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### PJSC Gazprom Annual Report 2024

## GAS SYS FURTHER EXPANSION OF NFRASTRUCTU







As part of its gas infrastructure expansion programmes, Gazprom is building pipelines to communities not yet connected to mains gas. Thanks to these efforts, each year hundreds of rural and urban communities across Russia gain access to the benefits of natural gas. Over the four years of the programmes' implementation, more than 1,700 communities have been connected to the mains.

In 2024 alone, Gazprom brought inter-settlement gas pipelines to 585 communities, laying the groundwork for connecting 59. 8 thousand households and apartments as well as 288 boiler facilities to mains gas. These five-year programmes are primarily aimed at meeting the needs of rural residents.



**APPLICATI** PER DAY P BY THE SI IN 2024



Until 2021, gas infrastructure expansion was managed by two separate centres of responsibility. Gazprom was responsible for constructing gas transportation infrastructure up to the boundaries of communities, while regional authorities were responsible for building pipelines within communities and preparing consumers for gas connection.

A fundamentally new model of gas infrastructure expansion was approved in 2021.

OOO Gazprom gazifikatsiya was established as the Single Operator of Gas Infrastructure Expansion. The Single Operator is responsible for constructing the entire gas transportation infrastructure, right up to the boundaries of individual land plots. The new model has enabled the synchronisation of gas infrastructure construction projects, optimised their costs, and accelerated the connection of consumers to the network.

The application process for individuals seeking infill connections has been made as straightforward as possible. Applications can be submitted via the Single Operator's portal, the Public Services Portal, customer centres and mobile offices of Gazprom mezhregiongaz, or My Documents multifunctional public service centres.

## MORET **USEHO** ) MAINS

Additional gas infrastructure expansion (infill projects) delivering pipeline gas directly to the boundaries of residential properties and to boiler facilities of healthcare and educational institutions in communities that are already connected to mains gas – at no cost to consumers.

The implementation of the additional gas infrastructure expansion programme is in full swing. As at 20 May 2025, mains gas had been brought to the boundaries of more than 1.268 million households under relevant contracts with residents. Over 872 thousand Russian households have already switched to natural gas as part of the programme. In 2024, additional gas infrastructure expansion was started for households in allotment associations located in gas grid-connected settlements. As at 20 May 2025, more than 38 thousand contracts had been signed with residents of these

allotment associations, and some have already been fulfilled.



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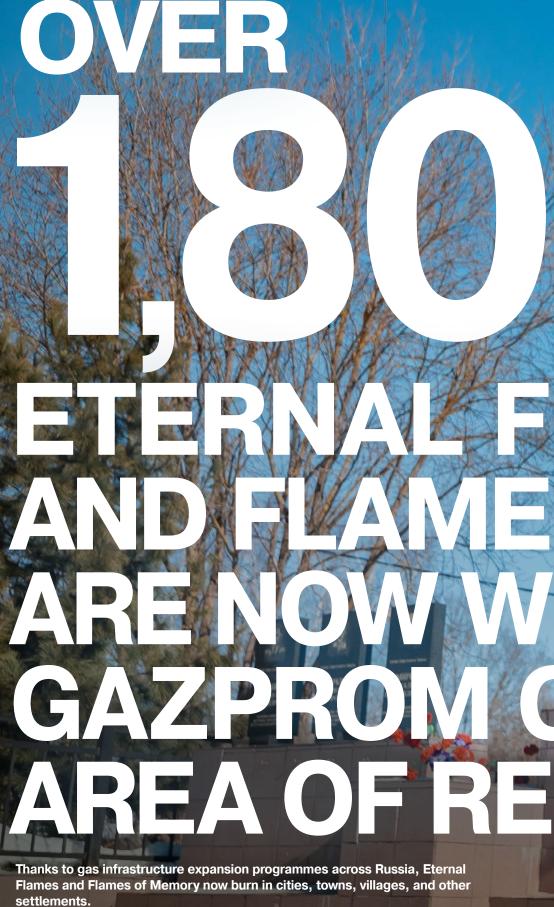








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Each year, gas workers connect more than a hundred memorials to mains gas – either by supplying newly built memorials or by converting existing ones from cylinder gas to mains gas. The equipment is maintained, repaired, and revamped on a regular basis. All Eternal Flames and Flames of Memory connected to the gas supply network receive gas free of charge.

Information about each memorial is available on a dedicated portal (вечныйогонь.рус, in Russian only).



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/companies, 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 term "Gazprom Neft" refers to PAO Gazprom Neft and its subsidiaries and entities; "Gazprom mezhregiongaz" refers to OOO Gazprom mezhregiongaz and its subsidiaries; "Gazprom GNP holding" refers to OOO Gazprom GNP holding and its subsidiaries; "Gazprom energoholding" refers to OOO Gazprom energoholding and its subsidiaries; "Gazprom neftekhim Salavat" refers to OOO Gazprom neftekhim Salavat and its subsidiaries, and "Gazprom-Media Holding" refers to AO Gazprom-Media Holding and its subsidiaries.

This Annual Report determines some operating and economic

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 2024. 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

Analysis of financial results should be read in conjunction with the audited consolidated financial statements of Gazprom Group for the year ended 31 December 2024, 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

Legislation





### PJSC Gazprom Annual Report 2024

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

Dear Shareholders,

In 2024, Gazprom reaffirmed its resilience and maintained a strong performance for the benefit of Russia. Strategic projects were implemented to bolster national energy and technological security while contributing to social progress.

Gazprom's core product – natural gas – plays a vital role in the lives of millions of consumers. Through the construction of gas pipelines, Gazprom enables growth and improves quality of life. For Russia's rural residents, access to natural gas means lower household expenses and greater comfort at home. For major cities this means cleaner air, and for enterprises a reliable source of energy and an incentive to expand. While Russia's regions benefit from sustained economic growth and more jobs.

Gazprom is engaged in large-scale gas infrastructure expansion across the country. In 2024, gas infrastructure was brought to 585 more localities. By the end of 2025, Gazprom will ensure 100% technically feasible coverage with mains gas infrastructure across 35 Russian regions.

Contracts with citizens for infill projects are being executed at a high pace, with gas pipelines laid to the boundaries of 1.18 million households by the end of 2024. A total of 768 thousand Russian families have already installed in-house gas supply equipment and switched to natural gas. Healthcare and educational institutions are also being connected to the mains gas network. Since April 2024, this opportunity has been extended to homeowners in allotment associations located within gas grid-connected settlements.

In 2024, Gazprom launched a strategically important project to connect the gas transportation system in eastern Russia with the gas supply system in the European part of the country. This will generate new opportunities for expanding gas infrastructure in Siberia and the Far East and additionally enhance the reliability and flexibility of gas supplies to the domestic market. The first stage of the project is the construction of the Belogorsk–Khabarovsk gas pipeline, which will connect the Power of Siberia and Sakhalin–Khabarovsk–Vladivostok gas pipelines. The new gas pipeline will supply, among other locations, the administrative centre of the Jewish Autonomous Region – the city of Birobidzhan.

Demand for natural gas is growing in Russia. In 2024, the Company repeatedly set new records for gas supplies from Russia's Unified Gas Supply System. A new all-time high for daily gas supplies was reached in January 2024, totalling 1.815 bcm. Amid the increased load, Gazprom's gas transportation system proved highly reliable, delivering 395.8 bcm of gas to domestic consumers in 2024 – an all-time record high.

In 2024, Gazprom reaffirmed its resilience and maintained a strong performance for the benefit of Russia

2024 also saw new records for daily deliveries of Russian pipeline gas to China. On 1 December, a significant milestone was reached: at the request of Chinese partners, the Company ramped up gas supplies via the Power of Siberia pipeline to the maximum contractual level – a full month ahead of schedule. In 2024, gas supplies exceeded the target, reaching 31.1 bcm.

China is Gazprom's key partner in the Asia-Pacific region and one of the world's major centres of economic growth. As early as 2027, the Company will begin supplying Russian gas to Chinese consumers via a new pipeline corridor – the Far Eastern route.

Gazprom is also expanding its ties with countries in Central Asia. For instance, we have significantly increased gas supplies to Kazakhstan and Uzbekistan. Long-term agreements extending from 2025 to 2040 have been signed with Kyrgyzstan. A Strategic Memorandum has been signed with the National Iranian Gas Company to explore the organisation of pipeline supplies of Russian natural gas.

Global natural gas consumption grew by 100 bcm in 2024 and is set to rise further. As the world leader in natural gas reserves, Gazprom is well positioned to ensure reliable long-term gas supplies This confidence stems from our systematic efforts to develop the Company's resource base. Effective exploration has enabled Gazprom to enhance its gas reserves-to-production ratio for the twentieth straight year.

In addition, Gazprom Group is committed to the responsible and sustainable development of existing fields to ensure they continue to serve people for as long as possible. This includes tapping into deeper hydrocarbon horizons. For instance, in May 2024, PAO Gazprom Neft launched the commercial production of natural gas and gas condensate from Block 3A of the Achimov deposits at the Urengoyskoye field.

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

Thanks to its environmental advantages and high efficiency, natural gas remains a key energy source for both power and heat generation. For this very reason, natural gas forms the backbone of the fuel mix for OOO Gazprom energoholding's generation capacities, which have been consistently developed by this subsidiary of PJSC Gazprom. In the reporting year, upgraded turbine units were commissioned at CHPP-23 in Moscow and at the Kirishskaya GRES in the Leningrad Region. These power stations play a vital role in meeting the energy needs of consumers in Moscow and across the Russian North-West. Construction of the Yuzhno-Yakutskaya TPP in the Republic of Sakha (Yakutia) was also started in 2024. The power plant will contribute to addressing the strategic objective of electrifying Russian Railways' Eastern Polygon. The TPP will be supplied with gas from the Power of Siberia pipeline.

The potential uses of natural gas go far beyond power generation. Gas processing yields valuable products that support a wide range of economic sectors. In particular, it serves as the basis for manufacturing a wide range of essential consumer goods. A drastic increase in the Group's gas processing capacity will be delivered by two flagship facilities currently under construction in eastern and northwestern Russia. The fourth process train of the Amur Gas Processing Plant was launched in 2024 while pre-commissioning operations began on the fifth. As at the end of 2024, construction progress at the Ust-Luga processing complex in the Leningrad Region had reached 46% completion.

Gazprom Group's oil business also delivered strong performance. In 2024, PAO Gazprom Neft completed the upgrade of its Omsk Refinery, one of the most technologically advanced refineries in the country. This enabled an increase in gasoline and diesel fuel output for the domestic market. In addition, the Omsk Lubricants Plant tripled its output of synthetic base oils using domestically sourced technology.

Gazprom actively engages Russian scientific institutions and industrial enterprises in its project execution. Close cooperation in developing advanced equipment and technologies tailored to the needs of the energy sector makes a tangible contribution to strengthening the country's technological sovereignty. A notable example is the commissioning of a new unit at the Urengoy Condensate Treatment Plant in 2024, built entirely using Russian-made equipment.

Dear Shareholders,

Gazprom Annual Report 2024

Gazprom continues to reliably fulfil its commitments to consumers, successfully deliver strategically important national projects, and uphold high standards of social responsibility. The positive changes taking place across Gazprom's footprint will have long-lasting effects, demonstrating that its chosen path of growth fully aligns with the interests of Russia and its people.









Corporate Governance

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## **Company Information**

### Gazprom Annual Report 2024

### **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 2024** 

Gazprom Group's net sales revenue

capital expenditures'

thousand people

total headcount (as at 31 December 2024)

A+B,+C, natural gas reserves in Russia under the Russian classification (as at 31 December 2024)\*\*

of PJSC Gazprom

cost of debt (weighted average interest rate as at 31 December 2024)

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

natural and associated gas production in Russia\*\*

<sup>\*</sup> Capital expenditures are derived from Segment Information in Gazprom Group's IFRS consolidated financial statements

<sup>\*\*</sup> 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.

### **Gazprom Group Today**

### **Mission**

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



### Competitive advantages

- Extensive resource base
- Production assets
- Russia's unique Unified Gas Supply System (UGSS)
- Reputation as a reliable supplier
- Human capital
- Social policy that makes the Company an attractive employer for highly skilled professionals
- Integrated corporate R&D capabilities
- Vertical Integration
- Favourable geographical position between Europe and Asia
- Extensive production, research, design, and human resource potential

### 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.



### An initiative to establish the Unified Centre for Support Functions of Gazprom Group companies

In June 2024, PJSC Gazprom launched a project to establish a Unified Centre for Support Functions of Gazprom Group companies.

The project provides for the creation of Shared Services Centres, which will consolidate support processes previously distributed across various units and companies of Gazprom Group into a centralised model. Routine operations in the following areas are planned to be transferred to the Shared Service Centre:

- Accounting and tax reporting, financial and management reporting, budget control, and treasury operations
- Real estate management
- HR management
- Legal support
- Information technology management
- Customer engagement as part of domestic gas sales
   More than 100 Gazprom Group entities are integrated into

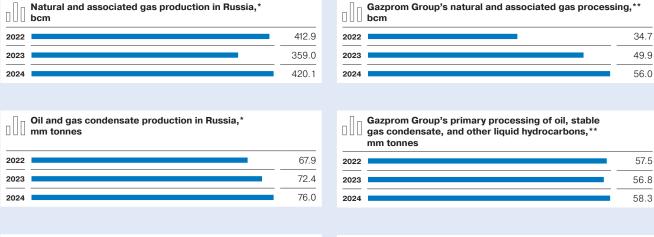
the organisational structure of the Unified Centre for Support Functions. With a planned future rollout, the transformation is expected to extend across the entire Group.

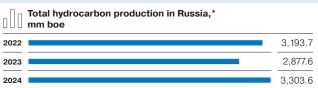
Operational excellence and cost efficiency in Gazprom Group's support functions will be driven by centralisation, unification, standardisation, and enhanced process digitisation. The transition to a new service-based operating model – focused on meeting defined service quality and delivery timelines for both internal and external clients – will also play a key role in achieving these objectives.



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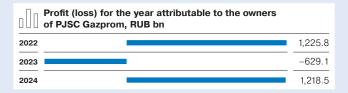
### **Operating and financial highlights**



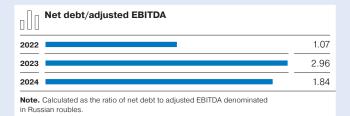




### **Financial highlights**







<sup>\*</sup> 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

associates and joint ventures.

\*\* Excluding tolling arrangements

### **Gazprom Group Today**

### 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.

Supporting the strategic development priorities of the government, ensuring national energy security, and improving the well-being of the Russian population are among Gazprom's key priorities. Highly qualified and responsible personnel effectively address the challenges facing Gazprom Group in today's economic, social, and political environment, taking into account Russia's national development goals.



### Key focus areas of Gazprom Group's social activities

- Developing Gazprom'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 sustainability highlights in 2024, see the <u>Company's History</u> section.

