



MULTIFACETED ENERGY

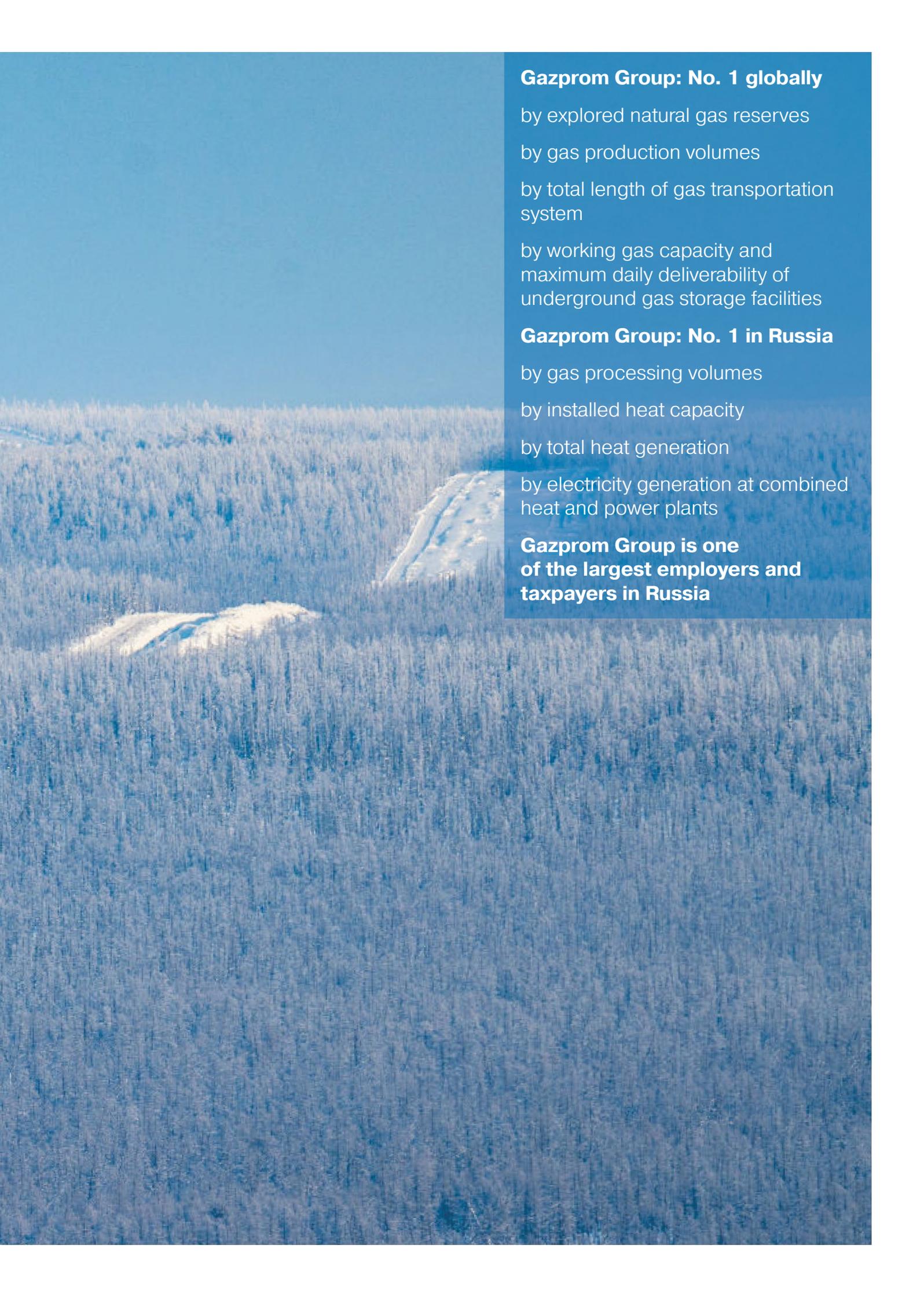
PJSC Gazprom
Annual Report 2023



PJSC Gazprom Annual Report 2023

No. 1





Gazprom Group: No. 1 globally

by explored natural gas reserves

by gas production volumes

by total length of gas transportation system

by working gas capacity and maximum daily deliverability of underground gas storage facilities

Gazprom Group: No. 1 in Russia

by gas processing volumes

by installed heat capacity

by total heat generation

by electricity generation at combined heat and power plants

Gazprom Group is one of the largest employers and taxpayers in Russia

THE FUTURE TODAY





Gazprom, a technology leader among global energy companies, introduces advanced developments across its business areas: gas, oil, and power generation. PJSC Gazprom's Innovative Development Programme until 2025 is the key document governing the Company's long-term innovation planning and management.

Gas Business

Gazprom is working to improve the equipment used for measuring volumes of natural gas transported. Gazprom Group specialists have developed a single-line gas metering station leveraging ultrasonic flow transducers, which was recognised as one of the most successful patents in Russia in 2023. The Company continues to deploy this fundamentally new gas metering stations at gas trunklines.

Oil Business

Gazprom Group has started producing Russian synthetic base oils, making it possible to phase out imported components used in the production of in-demand lubricants.

Power Generation Business

Gazprom energoholding, Gazprom Group's power generation business, is consistently building its own manufacturing capabilities.

In 2023, the company started the construction of Russia's largest specialised casting complex, which will produce blades for industrial, power, and marine gas turbines. Blades are a key element of gas turbines and the most complex part to manufacture.

Non-negotiable priorities

Gazprom Group's R&D efforts aim to develop and deploy Russian high-tech equipment and sophisticated engineering complexes unmatched globally as well as to create advanced R&D solutions.

RESERVES



Gazprom's reserves total about 27.7 tcm of gas, 1.24 bn tonnes of gas condensate, and 1.75 bn tonnes of oil. Thanks to its strong exploration programme, the Company has been replacing reserves faster than its rate of production for 19 years running.

To enhance hydrocarbon recovery, Gazprom Group companies use state-of-the-art digital technologies, including 3D modelling of fields. This approach increases the efficiency of hydrocarbon development.

To develop reserves in complex geological environments, Gazprom Group companies extensively apply advanced technology solutions, such as horizontal drilling and multistage fracking. Data sets from drilling sites are fed to control centres which use specialised software to process them and extract insights. Remote geological as well as engineering and process support for drilling operations enables optimised well trajectories and reduces geological and technological risks at all stages of well construction, from spudding to completion.

Advances in technology unlock access to previously hard-to-reach hydrocarbon reserves in difficult environments. Since 2008, the Company has been developing the Achimov deposits at depths of more than 3 km, characterised by high pressure and complex geology. In 2011, first Turonian gas was produced, from reservoirs with equally challenging geology lying at depths of about 0.8 to 0.9 km.

КОВЫКТИНСКОЕ
месторождение

Стандартный процесс
продолжил
27,2 млрд кубометров

Глубина
до 3400

Расположение
Верхняя река Лена
Севернее Прибайкалья

ЧАЯНДИНСКОЕ

месторождение

Возраст
венд-кембрий

Запасы конденсата
20,9 млн т

запасы
м

CITIES





By entering previously uninhabited parts of Russia and developing new fields, Gazprom is able to expand living space, build new infrastructure for families to live in, children to go to school, and people of all ages to play sports and receive necessary medical care.

In cities all over the country, from Saint Petersburg to Tomsk and from Nadym to Astrakhan, we preserve historical and cultural heritage and revive lost masterpieces while transforming the urban environment, creating new public spaces and points of attraction, and building facilities for productive leisure and recreation.

Gazprom provides ample opportunities for creative growth, caring about the preservation and development of Russian culture and art. The Company supports large-scale restoration and exhibition projects in Russia's leading museums.

Since 2020, Gazprom has been running the Friends of St Petersburg multifaceted social project to help young talents and students in developing professional skills in restoration, museum studies, and urban studies. It also encourages engagement from the general public in developing Saint Petersburg, exploring and preserving its historical and cultural heritage as the imperial capital of Russia.

The colossal Gazprom to Children project has covered 74 regions, where more than 2,100 modern sports and social infrastructure facilities have been built for children to take part in professional and amateur sports.

Gazprom also promotes high-performance sports, supporting about 40 professional sports clubs and sports federations across Russia in various disciplines and contributing to the long-established track record of victories and achievements of Russian athletes.

HOMES



The expansion of gas infrastructure in Russian regions is a large-scale social-impact goal. Today, PJSC Gazprom is implementing gas supply and gas infrastructure expansion programmes for 2021–2025 in 72 Russian regions. This is Russia's most extensive gas infrastructure expansion programme in the industry's history.

Gazprom is building branch pipelines, gas distribution stations, inter-settlement gas pipelines, and distribution networks for communities with no access to mains gas. In 2023, 195 inter-settlement gas pipelines with a total length of almost 2.5 thousand km were built. The technical feasibility was ensured for connecting more than 50.6 thousand households and 336 boiler facilities across 412 communities.

The programmes envisage providing access, for the first time, to mains gas for 977 thousand households and flats in 5.7 thousand communities.

Access to gas means a significant improvement to the quality of life, bringing warmth, comfort, and cosiness to the homes of millions of families.





PEOPLE





Over the past years, the Gazprom team has been delivering a huge impact to be rightfully proud of. Unique, technologically advanced projects have been implemented. Hundreds of new fields and deposits have been discovered. New high-capacity production hubs have been set up in the Arctic, Eastern Siberia, and the Russian Far East. The gas transportation system has been expanded, earning the status as the longest and most reliable one in the world.

2023 was another year showcasing the Gazprom team's highly productive work. Amid upheavals in the energy markets, the Company continued its steady growth, developing fields and commissioning new production facilities.

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.

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 2023. 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 or 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 2023, 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.

Conventions used in the Annual Report

	External factors
	Results
	Goals and plans
	Resources and capital
	Human capital
	Governing bodies
	Risk factors
	Organisation of operations
	Documents
	Information
	Additional information sources

PJSC Gazprom Annual Report 2023

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

Dear Shareholders,

High reliability and responsibility are a core part of our corporate DNA. In 2023, amid a shifting global gas market, the Company kept a steady course, operating in a clear and productive way. Gazprom has delivered on its priority investment projects, put new production capacities onstream (in particular, in the Arctic and in the east of Russia), and reinforced its position in strategically important markets. As in previous years, PJSC Gazprom fully met its obligations to customers.

The number of gas consumers in Russia has been ever increasing, driven primarily by Gazprom's large-scale efforts in regional gas infrastructure expansion, including infill projects. In 2023, another 412 communities were connected to gas service, with Russia's gas penetration rate hitting 73.8%, or 89% of technically feasible connections to mains gas across the country. By 2030, this figure will reach up to 100%.

As part of infill projects, Gazprom is bringing gas grids free of charge to the boundaries of households. Between 2021 and 2023, a total of 874 thousand Russian households were able to transition to the most cost-effective and environmentally friendly fuel and considerably improve their quality of life. Given its huge social impact, the Company is expanding the scale of its programme of infill projects. The programme includes boiler facilities of healthcare and educational institutions from March 2023 and households in allotment associations from April 2024.

At the same time, Gazprom has been boosting the economic efficiency of using gas through value-added products derived from gas. By the year-end, three process trains were in operation at the Amur Gas Processing Plant, one of the world's largest. The plant is currently under construction and is planned to have a total of six process trains. Its product offering includes helium – a noble gas highly valued both in Russia and abroad and indispensable for high-tech industries. Once ramped up to full capacity, Amur GPP will become the global leader by helium output.

Another facility is under construction by Gazprom in the northwest of Russia, set to become the country's largest – and one of the world's largest – by gas throughput. Importantly, it will include a large-scale LNG plant.

The ability to transport liquefied gas by water and by road makes supplies to consumers more flexible, and Gazprom is consistently strengthening its position in this business segment. Several small-scale LNG plants were launched across Russian regions in 2023. The medium-scale LNG complex near the Portovaya compressor station and the Sakhalin-2 project maintained steady supplies of LNG.

“ High reliability and responsibility are a core part of our corporate DNA. In 2023, amid a shifting global gas market, the Company kept a steady course, operating in a clear and productive way. ”

Experts estimate that natural gas will dominate the global energy mix going forward, with its role set to grow even further. This rise is primarily driven by the new global growth centres – nations of the Global South, including the major economies of the Asia-Pacific region. The Company has been consistently reinforcing its cooperation with countries that value reliable and long-term energy supplies.

China is Gazprom's main strategic partner in Asia Pacific. In 2023, exports through the Power of Siberia pipeline grew one and a half times and regularly exceeded daily contractual obligations of the Company. The amount of extra supplies hit an all-time high of about 700 mmcm of gas. Gazprom has teamed up with its Chinese partners to implement a project for gas supplies via the Far East route, which will be put into operation no later than 2027.

In Gazprom's history, the reporting year was also marked by the launch of the first pipeline supplies of Russian gas to Uzbekistan. Together with our partners from Kazakhstan and Uzbekistan, we were able to organise gas supply in reverse flow mode via the Central Asia–Centre gas transportation system in the shortest timeframe. The project was delivered just in time. Already during the 2023/2024 winter season, the Company supplied as much gas as technically possible to Uzbekistan at its requests. We can confidently say that Gazprom has made a significant contribution to energy security in this region.

The Group will continue expanding its relations with Central Asian countries. This will include fundamentally new levels of Russian gas supplies via the Central Asia–Centre system, with active work already underway in this area.

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

Gazprom Group's oil and power businesses also delivered strong results in 2023.

PAO Gazprom Neft has launched new production capacities at two enterprises in the Omsk Region; an oil refinery, one of the most advanced in Russia, and a lubricants plant. The two facilities have boosted their performance, helping Gazprom Neft maintain its strong position in the Russian market.

OOO Gazprom energoholding has completed a major upgrade of Avtovskaya CHPP in Saint Petersburg and Verkhne-Tulomskaya HPP in the Murmansk Region. All new equipment for the power plants was manufactured by Russian companies.

Importantly, Gazprom Group's efforts go beyond its operational objectives. Across its footprint, Gazprom has been making area improvements, creating sports infrastructure, and contributing to the preservation of cultural, historical, and spiritual heritage. For instance, over 2,100 modern sporting and social infrastructure facilities have been built as part of the Gazprom for Children project in Russia. A total of 116 out of this number were commissioned in 2023, including the largest facility throughout the history of the project, the Martial Arts Academy within the Sirius federal territory.

Dear Shareholders,

The Gazprom team comprises about half a million people who take a professional, responsible approach to their tasks and are always result-driven. This has always been the driving force behind Gazprom's successes and achievements, and the Company will continue working to the benefit of Russia, a large, strong, and free country.



Viktor Zubkov
Chairman of the
Board of Directors
PJSC Gazprom



Alexey Miller
Chairman of the
Management Committee
PJSC Gazprom

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Gazprom Group Today

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 2023

8,541.8 RUB bn

Gazprom Group's net sales revenue

1,764.6 RUB bn

adjusted EBITDA

3,118.6 RUB bn

capital expenditures

9.6 %

cost of debt as at 31 December 2023

498.1 thousand people

total headcount as at 31 December 2023

0.7 %

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

27,747.4 bcm

A+B₁+C₁ natural gas reserves in Russia under the Russian classification (as at 31 December 2023)*

359.0 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.

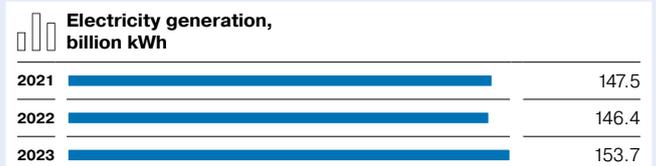
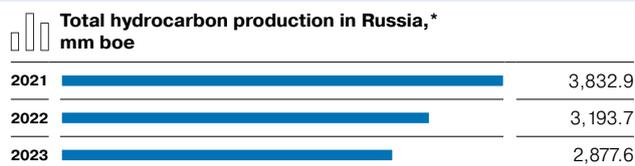
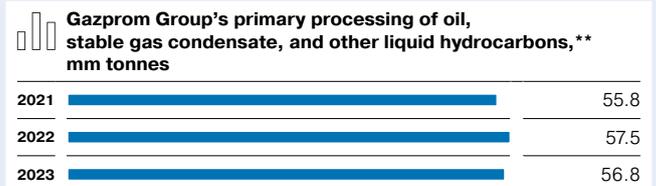
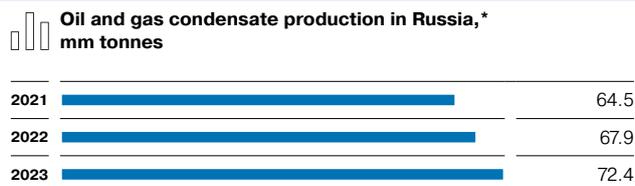
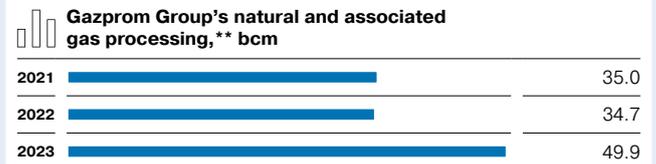
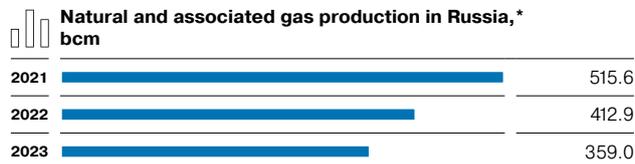
Mission

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

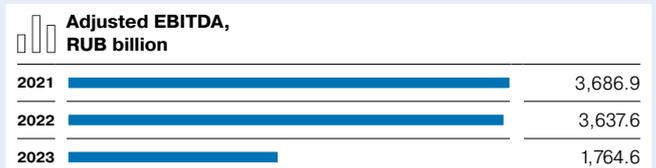
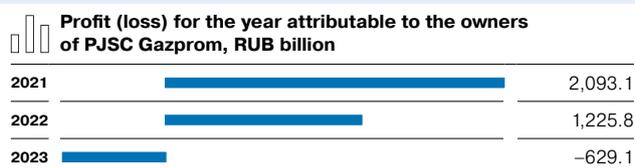
Strategic goal

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



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.

Sustainable development

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

Gazprom prioritises Russia's energy security, the well-being of Russian citizens, and promoting the country's strategic interests. The Gazprom team addresses its day-to-day tasks in a clear, well-coordinated, and professional manner, guided, among other things, by the national development goals of the Russian Federation through 2030.



Key focus areas of Gazprom Group's social activities

- Developing the Company's economic potential
- Contributing to the social and economic development of Russian regions
- Protecting the environment
- Ensuring process safety
- Developing employees



For more details on Gazprom Group's contribution to the Russian economy, see Gazprom Group's Social Impact Report 2023.
→ www.gazprom.com



For information on 2023 sustainability highlights, see the [Company's History](#) section.

Environmental responsibility

Environmental conservation is one of the priorities of PJSC Gazprom's long-term programmes. The Company adopts the latest best available and innovative technologies and pays close attention to energy efficiency and the reduction of the carbon footprint of its products.

Gazprom Group's environmental commitments and relevant delivery mechanisms are set forth in PJSC Gazprom's Environmental Policy.

These commitments include ensuring environmental safety, in particular during the development of hydrocarbon fields on the Russian continental shelf and in the Russian Arctic zone, and minimising the risks of negative impact on the environment, particularly vulnerable natural sites and features of high conservation value.

Being committed to responsible supply chain principles, the Company not only delivers on its own commitments around environmental protection but also requires that its counterparties (partners and contractors) strictly comply with the same standards.

Those Gazprom Group companies that are not covered by PJSC Gazprom's EMS have their own effective environmental management systems in place, most of them certified for compliance with ISO 14001:2015. These environmental management systems are unique and business-specific.



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 organisational 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 wholly-owned 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 Environmental management systems. Requirements with guidance for use by Russian Register Certification Association, an internationally recognised Russian certification and expert organisation. The certificate is valid until December 2026

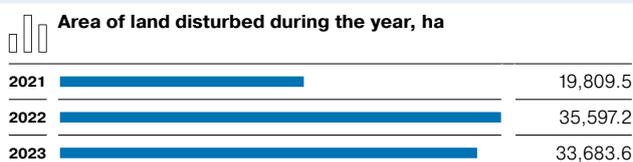
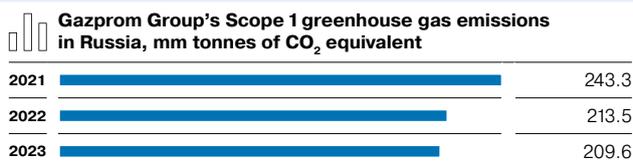
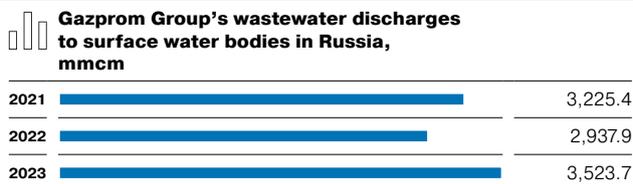
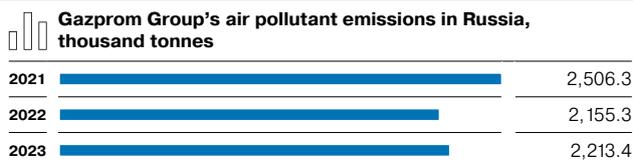
To enable consistent environmental impact mitigation, PJSC Gazprom's EMS sets Corporate Environmental Targets for a period of three years.

In 2023, PJSC Gazprom met all its Corporate Environmental Targets for 2023–2025, supported by the implementation of PJSC Gazprom's Comprehensive Environmental Programme for 2020–2024 and the successful delivery of initiatives within the Energy Saving Programme.

PJSC Gazprom's Corporate Environmental Targets for 2023–2025

Corporate Environmental Target	Baseline (2018)	Actual performance (2023)	Progress against target
Reduce GHG emissions from natural gas transportation, tonnes of CO ₂ equivalent/bcm·km	56.70	46.62	Achieved
Reduce nitrogen oxide emissions from natural gas transportation, tonnes/mmcm	4.23	4.06	Achieved
Reduce above-limit pollutant discharges to surface water bodies, %	5.26	1.47	Achieved
Reduce the share of waste sent to landfill in the total amount of waste managed, %	37.53	16.27	Achieved
Reduce the share of subsidiaries that exceed 5% of above-limit impact charges, %	35	10.81	Achieved

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



Gazprom runs efficient operations while committing to conserve the environment for future generations. By using the best available technologies and innovations to protect the environment, the Company is reducing its environmental impact in a holistic way.

Higher environmental impact in 2023 was mainly driven by the operations of Gazprom Group's power generation business entities (higher volumes of electricity generation, production of sand waste from dredging the bed of a water supply canal at one of the GRES plants) and a reporting boundary expansion for the oil business.

At the same time, the successful delivery of initiatives within the Energy Saving Programme and lower fuel gas consumption helped achieve a reduction in greenhouse gas emissions.

Gazprom Group's environmental protection costs in Russia, RUB billion

	2021	2022	2023
Current environmental protection costs	36.3	40.4	43.5
Capital expenditures for environmental protection and sustainable use of natural resources	60.5	48.0	52.1
Negative environmental impact charges	0.7	0.7	0.6
Total	97.5	89.1	96.2

Energy conservation and efficiency

Gazprom is strongly focused on conserving energy resources and seeks to steadily improve the energy efficiency of its operations.

The Company's key energy efficiency and energy saving commitments and relevant delivery mechanisms are set forth in PJSC Gazprom's Energy Efficiency and Energy Saving Policy aimed at carefully conserving energy resources, boosting the energy performance of PJSC Gazprom's operations, and deploying systematic solutions in technology and management.

PJSC Gazprom's Energy Saving and Energy Efficiency Programme is developed annually for a period of three years and covers all of the Group's core activities. The document defines the Company's relevant targeted priorities and sets forth annual corporate energy targets.

The current Programme (for 2023–2025) was approved in 2023. It reiterates the targeted priorities of the programmes for previous periods with key aspirations including further reduction of natural gas and electricity consumption for natural gas compression as well as prevention of natural gas venting during repairs at Unified Gas Supply System (UGSS) facilities.

Those Gazprom Group companies that are not covered by PJSC Gazprom's Energy Saving and Energy Efficiency Programme have their own effective energy saving and energy efficiency programmes in place, compliant with federal laws and corporate requirements of Gazprom Group.



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 organisational 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 UGSS facilities
- Is set up in compliance with GOST R ISO 50001:2023 Energy management systems. Requirements with guidance for use (ISO 50001:2018) as well as in line with PJSC Gazprom's assumed commitments, regulations, and administrative documents related to energy saving and energy efficiency improvement. Compliance with the national standard was confirmed through internal audits conducted at subsidiaries in 2023



PJSC Gazprom's energy efficiency and energy saving corporate targets

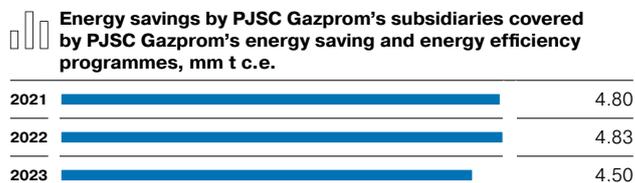
Corporate energy target	Actual performance (2023)	Progress against target
Reduction of specific energy consumption for own process needs of trunk gas pipelines vs a baseline, %	13.9	Achieved. In accordance with the Energy Strategy of the Russian Federation to 2035 (approved by Decree of the Russian Government No. 1523-r dated 9 June 2020), specific consumption of energy resources for own process needs of trunk gas pipelines is to be reduced by 12% by 2024 vs a 2018 baseline.
Natural gas savings, mmcm	3,719.7	Achieved. To assess the performance of initiatives within PJSC Gazprom's Energy Saving and Energy Efficiency Programme, variance analysis is conducted for each energy resource type. The reporting year's actuals for natural gas and electricity savings exceeded the annual targets by 4.7% and 5.8%, respectively.
Electricity savings, million kWh	389.3	

To improve energy efficiency, PJSC Gazprom implements measures within its corporate programmes to streamline the operation of power equipment at process facilities, reduce gas losses, deploy efficient lighting schemes, replace and upgrade gas pumping units to enhance their efficiency, reduce fuel gas consumption by replacing replaceable flow parts of centrifugal gas compressors, survey wells using telemetry tools without venting gas into the air, and use the potential of compressor unit exhaust gases to generate electricity.

In the reporting year, efforts within corporate energy saving and energy efficiency programmes remained focused primarily on a set of technical solutions aimed at saving gas during repairs. The volume of natural gas saved during repairs at UGSS facilities doubled from a 2018 baseline to over 2.21 bcm, which represents more than 50% of total natural gas savings over the year.

4.5 mm t c.e.
energy savings in 2023

20.3 RUB bn
economic impact of energy saving initiatives in 2023



Attracting investments from energy service companies to finance actual and prospective energy saving projects

- 14 energy service projects in PJSC Gazprom's portfolio are currently at various stages of implementation. Total investment under these projects amounts to RUB 11.5 billion, while PJSC Gazprom's economic benefit from their implementation is estimated at RUB 66.4 billion over the equipment life cycle.
- Ten energy service contracts for energy saving projects are in the process of technical and economic evaluation or in the pre-project phase: replacement of existing lighting systems with energy efficient lighting; construction of a turboexpander power plant at a gas distribution station; deployment of ejectors at subsidiaries' compressor stations; upgrades of gas air coolers; construction of boiler facilities; and the rollout of a project to replace replaceable flow parts of centrifugal compressors across subsidiaries.

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 2023 and Gazprom Group's Social Impact Report 2023.
→ www.gazprom.com

Low-carbon development and climate strategy

Natural gas is the most environmentally friendly type of fossil energy sources. Thanks to its unique properties and the use of advanced technologies, Gazprom Group boasts products that have the lowest carbon footprint among global energy companies.

The Company's balanced low-carbon development over the long term is supported by an adequate resource base, well-developed infrastructure, and robust existing capabilities.

54 %
share of natural gas in Russia's overall energy mix

PJSC Gazprom's Climate Strategy is aimed at promoting the Company's sustainable development in the context of the global low-carbon energy transition. The Strategy is based on PJSC Gazprom's scenarios of sustainable development until 2050 and incorporates Russia's national goal of achieving a balance between anthropogenic emissions of greenhouse gases and their absorption by no later than 2060.

69 mm tonnes of CO₂ equivalent

targeted reduction of greenhouse gas emissions in 2023–2035 through new projects in gas infrastructure expansion and fleet conversion to natural gas

50 million carbon units

registered by a PJSC Gazprom subsidiary in the Russian Register of Carbon Units in 2023

The Company prioritises the following low-carbon development areas

- Expanding gas infrastructure in regions and converting vehicles to natural gas
- Reducing direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas emissions
- Improving energy efficiency of operations
- Adopting innovations and best available technology in low-carbon development
- Supporting climate R&D
- Implementing initiatives to offset greenhouse gas emissions
- Building new businesses through natural gas, including hydrogen energy development

A climate project by OOO Gazprom MCS to prevent greenhouse gas (methane) emissions by using mobile compressor stations (MCS) when preparing trunkline sections for repairs is the largest project within the national infrastructure built under the Federal Law On Limiting Greenhouse Gas Emissions, included in the national Register of Carbon Units in 2023.

