

ANTI-CORRUPTION POLICY OF PJSC GAZPROM

1. GENERAL PROVISIONS

1.1. The anti-corruption policy of PJSC Gazprom (hereinafter referred to as the “Policy”) is a fundamental document of PJSC Gazprom (hereinafter referred to as the “Company”) for preventing and combating corruption.

1.2. The Policy was developed in line with:

- the Federal Law on Corruption Counteraction No. 273-FZ dated December 25, 2008;
- the Methodological Guidelines for Organizations on the Development and Implementation of Anti-Corruption Measures approved by the Russian Ministry of Labor and Social Protection on November 8, 2013;
- the Methodological Guidelines on Risk Management and Internal Control for Preventing and Combating Corruption in Joint Stock Companies with State Participation approved by Order No. 80 of the Russian Federal Agency for State Property Management on March 2, 2016;
- other legal and regulatory acts and guidance documents of the Russian Federation and the Articles of Association and internal documents of the Company.

1.3. The purpose of the Policy is to establish a unified approach to fulfilling the Company’s responsibility to prevent and combat corruption in the interests of civil society and the Company’s shareholders and employees.

1.4. The Policy reflects the commitment of the Company’s management and employees to ethical standards promoting the conduct of legitimate, transparent and fair business, the improvement of corporate culture, the adherence to best practices in corporate governance, and the maintenance of a decent business reputation.

1.5. The Policy’s objectives are:

- to implement the requirements set forth in the Federal Law on Corruption Counteraction No. 273-FZ dated December 25, 2008;
- to lay the foundation for improving the internal anti-corruption regulatory framework of the Company;
- to establish an efficient anti-corruption mechanism in the Company;
- to raise corporate anti-corruption consciousness and to foster a common understanding of the Company’s zero tolerance stance against corruption in all its forms and manifestations among the Company’s shareholders, investors, counterparties, top managers, officers and employees.

2. TERMS AND DEFINITIONS

“Corruption” means any abuse of office, bribery or acceptance of bribes, abuse of authority, commercial bribery or any other illegal use by a natural person of his/her job position against the lawful interests of society and the government aimed at receiving benefits in the form of money, valuables, other property or property-related services, other property rights for him/herself or third parties, or illegal provision of such benefits to the said person by other natural persons. Corruption also means the commitment of the above acts on behalf or in the interests of a legal entity (Article 1, Clause 1, Federal Law on Corruption Counteraction No. 273-FZ dated December 25, 2008).

“Conflict of interest” means a situation when the personal interests of an employee affect or may affect the impartial and objective fulfillment of his/her job responsibilities and when the personal interests of an employee collide with the legitimate interests of the Company, which may cause harm to the legitimate interests of the Company.

“Corruption offence” means any illegal culpable act (action or inaction) having the attributes of corruption, which is subject to disciplinary, criminal, civil or administrative liability.

“Corruption prevention” means the Company’s activities aimed at integrating anti-corruption elements into its corporate culture, organizational structure, and rules and procedures regulated by internal local acts.

“Corruption counteraction” means the Company’s activities within the limits of its authority aimed at:

- preventing corruption, including the identification and subsequent elimination of corruption causes (preventive measures);
- detecting, preventing, curbing, revealing and investigating corruption (counteractive measures);
- mitigating and/or eliminating the consequences of corruption.

3. COMPETENCE OF MANAGEMENT BODIES IN PREVENTING AND COMBATING CORRUPTION

3.1. The Company’s Board of Directors shall ensure and carry out the general management of the Company’s anti-corruption activities and shall regularly review anti-corruption reports from the Company’s executive bodies.

3.2. The Chairman of the Company’s Management Committee shall assign powers, duties, and responsibilities related to preventing and combating corruption to the Deputy Chairmen of the Management Committee and the Company’s structural units and organize measures aimed at implementing the principles and requirements of the Policy, including the appointment of persons responsible for the development, adoption and control of anti-corruption procedures.

3.3. The Audit Committee of the Gazprom Board of Directors shall prepare proposals on improving the Company’s internal control procedures aimed at combating corruption.

4. UNDERLYING PRINCIPLES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM WITH REGARD TO ANTI-CORRUPTION

The risk management and internal control system in the anti-corruption field is based on the following principles:

4.1. Compliance with applicable laws.

Compliance of current anti-corruption measures with applicable laws of the Russian Federation and other regulatory acts governing the Company’s activities.

4.2. Leadership by example.

The key role of the Company’s leadership in fostering the culture of zero tolerance for corruption and building a system for preventing and combating corruption.

4.3. Employee engagement.

Increasing awareness of anti-corruption laws among the Company’s employees. Active engagement of employees in developing and implementing anti-corruption standards and procedures outlined in the Policy.

4.4. Balance between anti-corruption procedures and corruption risks.

Development and implementation of comprehensive measures aimed at reducing the probability of the Company’s management and employees’ involvement in corrupt activities given the existing corruption risks.

4.5. Efficiency of anti-corruption procedures.

Development and implementation of economically sound measures for preventing and combating corruption, which are easy to put into practice and which help significantly reduce the likelihood of corruption risk events.

4.6. Responsibility and inevitability of punishment.

Accountability of employees regardless of their positions, duration of employment, and other factors for corruption offences committed in connection with their work-related obligations. Personal responsibility of executives for the implementation of the Policy.