### Environmental responsibility

Gazprom significantly contributes to addressing global environmental challenges by implementing a broad range of environmental protection measures and adopting the latest best available and innovative technologies.

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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.



### 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 the Russian national standard GOST R ISO 14001-2016 and the international standard ISO 14001:2015 Environmental management systems. Requirements with guidance for use by Russian Register Certification Association, an international certification agency accredited by the Federal Service for Accreditation (RusAccreditation) and by accreditation agencies that are signatories to the IAF Multilateral Recognition Arrangement (IAF MLA). The certificate is valid until December 2026

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 the Russian national standard GOST R ISO 14001-2016 and the international standard ISO 14001:2015. These environmental management systems are unique and business-specific.

To enable consistent environmental impact mitigation, PJSC Gazprom's EMS sets Corporate Environmental Targets for a period of three years. In 2024, PJSC Gazprom met all its Corporate Environmental Targets for 2023–2025, owing to systematic efforts aimed at mitigating environmental

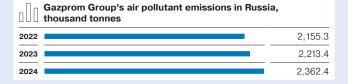
impact and ensuring the sustainable use of natural resources, including as part of implementing PJSC Gazprom's Comprehensive Environmental Programme for 2020–2024 and the Energy Saving and Energy Efficiency Programme.

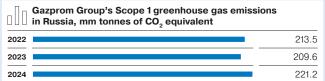
PJSC Gazprom's Corporate Environmental Targets for 2023–2025					
Corporate environmental target	Baseline (2018)	Actual performance (2024)	Progress against target		
Reduce GHG emissions from natural gas transportation, tonnes of CO <sub>2</sub> equivalent/bcm·km	56.70	47.05	Achieved		
Reduce nitrogen oxide emissions into the atmosphere, tonnes/mmcm of fuel gas	4.23	3.96	Achieved		
Reduce above-limit pollutant discharges to surface water bodies, %	5.26	0.02	Achieved		
Reduce the share of waste sent to landfill in the total amount of waste managed, %	37.53	11.93	Achieved		
Reduce the share of subsidiaries that exceed 5% of above-limit impact charges, %	35	8.11	Achieved		

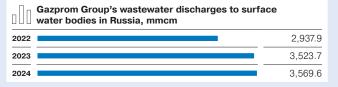
### Key metrics for the environmental impact from Gazprom Group's operations

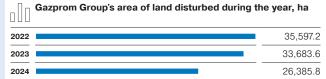
Gazprom runs efficient operations while committing to conserve the environment for future generations. By using the best available technologies and innovations to protect the environment, the Company is reducing its environmental impact in a holistic way.











### **Gazprom Group Today**

Gazprom Group's environmental protection costs in Russia, RUB bn				
	2022	2023	2024	
Current environmental protection costs	40.4	43.5	48.9	
Capital expenditures for environmental protection and sustainable use of natural resources	48.0	52.1	38.3	
Negative environmental impact charges	0.7	0.6	0.7	
Total	89.1	96.2	87.9	

The increase in air emissions in 2024 was primarily driven by higher volumes of gas production and transportation.

The positive trend in waste reduction is attributable to the replacement of coal with natural gas in the fuel mix of Gazprom energoholding.

### **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.

Gazprom Annual Report 2024

To achieve the strategic commitments defined in the Policy, PJSC Gazprom's annually develops a three-year Energy Saving and Energy Efficiency Programme that covers all core activities within the Company's gas business. Along with outlining annual corporate energy targets, the document defines the Company's targeted priorities for the entities within the energy efficiency management system's Scope that have a significant impact on energy consumption.

The current Programme (for 2024–2026), approved in 2024, 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 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.



- Focuses on supporting the implementation of the Energy Efficiency and Energy Saving Policy, setting and achieving energy efficiency targets for production processes and saving 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 of the corporate energy efficiency management system with the national standard was confirmed through internal audits conducted in 2024 at nine production subsidiaries

In 2024, large-scale training was delivered for employees of subsidiaries under new career enhancement programmes focused on energy efficiency at gas production, transportation, underground storage, and processing facilities. Additionally, retraining was provided in energy-saving technologies for gas pipeline transport, along with career enhancement training in operating and improving the energy efficiency management system.

Corporate-level targets for 2024 were set based on an analysis of energy consumption, actual performance results from previous periods, and the energy efficiency targets established for PJSC Gazprom under the Energy Strategy of the Russian Federation to 2035.

### PJSC Gazprom's energy efficiency and energy saving corporate targets Actual performance (2024) Progress against target Corporate energy target Reduction of specific energy -12 Achieved At year-end, specific energy consumption (natural gas and electricity) for consumption for own process own operational needs in gas transportation amounted to 24.62 kg c.e. / mmcm · km. needs of trunk gas pipelines The reduction in energy consumption against the 2018 baseline, as defined in the Energy Strategy of the Russian Federation to 2035, amounted to 12%, confirming that vs a baseline. % PJSC Gazprom met the federal-level target. Achieved As a result of improved effectiveness of energy saving measures, total savings 3.897.5 Natural gas savings, mmcm reached 105.6% of the target. 504.8 Electricity savings, mm kWh

As part of the corporate Programme, over 2,000 measures are implemented annually, aimed at optimising the operating modes of power equipment; reducing gas losses during equipment operation and repair; introducing energy-efficient LED lighting; reducing fuel gas consumption by gas compressor packages through improved efficiency achieved via modernisation and replacement of the replaceable flow parts of centrifugal gas compressors; surveying wells using telemetry tools without venting gas into the air; using the potential of compressor unit exhaust gases to generate electricity; and reducing energy consumption by upgrading gas air coolers.

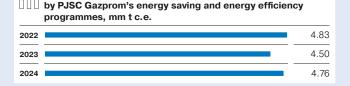
Gas saving during repair operations remains a priority areas of focus for subsidiaries across all segments of the gas business. Over 2.17 bcm of gas was saved during repairs in 2024 through the systematic implementation of proven technical solutions and the adoption of resource-efficient technologies. Between 2022 and 2024, this segment contributed up to 60% of the total natural gas savings achieved under the Programme.

4.76 mm t c.e

energy savings in 2024

**22.9** RUB bn

economic impact of energy saving initiatives in 2024



Energy savings by PJSC Gazprom's subsidiaries covered



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

- 21 energy service projects in PJSC Gazprom's portfolio were at various stages of implementation in 2024. Total investment under these projects amounts to RUB 13.4 billion, while PJSC Gazprom's economic benefit from their implementation is estimated at RUB 91 billion over the equipment life cycle.
- In addition, 18 energy service contracts are undergoing technical and economic evaluation or are in the pre-project phase: further rollout of projects across subsidiaries to install energyefficient LED lighting and to replace replaceable flow parts of centrifugal compressors; construction of a turboexpander power plant at a gas distribution station; deployment of ejectors at subsidiaries' compressor stations; upgrades of gas air coolers; and the construction of boiler facilities.



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 Gazprom Group's Social Impact Report 2024

— www.gazprom.com





Gazprom Annual Report 2024

### Results of implemented energy service projects

- Project for the replacement of replaceable flow parts
  of centrifugal compressors. Since the launch of the project,
  OOO Gazprom transgaz Yugorsk has saved 315.6 mmcm
  of natural gas and 15.3 mm kWh of electricity. The operation
  of the installed flow parts of centrifugal compressors resulted
  in RUB 1.23 billion in savings. In 2024, OOO Gazprom transgaz
  Tchaikovsky started working on a similar project.
- Introducing energy-efficient LED lighting. The project planned to be implemented across ten subsidiaries include the installation of over 188 thousand energy-efficient lighting units. In total, energy service companies will invest RUB 4.2 billion in the project while the expected total savings over the equipment life cycle are estimated at RUB 7.7 billion. In 2024, the project was launched across six subsidiaries.

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.

50

mm carbon units

are planned to be issued under a climate project registered by a PJSC Gazprom subsidiary in the Russian Register of Carbon Units.

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 aligned with PJSC Gazprom's sustainable development scenarios until 2050.



### 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

### **Gazprom Group Today**

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 be implemented between 2019 and 2029 within 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. Carbon units are issued as emission reductions are verified.

Plans include issuing 50 mm carbon units, an equivalent of 50 mm tonnes of  $CO_2$  equivalent.

A total of 28.3 mm carbon units had been issued by the end of 2024, accounting for 86% of all carbon units issued in Russia.



Information about the project is also available on the <u>website</u> of the Russian Register of Carbon Units



### Social responsibility

Gazprom Group cares about the social security of its employees and their families. Gazprom's social policy relies on long-term social programmes. The Company ensures work safety and provides opportunities for employees' professional development and growth. Gazprom Group's charitable and sponsorship activities aim to enhance its contribution to the public good and to promote solutions for addressing the most pressing and highest-priority social and economic development challenges across the countries and regions in which it operates.

Employees of Group entities 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.



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 through developing in-house training capabilities.

The increase in Gazprom Group's headcount in 2024 was driven by changes in the Group's corporate structure.

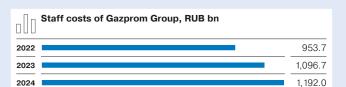
8.2%

Gazprom Annual Report 2024

employee turnover rate across Gazprom Group in 2024

In 2024, employee turnover at Gazprom Group increased, primarily due to labour shortages in the job market, low unemployment rates, and higher workforce mobility.

This indicator is in line with figures reported by other companies in the oil and gas industry and in the energy sector.





Employee training principles:

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

Average training hours per Gazprom Group employee

- 54 hours for managers, specialists, and other white collars
- 76 hours for blue collars

The Group's 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

The Company's efforts to further enhance and improve its Unified Workplace Safety Management System (UWSMS) and its individual components are aligned with 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 2024 the UWSMS covers PJSC Gazprom, Gazprom Group's subsidiaries and entities, including subsidiaries specialising in natural gas, gas condensate and oil production, treatment, transportation, processing, distribution, and storage as well as four sub-holdings: Gazprom Neft, Gazprom energoholding, Gazprom mezhregiongaz, and Gazprom GNP holding.
- 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 2024, 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 2024

www.gazprom.com



#### **Gazprom Group Today**

#### Charitable activities, sponsorship, and corporate volunteering

The 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 2024, Gazprom Group financed a total of over 4,100 charitable and sponsorship events.

Over 1915 thousand Gazprom Group employees\*

participated in volunteering activities

Gazprom Annual Report 2024

#### Key charity and sponsorship efforts of PJSC Gazprom and its subsidiaries and entities in 2024

- 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

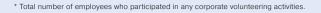
- Environmental
- Social
- Patriotic
- Culture and education



For more details on Gazprom Group's charitable activities, sponsorship projects, and corporate volunteering, see Gazprom Group's Social Impact Report 2024

— <a href="https://www.gazprom.com">www.gazprom.com</a>

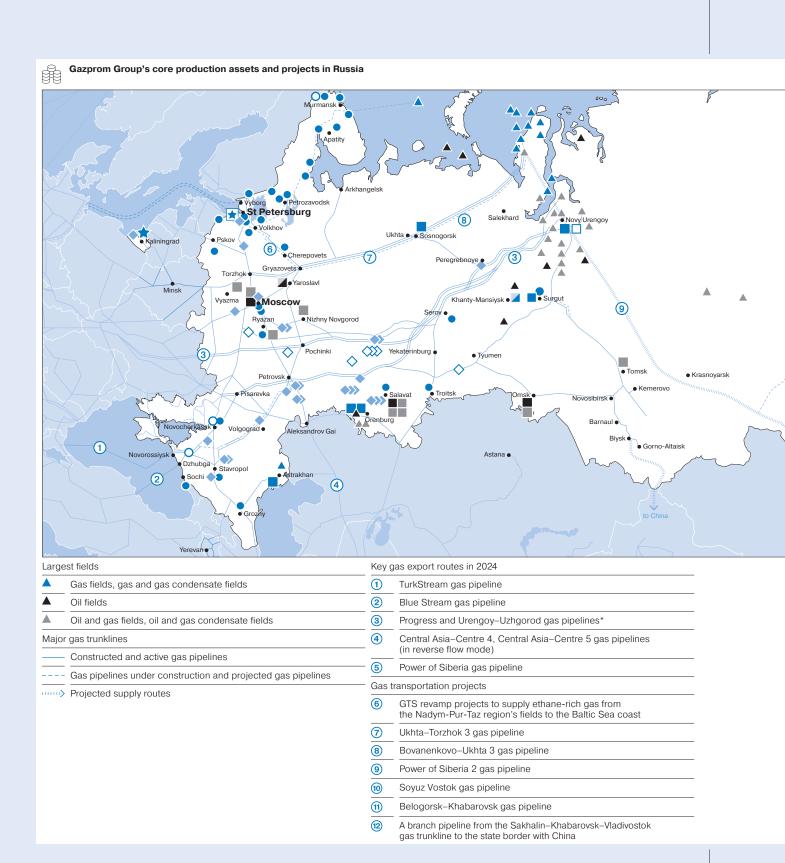




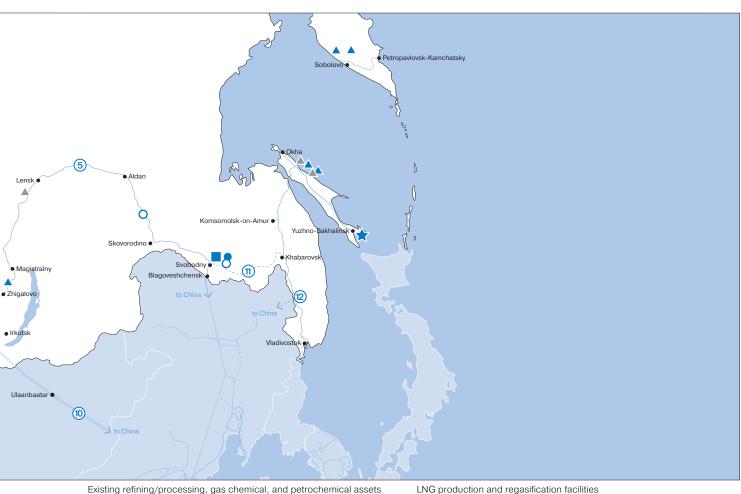
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#### **Geography of Operations**

(Data for 2024 or as at 31 December 2024)







Exis	Existing refining/processing, gas chemical, and petrochemical assets		LNG production and regasification facilities			
	GPP	Active facilities				
	Refineries	$\Diamond$	Facilities under construction and projected facilities			
	Gas chemical and petrochemical facilities		Power generation facilities			
	Gazprom Group's access to GPP capacity	Active facilities				
	Gazprom Group's access to refinery capacity	0	Facilities under construction and projected facilities			
Refining/processing, gas chemical and petrochemical projects		LNG	production and regasification facilities			
*	Facilities under construction and projected facilities	<u></u>	Active facilities			

#### **Gazprom Group's Position**

(for 2024 or as at 31 December 2024)

**Gazprom Group in the Global and Russian Energy Industry** 

**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

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) Gazprom Annual Report 2024

