these documents.

The Corporate Ethics at PJSC Gazprom for Suppliers course was developed for remote training of third-party employees on unified corporate standards at Gazprom Group.

Extending the standards of corporate ethics to PJSC Gazprom's counterparties is consistent with corporate best practices.

A separate page was created on PJSC Gazprom's website, devoted to corporate ethics matters and featuring the Company's internal documents on the relevant topic, answers to frequently asked questions and contact details of PJSC Gazprom's Corporate Ethics Commission.

Easier navigation on the corporate website and increased amount of information published by PJSC Gazprom help improve the effectiveness of the system to prevent and resolve conflicts of interest.



Enhancement of PJSC Gazprom's corporate governance standards in 2022 (continued)

Insider information protection

Amendments were made to the terms and conditions of transactions with financial instruments by individuals and entities included in Gazprom's insiders list and by their affiliated persons (Resolution of PJSC Gazprom's Board of Directors No. 3789 dated 29 June 2022).

The amendments exclude possible uncertainty when calculating "quiet periods" for transactions with PJSC Gazprom's financial instruments and oblige insiders to communicate the terms and conditions of transactions with financial instruments to their related parties.

Amendments were made to PJSC Gazprom's Internal Control Rules for Preventing, Detecting and Stopping the Unlawful Use of Insider Information and/or Market Manipulation (Order of PJSC Gazprom No. 439 dated 27 October 2022).

Requirements for organising and conducting the evaluation of actions by Gazprom's governing bodies and the Company's insider employees for compliance with the Russian laws and Gazprom's documents on combating the unlawful use of insider information and market manipulation.

Amendments were prepared to the Regulations on Access to Insider Information of PJSC Gazprom and Maintaining its Confidentiality. *

The amendments are aimed at strengthening the performance discipline of PJSC Gazprom's insider employees and increasing the efficiency of combating the unlawful use of the Company's insider information.

^{*} Amendments to the Regulations on Access to Insider Information of Public Joint Stock Company Gazprom and Maintaining its Confidentiality were approved in 2023 (by PJSC Gazprom's Order No. 26 dated 31 January 2023).

Company Information

Governing and Supervisory Bodies

General Shareholders Meeting

The Annual General Shareholders Meeting of PJSC Gazprom was held on 30 June 2022 by absentee voting.

Annual General Shareholders Meeting on 30 June 2022

- Held in absentia.
- The quorum required to pass resolutions on all the agenda items was present.
- The Annual General Shareholders Meeting passed no resolutions on the distribution of the Company's profit or on dividends for 2021. Resolutions on the rest of the agenda items were passed. In particular, the Meeting resolved to approve the Company's Annual Report and annual financial statements for 2021, and approved Limited Liability Company Financial and Accounting Consultants as the auditor to conduct a mandatory audit of Gazprom's 2022 accounting (financial) statements. The shareholders also resolved to pay remuneration to members of RJSC Gazprom's Board of Directors and Audit Commission holding no public or civil office in the Russian Federation as recommended by the Board of Directors. The Annual General Shareholders Meeting established the composition of RJSC Gazprom's Board of Directors.

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Minutes No. 1 of the Annual General Shareholders Meeting of PJSC Gazprom dated 30 June 2022 (information is available in Russian only).

→ www.gazprom.ru



Pursuant to a resolution of PJSC Gazprom's Board of Directors, an Extraordinary General Shareholders Meeting was held in absentia on 30 September 2022. The agenda included an item on the amount of interim dividends on Gazprom shares for the first half of 2022 and the timing for, and form of, their payout and setting the date of record.

Extraordinary General Shareholders Meeting on 30 September 2022

- Held in absentia.
- The quorum required to pass a resolution on the agenda item was present.
- The Extraordinary General Shareholders Meeting approved the interim dividend of RUB 51.03 per share for the first half of 2022, as recommended by PJSC Gazprom's Board of Directors. Total announced dividend payments amounted to RUB 1,208.059 billion (50% of Gazprom Group's adjusted IFRS net profit for the first half of 2022).



Minutes No. 2 of the General Shareholders Meeting of PJSC Gazprom dated 30 September 2022 (information is available in Russian only).

→ www.gazprom.ru

→ www.gazprom.ru



During the Annual and Extraordinary General Shareholders Meeting of PJSC Gazprom in 2022, shareholders had the opportunity to vote online on all agenda items. The convenient e-voting service remains relevant.

The number of shareholders who used the e-voting service to vote at the 2022 Annual General Shareholders Meeting was more than six times higher than the number of shareholders who used the service in 2021.

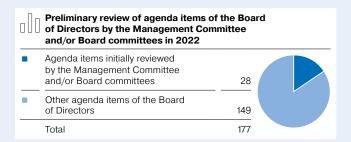
PJSC Gazprom's Board of Directors

The activities of PJSC Gazprom's Board of Directors are governed by the duly approved six-month activity plans. In 2022, the Board of Directors held a total of 70 meetings, including 8 meetings in person and 62 meetings in absentia. At these meetings, the Board of Directors passed 177 resolutions, including 40 resolutions in person and 137 resolutions in absentia. The in-person meetings of the Board of Directors were organised via videoconferencing.

When planning its activities, the Board of Directors takes into account strategic and business planning cycles, schedules of key projects, the specifics of existing business processes, and principles of managing subsidiaries. The Board of Directors reviews matters in coordination with the Management Committee, with a significant portion of matters subject to preliminary review by both the Management Committee and Board committees to develop optimal solutions and take into account the views of all stakeholders.

Strategic development and financial management account for about 50% of the Board of Directors' workload, which is in line with the recommendations of most corporate governance best practices.

During the reporting year, as in previous years, members of the Board of Directors were actively involved in its activities – the attendance rate for in-person meetings was 99%.





Governing and Supervisory Bodies

Composition of PJSC Gazprom's Board of Directors as at 31 December 2022

The Board of Directors has a well-balanced composition to ensure the performance of their tasks for the benefit of shareholders and PJSC Gazprom as a whole. The members of PJSC Gazprom's Board of Directors have a wide range of competencies in line with the scale and specifics of the Company's operations.



Changes in the composition of PJSC Gazprom's Board of Directors in 2022

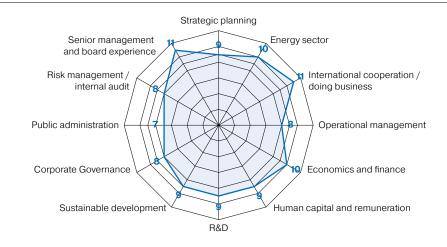
Timur Kulibaev resigned as a member of PJSC Gazprom's Board of Directors on 11 March 2022.

On 30 June 2022, Dmitry Patrushev was elected to the Company's Board of Directors. A series of events was held as part of the induction programme for first-time elected members of PJSC Gazprom's Board of Directors to promptly introduce him to the Company's activities, including an introductory meeting with the Chairman of the Board of Directors and the Chairman of the Management Committee of the Company as well as the familiarisation with the main internal corporate documents required to make decisions on matters within the Board's competence.

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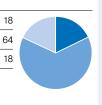
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Skill mix within the Board of Directors



Composition of the Board of Directors by status, % Executive director Non-executive director 64

* By Resolution of PJSC Gazprom's Board of Directors (No. 3777 dated 9 June 2022, No. 3778 dated 9 June 2022), the nominees to the Board Vladimir Mau and Viktor Martynov were deemed independent.





Resolutions of PJSC Gazprom's Board of Directors to recognise Vladimir Mau and Viktor Martynov as independent nominees to the Board of Directors, including the reasons, are available on PJSC Gazprom's website.

→ www.gazprom.com

Independent director*



Independent directors play an important role in PJSC Gazprom's corporate governance, submitting matters crucial for the Company's development to the Board of Directors for review and actively participating in the activities of the Board of Directors and the committees on which they sit. Starting from 2021, PJSC Gazprom's Board of Directors appoints a senior independent director whose key functions include interacting with shareholders and investors, coordinating the interaction between independent directors, aimed at, among other things, the development of a consolidated position regarding the information and proposals received from stakeholders, and interacting with the Chairman of PJSC Gazprom's Board of Directors to communicate to the Board the positions of shareholders, investors and independent directors.



Viktor Alekseevich Zubkov

Chairman of the Board of Directors

Non-executive director

Chairman of the Board of Directors' Sustainable Development Committee

Chairman of the Board of Directors' Commission on Strengthening Financial Discipline for Domestic Gas Supplies

Chairman of the Company's Board of Directors since 2008



Denis Valentinovich Manturov

Non-executive director

Chairman of the Board of Directors' Import Substitution and Technology Leadership Committee

Member of the Company's Board of Directors since 2017



Alexey Borisovich Miller

Deputy Chairman of the Board of Directors

Executive director

Member of the Board of Directors' Sustainable Development Committee

Deputy Chairman of the Company's Board of Directors since 2002



Vitaly Anatolievich Markelov

Executive director

Member of the Board of Directors' Import Substitution and Technology Leadership Committee

Member of the Company's Board of Directors since 2012



Andrey Igorevich Akimov

Non-executive director

Member of the Board of Directors' Sustainable Development Committee

Member of the Company's Board of Directors since 2011



Viktor Georgievich Martynov

Senior Independent Director

Chairman of the Board of Directors' Audit Committee, member of the Board of Directors' Nomination and Remuneration Committee

Member of the Company's Board of Directors since 2013

Company Information



Vladimir Alexandrovich Mau

Independent director

Member of the Board of Directors' Audit Committee, member of the Board of Directors' Nomination and Remuneration Committee

Member of the Company's Board of Directors since 2011



Mikhail Leonidovich Sereda

Non-executive director

Member of the Board of Directors' Audit Committee, Chairman of the Board of Directors' Nomination and Remuneration Committee

Member of the Company's Board of Directors since 2002



Gazprom Annual Report 2022

Alexander Valentinovich Novak

Non-executive director

Member of the Company's Board of Directors



Nikolai Grigorievich Shulginov

Non-executive director

Member of the Board of Directors' Import Substitution and Technology Leadership Committee

Member of the Company's Board of Directors since 2021



Dmitry Nikolaevich Patrushev

Non-executive director

Member of the Company's Board of Directors since 2022; previously, member of the Board of Directors in 2016–2021

Note. The independent status of members of the Board of Directors is determined in compliance with criteria set forth in the Russian Corporate Governance Code.

Audit Committee of the Board of Directors

Dear Shareholders,

A core focus of PJSC Gazprom's Board of Directors is to conduct effective monitoring of PJSC Gazprom's financial and business performance. The Audit Committee of PJSC Gazprom's Board of Directors assists the Board in this task.

The Committee carries out comprehensive preliminary review of selected matters reserved for the Board of Directors and makes recommendations that allow for thorough analysis and inform the Board's decision making.

In the reporting period, as in previous years, the Committee was responsible for monitoring the completeness, accuracy and reliability of PJSC Gazprom's financial statements as well as the reliability and effectiveness of the risk management system and internal control procedures. Matters reviewed included internal audits of PJSC Gazprom and its subsidiaries along with reports from the external auditor on the performance of measures to ensure an independent and effective external audit. The Committee was also responsible for communicating with the external auditor, PJSC Gazprom's Audit Commission and the Internal Audit Department.

In February 2023, the rating agency Expert RA affirmed PJSC Gazprom's top rating for governance quality, citing, among other rating drivers, our robust risk management.

The Audit Committee plays a central role in PUSC Gazprom's corporate governance, enabling the Board of Directors to perform to its fullest.

Viktor Martynov

Chairman of the Audit Committee of PJSC Gazprom's Board of Directors



In 2022, the Audit Committee of the Board of Directors included Viktor Martynov (Committee Chairman, Independent Director), Vladimir Mau (Committee Member, Independent Director) and Mikhail Sereda (Committee Member, Non-executive Director). The committee worked in line with its plan. In 2022, the committee held eight meetings in absentia and no meetings in person. The overall attendance rate for the committee meetings was 100%.

The Audit Committee maintained close contact with the external auditor OOO FBK, the Company's Audit Commission, department responsible for internal audit and business unit responsible for risk management and internal control to issue recommendations to the Board of Directors.



Governing and Supervisory Bodies

Nomination and Remuneration Committee of the Board of Directors

Dear Shareholders,

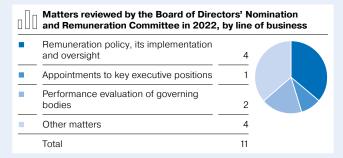
The Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors is integral to the Board's performance, offering preliminary in-depth review and expert recommendations on matters within its remit.

In 2022, the Committee assessed which of the planned corporate KPIs would be used in the annual bonus system for the reporting year and discussed performance against the KPIs for 2021. In addition, the Committee reviewed amendments to the regulations on the annual bonus scheme and to the Company's equity sharing plan as well as the results of the annual internal performance evaluation of the Board and committee members.

I am confident that the Committee will continue to make a significant contribution to PJSC Gazprom's strategic goals and objectives.