MCS is one of the most effective modern technologies to prevent natural gas emissions typical of traditional repair methods. During preparations for such works, MCS is used to pump the bulk of gas from the disconnected pipeline section to an active section or to a parallel string, preventing up to 80% of methane emissions to the atmosphere.

The project targets gas trunklines operated by PJSC Gazprom gas transportation subsidiaries and will span the UGSS of Russia, from the Yamal Peninsula in the north-eastern part of the European part of Russia to the border with Kazakhstan in the south, including all gas trunkline sections scheduled for repairs, ranging from 700 mm to 1,420 mm in diameter. The project timeline is 2019–2029. Carbon units will be issued as emission reductions are verified.

Plans include issuing 50 million carbon units, an equivalent of 50 mm tonnes of CO₂ equivalent.



Information about the project is also available on the [website](#) of the Russian Register of Carbon Units.



Social responsibility

Gazprom Group is focused on providing comprehensive protection to its employees and their families, promoting their health and well-being, supporting efforts to improve demographics, and developing human capital. The Company ensures work safety and provides opportunities for employees' professional development and growth. Gazprom also prioritises contributing to addressing national social and economic challenges, creating a comfortable urban environment, developing rural areas, and promoting areas such as fitness and sports, healthcare, education, science, spiritual values, culture, and others.

Employees of Group companies actively participate in volunteer initiatives across the country, contributing to nature conservation and helping those who need it most.

Employees

The HR Management Policy of PJSC Gazprom seeks to establish effective HR management based on social partnership principles. The Policy's key goal is to maximise return on investment in talent.

Every five years, Gazprom reviews and updates its Comprehensive Programme for Improvement of HR Management at PJSC Gazprom, Its Subsidiaries and Entities.

The General Collective Bargaining Agreement of PJSC Gazprom – one of Russia's largest employers – provides for equal rights and opportunities for all employee categories.

These documents fully reflect the role and importance of Gazprom Group employees as a strategic resource and outline key approaches to protecting the labour rights of employees, providing comprehensive social support, and creating conditions for continuous professional and personal growth.

Gazprom Group monitors its employee turnover rate, which ranged between 4.4% and 6.7% over the past five years, in line with the average for the energy sector, including oil and gas.

6.7%

employee turnover rate across Gazprom Group in 2023

Total headcount of Gazprom Group as at 31 December, thousand

2021	479.2
2022	492.2
2023	498.1

Staff costs of Gazprom Group, RUB billion

2021	840.2
2022	953.7
2023	1,096.7

Gazprom Group's social expenses, RUB billion

2021	38.5
2022	38.8
2023	50.9

In 2023, Gazprom Group's headcount rose due to implementing strategic gas processing projects, restructuring gas distribution entities within Gazprom mezhregiongaz Group, and commissioning major liquid hydrocarbon production projects.

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

Employee training principles:

- Focusing on the Company's goals
 - Continuous learning
 - Comprehensive and tailored approach to employee training
 - Effective education
- Employee training is provided in line with predesigned educational programmes and using diverse teaching and learning aids and simulators.

 **Average training hours per Gazprom Group employee in 2023**

- 56 hours for white collars
- 77 hours for blue collars

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

Gazprom employees and retirees, as well as their family members, are provided with high-quality medical services.

Occupational 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 employees
- Reduce the risks of accidents and incidents at hazardous facilities
- Reduce the risks of road accidents related to operations
- Ensure fire safety

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 lives and health of employees, equipment, and the environment
- Ensuring the sustainable development of PJSC Gazprom while staying within the established workplace safety parameters

 **Unified Workplace Safety Management System**

- In 2023, the UWSMS covered PJSC Gazprom, its major subsidiaries specialising in natural gas, gas condensate, and oil production, treatment, transportation, processing, distribution, and storage; subsidiaries and entities responsible for the operation of the UGSS (including Gazprom mezhregiongaz Group) and involved in sales of oil, gas condensate, refined products, and NGV fuel; and oil and power generation businesses of Gazprom Group. The UWSMS covered a total of 636.4 thousand employees.
- 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 2023, its compliance was certified by the Russian Register Certification Association, an international certification agency, as part of a recertification audit of the UWSMS.

 For more details on employees and workplace safety across Gazprom Group, see Gazprom Group's Social Impact Report 2023. → www.gazprom.com



Charitable activities, sponsorship, and corporate volunteering

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 2023, Gazprom Group financed a total of over 4,500 charitable and sponsorship events.



Key charity and sponsorship efforts of PJSC Gazprom and its subsidiaries and entities in 2023

- Promoting sports, including through the Gazprom for Children project
- Contributing to area improvements across the Company’s footprint
- Supporting education and science
- Supporting healthcare Supporting environmental protection projects
- Supporting the preservation of cultural and historical heritage and the revival of cultural and spiritual values
- Supporting cultural and art projects
- Supporting indigenous minorities



Key areas of volunteering at Gazprom Group

- Environmental
- Social
- Patriotic
- Culture and education

155.7 thousand Gazprom Group employees* participated in volunteering activities



For more details on Gazprom Group’s charitable activities, sponsorship projects, and corporate volunteering, see Gazprom Group’s Social Impact Report 2023.
→ www.gazprom.com



* Total number of employees who participated in any corporate volunteering activities.

Geography of Operations

(Data for 2023 or as at 31 December 2023)

Gazprom Group's core production assets and projects in Russia



Largest fields

- ▲ Gas fields, gas and gas condensate fields
- ▲ Oil fields
- ▲ Oil and gas fields, oil and gas condensate fields

Major gas trunklines

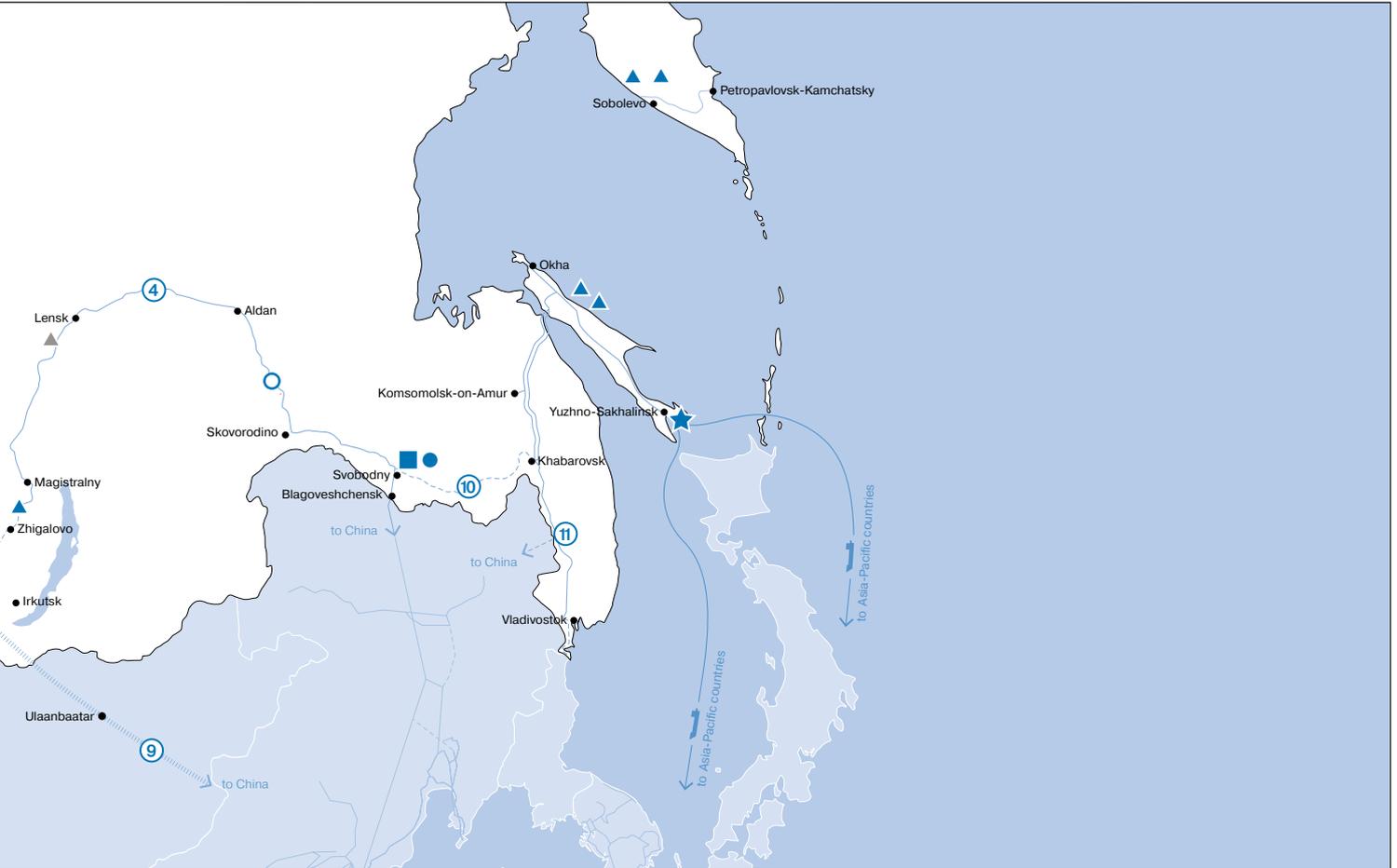
- Constructed and active gas pipelines
- - - Gas pipelines under construction and projected gas pipelines
-> Projected supply routes

Key gas export routes

- ① TurkStream gas pipeline
- ② Blue Stream gas pipeline
- ③ Progress and Urengoy–Uzhgorod gas pipelines
- ④ Power of Siberia gas pipeline

Gas transportation projects

- ⑤ GTS revamp projects to supply ethane-rich gas from the Nadym-Pur-Taz region's fields to the Baltic Sea coast
- ⑥ Ukhta–Torzhok 3 gas pipeline
- ⑦ Bovanenkovo–Ukhta 3 gas pipeline
- ⑧ Power of Siberia 2 gas pipeline
- ⑨ Soyuz Vostok gas pipeline
- ⑩ Belogorsk–Khabarovsk gas pipeline
- ⑪ A branch pipeline from the Sakhalin–Khabarovsk–Vladivostok gas trunkline to the state border with China



Existing refining/processing, gas chemical, and petrochemical assets

- GPPs
- Refineries
- Gas chemical and petrochemical facilities
- Gazprom Group's access to GPP capacity
- Gazprom Group's access to refinery capacity

Refining/processing, gas chemical and petrochemical projects

- Facilities under construction and projected facilities

Underground gas storage facilities

- Active facilities
- Facilities under construction and projected facilities

Power generation facilities

- Active facilities
- Facilities under construction and projected facilities

LNG production and regasification facilities

- Active facilities

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

(Data for 2023 or as at 31 December 2023)

Hydrocarbon reserves and production

No. 1 globally
by explored natural
gas reserves

No. 1 globally
by gas production

No. 2 in Russia
by oil and gas condensate
production*

Hydrocarbon processing/refining

No. 1 in Russia
by gas processing
volumes

No. 2 in Russia
by volumes of primary
oil refining and primary
processing of stable gas
condensate

* Including the share in the production of oil and gas condensate by associates and joint ventures.

Gas transportation and underground storage

No. 1 globally
by total length
of the gas transportation
system (GTS)

No. 1 globally
by working gas capacity
and maximum daily
deliverability
of underground gas
storage facilities
(UGSF)

Electricity and heat

No. 1 in Russia
by installed heat capacity

No. 1 in Russia
by heat generation

No. 2 in Russia
by installed electrical
capacity

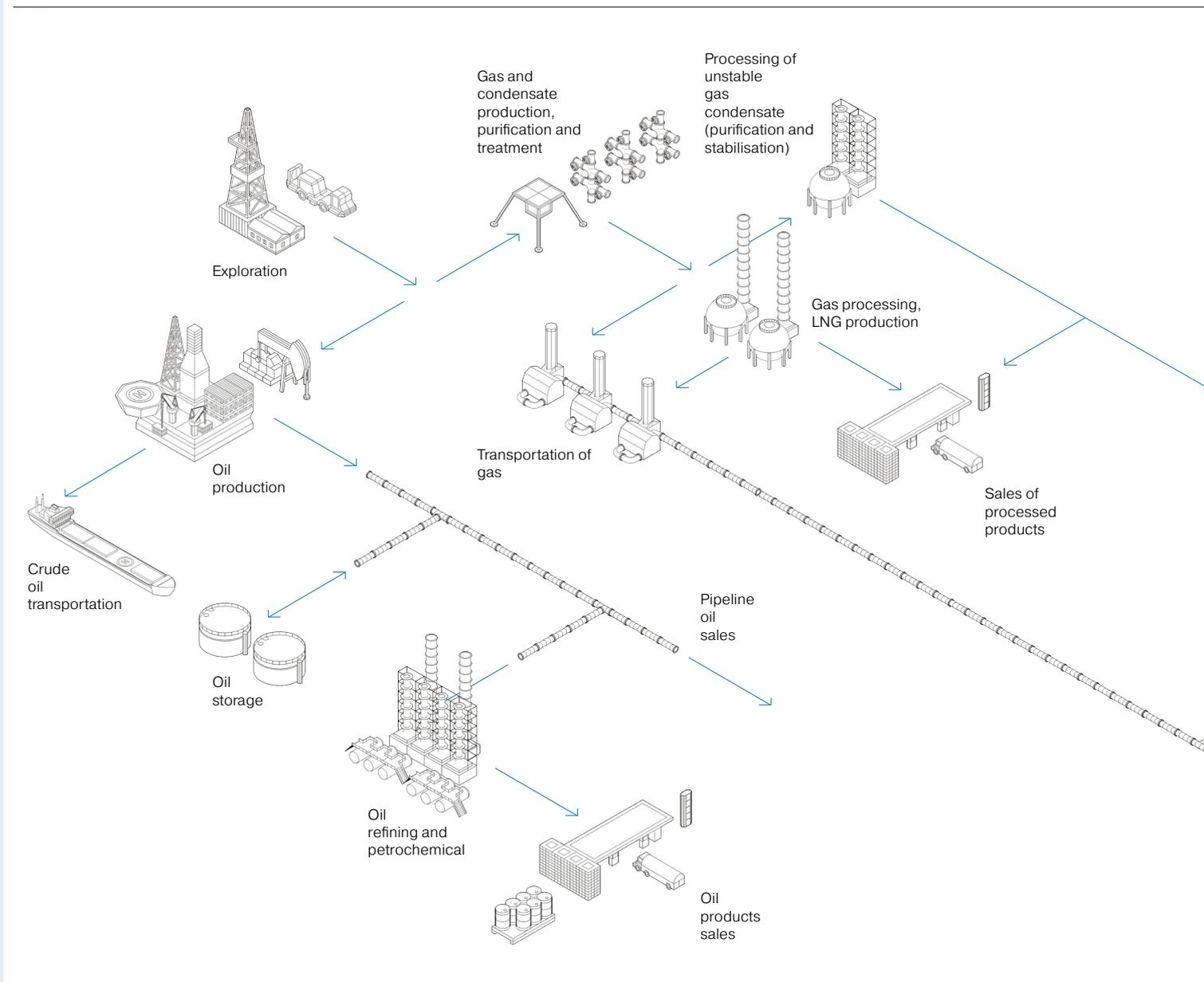
No. 1 in Russia
by electricity generation
at combined heat and
power plants

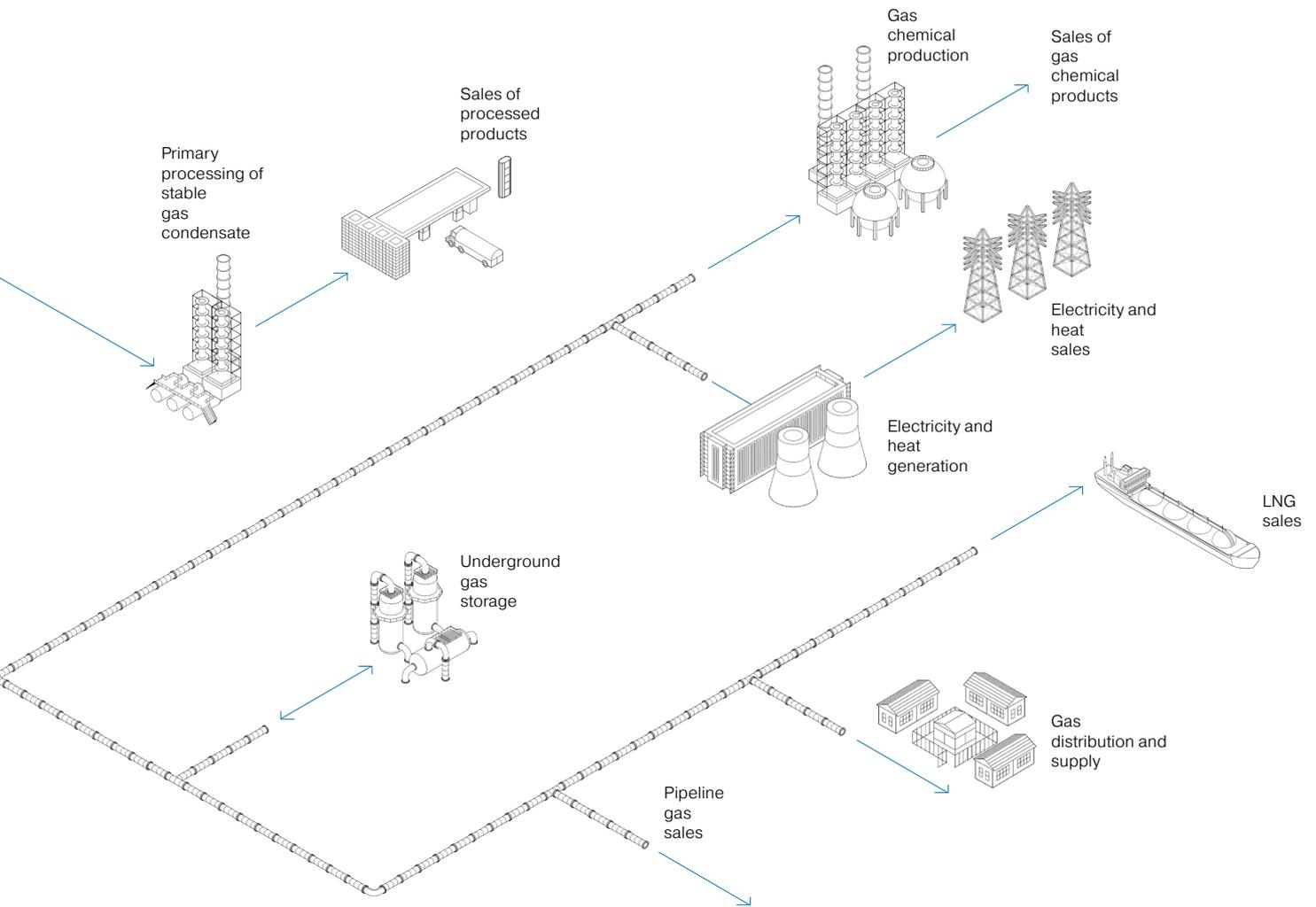
Business Model

Drawing on its vast resource base, 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

27,747.4 bcm of natural gas reserves in Russia*,**

2,991.6 mm tonnes of oil and gas condensate reserves in Russia*,**

7,717 active gas production wells in Russia

10,411 producing oil wells in Russia

Results

359.0 bcm – natural and associated gas production in Russia**

72.4 mm tonnes – oil and gas condensate production in Russia**

1.15 – natural gas reserve replacement ratio**

Gas transportation and underground storage

Resources and capital

180.6 thousand km – total length of gas trunklines in Russia

23 UGSFs in **27** geological structures in Russia

72.842 bcm – working gas inventory across UGSFs in Russia as at the start of the 2023/2024 withdrawal season

Results

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

* A+B₁+C₁ 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.

Note. Data are for 2023 or as at 31 December 2023.

Business Model

Processing



Resources and capital

7 gas and condensate processing plants, including 4 gas processing plants (GPPs), a helium plant, condensate treatment plant, and condensate stabilisation plant in Russia

Medium-scale Liquefied natural gas (LNG) production, storage, and shipping complex in Russia

5 refineries in Russia and abroad

Gas chemical and petrochemical plants in Russia and abroad



Results

49.9 bcm – treatment and processing of natural and associated gas at gas processing facilities*

56.8 mm tonnes – primary oil refining and primary processing of gas condensate*

51.9 mm tonnes – output of oil products*

6.3 mmcm – helium production*

3.6 mm tonnes – liquefied petroleum gas production*

Power generation



Resources and capital

37.5 GW – total installed electrical capacity of generation assets in Russia and abroad

Advantageous location of facilities – primarily in industrialised regions of Russia

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

Vertical integration and highly diversified business in the Russian market, including assets in power and heat generation, heat supply and sales, and adjacent segments

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



Results

153.7 bn kWh – total electricity generation in Russia and abroad

142.6 mm Gcal – heat generation



For more details, see the [Performance Results](#) section.

* Excluding tolling arrangements.

The Company's History

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 developing its oil and power businesses, 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 strong management. All this will help Gazprom continue competing with global leaders on equal terms, implementing ambitious projects, and achieving impressive results.

2023 in the Company's history

<p>Gazprom has ensured consistent development of its Yamal gas production hub, which plays a key role for the Russian gas industry</p>	<p>New production capacities were built at the Bovanenkovskoye field, the core asset of the Yamal gas production hub. The Group continued building infrastructure at the Kharasaveyskoye field, another asset on the Yamal Peninsula.</p> <p>In 2023, the most significant growth in reserves was achieved through a large-scale exploration programme onshore the Yamal Peninsula and over the Yamal shelf of the Kara Sea, specifically at the Malyginskoye field and the 75 Years of Victory field.</p> <p>The Yamal hub is instrumental for reliable long-term gas supply to Russian consumers.</p>
<p>New capacities of a strategically important integrated infrastructure comprising production, transportation, and processing facilities have been launched in the eastern part of Russia</p>	<p>In December, a second comprehensive gas treatment unit (CGTU-3) was put on stream at the Kovyktinskoye field, the largest gas field in the east of Russia (Irkutsk Region). The final infrastructure facility, preliminary gas treatment unit No. 4 (PGTU-4), was commissioned at the Chayandinskoye field (Republic of Sakha (Yakutia)). The new capacities ensured the planned production ramp-up at gas fields supplying the Power of Siberia gas pipeline.</p> <p>To recover more value from multicomponent gas produced at the Chayandinskoye and Kovyktinskoye fields, Gazprom continues the construction of its Amur GPP, one of the largest gas processing plants globally in terms of design capacity. As at 31 December 2023, three process trains out of six as well as two helium units out of three were put on stream at the plant. All process trains were launched without involvement of foreign licensors.</p>
<p>An agreement has been signed to design and construct a cross-border section of a gas pipeline for gas supplies to China via the Far East route</p>	<p>PJSC Gazprom, CNPC (China), and PipeChina (China) signed an agreement to design and construct a cross-border section of a gas pipeline for gas supplies to China via the Far East route.</p> <p>Another long-term sale and purchase agreement was signed in 2022 for natural gas supplies to the Chinese market via the Far East route. Once the project is ramped up to full capacity, the total annual amount of Russian pipeline gas supplies to China will surge by 10 bcm.</p>
<p>The first supplies of Russian natural gas to Uzbekistan via Kazakhstan have been started</p>	<p>Russian gas is supplied in reverse flow mode via a dedicated route based on the Central Asia–Centre system of gas trunklines, specifically, in Kazakhstan, gas is supplied via the Central Asia–Centre 4 and Central Asia–Centre 5 gas pipelines. To create the dedicated route, specialists from the national gas companies of Kazakhstan and Uzbekistan, supported by a Gazprom team, performed diagnostics and renovation operations at gas transportation facilities as well as built new gas infrastructure in the shortest timeframe.</p> <p>This ambitious joint initiative has resulted in upgrades and improvements to technical parameters of the gas transportation systems of Kazakhstan and Uzbekistan, ensuring the ability to supply gas from Russia to Uzbekistan and, accordingly, boosting gas supply reliability and energy security in the region.</p>
<p>Gas infrastructure expansion, including infill projects, maintained its momentum across Russian regions</p>	<p>Gazprom continues its ambitious programme to connect Russians to mains gas and significantly boost the quality of life across towns and villages. In 2023, residential consumers in more than 400 Russian communities were provided with access to mains gas thanks to around 2.5 thousand km of inter-settlement gas pipelines built by Gazprom over the year.</p> <p>In communities where mains gas is already available, Gazprom actively expands the existing gas infrastructure by installing gas lines to residential properties and to boiler facilities of healthcare and educational institutions at no charge for the relevant consumers. In 2023, the Group completed one and a half times more additional gas infrastructure expansion projects than in the prior year. By signing over 1 million contracts, most of them already fulfilled, Gazprom has passed an important milestone.</p>
<p>Gas reserves and capacities of UGS facilities in Russia have hit new record highs</p>	<p>The high levels of reserves and UGSF capacity enable Gazprom to successfully navigate seasonal demand fluctuations and rapidly ramp up gas supply to consumers during sudden cold spells. For this reason, Gazprom has been consistently growing its UGSF capacities in Russia. By the start of the 2023/2024 withdrawal season, Gazprom had built up a working gas inventory of 72,842 bcm across Russian underground gas storage facilities, an absolute record for the Russian gas industry. The potential maximum daily deliverability has also reached a new all-time high of 858.8 mmcm.</p>

<p>Energy supply reliability in northwestern Russia has been considerably increased</p>	<p>In September, the Group completed a major upgrade of generation capacity at Avtovskaya CHPP, one of Saint Petersburg's key thermal power plants. The upgrade of Verkhne-Tulomskaya HPP, the largest power plant in northwestern Russia, was completed in December in the Murmansk Region. These projects have been implemented without shutting down operations, with the power plants supplying energy to consumers throughout the upgrade period. New equipment and control systems for the power plants were manufactured mainly by Russian companies.</p>
<p>Major oil refining projects have been implemented</p>	<p>In 2023, Gazprom Neft commissioned a crude-vacuum distillation unit (CDU-VDU) at Omsk Refinery, the most advanced unit of its kind in Russia. The new facility has boosted fuel production efficiency while also further reducing the refinery's environmental impact. The Omsk Lubricants Plant has started producing domestic synthetic base oils.</p>
<p>Gazprom Group has adopted its Corporate Volunteerism Policy</p>	<p>Traditionally popular across Gazprom Group entities, volunteerism has received a strong impetus for further systematic development with the adoption of this high-level dedicated policy. The Policy aims to promote a culture of voluntary employee participation in addressing tasks of social significance in the regions where Gazprom Group operates and to strengthen Gazprom Group entities' image of socially oriented employers. The document outlines key principles and areas of corporate volunteerism at Gazprom and activities that contribute to the Policy's goals.</p>
<p>PJSC Gazprom's 2050 Climate Strategy has been adopted</p>	<p>The Company's Climate Strategy has been developed based on PJSC Gazprom's sustainable development scenarios until 2050. The Strategy focuses on reducing carbon intensity of natural gas production, transportation, storage, and processing processes and creating the most favourable environment for ramping up the share of natural gas usage in the energy, industrial, and transportation sectors. PJSC Gazprom's Climate Strategy outlines the Company's priorities in further promoting low-carbon development. The document also provides for support for research, facilitation of climate awareness and education projects, and Gazprom's involvement in climate initiatives to reduce carbon footprint of its operations.</p>
<p>The Programme for Conservation of Biological Diversity in the Arctic has been adopted</p>	<p>In early 2024, the Company approved its Programme for the Conservation of Biological Diversity during the Production and Development of Fields in the Areas of PJSC Gazprom Activity on the Continental Shelf of the Russian Federation in the Arctic. Key objectives of the Programme include monitoring biodiversity status across Gazprom's operating regions in the Arctic shelf; preventing and reducing negative impact on biodiversity; planning and implementing compensatory measures; contributing to an environmental culture in society; and promoting environmental awareness. The Programme also involves drafting procedural documents and setting targets for biodiversity conservation; integrating relevant requirements into business processes of Group entities; and informing Gazprom employees as well as involving them in biodiversity conservation activities.</p>
<p>The Russian Government and PJSC Gazprom have signed the Agreement of Intent to Stimulate Progress in a Technology-Intensive Focus Area, Expansion of the Hydrogen Economy</p>	<p>In January 2023, the Government of the Russian Federation and PJSC Gazprom signed the Agreement of Intent to Stimulate Progress in a Technology-Intensive Focus Area, Expansion of the Hydrogen Economy. The Agreement will be implemented mostly through a relevant roadmap, under which the Company ensures the delivery of activities to develop advanced technology solutions and conduct research in natural gas-based hydrogen energy.</p>

Strategy

Performance Results

Corporate Governance

Appendices

Milestones

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.
	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.