#### **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

**Gazprom Group in the Russian media industry** 

#### No.1 in Russia among media holdings by total TV audience share in the 14–44 age group\*

Gazprom Annual Report 2024

## No.1 in Russia in the cinema market

#### $\equiv$

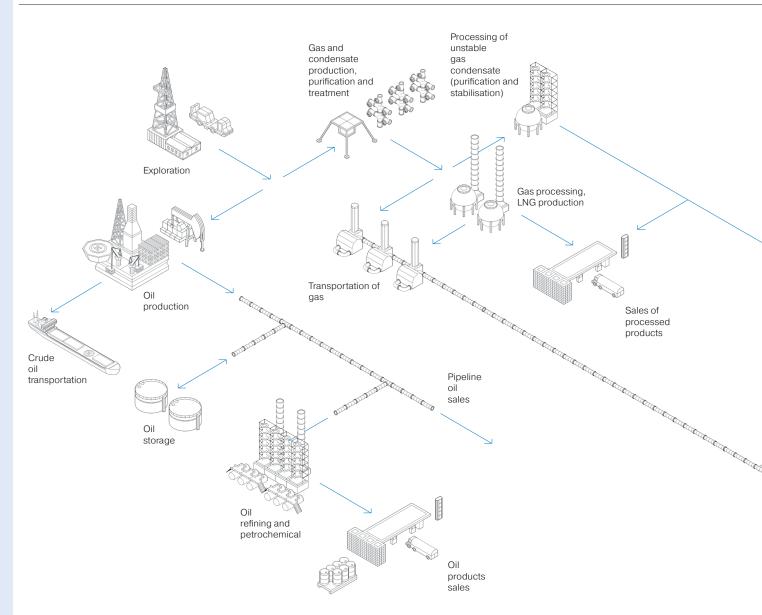
#### **Business Model**

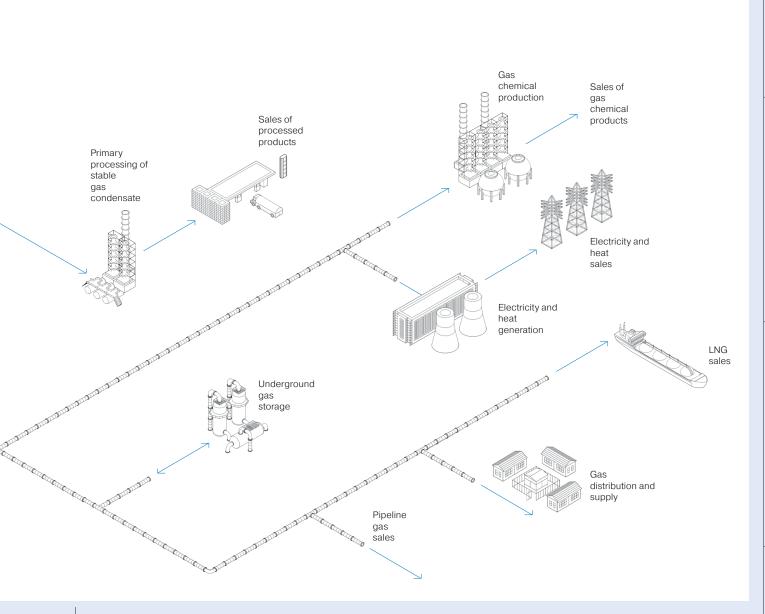
Drawing on its vast resource base, Gazprom Group encompasses all types of activities required to ensure uninterrupted supply of energy to consumers.

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**

Resou

Resources and capital

 $27,811.8_{\text{ bcm of natural gas reserves}}$  in Russia\*,\*\*\*

2,997.9 mm tonnes of oil and gas condensate reserves in Russia\*,\*\*

7,840 active gas production wells in Russia

10,223 producing oil wells in Russia

Results

420.1 bcm – natural and associated gas production in Russia\*\*

 $76.0_{\text{mm tonnes} - \text{oil and gas condensate}}$  production in Russia\*\*

1.07 – natural gas reserve replacement ratio\*\*

#### Gas transportation and underground storage

A

Resources and capital

181.6 thousand km – total length of gas trunklines in Russia

23 UGSFs in 27 geological structures in Russia

 $73.034_{\text{ bcm - working gas inventory across UGSFs in Russia}}$  as at the start of the 2024/2025 withdrawal season

Results

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

 $<sup>^{\</sup>star}$  A+B  $_{\rm 1}$ +C  $_{\rm 1}$  reserves under the Russian classification.

<sup>\*\*</sup>Including the Group's share in the reserves and production volumes of entities in which Gazprom has investments classified as joint operations and excluding the Group's share in the reserves and production volumes by associates and joint ventures.

#### **Business Model**

#### Processing, refining, and LNG production



#### Resources and capital

dependence of the same of the

5 refineries in Russia and abroad

Gas chemical and petrochemical plants in Russia and abroad

Large-scale liquefied natural gas (LNG) production at the Sakhalin-2 project on the island of Sakhalin



#### Results

 $56.0\,\mathrm{bcm}$  – treatment and processing of natural and associated gas at gas processing facilities\*

 $58.3\,$  mm tonnes – primary oil refining and primary processing of gas condensate\*

 $52.9\,\mathrm{mm}$  tonnes – output of oil products\*

12.6 mmcm – helium production

3.7 mm tonnes – liquefied petroleum gas production\*

/\_4 mm tonnes – LNG production at the Sakhalin-2 large-scale LNG plant\*\*

#### **Power generation**



Gazprom Annual Report 2024

#### Resources and capital

7.5 GW – total installed electrical capacity of generation assets

Vertical integration and highly diversified business in the Russian market,

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



#### Results

160.4 bn kWh – total electricity generation in Russia and abroad

 $\overline{145.2}_{\text{mm Gcal}}$  – heat generation



For more details, see the Performance Results section

<sup>\*</sup> Excluding tolling arrangements.

\*\* Following Gazprom Group's acquisition of control over the operations of OOO Sakhalin Energy



#### Key focus areas of Gazprom Group's activities in the media industry



Television broadcasting



Radio broadcasting



Production of film and television content



Publication of printed periodicals



Development of digital services and release of digital products



Production and sale of advertising



Distribution of film and television content



#### **Resources and capital**

 $9_{\text{federal TV channels}}, 31_{\text{thematic TV channels}}$ 

A film studio and several production studios

A digital and satellite television operator

9 radio channels

 $\overline{3}_{\text{digital platforms - an online video streaming service, a video hosting platform, and a vertical short video platform}$ 

A single advertising sales house for Gazprom Group's key media business segments

000

#### Results

 $\overline{147.3}$  RUB bn – revenue from external sales

 $25.3\,\%$  – Gazprom-Media Holding's combined television audience share in the 14–44 age group

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

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.

#### 2024 in the Company's history

A strategically important project was launched to connect the gas supply system in eastern Russia with the gas supply system in the European part of the country

Gazprom launched the "Eastern Gas Supply System" Gas Trunkline System project. The project provides for a comprehensive development of gas transportation capacities in Eastern Russia and their further integration with the gas infrastructure in the European part of Russia. This will additionally enhance the reliability and flexibility of gas supplies to Russian consumers and generate new opportunities to facilitate further gas infrastructure expansion in Siberia and the Far East.

In 2024, construction began on the Belogorsk–Khabarovsk section, spanning over 800 km, as part of the project's first phase. This section will connect the existing Power of Siberia and Sakhalin–Khabarovsk–Vladivostok gas pipelines.

Commercial hydrocarbon production started at Block 3A of the Achimov deposits at the Urengoyskoye field in the Nadym-Pur-Taz region

Gazprom Annual Report 2024

Gazprom remains committed to the responsible and efficient extraction of its hydrocarbon resources, consistently advancing the development of the Achimov deposits, which are located at greater depths than the conventional Cenomanian and Valanginian formations. The development of the Achimov deposits contributes to ensuring the country's energy security and technological sovereignty.

In May 2024, commercial hydrocarbon production was launched at Block 3A of the Achimov deposits at the Urengoyskoye field. The project was successfully and efficiently implemented through the use of innovative engineering and digital solutions. The principal production complex comprises over 100 facilities. The key infrastructure facilities include preliminary gas treatment units and condensate stabilisation units. All core equipment was made in Russia.

The project facilitates the recovery of additional hydrocarbons – natural gas to be supplied to the Company's consumers in Russia and liquid hydrocarbons, which are a valuable feedstock for the petrochemical and oil refining industries.

New processing capacities were commissioned in eastern Russia and the Yamal-Nenets Autonomous Area Gazprom is actively expanding its processing capacities to supply the Russian economy with products that are in high demand across various industries.

In summer 2024, Gazprom brought on stream the fourth process train at the Amur GPP in the Amur Region – one of the world's largest gas processing facilities.

In the Yamal-Nenets Autonomous Area, Gazprom commissioned a new condensate deethanisation unit at the Urengoy Condensate Treatment Plant, increasing the plant's processing capacity. All equipment for the unit was manufactured by domestic producers, including – for the first time in Russia – the use of an advanced domestic distributed control and emergency protection system for hydrocarbon processing units.

2024 in the Company's history (continu	uation)
The reliability of power supply to Moscow and the Leningrad Region was improved, and construction of a new power plant commenced in the Republic of Sakha (Yakutia)	Gazprom is successfully delivering investment projects in the power generation sector to strengthen the reliability of energy supply for consumers and to meet the growing demand for electricity and heat across Russian regions.  In June 2024, Gazprom commissioned upgraded turbine units – No. 4 at CHPP-23 in Moscow and No. 1 at the Kirishskaya GRES in the Leningrad Region. CHPP-23 is one of the key power plants in the Moscow energy system. Specifically, the plant supplies electricity and heat to the eastern part of Moscow, an area undergoing active residential and social infrastructure development, alongside expansion of the transport network. The Kirishskaya GRES is the largest thermal power plant in the northwest of Russia and provides heat to Kirishi and the adjacent oil refinery.  Gazprom has also started the principal construction phase of the Yuzhno-Yakutskaya TPP in the Republic of Sakha (Yakutia). The plant will support the electrification of the railway infrastructure of the Eastern Polygon, a railway network of strategic importance to Russia, which is being developed by Russian Railways. The Yuzhno-Yakutskaya TPP will operate on natural gas supplied via the Power of Siberia gas trunkline.
Large-scale gas infrastructure expansion across Russian regions, including infill projects, continued during the year	Access to gas improves quality of life, lowers household energy costs, and creates new growth opportunities for industry and agriculture.  In 2024, as part of the gas infrastructure expansion across Russia, Gazprom connected hundreds of settlements, – predominantly rural – to the mains gas network, laying the groundwork for future mains gas supply to new consumers.  In already connected areas, Gazprom carried out additional gas infrastructure expansion, delivering pipeline connections to residential properties and boiler houses of healthcare and educational institutions at no cost to consumers. By the end of 2024, about 1.2 million additional household gas connection contracts had been fulfilled. On top of this, additional gas infrastructure expansion was started for households in allotment associations located in gas grid-connected settlements.
Russian consumers were supplied with record volumes of gas	In the reporting year, gas demand in Russia increased significantly. Gazprom ensured reliable gas supplies to domestic consumers via the UGSS. A new all-time high for daily gas deliveries from the UGSS was recorded twice in January 2024 – 1,788.3 mmcm on 12 January and 1,814.7 mmcm on 13 January. Further daily supply records were broken on 15 occasions across June, July, and August, including twice when new all-time summer daily records were set. In addition, record monthly gas supply volumes were achieved in October and November.  By the end of 2024, Gazprom's GTS had delivered 395.8 bcm of gas to Russian consumers – the highest annual volume on record.
Daily gas supplies to China via the Power of Siberia gas trunkline were brought to the maximum contractual level ahead of schedule	As of 1 December 2024, gas supplies were increased one month ahead of the schedule specified in the bilateral long-term Gas Sale and Purchase Agreement for the eastern route between PJSC Gazprom and CNPC.  Russian gas – primarily pipeline gas supplied by Gazprom – plays a significant role in ensuring stable gas supplies to China's economy. The Company provides a stable and reliable gas supply.
Long-term contracts for natural gas supplies to Kyrgyzstan were signed	Gazprom is expanding its cooperation with countries that are becoming new centres of economic growth. Particular attention is given to Central Asian nations, where economic and social development is accelerating and gas consumption is on the rise.  As part of the St. Petersburg International Economic Forum 2024, long-term contracts for natural gas supplies to Kyrgyzstan were signed. Supplies under the new contracts will be carried out in 2025–2040.

Significant agreements on gas cooperation were also reached with lran	In June 2024, a Strategic Memorandum was signed with National Iranian Gas Company to explore the organisation of pipeline supplies of Russian natural gas to Iran. The document provides for the development of long-term and mutually beneficial cooperation.
Pilot operation of a next-generation Russian-made gas turbine engine was launched	Gas turbine engines are a key component of gas compressor units at compressor stations, as well as of gas turbine power plants. This type of equipment is used by Gazprom at natural gas production and transportation facilities.  In autumn 2024, pilot operation of a 25 MW AL-41ST-25 gas turbine engine was launched at one of Gazprom's compressor stations.  This is a next-generation engine created for PJSC Gazprom. In terms of key parameters such as efficiency, fuel consumption, time between overhauls, and environmental sustainability, this engine is unique for Russia's gas sector. The advanced engineering solutions employed in the design of the AL-41ST-25 make it possible to use it as the basis for creating a lineup of 32 MW and 42 MW engines with no significant modifications, opening up wide opportunities for their use at the active and prospective facilities of Gazprom.
A framework for interaction between Gazprom Group and its counterparties was established	In 2024, the Group adopted the Procedure for Interaction with Potential Suppliers (Contractors, Service Providers) – Prospective Counterparties of PJSC Gazprom and Gazprom Group Companies and the Code of Conduct for Suppliers (Contractors, Services Providers) of Gazprom and Gazprom Group Companies. These documents are intended to foster cooperation between the Group and both existing and prospective counterparties, grounded in fairness, mutual benefit, and equality. They also aim to promote a client-oriented approach among Gazprom's partners. In addition, the Gazprom Group Counterparty Portal (https://asez.zakupki.gazprom.ru/) was launched, and mechanisms for counterparty rating, evaluation, and monitoring of contractual performance were formalised.
The General Collective Bargaining Agreement was extended	In February 2024, the General Collective Bargaining Agreement of PJSC Gazprom and its subsidiaries was extended for 2025–2027, prior to its original expiry date. This decision plays a vital role in maintaining social stability within the workforce, ensuring a fair balance of interests between employees and the employer, and reaffirms Gazprom Group's ongoing commitment to socially responsible development.
Uniform approaches to corporate healthcare were established	In 2024, PJSC Gazprom approved a set of documents regulating various aspects of corporate healthcare across the Company, its subsidiaries, and entities. These include the Regulations on Healthcare, the Regulations on Sanitary and Epidemiological Safety, and the Procedure Rules for Interaction between Sanitary and Epidemiological Specialists and Occupational Health and Safety Specialists. These documents aim to establish consistent and uniform approaches to the organisation of healthcare activities within Gazprom Group companies.
Social and living conditions were improved for Amur GPP employees and their families	In the Year of the Family, 36 apartment buildings comprising a total of 1,345 units were commissioned for Amur GPP employees in the Alexeyevsky residential community in Svobodny, along with 12 infill development buildings providing 854 apartments and an 85-room dormitory. GAZPROM SCHOOL SVOBODNY, a modern, fully equipped educational facility staffed by highly qualified teachers, was opened in the Alexeyevsky residential community and is currently attended by around 500 pupils in grades 1 to 7. Additionally, a new childcare centre with an indoor swimming pool and capacity for 350 children was commissioned and handed over to the town for public use.