4.7. Business transparency.

Notification of counterparties, partners, and the public about anti-corruption business standards adopted by the Company.

Zero tolerance for corruption in all its forms and manifestations, including during interactions with counterparties, government officials, political parties, employees of the Company, and others.

4.8. Permanent control and regular monitoring.

Permanent control over compliance with the adopted anti-corruption standards and procedures, as well as regular monitoring of their efficiency.

5. COMPREHENSIVE MEASURES AIMED AT PREVENTING AND COMBATING CORRUPTION

5.1. Risk identification and assessment, monitoring of areas exposed to corruption risks.

Review, approval and monitoring of transactions/operations exposed to corruption risks in accordance with the procedures established by the internal regulatory acts of the Company.

5.2. Coordination of efforts to ensure the development and introduction of measures for preventing and combating corruption:

5.2.1. Promotion of corporate ethical values of the Company.

5.2.2. Consulting support for the Company's employees regarding the introduction of measures for preventing and combating corruption.

5.2.3. Methodological support for the Company's employees regarding the improvement of measures for preventing and combating corruption.

5.2.4. Development of internal regulatory acts aimed at implementing anti-corruption measures and governing, among other things:

5.2.4.1. Disclosure of information by employees about cases with signs of corruption committed by the Company's employees, contractors or other persons and the procedure for considering such reports.

5.2.4.2. Disclosure of information by employees regarding cases of incitement to commit corruption offences and the procedure for considering such reports.

5.2.4.3. Protection of employees reporting on corruption offences committed at the Company.

5.2.5. Anti-corruption assessment of the Company's internal regulatory acts.

5.2.6. Collection and analysis of information about offences having the signs of corruption detected through checks/investigations or information obtained through violation reporting channels (such as the Hotline¹).

5.2.7. Implementation of measures for avoiding or resolving conflicts of interest, including measures aimed at balancing the interests of the Company and employees when managing conflicts of interest.

5.2.8. Implementation of measures for preventing corruption during procurement of goods, works and services by the Company.

5.2.9. Implementation of, supervision over or participation in investigations of offences having the signs of corruption.

5.2.10. Preparation of reports on measures taken to prevent and combat corruption.

5.2.11. Analysis of proposals on improving anti-corruption procedures obtained, inter alia, via reporting channels (such as the Hotline).

5.3. Monitoring and analysis of changes in the anti-corruption laws or judicial practices regarding corruption cases on an international scale.

5.4. Awareness raising among employees, including through training, of anti-corruption laws, the Company's internal regulations on preventing and combating corruption, and anti-corruption measures implemented by the Company.

¹ Regulation on Hotline for fighting fraud, corruption, and embezzlement at Gazprom Group was approved by Gazprom Order No. 423 dated September 4, 2014.

5.5. Efforts to motivate employees to follow this Anti-Corruption Policy and anti-corruption standards and procedures outlined in the Company's Code of Corporate Ethics².

5.6. Arrangement of the risk management and internal control process for preventing and combating corruption as set out below:

- identification and assessment of corruption risks and areas (business processes), as well as operations exposed to corruption risks;
- efficiency assessment of ongoing efforts for preventing and combating corruption;
- development of new measures and advancement of existing ones for preventing and combating corruption in areas (processes) and operations exposed to corruption risks;
- compilation of a list of positions exposed to high corruption risks at the Company.

6. COMPANY'S ANTI-CORRUPTION STANDARDS AND COMPLIANCE PROCEDURES

The Company has adopted the Code of Corporate Ethics³ developed on the basis of best domestic and international practices of corporate governance. The Code sets forth the corporate values and the associated essential principles and rules of business conduct designed to minimize the occurrence of conflicts of interest and corruption offences. The permanent Corporate Ethics Commission of Gazprom is responsible for ensuring compliance with the requirements and provisions of the Code.

The mechanisms for the implementation of this Policy are provided for, inter alia, in the Regulation on Internal Control System of Gazprom⁴, the Risk Management Policy of Gazprom⁵, and the Regulation on Risk Management System of Gazprom Group⁶.

7. LIABILITY OF COMPANY'S EMPLOYEES FOR NON-COMPLIANCE WITH POLICY REQUIREMENTS

7.1. The Company is guided by the principle of employee accountability for corruption offences regardless of the offender's position in its risk management and internal control processes aimed at preventing and combating corruption.

7.2. The sanctions for corrupt offences committed at the Company include disciplinary action, administrative penalties, and criminal liability in accordance with Russian laws.

7.3. The Company investigates the identified corruption offences to the extent permitted by Russian laws.

8. REVIEW AND AMENDMENT PROCEDURE

8.1. The Policy shall be amended in accordance with the established procedure if: it is necessary to bring the Policy provisions in line with changes in Russian laws; the amendments are aimed at improving measures for preventing and combating corruption in the scope of the Company's activities.

8.2. The up-to-date version of this Policy is available on Gazprom's official website: www.gazprom.com.

² Approved by Gazprom Board of Directors' Resolution No. 2309 dated February 25, 2014.

³ Approved by Gazprom Board of Directors' Resolution No. 2309 dated February 25, 2014.

⁴ Approved by Gazprom Board of Directors' Resolution No. 2315 dated February 25, 2014.

⁵ Approved by Gazprom Board of Directors' Resolution No. 2619 dated October 30, 2015.

⁶ Approved by Gazprom Board of Directors' Resolution No. 2628 dated November 26, 2015.