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 offshore gas pipeline to support the country's gas exports and one of the world's deepest undersea pipelines.
2005	2 September	Gazprom delivered its first LNG cargo with the arrival of a gas tanker to a US 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 cargo to an Asian market was delivered, purchased by Japan.
2007	25 April	The Board of Directors approved JSC Gazprom's Power Generation Strategy, the implementation of which has 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 gas trunkline 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 extended with the addition of the new Ukhta–Torzhok gas pipeline.

The Company's History

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 facilities 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 trunkline.
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 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 Vasilevsky. 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 trunkline.

2020s

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, Lakhta Centre, is 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 China's 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	The Kovyktinskoye field and the Kovykta–Chayanda section of the Power of Siberia gas trunkline were brought online.
2023	7 October	An official ceremony was held to celebrate the start of Russian natural gas supplies to consumers in Uzbekistan via Kazakhstan.



2

Strategy



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Trends and Developments in Global Energy Markets

A resumption of demand for energy resources was observed worldwide throughout 2023. At the same time, geopolitical factors, prevalence of politically motivated decisions in energy policies of some countries, high energy security risks, and price volatility continue to exert their negative influence on the global energy sector. Among the ongoing changes in the world's energy markets, Gazprom continues its work to ensure highly reliable gas supplies to Russian consumers and the growth of export potential.

Gas Markets in 2023

Global energy markets

In 2023, the following trends were observed in global and regional energy markets:

- A resumption of demand for energy resources. According to preliminary estimates, in 2023 global gas consumption grew by 15 bcm (+0.3%) year-on-year. Weather was the main constraint for consumption growth: 2023 was the warmest year on record
- Increased attention to energy security by governments and oil and gas companies. 2023 saw an increase in investments in global oil and gas exploration and production above the levels of recent years. Global investments in renewable energy, however, remain higher than investments in the oil and gas and coal industries, boosting overall energy security risks
- Continued negative influence on the global energy market, primarily the gas market, by geopolitical factors, prevalence of politically motivated decisions in energy policies of some countries, high energy security risks, and price volatility
- Continued role of fossil fuels as the foundation for the global energy mix in the longer run; forecast increase in the significance of natural gas in the global energy mix under any realistic energy outlook scenario. For emerging markets, natural gas remains the most attractive energy resource as it combines benefits such as reliability, usability, cost-effectiveness, and environmental friendliness as well as due to the sustainability and reliability of gas-fired energy systems supplied with gas under long-term contracts

Trends and Developments in Global Energy Markets



Average annual prices of major commodities

Natural gas (Netherlands), USD per mcm	
2021	574
2022	1,428
2023	460
LNG (APR countries), USD per mcm	
2021	632
2022	1,198
2023	507
Oil Brent, USD per barrel	
2021	71
2022	99
2023	82

Source: PJSC Gazprom's estimates



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).

Russian gas market

In 2023, total gas consumption in Russia was 495.6 bcm, up 1.8% year-on-year, with the increase driven by colder weather in Q4 2023 resulting in a corresponding increase in gas consumption by electricity industry entities amid the economic growth in Russia.



Russia's domestic gas consumption, 2019–2023, bcm

2019	481.0
2020	460.5
2021	516.1
2022	486.6
2023	495.6

The largest consumers of natural gas in Russia include electricity and heat generators (34%), the oil industry (12%), households (11%), the housing and utilities sector (8%), metallurgy (6%), the gas industry (5%), and the agrochemical industry (5%).

57%

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, 2019–2023, bcm

Parameter	2019	2020	2021	2022	2023
Domestic gas consumption in Russia	481.0	460.5	516.1	486.6	495.6
Supplies to Russian consumers via Gazprom's GTS*	353.9	338.8	376.8	372.1	375.3
incl. Gazprom Group via the GTS (with purchases from independents)	240.0	225.9	258.5	243.8	239.2
Supplies to Russian consumers via Gazprom's GTS from Gazprom Group's production*	221.2	208.4	238.1	227.5	215.2

* Excluding GTS process needs.



PJSC Gazprom's role in the Russian gas market development in 2023

Area of development	Initiatives
Improving the calculation of gas transportation tariffs	Due to considerable changes in the breakdown of gas supplies, commissioning, and connection of new fields to gas trunklines and other changes related to gas transportation routes, in 2023, PJSC Gazprom approached the Russian Federal Antimonopoly Service (FAS of Russia) requesting to update the list of gas entry/exit zones and sources in Appendix No. 6 to the current Order of FTS of Russia, No. 216-e/1, On Approval of Tariffs for Gas Transportation Services through the Gas Trunklines of OJSC Gazprom, Which Are Part of the Unified Gas Supply System, for Independent Organisations, dated 8 June 2015. On 25 August 2023, the FAS of Russia issued its Order No. 575/23 making the necessary amendments to its Order No. 216-e/1 dated 8 June 2015.
Promoting exchange trade in the Russian market, including improvements to trading arrangements for month-ahead and day-ahead gas contracts	In compliance with the instruction of Alexander Novak, Deputy Prime Minister of the Russian Federation, PJSC Gazprom has prepared and submitted proposals on promoting the exchange trade in natural gas. Their implementation will enable balancing the interests of gas consumers and suppliers, facilitate the evolution of the competitive environment in the domestic market and emergence of representative market indicators of prices for natural gas driven by demand and supply, including seasonality.
Developing a common gas market of the Eurasian Economic Union	We continued working to protect the interests of the Russian Federation and PJSC Gazprom, in particular to introduce market pricing principles for gas and preparing an economically viable tariff rate for trunkline gas transportation in the Eurasian Economic Union's common gas market as well as to prevent imbalances in this emerging market.

Asian Pacific gas market

The greatest surge in demand for gas was recorded in the Asia-Pacific Region (APR). According to PJSC Gazprom's preliminary estimates, in 2023, gas consumption in Asian Pacific countries grew by almost 30 bcm (up 3% year-on-year), with the growth in gas consumption mainly driven by China.

Throughout 2023, PJSC Gazprom's gas supplies to China were repeatedly above contracted daily volumes. Half of the increase in gas imports in China in 2023 is attributable to PJSC Gazprom. Russian gas plays a major role in ensuring the reliability of gas supplies to China, particularly in winter.



Gas consumption, domestic production, and imports in China*, 2019–2023, bcm

Parameter	2019	2020	2021	2022	2023
Consumption	306.7	330.6	372.6	366.3	394.6
Domestic production	173.1	190.5	204.9	217.4	230.7
Imports, including:	134.0	140.5	168.3	151.0	165.8
LNG	83.4	92.4	109.1	87.9	98.8
pipeline supplies of natural gas	50.6	48.1	59.1	63.1	67.1

* Calculated based on statistical data from the National Development and Reform Commission, the General Administration of Customs, and the National Bureau of Statistics of China.

Source: PJSC Gazprom's estimates. Figures for 2022 and previous years may differ from the data in the Annual Report 2022 since international statistics may have been subsequently updated



Trends and Developments in Global Energy Markets

Central Asia gas markets

According to preliminary estimates, in 2023, natural gas consumption in Central Asian countries topped 110 bcm while marketable gas production exceeded 150 bcm, with close to one-third of this output exported. However, the misbalance between gas production and consumption, as well as uneven demand, has encouraged some countries in the region to ramp up their gas imports.

The energy industry of Kazakhstan currently needs additional electricity generating capacities. According to an action plan to develop the electricity industry prepared by the country's Ministry of Energy, higher gas-fired generation is viewed as an instrumental tool to bridge the generation capacity gap.

Natural gas supplies from Russia not only will solve the issue of fuel supply to high-potential gas-fired power plants but will also enable transition existing power plants from coal to gas in the future.

In Uzbekistan, after a long steady growth, gas consumption has recently started to decline due to lower production. In 2023, the country was a net importer of natural gas.

PJSC Gazprom's supplies to the region will facilitate rapid growth of Central Asian economies in the longer range.

European gas market

Over many years, the European energy policy focused on large-scale support for renewable energy development while abandoning fossil fuels as fast as possible. On top of this, in 2022, a number of European countries decided to abandon imports of Russian pipeline gas. The resulting surge in gas prices led to reduced gas consumption in all economic sectors. Many countries experienced a drop in industrial output while multiple energy-intensive businesses had to shut down.

In 2023, despite the decline in prices from the 2022 record levels, demand for gas in Europe continued to trend downwards. As a result, gas consumption in European far abroad countries decreased by 35 bcm (down 6.9% year-on-year) to 472 bcm.

Therefore, the total decline in gas demand exceeded 100 bcm over the last two years, with gas consumption in Europe down to almost a 30-year low.

Along with the falling demand for gas, own production is also on the decline, down by 18 bcm in 2023. Gas output by the region's key producer, Norway, dropped by 7.5 bcm due to technical difficulties and emergency shutdowns following the ramp-up in gas production a year before.

No increase in own production is expected in Europe amid the depletion of its resource base. As a result, Europe becomes increasingly exposed to the volatile LNG market, considerably augmenting its risks of energy security and economic stability, particularly in winter.

Long-Term Outlook for the Global Energy Market

In 2023, global energy policy priorities started changing, from incommensurate support for renewable energy to an unconditional drive for energy security. This trend demonstrates that the global energy mix will continue to be dominated by fossil fuels in the longer term despite the continuing energy security risks and a highly uncertain development trajectory across global energy markets. Natural gas will continue to gain traction in the global energy mix under any realistic energy industry development scenario. For emerging markets, natural gas remains the most attractive energy resource as it combines benefits such as reliability, usability, cost-effectiveness, and environmental friendliness. Gas-fired energy systems supplied with gas under long-term contracts have proven their resilience in the longer range, which is of particular value amid the turbulent global energy markets.

The Asian market is forecast to see a healthy growth in energy consumption, especially natural gas.

China will play a key role in boosting energy consumption, including gas. The capacity of the Chinese natural gas market already exceeds the total gas consumption by all EU countries. In the coming 20 years, China may contribute over 30% to global gas consumption growth.

High growth rates of gas demand in China will be supported by the industrial and residential sectors, including gas infrastructure expansion to new regions and the continuing campaign to switch consumers from coal to gas. An increase in gas-fired generation capacity as part of initiatives to reduce greenhouse gas emissions and the wider use of natural gas as an NGV fuel will also play a substantial role. China's forecast rise in gas consumption will be accompanied by a further increase in gas imports.

The long-term forecasts of natural gas consumption in Europe are extremely uncertain and assume a gradual decline in demand, with its levels hinging on further energy policy steps of the EU authorities as well as the amount of finances they are ready to allocate to the economically unviable withdrawal from natural gas.

The expansion of BRICS that took place in August 2023 may have a significant impact on the global energy mix in the longer range. When the new members officially join the organisation, BRICS (or BRICS+) will represent countries accounting for almost half of the global population and close to a third of global gross domestic product (GDP). In the future, the organisation's member may solve the pivotal issue of driving energy security within BRICS+, which now includes both major energy producers (Russia, Saudi Arabia, Iran) and major energy consumers (China, India).

Development Strategy by Business Type

PJSC 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 2023 was approved by the Board of Directors, Resolution No. 3991 dated 24 October 2023 (Minutes of the Board of Directors' meeting No. 1527 dated 24 October 2023). For more details on the goals and main projects, key areas and expected timelines, see the [Gas Business](#) subsection of the Development Strategy by Business Type section and the [Capex Programmes](#) 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 applicable targets. 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 Resolutions of PJSC Gazprom's Board of Directors No. 3523 dated 22 December 2020 and No. 4000 dated 21 November 2023.)**

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 2,400 mmcm per day

All the latest updates in the Company's development strategy for 2023 are reflected in the Long-Term Development Programme of PJSC Gazprom (Gazprom Group) for 2024–2033. In its efforts to develop its gas production, transportation, and processing capacities in line with ongoing trends in the global energy market, Gazprom Group focuses on ensuring high reliability of gas supplies to Russian and international consumers.

 **Developing amid the global energy market transformation**

– Considering the highly uncertain demand for gas (including pipeline gas) in the European market as well as the outlooks for natural gas consumption growth in Asia, the Company maintains its focus on consistent expansion of its gas infrastructure in the east of Russia. New gas production hubs, a tech-enabled gas transportation system, and gas processing facilities are under construction.

In 2023, the Company forged ahead with its production capacities at the Chayandinskoye field in Yakutia and Kovyktinskoye field in the Irkutsk Region. The construction of the Amur GPP is ongoing. The launch of the plant's process trains is aligned with the ramp-up of gas transportation volumes by the Power of Siberia gas trunkline.

During the year, the Group engaged in survey and engineering activities under the project to construct the Soyuz Vostok gas trunkline focused on supplying Russian natural gas to China via Mongolia. In 2023, the Group continued delivering on a range of initiatives within projects to supply Russian gas to China in line with the Gas Sale and Purchase Agreement for the Far East route.

– PJSC Gazprom expands relations with former Soviet Union countries. In October 2023, the Group started supplies of Russian natural gas to Uzbekistan via Kazakhstan.

– To further strengthen its position in the global LNG market, the Company continues its project to build a large-scale LNG plant in the Leningrad Region as part of the Ethane-Rich Gas Processing Complex while forging ahead with the creation of small-scale LNG plants across various regions of Russia and engaging in a range of pre-investment studies on the further development of its LNG capacities. In September 2023, the LNG Complex near the Portovaya compressor station shipped its first own LNG by an LNG tanker to China via the Northern Sea Route.

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.

 Key strategic tasks of Gazprom Group's gas business	
1	Ensuring efficiency of the gas business
2	Realising the potential of existing fields and building new gas production hubs
3	Ensuring the reliability of gas supplies to consumers
4	Ensuring the operation and development of UGSS and other gas pipeline systems with provisions for peak consumption of natural gas
5	Driving market diversification
6	Expanding LNG production, transportation and sales (including small-scale LNG)
7	Driving leadership in the modernisation and operational efficiency of downstream assets
8	Boosting high value added product sales
9	Developing NGV fuel production and sales (including abroad)
10	Developing gas business on foreign markets
11	Driving innovative development to continuously enhance the gas business' technology and organisational capabilities, including through import substitution policy

1 2 3 11

Gas exploration and production

Strategic priorities	Medium-term priority development focus areas
<ul style="list-style-type: none"> – Building gas production hubs in eastern Russia – Bringing into development the Yamal Peninsula's unique, large fields – 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 northern seas 	<ul style="list-style-type: none"> – Ensuring increased reserve replacement rates – Further building of new gas production hubs in Russia – Revamps and retrofits of existing gas production facilities to maintain target gas production levels

1 3 4 5 10 11

Transportation of gas

Strategic priorities	Medium-term priority development and optimisation focus areas
<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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

1 3 4 10 11

Underground gas storage

Strategic priorities	Medium-term priority development focus areas
<ul style="list-style-type: none"> – 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 as well as 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 	<ul style="list-style-type: none"> – Revamps and replacement of worn-out and obsolete fixed assets at existing UGSFs, including the Elshano-Kurdyumskoye, Stepnovskoye, Peschano-Umetskoye, Shchelkovskoye, and Sovkhoznoye UGSFs – Construction and expansion of the peak-shaving Kaliningradskoye 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

Development Strategy by Business Type

Gas Business

1 3 6 7 8 11

Processing

Strategic priorities	Medium-term priority development focus areas
<ul style="list-style-type: none">– 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	<ul style="list-style-type: none">– 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

1 3 4 5 6 9 10 11

Gas distribution

Strategic priorities	Medium-term priority development focus areas
<ul style="list-style-type: none">– 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	<ul style="list-style-type: none">– Implementation of programmes for gas supply and infrastructure expansion in Russian regions for 2021–2025– Development of the Russian NGV fuel market

Oil Business

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-edge technology while aiming to maximise financial performance and meeting the highest standards of social and environmental responsibility.



Key strategic tasks of Gazprom Group's oil business

- 1 Maximising return on investment in greenfield development
- 2 Effective development of existing fields
- 3 Driving leadership in the modernisation and operational efficiency of downstream assets
- 4 Maximising premium sales of own oil products

1 2

Oil exploration and production

Strategic priorities

- Efficient development of mature assets
- 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 economically viable approaches to bringing into development source rocks as well as Domanic and Paleozoic deposits
- Bringing into development the remaining recoverable reserves that are currently uneconomic through deployment of advanced engineering solutions
- 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 solutions for economically viable development of hydrocarbon reserves in a challenging geological and engineering environment

3 4

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

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

- 1 Effective implementation of new investment projects
- 2 Implementation of upgrade projects to improve operational efficiency and reduce fuel consumption
- 3 Improving operational efficiency of power generation assets; ensuring reliability of power and heat supply
- 4 Leveraging new technologies with priority given to Russian technologies
- 5 Capturing new sources of revenue through diversification and potential synergy within Gazprom Group

1 2 3 4 5

Electricity and heat generation and sales

Strategic priorities

- 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

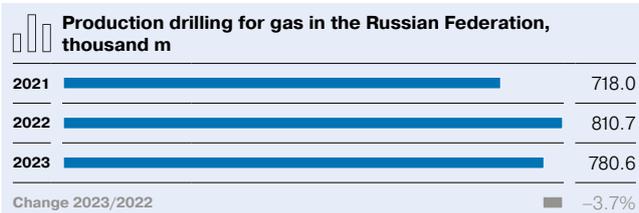
Capex Programmes

In 2023, Gazprom Group's capex totalled RUB 3,118.6 billion (RUB 2,841.8 billion in 2022). By balancing its capital expenditures, the Group was able to continue its systematic efforts on key projects such as the comprehensive development of the Power of Siberia gas trunkline and its core fields as well as the expansion of the Yamal gas production hub.

Gazprom's 2023 capital expenditures were directed mostly towards a number of projects across its core business segments, as detailed below.

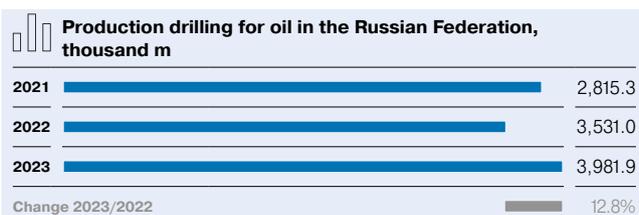
In gas production:

- 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 Urengoyenskoye field
- implementation of a joint project to develop the Semakovskoye field.



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 Urengoyenskoye field, as well as Neocomian-Jurassic deposits of the Bovanenkovskoye and Kharasaveyskoye fields
- development of hydrocarbon reservoirs at the Yen-Yakhinskoye and Pestsovoye fields (Valanginian) as well as oil reservoirs of the Zapadno-Tarkosalinskoye field
- development of the Novoportovskoye field.



In gas transportation:

- continued construction of the Power of Siberia trunkline
- implementation of GTS revamp projects to supply ethane-rich gas from the Nadym-Pur-Taz region's fields to the Baltic Sea coast
- expansion of the UGSS in the southwestern regions of Russia
- 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 facilities, including locked gas distribution stations whose capacities are fully utilised
- continued construction of compressor facilities at the Bovanenkovo-Ukhta 2 trunkline.

In gas storage:

- construction of facilities at the Volgogradskoye, Kaliningradskoye, and Punginskoye UGSFs as well as the Udmurtsky Reserving Complex
- revamps and retrofits of facilities at the Peschano-Umetskoye, Elshano-Kurdyumskoye, Stepnovskoye, and Severo-Stavropolskoye UGSFs as well as revamps at the Peschano-Umetskoye, Stepnovskoye, and Shchelkovskoye UGSFs.

In processing/refining:

- construction of the Amur GPP

Considerable progress has been achieved on the construction of the Amur GPP

2023 became an important milestone of the Amur GPP construction project, with half of its production facilities (three process trains out of six) put onstream. The plant's products feature the industry-best quality and are fully recovered from feedstock produced from East Siberian fields. The resulting methane fraction fully meets the required parameters.

Two out of three helium units were also launched and ramped up to full capacity during 2023. Helium is liquefied at ultra-low temperatures (-269 °C). The resulting commercial helium is extremely pure at 99.9999%. Since September 2023, the Group has started selling commercial helium, including to other countries. Once the Amur GPP is ramped up to full capacity, its commercial helium output will reach 60 mmcm per year.

- construction of a complex for gas processing and liquefaction near the settlement of Ust-Luga (a joint project of Gazprom Group and AO RusGazDobycha)
- construction of an industrial sulphur production unit and retrofit of a hydrotreatment unit as well as retrofit of a petrol catalytic reformer at Gazprom neftekhim Salavat's refinery
- implementation of projects to increase refining depth at the Omsk and Moscow Refineries.

Launch of a new primary refining unit at Omsk Refinery

Omsk Refinery has put onstream a new primary refining unit, which was to be constructed under the Clean Air federal project. Six units of the previous environmental generation will be replaced with advanced equipment.

The facility will leverage digital control systems to switch between regimes for flexible process control depending on seasonal demand. The construction project involved major Russian manufacturers and suppliers of equipment, digital solutions, and building materials, including from the Omsk Region. The new facility's environmental parameters will be monitored by robotic sensors of an automated air monitoring system.

The unit's launch completes the second phase of a large-scale upgrade of Omsk Refinery designed to boost its refining depth.

In gas supplies:

- gas supply and gas infrastructure expansion in Russian regions.

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.

A new TG-2T turbine generator was commissioned at the Kirishskaya GRES in February 2023 after a revamp. The Phase 1 upgrade of the key heat source for Kirishi and the largest refinery of the North-West has been completed.

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) 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.



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
- Financial and economic evaluation of the Company's development options
- Assessing strategic risks and opportunities of PJSC Gazprom (Gazprom Group)
- Preparing recommendations and developing action plans to achieve the Company's SPTs and support its sustainable growth

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 2022. At the same time, the reference values for corporate and Tier 1 SPTs of gas and electric power businesses for the last year of a ten-year planning period have been updated to reflect the current environment in global energy markets (Resolution of PJSC Gazprom's Board of Directors No. 4000 dated 21 November 2023).

In 2023, PJSC Gazprom's (Gazprom Group's) progress on its Long-Term Development Programme (2022–2031) over 2022 was audited by OOO FBK.



Results of the progress audit of PJSC Gazprom's Long-Term Development Programme (Audit Report No. 191080 dated 25 December 2023)

- 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 for the auditor to believe that the performance metrics of the Long-Term Development Programme have not been prepared in all material aspects in line with the applicable criteria and have any material misrepresentations.

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) (2024–2033), put together in 2023, was approved by PJSC Gazprom's Board of Directors, Resolution No. 3955 dated 22 June 2023 (Minutes of the Board of Directors' meeting No. 1511 dated 22 June 2023).



3

Performance Results



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Operations and Marketing

Exploration and Production

As a global leader by natural gas reserves and production, Gazprom takes care of its unique resource base, demonstrating a responsible approach to gas reserve replacement. Thanks to strong exploration efforts, Gazprom has been replacing its reserves faster than producing for 19 years running. For Gazprom consumers, it means the assurance that they will have a reliable long-term access to energy.

In 2023, Gazprom Group continued its steady reserve replacement by adding more gas reserves through exploration than produced during the year. The Company's exploration efforts, including further exploration, have considerably increased the industrial value of fields within the Irkutsk and Yakutia gas production hubs. The Group ran further exploration campaigns over Achimov and Jurassic deposits in the Yamal-Nenets Autonomous Area.

Prospecting continued on the Tsentralno-Pogranichny licence block on the Sakhalin shelf as well as onshore on the Kamchatka Peninsula for longer-term growth.

These efforts aim at adding reserves to replace existing hydrocarbon production, thus providing Gazprom Group with long-term opportunities to ensure a reliable supply of energy to its existing and potential consumers.

Mineral resource base

As at 31 December 2023, Gazprom Group's A+B₁+C₁ hydrocarbon reserves in Russia were 27,747.4 bcm of natural gas, 1,243.5 mm tonnes of gas condensate, and 1,748.2 mm tonnes of oil (compared to 27,942.9 bcm of natural gas, 1,262.4 mm tonnes of gas condensate, and 1,757.7 mm tonnes of oil as at 31 December 2022), including Gazprom Group's share in the production volumes of entities in which Gazprom has investments classified as joint operations totalling 268.8 bcm of natural gas, 3.1 mm tonnes of gas condensate, and 3.7 mm tonnes of oil. Gazprom Group's A+B₁+C₁ hydrocarbon reserves total 203.07 bboe.

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.

As at 31 December 2023, the Group's share in A+B₁+C₁ hydrocarbon reserves of associates and joint ventures stood at 1,659.3 bcm of natural gas, 153.6 mm tonnes of gas condensate, and 751.9 mm tonnes of oil.

Subsoil licence portfolio in the Russian Federation as at 31 December 2023

Gazprom Group	
355	licences for geological surveying, exploration, and production of hydrocarbons
646.7 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

Factors behind changes in Gazprom Group's A+B₁+C₁ natural gas reserves in the Russian Federation in 2023, bcm

Natural gas reserves as at 31 December 2022		27,942.88
Exploration-based additions to reserves	→	+411.59
Production (including losses)*	←	-356.64
Revision including through the application of gas recovery factors for development projects**	←	-300.60 -239.10
Other factors	→	+50.19
Natural gas reserves as at 31 December 2023		27,747.42

* Excluding dissolved gas.

** As at 31 December 2023, Gazprom completed the estimation of gas recovery factors for the fields containing 81% of Gazprom Group's total A+B₁+C₁ reserves.

Exploration

In 2023, the Company acquired 2.8 thousand square km of 3D seismic data in Russia. Exploration drilling totalled 140.3 thousand m, with 29 oil and gas wells completed and 23 wells proving to be productive when tested.

Exploration drilling for gas and oil across Gazprom Group in the Russian Federation, thousand m

2021	112.3
2022	185.8
2023	140.3
Change 2023/2022	-24.5%

Gazprom leverages its highly effective organisation of exploration to maintain low exploration costs. In 2023, excluding entities in which Gazprom has investments classified as joint operations, a total of RUB 89.4 billion (including VAT) was allocated to exploration, with the average cost of replacing explored hydrocarbon reserves at RUB 26.8 per boe and the exploration success rate at 23.8 thousand boe per metre drilled.

The hydrocarbon exploration programme completed in 2023 ensured the replenishment of reserves. Newly discovered fields included the Orlov field in the Orenburg Region and the Taltymskoye field in the Khanty-Mansi Autonomous Area – Yugra as well as 21 new deposits within the previously discovered fields in the Republic of Sakha (Yakutia), Yamal-Nenets Autonomous Area, Khanty-Mansi Autonomous Area – Yugra, and Tomsk Region.

In 2023, the Company also used sidetracking in idle wells for further exploration of existing fields.

In 2023, exploration-based additions to A+B₁+C₁ hydrocarbon reserves in Russia stood at 411.6 bcm of natural gas, 24.4 mm tonnes of gas condensate, and 63.4 mm tonnes of oil. The largest additions to gas reserves were achieved on the Malyginskoye field (Yamal Peninsula), the Kovyktinskoye field (Irkutsk Region), the 75 Years of Victory field (Kara Sea shelf), and the Verkhnevilyuchanskoye and Tas-Yuryakhskoye satellite fields of the Chayandinskoye field of the new Yakutia gas production hub.

1.15

Gazprom Group's gas reserve replacement ratio

Production

In 2023, Gazprom Group produced 358.95 bcm of natural and associated gas in Russia. The Company determines and allocates production volumes among existing gas production hubs based on the need to ensure reliable gas supplies to Russian consumers and meet its export commitments subject to requests for additional supply volumes.

Gazprom Group's hydrocarbon production assets in the Russian Federation as at 31 December 2023

Gazprom Group	
151	fields in commercial development
7,717	producing gas wells
10,411	producing oil wells
Entities in which Gazprom has investments classified as joint operations	
1	field in commercial development

By leveraging cutting-edge hydrocarbon production technology and advanced enhanced oil and gas recovery techniques as well as comprehensive annual preparations of production capacities for the autumn and winter season, Gazprom Group maintains the required maximum daily gas production rates during peak consumption periods.