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#### **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.

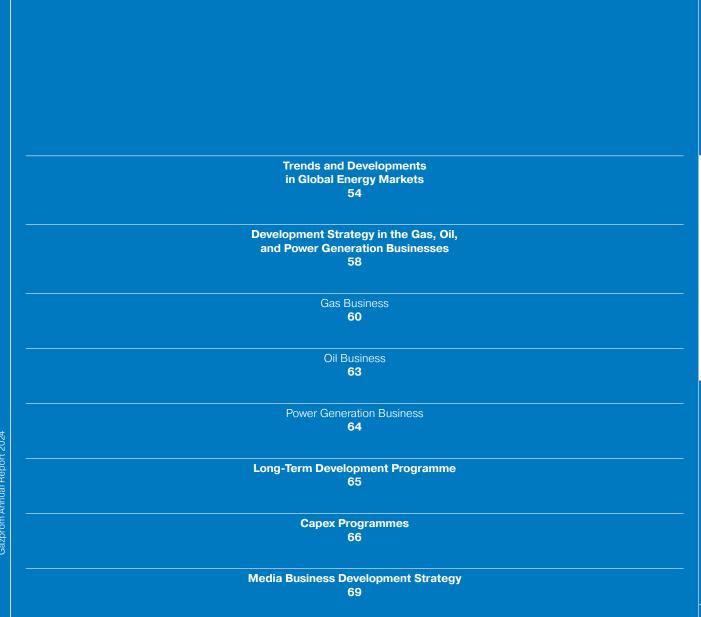
2013	23 October	Gazprom was the first in Russia to produce gas by using an underwater production system without recurring to above-water structures on the Kirinskoye field in the Sea of Okhotsk.
	20 December	Oil production started at the Prirazlomnoye field in the Pechora Sea. It is Russia's first ever 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.
2024	March	The implementation of the "Eastern Gas Supply System" Gas Trunkline System project was launched – a strategically important initiative aimed at connecting the gas transportation systems of Russia's eastern and European parts.



# Strategy



In 2024, the global energy sector saw continued growth in demand for conventional energy sources amid geopolitical instability and a growing focus on energy security. The consumption of oil, gas, and coal has reached its all-time maximums. Energy systems based on natural gas and long-term contracts have proven resilient amid the ongoing shifts in global markets. In the future, natural gas will play a fundamental role in the global energy sector.

#### Gas Markets in 2024

#### Global energy markets

According to preliminary estimates, global natural gas consumption grew by 100 bcm or 2.4% year-on-year, with the Asia-Pacific region accounting for the bulk of the growth in 2024 – mainly driven by a 32 bcm rise in China.

#### Key 2024 results and trends in the development of global and regional energy markets

- The main outcome of 2024 is continued growth in demand for conventional energy sources amid geopolitical instability and increased attention to energy security. The consumption of oil, gas, and coal has reached its all-time maximums.
- The long-term outlook for the global energy market remains broadly unchanged. The events of 2024 once again confirmed the fundamental role of fossil fuels – especially natural gas – in the future of the global energy sector.
- Russia-friendly countries are gaining greater significance in the global gas market. By 2050, friendly and neutral countries will account for over 90% of the global increase in gas consumption, with their share in global gas demand rising to nearly 70%.



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).



2023–2024 saw a downward trend in interest in renewable energy projects among a number of major energy and investment companies. Many of them announced the cancellation of high-risk, low-margin renewable energy projects, a revision of their climate strategies and previously declared renewable energy targets, and increased investment in oil and gas exploration and production.

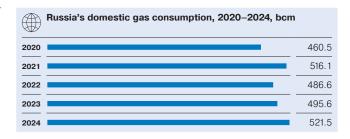
Despite this, the oil and gas industry remains underinvested, thereby boosting overall energy security risks.

#### Russian gas market

In 2024, total gas consumption in Russia was 521.5 bcm, up 5.2% year-on-year, with the increase driven by relatively colder weather during the winter months of 2024 compared to the previous year.

The primary drivers of gas consumption growth were the power and oil industries, the utility sector, and households. There was also an increase in gas consumption in agriculture, largely driven by the active implementation of gas infrastructure expansion programmes across Russian regions, including infill projects.

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Gazprom's contribution to covering domestic gas consumption in Russia, 2020–2024, bcm					
Parameter	2020	2021	2022	2023	2024
Domestic gas consumption in Russia	460.5	516.1	486.6	495.6	521.5
Supplies to Russian consumers via Gazprom's GTS*	338.8	376.8	372.1	375.3	395.8
incl. Gazprom Group via the GTS (with purchases from independents)	225.9	258.5	243.8	239.2	264.1
Supplies to Russian consumers via Gazprom's GTS from Gazprom Group's production*	208.4	238.1	227.5	215.2	235.1
* Excluding GTS process needs.					

Throughout 2024, the Russian Federal Antimonopoly Service, OOO Gazprom mezhregiongaz, and PJSC Gazprom worked together to address challenges related to gas industry pricing.

Gas demand is expected to grow in the coming years across the power generation sector, agrochemical and petrochemical industries, metallurgy, and households – driven by large-scale gas infrastructure expansion efforts (including infill projects) across Russian regions and the active construction of new power plants. Gas consumption is expected to increase by close to 20 bcm by 2030. The long-term growth in gas consumption driven by the development of the Russian NGV fuel market is estimated at 10 bcm.

**59**%

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



For more details on gas infrastructure expansion programmes, including infill projects, see the <u>Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets</u> section.

#### Asian Pacific gas market

In 2024, the greatest surge in natural gas demand was recorded in the Asia-Pacific region. According to PJSC Gazprom's preliminary estimates, gas consumption in Asia-Pacific countries grew by more than 55 bcm in 2024 (up 6.3% year-on-year), with China remaining the main driver of this growth. In 2024, gas consumption in Russia increased by 32 bcm (up 8.0% year-on-year). The increase in gas consumption was driven by higher electricity generation and growing demand for LNG as a fuel for freight transport.

Throughout 2024, PJSC Gazprom's gas supplies to China were repeatedly above the contracted daily volumes, and by December had reached the system's maximum design capacity ahead of schedule. In 2024, PJSC Gazprom's gas supplies via the Power of Siberia gas trunkline totalled 31.12 bcm. 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,* 2020–2024, bcm					
Parameter	2020	2021	2022	2023	2024
Consumption	330.6	372.6	366.3	394.6	426.2
Domestic production	190.5	204.9	217.4	230.7	246.3
Imports, including:	140.5	168.3	151.0	165.8	182.1
LNG	92.4	109.1	87.9	98.8	106.2
pipeline supplies of natural gas	48.1	59.1	63.1	67.1	75.9

\* 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 2023 and previous years may differ from the data in the Annual Report 2023 since international statistics may have been subsequently undated.

An important milestone in 2024 was the introduction in China of the Administrative Measures on Natural Gas Utilisation, which replaced the Natural Gas Utilisation Policy adopted in 2012. The document states that the role of natural gas in China's energy mix will continue to grow and identifies gas as an important tool for achieving the country's climate goals. In November 2024, China adopted its Energy Law, outlining the goals and objectives for the development of the country's energy system and defining the responsibilities of government authorities for energy sector planning and forecasting.

In the oil and natural gas sector, China plans to step up efforts in hydrocarbon exploration and development to ensure national energy security.

India also saw a significant increase in gas demand in 2024 – by 7 bcm (+10.2%).

The Asia-Pacific region is expected to maintain its role as the world's largest energy hub in the future.

#### Central Asia gas markets

According to preliminary estimates, natural gas consumption in Central Asian countries exceeded 110 bcm in 2024, while marketable gas production amounted to approximately 150 bcm.

During the winter of 2023/2024, PJSC Gazprom supplied gas to Uzbekistan at the maximum technical capacity of the Central Asia–Centre gas trunkline via Kazakhstan. PJSC Gazprom's supplies to the region will facilitate rapid growth of Central Asian economies in the longer range.

#### European gas market

In 2024, gas consumption in Europe remained stable year-onyear, supported by a hike in the fourth quarter. At the same time, gas consumption in the region has declined by more than 100 bcm over the past three years as a result of systemic errors in the energy policy, including politically motivated decisions to abandon Russian gas. These measures resulted in rising gas and electricity prices and brought production in a number of energy-intensive sectors down to levels last seen in 2008–2009.

#### **Long-Term Outlook for the Global Energy Market**

Increased attention to energy security by both governments and major energy companies has become a key factor shaping long-term energy market outlooks. This trend is reflected in revised energy strategies of various countries, tax relief for the oil and gas industry, the development of gas-fired power plants, regulatory steps to boost gas infrastructure utilisation, and the abandonment of low-margin renewable energy projects.

The shift in energy policy priorities – from unconditional support for renewables to a firm focus on ensuring energy security – confirms that, despite ongoing crises and a highly uncertain development trajectory for global energy markets, fossil fuels will remain the backbone of the global energy mix in the long run. 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.

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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.

In the long term, 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. In the long term, the country is expected to maintain strong growth in gas consumption, accompanied by an increase in import volumes.

In contrast, gas consumption in Europe is expected to continue declining in the longer run, with the pace of this trend depending on future policy decisions and the financial resources allocated to support them. One of the factors determining future gas consumption in Europe is the potential for domestic production; however, no increase in own production is expected in the region amid the depletion of its resource base.

### **Development Strategy in the Gas, Oil, and Power Generation Businesses**

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.

Gazprom's planning system is guided by a number of principles such as a balanced set of metrics, scientific rationale, effectiveness, continuity, and a holistic approach to management decision-making. The system is being continuously improved in line with global best practices and methodologies put forward by top industry organisations and subject-matter experts.



PUSC Gazprom's revised Investment Programme for 2024 was approved by the Board of Directors, Resolution No. 4133 dated 29 October 2024 (Minutes of the Board of Directors' Meeting No. 1593 dated 29 October 2024). For more details on the goals and main projects, key areas and expected timelines, see the Gas Business subsection of the <u>Development Strategy in the Gas, Oil, and Power Generation Businesses</u> section and the <u>Capex Programmes</u> section.

The planning system has a hierarchical structure, covers all aspects of Gazprom Group's operations, and is divided into short-term (1 year), medium-term (1 to 5 years), and strategic (long-term, 10 years or more) planning. It is implemented in an iterative, cyclical manner. Strategic planning is the top tier of the planning framework, where investment, financial, and operational planning is carried out based on performance forecasts. Long-term planning is aimed at achieving the Gazprom Group's strategic goal. Strategic performance targets (SPTs) are applied to quantify the objectives required to achieve the strategic goal.

The Company has created a list of SPTs for the gas, oil and power generation businesses to make sure all business segments of Gazprom Group are covered. Corporate SPTs reflecting the overall performance of Gazprom Group were developed to consolidate applicable targets across all of its businesses. 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.

Parameter	Reference value
Economic profit growth	Positive
Debt/equity ratio	Not more than 40%
Hydrocarbon processing 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

\* Approved by resolutions of PJSC Gazprom's Board of Directors No. 3523 dated 22 December 2020 (Minutes of the Board of Directors' Meeting No. 1343 dated 22 December 2020) and No. 4000 dated 21 November 2023 (Minutes of the Board of Directors' Meeting No. 1532 dated 21 November 2023).

In 2024, the lists and calculation algorithms for certain Tier 1 and Tier 2 SPTs were updated, along with the wording of the strategic objective related to the innovative development of Gazprom Group's gas business.

Development Strategy in the Gas, Oil, and Power Generation Businesses

All the current updates in the strategy compared to the previous year are reflected in the Long-Term Development Programme of PJSC Gazprom (Gazprom Group) for 2025–2034.



#### Growth drivers in Gazprom Group's gas business

- Domestic market (gas infrastructure expansion in Russian regions, energy sector and industrial development, use of NGV fuel)
- Development of gas processing and gas chemical production
- Export gas supplies to consumers in a number of countries
- Development of the LNG industry



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#### Gazprom Group's efforts to strengthen its position in the global energy market

With the world's largest natural gas reserves, Gazprom continues to develop steadily in line with current global energy market trends, making a significant contribution to the stable operation and growth of key sectors of the Russian economy.

- The Company is expanding production capacity at the Yamal gas production hub, with construction of a comprehensive gas treatment unit (CGTU) and a booster compressor station (BCS) continuing at the Kharasaveyskoye field. In Eastern Siberia, CGTU-1 has been commissioned at the Kovyktinskoye field, while construction and installation activities are ongoing at the CGTU-45. Production wells and booster compressor capacities are under construction at the Chayandinskoye field.
- Gazprom Group is actively developing gas infrastructure, particularly in eastern Russia, as part of the "Eastern Gas Supply System" Gas Trunkline System project. The first stage of the project is currently underway, providing for the connection of the existing gas trunklines Power of Siberia and Sakhalin–Khabarovsk–Vladivostok. In 2024, construction began on the Belogorsk–Khabarovsk section. The project provides for a comprehensive development of gas transportation capacities in eastern Russia and their further integration with the gas infrastructure in the European part of the country, which will additionally enhance the reliability and flexibility of gas supplies to domestic consumers.

- As part of the Amur GPP construction project, the fourth process train was commissioned in July 2024.
- PJSC Gazprom is strengthening cooperation with its Eurasian partners. Since October 2023, Russian natural gas has been supplied to Uzbekistan via a dedicated combined gas trunkline route Central Asia—Centre 4 and Central Asia—Centre 5 in reverse flow mode via Kazakhstan. During the winter of 2023/2024, PJSC Gazprom supplied gas to consumers in Uzbekistan at the maximum technical capacity, which confirms the strong demand for Russian gas and the relevance of this route. Long-term contracts for natural gas supplies to Kyrgyzstan in 2025–2040 were signed in June 2024.
- To implement a new economic model for the comprehensive monetisation of hydrocarbon resources and to strengthen its position in the global LNG market, the Company remains engaged in the construction of a gas processing complex, which forms part of the Ethane-Rich Gas Processing Complex in the Leningrad Region.

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#### 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

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







#### Gas exploration and production

#### Strategic priorities

- 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 porthern cost.