Mikhail Sereda

Chairman of the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors In 2022, the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors consisted of Mikhail Sereda (Committee Chairman, Non-executive Director), Vladimir Mau (Committee Member, Independent Director), and Viktor Martynov (Committee Member, Independent Director). The committee worked in line with its plan. In 2022, the committee held 11 meetings in absentia and no meetings in person. The overall attendance rate for the committee meetings was 91%.



Sustainable Development Committee of the Board of Directors

Dear Shareholders,

PJSC Gazprom embeds environmental and social responsibility into its development strategy and day-to-day activities. Sustainability considerations are always top of mind for both management and the Board of Directors. The Sustainable Development Committee of PJSC Gazprom's Board of Directors plays an important role in maintaining this focus.

The Committee is responsible, among other things, for making recommendations to the Board of Directors on how to shape a sustainability agenda for Gazprom Group and evaluate progress on the sustainable development policy.

In 2022, the Committee focused on a number of issues, most importantly matters related to implementing the Sustainable Development Policy of Gazprom Group and the results of the external audit and independent public assurance of Gazprom Group's 2021 Sustainability Report.

The rating agency Expert RA, which affirmed PJSC Gazprom's top rating for governance quality in February 2023, commended the involvement of the Company's collective governing bodies and dedicated committees in addressing ESG matters.

The Company will continue to uphold its commitment to sustainability principles. Systematic efforts to mitigate environmental impacts and support social projects will remain top of mind for PJSC Gazprom in the long term.

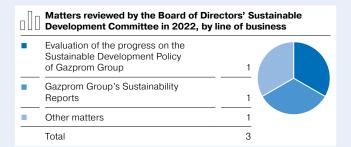
Viktor Zubkov

Chairman

of the Sustainable Development Committee of PJSC Gazprom's Board of Directors



In 2022 the Sustainable Development Committee included Viktor Zubkov (Committee Chairman, Non-executive Director), Alexey Miller (Committee Member, Executive Director), and Andrey Akimov (Committee Member, Non-executive Director). The committee worked in line with its plan. In 2022, the committee held three meetings in absentia and no meetings in person. The overall attendance rate for the committee meetings was 100%.



Company Information

Import Substitution and Technology Leadership Committee of the Board of Directors

Dear Shareholders,

The dedicated committees of PJSC Gazprom's Board of Directors conduct expert reviews of matters reserved for the Board, which is pivotal for effective decision making that unlocks sustainable growth at PJSC Gazprom.

In an effort to further enhance the work of its collective governing bodies, the Board of Directors decided to set up the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors in January 2022.

The Committee will be responsible for conducting preliminary review of matters reserved for the Board of Directors and related to import substitution and technological advances, including suggestions for facilitating the implementation of the government's import substitution policy and the development, adjustment and implementation of long-term programmes supporting the government's import substitution policy, as well as improvement suggestions for documents around import substitution and technological advances.

In the reporting year, the Committee worked as planned, discharging the duties within its remit, as defined by the relevant regulations.

I am confident that the Committee will help drive further growth in R&D and economic performance at PJSC Gazprom, contributing to its long-term goals.

Denis Manturov

Gazprom Annual Report 2022

Chairman of the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors



In 2022, the Company's Board of Directors set up an Import Substitution and Technology Leadership Committee – for the first time in the Company's history

In the reporting year, the Import Substitution and Technology Leadership Committee included Denis Manturov (Committee Chairman, Non-executive Director), Vitaly Markelov (Committee Member, Executive Director) and Nikolai Shulginov (Committee Member, Non-executive Director).

The Committee worked in line with its approved plan. In 2022, the Committee held four meetings – two meetings in person and two meetings in absentia. The overall attendance rate for the committee meetings was 100%.

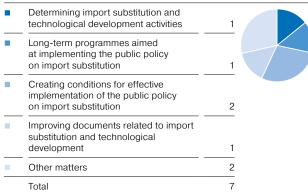


Key functions of the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors

- Develop recommendations to the Board of Directors on determining Gazprom Group's import substitution and technological development activities
- Develop recommendations to the Board of Directors on assessing the results of import substitution measures implemented by PJSC Gazprom
- Preliminary review of proposals to improve documents related to import substitution and technological development

In 2022, the Committee's activities enabled prompt resolution of matters related to the implementation of PJSC Gazprom's current and future projects, in particular, with the involvement of federal executive authorities of the Russian Federation, and helped develop approaches to designing modern high-tech equipment for the Russian energy sector, including with government support.

Matters reviewed by the Board of Directors' Import Substitution and Technology Leadership Committee in 2022, by line of business



Corporate Secretary

The Corporate Secretary functions are delegated to four PJSC Gazprom's business units. Their activities in 2022 were aimed at ensuring PJSC Gazprom's compliance with the applicable Russian laws and the Company's Articles of Association and internal documents.

In 2022, the Corporate Secretary functions were performed in full.

As part of their assigned roles, PJSC Gazprom's business units performing the Corporate Secretary functions were involved in, in particular:

- preparing documents related to PJSC Gazprom's
 General Shareholders Meetings (including resolutions
 of the Management Committee and resolutions of the
 Board of Directors) and implementing resolutions passed
 by shareholders, including those related to dividend
 payment
- supporting activities of PJSC Gazprom's Board of Directors and its committees
- developing and implementing measures to improve corporate governance practices.



For more details on the distribution of the Corporate Secretary functions across the Company's business units, see PJSC Gazprom's website (information is available in Russian only).





In the reporting year, the relevant units also communicated with professional security traders, including the registrar AO DRAGA, the largest depository AO Gazprombank, and Russian stock exchanges PAO Moscow Exchange and PAO SPB Exchange.

The Company ensures sufficient independence of the Corporate Secretary function from PJSC Gazprom's executive bodies, in line with listing rules of Russian stock exchanges.



Principles of the Corporate Secretary role, ensuring its independence from PJSC Gazprom's executive bodies

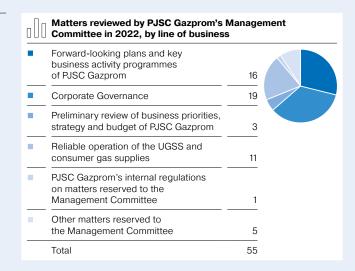
- The heads of the business units performing the Corporate Secretary functions report to the Company's Board of Directors. To this end, RJSC Gazprom's Board of Directors approves appointments and dismissals of the Corporate Secretary, regulations on the business units performing the Corporate Secretary functions, and extra remuneration to the heads of the business units performing the Corporate Secretary functions
- Regulations on the business units performing the Corporate Secretary functions, approved by the Board of Directors, are based on the Russian Corporate Governance Code. To perform the assigned Corporate Secretary functions, the business units are authorised to:
 - in line with established procedures, request and obtain from other PJSC Gazprom's business units documents and information necessary to perform the Corporate Secretary functions
 - monitor compliance by the Company's officers and employees with PJSC Gazprom's Articles of Association and internal documents within the Corporate Secretary functions
 - report its performance to PJSC Gazprom's Board of Directors
 - monitor compliance of PJSC Gazprom's documents with the requirements of Russian corporate legislation and the listing rules of Russian stock exchanges
 - participate in implementing measures outlined by applicable laws and PJSC Gazprom's internal documents to protect shareholder rights and interests
 - immediately notify the Board of Directors about all detected violations of the law and internal documents when the Corporate Secretary is responsible for ensuring relevant compliance.

Governing and Supervisory Bodies

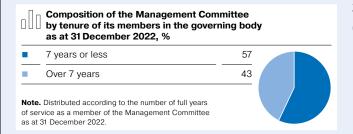
Management Committee

The activities of PJSC Gazprom's Management Committee are governed by the duly approved six-month activity plans. In 2022, PJSC Gazprom's Management Committee held 24 meetings (16 meetings in person via videoconferencing and 8 in absentia). 55 resolutions were passed, including 45 resolutions in person and 10 resolutions in absentia.

In 2022, as in previous years, the Management Committee focused on corporate governance matters, forward-looking plans and key business activity programmes of PJSC Gazprom along with reliable operation of the UGSS and consumer gas supplies.



Composition of PJSC Gazprom's Management Committee as at 31 December 2022



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There were no changes to the Management Committee in 2022.



Alexey Borisovich Miller

Chairman of the Management Committee

Chairman of the Company's Management Committee since 2001



Vitaly Anatolievich Markelov

Deputy Chairman of PJSC Gazprom's Management Committee – Head of Department (import substitution in operations)

Oversees Operations (including hydrocarbon exploration and production, gas transportation and underground storage, hydrocarbon processing, power generation, and import substitution in operations), sales of hydrocarbons and refined products in the domestic market and government relations

Member of the Company's Management Committee since 2012



Oleg Evgenievich Aksyutin

Deputy Chairman of PJSC Gazprom's Management Committee – Head of Department (prospective development)

Oversees strategic development, long-term planning, design, development and implementation of the investment programme, procurement operations, digitisation of operations

Member of the Company's Management Committee since 2008



Mikhail Evgenievich Putin

Deputy Chairman of PJSC Gazprom's Management Committee

Oversees administrative assistance, inventory and logistics management and healthcare benefits

Member of the Company's Management Committee since 2018



Elena Viktorovna Burmistrova

Deputy Chairwoman of PJSC Gazprom's Management Committee, Director General of OOO Gazprom export

Oversees international business

Member of the Company's Management Committee since 2019



Mikhail Nikolaevich Rosseev

Deputy Chairman of the Management Committee – Chief Accountant of PJSC Gazprom

Member of the Company's Management Committee since 2020

Company Information



Famil Kamil ogly Sadygov

Deputy Chairman of PJSC Gazprom's Management Committee

Oversees economics and finance

Member of the Company's Management Committee since 2019



Vladimir Konstantinovich Markov

Head of Department (government relations)

Member of the Company's Management Committee since 2012



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Sergey Fyodorovich Khomyakov

Deputy Chairman of PJSC Gazprom's Management Committee, Director General of PJSC Gazprom's Corporate Security Service

Oversees HR management and corporate security

Member of the Company's Management Committee since 2007



Sergey Nikolaevich Menshikov

Head of Department (hydrocarbon exploration and production)

Member of the Company's Management Committee since 2019



Sergey Ivanovich Kuznets

Head of Department (legal support)

Member of the Company's Management Committee since 2019



Elena Vladimirovna Mikhailova

Head of Department (asset management and corporate relations)

Member of the Company's Management Committee since 2012



Vyacheslav Alexandrovich Mikhalenko

Head of Department (gas transportation and underground storage)

Member of the Company's Management Committee since 2015



Gennady Nikolaevich Sukhov

Head of Department (sales of hydrocarbons and refined products in the domestic market, power generation, expansion of gas supply and gas infrastructure)

Member of the Company's Management Committee since 2019

Audit Commission

On 30 June 2022, the Annual General Shareholders Meeting elected five members to the Audit Commission of PJSC Gazprom.

Following an audit of PJSC Gazprom's financial and business operations, the Audit Commission presented its opinion confirming the reliability of data in the Company's statements and other financial documents.



Minutes No. 1 of the General Shareholders Meeting of PJSC Gazprom dated 30 June 2022 (information is available in Russian only).





Documents defining remuneration of members of PJSC Gazprom's governing and supervisory bodies are approved by resolutions of PJSC Gazprom's Board of Directors.



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Key amendments to the system of remuneration of members of PJSC Gazprom's governing and supervisory bodies made in 2022

- The Reduction of Operating Costs (Expenses) KPI with a specific weight of 5% was excluded from the list of corporate KPIs, and the specific weights of Per Unit Costs in Production and Per Unit Costs in Transportation KPIs were increased from 15% to 17.5%. The change is due to the loss of relevance of the Russian Government directives to reduce operating costs (expenses) by at least 2%–3% annually. The Company continues to control operating expenses in line with PJSC Gazprom's operational efficiency improvement and cost reduction programmes.
- A bonus disqualification indicator for untimely preparation and implementation of plans for PJSC Gazprom's transition to the predominant use of Russian software was set in line with the Russian Government directive to set a bonus disqualification indicator for the Company's sole executive body.
- The matter of payment of an annual bonus in the event of suspension (resumption) of employment contracts signed between an employee and the employer was regulated in line with Federal Law No. 376-FZ On Amendments to the Labour Code of the Russian Federation dated 7 October 2022.

The key functions of the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors include, inter alia, making recommendations to the Board of Directors on PJSC Gazprom's policy on remuneration of members of the Board of Directors and financial incentives for members of the Management Committee and the Chairman of the Management Committee as well as its implementation and oversight.

Corporate KPI system

To evaluate the performance of the Management Committee members and other executives, motivate members of PJSC Gazprom's Board of Directors, and regulate HR decision-making, the Company's Board of Directors approved (Minutes of the Board of Directors' Meeting No. 972 dated 21 October 2014) a system of corporate KPIs as part of the Regulations on PJSC Gazprom's Key Performance Indicators. Subsequently, the KPI framework was amended by PJSC Gazprom's Board of Directors to incorporate the instructions issued by government authorities.