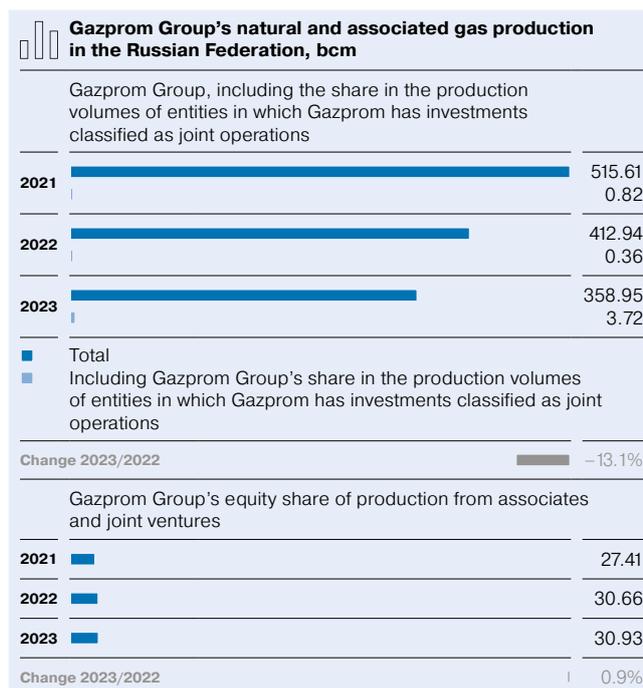
Maximum daily production of gas in the autumn and winter in the Russian Federation, mmcm

2020/2021	2021/2022	2022/2023	2023/2024
1,548.1	1,542.2	1,176.0	1,370.1

In 2023, the Group maintained its consistent efforts to expand gas production capacities in the east of Russia: commissioned PGTUs while putting producing gas wells onstream at the Chayandinskoye field and continued construction work for the Kovyktinskoye field (launched CGTU-3 and the central booster compressor station at CGTU-2 and phased in more production wells). New capacity additions have enabled the targeted production ramp-up at gas fields supplying the Power of Siberia gas trunkline.

In 2023, Gazprom ramped up its production of natural and associated gas from projects to develop hydrocarbon reservoirs at the Yen-Yakhinskoye and Pestsovoye fields (Valanginian) as well as oil reservoirs of the Zapadno-Tarkosalinskoye field. During the year, the Group also continued construction at the Semakovskoye gas field under development since December 2022 through a joint venture with a Russian partner of Gazprom Group, with the construction of the second stage launched and production wells drilled at the field.

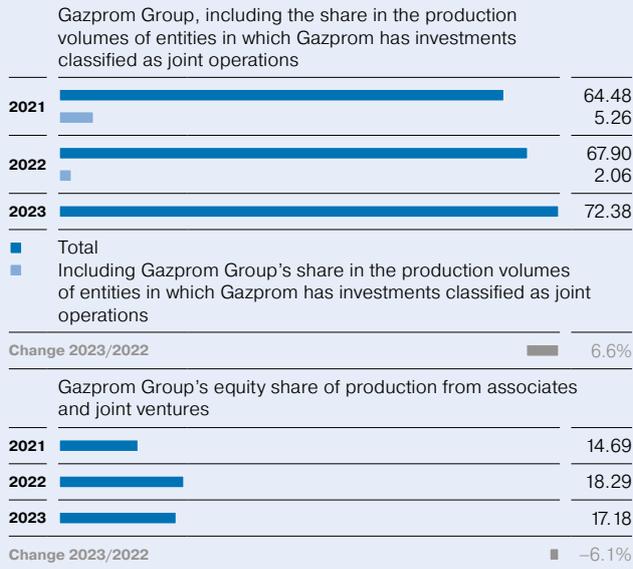
In 2023, APG utilisation in Russia across Gazprom Group fields was 94.7%. Measures are taken to boost APG utilisation, including the construction of new and retrofit of existing APG treatment, transportation, and processing facilities as well as heat and electricity generation facilities.



In 2023, Gazprom Group's share of natural and associated gas production of associates and joint ventures stayed flat year-on-year.

During the year, the production of oil and gas condensate by the Group in the Russian Federation stood at 72.38 mm tonnes, with 17.18 mm tonnes produced by associates and joint ventures.

Oil and gas condensate production by Gazprom Group in the Russian Federation, mm tonnes



The increase in Gazprom Group's liquid hydrocarbon output was primarily driven by the implementation of production drilling programmes and new wells put onstream and also includes the full consolidation of the output by an entity that had been classified as a joint operation before September 2022 when Gazprom Group gained control over such entity.

Advanced enhanced oil recovery techniques are a key lever to maintain and ramp up production from mature fields as well as to develop hard-to-recover oil.

Using surfactants to enhance oil recovery

Gazprom Neft has successfully tested EOR surfactants developed jointly with its partners at several wells on the Sutorminskoye oil field (Yamal-Nenets Autonomous Area). As a result, the oil recovery factor increased by 18–21 percentage points. Total oil recovery factor at the Sutorminskoye field reached 60% vs the industry average of 35%.

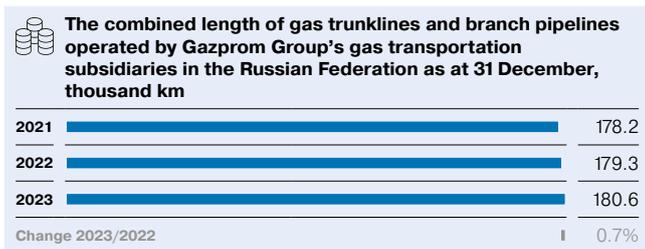
In 2023, liquid hydrocarbon production by Gazprom Group and its associates and joint ventures continued to be driven by the need to comply with the quota set by the Russian Ministry of Energy under the OPEC+ agreement.

Transportation and Underground Storage

Gazprom's unique GTS enables flexible distribution of gas flows ensuring gas delivery from fields to homes and businesses. All this enables Gazprom to reliably honour its obligations to consumers, which is particularly important during the peak winter demand season. Gazprom remains a reliable partner in any weather.

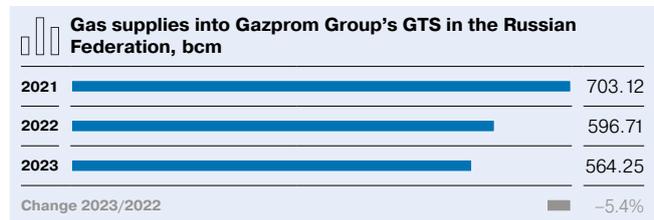
Transportation of gas

The Unified Gas Supply System (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 spanning 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 gas trunklines (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 2023 reached 180.6 thousand km, primarily driven by the commissioning of new gas trunklines and relaunch of gas trunklines and branch pipelines after revamp.

During 2023, a total 564.25 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.



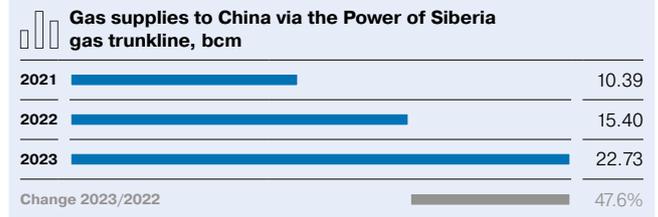
In 2023, as the owner of the Russian section of the GTS under applicable laws, PJSC Gazprom provided non-discriminatory access to its gas pipelines for 18 independent companies outside Gazprom Group that had a gas production licence and a gas supply contract with a buyer.

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 gas trunklines (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

In 2023, PJSC Gazprom carried out a range of revamps and retrofits of its gas transportation facilities as part of its Investment Programme, including line sections of gas trunklines as well as compressor stations and gas distribution stations.

During the year, the Group continued its planned ramp-up of gas supplies via the Power of Siberia gas trunkline to China.

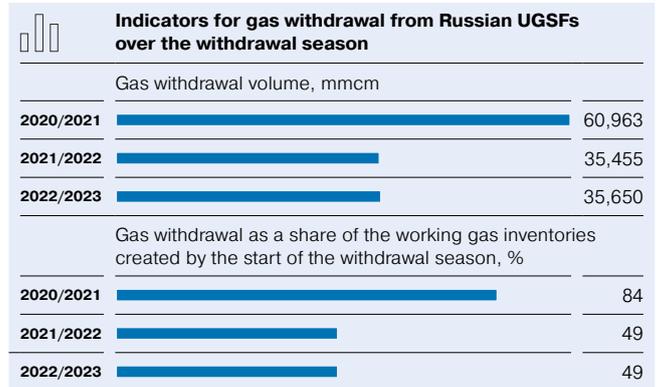
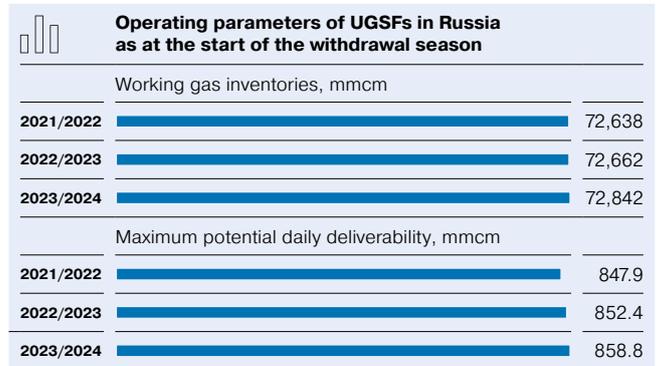


Underground gas storage

The underground gas storage facility (UGSF) network in Russia is an integral part of the country's UGSS. Together with Gazprom's gas transportation and gas production entities, UGSFs streamline their production processes by cutting capital and operating expenses and optimising process equipment operating modes. UGSFs smooth out all irregularities in demand for gas, whether seasonal, weekly, or daily, by providing from 20% to 40% of all gas supplies by PJSC Gazprom during the heating season. UGSFs reliably supply natural gas to consumers regardless of the season, temperature fluctuations, or emergencies, thereby contributing to Russia's energy security. Underground gas storage facilities are also indispensable in building strategic gas reserves to cover export transit risks.

In 2023, Gazprom operated a total of 23 UGSFs across 27 geological structures in Russia: 17 UGSFs in depleted gas reservoirs, 8 in aquifers, and 2 in salt caverns.

During 2023, withdrawal and injection amounts for Russian UGSFs totalled 39.3 bcm and 37.9 bcm of gas, respectively.



Autumn and winter of 2022/2023

Overall, ambient air temperatures within the area covered by the UGSS were within the climate normal during the autumn and winter of 2022/2023. However, the first ten days of January 2023 saw cold snaps in Russia, with the lowest daily temperatures during the autumn and winter of 2022/2023 recorded at -21.2 °C on 9 January 2023, or 12.4 °C below the average climate normal. Between 3 January 2023 and 9 January 2023, daily gas consumption across gas transportation systems within the UGSS area surged from 1,281 mmcm to 1,782 mmcm (up by 501 mmcm), a nine-year high for January. This rise was covered by an increase in gas withdrawal from UGSFs.

By the start of the 2023/2024 withdrawal season, PJSC Gazprom had reached the target record level of working gas inventories in Russian UGSFs of 72.842 bcm, while the potential maximum daily deliverability of Russian UGSFs hit 858.8 mmcm.

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

Gas infrastructure expansion in Russian regions, including infill projects, is Gazprom's main social project. The goal is to connect 100% of the country to gas infrastructure wherever technically feasible. Every year, Gazprom has been connecting hundreds of communities, mostly rural, to mains gas, increasing the quality of life for Russian people and providing new growth impetus for the manufacturing sector.

As a dominant player in Russia's gas business over many years, Gazprom Group safely and reliably operates the country's gas distribution systems 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 2023, the above entities owned and operated a total of 900.8 thousand km of gas distribution networks in Russia, which transported 241.7 bcm of gas during the year. Natural gas was supplied to:

- 29.2 million apartments and private households
- 38.7 thousand industrial facilities
- 9.4 thousand agricultural facilities
- 378.0 thousand utility facilities.

Gazprom, jointly with government authorities, is implementing a set of measures to improve payment discipline with regard to ongoing gas supplies and to reduce the overdue debt for the supplied gas. In parallel, Gazprom Group is actively developing convenient digital services for improved customer experience.



Key measures to improve payment discipline with regard to domestic natural gas supplies

- Updating customer databases
- Monitoring compliance with the approved debt repayment schedules
- Filing claims
- Preparation of proposals to improve the current legislation concerning gas payments

Expansion of gas infrastructure in Russian regions

Gas supply and gas infrastructure expansion in Russian regions are Gazprom Group's ambitious social projects.

OOO Gazprom gazifikatsiya (a subsidiary of Gazprom mezhregiongaz Group) – Single Operator of Gas Infrastructure Expansion is a centre responsible for gas infrastructure expansion in Russian regions as well as for 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.

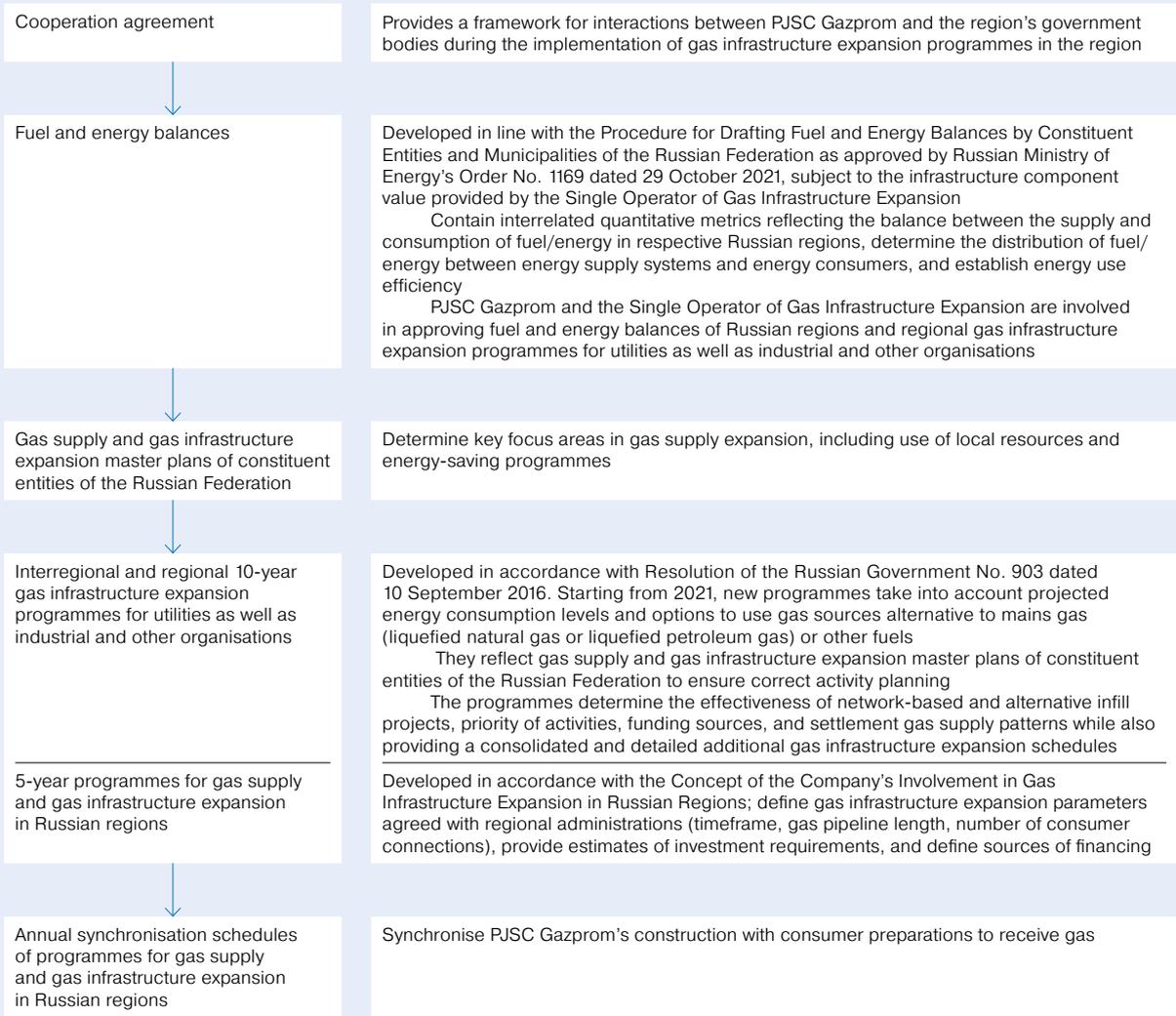


Fundamental laws and regulations of the Russian Federation covering gas infrastructure expansion

- Lists of Instructions of Russian President Vladimir Putin, No. Pr-907 dated 31 May 2020, No. Pr-753 dated 2 May 2021, No. Pr-2067 dated 30 October 2022, and No Pr-914 dated 5 May 2023
- 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)



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



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 gas 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 facilities 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).

In 2023, construction of 195 inter-settlement gas pipelines with a total length of 2,447 km was completed, enabling over 50.6 thousand households and apartments as well as 336 boiler facilities across 412 communities to connect to the gas grid. Gazprom mezhhregiongaz Group has commissioned 124 inter-settlement gas pipelines as well as completed the construction and obtained a permit to run hot commissioning for eight gas distribution stations with the length of branch pipelines totalling 141 km.

PJSC Gazprom also 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. Ten gas distribution stations were commissioned, including branch pipelines with a total length of 319 km.

As at 31 December 2023, OOO Gazprom gazifikatsiya as the Single Operator of Gas Infrastructure Expansion was responsible for 72 Russian regions as well as for the Sirius federal territory, including regions in the Siberian and Far Eastern Federal Districts that have no production and transportation facilities of PJSC Gazprom.

Regional Operators of Gas Infrastructure Expansion have been appointed in 13 Russian regions.

The joint efforts of 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.

In 2023, programmes for gas supply and gas infrastructure expansion in Russian regions for 2021–2025 covered 72 regions. 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.

During the year, the Company worked on drafting the Gas Supply and Infrastructure Expansion Programme for the Murmansk Region for 2025–2030, planned to be signed in 2024.

73.8%

overall gas penetration rate in Russia at 2023-end

In 2023, the Company continued advancing its gas supply and gas infrastructure expansion programmes for the Russian Far East and Eastern Siberia for 2021–2025. Two gas supply facilities have been constructed in the Far Eastern Federal District: a branch pipeline and the Dolinsk gas distribution station in the Sakhalin Region, and a branch pipeline and the Dalnerechensk gas distribution station in the Primorye Territory. The Group has also completed the construction of an 11-km gas pipeline under the Inter-Settlement Gas Pipeline between the Village of Leonidovo and the Village of Mayskoye of the Poronaysky District project in the Sakhalin Region. The Company provided access to the gas grid for 127 households and two boiler facilities in two communities.

In 2023, the Company ran priority initiatives to comply with the relevant instruction of the Russian President regarding connecting Krasnoyarsk to the gas grid before 2028 as scheduled.

Infill projects

In 2023, the Company made great progress on accelerating gas infrastructure expansion to connect households to the existing gas grid across Russia. The additional gas infrastructure expansion programme receives all necessary financial, technical, and human resources.

Since the start of the gas infrastructure expansion programme, the Single Operator of Gas Infrastructure Expansion, Regional Operators of Gas Infrastructure Expansion, and independent gas distribution entities have cumulatively signed 1,091 thousand contracts with individuals. According to the website of the Russian Government Coordination Centre, in 2023, additional gas infrastructure expansion schedules approved by heads of Russian regions provided for infill projects covering over 1,224 thousand households between 2021 and 2026.

The Single Operator of Gas Infrastructure Expansion has a mechanism in place to finance operations of Regional Operators of Gas Infrastructure Expansion and independent gas distribution entities, which provides for the signing of an agreement on financing network connection activities as part of additional gas infrastructure expansion as well as an investment agreement to carry out network connection as part of additional gas infrastructure expansion.

From 1 March 2023, healthcare and educational facilities from across Russian regions may submit requests for infill projects, which are fulfilled in due course.

From 1 March 2023, healthcare and educational facilities from across Russian regions may submit requests for infill projects, which are fulfilled by Gazprom Group's gas distribution entities and Regional Operators of Gas Infrastructure Expansion. As at 31 December 2023, a total of 223 agreements (cumulatively from 1 March 2023) to construct inter-settlement distribution gas pipelines to the boundaries of land plots were fulfilled out of 442 signed agreements, with 73 connections completed, all as part of connecting educational and healthcare facilities to the gas grid.

Progress made on connecting individuals to gas network (as at 31 December 2023, cumulatively since the start of the additional gas infrastructure expansion programme)

Parameter	Total across the Russian Federation	Including by Gazprom mezhregiongaz Group and OOO Gazprom transgaz Kazan entities
Number of contracts signed for additional gas infrastructure expansion to households	1,091 thousand	805 thousand
Number of completed contracts for additional gas infrastructure expansion to land plot boundaries of households	874 thousand	654 thousand
Households provided with technically feasible connection option	1,143 thousand	834 thousand
Number of households connected to gas grids, with gas supply launched	482 thousand	364 thousand

Use of natural gas as motor fuel

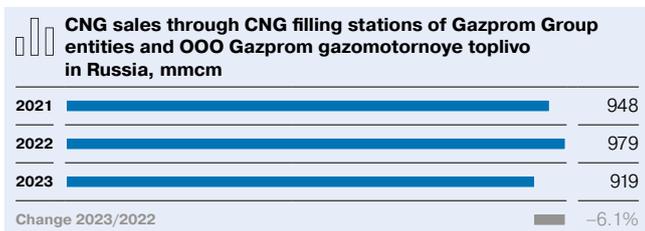
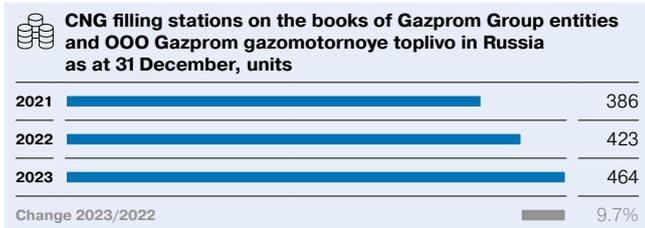
Gazprom runs a large-scale comprehensive programme to drive wider usage of natural gas as motor fuel and actively engages in the development of the Russian NGV fuel market.

OOO Gazprom gazomotornoye toplivo appointed as the Single Operator for the Development of the NGV Fuel Market 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 2023, Gazprom Group entities and OOO Gazprom gazomotornoye toplivo had 464 CNG filling stations on their books, with a total annual capacity of 3.3 bcm. A total of 452 facilities sold and shipped compressed natural gas (CNG) in 2023. The retail network was mainly expanded with new CNG filling stations that were commissioned.

CNG filling stations of Gazprom Group entities and OOO Gazprom gazomotornoye toplivo account for more than a half of the existing gas filling network in Russia.

During the year, another 22 CNG filling stations were operated by third-party companies under franchise contracts.



In 2023, CNG sales by Gazprom Group entities and OOO Gazprom gazomotornoye toplivo through their own network of CNG filling stations in Russia stood at 919 mmcm, or, including partner outlets, 1,023 mmcm of CNG (71% of total NGV fuel sales in Russia).

A programme for 2023–2025 was run in 2023 to drive wider usage of natural gas as motor fuel in own fleets operated by Gazprom Group entities. As at 31 December 2023, Gazprom Group companies owned a total of 14,693 NGVs covered by the programme. NGVs in Gazprom Group’s vehicle fleet account for 63% of the total number of its vehicles that can be converted for natural gas operation. In 2023, natural gas (methane) consumption as motor fuel by the Company’s NGV fleet was 85.8 mmcm.

OOO Gazprom gazomotornoye toplivo maintained its focus on increasing the number of NGVs in Russia. The People’s Fuel project was designed to pay the way for transitioning vehicles to methane without any additional investments from consumers.

A total of 10,070 vehicles were converted to gas under marketing programmes of OOO Gazprom gazomotornoye toplivo during the year.

In 2023, PJSC Gazprom and the Russian Ministry of Agriculture signed a cooperation agreement on expanding NGV fuel in the agriculture industry.

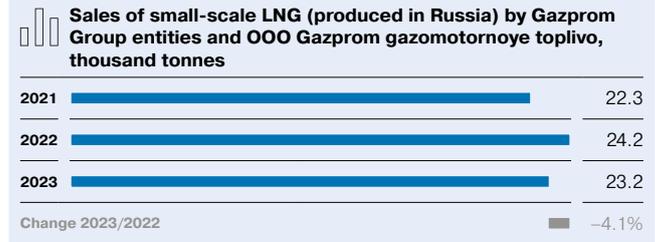
Gazprom has been closely engaged with major Russian automakers to expand their lineups of NGV machinery, including for its own needs. Over 230 models of gas-fuelled cars, buses, and special-purpose machinery have been put into commercial production. Russia’s first LNG-fuelled shunting vehicle TEMG1 has been developed on a commission from PJSC Gazprom. Work is ongoing on designing LNG-fuelled passenger vessels to be used in Saint Petersburg.

Driving small-scale LNG production and use in Russia

Gazprom Group is consistently working to develop small-scale LNG production and consumption infrastructure in Russia, 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 six LNG complexes: in the Kaliningrad, Leningrad, and Moscow Regions as well as in Yekaterinburg and Pervouralsk in the Sverdlovsk Region, in the Perm Territory, and an LNG plant in Vladivostok). In 2023, it was expanded with the commissioning of two new facilities, with an annual capacity of 12.6 thousand tonnes each – a small-scale LNG complex in the Svobodnensky District of the Amur Region and a small-scale LNG complex in the Volgograd Region.

The LNG complex commissioned in the Svobodnensky District of the Amur Region in 2023 is a key facility of an off-mains gas pilot in this Russian region.

Additionally, during the year the Group completed construction and installation activities for the Konakovo LNG train (6 thousand tonnes per year) and Tobolsk LNG complex (42 thousand tonnes per year).

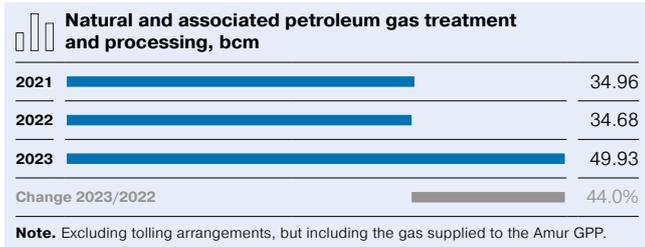


In 2023, an LNG cargo was for the first time transported to China via an international motorway bridge between Blagoveshchensk and Heihe. The commercial LNG cargo was produced by a small-scale LNG facility at Gazprom's helium hub in the Primorye Territory and delivered to the Chinese province of Heilongjiang to be used in the utilities sector and as motor fuel.

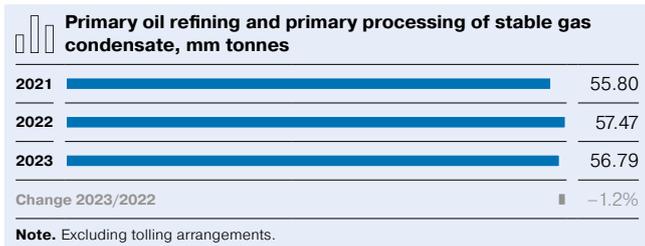
Hydrocarbon Processing/Refining

Products from natural gas and other hydrocarbons are highly valued by Russia’s economic sectors. Gazprom has been forging ahead with this business segment, building large-scale processing clusters in the west and east of the country.

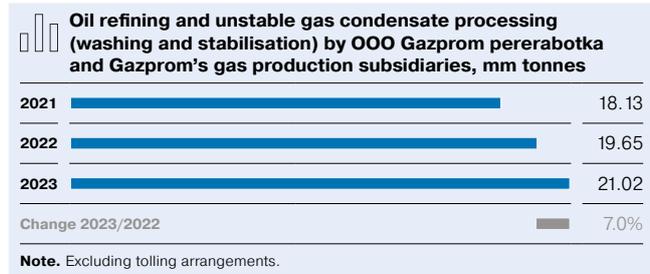
In 2023, Gazprom Group’s downstream facilities treated and processed 49.93 bcm of natural and associated petroleum gas, as well as did the primary refining and processing of 56.79 mm tonnes of oil and stable gas condensate (excluding tolling arrangements).



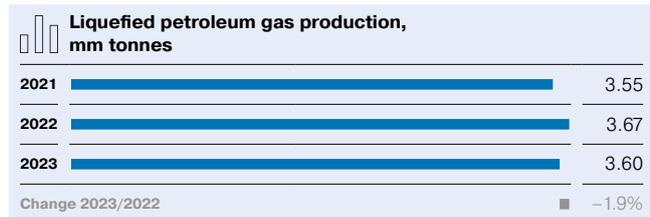
The increase in Gazprom Group’s gas treatment and processing volumes was mainly driven by the launch of new capacity at the Amur GPP.

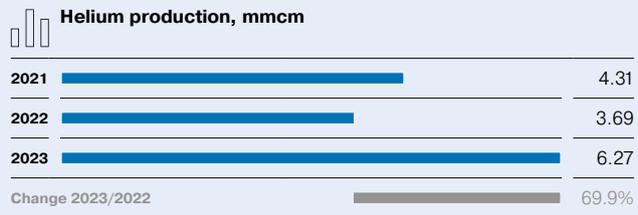


During the year, volumes of primary oil refining and primary processing of stable gas condensate stayed flat year-on-year.