- 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

#### Development Strategy in the Gas, Oil, and Power Generation Businesses

Gas Business











#### **Transportation of gas**

#### Strategic priorities Medium-term priority development and optimisation focus areas Synchronised commissioning of gas production, transportation, Construction of gas transportation capacity to ensure diversification and storage facilities of gas export routes Diversification of gas export routes Construction of new gas transportation capacity in Russia to ensure Construction of new gas transportation capacity gas supplies to the domestic market and meet obligations under Revamps and retrofits of existing gas transportation facilities export contracts Implementation of comprehensive programmes for revamping and retrofitting existing gas transportation facilities Decommissioning of excess gas transportation system (GTS)









#### **Underground gas storage**

#### Strategic priorities

- Maintaining UGSF capacity through revamps and replacement of worn-out and obsolete fixed assets as well as debottlenecking of UGSFs and the GTS
- Increasing the flexibility of Russia's UGSF system by constructing small peak-shaving gas storage facilities in salt caverns to maintain deliverability rates during increased gas withdrawal periods through to 1 February as well as introducing compressor withdrawal at operating storage facilities and multi-cycle operation of storage facilities
- Establishment of gas storage facilities in regions with insufficient storage infrastructure
- Increasing daily deliverability and working gas inventory of active UGSFs to satisfy current and projected gas demand

- Revamps and replacement of worn-out and obsolete fixed assets at existing UGSFs, including the Peschano-Umetskoye, Elshano-Kurdyumskoye, Stepnovskoye, Shchelkovskoye 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 in the Gas, Oil, and Power Generation Businesses

Gas Business





Strategic priorities









#### **Processing**

#### Construction of new gas processing facilities to support hydrocarbon developments in Eastern Siberia and the Far East Processing and transportation of projected volumes of liquid hydrocarbons produced at fields in Western Siberia, the Yamal

- Peninsula, and the adjacent continental shelf of the Kara Sea Processing of ethane-rich gas from fields in Western Siberia
- Increasing LNG production

#### Medium-term priority development focus areas

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

















#### **Distribution of gas**

#### Strategic priorities

#### Development of gas supply and gas infrastructure across Russia

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

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

Company Information

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













#### 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 source rocks into development
- Bringing into development the remaining recoverable reserves at existing fields through deployment of advanced engineering solutions
- Unlocking the resource potential of Eastern Siberia through the creation of production clusters around Gazprom Group's anchor assets
- Building up the resource base to support future production

#### 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



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#### Logistics, refining, and marketing

#### Strategic priorities

- Increasing refining depth and light product yields
- Enhancing the efficiency of 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

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



#### Key strategic tasks of Gazprom Group's power generation business

- Effective implementation of new investment projects
- Implementation of upgrade projects to improve operational efficiency and reduce costs related to fuel consumption
- Improving operational efficiency of power generation assets; ensuring reliability of power and heat supply

Leveraging new technologies, with a focus on Russian solutions

Capturing new sources of revenue through diversification and potential synergy within Gazprom Group











#### **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

- 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 programme to construct and upgrade thermal power plants in non-pricing zones
- Participation in competitive capacity auctions for new power generating facilities

#### **Long-Term Development Programme**

The Planning Procedure Based on Strategic Performance Targets of PJSC Gazprom (Gazprom Group) (as amended, approved by Resolution of PJSC Gazprom's Management Committee No. 5 dated 26 February 2024) 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.

The Long-Term Development Programme of PJSC Gazprom (Gazprom Group) (2025–2034), put together in 2024, was approved by Resolution of PJSC Gazprom's Board of Directors No. 4117 dated 24 September 2024 (Minutes of the Board of Directors' Meeting No. 1585 dated 24 September 2024).

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 2023.

In 2024, PJSC Gazprom's (Gazprom Group's) progress on its Long-Term Development Programme (2023–2032) over 2023 was audited by OOO FBK.

(<u>)</u>

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

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

The Long-Term Development Programme is developed annually in accordance with the Planning Procedure Based on 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 for 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.

### Results of the progress audit of PJSC Gazprom's Long-Term Development Programme (Audit Report No. 172832 dated 29 November 2024)

- 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.

#### **Capex Programmes**

In 2024, Gazprom Group's capex totalled RUB 3,427.5 billion.



**Note.** Capital expenditures are derived from Segment Information in Gazprom Group's IFRS consolidated financial statements.

Financing was allocated to top-priority investment projects, such as the further development of gas production hubs on the Yamal Peninsula and in eastern Russia, the Power of Siberia gas trunkline, Gazprom's gas processing facilities, gas infrastructure expansion in Russian regions, as well as projects securing gas balance in peak periods.

As part of the investment programmes implemented by Gazprom Group's entities across all business segments, new production facilities were commissioned during the reporting year. These facilities enabled increased output and improved product quality, as well as the launch of new product types in demand across the Russian economy.

Segment	Facilities commissioned
Hydrocarbon production	<ul> <li>6.9 bcm CGTU-1 at the Kovyktinskoye field</li> <li>6 BCSs and expansion of two BCSs with a total capacity of 465.1 MW at the Bovanenkovskoye,</li> <li>Zapolyarnoye, Chayandinskoye, Kovyktinskoye, Nizhnekvakchikskoye, and Markovskoye fields</li> </ul>
Transportation of gas	<ul> <li>332 MW of new compressor capacity (14 gas compressor packages) added to the Power of Siberia and Sakhalin–Khabarovsk–Vladivostok gas trunklines in Eastern Russia, as well as to the Gryazovets–Slavyanskaya CS section in the country's Northwest</li> <li>904.8 km of new gas trunklines and branch pipelines, including 193.7 km of branch pipelines in the Vologda, Kostroma, and Leningrad Regions as part of gas supply and infrastructure expansion in Russian regions</li> </ul>
Gas storage	4 underground reservoirs at the Kaliningradskoye UGSF with a total working gas capacity of 0.24 bcm
Processing	<ul> <li>New condensate deethanisation unit (UDK-1) at the Urengoy Condensate Treatment Plant</li> <li>Facilities of the fourth process train of the Amur GPP</li> <li>Delayed coking facility at Gazprom Neft's Omsk Refinery after retrofit</li> </ul>
Electricity and heat generation and sales	<ul> <li>TG-4 turbine unit at CHPP-23 of PAO Mosenergo after upgrade, with a 10 MW increase in installed electric capacity</li> <li>TG-1 turbine unit at Kirishskaya GRES of PAO OGK-2 after upgrade, with a 10 MW increase in electric capacity</li> </ul>

Company Information

Gazprom Group's 2024 capital expenditures were directed mostly towards a number of projects across its core business segments, as detailed below.

#### In gas production:

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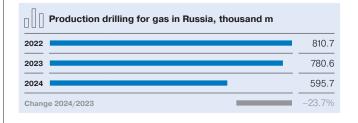
- Production drilling and infrastructure construction at the Kovyktinskoye, Chayandinskoye, Kirinskoye, and Severo-Kolpakovskoye fields
- Production drilling and infrastructure construction at the Cenomanian-Aptian deposits of the Kharasaveyskoye field, production drilling and infrastructure expansion at the Cenomanian-Aptian deposits of the Bovanenkovskoye field
- Infrastructure expansion at gas and condensate wells at the Urengoyskoye field, including the second pilot block of the field's Achimov deposits
- Revamps and retrofits of existing gas production facilities to maintain target gas production levels at the Orenburgskoye, Zapolyarnoye, Yamburgskoye, Urengoyskoye, Bovanenkovskoye, Yubileynoye, Astrakhanskoye, and Ety-Purovskoye fields, as well as at the Komsomolsky gas production site

#### Commercial hydrocarbon production was launched at Block 3A of the Achimov deposits at the Urengoyskoye field

The Achimov deposits of the Urengoyskoye field are located at a depth of approximately 3,400–3,800 metres and feature abnormally high reservoir pressure exceeding 600 atmospheres. They are also characterised by a complex geological structure and low reservoir permeability.

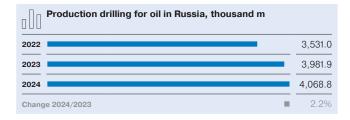
In May 2024, commercial hydrocarbon production was launched at Block 3A of the Achimov deposits at the Urengoyskoye field. Cutting-edge technologies were used in their development. Annual production at the site will amount to 5 bcm of gas and 1.5 mm tonnes of gas condensate. The produced gas is supplied to Russia's UGSS. Stable gas condensate is sent to the Urengoyskaya oil pumping station and then to the Urengoy-Pur-Pe oil and condensate pipeline. Unstable gas condensate is sent to the Urengoy Condensate Treatment Plant, and natural gas liquids to the Surgut Condensate Stabilisation Plant.

- Construction of BCSs at the Zapolyarnoye, Yen-Yakhinskoye, Nizhnekvakchikskoye, and Markovskoye fields
- Implementation of a joint project for the development of the Tambeyskoye 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 Urengoyskoye 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 and Chayandinskoye fields
- Development of hydrocarbon deposits at Eastern Siberia projects (Chona cluster)



#### In gas transportation:

- Continued construction of the Power of Siberia trunkline
- Implementation of GTS reconstruction and development 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 the Belogorsk–Khabarovsk gas pipeline
- Expansion of gas transportation capacity of the Sakhalin– Khabarovsk–Vladivostok gas trunkline
- Construction of regional gas infrastructure expansion facilities (greenfield construction, expansion and revamping of branch pipelines and gas distribution stations)

The construction of the Belogorsk–Khabarovsk gas trunkline was launched in 2024. The gas pipeline represents the first stage of a strategically important project to connect the gas supply system in Eastern Russia with that of the European part of the country.

#### In gas storage:

- Revamps of existing and construction of new facilities at the Kaliningradskoye UGSF
- Construction of facilities at the Volgogradskoye UGSF and the Udmurtsky Reserving Complex
- Revamps and retrofits of facilities at the Elshano-Kurdyumskoye, Severo-Stavropolskoye, Shchelkovskoye, Peschano-Umetskoye, and Stepnovskoye UGSFs

#### In processing/refining:

- Construction of the Amur GPP
- Construction of the Gas Processing Complex within the Ethane-Rich Gas Processing Complex near the settlement of Ust-Luga
- Construction of the condensate deethanisation unit (UDK-1) at the Urengoy Condensate Treatment Plant

#### Increased capacity of the Urengoy Condensate **Treatment Plant**

A new condensate deethanisation unit was commissioned at the Urengov Condensate Treatment Plant in the Yamal-Nenets Autonomous Area. UDK-1 is a key facility involved in processing the reserves of the Nadym-Pur-Taz region – Gazprom Group's traditional hydrocarbon production area

The new unit is designed to receive unstable gas condensate and comprises four process trains, with an annual throughput capacity of 8 mm tonnes. The applied technologies enable the processing of gas condensate of varying composition from the Valanginian and deep Achimov deposits in any ratio. With the commissioning of UDK-1, the processing capacity of the Urengoy Condensate Treatment Plant increased to 19.5 mm tonnes per year.

- Reconstruction of wastewater treatment facilities at Gazprom neftekhim Salavat, along with the implementation of projects at the subsidiary's refinery, including the construction of an industrial sulphur production unit and the retrofit of a petrol catalytic reformer
- Implementation of projects at Gazprom Neft's refineries, including product range expansion and system reliability improvement at the Omsk Refinery, as well as capacity increase at the Moscow Refinery



#### $\hfill \square$ Reconstruction of the delayed coking facilities at the Omsk Refinery was completed

Gazprom Neft completed the reconstruction of the delayed coking facilities at its Omsk Refinery. As a result of the large-scale project, the refinery launched the production of needle coke - a highly structured carbon product with low metal and sulphur content.

Gazprom Neft's Omsk Refinery launched Russia's first and only needle coke production facility.

#### In gas supplies:

Gas supply and gas infrastructure expansion in Russian

In electricity and heat generation and sales:

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

### **Media Business Development Strategy**

Strategic priorities		Medium-term priority development focus areas
	<ul> <li>Production and distribution of commercially successful and in- demand content</li> </ul>	<ul> <li>Enhancement of technological capabilities</li> <li>Production of in-demand content</li> </ul>
	<ul> <li>Increased audience reach</li> </ul>	<ul> <li>Increased audience reach, including the audience of the national</li> </ul>
	<ul> <li>Development of technology infrastructure and digital capabilities</li> </ul>	video hosting service RUTUBE
	<ul> <li>Increased return on assets</li> </ul>	

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# 3

# Performance Results

# **Exploration and Production**

A robust resource base underpins the Company's sustainable development, ensures long-term reliable gas supplies to consumers, and contributes to enhancing Russia's energy security.

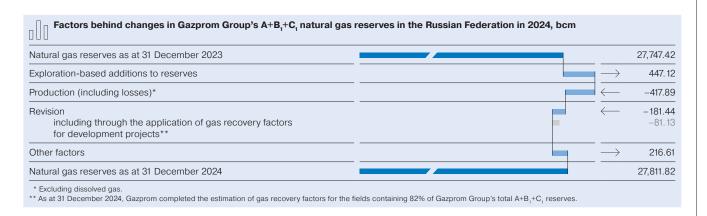
Gazprom is the global leader by natural gas reserves and production. In 2024, the Company recorded gas reserves growth exceeding production for the twentieth year running. Brownfield enhancement projects were successfully implemented.

Gazprom Group ensures the annual replenishment of its mineral resource base. A large-scale comprehensive geological exploration programme delivers results that offset hydrocarbon production volumes and support the consistent development of Gazprom Group's resource base, thus providing long-term opportunities to ensure reliable supplies to its existing and potential consumers.

### Mineral resource base

Subsoil licence portfolio in the Russian Federation as at 31 December 2024		
Gazprom Group		
350	licences for geological surveying, exploration, and production of hydrocarbons	
660.9 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	
2.6 thousand square km	total area of licence blocks	

As at 31 December 2024, Gazprom Group's  $A+B_1+C_1$  hydrocarbon reserves in Russia were 27,811.8 bcm of natural gas, 1,242.4 mm tonnes of gas condensate, and 1,755.5 mm tonnes of oil (compared to 27,747.4 bcm of natural gas, 1,243.5 mm tonnes of gas condensate, and 1,748.2 mm tonnes of oil as at 31 December 2023), including Gazprom Group's share in the production volumes of entities in which Gazprom has investments classified as joint operations totalling 264.9 bcm of natural gas, 3.1 mm tonnes of gas condensate, and 3.7 mm tonnes of oil. Gazprom Group's  $A+B_1+C_1$  hydrocarbon reserves total approximately 203.53 bboe.



### **Exploration and Production**

Almost half (45%) 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 31% of the country's explored reserves of natural gas.



# Gazprom Group gains control over the operations of OOO Sakhalin Energy

In March 2024, Gazprom Group acquired a 27.5% stake in the share capital of OOO Sakhalin Energy, gaining control over the company's operations. Prior to the acquisition of the above interest, the investment in OOO Sakhalin Energy was accounted for as an investment in an associate.

OOO Sakhalin Energy is the operator of the Sakhalin-2 project. As part of the project, the company develops the Lunskoye and Piltun-Astokhskoye fields on the Russian continental shelf in the Sea of Okhotsk, east of Sakhalin Island, under a production sharing agreement and operates large-scale LNG production facilities.