Planned and actual values of corporate KPIs are approved by PJSC Gazprom's Board of Directors on an annual basis.

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PJSC Gazprom's corporate KPIs for evaluating the performance of the Management Committee members and other executives and motivating members of PJSC Gazprom's Board of Directors in 2022

KPI		Description	Weight of corporate KPIs in remuneration
Fina	ancial and economic KPIs		70%
•	Per unit costs in Production	Total costs of gas production subsidiaries divided by the total volume of gas, unstable gas condensate and oil production	17.5%
	Per unit costs in Transportation	Total costs of gas transportation subsidiaries divided by the total transportation volume	17.5%
	Total shareholder return	Estimated shareholder's income for the reporting year from share price growth and dividend received	10%
	Return on equity	Ratio of net income to average annual shareholders' equity	20%
•	Labour productivity	Total revenue from sales of products, proceeds from work done and services provided, revenue from sales of goods purchased for resale less expenses on such purchased goods, divided by total person-hours worked by full-time employees and external part-time employees	5%
Indi	ustry-specific KPIs		30%
	Gas sales by volume	PJSC Gazprom's gas sales by volume, including both its own gas and purchased gas, excluding sales to PJSC Gazprom's subsidiaries for own operational needs as well as the volumes purchased and sold in far abroad countries	10%
-	Commissioning of priority production facilities	Completion of activities related to commissioning of priority production facilities (as per the approved list)	10%
	Integrated innovation key performance indicator	Sum of scores reflecting the achievement of KPI targets, with application of weights allocated to each of the KPIs: - Patents obtained in the reporting year - Reduction of GHG emission intensity expressed as CO ₂ equivalent - Share of R&D costs in revenue - Assessment of the quality of design / annual implementation of the Innovative Development Programme	10%

Corporate KPIs incorporate the most important short-term (one year) efficiency and effectiveness metrics of PJSC Gazprom and are subject to approval by the Board of Directors. Targets for corporate KPIs are calculated based on PJSC Gazprom's annual budget (financial plan) and investment programme. Given the specifics of calculating KPIs used to motivate management and evaluate their performance, certain actual KPI values are based on IFRS reporting while the rest of the KPIs are based on RAS reporting or PJSC Gazprom's management reporting. This approach offers a comprehensive view of PJSC Gazprom's performance in its core gas business.

KPI targets for 2022 were set by resolution of the Board of Directors based on PJSC Gazprom's 2022 budget (financial plan) and investment programme, with some of the KPIs subsequently changed as per the amended 2022 budget (financial plan) and investment programme. The main reasons behind changes in the approved indicators were decreased projected gas supplies to consumers in European countries and higher projected revenue.

Target and actual values of corporate KPIs for 2022

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	Target value				
(PI	Initial*	Adjusted**	Actual value	KPI achievement, % of the target	Explanation of variance between the target and actual KPI values
inancial and economic KPIs					
Per unit costs in Production, RUB per t c. e.	1,194.86	1,847.32	1,554.34	119%	Lower cost of gas production services following the recalculation at the maximum prices established by Resolution of the Russian Government No. 2544 dated 30 December 2022
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	68.83	105.43	103.64	102%	Lower actual costs of gas transportation subsidiaries
Total shareholder return, %	20	No adjustments	-37.36	_	Lower price of PJSC Gazprom share on the back of the aggravated geopolitical situation and reduction in gas exports as well as the impact of factors such as a higher mineral extraction tax and non-payment of dividends for 2021
Return on equity, %	9	No adjustments	7.81	87%	Changes in foreign currency exchange rates to Russian rouble, oil prices and export gas prices
Labour productivity, RUB thousand per person-hour	101.93	127.22	143.89	113%	Target value achieved
ndustry-specific KPIs					
Gas sales by volume, bcm	439.123	350.778	345.029	98%	Decreased gas supplies to European countries
Commissioning of priority production facilities	5	5 (facility substitution)	5	100%	Target value achieved
Integrated innovation key performance indicator, %	95	No adjustments	138.12	145%	Increase in R&D

Based on the 2022 performance, there are no grounds to apply the bonus disqualification indicator for untimely preparation and implementation of plans developed by PJSC Gazprom under Russian Government Directives No. 3438p-P13 dated 14 April 2021 on the Company's transition to the predominant use of Russian software included in the Unified Register of Russian Programmes for Electronic Computers and Databases.

^{*} Resolution of PJSC Gazprom's Board of Directors No. 3756 dated 13 May 2022, Minutes No. 1437 dated 13 May 2022.

** Resolution of PJSC Gazprom's Board of Directors No. 3878 dated 28 December 2022, Minutes No. 1481 dated 28 December 2022.

Target values of corporate KPIs for 2023*

КРІ	Target value
Financial and economic KPIs	
Per unit costs in Production, RUB per t c. e.	2,000.68
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	119.44
Total shareholder return, %	5
Return on equity, %	1.5
Labour productivity, RUB thousand per person-hour	120.78
Industry-specific KPIs	
Gas sales by volume, bcm	314.515
Commissioning of priority production facilities	5
Integrated innovation key performance indicator, %	95

^{*} Approved by Resolution of PJSC Gazprom's Board of Directors No. 3916 dated 25 April 2023, Minutes No. 1499 dated 25 April 2023. KPI values were calculated in accordance with PJSC Gazprom's 2023 annual budget (financial plan) and investment programme approved by the Board of Directors and may be adjusted following the established procedures if the Board of Directors resolves to approve new versions of these documents.

Remuneration scheme for members of the Management Committee and other executives

Remuneration of PJSC Gazprom's Management Committee members (including the Chairman of the Management Committee) and other executives of the Company (including the remuneration of PJSC Gazprom's executives who are also members of the Company's Board of Directors, which is not related to their service on the Board of Directors) is determined by their employment agreements and is short-term. Members of the Management Committee are not remunerated for their service on PJSC Gazprom's Management Committee.

Additional material incentives for executives of PJSC Gazprom and its subsidiaries engaged in gas production, transportation, underground storage, processing and sales are offered through an annual bonus system aimed at achieving the Company's short-term KPIs. In 2022, the list of participants eligible for the annual bonus was expanded to include the top executives of OOO Gazprom invest, which ensures implementation of the Company's priority investment projects.

The annual bonus payable to members of PJSC Gazprom's Management Committee (excluding the Chairman of the Management Committee) comprises two components – corporate (80%) and individual (20%). The corporate component is linked to PJSC Gazprom's performance, while the individual component is determined based on the achievement of individual targets. The annual bonus payable to the Chairman of the Management Committee only comprises the corporate component.



For more details on calculating the progress against corporate KPIs in 2021 as well as the explanation of variance between target and actual KPI values, see PJSC Gazprom Annual Report 2021.

— www.gazprom.com



Performance against each KPI is taken into account when determining the amount of the annual bonus for the Company's executives, which is reduced proportionally in case a KPI is not achieved. If a KPI is achieved to less than 50%, its achievement level is deemed to be zero, and the part of the annual bonus linked to this KPI is not paid. Thus, the failure to achieve the target value leads to a decrease in the total amount of the annual bonus, which ensures the alignment between KPI achievement and the amount of remuneration.

To determine the amount of actual payments, a corporate adjustment factor (CAF) reflecting the integrated assessment of progress against all corporate KPIs is applied to the corporate and individual components of the annual bonus.

The annual bonus for 2021 was paid out in 2022 with a CAF of 111.06%. Based on the 2022 performance, the Company-wide adjustment factor amounted to 103.62% and will be taken into account when paying the annual bonus in 2023.

Members of PJSC Gazprom's governing bodies and other executives of the Company are eligible for long-term post-employment payments. These payments comply with the applicable laws, PJSC Gazprom's local regulations and the procedure which is applicable to all employees of the Company, and comprise private pension plans provided by Non-State Pension Fund GAZFOND and one-off payments upon retirement made by PJSC Gazprom.

The Company also provides voluntary medical insurance to key executives of PJSC Gazprom.

Remuneration to Board members for service on a governing body

Remuneration to members of PJSC Gazprom's Board of Directors generally complies with the recommendations of Clause 4.2 of the Russian Corporate Governance Code

- Remuneration payable to members of the Board of Directors is not linked to their participation in individual meetings of the Board of Directors and Board committees
- No additional material incentives are used in the structure of remuneration payable to members of the Board of Directors
- No stock option plan is provided for members of the Board
- There are no additional payments or reimbursements in case of early termination of powers of members of the Board of Directors

The General Shareholders Meeting has the authority to resolve to pay remuneration to members of the Board of Directors during their time in office. The amount of remuneration is determined by resolution of the General Shareholders Meeting based on the Board of Directors' recommendations developed in line the Regulations on the Guidelines on Remuneration of the Board of Directors of PJSC Gazprom (approved by Resolution of the Board of Directors No. 2523 dated 15 April 2015, as amended by Resolution No. 3635 dated 20 August 2021). In particular, the document defines the formulas for calculating remuneration payable to members of the Board of Directors and sets out the conditions and procedure for receiving such remuneration.

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Remuneration to Board members for service on the Company's governing body

Remuneration component	Description			
Fixed base remuneration	 Paid for service on the Board of Directors Fixed and not linked to participation in individual meetings of the Board of Directors and its committees, which complies with the recommendations of the Russian Corporate Governance Code. The base part of remuneration is the same for all members of the Board of Directors and is calculated on the basis of the average number of matters reviewed during the year, qualifications and the scope of responsibility of Board members given the scale of the Company's operations 			
Bonus component	 Paid for the achievement of corporate KPIs, such as Total Shareholder Return, Return on Equity, Labour Productivity, etc. 			
Additional remuneration	 Paid for additional responsibilities such as acting as Chairman of the Board of Directors, Deputy Chairman of the Board of Directors, or serving on committees of the Board of Directors Fixed and not linked to participation in individual meetings of the Board committees 			

The Regulations stipulate that the Board of Directors may recommend the General Shareholders Meeting not to pay remuneration to members of the Board of Directors or pay a lower remuneration calculated under the Regulations. There is also an option to pay no remuneration to members of the Board of Directors if the Company's Board of Directors unilaterally decides not to pay interest on perpetual bonds issued by PJSC Gazprom's subsidiary.

Members of the Board of Directors holding public or civil office in the Russian Federation receive no remuneration from PJSC Gazprom.

Remuneration of members of the Board of Directors and members of the Management Committee

In the reporting year, short-term remuneration of members of PJSC Gazprom's Board of Directors and Management Committee, including salaries, bonuses and remuneration for serving on the Company's governing bodies, amounted to RUB 2,866,612 thousand, inclusive of personal income tax and insurance premiums.

Liability Insurance of Directors, Officers and the Company

The liability insurance programme for directors, officers and PJSC Gazprom indemnifies shareholders, creditors or other persons for damage incurred as a result of accidental errors (omissions) made by Company's executives in their management roles.

The insurance contract covers the following risks:

- Risks of third-party claims against members of PJSC Gazprom's Board of Directors (including independent directors, but excluding directors who hold public office), the Chairman of the Management Committee, members of PJSC Gazprom's Management Committee, heads of departments of PJSC Gazprom who are not members of the Management Committee (insured persons) for losses arising from accidental errors made by the insured persons in their management roles
- Risks of third-party claims against PJSC Gazprom for losses arising from accidental errors made by the insured persons in their management roles (based on claims on PJSC Gazprom securities as well as on claims initially made against the insured persons)

The cost parameters of the insurance contract are set in roubles starting from 2022. The insurance coverage is in line with PJSC Gazprom's needs.

Shareholdings of Members of the Board of Directors and Management Committee in PJSC Gazprom

As at 31 December 2022, members of the Board of Directors, members of the Management Committee and the Chairman of the Management Committee had a 0.013318% stake in PJSC Gazprom (direct ownership).

The Employee Equity Sharing Plan for Management of PJSC Gazprom aims to provide an extra financial incentive for PJSC Gazprom's executives to support the Company's share performance.

PJSC Gazprom's executives holding positions of department heads or higher, and management of subsidiaries engaged in Gazprom Group's core gas business activities are eligible to participate in the Programme.

The existing Employee Equity Sharing Plan for Management of PJSC Gazprom seeks to align the interests of executives and investors.

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Terms of the Employee Equity Sharing Plan for Management of PJSC Gazprom (set out in the Regulations on the Employee Equity Sharing Plan for Management of PJSC Gazprom approved by Resolution of the Company's Board of Directors No. 2105 dated 26 December 2012, as amended)

- Executives hold Company shares
- Executives can acquire shares at their own cost or with loans granted by AO Gazprombank as part of the Programme
- AO Gazprombank also provides depository and broker services under the Programme

As at 31 December 2022, 70 executives were eligible for the Plan.

Internal Audit

Internal audit assists in achieving PJSC Gazprom's goals through applying a holistic and consistent approach to assessment and improvement of risk management, control and corporate governance processes.