By leveraging mobile condensate deethanisation facilities, the Urengoy Condensate Pre-transportation Preparation Plant ramped up unstable gas condensate processing (washing and stabilisation) at OOO Gazprom pererabotka and Gazprom’s gas production subsidiaries.





The decrease in the output of oil products was mainly driven by changes in the quality parameters of the gas condensate distillate at the Surgut Condensate Stabilisation Plant as the plant has shifted its sales focus to other markets, followed by a corresponding increase in oil delivery to the system of oil trunklines. In 2023, the output of light products (motor gasolines and diesel fuel) by Gazprom Group remained flat year-on-year.

The increase in helium output was driven by two helium units launched and ramped up to full capacity at the Amur GPP in 2H 2023.

Supplying the Russian fuel market with high-quality oil products is a priority for Gazprom Group.

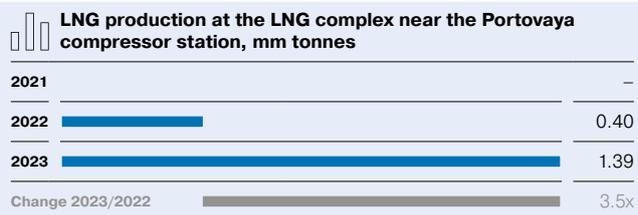


The Omsk Lubricants Plant has started producing Russian synthetic base oils.

Medium-scale LNG production

A medium-scale LNG production, storage, and offloading complex has been operating in the northwest of Russia near the Portovaya compressor station since September 2022. The complex's annual design capacity is 1.5 mm tonnes.

In 2023, the LNG produced by the LNG complex near the Portovaya compressor station was first delivered to China, to the Tangshan receiving LNG terminal.



The increase in LNG output by the LNG complex near the Portovaya compressor station was due to a full year of operations in 2023. LNG is shipped both by LNG tankers and by LNG tank trucks.

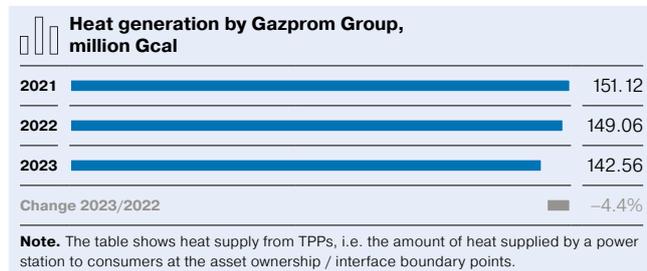
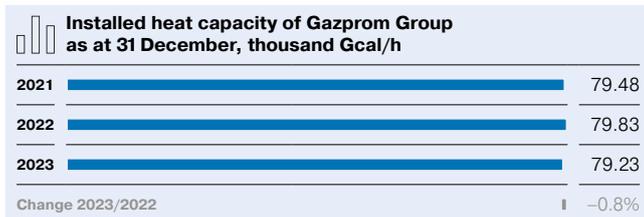
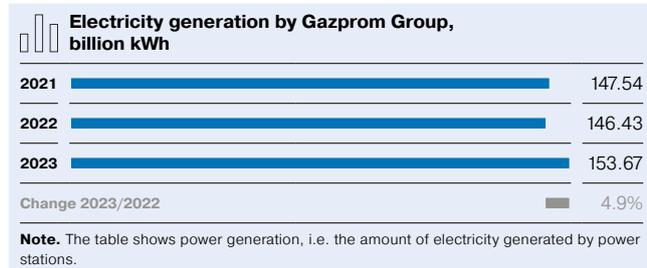
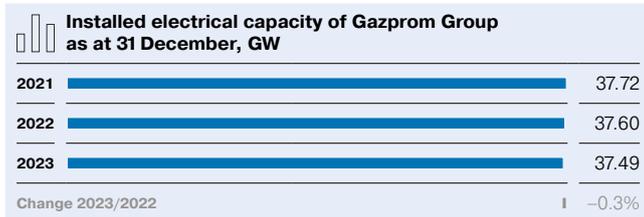
Power Generation

Gazprom has been consistently developing and increasing the performance, reliability, and environmental friendliness of its electricity and heat generation capacities. In 2023, the Group completed a major upgrade of two large power plants at a time: Avtovskaya CHPP in Saint Petersburg and Verkhne-Tulomskaya HPP in the Murmansk Region.

Gazprom energoholding, Russia's largest vertically integrated power generation holding company, has been established within Gazprom Group to consolidate electricity and heat generation 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. In 2023, a sale agreement was signed for AO St Petersburg Heating Grid.

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.

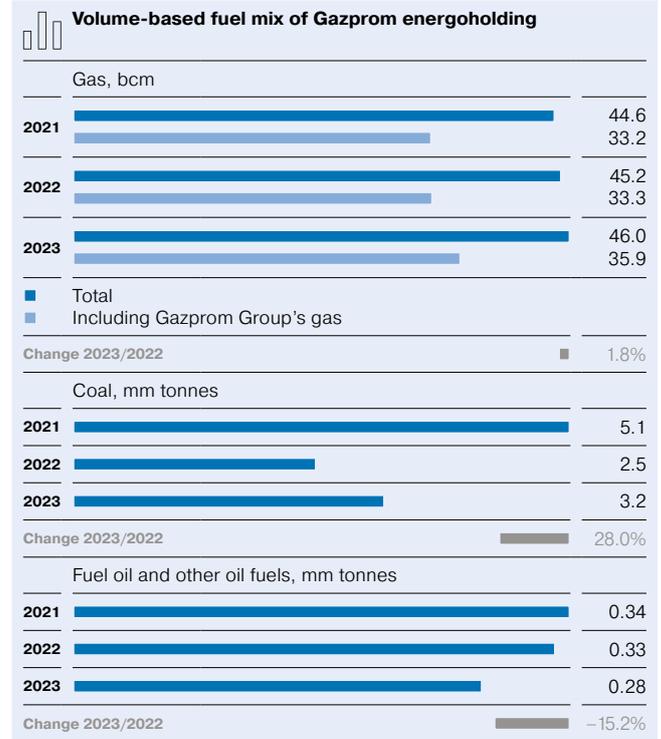
In 2023, the Group generated 153.67 billion kWh of electricity and 142.56 million Gcal of heat.



The minor change in installed capacity in 2023 was mainly due to the retirement of obsolete and low-performing generation equipment, sale of a generation asset, and capacity restarts in Russia following upgrades.

The increase in electricity output was driven by stronger demand for generation equipment and its utilisation as initiated by AO System Operator. The decrease in heat generation was mainly due to lower heat supply from TPPs of the Group's generation companies, primarily as a result of a shorter heating season and higher average ambient air temperatures.

Natural gas and coal shares have increased in Gazprom energoholding's fuel mix due to the higher utilisation share of condensing generating units in its total electricity output as requested by AO System Operator in 2023 and lower heating loads.



Marketing

Strong responsibility to consumers is top of mind for Gazprom. All business processes are built to guarantee supplies of clean energy to current and future generations. The Group has been reliably supplying gas to consumers in Russia and honouring its export commitments.

Gas sales

In 2023, Gazprom Group sold 342.0 bcm of gas (379.8 bcm in 2022). Net revenue from sales of gas (net of excise tax, VAT, and customs duties) was RUB 3,124.8 billion (RUB 6,512.9 billion in 2022). The decrease in net sales revenue was primarily driven by lower gas sales volumes and average prices (including excise tax and customs duties) of gas sold to customers in far abroad countries.

In 2023, Gazprom Group ensured reliable gas supplies to Russian consumers according to their needs.

The decrease in gas sales to Europe was driven by politically motivated decisions made by a number of EU countries to replace Russian pipeline gas supplies. Trends in export prices for natural gas under Gazprom Group's contracts with companies from far abroad European countries reflected a considerable drop in gas prices on European trading platforms in 2023 compared to 2022 record figures.

At the same time, pipeline gas supplies to China via the Power of Siberia pipeline continued to grow in line with contracts, reflecting requests of the Chinese counterparties for additional gas supplies and contributing half of the overall increase in gas imports to the country.



Preparing potential pipeline supplies of natural gas to China via the Far East route and via Mongolia

In 2023, the Group continued expanding the infrastructure to organise supplies to China under the sale and purchase agreement signed between PJSC Gazprom and CNPC on 3 February 2022 for supplies via the Far East route.

On 31 January 2023, the Russian Government and the Chinese Government signed an agreement on cooperation in the supply of natural gas from Russia to China via the Far East route. A number of technical agreements required for implementing the project for gas supplies via the Far East route were signed with the Chinese partners. Work is ongoing to prepare other necessary agreements for signing.

In 2023, the Group continued talks with the Chinese side to agree the principal terms for gas supplies from Russia to China via Mongolia. Survey and engineering activities have been completed in Mongolia under a project to construct the Soyuz Vostok gas pipeline, which will become a continuation of the Power of Siberia 2 gas pipeline built in Russia.



For more details on gas market trends in Russia and far abroad countries, see the [Trends and Developments in Global Energy Markets](#) section.

During the year, the amount of supplies to former Soviet Union (FSU) countries remained flat year-on-year.

Operations and Marketing

Marketing



Establishing Russian gas supplies to Central Asia countries

On 7 October 2023, an official ceremony attended by the Presidents of Russia, Uzbekistan, and Kazakhstan launched the supplies of Russian natural gas to Uzbekistan via a dedicated combined gas trunkline route Central Asia–Centre 4 / Central Asia–Centre 5 in Kazakhstan in reverse flow mode.

At the 12th St Petersburg International Gas Forum, the Company signed a string of milestone agreements, including the Strategic Memorandum of Cooperation in the Energy Complex between PJSC Gazprom and the Government of Uzbekistan, Agreement of Strategic Cooperation between PJSC Gazprom and the Government of Kazakhstan, and Memorandum of Cooperation on the Development of the Gas Sector in the Kyrgyz Republic between the Cabinet of Ministers of the Kyrgyzstan and PJSC Gazprom, which outline long-term vision for cooperation in the gas sector between PJSC Gazprom and these Central Asia countries.

In 2023, sales to the FSU countries were mostly driven by Belarus, Uzbekistan, and Armenia.

In a first for the Company, Gazprom started supplies of Russian natural gas to Uzbekistan in 2023.

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 4,111.6 billion in 2023 (RUB 3,942.4 billion in 2022).

In 2023, Gazprom Group sold 28.13 mm tonnes of crude oil and stable gas condensate (25.67 mm tonnes in 2022) and 67.60 mm tonnes of refined products (68.55 mm tonnes in 2022).

The changes in sales volumes were driven by shifts in macroeconomic conditions and the market environment.

Electricity and heat distribution

During the year, electricity produced by the Group's Russian generation companies was mostly sold competitively in the Russian wholesale electricity market.

In 2023, Gazprom Group's net revenue from electricity and heat sales (net of VAT) was RUB 644.6 billion (RUB 595.0 billion in 2022). The increase in sales revenue was mainly driven

by higher electricity sales and prices. In 2023, weighted average selling prices realised by power plants of Gazprom Group's generation subsidiaries in the day-ahead market increased by 10%, mainly driven by gas price indexation in July and December 2022.

Innovations and Import Substitution

For many years, the Company has been systematically improving the technological capabilities of its operations.

Through partnerships with domestic manufacturers, Gazprom is developing high-tech and research-intensive import-substituting equipment. As a result, Gazprom is already very close to achieving technological independence in the gas sector.

Gazprom Group has built an ecosystem of innovative development. By continuously improving it, the Group is consistently driving innovation across its gas, oil, and power generation businesses.

PJSC Gazprom's Innovative Development Programme is a fundamental instrument guiding long-term planning and management of innovation at the Company. PJSC Gazprom's updated Innovative Development Programme until 2025 was approved by Board of Directors Resolution No. 3513 dated 1 December 2020 (Minutes No. 1338 dated 1 December 2020). The document 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.

One of the principles underlying the Programme is the rollout of PJSC Gazprom's innovative processes across its subsidiaries, including through elaborating these innovative processes. To support the implementation of this principle, the Group has created a system for subsidiaries to develop and deploy their own innovative development programmes. This effort also included approving the necessary guidelines. Some subsidiaries have already drafted and put in place innovative development programmes, and the Group is planning to further expand the number of such subsidiaries.

The Innovative Development Programme places particular emphasis on prioritising technology advancement directions – technology priorities, which are further translated to relevant key research and development (R&D) focus areas.



PJSC Gazprom's Innovative Development Programme

- Spans a period of ten years
- Covers the gas, oil, and power generation businesses of the Company
- Contains a range of interrelated measures aimed at developing and using new technologies, equipment, and materials that meet or exceed international standards as well as at creating a favourable environment for innovation both within Gazprom Group and in Russia's related industries

Areas of innovation at Gazprom Group

Technology priorities vary across Gazprom Group's businesses.

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



Technology 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
- LNG production
- Gas marketing and utilisation

Gazprom's investment projects employ the best available technologies, including those developed with the Group's direct involvement. In particular, the Group has leveraged the latest R&D advances to deliver new technology projects and solutions for the development of the Astrakhanskoye and Kovyktinskoye fields as well as the Cenomanian gas deposit of the Tota-Yakhinskoye gas field. The year's highlights in brownfield enhancement include the development and deployment of geomechanical/filtration sectoral models as well as 3D geomechanical sectoral models of the Kovyktinskoye field.



Managing Innovation at PJSC Gazprom: Objectives and Outlooks 6th research-to-practice conference

The Managing Innovation at PJSC Gazprom: Objectives and Outlooks 6th research-to-practice conference was held in Astrakhan in May 2023. More than 170 conference participants included heads and specialists of PJSC Gazprom's organisational units and subsidiaries as well as third-party organisations, including the Russian Academy of Sciences, VEB.RF (the national development institution), and anchor universities of PJSC Gazprom.

Over 40 presentations were delivered across five themed round tables. The reported assessments of technology and organisational development priorities are expected to feed into the Innovative Development Programme for the next ten-year period with new challenges and uncertainties.

In Gazprom's oil business, innovation covers oil production, oil refining, petrochemicals production, and creation of new types of products that are in high demand among consumers.

In the power generation business, Gazprom Group's technology priorities include enhancement of generation equipment and operational efficiency of heat networks.

Gazprom Group's R&D efforts aim to develop and deploy Russian high-tech equipment and sophisticated engineering complexes unmatched globally as well as to create advanced R&D solutions.

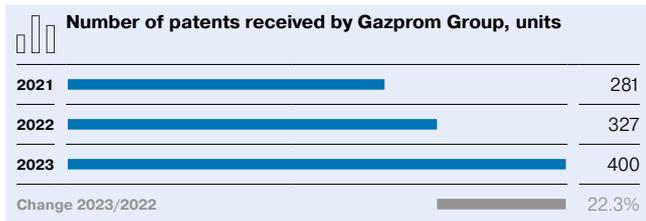


Total spending on R&D projects commissioned by Gazprom Group (net of VAT), RUB billion

2021	24.6
2022	30.0
2023	31.7
Change 2023/2022	5.7%

Gazprom Group is a leader in Russia for managing intellectual property rights, including legal protection of new technical solutions. As at 31 December 2023, Gazprom Group entities held 3,397 patents for inventions, utility models, and industrial designs as well as 2,024 certificates for software applications and databases.

In 2023, the Russian patent for an invention titled Monoblock Single-Line Gas Measuring Station on Ultrasonic Flow Transducers of Large Diameter with a Verification Unit at the Place of Operation held by PJSC Gazprom was recognised by Rospatent (Federal Service for Intellectual Property) to be one of the most successful patents in Russia.



Import substitution

An action plan has been in place at the Company for many years to address the challenges of import substitution and identify PJSC Gazprom’s needs for import-substituting equipment and technologies. In 2021, PJSC Gazprom adopted another Corporate Import Substitution Plan.



The Corporate Import Substitution Plan of PJSC Gazprom

- Spans the period until 2025
- Covers the gas, oil, and power generation businesses of the Company
- Contains a range of initiatives to drive controlled and phased substitution of competitive Russian alternatives for imported products in the operations of Gazprom Group entities as well as to create an environment conducive to building 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 for launching the manufacture of products in line with the Corporate Import Substitution Plan and the List of Priority Products for Import Substitution and Production Localisation to Promote the Technological Development of PJSC Gazprom
- Drafting and implementing roadmaps by equipment and technology type
- Signing and performing cooperation and partnership agreements with industrial entities, financial institutions, and various non-profit organisations
- Signing long-term contracts with Russian industrial companies to facilitate the launch of the manufacture of import-substituting products in Russia

Gazprom Group’s import-substitution efforts are geared towards fully replacing imported industrial products, especially those from countries supporting sanctions against Russia, with Russian alternatives.

PJSC Gazprom has been annually evaluating the economic performance of import-substitution initiatives. In 2023, the actual economic impact from import-substitution initiatives ran into RUB 35.6 billion. The greatest economic effect was delivered through efforts in the production of gas, condensate, and oil segment (RUB 22.7 billion).

Financial Performance

Gazprom Group's net sales revenue (net of excise tax, VAT, and customs duties) was RUB 8,541.8 billion in 2023 (RUB 11,674.0 billion in 2022). The drop in exports to Europe was partially offset by increased supplies to China, which will continue growing in line with the contractual obligations, as well as by strong performance of the Company's oil business.

In 2023, the Group's operating expenses came in at RUB 8,584.2 billion (RUB 9,307.0 billion in 2022).

Taxes payable by the Group (other than income tax) totalled RUB 3,072.6 billion in 2023 (RUB 3,485.9 billion in 2022). Lower tax expenses (except for income tax) in the reporting year were partially attributable to a decrease in the overall mineral extraction tax expenses due to the decline in additional charges from RUB 1.2 trillion in 2022 to RUB 0.6 trillion in 2023.

In 2023, Gazprom Group's sales loss was RUB 363.7 billion, with adjusted EBITDA at RUB 1,764.6 billion. Loss for the year attributable to the owners of PJSC Gazprom was RUB 629.1 billion.

Profit (loss), RUB billion	
Profit (loss) from sales	
2021	2,411.3
2022	1,935.2
2023	-363.7
Adjusted EBITDA	
2021	3,686.9
2022	3,637.6
2023	1,764.6
Change 2023/2022	-51.5%
Profit (loss) for the year attributable to the owners of PJSC Gazprom	
2021	2,093.1
2022	1,225.8
2023	-629.1

Gazprom Group's adjusted EBITDA margin for 2023 was 20.7%.

Adjusted EBITDA margin, %	
2021	36.0
2022	31.2
2023	20.7

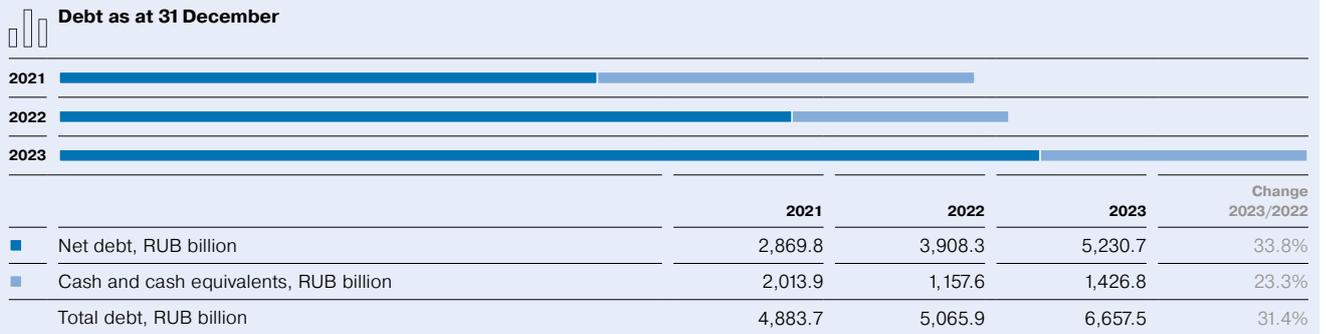
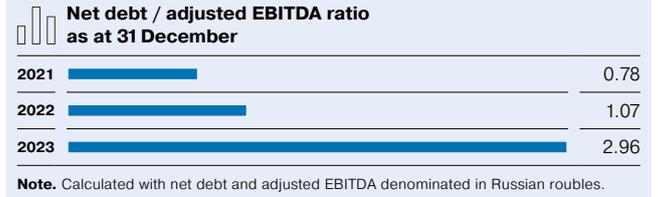
Debt management

As at 31 December 2023, Gazprom Group's total debt was RUB 6,657.5 billion while its net debt amounted to RUB 5,230.7 billion.

In 2023, the net debt / adjusted EBITDA ratio grew to 2.96x.

The weighted average interest rate stood at 9.6% as at 31 December 2023 (6.4% as at 31 December 2022).

The Group's debt portfolio is well-balanced across maturities, with 81% of borrowings maturing in more than one year and 28% borrowings maturing in more than five years as at 31 December 2023.





4

Corporate Governance

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

Dear Shareholders,

PJSC Gazprom is committed to high standards of corporate governance. The Company's existing standards are aligned with legal requirements and key principles of the Russian Corporate Governance Code while driving Gazprom's robust long-term development.

In 2023, the Board of Directors continued its conscientious and professional oversight of progress towards the Company's goals and objectives. The Board focused on Gazprom's strategic development, financial and business performance, and the implementation of projects of national significance.

At the same time, the Board has traditionally placed particular emphasis on the Company's sustainability agenda, specifically environmental protection. Thus, in 2023, PJSC Gazprom adopted its 2050 Climate Strategy. With natural gas regarded as the cleanest fossil fuel, Gazprom's business is fully in line with the global low-carbon growth trend. According to its Climate Strategy, Gazprom will expand the uses of natural gas as the energy of choice and help unlock the full benefits that it offers.

In early 2024, the Company approved its programme for biodiversity conservation in the areas affected by PJSC Gazprom's operations on the continental shelf of the Russian Federation in the Arctic. This strategic document lays out the efforts taken by Group companies to minimise their impact on the flora and fauna in one of Gazprom's core operating regions.

In 2023, the Board of Directors also approved the List of Sustainability Progress Metrics of Gazprom Group, which has already been included in Gazprom Group's Social Impact Report for 2023. These metrics enable a quantitative assessment of the Group's performance, which contributes towards Russia's national development goals.

“ In 2023, the Board of Directors continued its conscientious and professional oversight of progress towards the Company's goals and objectives. ”

On a separate note, the Company's efforts to safeguard the interests of its shareholders and investors deserve a special mention. As foreign financial infrastructure operators blocked payments to Russian holders of Gazprom eurobonds, these securities have been substituted by Russian bonds, with the bulk of the eurobonds replaced in 2023. As a result, most Russian investors continued to receive payments due to them from the Company. This is just one example of Gazprom's responsible conduct in the capital market.

Independent experts have repeatedly recognised that the Company has a robust corporate governance system in place. In 2023, the Expert RA rating agency affirmed PJSC Gazprom's highest governance quality rating of A++ .gq for a third time running.

Dear Shareholders,

The Company will continue enhancing its corporate governance system in the interests of its shareholders and to the benefit of Russia.

Viktor Zubkov

Chairman
of the Board of Directors
PJSC Gazprom



Report on Compliance with the Corporate Governance Code Recommended by the Bank of Russia, Including the Statement on Compliance with Corporate Governance Principles

PJSC Gazprom recognises the important role of an effective corporate governance system that takes into account the key principles and recommendations of the Corporate Governance Code recommended by Letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014 (the "Russian Corporate Governance Code", the "Code") and the requirements of listing rules of Russian stock exchanges.

PJSC Gazprom's corporate governance practice aims to ensure the robust performance of the Company's governing bodies, develop and improve the risk management and internal control system, maintain information transparency, and protect the rights of shareholders and investors.

PJSC Gazprom is fully aware that an efficient and effective corporate governance system is a lever to achieve operational excellence and ensure the Company's sustainable long-term development.

In line with corporate best practices and recommendations of the Russian Corporate Governance Code, PJSC Gazprom arranges for independent corporate governance assessment on a regular basis and leverages the results of this assessment to further improve corporate standards.



Key documents of PJSC Gazprom ensuring protection of shareholder rights

Documents	Year of approval / last amendment
Articles of Association of Public Joint Stock Company Gazprom	2015 / 2023
Regulations on the General Shareholders Meeting of PJSC Gazprom	2016 / 2023
Regulations on the Board of Directors of PJSC Gazprom	2016 / 2023
Regulations on the Management Committee of PJSC Gazprom	2016 / 2023
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 / 2022
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.ru



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: the General Shareholders Meeting, the Board of Directors, the Management Committee, the Chairman of the Management Committee, the Audit Commission, and the 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 four dedicated committees set up to review critical matters related to the Company's operations and falling within the remit of the Board of Directors.

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.

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.

The auditor contracted to audit PJSC Gazprom's annual accounting (financial) statements and the Company's financial and business operations in accordance with Russian regulations is appointed 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 organisational 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 organisational 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. Reports on the Committee's activities are submitted to the Chairman of PJSC Gazprom's Management Committee at least once a year.

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 organisational units of the Company, in line with the regulations governing their activities as approved by the Board of Directors.

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 o PJSC Gazprom's subsidiaries.

To ensure an integrated approach and coordinate the environmental and energy management activities of PJSC Gazprom's organisational 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 Gazprom's energy efficiency management (energy management) system.



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



For more information on the main tasks of the Company's Audit Commission, see PJSC Gazprom's website.
→ www.gazprom.ru

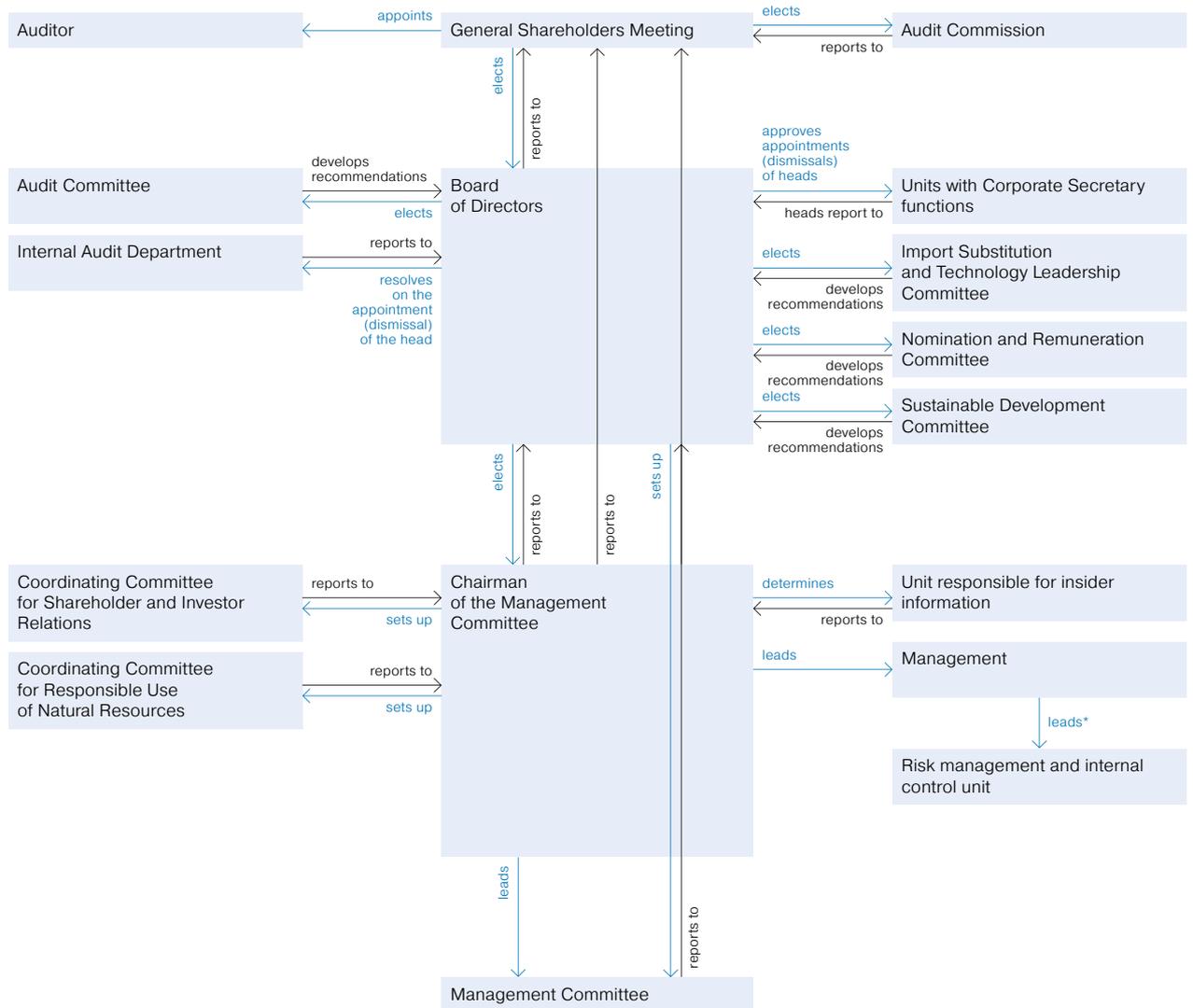


For more details on the role of Corporate Secretary at the Company, see PJSC Gazprom's website.
→ www.gazprom.ru



Report on Compliance with the Corporate Governance Code Recommended by the Bank of Russia, Including the Statement on Compliance with Corporate Governance Principles

PJSC Gazprom's corporate governance structure



* The unit reports to the Deputy Chairman of the Management Committee.