Gazprom Group's gas reserve additions came primarily from exploration. Among other factors driving reserve growth was Gazprom Group's acquisition of control over the operations of OOO Sakhalin Energy.

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### New methodology for offshore 4D seismic survey adopted

In November 2024, the State Commission for Mineral Reserves approved a new methodology for offshore 4D seismic survey developed by OOO Gazprom Nedra in collaboration with several Russian R&D centres. This methodology enables seismic surveys using domestically produced receiver stations instead of drilling new monitoring wells, thereby reducing financial pressure. Comparing seismic models from different years helps assess production efficiency and adjust field development plans if needed. The methodology has been successfully piloted at Gazprom Group's offshore fields in the Sea of Okhotsk.

As at 31 December 2024, the Group's share in  $A+B_1+C_1$  hydrocarbon reserves of associates and joint ventures stood at 1,531.0 bcm of natural gas, 141.5 mm tonnes of gas condensate, and 738.1 mm tonnes of oil.

### **Exploration**

The key exploration regions include the Yamal Peninsula, the Nadym-Pur-Taz region, the continental shelves of the Barents, Kara, and Okhotsk Seas, Eastern Siberia, the Russian Far East, and European Russia. Exploration projects are implemented to address Gazprom Group's current objectives and lay the groundwork for future operations.

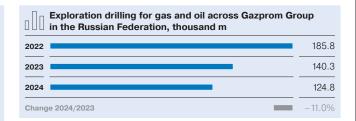
In 2024, Gazprom Group's hydrocarbon prospecting and exploration activities in the Russian Federation included 3D seismic surveys covering 3.0 thousand sq km and 2D seismic surveys covering 372 linear km. Exploration drilling totalled 124.8 thousand m with 23 prospecting-appraisal and exploration wells completed and 21 wells proving to be productive when tested.



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### Key exploration areas in Russia

- Continental shelf exploration on the Russian Arctic and Far Eastern shelves to secure future hydrocarbon production.
- West Siberia exploration is aimed at maintaining production levels at existing deposits within the UGSS area. The primary focus is on deep-lying Achimov and Jurassic sediments and above the Cenomanian sediments.
- Eastern regions exploration activities support the development of new gas production hubs in Eastern Siberia and the Far East.
- European regions exploration is aimed at increasing production volumes in the Krasnodar Territory, Astrakhan and Orenburg Regions, and Komi Republic.



### **Exploration and Production**

In 2024, exploration-based additions to A+B,+C, hydrocarbon reserves in Russia stood at 447.1 bcm of natural gas, 5.7 mm tonnes of gas condensate, and 58.5 mm tonnes of oil. The most significant growth in gas reserves was achieved at fields located on the Russian continental shelf in the Kara Sea (Antipayutinskoye, Dinkov, and Leningradskoye) as well as at the Kharasaveyskoye field on the Yamal Peninsula. In terms of oil reserves growth, the largest contributor was the Alexander Zhagrin and Priobskoye fields in the Khanty-Mansi Autonomous Area - Yugra.

In 2024, excluding entities in which Gazprom has investments classified as joint operations, a total of RUB 72.9 billion (including VAT) was allocated to exploration, with the average cost of replacing explored hydrocarbon reserves at RUB 21.6 per boe and the exploration success rate at 27.1 thousand boe per metre drilled. Gazprom Group's efficient organisation of exploration activities ensures low exploration costs.

The completed hydrocarbon exploration programme ensured the replenishment of reserves. In 2024, the Group discovered a new oil field in the Tomsk Region, named Nezhdanny Mys, and identified 36 new deposits at previously discovered fields in the Yamal-Nenets Autonomous Area, Khanty-Mansi Autonomous Area, Tomsk and Orenburg Regions. and Kara Sea.

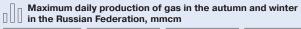
Gazprom Group's gas reserve replacement ratio

On top of that, in 2024, the Gazprom Group engaged in exploration activities for the preparation of UGSFs, with investments totalling RUB 3.4 billion, and for the prospecting and evaluation of hydro-mineral reserves, with RUB 4.3 billion worth of investments.

### **Production**

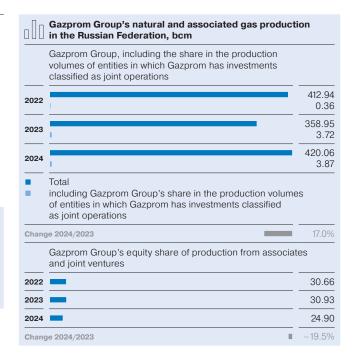
In 2024, Gazprom Group produced 420.06 bcm of natural and associated gas (including the share in the production volumes of entities in which Gazprom has investments classified as joint operations), up 61.11 bcm year-on-year. The increase in Gazprom Group's gas production in 2024 was largely driven by higher domestic consumption, the fulfilment of contractual obligations to supply gas to China via the eastern route, and the Group's acquisition of control over the operations of OOO Sakhalin Energy in late March 2024.

Gazprom Group's maximum daily production of gas in the autumn and winter of 2024/2025 was recorded on 2 December 2024 at 1.366.5 mmcm.



2021/2022	2022/2023	2023/2024	2024/2025
1,542.2	1, 176.0	1,370.1	1,366.5

 $\textbf{Note.} \ \textbf{Excluding the share in the production volumes of entities in which Gazprom has}$ investments classified as joint operations



**Exploration and Production** 

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. In the reporting year, Gazprom Group increased gas production volumes at its new production hubs – Yamal, Irkutsk, and Yakutsk – as well as at its traditional hubs in the Nadym-Pur-Taz region.

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# Gazprom Group's hydrocarbon production assets in the Russian Federation as at 31 December 2024

Gazprom Group	<u>,</u>
154	fields in commercial development
7 840	producing gas wells
10 223	producing oil wells
Entities in which Gas joint operations	Sazprom has investments classified
1	field in commercial development

In the Nadym-Pur-Taz region, Gazprom Group is taking a comprehensive approach to maximising the efficient and rational development of its reserves by consistently launching the development of complex deposits, particularly those of the Achimov and Jurassic formations.



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# Approval of the 2025–2029 Technology Programme for the Development of the Remaining Recoverable Reserves of the Nadym-Pur-Taz Region

In 2024, PJSC Gazprom's Management Committee approved the 2025–2029 Technology Programme for the Development of the remaining Recoverable Reserves of the Nadym-Pur-Taz Region. The Programme provides a structured framework of potential solutions to be employed in the development of the region's reserves. It outlines the activities required for the advancement of relevant technologies, including their testing, adaptation to specific operating conditions, and subsequent large-scale deployment at Gazprom Group's production facilities. At the Company's request, Russian enterprises are developing cutting-edge technologies and equipment for the extraction of complex reserves.

In the reporting year, commercial hydrocarbon production commenced at Block 3A of the Achimov deposits at the Urengoyskoye field while the Semakovskoye gas field development project progressed as part of joint efforts with Gazprom Group's Russian partner.



As part of the Semakovskoye gas field development, a production well with a record-breaking extended reach drilling (ERD) ratio was completed.

In May 2024, well No. 1113 was drilled at the Semakovskoye field with a total length of 6,020 metres and an ERD ratio of 6.23 – setting a national record for wells targeting the PK-1 reservoir of the Cenomanian deposit. The well achieved its planned flow rate following development and testing.

In 2024, work continued on fields under development in the Yakutsk and Irkutsk gas production hubs. At the Kovyktinskoye field, the third comprehensive gas treatment unit (CGTU-1) with a capacity of 6.9 bcm was commissioned in 2024. The number of production wells continued to grow, and construction and installation activities progressed at the site of GTU-45 with a capacity of 6.9 bcm. At the Chayandinskoye field, construction and commissioning of additional booster compressor capacities at the central BCS continued to support gas transmission from the Kovyktinskoye field to the gas trunklines. On top of that, gas production wells were constructed and connected. These capacity expansions have enabled the targeted increase in the production of gas supplied to the Power of Siberia gas trunkline.

In 2024, APG utilisation in Russia across Gazprom Group fields was 96.1%. A range of measures is being systematically implemented 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.

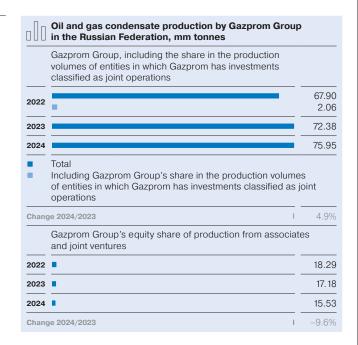
**Exploration and Production** 

In the reporting year, Gazprom Group produced 75.95 mm tonnes of oil and gas condensate in the Russian Federation. The increase in liquid hydrocarbon production was primarily driven by Gazprom Group's acquisition of control over the operations of OOO Sakhalin Energy, the full-scale commissioning of Block 3A of the Achimov deposits at the Urengoyskoye field, and the launch of new production capacities at the Kovyktinskoye field.

Oil monetisation using mobile infrastructure was implemented at the Chonskaya group of fields in Eastern Siberia.

Associates and joint ventures produced 24.90 bcm of natural and associated gas and 15.53 million tonnes of liquid hydrocarbons (share attributable to Gazprom Group). The decrease was due to the inclusion of OOO Sakhalin Energy's hydrocarbon production in Gazprom Group's consolidated figures following the acquisition of control over its operations (the entity had been accounted for as an associate until the end of March 2024).

Additionally, in 2024, the production of liquid hydrocarbons 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

The Company's GTS – the longest in the world – forms the backbone of reliable gas supplies to Russian consumers. In the reporting year, the GTS delivered a record volume of gas to the domestic market, which reflects the stable growth of the Russian economy and social sector. Gazprom is actively contributing to this growth.

### Transportation of gas

Gazprom is the owner and operator of the UGSS of Russia – 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, including 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 to consumers.

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During 2024, a total of 602.88 bcm of gas were supplied into Gazprom's GTS in Russia. The year-on-year increase was driven by higher gas supplies to domestic and international 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 2024 reached 181.6 thousand km, primarily driven by the commissioning of new gas trunklines.

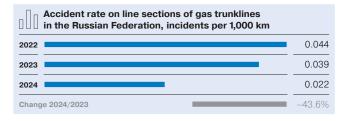
In 2024, under applicable laws, PJSC Gazprom ensured nondiscriminatory access to its GTS pipelines in the Russian Federation for 17 independent companies outside the Gazprom Group that had a gas production licence and a gas supply contract with a buyer. A total of 146.43 bcm of gas was transported.

To ensure reliable gas supply and the technical and environmental safety of gas transportation, Gazprom Group is focused on the continuous development of Russia's GTS – including the revamps, upgrades, and retrofits of existing facilities as well as construction of new high-tech gas pipelines. Activities ensuring the reliability and safety of line 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.

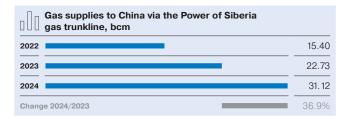
Transportation and Underground Storage

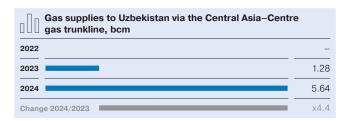
In 2024, in-line inspections were conducted on 33.9 thousand km of gas trunklines, and 953 strings of underwater crossings were examined. A total of 389.7 kilometres of gas trunklines and 11 strings of underwater crossings were overhauled. In the reporting year, PJSC Gazprom carried out a range of revamps 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.

The implementation of these measures helped nearly halve the accident rate on line sections of gas trunklines in 2024 compared to previous years.



In 2024, the Group continued its planned ramp-up of gas supplies to China via the Power of Siberia gas trunkline while gas supplies via the TurkStream and Blue Stream gas trunklines increased year-on-year. During the winter of 2023/2024, gas was supplied to Uzbekistan at the maximum technical capacity of the Central Asia—Centre gas trunkline via Kazakhstan in reverse flow mode.





The reliability and accuracy of gas volume metering during transportation are ensured by the metrology services of Gazprom Group's gas transportation subsidiaries. Construction as well as revamps and retrofits of the gas flow metering infrastructure at UGSS facilities in Russia are underway. In the reporting year, three gas metering stations were built and commissioned at the asset ownership / interface boundary points of the Group's gas transportation subsidiaries. The newly commissioned stations were fitted with an innovative metering complex comprising a single-line gas metering station equipped with a Vympel 500 ultrasonic flow transducer. Twin large-diameter ultrasonic flowmeters are installed (tied-in) into existing gas trunklines, reducing capital expenditures and accelerating design and construction timelines.

In addition, during 2024, infrastructure was built to support the operation of the Special National Primary Standard for high-pressure natural gas flow at the site of Gazprom's Urals Metrology Centre. Once implemented, the project will ensure the technological independence of PJSC Gazprom and the Russian Federation in natural gas flow metering.

Accurate and timely metering of gas volume with the determination of its composition and calorific value is critical for mutual settlements and directly impacts the economic efficiency of natural gas production and consumption.

Transportation and Underground Storage

### **Underground gas storage**

Gazprom's UGSF network is an integral part of the UGSS of Russia. UGSFs enable consumers to receive natural gas regardless of the season, natural disasters, or other force majeure events, smoothing out fluctuations in gas demand – whether seasonal, weekly, or daily – and ensuring between 20% and 40% of all gas supplies by PJSC Gazprom during the heating season. Peak-load and base-load UGSFs support the reliable operation of the UGSS process equipment and optimise the technical parameters and capital intensity of the GTS, thereby strengthening Russia's energy security.

In 2024, 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.

In Russia, UGSFs are mainly located near major consumption centres. PJSC Gazprom operates the world's largest UGSFs: the Kasimovskoye UGSF made in an aquifer and the Severo-Stavropolskoye UGSF created in a depleted gas field. These major storage facilities have been established to address the task of ensuring the country's energy security.

In 2024, withdrawal and injection amounts for Russian UGSFs totalled 42.2 bcm and 43.9 bcm of gas, respectively.

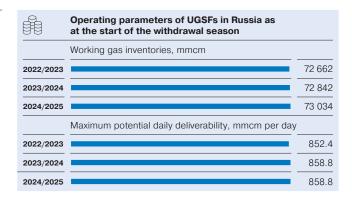


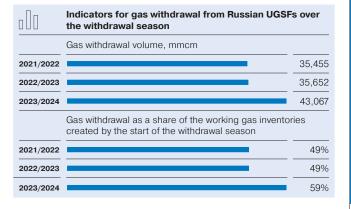
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### Autumn and winter of 2023/2024

Overall, ambient air temperatures within the area covered by the UGSS were within the climate normal during the autumn and winter of 2023/2024. The first half of January 2024 saw cold snaps in Russia, with the lowest daily temperatures during the autumn and winter of 2023/2024 recorded at –19.8 °C on 13 January 2024, which was 11.0 °C below the average climate normal. Between 2 and 13 January 2024, daily gas consumption across gas transportation systems within the UGSS area surged from 1,595 mmcm to 1,815 mmcm (up by 220 mmcm), a ten-year high for January.