To improve the internal audit function, the Company developed and approved the Regulations on Internal Audit of PJSC Gazprom. The Regulations determine the goals, objectives, status, powers, and liability of the Internal Audit Department of PJSC Gazprom as well as the scope and content of internal audit. The internal audit at PJSC Gazprom is organised by the relevant Department, a business unit of PJSC Gazprom, and by internal audit units – at PJSC Gazprom subsidiaries and entities.

The key priority of the Department is to provide the Board of Directors and management of PJSC Gazprom with independent and unbiased information and opinions as to the improvement of the Company's operations.

The Department directly reports to the Chairman of PJSC Gazprom's Management Committee and indirectly to the Board of Directors. Head of the Department is appointed and removed from office by the Chairman of the Company's Management Committee upon recommendation of the Deputy Chairman of the Management Committee overseeing HR management, following a relevant decision by the Board of Directors.

Activities of the Department are governed by the Regulations on Internal Audit of PJSC Gazprom, the Regulations on the Department and internal audit guidelines of the Federal Agency for State Property Management.

The Department is responsible for organising and conducting internal audits at business units, subsidiaries and entities of PJSC Gazprom in accordance with Russian best practices for internal audit. The Department conducted its 2022 audits to identify risks and evaluate the performance for the Company's significant business segments and processes.

In 2022, pursuant to Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995, the Department assessed the reliability and effectiveness of PJSC Gazprom's Risk Management and Internal Control System (RMICS) and prepared PJSC Gazprom's Internal Audit Report for 2021. The assessment results confirm the reliability and effectiveness of PJSC Gazprom's RMICS.

External Audit

The key principles of organising and conducting external audits of PJSC Gazprom and its subsidiaries and entities, the auditor selection procedure and criteria as well as approaches to ensuring the auditor's compliance with the principles of independence and absence of a conflict of interest are set forth in the External Audit Policy for PJSC Gazprom, its subsidiaries and entities (approved by Resolution of PJSC Gazprom's Board of Directors No. 2847 dated 15 November 2016).

PJSC Gazprom's auditor is selected through a public electronic tender in line with the procedure set out in Russian laws on the system of contracts for public procurement of goods, works and services for state and municipal needs.

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Bid assessment criteria for entering into an audit service contract

Price criterion:

Contract price

Non-price criteria

- Quality profile of the service to be procured
- Bidder qualification, including a three years' track record in auditing Russian entities engaged in business similar in size and scope to that of PJSC Gazprom as well as availability of the bidder's personnel with a certain qualification level

OOO FBK won the public electronic tender for the service contract to audit PJSC Gazprom's accounting (financial) statements, Gazprom Group's consolidated accounting statements, and Gazprom Group's consolidated IFRS financial statements for 2021 and 2022. The contract price for auditing PJSC Gazprom's accounting (financial) statements, Gazprom Group's consolidated accounting statements, and Gazprom Group's consolidated IFRS financial statements for 2022 offered by the winner was RUB 210,000,000 (exclusive of VAT) and was approved by Resolution of the Board of Directors No. 3772 dated 26 May 2022.

By resolution of PJSC Gazprom's General Shareholders Meeting held on 30 June 2022, OOO FBK became an approved auditor responsible for auditing PJSC Gazprom's accounting (financial) statements, Gazprom Group's consolidated accounting statements, and Gazprom Group's consolidated financial statements for 2022.

The auditor may provide PJSC Gazprom and Gazprom Group entities with auxiliary audit services or other audit-related services if such services do not violate the independence of the external auditor or the restrictions set forth in the applicable Russian audit laws.

The fee paid by PJSC Gazprom to the auditor and its affiliates for services outside the audit contract is insignificant and has no impact on the auditor's independence.

In 2022, OOO FBK and its affiliates provided PJSC Gazprom with other services outside the audit contract, including a progress audit of PJSC Gazprom's Long-Term Development Programme as well as tax, governance and legal advice. The fee paid by PJSC Gazprom to the auditor and its affiliates for services outside the audit contract in 2022 amounted to 8.6% of the total fee.

The Audit Committee of PJSC Gazprom's Board of Directors oversees, within the scope of its authority, the auditor's independence and absence of conflicts of interest, including discussions of critical audit matters of PJSC Gazprom and its subsidiaries with the external auditor and reviewing the external auditor's reports on ensuring independence and effectiveness of the external audit.

To inform PJSC Gazprom's Board of Directors and Management Committee about audit results, including reviews of consolidated interim condensed financial statements of PJSC Gazprom and its subsidiaries prepared in accordance with IFRS, as required by International Auditing Standard IAS 260 (Revised), Communication With Those Charged With Governance, the auditor prepares a report for the Board of Directors and Management Committee of PJSC Gazprom.

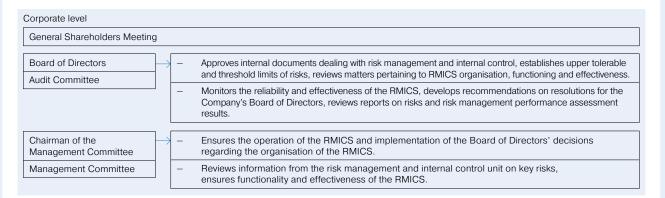
Risk Management and Internal Control

Risk management and internal control

The Risk Management and Internal Control System (RMICS) is an integral part of PJSC Gazprom's corporate governance. The RMICS covers all operations of PJSC Gazprom and Gazprom Group entities as well as all management levels, business segments and risks across PJSC Gazprom and Gazprom Group entities.



Organisation of the Risk Management and Internal Control System







Company Information

RMICS participants include:

- PJSC Gazprom's Board of Directors
- the Audit Committee of PJSC Gazprom's Board of Directors
- PJSC Gazprom's Management Committee
- Chairman of PJSC Gazprom's Management Committee
- PJSC Gazprom's risk management and internal control unit established in line with Russian laws
- PJSC Gazprom's structural units and Gazprom Group entities
- owners of business processes
- owners (co-owners) of risks and internal control procedures
- persons responsible for implementing risk management measures and for monitoring compliance with internal control procedures
- risk coordinators
- risk management and internal control centres

RMICS is designed to provide reasonable assurance that the targets set for PJSC Gazprom by its governing bodies will be achieved.

PJSC Gazprom's Board of Directors approves the Company's internal documents, which define the policy in setting up risk management and internal control processes. To assess the reliability and effectiveness of risk management and internal control and to ensure the continuous development of the RMICS, PJSC Gazprom conducts an annual internal audit. The Audit Committee of the Board of Directors is responsible for preliminary review of risk management and internal control matters and develops recommendations for the Board of Directors to adopt resolutions.

The risk management and internal control process at PJSC Gazprom is regulated by the Risk Management and Internal Control Policy of PJSC Gazprom (Resolution of PJSC Gazprom's Board of Directors No. 3195 dated 25 December 2018), which sets forth the goals and objectives of the RMICS, key principles of, and approaches to, the organisation of the RMICS, its participants and their powers, and requirements for the risk management process.



Requirements and recommendations stipulated by Russian laws and complied with by the Risk Management and Internal Control Policy of PJSC Gazprom

- Requirements for the functioning and development of the risk management and internal control system set forth in Federal Law of No. 208-FZ On Joint Stock Companies dated 26 December 1995
- Recommendations of the Russian Corporate Governance Code
- Recommendations of the Bank of Russia on organising risk management, internal control, internal audit, and the work of the audit committees of boards of directors at public joint stock companies (Letter of the Bank of Russia No. IN-06-28/143 dated 1 October 2020)
- Methodological guidelines of the Federal Agency for State Property Management on developing regulations on a risk management system, approved by Instruction of the Government of the Russian Federation No. ISh-P13-4148 dated 24 June 2015



For more details on RMICS goals and objectives as well as on RMICS stakeholders and their functions in risk management and internal control, see the Risk Management and Internal Control Policy of PJSC Gazprom on PJSC Gazprom's website.

— www.gazprom.com

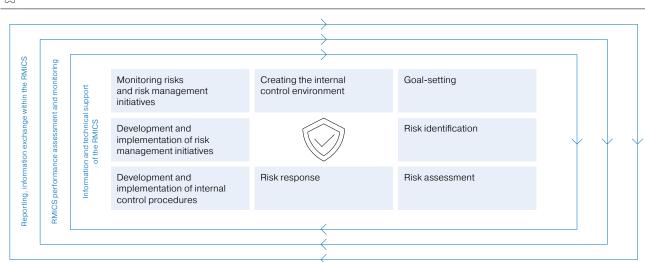


The risk management process at PJSC Gazprom has eight interrelated components.

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Components of the integrated RMICS at PJSC Gazprom and Gazprom Group



A particular emphasis is laid on creating the internal control environment that determines employees' perception of, and response to, risk. Since 2012, PJSC Gazprom has had in place the Code of Corporate Ethics, based on corporate best practices, which sets forth corporate values and defines important rules of business conduct that preclude conflicts of interest and corruption.

Goal-setting at PJSC Gazprom and Gazprom Group entities is indispensable for risk identification and assessment, and further determination of internal control procedures.

Risk identification serves to reveal internal and external events which may happen in the future and produce a negative or positive effect on the achievement of the goals of PJSC Gazprom and Gazprom Group entities.

Risk assessment comprises the analysis of identified risks, opportunities and implications to ensure further risk management and the implementation of internal control procedures.

The Risk Management and Internal Control Policy of PJSC Gazprom provides for the following risk response options (management methods):

- Evasion (avoidance) of risk, abandonment of measures/ activities causing risk, abandonment of possible sources of risk
- Risk mitigation (reduction) implementation of measures and activities aimed at reducing the level of risk
- Redistribution (transfer) of risk sharing the risk with the other party or parties, insurance
- Risk adoption (retention) absence of actions commonly taken within other risk response options, self-insurance, hedging

In 2022, the Company continued to improve the RMICS.



RMICS improvement measures in 2022

- More than 250 expert reviews of methodological documents on risk management were conducted at business units, subsidiaries and entities of PJSC Gazprom
- The Risk Management section was created within PJSC Gazprom's Scientific and Technical Council
- An Advice Line for queries on risk management and internal control was established. In the reporting period, the Advisory Line provided coordination and advisory support to Gazprom Group subsidiaries and entities on the RMICS implementation, development and improvement
- Further efforts were made to develop and conduct training events on risk management and internal control. The risk management and internal control unit cooperated with Gazprom Corporate Institute private educational institution of continuing professional education to develop a training programme aimed at enhancing risk management skills; the programme was completed by 39 people. In addition, five advisory webinars on the risk management and internal control system were organised, attended by more than 1,100 employees of Gazprom Group entities representing more than 500 organisations

Plans for 2023 include further development of the RMICS, specifically, developing new and updating some of the existing regulations and procedures and improving risk management and internal control processes.

Risk Management and Internal Control

Gazprom Group's key risk factors

Risk / risk factor	Description	Risk management / mitigation
Risks related to the global economy	An unfavourable economic environment can lead to a slowdown in energy demand and drive the cost of borrowed capital.	To ensure growth of energy sales, PJSC Gazprom considers numerous markets and distribution channels and expands the uses of natural gas. To maintain its financial stability, PJSC Gazprom optimises its leverage.
Sanctions risk	Risk of restrictions being expanded and sanctions being imposed by the USA and the European Union against Russia and Russian nationals, leading to financial (non-financial) consequences for PJSC Gazprom and Gazprom Group's projects.	Regular monitoring of sanctions being imposed, and development of measures aimed at minimising relevant restrictions in respect of PJSC Gazprom. PJSC Gazprom pursues a policy of ensuring technological independence and import substitution.
Natural gas transit risks	Gas transmission via third countries is associated with the risks of the counterparties defaulting on their transit obligations.	Measures are taken to ensure gas transmission via FSU and far abroad countries, taking into account economically viable terms and conditions of contracts and the needs of export activities. To reduce reliance on transit countries, steps are taken to maintain the gas volume in UGSFs and expand LNG production and trading.
Unconventional gas development risks	Unconventional gas (shale gas as well as LNG produced, inter alia, from shale gas) may compete with Russian pipeline gas supplies.	PJSC Gazprom continuously monitors the evolution of the shale gas industry and developments in other unconventional hydrocarbons industries around the world. The monitoring results, including the economics of unconventional gas production and its potential as a competition to PJSC Gazprom in its existing or prospective markets, are reviewed by the Company's governing bodies on a regular basis, which enables the Company to efficiently plan its exports and adapt to external changes in the long term.
Risks related to the development of renewable energy sources	Renewable energy output is likely to grow in some countries, which may squeeze gas consumption in these markets.	The use of natural gas, inter alia, for power generation offers consumers economic, technological and environmental benefits, which, PJSC Gazprom believes, will support natural gas as common energy source. In most cases, renewable electricity generation supplements other sources and may entail certain risks for the natural gas market if subsidising renewable energy is maintained at national and/or supranational levels.