Methodology Used to Assess Compliance with the Corporate Governance Principles Set out in the Russian 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 exchanges (mandatory for maintaining PJSC Gazprom shares on first level quotation lists of stock exchanges).

**Report on Compliance with the Corporate
Governance Code Recommended
by the Bank of Russia,
Including the Statement on Compliance
with Corporate Governance Principles**

**Assessment of Compliance with the Corporate Governance Principles
Set out in the Russian 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.

II 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

<p>1. 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).</p>	<p>In 2023, PJSC Gazprom did not comply with this principle and recommendation of the Russian Corporate Governance Code due to objective reasons (an insufficient number of independent nominees to the Board of Directors).</p> <p>The Board of Directors of PJSC Gazprom (11 members) was elected by the Annual General Shareholders Meeting on 30 June 2023.</p> <p>Two independent directors joined the Board of Directors.</p> <p>As part of the procedures set forth in listing rules of Russian stock exchanges and the Code, PJSC Gazprom's Board of Directors passed resolutions determining Viktor Martynov and Igor Maksimtsev to be independent nominees to PJSC Gazprom's Board of Directors although Viktor Martynov met the formal criteria of being related to PJSC Gazprom, Viktor Martynov and Igor Maksimtsev met the formal criteria of being related to the state, and Viktor Martynov and Igor Maksimtsev met the formal criteria of being related to PJSC Gazprom's significant counterparties, 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. 3953 and No. 3954 dated 22 June 2023).</p>
<p>2. To preliminarily review 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).</p>	<p>In 2023, the Company partially complied with this principle and recommendation of the Code due to objective reasons (an insufficient number of independent directors on the Board of Directors).</p> <p>In 2023, PJSC Gazprom's Board of Directors set up the Audit Committee of the Board of Directors comprising three members. Mikhail Sereda, a non-executive 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 Igor Maksimtsev (Resolution of PJSC Gazprom's Board of Directors No. 3964 dated 30 June 2023).</p>
<p>3. To preliminarily review matters of adopting an effective and transparent remuneration scheme, the Code recommends to set up a remuneration committee comprising 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).</p> <p>To preliminarily review 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 comprising independent directors (paragraph 2.8.3 of the Code).</p> <p>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).</p>	<p>In 2023, PJSC Gazprom partially complied with the principles and recommendations of the Russian Corporate Governance Code due to objective reasons (an insufficient number of independent directors on the Board of Directors).</p> <p>As prescribed by listing rules of Russian stock exchanges, the above committees must comprise 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.</p> <p>On 30 June 2023, PJSC Gazprom's Board of Directors adopted Resolution No. 3965, which set up the Nomination and Remuneration Committee of the Board of Directors comprising three members. The majority of the Committee members are independent directors (Viktor Martynov and Igor Maksimtsev). Committee Chairman Mikhail Sereda is not the sole executive body or a member of the Company's collective executive body.</p>

External Assessment of PJSC Gazprom's Corporate Governance

In 2021, AO Expert RA rating agency assigned the Company the highest governance quality rating. The governance quality assessment 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).

 AO Expert RA's methodology for awarding governance quality ratings is available on the agency's website.
→ www.raexpert.ru



In 2022, 2023, and 2024, AO Expert RA rating agency affirmed the Company's highest governance quality rating.

A++_{gq} (highest)

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

 A press release announcing yet another affirmation of PJSC Gazprom's highest governance quality rating was published on Expert AR's website.
→ www.raexpert.ru



Corporate governance features highlighted by AO Expert RA rating agency when affirming PJSC Gazprom's highest governance quality rating in February 2024

1. High level of organisation of the activities of PJSC Gazprom's collective governing bodies, namely:
 - 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
 - A non-executive director chairs the Board of Directors and an independent director chairs the Audit Committee of PJSC Gazprom's Board of Directors
 - Directors are covered by liability insurance with large insurance amounts
 - The Board of Directors and the Management Committee are involved in the ESG agenda
2. A highly effective risk management system.
3. Strong commitment to protecting the rights of owners and other stakeholders.
4. Units with Corporate Secretary functions, whose rights, duties, and competence are set forth in relevant regulations.
5. Effective HR management, corporate ethics, and anti-corruption systems.
6. Highly effective strategic planning.

In 2023, OOO Kept Tax and Advisory and OOO Horizon CF conducted another comprehensive independent assessment of PJSC Gazprom's corporate governance with experts lauding PJSC Gazprom's corporate governance system. The experts' approaches were based on the requirements of applicable Russian laws and listing rules of Russian stock exchanges, recommendations of the Russian Corporate Governance Code, other recommendations of the Bank of Russia, guidelines of federal executive authorities, and corporate best practices.



Assessment results and independent experts' opinions on certain most significant aspects of the Company's corporate governance model and practice are presented in the [PJSC Gazprom's Board of Directors, Remuneration of Members of Governing and Supervisory Bodies](#), and [Countering the Unlawful Use of Insider Information and Market Manipulation](#) sections.

**Report on Compliance with the Corporate
Governance Code Recommended
by the Bank of Russia,
Including the Statement on Compliance
with Corporate Governance Principles**

Improvement of the Corporate Governance Model and Practice

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

 Measures to improve corporate governance in the reporting year		
Area	Measure	Measure's purpose and effect
Governance model	In February 2023, AO Expert RA rating agency yet again affirmed the Company's highest governance quality rating (A++_gq). In 2023, OOO Kept Tax and Advisory and OOO Horizon CF conducted another comprehensive independent assessment of PJSC Gazprom's corporate governance.	Conducting regular external independent assessment of corporate governance in compliance with the recommendations of the Russian Corporate Governance Code and corporate best practices.
Shareholder rights	Shareholders and their representatives continued using electronic voting capabilities at the General Shareholders Meeting of PJSC Gazprom.	Expanding shareholders' ability to be remotely involved in managing the Company.
	The Company continued to provide shareholders with additional (beyond statutory requirements) materials for PJSC Gazprom's General Shareholders Meeting.	Ensuring shareholders' ability to make informed decisions.
Corporate ethics	The Corporate Ethics at PJSC Gazprom for Suppliers e-learning course was developed and widely launched. The e-course is available on PJSC Gazprom's website for remote training of employees of PJSC Gazprom's counterparties not controlled by PJSC Gazprom.	Maximising the number of PJSC Gazprom's counterparties that share Gazprom Group's corporate values.
	In compliance with the new requirement of the Code of Corporate Ethics of PJSC Gazprom, a separate report on PJSC Gazprom's compliance with corporate ethics standards was submitted to the Company's Board of Directors with preliminary recommendations from the Audit Committee of PJSC Gazprom's Board of Directors.	Enhancing corporate control over the Company's compliance with corporate ethics standards.
Insider information protection	Amendments were made to the Regulations on Access to Insider Information of PJSC Gazprom and Maintaining Its Confidentiality. The following provisions were added to the document: <ul style="list-style-type: none"> – Violations by insiders of the terms and conditions of transactions with financial instruments as determined by PJSC Gazprom's Board of Directors provide the basis for bringing offenders to civil liability and/or other types of liability – When interacting with insiders, compliance with relevant requirements is verified using PJSC Gazprom's systems and tools for corporate interaction, including e-mail (expanding the range of means available for communicating with insiders) – Relevant requirements must be communicated to all employees of PJSC Gazprom 	Increasing the efficiency of countering the unlawful use of insider information.
	The List of Insider Information of PJSC Gazprom was amended.	Bringing the document into compliance with the Bank of Russia's Ordinance No. 6476-U, On Amendments to the Appendix to the Bank of Russia's Ordinance No. 5946-U dated 27 September 2021, dated 28 June 2023.

**Report on Compliance with the Corporate
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**Measures to improve corporate governance in the reporting year
(continued)**

Area	Measure	Measure's purpose and effect
	<p>A system for remote communication to PJSC Gazprom employees of the requirements of applicable laws and internal documents on countering the unlawful use of insider information and market manipulation was developed and implemented, comprising the following:</p> <ul style="list-style-type: none"> – Development of a summary introductory course on countering the unlawful use of insider information and market manipulation (governing regulations, practical application) with the possibility to self-test the acquired knowledge – Creation of a dedicated page on PJSC Gazprom's intranet portal to provide training opportunities to employees 	<p>Raising PJSC Gazprom employees' awareness of the current requirements for countering the unlawful use of insider information and market manipulation.</p>
	<p>PJSC Gazprom's collective governing bodies assessed the actions of members of the relevant bodies for compliance with the requirements for countering the unlawful use of insider information and market manipulation.</p> <p>The assessment results were reviewed by PJSC Gazprom's Board of Directors (as regards the assessment of the actions of members of the Board of Directors) and PJSC Gazprom's Management Committee (as regards the assessment of the actions of the Chairman of the Management Committee and members of the Management Committee).</p>	<p>Introducing additional control procedures to monitor compliance by members of PJSC Gazprom's collective governing bodies with the requirements for countering the unlawful use of insider information and market manipulation.</p>
	<p>OOO Kept Tax and Advisory and OOO Horizon CF conducted an external independent assessment of compliance by insider employees of the Company's controlling unit with the requirements for countering the unlawful use of insider information and market manipulation.</p>	<p>Introducing additional control procedures to monitor compliance by Company employees with the requirements for countering the unlawful use of insider information and market manipulation. No violations were detected.</p>

**Report on Compliance with the Corporate
Governance Code Recommended
by the Bank of Russia,
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with Corporate Governance Principles**

The Company plans to continue improving its governance model and the mechanism of compliance with corporate values.

 Planned measures to improve the corporate governance model and practice		
Area	Measure	Measure's timeframe
Governance model	Another external assessment of PJSC Gazprom's corporate governance (AO Expert RA) with an assignment of governance quality rating.	The first half of 2024
	Submitting the results of another comprehensive independent assessment of PJSC Gazprom's corporate governance conducted by OOO Kept Tax and Advisory and OOO Horizon CF in 2023 to the Board of Directors with preliminary recommendations from the Audit Committee of PJSC Gazprom's Board of Directors.	
	Developing another action plan to improve PJSC Gazprom's corporate governance and arranging for its implementation.	2024
Corporate ethics	Updating information on the page of PJSC Gazprom's website dedicated to corporate ethics.	Ongoing
	Supporting the operation of the Hotline for reports to PJSC Gazprom's Corporate Ethics Commission (by phone and e-mail), receiving and processing incoming reports.	
Insider information protection	Amending PJSC Gazprom's effective internal regulations to ensure compliance with applicable laws and further improve the framework for protecting insider information.	2024
	Organising the assessment by PJSC Gazprom's insider employees of their actions and the actions of their subordinate insider employees for compliance with the requirements for countering the unlawful use of insider information and market manipulation.	

Governing and Supervisory Bodies

General Shareholders Meeting

The Annual General Shareholders Meeting of PJSC Gazprom was held on 30 June 2023 in absentia.

The quorum required to pass resolutions on all the agenda items was present. In 2023, in accordance with 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, PJSC Gazprom shares recorded in the securities account of depositary receipt programmes did not provide voting rights and were not taken into account in vote counting. On 30 June 2023, the Annual General Shareholders Meeting of PJSC Gazprom passed resolutions on all agenda items.



Minutes No. 1 of the General Shareholders Meeting of PJSC Gazprom dated 30 June 2023 are available on PJSC Gazprom's website (information is available in Russian only).
→ www.gazprom.ru



Resolutions of the Annual General Shareholders Meeting dated 30 June 2023

- The Company's Annual Report and annual accounting (financial) statements for 2022 were approved.
- The distribution of PJSC Gazprom's profit for 2022 was approved.
- It was resolved not to declare or pay dividends on PJSC Gazprom shares for 2022.
- An auditor (Limited Liability Company Financial and Accounting Consultants) was appointed to conduct a mandatory audit of PJSC Gazprom's accounting (financial) statements for 2023.
- It was resolved to pay remuneration to members of PJSC Gazprom's Board of Directors and Audit Commission holding no public or civil office in the Russian Federation, in the amount recommended by the Board of Directors.
- Amendments to PJSC Gazprom's Articles of Association as well as to the regulations on the General Shareholders Meeting, on the Board of Directors, and on the Management Committee of PJSC Gazprom were approved.
- The composition of the Board of Directors for a period until the third annual General Shareholders Meeting of PJSC Gazprom was established; the Audit Commission was elected.

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 2023, the Board of Directors held a total of 64 meetings, including 7 meetings in person and 57 meetings in absentia. At these meetings, the Board of Directors passed 153 resolutions, including 40 resolutions in person and 113 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.



Assessment of the Board of Directors and its committees as part of the external independent assessment of PJSC Gazprom's corporate governance conducted in 2023

Assessment results

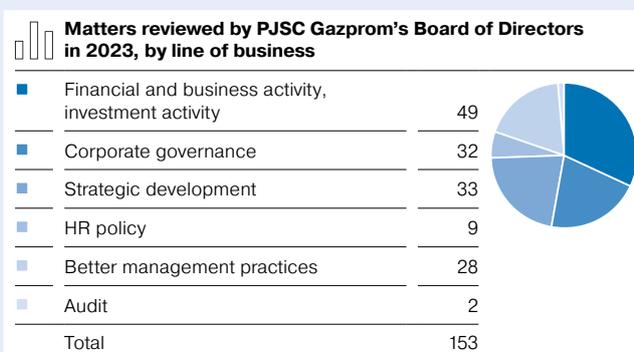
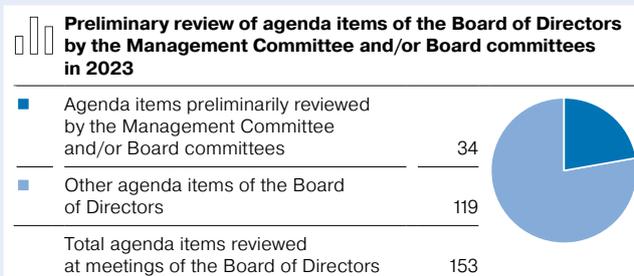
Overall, the performance of the Board of Directors and its committees was lauded by experts who assigned PJSC Gazprom the highest score (five out of five points) in five out of the seven key areas subject to evaluation, and four points in two areas.

Specific features of the compositions and activities of PJSC Gazprom's Board of Directors and its committees highlighted by independent experts:

- A transparent procedure for electing members to the Company's Board of Directors
- The rights and obligations of the Board members are clearly defined in the Company's internal documents, and procedures for the election and induction of first-time elected directors as well as procedures for preparing and holding meetings of the Board of Directors are documented
- Four dedicated committees of the Board of Directors are set up (the Audit Committee, the Nomination and Remuneration Committee, the Sustainable Development Committee, and the Import Substitution and Technology Leadership Committee) to increase the efficiency of the Board' decision-making
- The diverse professional track record of the Board members in the public sector as well as in major oil and gas and financial companies, their considerable professional experience and skills mix enable the directors to effectively discharge their duties on the Board and its committees
- The optimal number of directors on the Company's Board, comparable with the boards of directors of major Russian and foreign energy and oil and gas companies
- The introduction of the role of Senior Independent Director in 2021
- The establishment of two additional committees of the Board of Directors (the Sustainable Development Committee in 2021 and the Import Substitution and Technology Leadership Committee in 2022)
- The approval of the Induction Programme for First-Time Elected Members of the Board of Directors of PJSC Gazprom in 2019

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 97%.



Composition of PJSC Gazprom's Board of Directors as at 31 December 2023

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. 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 and are highly qualified.

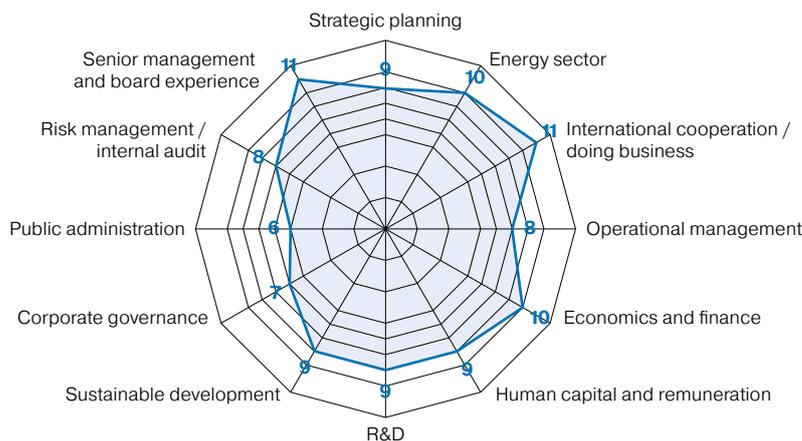
Resolution of the Annual General Shareholders Meeting on election of the Board of Directors until the third Annual General Shareholders Meeting of PJSC Gazprom from the date of election

In line with Part 1.1–1 and Part 4, Article 7 of Federal Law No. 292-FZ dated 14 July 2022, on 30 June 2023, the Annual General Shareholders Meeting of PJSC Gazprom decided to elect members of PJSC Gazprom's Board of Directors for a period until the third Annual General Shareholders Meeting from the date of election to ensure stable performance of PJSC Gazprom's Board of Directors amid continuing sanctions pressure imposed by a number of "unfriendly" countries and related international organisations.

In the current geopolitical environment, a longer tenure of members of boards of directors at major Russian companies allows directors to fully focus on implementing ambitious long-term strategic projects.



Skill mix within the Board of Directors



Changes in the composition of PJSC Gazprom's Board of Directors in 2023

Vladimir Mau was a member of PJSC Gazprom's Board of Directors until 30 June 2023.

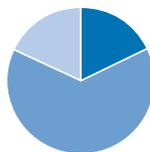
On 30 June 2023, Igor Maksimtsev was elected to the Company's Board of Directors. A series of events was held as part of the induction programme for the first-time elected member of PJSC Gazprom's Board of Directors to promptly introduce him to the Company's activities, including an introductory meeting 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 and materials required to make decisions on matters within the Board's competence.

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. PJSC Gazprom's Board of Directors appointed Viktor Martynov as the senior independent director.



Composition of the Board of Directors by status, %

Executive director	18
Non-executive director	64
Independent director*	18



* By Resolution of PJSC Gazprom's Board of Directors (No. 3953 and No. 3954 dated 22 June 2023), the nominees to the Board Viktor Martynov and Igor Maksimtsev were deemed independent.



Resolutions of PJSC Gazprom's Board of Directors to recognise Viktor Martynov and Igor Maksimtsev as independent nominees to the Board of Directors, including the underlying rationale, are available on PJSC Gazprom's website.
→ www.gazprom.ru





**Viktor Alekseevich
Zubkov**

Chairman of the Board of Directors

Non-executive Director

Chairman of the Sustainable Development
Committee of the Board of Directors

Chairman of PJSC Gazprom Board
of Directors' Commission on Strengthening
Financial Discipline for Domestic Gas
Supplies in the Russian Federation

Chairman of the Company's Board
of Directors since 2008



Denis Valentinovich Manturov

Non-executive Director

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

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 Sustainable Development
Committee of the Board of Directors

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



**Vitaly Anatolievich
Markelov**

Executive Director

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

Member of the Company's Board
of Directors since 2012



**Andrey Igorevich
Akimov**

Non-executive Director

Member of the Sustainable Development
Committee of the Board of Directors

Member of the Company's Board
of Directors since 2011



**Viktor Georgievich
Martynov**

Senior Independent Director

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

Member of the Company's Board
of Directors since 2013



Igor Anatolievich Maksimtsev

Independent Director

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

Member of the Company's Board of Directors since 2023



Mikhail Leonidovich Sereda

Non-executive Director

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

Member of the Company's Board of Directors since 2002



Alexander Valentinovich Novak

Non-executive Director

Member of the Company's Board of Directors since 2015



Nikolai Grigorievich Shulginov

Non-executive Director

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

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 status of directors was determined in compliance with criteria set forth in the Russian Corporate Governance Code.

Audit Committee of the Board of Directors

Dear Shareholders,

In 2023, the Audit Committee of PJSC Gazprom's Board of Directors assisted the Board, as part of performing its tasks and functions, in achieving one of the Board's key objectives – supervising the Company's financial and business performance.

As in previous years, the Committee's activities were in line with its plan. In 2023, the Committee reviewed the following matters: information from the external auditor OOO FBK on key matters related to the audit of PJSC Gazprom and its subsidiaries; OOO FBK's reports on the independence and effectiveness of external audits; assessment of the independent auditor's opinion on the accounting (financial) statements of PJSC Gazprom for 2022; a report on the 2022 performance of the internal audit function; a report on the 2022 internal audit of PJSC Gazprom; and operation of the risk management and internal control system.

As part of its activities, the Committee actively engaged with the external auditor, PJSC Gazprom's Audit Commission, the internal audit function, and the risk management and internal control function.

Another comprehensive independent assessment of corporate governance was conducted at the Company in 2023, with experts involved in the exercise highly praising the organisation of the Committee's operation as well as its composition and structure.

In 2023, the rating agency Expert RA once again affirmed PJSC Gazprom's top rating for governance quality (A++ .gq), citing our robust risk management systems.

I am confident that the Committee's recommendations will continue contributing to the successful operation and financial stability of the Company going forward.

Viktor Martynov

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



In 2023, the Audit Committee of the Board of Directors included three members of the Company's Board of Directors.

Composition of the Audit Committee of the Board of Directors in 2023

Committee Chairman:

Viktor Martynov (Independent Director)

Committee members:

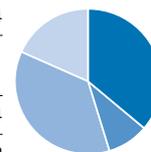
- Vladimir Mau (Independent Director; resigned from the Board of Directors and the Audit Committee of the Board of Directors on 30 June 2023)
- Igor Maksimtsev (Independent Director; joined the Board of Directors and the Audit Committee of the Board of Directors on 30 June 2023)
- Mikhail Sereda (Non-executive Director)

The Committee worked in line with its plan. In 2023, the Committee held 11 meetings in absentia and no meetings in person. The overall attendance rate for the Committee meetings was 100%.

The Committee found the work on external and internal audit to be positive, no comments were received.

Matters reviewed by the Board of Directors' Audit Committee in 2023, by line of business

■ Financial reporting, external audit	4
■ Performance of the risk management and internal control system	1
■ Internal Audit Department's activities	4
■ Other matters	2
Total	11



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

Nomination and Remuneration Committee of the Board of Directors

Dear Shareholders,

The Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors plays an important role in the Company's corporate governance system by making recommendations within its remit to inform decisions made by PJSC Gazprom's Board of Directors.

In 2023, the Committee continued reviewing annual matters related to the annual bonus scheme for PJSC Gazprom management (approval of Company-wide target KPIs for 2023 and actual performance for 2022) and to remuneration of members of PJSC Gazprom's Board of Directors and Audit Commission.

Additionally, the Committee reviewed a number of matters related to the extension of the term of the Company's Management Committee members and to the Employee Equity Sharing Plan for Management of PJSC Gazprom.

In 2023, the rating agency Expert RA praised the Company's HR management system by reaffirming PJSC Gazprom's top rating for governance quality.

The Committee will maintain its efforts to drive a robust HR policy and provide incentives that contribute towards the Company's goals and objectives.

Mikhail Sereda

Chairman
of the Nomination
and Remuneration Committee
of PJSC Gazprom's Board of Directors



In 2023, the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors included three members of the Company's Board of Directors.

Composition of the Nomination and Remuneration Committee of the Board of Directors in 2023

Committee Chairman:

Mikhail Sereda (Non-executive Director)

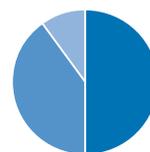
Committee members:

- Vladimir Mau (Independent Director; resigned from the Board of Directors and the Nomination and Remuneration Committee of the Board of Directors on 30 June 2023)
- Igor Maksimtsev (Independent Director; joined the Board of Directors and the Nomination and Remuneration Committee of the Board of Directors on 30 June 2023)
- Viktor Martynov (Independent Director)

The Committee worked in line with its plan. In 2023, the Committee held 10 meetings in absentia and no meetings in person. The overall attendance rate for the Committee meetings was 100%.

Matters reviewed by the Board of Directors' Nomination and Remuneration Committee in 2023, by line of business

■ Remuneration policy, its implementation and oversight	5
■ Appointments to key executive positions	4
■ Other matters	1
Total	10



Sustainable Development Committee of the Board of Directors

Dear Shareholders,

Committed to preserving and augmenting existing opportunities for the future generations, PJSC Gazprom pays particular attention to social and environmental responsibility.

In 2023, the Sustainable Development Committee of PJSC Gazprom’s Board of Directors preliminarily reviewed Gazprom Group’s Social Impact Report 2022 as well as the results of an external audit and an independent public assurance.

During the year, the Company made significant progress towards implementing the Sustainable Development Policy of Gazprom Group by approving the List of Sustainability Progress Metrics of Gazprom Group, Gazprom Group’s Corporate Volunteerism Policy, and the Plan to Quit Using Disposable Plastic Items at Gazprom Group’s Offices, developing and deploying guidance on Gazprom Group’s sustainability risk management and related application guidelines.

The rating agency Expert RA, which affirmed PJSC Gazprom’s top rating for governance quality in 2023, commended the involvement of the Company’s collective governing bodies in addressing ESG matters. In particular, the experts lauded the efforts of the Sustainable Development Committee of the Board of Directors.

The principles of social and environmental responsibility are deeply woven into the framework of PJSC Gazprom’s operations, with development plans based on these very principles. The Company remains committed to a transparent and systematic approach to sustainability efforts and contributes to Russia’s social and economic growth.

Viktor Zubkov

Chairman
of the Sustainable Development Committee
of PJSC Gazprom’s Board of Directors



In 2023, the Committee included three members of the Company’s Board of Directors.

Composition of the Sustainable Development Committee of the Board of Directors in 2023

Committee Chairman:

Viktor Zubkov (Non-executive Director)

Committee members:

- Alexey Miller (Executive Director)
- Andrey Akimov (Non-executive Director)

The Committee worked in line with its plan. In 2023, the Committee held three meetings in absentia and no meetings in person. The overall attendance rate for the Committee meetings was 100%.

Matters reviewed by the Board of Directors’ Sustainable Development Committee in 2023, by line of business

■ Evaluation of the progress on the Sustainable Development Policy of Gazprom Group	1
■ Determining sustainability activities	1
■ Gazprom Group’s Social Impact Reports	1
Total	3



Import Substitution and Technology Leadership Committee of the Board of Directors

Dear Shareholders,

A constant focus on technology leadership remains a top priority for PJSC Gazprom and its operations. PJSC Gazprom's Board of Directors and, accordingly, its Import Substitution and Technology Leadership Committee are pivotal in this process.

By providing comprehensive and professional expert support, the Committee helps in informing the Company's decisions in this area.

In 2023, the Committee worked towards progressing import substitution initiatives run by PJSC Gazprom and on the deployment of domestic equipment for the Russian energy sector, including equipment for PJSC Gazprom's LNG projects.

The Committee will continue contributing to strong performance and the Company's technological sovereignty.

Denis Manturov

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



In 2023, the Committee included three members of the Company's Board of Directors.



Composition of the Import Substitution and Technology Leadership Committee of the Board of Directors in 2023

Committee Chairman:

Denis Manturov (Non-executive Director)

Committee members:

- Vitaly Markelov (Executive Director)
- Nikolai Shulginov (Non-executive Director)

The Committee worked in line with its plan. In 2023, the Committee held four meetings – two meetings in person and two meetings in absentia. The overall attendance rate for the Committee meetings was 100%.

The Committee's activities contribute to the achievement of PJSC Gazprom's long-term goals to design modern high-tech equipment for the Russian energy sector.



Matters reviewed by the Board of Directors' Import Substitution and Technology Leadership Committee in 2023, by line of business

■ Determining import substitution and technological development activities	2
■ Assessment of the results of implementing import substitution measures	3
■ Long-term programmes aimed at implementing the public policy on import substitution	2
■ Creating conditions for effective implementation of the public policy on import substitution	2
■ Other matters	1
Total	10



Corporate Secretary

The Corporate Secretary functions are delegated to four PJSC Gazprom's organisational units. During the year, their activities were aimed at ensuring PJSC Gazprom's compliance with applicable Russian laws, the Company's Articles of Association, and internal documents.

In 2023, the Corporate Secretary functions were performed in full.

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

- preparing documents related to PJSC Gazprom's Annual General Shareholders Meeting (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
- preparing documents to disclose information about PJSC Gazprom's operations in line with the statutory procedure
- supporting activities of PJSC Gazprom's Board of Directors and its committees
- developing and implementing measures to improve corporate governance practices.