By the start of the 2024/2025 withdrawal season, PJSC Gazprom's working gas inventories in Russian UGSFs had reached 73.034 bcm while the potential maximum daily deliverability of Russian UGSFs stood at 858.8 mmcm.





# Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

Natural gas is the most eco-friendly and cost-effective fuel for energy supplies to households and boiler houses of enterprises and for use in vehicles. Gazprom annually undertakes a wide range of activities aimed at gas infrastructure expansion, including infill projects, to make the benefits of natural gas available to as many Russian residents as possible.

Gazprom Group's leadership in the Russian gas industry supports the reliable and safe operation of gas distribution systems and ensures 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 2024, Gazprom Group's gas distribution subsidiaries and associates owned and operated a total of 926.0 thousand km of gas distribution networks in Russia. The volume of natural gas transported via gas distribution networks totalled 248.2 bcm. Gas was supplied to:

- 30.2 million apartments and private households
- 40.0 thousand industrial facilities
- 9.8 thousand agricultural facilities
- 385.8 thousand utility facilities.

Gazprom Group continues its systematic efforts to reduce the number of unclaimed gas networks in Russia. The Group's gas distribution entities regularly inventory gas distribution networks within their areas of operation. Information about identified unclaimed facilities is submitted to local authorities for registration and subsequent transfer to municipal ownership.

The number of unclaimed gas pipelines in Russian regions is steadily decreasing.

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.



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

- Updating customer databases and informing consumers about the need and economic benefits of timely gas payments
- Monitoring compliance with the approved debt repayment schedules
- Filing claims
- Preparing proposals to improve the applicable laws concerning gas payments

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

### **Expansion of gas infrastructure in Russian regions**

Gas supply and gas infrastructure expansion in Russian regions are among Gazprom Group's priority activities.



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

- Federal Law No. 69-FZ, On Gas Supply in the Russian Federation, dated 31 March 1999
- Lists of Instructions of Russian President Vladimir Putin No. Pr-907 dated 31 May 2020, No. Pr-753 dated 2 May 2021, No. Pr-866 dated 21 May 2022, No. Pr-915 dated 25 May 2022, No. Pr-2067 dated 30 October 2022, No. Pr-2217 dated 7 November 2023, and No. Pr-616 dated 30 March 2024
- Executive Order of the Russian President No. 309, On the National Development Goals of the Russian Federation Through 2030 and for the Future Until 2036, dated 7 July 2024
- 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)
- Decree of the Russian Government No. 3603-r, On the Approval of the List of Federal Territories and Constituent Entities of the Russian Federation Covered by the Unified Gasification Operator, dated 15 December 2021 (as amended)

OOO Gazprom gazifikatsiya (a Gazprom mezhregiongaz entity) acts as the Single Operator of Gas Infrastructure Expansion in 73 Russian regions and in the Sirius federal territory. The Single Operator of Gas Infrastructure Expansion is a centre responsible for responsible for gas infrastructure expansion in Russian regions (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). Regional Operators of Gas Infrastructure Expansion have been appointed in 16 regions. The Russian Government has approved the rules governing the interaction of all participants in gas infrastructure expansion, including infill projects (Resolution of the Russian Government No. 1550 dated 13 September 2021). The document also defines the financing mechanism for network connection activities carried out by regional operators and gas distribution entities as part of additional gas infrastructure expansion across all Russian regions, in cases where such activities cannot be financed by the Single Operator of Gas Infrastructure Expansion.

In the reporting year, a total of RUB 262.0 billion (including VAT) was invested in the construction of intersettlement and intra-settlement gas pipelines, gas distribution stations, and branch pipelines as well as in additional gas infrastructure expansion.

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets



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

Cooperation agreement

Provides a framework for interactions between PJSC Gazprom and the region's government bodies during the implementation of gas infrastructure expansion programmes in the region.

Fuel and energy balances

Developed in line with the Procedure for Drafting Fuel and Energy Balances by Constituent Entities and Municipalities of the Russian Federation as approved by Order of the Russian Ministry of Energy No. 1169 dated 29 October 2021, subject to the infrastructure component value provided by the Single Operator of Gas Infrastructure Expansion.

Contain interrelated quantitative metrics reflecting the balance between the supply and consumption of fuel/energy in respective Russian regions, determine the distribution of fuel/energy between energy supply systems and energy consumers, and establish energy use efficiency.

RJSC Gazprom and the Single Operator of Gas Infrastructure Expansion are involved in coordinating the fuel and energy balances of Russian regions.

Gas supply and gas infrastructure expansion master plans of constituent entities of the Russian Federation

Determine key focus areas in gas supply expansion, including the use of local resources and energy-saving programmes.

Gas supply and gas infrastructure expansion plans of constituent entities of the Russian Federation

Developed in accordance with the Rules for the Development and Implementation of Gas Supply and Gas Infrastructure Expansion Plans of Constituent Entities of the Russian Federation (approved by Resolution of the Russian Government No. 567 dated 3 May 2024) by the constituent entity's government body in collaboration with the organisation owning the UGSS, for a period of 20 years. The plans are subject to approval by the Single Operator of Gas Infrastructure Expansion (Regional Operator of Gas Infrastructure Expansion) and by gas distribution and gas transportation companies operating within the relevant Russian region.

Interregional and regional 10year gas infrastructure expansion programmes for utilities as well as industrial and other organisations Developed by constituent entities of the Russian Federation in accordance with Resolution of the Russian Government No. 903 dated 10 September 2016. Starting from 2021, new programmes take into account projected energy consumption levels and options to use gas sources alternative to mains gas (liquefied natural gas or liquefied petroleum gas) or other fuels.

They reflect gas supply and gas infrastructure expansion plans of constituent entities of the Russian Federation and fuel and energy balances to ensure correct activity planning.

The programmes determine the effectiveness of network-based and alternative infill projects, priority of activities, funding sources, and settlement gas supply patterns while also providing a consolidated and detailed additional gas infrastructure expansion schedules.

PJSC Gazprom and the Single Operator of Gas Infrastructure Expansion are involved in developing and approving interregional and regional gas infrastructure expansion programmes for utilities as well as for industrial and other organisations.

5-year programmes for gas supply and gas infrastructure expansion Expansion in Russian regions Expansion in agreed with

Developed in accordance with the Concept of PJSC Gazprom's Involvement in Gas Infrastructure Expansion in Russian Regions; the programmes define gas infrastructure expansion parameters agreed with regional administrations (timeframe, gas pipeline length, number of consumer connections) and provide estimates of investment requirements.

Annual synchronisation schedules of programmes for gas supply and gas infrastructure expansion in Russian regions

Synchronise the construction of Gazprom Group's facilities with preparatory efforts by regional administrations to ensure consumer readiness for gas supply.

Company Information

# 2

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## PJSC Gazprom's key focus areas in gas infrastructure expansion

- Development of gas supply and infrastructure expansion to achieve a technically feasible 100% gas penetration rate across Russian regions by 2030, meet effective demand for gas, and improve living conditions and enhance the comfort of Russian residents, including in rural areas. The initiative is carried out through the construction of branch pipelines, gas distribution stations, inter-settlement gas pipelines, and intra-settlement gas distribution networks, as well as through the use of 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), including households in allotment associations (located within the boundaries of settlements connected to the gas grid), as well as gas appliances in healthcare and educational organisations located in settlements where pipeline gas is already available in previously built gas distribution networks or where the regional gas infrastructure expansion programme for the current calendar year provides for the construction of gas distribution networks to the boundaries of such settlements, at no cost to such homeowners or organisations (infill projects).

In 2024, programmes for gas supply and gas infrastructure expansion in Russian regions for 2021–2025 covered 72 Russian regions.

In 2024, Gazprom mezhregiongaz constructed 272 intersettlement gas pipelines with a total length of 3.04 thousand km, extending gas infrastructure to connect more than 59.8 thousand households and 288 boiler facilities across 585 communities. In addition, 577 intra-settlement gas pipelines (total length: 3.1 thousand km) and 13 gas distribution stations with branch pipelines (total length: 164.9 km) were completed during the reporting year.

74.7

overall natural gas penetration rate in Russia as at 1 January 2025

As part of the programmes for gas supply and gas infrastructure expansion in the Russian Far East and Eastern Siberia for 2021–2025, in the reporting year, the Company completed the construction of gas infrastructure expansion facilities – including branch pipelines, gas distribution stations, inter-settlement and intra-settlement gas pipelines – in the Amur and Sakhalin Regions, Republic of Sakha (Yakutia), and Khabarovsk and Primorye Territories. In the Khabarovsk Territory, preparations were completed and construction of branch pipelines to reconnect consumers to the Sakhalin–Khabarovsk–Vladivostok gas trunkline was launched.

# Examples of major gas infrastructure expansion projects implemented in 2024

- In the Republic of Tatarstan, a high-pressure gas pipeline to connect the branch pipeline leading to Gas Distribution Station No. 2 in Zelenodolsk and the LNG testing facility was built within a short timeframe (September–December 2024). The branch pipeline will enable gas supply to Russia's first facility for testing and assembling heavy-duty compressors used in natural gas liquefaction. Once commissioned, the facility will fully meet the needs of the Russian LNG industry, which faced significant challenges after foreign manufacturers refused to supply compressor equipment.
- In the Kirov Region, mains gas was supplied through a 34.5 km inter-settlement gas pipeline from the village of Slobodka (Slobodsky District) to the town of Belaya Kholunitsa and the villages of Gurenki and Pasegovo (Belokholunitsky District). More than 2.8 thousand households as well as three boiler facilities of industrial and agricultural enterprises were connected to the natural gas network.
- In the Amur Region, mains gas was supplied to the boiler facility of Block 800 in Blagoveshchensk from two facilities the Branch Pipeline and Blagoveshchensk Gas Distribution Station in the Amur Region, and the Inter-settlement Gas Pipeline to Blagoveshchensk, the Village of Chigiri, and the Village of Verkhneblagoveshchenskoye in the Amur Region (Stage 1 from the Blagoveshchensk Gas Distribution Station to Blagoveshchensk and the Village of Chigiri). A possibility was created to connect six boiler houses and two settlements to the gas infrastructure.
- In the Republic of Mari El, mains gas was supplied to an
  inter-settlement gas pipeline over 24 km long to support gas
  infrastructure expansion to 10 settlements in the Morkinsky District.
  Access to the gas grid was provided to 568 households and
  a boiler house servicing a school in Zelenogorsk.

The implementation of gas transportation projects in Eastern Russia creates additional possibilities for expanding gas infrastructure in Eastern Siberia and the Russian Far East. In 2024, Blagoveshchensk (Amur Region) was connected to the Power of Siberia gas trunkline. Measures are taken to expand gas infrastructure to the urban district of the city of Tynda (Amur Region) from the Power of Siberia gas trunkline. In addition, plans are being developed to extend mains gas supply to Belogorsk (Amur Region) and Birobidzhan (Jewish Autonomous Region) by 2032 from the Belogorsk–Khabarovsk gas trunkline, with construction launched in 2024.

In 2024, matters related to gas infrastructure expansion in the Murmansk Region and Krasnoyarsk Territory were being reviewed. Plans for 2025 include signing the programmes for gas supply and gas infrastructure expansion in the Murmansk Region and Krasnoyarsk Territory for 2026–2030.

As part of the Capital Construction Plan within PJSC Gazprom's Investment Programme, the Company continued the construction and retrofit of branch pipelines and gas distribution stations, as well as the retrofit of existing gas distribution stations, to ensure gas supply and gas infrastructure expansion in the regions. In 2024, a total of RUB 38.6 billion (including VAT) was invested in the construction and retrofit of gas distribution stations and branch pipelines under the Capital Construction Plan within PJSC Gazprom's Investment Programme. Five gas distribution stations and branch pipelines with a total length of 243.2 km were completed.

<sup>\*</sup> Tentatively calculated gas penetration rate according to the estimates of the Russian Ministry of Energy.

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

### Infill projects

The additional gas infrastructure expansion programme (connecting households to the existing gas grid across Russia) receives all necessary financial, technical, and human resources. In 2024, the Single Operator of Gas Infrastructure Expansion, Regional Operators of Gas Infrastructure Expansion, and gas distribution entities, including independent ones, fulfilled 1.2 million contracts for additional gas infrastructure expansion to land plot boundaries of households.

Пп	Progress made on connecting individuals to gas network (as at 31 December 2024, cumulatively since the start
	(as at 31 December 2024, cumulatively since the start
	of the additional gas infrastructure expansion programme)

Parameter	Total across the Russian Federation	Including by entities of Gazprom mezhregiongaz and 000 Gazprom
Number of contracts signed for additional gas infrastructure expansion to households	1,399.3 thousand	1,041.7 thousand
Number of fulfilled contracts for additional gas infrastructure expansion to land plot boundaries of households	1,178.4 thousand	886.4 thousand
Households provided with technically feasible connection option	1,525.7 thousand	1,095.0 thousand
Number of households connected to gas grids, with gas supply launched	767.9 thousand	576.0 thousand

Since 1 March 2023, work has been underway to connect educational and healthcare institutions to gas network.

П	Progress made on connecting educational
Ш	and healthcare facilities to gas network
	(as at 31 December 2024, cumulatively since 1 March 2023)

Parameter	Total across the Russian Federation	Including by entities of Gazprom mezhregiongaz and OOO Gazprom transgaz Kazan
Number of contracts signed for additional gas infrastructure expansion to educational and healthcare facilities	913	785
Number of fulfilled contracts for additional gas infrastructure expansion to land plot boundaries of educational and healthcare institutions	561	518
Number of educational and healthcare facilities connected to gas grids, with gas supply launched	166	157

In 2024, the programme for providing gas connections under social security initiatives was extended to include owners of plots located in allotment associations. Gas networks will be installed free of charge up to the boundaries of land plots owned by citizens in allotment associations located in settlements connected to the gas grid.

The joint efforts of the Single Operator of Gas Infrastructure Expansion, Regional Operators of Gas Infrastructure Expansion, gas distribution entities (including independent ones), and the authorities of Russian regions enable the synchronisation of activities to extend all necessary gas infrastructure directly to plot boundaries in settlements covered by infill projects while significantly reducing time to connect consumers to gas distribution networks.

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

### Use of natural gas as motor fuel

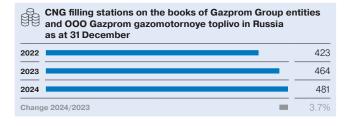
Gazprom is making consistent efforts to develop the NGV fuel market in Russia. The single operator for this strategic business line is Gazprom Group's joint venture, OOO Gazprom gazomotornoye toplivo, which sells gas as motor fuel and develops a retail network of CNG filling stations in Russia under the Gazprom and EcoGas brands.

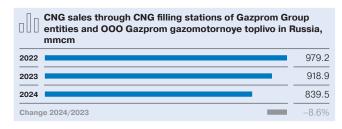
As at 31 December 2024, Gazprom Group entities and OOO Gazprom gazomotornoye toplivo had 481 CNG filling stations on their books, with a total annual capacity of 3.34 bcm. A total of 463 facilities sold and shipped compressed natural gas (CNG) in 2024. The retail network was mainly expanded with new CNG filling stations that were commissioned.