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Risk / risk factor	Description	Risk management / mitigation	
Foreign exchange risks	Changes in currency exchange rates that affect income and expenses denominated in foreign currencies.	PJSC Gazprom ensures the optimal ratio of assets and liabilities denominated in foreign currencies, calculates earnings considering the foreign exchange risk and forecasts exchange rates to develop a forecast balance. The risks of market changes in exchange rates and interest payments are hedged, and the leverage is optimised.	
Credit risks Counterparties' default, delayed or incomplete discharge of financial obligations.		Efforts are underway to set and update credit ris limits, monitor the financial position of Russian and foreign credit institutions and exercise cont over compliance with credit risk limits by Gazpro Group companies. The creditworthiness of counterparties is assessed on a regular basis, internal credit ratings are assigned and continuously monitore taking into account the financial position of counterparties, the track record of cooperation as well as risks associated with the country of incorporation and the region of operation.	
Market price and size risks	Adverse economic conditions, lower energy demand and prices, decreasing and/or low stock exchange prices over a long period of time, which may have a negative impact on gas prices and exports.	PJSC Gazprom diversifies markets and distribution channels for energy sales, optimises contractual terms and determines permitted transaction types and financial instruments taking into account the current geopolitical and economic constraints.	

Risk Management and Internal Control



Risk / risk factor

Environmental risks

Environmental risks associated with production and business operations. The core hydrocarbon production, transportation, processing and storage operations are associated with potential risk of environmental pollution.

Description

Environmental impacts from potential accidents resulting from the Company's business operations, 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.

Risk management / mitigation

In line with the Environmental Policy, PJSC Gazprom takes environmental protection efforts, arranges for environmental insurance, introduces green technologies, and implements programmes and initiatives to reduce its environmental impact, including:

- analysis of potential adverse environmental impacts and consequences of identified accidents and emergencies
- emergency prevention, containment, mitigation and management of impacts
 - assessment of environmental damage in case of accidents and emergencies.

Comprehensive measures are taken to improve the reliability of pipeline systems, stabilise landscapes and restore soil and vegetation.



Risk / risk factor

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Climate risks

Risks related to climate change	Possible climate changes, adverse natural and hydrometeorological phenomena that may cause damage to buildings and infrastructure, pipelines, utility systems. Many of PJSC Gazprom's gas fields are located in Western Siberia, where adverse climatic conditions can make production mo
	climatic conditions can make production mo difficult and costly.

Description

Risk management / mitigation

Reducing GHG emissions is part of PJSC Gazprom's corporate strategy. PJSC Gazprom takes efforts to minimise the negative impact of climate changes on its operations. Energy efficiency and energy saving efforts include relevant programmes, development and implementation of efficient technologies for various climatic conditions, programmes to improve the efficiency of gas production and transportation systems and operation of the gas transportation network.

Procurement Performance

Gazprom Group runs an effective vertically integrated procurement system.

The role of Gazprom Group's Central Procurement Office is assigned to PJSC Gazprom's Department established to implement the uniform procurement policy of Gazprom Group in accordance with the principles set forth in the Regulations on Procurement.

Procurement by PJSC Gazprom and its subsidiaries is public, transparent, standardised, and straightforward to the maximum possible extent.



Procurement principles followed by Gazprom Group

Creating conditions for timely and full supply to Gazprom Group of goods, works and services, and identification of a supplier (contractor, service provider) who is able to meet the customer's needs in due time, show strong performance and comply with price, quality and reliability requirements

Ensuring safe operation of hazardous UGSS facilities

Procurement transparency

Equality, fairness, non-discrimination, no unreasonable and restrictive business practices towards bidders

Targeted and cost-efficient spending and implementation of measures to reduce the customer's costs

No restriction of access to bidding

Fostering competition between bidders

Ensuring the balance of costs related to organising and conducting competitive procurement and expected economic benefits



Documents regulating procurement procedures at PJSC Gazprom and its subsidiaries

- Federal Law No. 223-FZ, On Procurement of Goods, Works and Services by Certain Types of Legal Entities, dated 18 July 2011
- A new version of the Regulations on the Procurement of Goods, Works and Services by PJSC Gazprom and Gazprom Group Companies (approved by Resolution of PJSC Gazprom's Board of Directors No. 3168 dated 19 October 2018, as amended)



The share of online procurement in the total value of competitive procurement and marketing research by PJSC Gazprom and its subsidiaries, %

2020	2021	2022
99.3	99.5	99.3



Procurement methods used by Gazprom Group

Competitive procurement:

- Bidding tender, auction, request for proposal, request for quotation
- Competitive selection other than bidding

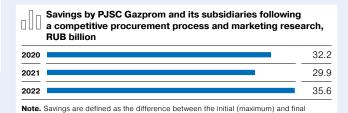
Non-competitive procurement:

- Marketing research
- Procurement through the Trading Portal
- Sole source procurement
- Procurement through participation in bidding

 Procurement from a cale cumpling (contractor)
- Procurement from a sole supplier (contractor, service provider)

Total price of contracts awarded by PJSC Gazprom and its subsidiaries through a competitive procurement process and based on marketing research, RUB billion

2020	2021	2022
548.4 (> 14.6 thousand contracts)	454.3 (> 11.7 thousand contracts)	919.1 (> 15.4 thousand contracts)



contract prices including the estimated cost of the procurement process

Company Information

Corporate Governance

Appendices

To maintain procurement business processes, Gazprom Group uses PJSC Gazprom's Automated Electronic Procurement System (AEPS, www.zakupki.gazprom.ru) covering the entire procurement cycle from requirements planning to signing and executing the contract as well as the pre-qualification of potential bidders.

Gazprom Group's online procurement is arranged through OOO Electronic Trading Platform of Gazprombank (ETP GPB) (the Gazprom Group Procurement section at https://etpgpb.ru/ pao_gazprom/) integrated with the UIS and the AEPS.

Entities within the pre-qualification system and entities included in the Register of Gazprom Group's **Potential Bidders**

	As at 1 February 2021	As at 1 February 2022	As at 1 January 2023
Total	809	881	1,014
including SMEs	577	632	716

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the share of SMEs among entities included in the **Register of Gazprom Group's Potential Bidders** as at 1 January 2023

In case of procurement from a single supplier, prior to signing a contract, the Central Procurement Office and PJSC Gazprom's Budget Committee review the price rationale of contracts and supplementary agreements and typically identify an opportunity to reduce the price.

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_	Analysis of the contract price rationale by PJSC Gazprom's
	Budget Committee

Budget Committe	e		
	2020	2021	2022
Identified potential to reduce the price, RUB billion	> 185	> 260	> 488
Reduction percentage, % of initial prices	8%	15%	14%

Expanding access for SMEs to PJSC Gazprom's procurement opportunities

Pursuant to resolutions issued by the Russian Government, the Company implements a number of activities to expand the access of small and medium-sized enterprises (SMEs) to the procurement process of PJSC Gazprom:

- A List of Goods, Works and Services to be procured by PJSC Gazprom from SMEs was developed, approved and published in the UIS
- PJSC Gazprom's Procurement Plan designates procurement opportunities accessible exclusively to SMEs.

In 2022, the aggregate value of contracts signed by Gazprom Group with SMEs included in the Unified Register of SMEs (https://ofd.nalog.ru) exceeded RUB 468 billion (over 56 thousand contracts), including 9.96 thousand contracts worth RUB 354.6 billion through competitive procurement and marketing research.

SMEs accounted for more than half (60%, or 19.6 thousand) of the total number of Gazprom Group's suppliers (32.5 thousand) of goods, works and services procured in 2022.

In 2022, the value of contracts signed by PJSC Gazprom with SMEs $\,$ included in the Unified Register of SMEs (https://ofd.nalog.ru) totalled RUB 47.8 billion. Pursuant to Directives of the Russian Government No. 14806p-P13 dated 9 December 2022, a list of contracts was sent to RSMB Corporation.

The feedback form for potential bidders is available in the Tenders section of PJSC Gazprom's official website (information is available in Russian only).

→ www.gazprom.ru



→ zakupki.gov.ru

PJSC Gazprom's Pilot SME Partnership Programme is available on PJSC Gazprom's official website (information is available in Russian only).

→ www.gazprom.ru



Corporate Ethics and Anti-corruption Efforts

Ensuring compliance with corporate values

PJSC Gazprom has adopted its Code of Corporate Ethics, developed with due account for corporate best practices. The document sets forth PJSC Gazprom's corporate values and defines the key rules of business conduct regarding the prevention of conflicts of interest and corruption, in particular restrictions on joint work of relatives, employee engagement with PJSC Gazprom's competitors and their serving on elected government bodies, and gift acceptance. According to its Code of Ethics, PJSC Gazprom does not participate in political activities and does not finance political organisations.

The Code of Ethics specifies the procedure to be followed by employees in the event of a conflict of interest, declares zero tolerance for corrupt conduct, and establishes the obligation of managers and employees to notify the employer of any corrupt offers made to them. The Code of Ethics also affirms environmental responsibility and non-discriminatory principles, and establishes implementation and supervision practices on compliance with corporate ethics standards.

The Code of Ethics provisions are mandatory for PJSC Gazprom employees and legal entities under the Company's control. From 2019, the Code of Ethics applies to members of PJSC Gazprom's Board of Directors. Its requirements are mandatory for the Company's controlled entities, but are optional for other counterparties.

The Code of Ethics provides for regular employee training in business conduct, concluded with knowledge testing. PJSC Gazprom and its controlled entities deliver corporate ethics training, concluded with knowledge testing.

The Company annually implements measures to develop its system of corporate ethics.



For more details on the development of the corporate ethics system in 2022, see the Improvement of the Corporate Governance Model and Practice section.

A comprehensive independent assessment of PJSC Gazprom's corporate governance system, including corporate ethics, is scheduled for 2023. The Company also intends to introduce remote e-learning for supplier employees in Gazprom Group's corporate ethics standards.

Corporate Ethics Commission

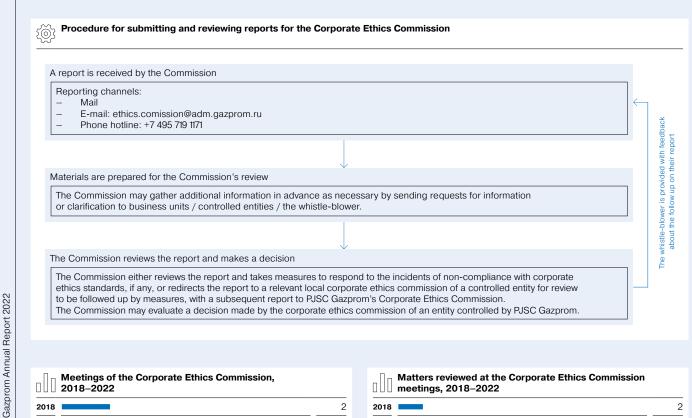
PJSC Gazprom's standing Corporate Ethics Commission plays a key role in ensuring compliance with corporate values. The regulations on the Commission were approved by the Company's order. Entities controlled by PJSC Gazprom have their own local corporate ethics commissions.

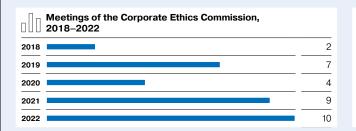
The purpose and mission of the Commission is to support compliance with the principles and rules of business conduct based on the corporate values as defined by PJSC Gazprom's Code of Corporate Ethics.

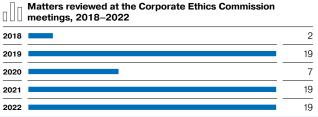


Functions of the Corporate Ethics Commission

- Explain to employees the provisions of the Code of Corporate Ethics and how to apply it
- Review conflicts of interest and propose measures to prevent, eliminate or limit conflicts of interest and/or their consequences in order to protect the Company's interests
- Make proposals to the head of PJSC Gazprom on giving (or withholding) written consent in situations where such written consent by the head of the Company is required by the Code of Ethics
- Review incidents of non-compliance with the Code of Corporate Ethics and submit proposals for the head of PJSC Gazprom on taking disciplinary action in this regard
- Submit proposals to PJSC Gazprom's management on enhancing the mechanism of compliance with the Company's corporate values







Employees reporting to the Corporate Ethics Commission mainly ask to clarify provisions of PJSC Gazprom's Code of Corporate Ethics on preventing and resolving potential conflicts of interest and on requirements dealing with employee's personal conduct. In 2022, a total of 19 written inquiries were submitted to the Ethics Commission along with 20 oral inquiries to the Hotline.

The Commission's performance is reported to the Chairman of PJSC Gazprom's Management Committee on an annual basis. In addition, reports on compliance with the corporate ethics standards at the Company are provided to PJSC Gazprom's Board of Directors on a regular basis (at least once every three years).