PJSC Gazprom complies with the listing rules of Russian stock exchanges, which determine the requirements for the Corporate Secretary and the specifics of its work organisation.

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 storage of PJSC Gazprom's corporate documents was ensured.



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

- The heads of the organisational units performing the Corporate Secretary functions report to the Company's Board of Directors. To this end, PJSC Gazprom's Board of Directors:
 - approves appointments and dismissals of the head of the unit performing the Corporate Secretary functions
 - approves regulations on the organisational units performing the Corporate Secretary functions
 - pays additional remuneration to the heads of the organisational units performing the Corporate Secretary functions.
- Regulations on the units performing the Corporate Secretary functions, approved by the Board of Directors, are based on the Russian Corporate Governance Code.
- To perform the Corporate Secretary functions assigned to them, the units are authorised to, inter alia:
 - in line with established procedures, request and obtain from other PJSC Gazprom's units documents and information necessary to perform the Corporate Secretary functions
 - monitor compliance of the Company's officers and employees with PJSC Gazprom's Articles of Association and internal documents within the Corporate Secretary functions report their 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.



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



Management Committee

The activities of PJSC Gazprom's Management Committee are governed by the duly approved six-month activity plans. In 2023, PJSC Gazprom's Management Committee held 22 meetings (13 meetings in person via videoconferencing and 9 in absentia). The Management Committee reviewed 61 matters, with 56 resolutions passed, including 37 resolutions in person and 19 resolutions in absentia.

In 2023, 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.



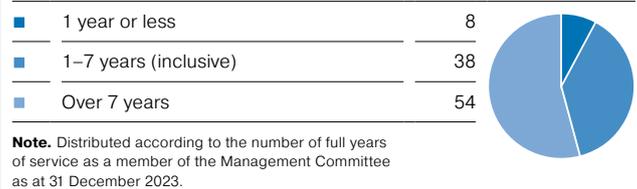
Composition of PJSC Gazprom's Management Committee as at 31 December 2023

Changes in the composition of PJSC Gazprom's Management Committee in 2023

On 3 April 2023, PJSC Gazprom's Board of Directors resolved to elect Vadim Simdyakin to the Company's Management Committee for a term of five years (Resolution of the Board of Directors No. 3908 dated 3 April 2023) and to terminate the powers of Gennady Sukhov (Resolution of the Board of Directors No. 3907 dated 3 April 2023).

PJSC Gazprom's Board of Directors resolved to terminate the powers of Elena Burmistrova as a member of the Management Committee from 13 March 2023 (Resolution of the Board of Directors No. 3903 dated 3 April 2023).

Composition of the Management Committee by tenure of its members in the governing body as at 31 December 2023, %





Alexey Borisovich Miller

Chairman of PJSC Gazprom's Management Committee

Chairman of the Company's Management Committee since 2001



Vitaly Anatolievich Markelov

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

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

Member of the Company's Management Committee since 2012



Oleg Evgenievich Aksyutin

Deputy Chairman of the Management Committee – Head of Department, PJSC Gazprom (prospective development)

Oversees strategic development, long-term planning, design, development, and implementation of the investment programme, procurement operations, digitisation of operations, and import substitution in investing activities

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, vehicle fleet operation, and healthcare benefits

Member of the Company's Management Committee since 2018



Mikhail Nikolaevich Rosseev

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

Member of the Company's Management Committee since 2020



Sergey Fyodorovich Khomyakov

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

Oversees HR management, communications, and corporate security

Member of the Company's Management Committee since 2007



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



Sergey Ivanovich Kuznets

Head of Department, PJSC Gazprom (legal support)

Member of the Company's Management Committee since 2019



**Vladimir Konstantinovich
Markov**

Head of Department, PJSC Gazprom
(government relations)

Member of the Company's Management
Committee since 2012



**Elena Vladimirovna
Mikhailova**

Head of Department, PJSC Gazprom
(asset management and corporate relations)

Member of the Company's Management
Committee since 2012



**Sergey Nikolaevich
Menshikov**

Head of Department, PJSC Gazprom
(hydrocarbon exploration and production)

Member of the Company's Management
Committee since 2019



**Vyacheslav Alexandrovich
Mikhailenko**

Head of Department, PJSC Gazprom
(gas transportation and underground storage)

Member of the Company's Management
Committee since 2015



Vadim Mikhailovich Simdyakin

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

Member of the Company's Management Committee since 2023

Audit Commission

The responsibilities of PJSC Gazprom's Audit Commission are determined by Federal Law No. 208-FZ, On Joint Stock Companies, dated 26 December 1995 and PJSC Gazprom's Articles of Association. The Audit Commission operates in accordance with PJSC Gazprom's Regulations on the Audit Commission approved by the Annual General Shareholders Meeting of PJSC Gazprom (Minutes No. 1 dated 26 June 2020).

The Audit Commission reports to the General Shareholders Meeting and works in cooperation with the Audit Committee of PJSC Gazprom's Board of Directors.

On 30 June 2023, 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 2023 are available on PJSC Gazprom's website (information is available in Russian only).
→ www.gazprom.ru



Remuneration of Members of Governing and Supervisory Bodies

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

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.

Assessment of the Company's remuneration system for governing bodies as part of the external independent assessment of PJSC Gazprom's corporate governance conducted in 2023

Assessment results	The Company's remuneration system for governing bodies received the highest possible rating from experts (five points out of five).
Characteristics of the Company's remuneration system for governing bodies highlighted by independent experts	<ul style="list-style-type: none">– The Company's current remuneration system for directors contains clear and transparent mechanisms for calculating remuneration, covering all types of payments– An internal document contains a provision stipulating an option to pay no remuneration to members of the Board of Directors in case of a unilateral decision not to pay interest on bonds issued by PJSC Gazprom's subsidiary– The Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors makes recommendations to the Board of Directors on PJSC Gazprom's policy on remuneration of the Company's governing bodies

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 (Resolution of PJSC Gazprom's Board of Directors No. 2435 dated 21 October 2014, Minutes No. 972 dated 21 October 2014) a system of corporate key performance indicators (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, including taking into account directives of the Russian Government.

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

Remuneration of Members of Governing and Supervisory Bodies

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 2023

KPI	Description	Weight of corporate KPIs in remuneration
Financial 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%
Industry-specific KPIs		30%
■ Gas sales by volume	PJSC Gazprom's gas sales by volume, including both its own gas and purchased gas	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: <ul style="list-style-type: none"> – Patents obtained in the reporting year – Reduction of GHG emissions intensity expressed as CO₂ equivalent – Share of R&D costs in revenue – Assessment of the quality of design / annual implementation of the Innovative Development Programme 	10%
<input type="checkbox"/> KPIs established in pursuance of Russian Government directives.		

PJSC Gazprom's Board of Directors applied (Resolution of the Board of Directors No. 3873 dated 23 December 2022, Minutes No. 1480 dated 23 December 2022) the bonus disqualification indicator for members of the Management Committee and other managers for untimely preparation and implementation of plans developed 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. The bonus disqualification indicator is equal to 20% of the corporate component of the annual bonus for achieving KPIs.

Corporate KPIs and the bonus disqualification indicator 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. Target 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 (Russian Accounting Standards) reporting or PJSC Gazprom's management reporting. This approach offers a comprehensive view of PJSC Gazprom's performance in its core gas business.

**Remuneration of Members of Governing
and Supervisory Bodies**

Corporate KPI targets for 2023 were set by resolution of the Board of Directors based on PJSC Gazprom's budget (financial plan) and investment programme for 2023, with some of the KPIs subsequently changed as per the amended 2023 budget (financial plan) and investment programme of PJSC Gazprom.

The main reasons behind changes in the approved indicators were decreased projected gas supplies to consumers in European and FSU countries and lower projected revenue.

KPI	Target value		Actual value	KPI achievement, % of the target	Explanation of variance between the target and actual KPI values
	Initial*	Adjusted**			
Financial and economic KPIs					
Per unit costs in Production, RUB per t c.e.	2,000.68	1,853.45	1,870.83	99%	Lower production
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	119.44	116.41	114.04	102%	Lower gas transportation costs
Total shareholder return, %	5	No adjustments	-1.6	-	Lower price of PJSC Gazprom shares on the back of lower gas exports as well as the impact of factors such as a higher mineral extraction tax and non-payment of final dividend for 2022
Return on equity, %	1.5	No adjustments	-4.14	-	Lower revenue from gas sales to European countries
Labour productivity, RUB thousand per person-hour	120.78	77.41	86.27	111%	Target value achieved
Industry-specific KPIs					
Gas sales by volume, bcm	314.515	307.771	310.953	101%	Increased gas supplies to Russian consumers
Commissioning of priority production facilities	5	5 (facility substitution)	5	100%	Target value achieved
Integrated innovation key performance indicator, %	95	No adjustments	159.60	168%	Increased R&D volumes and patents obtained in the reporting year

* Resolution of PJSC Gazprom's Board of Directors No. 3916 dated 25 April 2023, Minutes No. 1499 dated 25 April 2023.
** Resolution of PJSC Gazprom's Board of Directors No. 4029 dated 22 December 2023, Minutes No. 1544 dated 22 December 2023.

Based on the 2023 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.

Remuneration of Members of Governing and Supervisory Bodies



Target values of corporate KPIs for 2024*

KPI	Target value
Financial and economic KPIs	
Per unit costs in Production, RUB per t c.e.	1,892.49
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	108.75
Total shareholder return, %	10
Return on equity, %	1.5
Labour productivity, RUB thousand per person-hour	82.23
Industry-specific KPIs	
Gas sales by volume, bcm	325.936
Commissioning of priority production facilities	5
Integrated innovation key performance indicator, %	95

* Approved by Resolution of PJSC Gazprom's Board of Directors No. 4064 dated 3 April 2024, Minutes No. 1562 dated 3 April 2024. KPI values were calculated in accordance with PJSC Gazprom's 2024 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 as well as for management of the subsidiary that operates as the single EPCM contractor for the Company's investment projects are offered through an annual bonus system aimed at achieving the Company's short-term KPIs.

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.

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 2022 was paid out in 2023 with a CAF of 103.62%. Based on the 2023 performance, the corporate adjustment factor amounted to 80.46% and will be taken into account when paying the annual bonus in 2024.



For more details on calculating progress against corporate KPIs in 2022 as well as the explanation of variance between target and actual KPI values, see PJSC Gazprom Annual Report 2022.
→ www.gazprom.ru



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 applicable laws, PJSC Gazprom's internal regulations, and the procedure applicable to all Company employees 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

II 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 attendance at 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 of Directors.
- 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 with 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). The document defines the formulas for calculating and procedure for paying remuneration to members of the Company's Board of Directors.

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

Remuneration component	Description
Fixed base remuneration	<ul style="list-style-type: none"> – Paid for service on the Board of Directors. – Fixed and not linked to attendance at 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.
Bonus component	<ul style="list-style-type: none"> – Paid for the achievement of corporate KPIs, such as Total Shareholder Return, Return on Equity, Labour Productivity, and Integrated Innovation Key Performance Indicator, which accounts for the reduction in GHG emissions intensity in CO₂ equivalent, and others.
Additional remuneration	<ul style="list-style-type: none"> – 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 attendance at individual meetings of the Board committees.



Remuneration of Members of Governing and Supervisory Bodies

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 remuneration lower than that 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 2,772,093 thousand, including remuneration paid to members of the Board of Directors* at RUB 264,069 thousand and members of the Management Committee* at RUB 2,508,024 thousand, inclusive of personal income tax and insurance premiums.

In 2023, PJSC Gazprom paid no reimbursement to members of the Board of Directors and Management Committee of PJSC Gazprom for expenses incurred while serving on the Company's governing body and extended no loans to members of the Board of Directors and Management Committee of PJSC Gazprom. In 2023, the Company did not make contributions under private pension agreements with Non-state Pension Fund GAZFOND to individual retirement accounts of members of the Board of Directors and Management Committee of PJSC Gazprom.

* Income received by members of PJSC Gazprom's Board of Directors who are also members of PJSC Gazprom's Management Committee and the Company's permanent employees related to their performance of functions of members of the Board of Directors is included in the total income of members of the Board of Directors. Other types of remuneration paid and/ reimbursed expenses of such members of the Board of Directors are included in the total remuneration and/or reimbursed expenses for the Management Committee of PJSC Gazprom.

Liability Insurance of Directors, Officers, and the Company

In place since 2008, 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 executives in their management roles.

The cost parameters of the insurance contract are set in roubles starting from 2022. In 2023, the insurance programme's coverage and other parameters remained unchanged. The insurance coverage is in line with the Company's needs.

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, or heads of PJSC Gazprom departments 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)

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

As at 31 December 2023, members of the Board of Directors, members of the Management Committee, and the Chairman of the Management Committee had a 0.013065% 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 executives to support the Company's share performance.

PJSC Gazprom 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 Plan.

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



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)

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

As at 31 December 2023, 72 managers were eligible for the Plan.

Internal Audit

Internal audit assists in achieving PJSC Gazprom's goals through a systematic and consistent approach to evaluating and contributing to the improvement of risk management, control, and governance processes.

To improve the internal audit function, the Company has developed and approved the Regulations on Internal Audit of PJSC Gazprom. The Regulations determine the goals, objectives, status, authority, and responsibilities of the Internal Audit Department of PJSC Gazprom as well as the scope and content of internal audit. Internal audit activity at PJSC Gazprom is organised and conducted by the relevant Department, an organisational 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 objective 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. The 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 organisational units, subsidiaries, and entities of PJSC Gazprom in line with established procedures and in accordance with Russian best practices for internal audit. The Department's audits in 2023 aimed to identify risks and evaluate the performance for the Company's significant business segments and processes.

In 2023, pursuant to Federal Law No. 208-FZ, On Joint Stock Companies, dated 26 December 1995, the Department evaluated the reliability and effectiveness of PJSC Gazprom's Risk Management and Internal Control System (RMICS) and prepared PJSC Gazprom's Internal Audit Report for 2022. 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.



Bid assessment criteria for entering into an audit service contract

- Contract price
- Quality profile of the service to be procured
- Bidder qualification, including track record related to the contract's subject matter as well as availability of the bidder's specialists and other employees with a certain qualification level

According to minutes on the public electronic tender results dated 14 February 2023, OOO FBK was selected as auditor based on the results of 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 2023–2025. 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 2023 offered by the auditor was RUB 216,500 thousand (exclusive of VAT) and was approved by Resolution of the Board of Directors No. 3932 dated 23 May 2023.

By resolution of PJSC Gazprom's Annual General Shareholders Meeting held on 30 June 2023, OOO FBK was appointed to audit PJSC Gazprom's accounting (financial) statements, Gazprom Group's consolidated accounting statements, and Gazprom Group's consolidated financial statements for 2023.

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 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 2023, 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, a review of disclosable condensed interim consolidated financial statements of PJSC Gazprom and its subsidiaries, confirmation of Social Impact Reports of Gazprom Group, 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 2023 amounted to 7.5% of the total fee.

The Audit Committee of PJSC Gazprom's Board of Directors oversees, within 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 the independence and effectiveness of external audit.

To inform PJSC Gazprom's Board of Directors and Management Committee about audit results, including reviews of condensed interim consolidated financial statements of PJSC Gazprom and its subsidiaries prepared in accordance with IFRS, as required by International Standard on Auditing (ISA) 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

The RMICS is part of the Company's corporate governance and 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.

The RMICS is designed to provide reasonable assurance that PJSC Gazprom's goals will be achieved.

Organisation of the Risk Management and Internal Control System (RMICS)

Corporate level

General Shareholders Meeting	
Board of Directors Audit Committee	<ul style="list-style-type: none"> Approves internal documents dealing with risk management and internal control, establishes risk limits and thresholds, reviews matters related to RMICS' setup, operation, and performance Monitors RMICS' reliability and effectiveness, develops recommendations for Board of Directors resolutions, and reviews risk reports and the results of risk management performance assessments
Chairman of the Management Committee Management Committee	<ul style="list-style-type: none"> Ensures RMICS's operation and the implementation of Board of Directors decisions regarding RMICS setup Reviews the risk management and internal control unit's information on key risks and ensures the operation and effectiveness of the RMICS

PJSC Gazprom's operations level

Organisational units Risk owners and co-owners, risk coordinators	<ul style="list-style-type: none"> Risk owners (co-owners): implement risk management stages, provide risk reports to the relevant risk coordinator, ensure the implementation of risk management measures, and carry out RMICS performance self-assessments Risk coordinators: classify and summarise reports from risk owners (co-owners), maintain risk statistics, compile and submit risk reports to the risk management and internal control unit, and provide methodological support to the risk owner (co-owner)
Risk management and internal control unit PJSC Gazprom directorate	<ul style="list-style-type: none"> Methodological support for the implementation of a single risk management and internal control policy as well as coordination of activities in this area across organisational units and subsidiaries, definition of methodological approaches to risk management and internal control processes

Gazprom Group's operations level

PJSC Gazprom's subsidiaries Risk owners and co-owners, risk coordinators	<ul style="list-style-type: none"> Risk owners (co-owners): implement risk management stages, provide risk reports to the relevant risk coordinator, ensure the implementation of risk management measures, and carry out RMICS performance self-assessments Risk coordinators: classify and summarise reports from risk owners (co-owners), maintain risk statistics, compile and submit risk reports to the risk management and internal control unit, and provide methodological support to the risk owner (co-owner)
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RMICS stakeholders: the Board of Directors of PJSC Gazprom; Audit Committee of the Board of Directors of PJSC Gazprom; Chairman of the Management Committee of the Company; Management Committee of PJSC Gazprom; collective governing body; PJSC Gazprom's risk management and internal control unit – Directorate of PJSC Gazprom; PJSC Gazprom's organisational units and Gazprom Group entities; owners of business processes, owners (co-owners) of risks and internal controls; individuals responsible for implementing risk management measures and for monitoring compliance with internal controls; risk coordinators; risk management and internal control centres.

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, PJSC Gazprom conducts an annual internal audit.

The Audit Committee of PJSC Gazprom's 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.

PJSC Gazprom's risk management and internal control process is governed by the Risk Management and Internal Control Policy of PJSC Gazprom approved by Resolution of the Board of Directors of PJSC Gazprom No. 3195 dated 25 December 2018. The document sets forth the goals and objectives of the RMICS, key principles of, and approaches to, setting up the RMICS, its stakeholders and their powers, and requirements for the risk management process.

In addition, the Company has a separate risk management and internal control organisational unit – Directorate of PJSC Gazprom. The Directorate has been designated as the single risk management and internal control centre at PJSC Gazprom and Gazprom Group. The Directorate is responsible for maintaining a uniform risk management and internal control policy across PJSC Gazprom and Gazprom Group. Its functions include ensuring the implementation of a uniform risk management and internal control policy across PJSC Gazprom and Gazprom Group entities and coordinating risk management and internal control activities at organisational units of PJSC Gazprom (Gazprom Group entities).

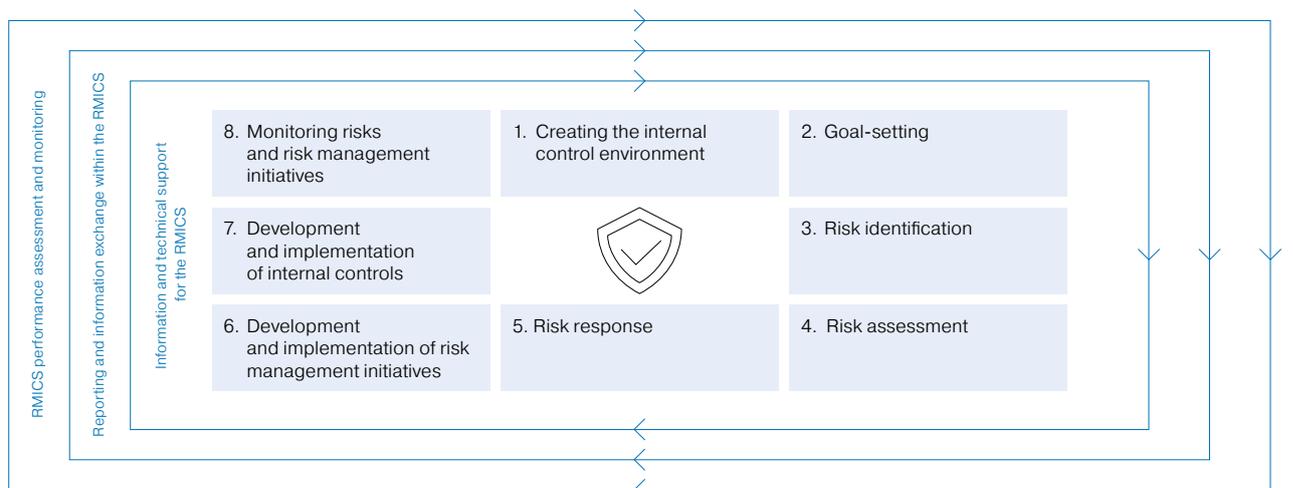


For more details on RMICS goals and objectives as well as on RMICS stakeholders and their functions in risk management and internal control, see the Risk Management and Internal Control Policy of PJSC Gazprom on PJSC Gazprom's website. → www.gazprom.ru



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

 **Components of the integrated RMICS at PJSC Gazprom and Gazprom Group**



A key component of the RMICS is creating the internal control environment that determines employees' perception of, and response to, risk. PJSC Gazprom's Code of Corporate Ethics, which is based on corporate best practices, sets forth corporate values and defines important rules of business conduct that preclude conflicts of interest and corruption.

The RMICS is used to regularly identify and assess risks so as to select and deploy an optimal set of controls that mitigate the most significant risks, i.e. ensure effective internal control. Risk analysis considers the impact and likelihood of each risk in order to identify risk treatment options. The inherent and residual risks are assessed separately.

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

- Risk avoidance (evasion/exclusion) – abandonment of measures/activities causing risk, abandonment of possible sources of risk
- Risk reduction (mitigation) – implementation of measures and activities aimed at reducing the level of risk
- Risk sharing (transfer) – sharing the risk with the other party or parties, insurance
- Risk acceptance (adoption/retention) – no actions commonly taken within other risk response strategies, self-insurance, hedging

The Company continued to improve its RMICS in 2023.



RMICS improvement measures in 2023

- Risk coordinators were appointed at 25 organisational units of PJSC Gazprom's Administration as well as at 90 Gazprom Group entities.
- Amendments were prepared for a number of documents, including into the Risk Index of PJSC Gazprom, its subsidiaries and entities; updates were made to forms of periodic and annual statistical reports on risks and internal control as well as to credit risk reporting forms of Gazprom Group entities. Draft internal regulations to be amended are subject to an approval process as per established procedure.
- As part of a project to create a risk management and internal control information system as provided under PJSC Gazprom's (Gazprom Group's) Digital Transformation Strategy, the Company developed functional requirements for the future system to enable automation of the preparation, collection, and organisation processes for annual and periodic corporate statistical reports on risks and internal control.
- The second level module was developed for the training course on Professional Risk Management in Oil and Gas Business – Effective Management Methods. Risk management and internal control upskilling programmes are run to maintain a strong risk management culture and harmonise professional skills and competencies in risk management and internal control among employees of PJSC Gazprom and Gazprom Group entities.

Plans for 2024 include further development of the RMICS, specifically, developing new and updating some of the existing regulations and guidelines and improving risk management and internal control processes as well as enhancing risk management and internal control upskilling programmes.

Key risks inherent to Gazprom Group's business

In 2023, the existing corporate RMICS of PJSC Gazprom enabled effective responses to uncertainties and related risks.



Strategic, country, and regional risks

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 higher.	To ensure growth of revenue from energy sales, PJSC Gazprom considers numerous markets and distribution channels and expands the uses of natural gas. To maintain its financial stability, PJSC Gazprom is optimising its leverage.
Sanctions risk	Risk of further restrictions and sanctions by the USA and the European Union against Russia and Russian nationals due to external factors, leading to financial (non-financial) consequences for PJSC Gazprom and Gazprom Group's projects.	PJSC Gazprom pursues a policy of ensuring technological independence and import substitution and regularly monitors sanctions being imposed pursuant to existing sanctions regulations as well as adoption of new US and EU sanctions regulations or amendments to the existing ones.
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 diversify export routes, expand access to UGSFs, and develop LNG trade.
Unconventional gas development risks	Growth in LNG exports from the USA, including LNG from shale gas. In Europe, commercial shale gas production prospects have not been confirmed. China produces shale gas, but these volumes can not meet the country's fast-growing gas demand.	PJSC Gazprom consistently 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 PJSC Gazprom 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 can be expected to grow in some countries, which may squeeze gas consumption in these markets.	The use of natural gas, including for power generation, offers consumers economic, technological, and environmental benefits, which, PJSC Gazprom believes, will support natural gas as a 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.

 **Market, financial, and credit risks**

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.	The creditworthiness of counterparties is assessed and monitored. Payment terms and measures to secure counterparties' payments (guarantees, letters of credit, prepayment) are determined. Credit limits are set, and compliance of counterparties with such credit limits is monitored by PJSC Gazprom and Gazprom Group entities.
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, expands the uses of natural gas, optimises contractual terms reflecting current market conditions, and determines permitted transaction types and financial instruments.

 **Environmental risks**

Risk / risk factor	Description	Risk management/mitigation
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. 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.	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: <ul style="list-style-type: none"> – 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.



Climate risks

Risk / risk factor	Description	Risk management/mitigation
Risks related to climate change	Possible climate changes, adverse natural and hydrometeorological phenomena that may cause damage to buildings and infrastructure, pipelines, and utility systems. Many of PJSC Gazprom's gas fields are located in Western Siberia, where adverse climatic conditions can make production more difficult and costly.	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 development and implementation of relevant programmes, 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

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)

Gazprom runs an effective vertically integrated procurement system.

PJSC Gazprom has set up Gazprom Group's Central Procurement Office to implement a uniform procurement policy across the Group in accordance with the principles set forth in the Regulations on Procurement. PJSC Gazprom also has:

- PJSC Gazprom's Budget Committee as a collective body primarily responsible for reviewing the pricing and price rationale for contracts (amendments and addenda thereto) of PJSC Gazprom, its subsidiaries and entities with sole contractors based on contract quotations (cost of goods, works, services) submitted by customers, including their compliance with the terms and conditions of contracts

- Marketing Research Commission, which is established and approved by the organiser arranging and conducting procurement procedures (PJSC Gazprom's department, Gazprom Group's specialised company, Gazprom Group's unit for organising and conducting procurement) to determine the most favourable terms of supply (performance of work, provision of services) from among those proposed by procurement participants
- a commission to determine the supplier (service provider, contractor) based on the results of a competitive procurement, summarising the results of a competitive procurement, individual stages and procedures of a competitive procurement (if necessary), the list of which is prepared and approved by the organiser (PJSC Gazprom's department, Gazprom Group's specialised company, Gazprom Group's unit for organising and conducting procurement).

Procurement principles followed by Gazprom Group

Creating conditions for timely and full supply to Gazprom Group of goods, works, and services and for 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, and 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	

To support the Group's procurement business processes, the PJSC Gazprom's Automated Electronic Procurement System is used, which acts as a corporate procurement information system interacting with the unified information system.

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 PJSC Gazprom's Automated Electronic Procurement System (AEPS).

Procurement methods outlined in the Regulations on Procurement

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 sole supplier (contractor, service provider)

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

	2021	2022	2023
	99.5	99.3	99.2

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

	2021	2022	2023
	454.3 (> 11.7 thousand contracts)	919.1 (> 15.4 thousand contracts)	763.7 (> 14.9 thousand contracts)

Savings by PJSC Gazprom and its subsidiaries following a competitive procurement process and based on marketing research, RUB billion

	2021	2022	2023
	29.9	35.6	41.5

Note. Savings are defined as the difference between the initial (maximum) and final contract prices, including the estimated cost of organising and conducting the procurement.

73.5%

the share of SMEs among entities included in the Register of Gazprom Group's Potential Bidders as at 1 January 2024

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

	As at 1 February 2022	As at 1 January 2023	As at 1 January 2024
Total	881	1,014	1,132
including SMEs	632	716	832

In case of procurement from a single supplier, prior to signing a contract, Gazprom Group's 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.

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

	2021	2022	2023
Identified potential to reduce the price, RUB billion	> 260	> 488	> 558
Reduction percentage, % of initial prices	15%	14%	11%

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 2023, the aggregate value of contracts signed by Gazprom Group with SMEs included in the Unified Register of SMEs (<https://ofd.nalog.ru>) exceeded RUB 391.8 billion (over 53 thousand contracts), including 9.2 thousand contracts worth RUB 320.6 billion through competitive procurement and marketing research.

SMEs accounted for more than half (61%, or 20 thousand) of the total number of Gazprom Group's suppliers (32.8 thousand) of goods, works, and services under contracts signed in 2023.

In 2023, the value of contracts signed by PJSC Gazprom with SMEs included in the Unified Register of SMEs (<https://ofd.nalog.ru>) totalled RUB 38.6 billion.