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Focus areas of the Corporate Ethics Commission in 2022

- Explaining to employees the provisions and procedures of the Code of Corporate Ethics
- In accordance with applicable Russian laws, reviewing written reports as they are received, with the involvement of dedicated business units and subsidiaries, as necessary
- Monitoring for signs of a conflict of interest involving sole executive bodies of entities controlled by PJSC Gazprom, and making recommendations on preventing and/or mitigating possible negative effects of identified conflicts of interest
- Arranging activities to ensure that the Company's management, including employees who are members of PJSC Gazprom's Board of Directors and Management Committee, sign written commitments to comply with the Code of Corporate Ethics provisions in the prescribed form
- Taking steps to standardise the provisions of codes of corporate ethics (a standard document template is developed) across Russian organisations where PJSC Gazprom directly and/or indirectly holds 50% or more of the authorised capital
- Providing e-learning for Gazprom Group employees in the corporate ethics standards
- Taking measures to extend the standards of PJSC Gazprom's corporate ethics to its counterparties



Employee penalties for non-compliance with the Code of Corporate Ethics

- Social condemnation
- Public censure
- Forfeiture of bonuses (in line with internal documents)
- Disciplinary sanctions (if there are signs of a disciplinary offence)

The Chairman of PJSC Gazprom's Management Committee may impose sanctions stipulated by the Code at his own initiative or at the Commission's suggestion, or at the initiative of the Code violator's immediate superior.

Identifying, preventing and resolving conflicts of interest

In line with PJSC Gazprom's Code of Corporate Ethics, the Company has developed and put in place mechanisms for identifying, preventing and resolving conflicts of interest, including those involving members of PJSC Gazprom's Board of Directors and Management Committee.

No conflicts of interest involving members of PJSC Gazprom's Board of Directors, Management Committee, or Chairman of the Management Committee were reported to the Corporate Ethics Commission in 2022. Neither did the Chairman of the Board of Directors receive any notices from members of the Board of Directors on conflicts of interest in any of the Board's agenda items.

Company Information



Standing corporate mechanisms for identifying, preventing and resolving conflicts of interest of members of PJSC Gazprom's Board of Directors

In accordance with Clause 5.5, Article 5 of the Regulations on the Board of Directors of PJSC Gazprom:

- Members of the Board of Directors shall not use their position or information about the Company for their own benefit or allow its use by third parties for their own benefit
- Members of the Board of Directors should refrain from actions that will or may lead to a conflict of interest
- In case of a conflict of interest involving a member of the Board of Directors:
 - The member of the Board of Directors who has a conflict of interest must report it to the Board of Directors by sending a notice to the Chairman of the Board of Directors. The notice must detail the conflict of interest and its grounds.
 - The Chairman of the Board of Directors then sends the notice about the conflict of interest to all members of the Board of Directors prior to deciding on the item in which the member of the Board of Directors has a conflict of interest.
 - 3. The member of the Board of Directors may abstain from voting on the item in which they have a conflict of interest. The Chairman of the Board of Directors may suggest that the member of the Board of Directors having a conflict of interest does not attend the discussion of the relevant item if the nature of the item under discussion or the specific nature of the conflict of interest so require.

If the member of the Board of Directors who has a conflict of interest abstains from voting or attending the discussion of the relevant agenda item at a meeting of the Board of Directors, this is reflected in the minutes of the meeting of the Board of Directors.

In accordance with Clause 45.1, Article 45 of PJSC Gazprom's Articles of Association members of the Board of Directors must notify the Company within two months from the date when they became aware or should have become aware of the circumstances due to which they may be deemed interested in the Company's transactions:

- of legal entities in which they, their spouses, parents, children, full and half siblings, adoptive parents and adoptees and/or their controlled entities are controlling persons or have the power to issue binding orders
- of legal entities in the governing bodies of which they, their spouses, parents, children, full and half siblings, adoptive parents and adoptees and/or their controlled persons hold positions
- of known actual or potential transactions in which they may be deemed interested.

An interested party transaction would not give rise to a conflict of interest if it complies with Chapter XI of Federal Law On Joint Stock Companies.

Related parties (third parties) are disclosed by the Company in the consolidated annual IFRS financial statements.



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Standing corporate mechanisms for identifying, preventing and resolving conflicts of interest of members of PJSC Gazprom's Management Committee

In accordance with Articles 5–8 and 10 of the Code of Corporate Ethics, Clause 3.4, Article 3 and Clause 5.6, Article 5 of the Regulations on the Management Committee of PJSC Gazprom:

- Members of the Management Committee must not use their position or information about the Company for their own benefit or allow its use by third parties for their own benefit, and must refrain from actions that will or may lead to a conflict of interest
- Members of PJSC Gazprom's Management Committee are subject to restrictions of the Code of Corporate Ethics on nepotism, employee engagement with PJSC Gazprom's competitors, their serving on elected government bodies, acceptance of gifts, etc.
- Members of PJSC Gazprom's Management Committee may only serve on governing bodies of other organisations with the consent of the Company's Board of Directors
- In the event of a conflict of interest, members of PJSC Gazprom's Management Committee may contact their immediate supervisor (Chairman of the Management Committee) or the Chairman of the Corporate Ethics Commission

Anti-corruption efforts

PJSC Gazprom's anti-corruption practices comply with the main international and Russian regulations. The Company's primary anti-corruption documents are the Anti-corruption Policy of PJSC Gazprom, the Corporate Governance Code and the Code of Corporate Ethics.

Efforts to combat corruption are undertaken in cooperation with all business units across the Company, its major subsidiaries and entities. Gazprom Group organises regular anti-corruption trainings for its employees.

Governing body	Responsibilities		
PJSC Gazprom's Board of Directors	 Organises and is responsible for the general supervision of PJSC Gazprom's activities in preventing and combating corruption Regularly reviews reports from the Company's executive bodies on corruption prevention and combating activities 		
Chairman of the Management Committee	 Allocates powers, responsibilities and accountability for preventing and combating corruption between Deputy Chairmen of the Management Committee and the Company's business units Ensures measures aimed at implementing the principles and requirements of the Anti-corruption Policy, including appointments of persons responsible for the development, implementation and supervision of anti-corruption procedures 		
Audit Committee of the Board of Directors	Prepares proposals on enhancing anti-corruption internal controls at PJSC Gazprom		
Corporate Ethics Commission	 Is responsible for the implementation of the Code of Corporate Ethics, which is one of the Company's anti-corruption standards Reviews conflicts of interest as they arise (Section 6 of the Company's Anti-corruption Policy) 		

The Company operates a Hotline to report incidents of perceived fraud, corruption and embezzlement in Gazprom Group. Similar arrangements are in place at several major subsidiaries of PJSC Gazprom. Employees of PJSC Gazprom's Corporate Security Service and corporate security departments of subsidiaries review information received via these hotlines (comprising digital communication channels, telephone or post as well as reports made in person), including anonymous reports, to reveal preconditions for, and instances of, corruption at Gazprom Group. Once reports are reviewed, relevant information is communicated as per the established procedure to the management and business units of PJSC Gazprom, its subsidiaries and entities to inform response and support potential managerial decisions.

In 2022, the Hotline of PJSC Gazprom's Corporate Security Service received 6,346 calls, with no confirmed incidents of corruption (as defined by Article 1 of Federal Law No. 273-FZ On Combating Corruption, dated 25 December 2008, as amended and supplemented, and by decisions of Russian courts).

PJSC Gazprom and Gazprom Group conducted 131,765 inspections of counterparties as part of their procurement activities in the reporting year, with results taken into account in relevant operations.

Subsidiaries gather and consolidate information on measures taken to comply with the requirements and restrictions established by codes of corporate ethics regarding the amount of entertainment expenses, business gift expenses, charity and other activities involving corporate risk exposure. PJSC Gazprom's Corporate Security Service exercises control within its competence through local corporate security departments of subsidiaries and entities.

Progress in preventing and combating corruption at PJSC Gazprom and across Gazprom Group is reviewed annually by the Company's Board of Directors, with respective instructions issued subsequently to the Chairman of the Management Committee.



Contact details of the Hotline for fighting fraud, corruption and embezzlement at Gazprom Group are available on PJSC Gazprom's website.

→ www.gazprom.com





The Anti-corruption Policy of PJSC Gazprom is available on PJSC Gazprom's website.

→ www.gazprom.com



Corporate Ethics and Anti-corruption Efforts

Legal protection of whistle-blowers

Reports via the hotline of PJSC Gazprom's Corporate Ethics Commission and Gazprom Group's hotline for fighting fraud, corruption and embezzlement are anonymous, confidential and protected from misuse.

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The Company's internal documents provide for the protection of whistle-blowing employees.

Subject of the report	Safeguards provided
Violation of the Code of Corporate Ethics reported by an employee	 The Company guarantees that the provision by an employee of any information concerning violations of the Code shall be kept confidential and shall not trigger any adverse employment action against the reporting employee (Article 15 of the Code of Corporate Ethics of PJSC Gazprom)
Reports by Gazprom Group employees or other persons to Gazprom Group's hotline for fighting fraud, corruption and embezzlement	 When handling the report, the Company maintains the confidentiality of the whistle-blower and their reported data, forbidding retaliation of any kind against the whistle-blower (Article 6.2 of the Regulations on the Hotline for Fighting Fraud, Corruption and Embezzlement at Gazprom Group) Anonymous information can be accepted if it contains specific details about actual or perceived fraud, corruption, theft, or other offences against the Company's property or its business reputation. If an anonymous report contains general information or libellous or insulting allegations, it is not accepted for investigation (Article 6.3 of the Regulations on the Hotline for Fighting Fraud, Corruption and Embezzlement at Gazprom Group) For whistle-blowing employees of RJSC Gazprom, internal documents stipulate protection from abuse of the employer's rights in retaliation, in particular safeguarding them against unlawful dismissal, demotion, decrease in, or cancellation of, bonuses, shift in their vacation, or disciplinary action while the report is investigated (Procedure for protecting whistle-blowers who have reported offences relevant to the Company's operations)

Countering the Illegal Use of Insider Information and Market Manipulation

The Company monitors legal compliance in the use and protection of insider information.

To ensure compliance with the regulations on access to insider information, PJSC Gazprom has a dedicated unit responsible for keeping the Company's insider list, notifying individuals of their inclusion in and removal from the Company's insider list and sending updated insider lists to market operators as requested.

The responsibility for monitoring PJSC Gazprom's compliance with laws on insider information protection is assigned to PJSC Gazprom's control unit that reports and is accountable to the Chairman of PJSC Gazprom's Management Committee.

To perform its assigned functions, the Company's control unit monitors the Company's compliance with the Regulations on Access to Insider Information, requests information from the Company's insiders about transactions made by insiders and their affiliated persons with the Company's financial instruments and analyses it for compliance with the terms and conditions of transactions with financial instruments by individuals and entities included in Gazprom's insiders list and by their affiliated persons, monitors the disclosure of the Company's insider information, updates the Company's local regulations and relevant sections of the website, informs insiders, including PJSC Gazprom's employees, of the applicable legal requirements on a regular basis, and communicates with the regulator (the Bank of Russia).



All information required to perform the duties of preventing illegal use of insider information and market manipulation as well as information on the legal consequences of illegal use of PJSC Gazprom's insider information by an insider and/or market manipulation is available on PJSC Gazprom's website.

— www.gazprom.com



In 2022, the Company continued its systematic efforts to improve the mechanisms for protecting insider information

while aligning internal regulations with current laws.



For more details on measures implemented in 2022 to ensure protection of insider information, see the <u>Improvement of the Corporate Governance Model and Practice</u> section.

Company Information

Share Capital and Securities Market

Shareholding structure

PJSC Gazprom's share capital is RUB 118,367,564,500 divided into 23,673,512,900 ordinary registered shares with a par value of RUB 5 each. State registration number of the issue is 1-02-00028-A. The state registration date is 30 December 1998. The Company has no preferred shares.

PJSC Gazprom's shareholding structure as at 31 December 2022	
The Russian Federation represented by the Federal Agency for State Property Management*	38.37
AO ROSNEFTEGAZ*	10.97
AO Rosgazifikatsiya*	0.89
Other registered holders	49.77

* As at 31 December 2022, the cumulative stake in PJSC Gazprom directly or indirectly controlled by the Russian Federation and calculated by direct addition totals 50.23% and is owned through the full ownership of the Russian Federation in AO ROSNEFTEGAZ, which also holds a 74.55% stake in AO Rosqazifikatsiya.

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As the major shareholder of PJSC Gazprom, the Russian Federation holds a more than 50% controlling stake (including direct and indirect ownership) in PJSC Gazprom. The Russian Federation does not have a special right to manage PJSC Gazprom's affairs (a "golden share").

In 2022, PJSC Gazprom received no information on any special agreements between PJSC Gazprom's shareholders.

As at 31 December 2022, there were no PJSC Gazprom shares the title to which was transferred to the Company.



Plans of the Russian Federation as the major shareholder of PJSC Gazprom regarding PJSC Gazprom shares owned by the federal government

According to the Planned Forecast (Programme) for the Privatisation of Federal Property and the 2023–2025 Federal Property Privatisation Guidelines (approved by Decree of the Russian Government No. 3260-rdated 31 December 2019, as amended), there are no plans to dispose of any PJSC Gazprom shares owned by the federal government.

Suspended listing of ADRs on shares

As per Federal Law No. 114-FZ On Amendments to the Federal Law On Joint Stock Companies and Certain Legislative Acts of the Russian Federation, dated 16 April 2022, listing of American Depositary Receipts (ADRs) on Gazprom shares was suspended. On 29 April 2022 and 4 May 2022, the Company submitted instructions to The Bank of New York Mellon to terminate deposit agreements under which depositary receipts on PJSC Gazprom shares were placed and to close the depositary receipt programmes.

To comply with the above law, the Company sent delisting notices to all Russian and foreign marketplaces where ADRs on PJSC Gazprom shares were listed.

Holders of ADRs on PJSC Gazprom shares as at 27 April 2022 (15.90% of the Company's authorised capital as at the above date) may convert their ADRs into PJSC Gazprom's ordinary shares under the standard procedure under the Deposit Agreement with The Bank of New York Mellon subject to mandatory requirements of Russian laws.

Federal Law No. 319-FZ On Amendments to Certain Legislative Acts of the Russian Federation, dated 14 July 2022, provided for a possibility to convert ADRs into ordinary shares of Russian issuers through automatic and declarative conversion without the involvement of a foreign depository bank. Automatic conversion was intended for investors whose rights to ADRs were recorded in Russian depositories. The procedure for automatic conversion is set forth in the resolution of the Bank of Russia's Board of Directors dated 22 July 2022.

In addition, AO Gazprombank collected applications from holders of ADRs on PJSC Gazprom shares for declarative conversion of depository receipts. Declarative conversion was available to owners of ADRs, whose rights to depositary receipts were recorded in foreign depositories. Automatic and declarative ADR conversion procedures were completed in 2022.



For more details on procedures of converting ADRs on Company shares, see PJSC Gazprom's website. $\rightarrow \underline{ \text{www.gazprom.com}}$





PJSC Gazprom seeks to encourage faster conversion. To do this, a simplified form for opening securities accounts for ADR conversion was developed jointly with AO Gazprombank. Major holders of ADRs were contacted on an individual basis, press releases were published along with management's comments and answers to frequently asked questions.

In addition, a separate English and German language website dedicated to depository receipt conversion (adr.gazprom.com) was set up for foreign investors and shareholders.

Stock market and capitalisation

PUSC Gazprom shares are included in the first (top) level quotation list of PAO Moscow Exchange and PAO SPB Exchange.

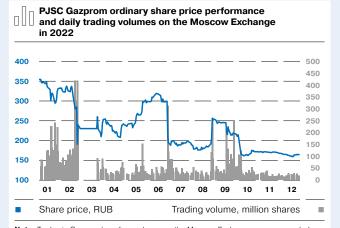
In 2022, the Russian stock market demonstrated a negative trend on the back of the aggravated geopolitical situation, despite significant energy price growth. Prices of Gazprom also showed a serious decline.

Additional pressure on share prices in 2022 came from a one-off increase in the MET for PJSC Gazprom, the annual General Shareholders Meeting not passing a resolution on dividend payout for 2021 as well as a decline in exports to Europe due to political and technical reasons.

The payout of a record-high interim dividend for the first half of 2022 had a positive impact on the Company shares. High gas and oil prices supported Gazprom shares throughout 2022.

Capitalisation stood at RUB 3.9 trillion as at 31 December 2022 (RUB 8.1 trillion as at 31 December 2021).

Buying and selling ADRs on PJSC Gazprom shares in 2022 was virtually impossible as trading in ADRs on shares of Russian issuers was suspended on foreign stock exchanges and blocked in a foreign financial infrastructure.



 $\textbf{Note.} \ \text{Trades in Gazprom's ordinary shares on the Moscow Exchange were suspended between 28 February and 23 March 2022.}$

Company Information

Dividend Policy

In developing its recommendations to the General Shareholders Meeting on profit distribution, the Company's Board of Directors is guided by the principles set out in PJSC Gazprom's Dividend Policy (approved by Resolution of the Board of Directors No. 3363 dated 24 December 2019).

51.03 RUB per share

dividends for the first half of 2022

(<u>@</u>)

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Accrual procedure for dividends on PJSC Gazprom shares in accordance with the Dividend Policy of PJSC Gazprom

- PJSC Gazprom's dividends are linked to profit for the year attributable to PJSC Gazprom shareholders.
- To calculate dividends, profit for the year attributable to PJSC Gazprom shareholders is adjusted for the following items:
 - Foreign exchange gain (loss) included in finance income and expenses
 - Foreign exchange rate differences on operating items
 - Impairment loss (reversal of impairment loss) on property, plant and equipment, and assets under construction
 - Impairment loss (reversal of impairment loss) on investments in associates and joint ventures
 - The difference between the share in profits of associates and joint ventures and proceeds from associates and joint ventures
- The amount of funds allocated to dividend payout must be at least 50% of the adjusted profit for the year attributable to PJSC Gazorom shareholders.
- A leverage threshold has been set (Adjusted Net Debt/Adjusted EBITDA ratio of 2.5), which, if reached, may trigger a decision by the Company's Board of Directors to reduce dividends.

The Annual General Shareholders Meeting of PJSC Gazprom held on 30 June 2022 passed no resolutions on the distribution of the Company's profit or on dividends for 2021.

On 30 September 2022, the Extraordinary General Shareholders Meeting of PJSC Gazprom resolved to pay out interim dividends on Gazprom shares for the first half of 2022. The Meeting approved an interim dividend of RUB 51.03 per share for the first half of 2022 as recommended by the Board of Directors. Total announced dividend payments amounted to RUB 1,208.059 billion (50% of Gazprom Group's adjusted IFRS profit for the first half of 2022 attributable to PJSC Gazprom shareholders), a record high in the history of the Company and the Russian stock market in general.

In line with Executive Order of the Russian President No. 95 On a Temporary Procedure for Meeting Obligations to Certain Foreign Creditors, dated 5 March 2022, dividends payable to foreign creditors were transferred to their type "C" accounts opened on the instruction of PJSC Gazprom with the regime of such accounts established by resolutions of the Bank of Russia's Board of Directors. Payout of dividends on shares with foreign nominee holders included in the chain of rights was carried out as per a special, temporary procedure established by resolutions of the Bank of Russia's Board of Directors.



The Company's full dividend history is available on PJSC Gazprom's website.

→ www.gazprom.com



PJSC Gazprom's dividends paid in 2022 for 1H 2022, as at 31 December 2022

Accrued,	Paid,	Unpaid,	Unpaid	
RUB thousand	RUB thousand	RUB thousand*	to accrued, %	
1,208,059,363	1,119,256,638	88,802,725	7.35	

Dividends were not paid to persons registered in the issuer's shareholder register due to the lack of accurate and necessary address data and bank details; dividends were returned by nominee holders as they could not be transferred to depositors.

$\hfill\Box$ PJSC Gazprom's dividends paid in 2022 for 2018–2020, RUB thousand

Unpaid as at 1 January 2022 Paid in 2022		Reinstated in 2022 as retained earnings upon expiry of the limitation period	Unpaid as at 31 December 2022
1,619,977	89,792	523,851	1,006,334

Bonds

In 2022, PJSC Gazprom did not raise financing from the international debt capital market.

As at 31 December 2022, there were 22 eurobond issues outstanding for the total amount of USD 11.46 billion, EUR 6.53 billion, CHF 1.25 billion and GBP 0.85 billion. In addition, there is an outstanding JBIC-guaranteed JPY 65 billion bond issue. As a result of sanctions imposed on the National Settlement Depository (NSD), the movement of funds and securities from foreign payment and clearing systems is completely blocked at the NSD; as a result, payments on eurobonds to investors whose rights were recorded in the NSD system were restricted. In the reporting year, the Company issued replacement bonds of OOO Gazprom capital in exchange for eurobonds. In 2022, ten issues of Series 2, 41, 42, 39, 44, and 47 eurobonds under the EMTN Programme (Luxembourg) and Series 3, 9, 6, and 10 under EMTN (UK) were replaced. PJSC Gazprom plans to exchange all eurobond issues.

Credit ratings of PJSC Gazprom		
Rating agency	Long-term credit rating	
Expert RA ruAAA (stable outlook)		
ACRA	AAA(RU) (stable outlook)	

As at 31 December 2022, there were 17 rouble bond issues outstanding for the total amount of RUB 325 billion, with a RUB 30 billion issue placed in the reporting year.



Up-to-date information on the progress of eurobond replacement is published in the <u>Bonds section</u> of PJSC Gazprom's official website and on the <u>website</u> of issuer, OOO Gazprom capital (information is available in Russian only).





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Issuance of replacement eurobonds

Federal Law No. 319-FZ On Amendments to Certain Legislative Acts of the Russian Federation, dated 14 July 2022, and Executive Order of the Russian President No. 430 On the Repatriation by Residents Participating in Foreign Economic Activity of Foreign Currency and the Currency of the Russian Federation, dated 5 July 2022, provided for an option for Russian legal entities having obligations under eurobonds to holders of eurobonds and persons exercising rights under eurobonds (holders of eurobonds) to repay these obligations by placing bonds for the benefit of holders of eurobonds and repaying them by eurobonds (replacement bonds).

PJSC Gazprom implemented a mechanism to issue replacement bonds of OOO Gazprom capital and exchange eurobonds owned by Russian holders for replacement bonds issued under Russian laws, with subsequent cancellation of eurobonds received during the exchange. As a result, Russian investors will be able to receive payments on the new replacement bonds, while PJSC Gazprom will be able to continue servicing the remaining eurobonds abroad, thus delivering on its obligations to all investors.

Cancellation of eurobonds exchanged for replacement bonds is necessary to avoid duplicate payment. In a situation when securities cannot be transferred from Western clearing systems to the NSD and back, cancelation of eurobonds can only be made possible by amending the loan and offering documents through voting by holders of eurobonds (consent solicitation). Amending the documents requires the consent of the holders of eurobonds (at least two thirds of the votes "for" given a quorum of holders of at least 50% of the issue).

The proposed amendments to the offering documents are intended solely to maintain the Company's ability to service its debt effectively and without interruption. PJSC Gazprom seeks to protect the interests of all holders of eurobonds.

Eurobond holders (both residents and non-residents of the Russian Federation) whose rights are recorded in the Russian payment and clearing infrastructure may participate in the exchange of eurobonds. If an investor whose rights are recorded in a Russian depository does not make the exchange, payments may be blocked by a foreign payment infrastructure and not reach the owner of eurobonds.

PJSC Gazprom engages in a direct dialogue with Russian and international investors to obtain their consent to amendments to the eurobond offering documents while continuously ensuring information support of the voting and exchange processes, which enables the successful implementation of the eurobond replacement programme.

Shareholder and investor relations

Based on Resolutions of the Russian Government No. 351 dated 12 March 2022 and No. 395 dated 18 March 2022, PJSC Gazprom has restricted the publication of sensitive corporate information. In this context, in 2022, PJSC Gazprom published its 2021 IFRS statements and key financial metrics for the first half of 2022 in the form of a press release. In 2023, PJSC Gazprom published its 2022 IFRS statements.

During the reporting year, managers of PJSC Gazprom's financial and economic function held a number of meetings in person with major institutional investors as well as regular meetings with representatives of major Russian commercial banks.

A total of 25 online meetings were held with representatives of more than 60 investment funds in 2022. The topics of interest to the Company's investors in 2022 dealt primarily with export activities, the Group's operational and financial stability under sanctions pressure, dividends, ADR delisting, and eurobond replacement.

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To establish new direct communication channels with Russian private investors, the Company has created and maintains its profiles in dedicated social networks and communities (in Russian), such as Pulse (Tinkoff Investments), Profit (BCS) and Smart-Lab.

Despite the challenging conditions, PJSC Gazprom delivers on its obligations to shareholders and investors and strives to ensure the availability of information.



Appendices



Major Transactions

In 2022, PJSC Gazprom closed no transactions treated as major transactions under the applicable laws of the Russian Federation.

Disposal of Non-core Assets by PJSC Gazprom, Its Subsidiaries and Entities

PUSC Gazprom has an ongoing initiative of non-core asset optimisation and disposal. Actual proceeds from non-core asset disposal by PJSC Gazprom, its subsidiaries and entities in 2022 totalled RUB 25.409 billion, including VAT (excluding intra-group transactions, RUB 21.51 billion), including:

- those owned by PJSC Gazprom, RUB 4.85 billion (excluding intra-group transactions, RUB 3.22 billion)
- those owned by PJSC Gazprom's subsidiaries and entities, RUB 20.559 billion (excluding intra-group transactions, RUB 18.29 billion).