The Company makes efforts to improve its procurement management, including as part of implementing directives of the Russian Government and complying with amendments made to Russian laws. The key changes in the procurement system over the past three-year period included the introduction of requirements for the procurement of quota goods of Russian origin; the determination of payment terms (the procedure for determining them) under contracts signed as part of the procurement process; and the introduction of restrictions on the disclosure on procurement by customers that are subject to political or economic sanctions.

PJSC Gazprom's priorities in procurement management include further engagement with domestic manufacturers to take maximum advantage of their potential as well as efforts to ensure compliance with legislative requirements on the minimum share of procurement contracts for certain products to be awarded to Russian manufacturers. Near-term goals of procurement and inventory management also involve digital transformation enabled by import-independent software.



The list of goods, works, and services procured by PJSC Gazprom from SMEs has been published in the UIS (information is available in Russian only).

→ zakupki.gov.ru



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

→ tenders.gazprom.ru



Additional information on the procurement system of PJSC Gazprom and its subsidiaries is available in Gazprom Group's Social Impact Report 2023.

→ www.gazprom.com



Corporate Ethics and Anti-corruption Efforts

Ensuring Compliance with Corporate Values

The Company has in place the Code of Corporate Ethics of PJSC Gazprom (the “Code of Corporate Ethics” or “Code of 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 Corporate 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 document 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 Corporate 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.

In 2023, for the first time, a separate report on PJSC Gazprom’s compliance with corporate ethics standards was submitted to the Company’s Board of Directors for review.

The Code of Corporate Ethics provides for regular employee training in business conduct, followed by a final knowledge test. PJSC Gazprom and its controlled entities deliver corporate ethics training followed by a final knowledge test. In the reporting year, the Company developed and rolled out the Corporate Ethics at PJSC Gazprom for Suppliers course for remote training of third-party employees.



For more details on the development of the corporate ethics system in 2023, see the Improvement of the [Corporate Governance Model and Practice](#) section.

Corporate Ethics Commission

PJSC Gazprom’s standing Corporate Ethics Commission (also the “Corporate Ethics Commission” or “Commission”) is responsible for the enforcement of the requirements and provisions of the Code of Corporate Ethics. The regulations on the Commission have been approved by the Company’s order. Gazprom Group entities controlled by PJSC Gazprom have their own local corporate ethics commissions.

The Corporate Ethics Commission is provided with the necessary authority to support PJSC Gazprom’s compliance with the principles and rules of business conduct based on the corporate values.



Functions of the Corporate Ethics Commission

- Explain to employees the provisions of the Code of Ethics and how to apply it
- Review conflicts of interest, propose measures to resolve and/or limit their negative consequences
- Consider other cases of Code of Ethics violations and propose measures to eliminate (prevent) them
- Develop and submit proposals for the head of PJSC Gazprom to make decisions on taking disciplinary actions stipulated by the Code of Ethics for non-compliance
- 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
- Develop proposals on enhancing the system of corporate ethics

Procedure for submitting and reviewing reports for the Corporate Ethics Commission

A report is received by the Commission

Reporting channels:

- Mail
- E-mail: ethics.comission@adm.gazprom.ru
- Phone hotline: +7 495 719 1171

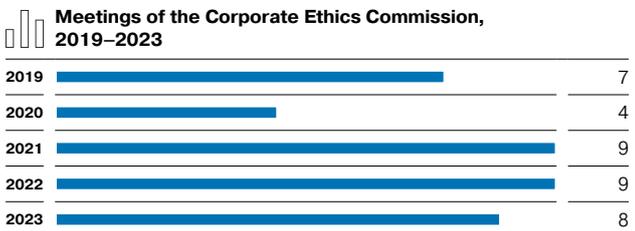
Materials are prepared for the Commission's review

The Commission may gather additional information in advance as necessary by sending requests for information or clarification to organisational units / controlled entities / the whistle-blower.

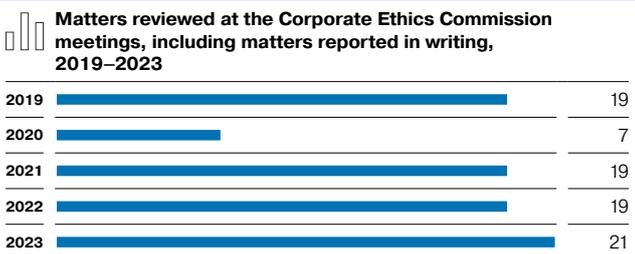
The Commission reviews the report and makes a decision

The Commission either reviews the report and takes measures to respond to the incidents of non-compliance with corporate ethics standards, if any, or redirects the report to a relevant local corporate ethics commission of a controlled entity for review to be followed up by measures, with a subsequent report to PJSC Gazprom's Corporate Ethics Commission.
The Commission may evaluate a decision made by the corporate ethics commission of an entity controlled by PJSC Gazprom.

The whistle-blower is provided with feedback about the follow up on their report



Most of reports received by the Corporate Ethics Commission in 2023 were related to the interpretation of implementing certain provisions of the Code of Ethics, business conduct of subsidiaries' employees, and, in some cases, situations having signs of non-compliance with the Code of Ethics, according to whistle-blowers.



Focus areas of the Corporate Ethics Commission in 2023

- Reviewing reports sent to the Corporate Ethics Commission in accordance with applicable Russian laws, the Code of Ethics, the Regulations on the Corporate Ethics Commission of PJSC Gazprom, and other internal Company's documents, with the involvement of dedicated organisational units, subsidiaries, and their local corporate ethics commissions, as necessary
- Developing and taking response measures in cases of non-compliance with the Code of Ethics within the established scope of authority
- Monitoring for signs of a conflict of interest involving sole executive bodies of entities controlled by PJSC Gazprom, and making recommendations on preventing and mitigating possible negative effects of identified conflicts of interest
- Arranging annual 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 Ethics provisions in the prescribed form
- Explaining to employees the provisions and procedures of the Code of Ethics

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 of Corporate Ethics at his own initiative, at the Commission's suggestion, or at the initiative of the Code violator's immediate superior.

The Commission's performance is reported to the Chairman of PJSC Gazprom's Management Committee on an annual basis. In addition, in 2022, the Code of Ethics was supplemented with a provision requiring that information on PJSC Gazprom's compliance with corporate ethics standards be submitted to PJSC Gazprom's Board of Directors on a regular basis (at least once every three years) in order to enhance the effectiveness of the Company's measures for preventing and resolving conflicts of interest and in line with the government policy on combating corruption and improving the business climate in Russia.

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 2023. 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.



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 received by them 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:
 1. 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.
 2. 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 requires.

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 Board of Directors' meeting.

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 the Federal Law On Joint Stock Companies.
- Related parties (third parties) are disclosed by the Company in the consolidated IFRS financial statements.



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 as the employees of the Company may contact 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 organisational units across the Company, its major subsidiaries and entities. Gazprom Group organises regular anti-corruption trainings for its employees.

 Allocation of responsibilities in preventing and combating corruption at PJSC Gazprom

Governing body	Responsibilities
PJSC Gazprom's Board of Directors	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Allocates powers, responsibilities, and accountability for preventing and combating corruption between Deputy Chairmen of the Management Committee and the Company's 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	<ul style="list-style-type: none"> Prepares proposals on enhancing anti-corruption internal controls at PJSC Gazprom
Corporate Ethics Commission	<ul style="list-style-type: none"> 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 at 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 units of PJSC Gazprom, its subsidiaries and entities to inform response and support potential managerial decisions.

In 2023, 6,187 reports were submitted via the Hotline of PJSC Gazprom's Corporate Security Service and processed (6,346 reports in 2022). Most of these reports dealt with the Company's activities that are not directly related to the goals and objectives of the Hotline. There have been 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).

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



**Corporate Ethics
and Anti-corruption Efforts**

In the reporting year, 16,124 inspections of counterparties were conducted as part of PJSC Gazprom's and Gazprom Group's procurement activities at PJSC Gazprom and 106,823 at Gazprom Group entities, with results taken into account in relevant operations.

Subsidiaries and entities 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.

Since 2014, progress in preventing and combating corruption at PJSC Gazprom and across Gazprom Group has been reviewed annually by the Company's Board of Directors, with respective instructions issued subsequently to the Chairman of the Management Committee.

The Anti-corruption Policy of PJSC Gazprom is available on PJSC Gazprom's website.
→ www.gazprom.ru



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.

The Company's internal documents provide for the protection of whistle-blowing employees who report violations related to corporate ethics and fighting fraud, as well as instances of corruption and embezzlement at Gazprom Group.

Subject of the report	Safeguards provided
Violation of the Code of Corporate Ethics reported by an employee	<ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> – 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 PJSC 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 Unlawful 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 controlling 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).

In 2023, the controlling unit recommended that PJSC Gazprom's insiders who have access to the information comprising PJSC Gazprom's 2022 IFRS consolidated financial statements and to the information contained in the auditor's report on these statements, as well as the related persons of such insiders, refrain from transactions with shares and other financial instruments of PJSC Gazprom during an extra period (in addition to the quiet periods established by resolution of the Board of Directors). The relevant information was posted on PJSC Gazprom's website and sent to the Company's stakeholders.



For more details on measures implemented in 2023 to ensure protection of insider information, see the Improvement of the [Corporate Governance Model and Practice](#) section.



Assessment of compliance by insider employees of the controlling unit with the requirements for countering the unlawful use of insider information and market manipulation as well as with PJSC Gazprom's documents

In 2023, to provide unbiased external assessment of compliance by insider employees of PJSC Gazprom's controlling unit with the requirements for countering the unlawful use of insider information and market manipulation, PJSC Gazprom initiated the engagement of OOO Kept Tax and Advisory and OOO Horizon CF as independent experts.

The assessment results showed that during the assessment period (from January 2022 to October 2023), all employees of the controlling unit who had access to insider information and were included in PJSC Gazprom's insider list complied with the established requirements for countering the unlawful use of insider information and market manipulation. No violations were detected.



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



Assessment by PJSC Gazprom's Board of Directors and Management Committee of the actions of their members for compliance with the requirements for countering the unlawful use of insider information and market manipulation as well as with PJSC Gazprom's documents

In 2023, in accordance with the requirements of Russian laws and the Company's internal regulations on countering the unlawful use of insider information, the Company's controlling unit arranged that members of PJSC Gazprom's Board of Directors be surveyed through questionnaires to determine whether they complied with the relevant requirements in 2022. Eleven members of PJSC Gazprom's Board of Directors elected at PJSC Gazprom's Annual General Shareholders Meetings on 25 June 2021 and 30 June 2022 who were in office in the calendar year 2022 took part in the survey. By resolution of the Board of Directors, the actions of members of the Board of Directors in the calendar year 2022 were deemed compliant with the requirements for countering the unlawful use of insider information and market manipulation and with PJSC Gazprom's documents.

In 2023, similar procedures covered the Chairman and members of PJSC Gazprom's Management Committee. By resolution of the Management Committee, the actions of members of the Management Committee in the calendar year 2022 were deemed compliant with the requirements for countering the unlawful use of insider information and market manipulation and with PJSC Gazprom's documents.

In 2023, the Company continued its systematic efforts to improve the mechanisms for protecting insider information while aligning internal regulations with current laws.

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.

Each ordinary share grants equal rights to its owner. Each voting share represents one vote at PJSC Gazprom's General Shareholders Meeting, except for the cumulative voting to elect members of the Company's Board of Directors.

PJSC Gazprom's Articles of Association do not limit the rights of holders of ordinary shares in PJSC Gazprom.

In 2023, PJSC Gazprom received no information on any special agreements between PJSC Gazprom's shareholders.

As at 31 December 2023, there were no Company shares the title to which was transferred to PJSC Gazprom.

In accordance with the requirements of Russian laws, in 2022, listing of American Depositary Receipts (ADRs) on PJSC Gazprom shares on Russian and foreign trading floors was suspended.

PJSC Gazprom's shareholding structure as at 31 December 2023, %

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 2023, 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 Rosgazifikatsiya.

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").

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 2024–2026 Federal Property Privatisation Guidelines (approved by Decree of the Russian Government No. 3260-r dated 31 December 2019, as amended), there are no plans to dispose of any PJSC Gazprom shares owned by the federal government.

Status of conversion of ADRs on shares of PJSC Gazprom from 27 April 2022 to 31 December 2023

Listing of depositary receipts on Gazprom shares was suspended 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. Holders of ADRs on PJSC Gazprom shares as at 27 April 2022 (15.90% of the Company's share capital as at the above date) may convert their ADRs into PJSC Gazprom ordinary shares.

Federal Law No. 319-FZ, On Amendments to Certain Legislative Acts of the Russian Federation, dated 14 July 2022, also stipulated procedures for automatic and declarative conversion of ADRs. These procedures were completed in 2022 and covered those investors who faced restrictions within a foreign financial infrastructure.

Starting from 18 November 2022, The Bank of New York Mellon suspended conversion of ADRs into PJSC Gazprom shares due to the need to reconcile the ADR register following the declarative conversion, as this procedure was carried out without the bank's involvement.

Type of conversion	ADRs converted into ordinary shares, % of the share capital	Status
Automatic	0.68	Completed 30 August 2022
Declarative	0.46	Completed 24 November 2022
Standard	8.14	Suspended by The Bank of New York Mellon* 18 November 2022

* Issuer of ADRs on PJSC Gazprom shares.

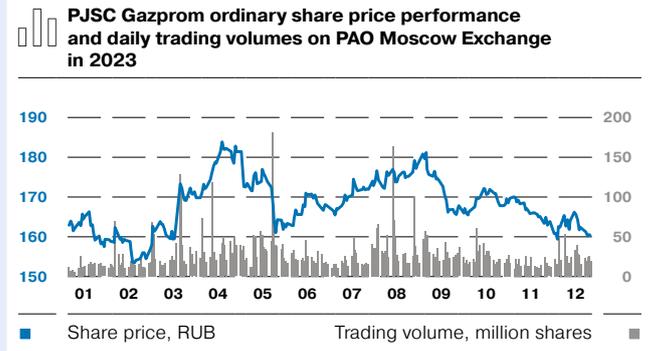
 For more details on procedures of converting ADRs on Company shares, see PJSC Gazprom's website.
→ www.gazprom.ru



Stock Market and Capitalisation

PJSC Gazprom shares are included in the first level quotation list of PAO Moscow Exchange and PAO SPB Exchange.

2023 saw positive changes in the Russian stock market. However, due to a number of factors, PJSC Gazprom shares lagged behind the MOEX Russia index. In 2023, pressure on share prices came primarily from an increase in mineral extraction tax rates for gas and gas condensate as well as a decrease in gas exports to the European market and lower export prices. PJSC Gazprom's capitalisation stood at RUB 3.8 trillion as at 31 December 2023 (RUB 3.9 trillion as at 31 December 2022).



Dividends

PJSC Gazprom's dividend per share, RUB, 2018–2022

2018	2019	2020	2021	Based on the results of the first half of 2022	2022 (including interim payouts)
16.61	15.24	12.55	–	51.03	51.03

PJSC Gazprom's Extraordinary General Shareholders Meeting on 30 September 2022 resolved to pay interim dividends based on PJSC Gazprom's results for the first half of 2022 in the amount of RUB 51.03 per ordinary share. Total announced dividend payments amounted to RUB 1,208.059 billion, which accounted for 50% of Gazprom Group's adjusted IFRS net profit for the first half of 2022.

Taking into account interim dividends paid for the first half of 2022, PJSC Gazprom's Annual General Shareholders Meeting held on 30 June 2023 resolved not to declare or pay dividends for 2022.

The Company's full dividend history is available on PJSC Gazprom's website.
→ www.gazprom.ru




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

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).

1. PJSC Gazprom's dividends are linked to profit for the year attributable to PJSC Gazprom shareholders.
2. 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

3. 3. The amount of funds allocated to dividend payout must be at least 50% of the adjusted profit for the year attributable to PJSC Gazprom shareholders.
4. 4. 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.

PJSC Gazprom's dividends paid in 2023 for 2019–2020 and the first half of 2022, RUB thousand

Unpaid as at 1 January 2023	Paid in 2023	Returned in 2023*	Reinstated in 2023 as retained earnings upon expiry of the limitation period	Unpaid as at 31 December 2023
89,809,059	7,602,843	35,552,469	503,801**	117,254,884

* Dividends transferred to individuals were returned as shareholders failed to receive postal orders, specified incorrect payment details, etc., and dividends transferred to nominee holders were returned as they could not be transferred to depositors.

** In addition, in 2023, dividends for 2018 in the amount of RUB 102 thousand were returned by nominee holders as they could not be transferred to depositors, and were reinstated as retained earnings upon expiry of the limitation period.

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 certain categories of foreign creditors are 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 is carried out as per a special, temporary procedure established by corresponding resolutions of the Bank of Russia's Board of Directors.

Bonds

In 2023, PJSC Gazprom raised financing from the Russian debt capital market.

In 2023, the Russian debt capital market fully covered PJSC Gazprom's needs for financial resources.

In 2023, OOO Gazprom capital (a special purpose subsidiary set up to raise funds from the Russian financial market) successfully placed conventional bond issues totalling RUB 245 billion, excluding replacement bonds. In addition, perpetual bonds totalling RUB 384 billion (which, according to IFRS rules, do not increase the leverage) were placed, including RUB 120 billion to finance gas infrastructure expansion programmes.

As at 31 December 2023, 22 issues of rouble bonds of PJSC Gazprom and OOO Gazprom capital were outstanding (excluding issues of replacement and perpetual bonds), totalling RUB 450 billion.

Russian agencies continue rating the Company and its debt instruments. The Russian rating agency ACRA affirmed PJSC Gazprom's highest credit rating, AAA(RU), with a stable outlook. In addition, AO Expert RA agency also affirmed PJSC Gazprom's highest credit rating, ruAAA, with a stable outlook.



Credit ratings of PJSC Gazprom

Rating agency	Long-term credit rating
Expert RA	ruAAA (stable outlook)
ACRA	AAA(RU) (stable outlook)

In the reporting year, PJSC Gazprom did not raise financing from the international capital market. As at 31 December 2023, 20 eurobond issues were outstanding (issued by special purpose vehicles Gaz Capital S.A. and Gaz Finance Plc) as well as an issue of bonds of GazAsia Capital S.A. denominated in Japanese yens. PJSC Gazprom took steps to issue Russian bonds to replace eurobonds, the rights to which are recorded in Russian depositories.

Issuance of replacement bonds

As a result of sanctions imposed on the National Settlement Depository (NSD), in 2022, the movement of funds and securities from foreign payment and clearing systems was completely blocked at the NSD; as a result, payments on eurobonds to investors whose rights were recorded in the NSD system were restricted.

To observe the rights of Russian investors, as part of efforts to ensure compliance with the requirements of 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, OOO Gazprom capital has since 2022 been exchanging eurobonds owned by Russian holders for replacement bonds issued under Russian laws, with subsequent cancellation of the respective amount of eurobonds.

Eurobond holders (both residents and non-residents of the Russian Federation) whose rights were recorded in the Russian payment and clearing infrastructure were eligible for participation in the exchange of eurobonds. Cancellation of eurobonds was not provided for in the eurobond documentation, which required relevant amendments to be made to the loan documents, with the consent of the majority of holders of eurobonds of each issue.

In March 2023, the first stage of eurobond replacement was completed with 21 issues of replacement bonds placed for a total worth the equivalent of USD 11.5 billion. Russian holders received fully identical debt instruments without any losses, which are not exposed to the risks of relevant payments being blocked. The replacement bonds are denominated in the respective currencies, but payments are made in roubles at the exchange rate of the Bank of Russia on the payment date. This allowed PJSC Gazprom to reduce the payments transferred to foreign payment and clearing facilities to service loans denominated in foreign currencies. The remaining eurobonds held, among others, by foreign investors will continue to be serviced in foreign currencies until maturity.

OOO Gazprom capital was the first issuer to issue replacement bonds in the Russian market placing them through stock exchanges and over the counter.

For investors who were unable to participate in the first stage of bond replacement, 18 additional issues were placed in 2023 out of the 21 series of outstanding eurobonds, for a total worth the equivalent of USD 2.4 billion. Additional issues covering the remaining three loans were placed in 2024.

As at 31 December 2023, replacement bonds were placed for a total of USD 13.9 billion. The replacement ratio amounted to 62% of the volume of outstanding eurobonds. The Company estimates that up to 97.2% of the volume of eurobonds the rights to which are recorded in Russian depositories were replaced as at 31 December 2023.



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



Outstanding eurobonds as at 31 December 2023

Issue currency	Number of issues outstanding	Including the number of issues replaced with Russian bonds	Total volume of issues in value terms, billion	Replaced with Russian bonds, billion
Dollars	10	10	12.75	8.17
Euros	8	8	6.5	4.53*
Swiss francs	1	1	0.5	0.17
British pounds sterling	1	1	0.85	0.41
Yens	1	–	65	–

* The replacement volume is indicated taking into account the Series 39 eurobonds repaid in 2023.

Shareholder and Investor Relations

The Company ensures the exercise of the right of PJSC Gazprom’s shareholders to receive information on the Company’s performance as well as the fulfilment of relevant obligations to investors, including obligations under the eurobond documentation, taking into account persistent sanctions risks.

In 2023, the Company published its 2022 IFRS financial statements and disclosable condensed interim consolidated financial statements for six months of 2023, taking into account the opportunity provided by Resolution of the Russian Government No. 1102, On the Specifics of Disclosure and/or Submission of Information, Which Is Subject to Disclosure and/or Submission Under the Federal Law On Joint Stock Companies and Federal Law On the Securities Market, dated 4 July 2023. In addition, the publication of the issuer’s reports was resumed, starting with the issuer’s report for six months of 2023.

To maintain direct channels of interaction with private investors, PJSC Gazprom continues to enhance its profiles in dedicated social networks and communities, such as Pulse (Tinkoff Investments), Profit (BCS), and Smart-Lab.

During 2023, the Company directly dealt with requests from institutional and private investors, i.e. requests from eurobond holders to locate payments made by the issuer, and provided information support for the processes of replacing eurobonds held by Russian investors and converting ADRs into PJSC Gazprom ordinary shares.

Timely notification of Russian debt investors was an important factor behind the success of PJSC Gazprom’s eurobond replacement programme.



PJSC Gazprom maintains profiles in dedicated social networks and communities [Pulse](#), [Profit](#), and [Smart-Lab](#) (in Russian only).





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Major Transactions

In 2023, PJSC Gazprom closed no transactions treated as major transactions under applicable laws of the Russian Federation.

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

PJSC Gazprom is maintaining its focus on non-core asset optimisation and disposal. As part of this effort, 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, 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 and Minutes of the Board of Directors' Meeting No. 1098 dated 27 September 2016 as well as 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).

During 2023, 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 2023 (versions approved by Resolutions of the Board of Directors No. 3864 dated 20 December 2022 and No. 4020 dated 19 December 2023) as well as the Register of PJSC Gazprom's Non-core Assets (versions approved by Resolutions of the Board of Directors No. 3864 dated 20 December 2022 and No. 4020 dated 19 December 2023).

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.).

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 and the quantity of assets; 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 determined by an independent valuer), method of sale (primarily an auction), and encumbrances.

The approval of the Programme, Register, and Plan was disclosed by PJSC Gazprom in the prescribed manner. The current Programme and Register are available on a dedicated website for Gazprom Group's non-core asset disposal (www.gazpromnoncoreassets.ru, information is available in Russian only), a 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 2023 (Resolutions of the Board of Directors No. 3938 dated 26 May 2023, No. 3974 dated 5 September 2023, and No. 4002 dated 28 November 2023).

The actual realised value of PJSC Gazprom's non-core assets disposed of in the reporting year and included in the Action Plan for the Disposal of PJSC Gazprom's Non-core Assets for 2023 was RUB 367.23 million (inclusive of VAT).

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



Implementation of the Programme, action plans, and Register of PJSC Gazprom's Non-core Assets in 2023

№	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.	Property of the gas turbine power plant (GTPP-4) located at 25 Klubnaya St., Aramil, Sverdlovsk Region	480177–480184	1150	911110/914101
2.	Parking spaces (26 spaces) as well as cash received in 2023 from the sale of parking spaces and a car wash located at 19 Michurinsky Avenue, Bld. 1–3, Moscow	284702, 284696, 284698	1150	911110/914101
3.	Parking spaces (170 spaces) as well as cash received in 2023 from the sale of parking spaces located at 71/32 Novocheremushkinskaya St., Moscow	284716	1150	911110/914101
4.	Automated gas distribution station operators' house (two-unit building) with outbuildings, located in the village of Muchkapsky	50570	1150	911110/914101
5.	169 units of motor vehicles and special-purpose machinery as well as cash received in 2023 from selling motor vehicles and special-purpose machinery	169 inventory items	1150/1260	911110/914101; 912701/915505
Total for 2023				

* In addition, PJSC Gazprom received an advance payment of RUB 5.5 million (inclusive of VAT) under this transaction in Q4 2022.

**Disposal of Non-core Assets by PJSC Gazprom
or 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
38.29	9.85*	-28.44	The asset was disposed of after several rounds of a competitive process with a starting price not less than its market value as determined by an independent valuer
4.56	33.61	29.05	Result of pre-sale preparation and asset disposal efforts
9.61	199.08	189.47	Result of pre-sale preparation and asset disposal efforts
4.35	1.39	-2.96	The asset was sold at market value as determined by an independent valuer organisation
40.68	123.30	82.62	Result of pre-sale preparation and asset disposal efforts
97.49	367.23	269.74	

Company Information

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Glossary

Name	Definition
2 2H	Second half (of the year)
3 3D	Three dimensional
A ADR	American depositary receipt
AEPS	Automated Electronic Procurement System
APG	Associated petroleum gas
APR	The Asia-Pacific region, which includes countries of mainland Asia, America, and Pacific Ocean Area
B bboe	Billion barrels of oil equivalent
bcm	Billion cubic metres
bn	Billion
boe	Barrel of oil equivalent
C CAF	Corporate adjustment factor
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
CO ₂	Carbon dioxide
CS	Compressor station
cu m	Cubic metre
E EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EMS	Environmental Management System
EOR	Enhanced oil recovery
EPCM	Engineering, procurement, and construction management
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
Gcal	Gigacalorie
GHG	Greenhouse gas
GPP	Gas and/or condensate processing plant
GRES	State district power station
GTPP	Gas turbine power plant
GTS	Gas transportation system
GW	Gigawatt
H HHV	Higher heating value
HPP	Hydropower plant
HR	Human resources
I IFRS	International Financial Reporting Standards
J JSC/AO	Joint stock company

Glossary

Name	Definition	
K	kcal	Kilocalorie
	km	Kilometre
	KPIs	Key performance indicators
	kWh	Kilowatt-hour
L	LNG	Liquefied natural gas
M	mcm	Thousand cubic metres
	MCS	Mobile compressor station
	mm	Million
	mm	Millimetre
	mmcm	Million cubic metres
	MW	Megawatt
N	NGV	Natural gas vehicle
	NGV fuel	Natural gas vehicle fuel
	NSD	National Settlement Depository
O	OOO	Limited liability company
	OPEC	Organisation of the Petroleum Exporting Countries
P	Pa	Pascal
	PGTU	Preliminary gas treatment unit
	PJSC/PAO	Public joint stock company
R	R&D	Research and development
	RAS	Russian Accounting Standards
	RMICS	Risk Management and Internal Control System
	RUB	Russian rouble
S	SMEs	Small and medium-sized enterprises
	SPTs	Strategic performance targets
T	t c.e.	Tonnes of coal equivalent
	tcu	Trillion cubic metres
	TPP	Thermal power plant
U	UGSF	Underground gas storage facility
	UGSS	Unified Gas Supply System
	UIS	Unified Information System of public procurement of goods, works, and services for state and municipal needs
	US(A)	United States of America
	USD	United States (US) dollars
	UWSMS	Unified Workplace Safety Management System
V	VAT	Value added tax

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

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, 200961 Delivery address: 1A Vysotnaya St., Bld. 1, Saint Petersburg Phone: +7 812 413 7444 Fax: +7 812 413 7445
Website	www.gazprom.com
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-regulatory organisation of auditors Association Sodruzhestvo. Location: 44 Myasnitskaya St., Bld. 2, Moscow, 101000, Russian Federation Phone: +7 495 737 5353 Website: www.fbkmoscow.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 Intracity Municipal District, 197110, Saint Petersburg Phones: 8 800 302 0773, +7 499 550 8818, +7 812 775 0081 Website: www.draga.ru

This Annual Report was approved by PJSC Gazprom's Annual General Shareholders Meeting (Minutes No. 1 dated 28 June 2024) and pre-approved by Resolution of PJSC Gazprom's Board of Directors No. 4088 dated 23 May 2024 (Minutes No. 1570 dated 23 May 2024).

Chairman of PJSC Gazprom's Management Committee
A.B. Miller



Chief Accountant of PJSC Gazprom
M.N. Rosseev