Pursuant to Russian Government Directives No 4863p-P13 dated 7 July 2016 and No. 6604p-P13 dated 18 September 2017, and Russian Government Decree No. 894-r dated 10 May 2017, as well as to improve non-core asset disposal, PJSC Gazprom adopted the Programme for the Disposal of PJSC Gazprom's Non-core Assets (Resolution of the Board of Directors No. 2810 dated 27 September 2016, Minutes of the Board of Directors' meeting No. 1098 dated 27 September 2016, Resolution of the Board of Directors No. 3066 dated 16 January 2018, and Minutes of the Board of Directors' meeting No. 1180 dated 16 January 2018).

In 2022, PJSC Gazprom was disposing of non-core assets as part of this Programme, Action Plan for the Disposal of PJSC Gazprom's Non-Core Assets for 2022 (versions approved by resolutions of the Board of Directors No. 3690 dated 23 December 2021 and No. 3864 dated 20 December 2022) as well as the Register of PJSC Gazprom's Non-Core Assets (versions approved by resolutions of the Board of Directors No. 3690 dated 23 December 2021 and No. 3864 dated 20 December 2022).

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The Register of PJSC Gazprom's Non-core Assets comprises the List of PJSC Gazprom's Non-core Assets Subject to Disposal section and three subsections: Long-Term Financial Investments, Real Property, and Movable Property (Motor Transport, Special Vehicles, Equipment, etc.).

The information on PJSC Gazprom's non-core assets subject to disposal and included in the Register of PJSC Gazprom's Non-core Assets contains, among other things: the asset list, details about the number of assets and information on each non-core asset – asset description, type of activity associated with the asset, its book (depreciated) value, initial selling price (equal to its market value as assessed by an independent valuator), method of sale (primarily an auction), and encumbrances.

The approval of the Programme, Register and Plan was disclosed by PJSC Gazprom in the manner prescribed by the law by publishing appropriate open access information on its website. The current Programme and Register are also available on a dedicated website for Gazprom Group's noncore asset disposal, www.gazpromnoncoreassets.ru, the link to which is available on PJSC Gazprom's website in the Asset Disposal section.

Pursuant to the Programme for the Disposal of PJSC Gazprom's Non-core Assets, the Board of Directors reviewed and took into account quarterly reports on the disposal of PJSC Gazprom's non-core assets in 2022 (Resolutions of the Board of Directors No. 3758 dated 26 May 2022, No. 3819 dated 12 September 2022, No. 3855 dated 28 November 2022).

The actual realised value of PJSC Gazprom's non-core assets included in the action plans for the disposal of PJSC Gazprom's non-core assets in the reporting year was RUB 661.26 million (inclusive of VAT).

Implementation of the Programme, action plans, and Register of PJSC Gazprom's Non-core Assets in 2022

Nº	Asset	Inventory number (if applicable)	Balance sheet item containing the asset as at the reporting date prior to the asset disposal	Accounting items (analytics included), containing asset disposal income and expense (91.1xxx/91.2xxx)
1.	Part of the building located at: 14 Radio St., Bld. 1, Moscow	284712	1260	912701/915505
2.	60 m high communications tower and Terminal Relay Station No. 1, Nadym Communications Hub, – Terminal Relay Station No. 2, Health Centre. located at Health Centre at 0 km, Nadym, Yamal-Nenets Autonomous Area	295067	1150	911110/914101
3.	4-bedroom apartment located at 34 Voskresenskoye subsidiary farming settlement, Apt. 33, Voskresenskoye village, Moscow	247506	1260	912701/915505
4.	Administrative building in Nadym located at 21a Zvereva St., Nadym, Yamal-Nenets Autonomous Area	304567	1150	911110/914101
5.	Premises No. 1 in the Taman injection station operator's house located at 15 Severny Lane, Taman village, Temryuksky District, Krasnodar Territory	459493	1150	911110/914101
6.	Premises No. 2 in the Taman injection station operator's house located at 15 Severny Lane, Taman village, Temryuksky District, Krasnodar Territory	459497	1150	911110/914101
7.	3-bedroom apartment located at 1 Grina St., Bld. 1, Apt. 228, Moscow	247631	1260	912701/915505
8.	3-bedroom apartment located at 1 Grina St., Bld. 4, Apt. 209, Moscow	247692	1260	912701/915505
9.	Car wash located at 19 Michurinsky Avenue, Bld. 1, Moscow (cash received by PJSC Gazprom in Q3 2022)	284702	1150	Not sold
10.	Auxiliary premises located at 19 Michurinsky Avenue, Bld. 1	284702	1150	911110/914101
11.	Car wash located at 19 Michurinsky Avenue, Bld. 3	284698	1150	911110/914101
12.	Mechanical and utility room located at 19 Michurinsky Avenue, Bld. 3 (cash received by PJSC Gazprom in Q4 2022)	284698	1150	Not sold
13.	Property of the gas turbine power plant (GTPP-4) located at 25 Klubnaya St., Aramil, Sverdlovsk Region (cash received by PJSC Gazprom in Q4 2022, transaction completed in Q1 2023)	480177-480184	1150	Not sold
14.	Parking spaces (57 items) located at 19 Michurinsky Avenue, Bld. 1–3, as well as cash received in Q1–Q4 2022 from parking spaces sold in the previous period and currently being sold	284702, 284696, 284698	1150	911110/914101
15.	Parking spaces (98 items) located at 71/32 Novocheremushkinskaya St. as well as cash received in Q4 2022 from the parking spaces currently being sold	284716	1150	911110/914101
16.	397 items of motor transport and special vehicles sold in 2022 as well as cash received in Q1–Q4 2022 from motor transport and special vehicles sold in the previous period and currently being sold	397 inventory items	1150/1260	911110/914101; 912701/915505
	Total			

Disposal of Non-core Assets by PJSC Gazprom, Its Subsidiaries and Entities

Book value of asset, RUB million	Actual realised value, RUB million (inclusive of VAT)	Actual realised value vs book value, RUB million	Reason for difference between the actual realised value and book value
 89.850	97.200	7.350	Result of pre-sale preparation and disposal of an asset
 17.520	0.744	-16.776	The asset disposed of after several rounds of a competitive process with a starting price not less than its market value as assessed by an independent valuator
 8.292	8.292	-	The asset disposed of after several rounds of a competitive process with a starting price not less than its market value as assessed by an independent valuator
 0.276	11.803	11.527	Result of pre-sale preparation and disposal of an asset
 0.010	1.889	1.879	Result of pre-sale preparation and disposal of an asset
 0.010	1.880	1.870	Result of pre-sale preparation and disposal of an asset
 3.340	14.128	10.788	Result of pre-sale preparation and disposal of an asset
 3.850	15.021	11.171	Result of pre-sale preparation and disposal of an asset
 0.000	1.315	1.315	Result of pre-sale preparation and disposal of an asset
 0.026	3.007	2.981	Result of pre-sale preparation and disposal of an asset
 0.139	13.136	12.997	Result of pre-sale preparation and disposal of an asset
 0.000	0.190	0.190	Result of pre-sale preparation and disposal of an asset
 0.000	5.500	5.500	Result of pre-sale preparation and disposal of an asset
 13.395	65.368	51.973	Result of pre-sale preparation and disposal of assets
0.230	255.092	254.862	Result of pre-sale preparation and disposal of assets
11.934	166.694	154.760	Result of pre-sale preparation and disposal of assets
410.070	22/252	510.65-	
148.872	661.259	512.387	

Glossary

Name	3	Definition		
A ADR		American depositary receipt		
	AEPS	Automated Electronic Procurement System		
	Asia Pacific	The Asia-Pacific region, which includes countries of mainland Asia, America and Pacific Ocean Area		
В	boe	Barrel of oil equivalent		
	Brent	Benchmark grade of crude oil produced in the North Sea		
\overline{c}	CCGT	Combined cycle gas turbine		
	CGTU	Comprehensive gas treatment unit		
	CHPP	Combined heat and power plant		
	CNG	Compressed natural gas		
	CNG filling station	Compressed natural gas filling station		
	CS	Compressor station		
E	EAEU	Eurasian Economic Union		
	EMS	Environmental Management System		
	EMTN	Euro medium term note		
	ERD	Extended reach drilling		
	ESG	Environmental, social and corporate governance		
	EU	European Union		
	European far abroad countries	24 EU countries (excluding Latvia, Lithuania and Estonia), non-EU countries (Turkey, UK, Norway and Switzerland) and the Balkan states of Albania, Bosnia and Herzegovina, North Macedonia, and Serbia		
F	Far abroad countries	Foreign countries other than FSU countries		
	FSU countries	Former Soviet Union republics, except for the Russian Federation		
G	GBP	British pounds sterling		
	GHG	Greenhouse gases		
	GPP	Gas and/or condensate processing plant		
	GRES	State district power station		
	GTPP	Gas turbine power plant		
	GTS	Gas transportation system		
1	IFRS	International Financial Reporting Standards		
	ISO 14001:2015	International standard in environmental management of the International Organisation for Standardisation		
	ISO 45001:2018	International OHS standard of the International Organisation for Standardisation		
	ISO 50001:2018	International standard in energy management of the International Organisation for Standardisation		
K	KPIs	Key performance indicators		
L	LNG	Liquefied natural gas		
М	MET	Mineral Extraction Tax		
N	NGV fuel	Natural gas vehicle fuel		
R	R&D	Research and development		
	RAS	Russian Accounting Standards		
	RMICS	Risk Management and Internal Control System		
S	SMEs	Small and medium enterprises		
	SPTs	Strategic performance targets		
		Thermal power plant		

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Company Information



Nam	e	Definition	
U	UGSF	Underground gas storage facility	
	UGSS	Unified Gas Supply System of Russia	
	UIS	Unified Information System of public procurement of goods, works, and services for state and municipal needs	
	USD	United States (US) dollars	
	UWSMS	Unified Workplace Safety Management System	
V	VAT	Value added tax	

Glossary

Units of measurement and conversion table

Name	Definition	Conversion ratios
cu m of gas	A cubic metre of natural gas measured at 1 Pa pressure and 20 °C, with a calorific value of 8,850 kcal per cu m (HHV)	1,000 cu m of gas = 6.49 barrels of oil equivalent = 0.885 tonnes of oil equivalent
BTU	British thermal unit	1 mm BTU = 0.0285 mcm of gas
tonne of LNG	Tonne of LNG	1 tonne of LNG = 1,380 mcm of gas
tonne of oil	Tonne of oil	1 tonne of oil = 7.33 barrels of oil = 7.33 barrels of oil equivalent = 1 tonne of oil equivalent
tonne of gas condensate	Tonne of gas condensate	1 tonne of gas condensate = 8.18 barrels of gas condensate = 8.18 barrels of oil equivalent = 1 tonne of oil equivalent

Conventions

Sign	Meaning
-	Not observed
0.0	Value less than 0.05

Contacts

Full name	Public Joint Stock Company Gazprom
Abbreviated name	PJSC Gazprom
Location	Saint Petersburg, Russian Federation Address: 2/3 Lakhtinsky Avenue, Bld. 1, Saint Petersburg, 197229 Postal address: BOX 1255, Saint Petersburg, 190900 Delivery address: 156 Moskovsky Avenue, Bld. A, Saint Petersburg Phone: +7 812 413 7444 Fax: +7 812 413 7445
Website	www.gazprom.ru
E-mail	gazprom@gazprom.ru
Certificate of Entry into the Unified State Register of Legal Entities	by the Moscow Department of the Ministry of Taxation dated 2 August 2002, OGRN 1027700070518
Taxpayer Personal Identification Number (INN)	7736050003
Contact details for shareholders	Phone: +7 812 609 7657 (for shareholders of PJSC Gazprom)
Contact details of the Corporate Ethics Commission of PJSC Gazprom	Phone hotline: +7 495 719 1171 E-mail: ethics.comission@adm.gazprom.ru
Contact details for investors	Phone: +7 812 609 4129 E-mail: ir@gazprom.ru
Auditor	Limited Liability Company Financial and Accounting Consultants (OOO FBK). OOO FBK is a member of the self-regulated organisation of auditors Auditor Association Sodruzhestvo. Location: 44/1 Myasnitskaya St., Bld. 2 AB, Moscow, 101990, Russian Federation Phone: +7 495 737 5353 Website: www.fbk.ru
Registrar	Joint Stock Company Specialised Registrar – Register Keeper for Gas Industry Shareholders (AO DRAGA) Location: Saint Petersburg, Russian Federation Address: 8/2 Bolshaya Zelenina St., Bld. A, Room 42H, Petrovsky Intra-City Municipal District, 197110, Saint Petersburg Phones: 8 800 302 0773, +7 499 550 8818, +7 812 775 0081 Website: www.draga.ru

Gazprom Annual Report 2022



This Annual Report is approved by PJSC Gazprom's annual General Shareholders Meeting (Minutes No. 1 dated 30 June 2023), pre-approved by Resolution of PJSC Gazprom's Board of Directors No. 3929 dated 23 May 2023 (Minutes No. 1502 dated 23 May 2023).

Chairman of PJSC Gazprom's Management Committee A.B. Miller Chief Accountant of PJSC Gazprom M.N. Rosseev