CNG filling stations of Gazprom Group entities and OOO Gazprom gazomotornoye toplivo account for more than 50% of the existing gas filling network in Russia.

In 2024, 30 CNG filling stations were operated by third-party companies under franchise contracts.

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In 2024, CNG sales by Gazprom Group entities and OOO Gazprom gazomotornoye toplivo through their own network of CNG filling stations in Russia stood at 839.5 mmcm. A significant factor contributing to the decline in CNG sales was the reduction in the number of registered vehicles and machinery using CNG as motor fuel, along with the low production volumes of new CNG vehicles. In 2024, the average selling price of CNG from the facilities of OOO Gazprom gazomotornoye toplivo increased slightly year-on-year to RUB 19.05 (net of VAT).

Gazprom Group continues its efforts to drive wider usage of natural gas as motor fuel in own fleets. As at 31 December 2024, the Group operated 23.5 thousand NGVs, with natural gas (methane) consumption as motor fuel amounting to 101 mmcm in 2024. In the reporting year, savings from replacing liquid motor fuel with natural gas, based on the difference in fuel costs, totalled RUB 3.2 billion (including VAT).

OOO Gazprom gazomotornoye toplivo maintained its focus on increasing the number of NGVs in Russia through various marketing programmes. Specifically, the People's Fuel project is being implemented to encourage vehicle conversion to methane on terms beneficial to consumers. In 2024, around 10.5 thousand vehicles were converted in Russia, including 3.6 thousand vehicles in the county's southern regions.

In 2024, PJSC Gazprom and the Russian Ministry of Agriculture signed an Action Plan to implement the Cooperation Agreement on expanding the use of NGV fuel in the agriculture industry.

In September 2024, PJSC Gazprom approved the draft Concept for the NGV Fuel Market Development in Russia up to 2035. The Concept outlines the prospects for the NGV industry, proposes measures to boost the production of CNG- and LNG-powered vehicles, and aims to stimulate the development of the NGV fuel market and infrastructure in Russia. The draft Concept is currently pending approval by the Russian Government.

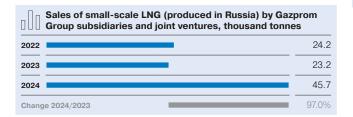
Gazprom Group has been closely engaged with major Russian automakers to expand their lineups of NGV machinery, including for its own needs. Gazprom is involved in pilot projects to introduce NGV technologies for agricultural machinery in Russia (the Krasnodar Territory and Republic of Tatarstan) and Belarus.

Gas Distribution, Gas Infrastructure Expansion, and NGV Fuel Markets

### Driving small-scale LNG production and use in Russia

Gazprom Group is actively expanding small-scale LNG production and use in Russia to deliver off-mains energy solutions for settlements located far from gas trunklines as well as for refuelling vehicles, agricultural and pit machinery, and water and rail transport. These activities are carried out by Gazprom Group subsidiaries (OOO Gazprom Helium Service and OOO Gazprom transgaz Yekaterinburg) and joint ventures (OOO Gazprom gazomotornoye toplivo and OOO Gazprom SPG tekhnologii).

As at 31 December 2024, nine projects to establish small-scale LNG production facilities with a total design capacity of 203.7 thousand tonnes in the Amur, Belgorod, Leningrad, Tver, Tomsk, Tula, and Tyumen Regions were at different stages of implementation.



The increase in small-scale LNG sales was due to the commissioning of new natural gas liquefaction facilities by OOO Gazprom Helium Service in the Amur and Volgograd Regions and by OOO Gazprom SPG Tekhnologii in the Republic of Tatarstan in 2023–2024.

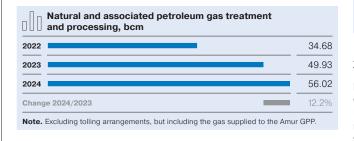
# Small-scale LNG production infrastructure as at 31 December 2024

- 2 LNG complexes of OOO Gazprom transgaz Yekaterinburg in Yekaterinburg and Pervouralsk
- 3 LNG complexes of OOO Gazprom Helium Service in Vladivostok as well as in the Amur and Volgograd Regions
- 2 LNG complexes of OOO Gazprom SPG tekhnologii in the Perm Region and Republic of Tatarstan
- 3 LNG complexes of OOO Gazprom gazomotornoye toplivo in Kaliningrad, Moscow, and Saint Petersburg

# Hydrocarbon Processing/Refining

Gazprom is consistently expanding its processing/refining capacities to supply the Russian economy with products that are in high demand across various industries and serve as feedstock in further production cycles, enabling Russian enterprises to manufacture a wide range of essential consumer goods.

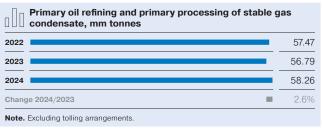
In 2024, Gazprom Group's downstream facilities treated and processed 56.02 bcm of natural and associated petroleum gas and carried out the primary refining and processing of 58.26 mm tonnes of oil and stable gas condensate (excluding tolling arrangements).



3azprom Annual Report 2024

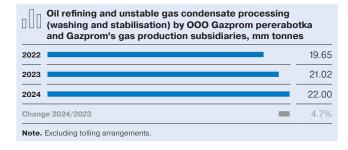
The increase in Gazprom Group's gas treatment and processing volumes was mainly driven by the launch of new capacity at the Amur GPP.





The increase in primary oil refining and stable gas condensate processing volumes was primarily driven by the full-year operation of the new primary oil refining complex at the Omsk Refinery, commissioned in 2023, and a reduction in repair and maintenance times at the stable gas condensate processing facilities of the Astrakhan GPP and Surgut Condensate Stabilisation Plant.

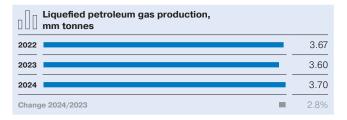
### Hydrocarbon Processing/Refining



Higher output of commercial helium by Gazprom Group was driven by the operation of two helium units at the Amur GPP and increased sales of commercial helium.

The increase in oil refining and unstable gas condensate processing volumes at Gazprom Group's processing facilities was driven by higher unstable condensate production and processing, including the commissioning of a condensate deethanisation unit at the Urengoy gas condensate Treatment Plant.

PJSC Gazprom has in-house competencies across the entire helium value chain, from the production and processing of high-helium-content gas to helium liquefaction and its supply to domestic and international markets.



On the back of increased volumes of primary oil refining and stable gas condensate processing, Gazprom Group boosted its oil product output, with the production of motor gasoline, diesel fuel, and base oils accounting for the bulk of the growth.

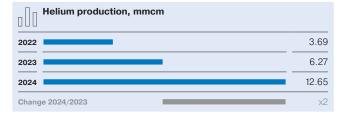
Output of oil products, mm tonnes



Higher output of liquefied petroleum gas by Gazprom Group was primarily driven by increased liquid hydrocarbon production and processing volumes following the commissioning of the condensate deethanisation unit at the Urengoy Condensate Treatment Plant as well as by the supply of natural gas liquids to the Surgut Condensate Stabilisation Plant from the condensate stabilisation unit at Block 3A of the Achimov deposits at the Urengoyskoye field.

In the reporting year, Gazprom Group's processing and refining facilities launched the production of new types of products, including calcined petroleum needle coke and new grades of PG bitumen.

The Russian Federation is among the world leaders by helium reserves. Large-scale domestic helium production is primarily ensured by two Gazprom Group enterprises: the Orenburg Helium Plant and Amur GPP. Needle coke is an important feedstock for the metallurgical, nuclear, chemical, and space industries. It is used in the production of large-size, high-power graphite electrodes for the steel industry.



Since Gazprom Group gained control over the operations of OOO Sakhalin Energy, the large-capacity LNG plant of the Sakhalin-2 project has produced 7.43 mm tonnes of LNG (with the total LNG production in 2024 at 10.20 mm tonnes).

# **Power Generation**

For many years, Gazprom Group has been successfully implementing large-scale investment projects in power generation by creating new generation capacities and upgrading existing plants, while relying on the industrial potential and advanced technologies of domestic enterprises.

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 October 2024, a Gazprom Energoholding entity was entrusted with the portfolio management of state-owned shares in PAO TGC-2, one of the largest thermal power companies operating in the Northwestern and Central Federal Districts of Russia, engaged in generating electricity and heat in the Arkhangelsk, Vologda, Kostroma, Novgorod, and Yaroslavl Regions.



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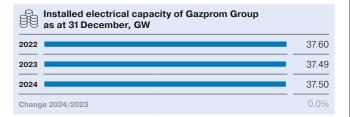
# Portfolio management of state-owned shares in PAO TGC-2

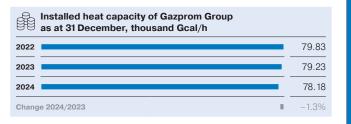
In line with Executive Order of the Russian President Vladimir Putin No. 610 dated 22 July 2024 and Instruction of the Russian Government No. 2498-r dated 11 September 2024, the portfolio management of stateowned shares in PAO TGC-2 was transferred to Gazprom Energoholding entity as from 10 October 2024 under a trust management agreement valid until 30 June 2025.

The trustee's key tasks:

- Ensuring the production and transmission of heat and electricity to PAO TGC-2's consumers in accordance with dispatch schedules during peak electricity and heat demand at low outdoor temperatures
- Eliminating existing arrears of PAO TGC-2 and preventing new ones from arising in respect of payments to budgets at all levels, other mandatory payments, and employee salaries

In the reporting year, the Company initiated the development of a financial recovery plan for PAO TGC-2, which must be submitted for approval to the Russian Government no later than 30 April 2025.



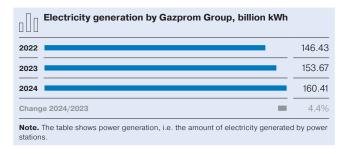


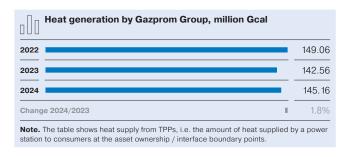
The minor change in installed capacity in 2024 was due to the retirement of low-performing generation equipment as well as capacity re-rating and restarts in Russia following upgrades.

Gazprom Energoholding supplies heat to more than 20 million people across 30 Russian regions, including the largest cities – Moscow and Saint Petersburg – with the most complex and large-scale central heat supply systems.

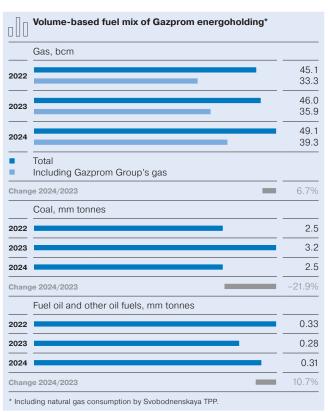
**Power Generation** 

In 2024, the Group generated 160.41 billion kWh of electricity and 145.16 million Gcal of heat.





Higher year-on-year electricity output by Gazprom Group's plants in 2024 was driven by growing demand in the European part of Russia and the Urals while an increase in heat generation was due to comparatively lower outdoor temperatures and a later end of the 2023/2024 heating season.



The share of natural gas in Gazprom Energoholding's fuel mix increased amid a decline in coal combustion, driven by higher electricity and heat output.

# Marketing

Gazprom ensures reliable supplies of natural gas – an efficient and eco-friendly energy source – to domestic and international consumers. In Russia, natural gas plays a key role in the fuel and energy balance, making everyday life more comfortable and supporting the development of industry, agriculture, transport, and utilities.

### Gas sales

In 2024, Gazprom Group sold 361.7 bcm of gas (342.0 bcm in 2023). Net revenue from gas sales (net of excise tax, VAT, customs duties, and payments due to the Russian Federation under the product sharing agreement) amounted to RUB 4,128.6 billion (RUB 3,124.8 billion in 2023). The increase in net sales revenue was primarily driven by the consolidation of OOO Sakhalin Energy's results after the Group gained operational control as well as by higher gas sales volumes.

Gazprom Group ensured reliable gas supplies to Russian consumers in 2024. The largest consumers of natural gas in Russia include electricity and heat generators, the oil industry, households, the housing and utilities sector, the gas industry, metallurgy, and the agrochemical industry.

China, Kazakhstan, and Uzbekistan accounted for the highest growth in Gazprom Group's pipeline gas supplies to foreign markets in absolute terms.

Gas supplies to China via the Power of Siberia gas trunkline continued to grow in line with contractual obligations. In 2024, natural gas deliveries totalled 31.12 bcm, up 36.9% year-on-year.

Thanks to growing volumes delivered via the Power of Siberia gas trunkline, Russia became the leading supplier of natural gas to China for the first time in history.



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



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

In 2024, in accordance with the established schedule, the Group continued expanding the infrastructure to support supplies to China under the sale and purchase agreement signed between PJSC Gazprom and CNPC on 3 February 2022 for deliveries via the Far Eastern route. In the reporting year, a number of technical agreements required for implementing the project were negotiated and signed with the Chinese side.

In 2024, work continued on the project to supply gas from Russia to China via Mongolia. In particular, necessary surveys were completed in Mongolia and negotiations are underway with the Chinese side about the terms and conditions of project implementation. In 2023, survey and engineering activities were 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.

Increased supplies to Kazakhstan and Uzbekistan were driven primarily by the expansion of cooperation with Central Asian countries.



# Prospects for increasing gas exports to Central Asian countries

PJSC Gazprom is successfully expanding comprehensive and mutually beneficial cooperation with Central Asian countries.

Since October 2023, Russian natural gas supplies to Uzbek consumers have commenced via the Central Asia–Centre system of gas trunklines operating in reverse flow mode.

During the 27th St. Petersburg International Economic Forum in June 2024, long-term contracts (valid until 2040) were signed for the supply of Russian natural gas to Kyrgyz consumers starting from 2025.

Following Gazprom Group's acquisition of control over the operations of OOO Sakhalin Energy, LNG volumes sold to Asia-Pacific countries under the Sakhalin-2 project were consolidated. These volumes make up the core of Gazprom Group's LNG portfolio.

Marketing

### 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, customs duties, and payments due to the Russian Federation under the product sharing agreement) in 2024 amounted to RUB 5,108.3 billion (RUB 4,111.6 billion in 2023).

In 2024, Gazprom Group sold 36.20 mm tonnes of crude oil and stable gas condensate (28.13 mm tonnes in 2023) and 68.72 mm tonnes of refined products (67.60 mm tonnes in 2023).

Factors contributing to the increase in Gazprom Group's liquid hydrocarbon sales in the reporting year included the consolidation of oil and gas condensate sales volumes

of OOO Sakhalin Energy following Gazprom Group's acquisition of control over the organisation's operations, as well as increased gas condensate production driven by the full-scale commissioning of Block 3A of the Achimov deposits at the Urengoyskoye field and the launch of new production capacities at the Kovyktinskoye and Chayandinskoye fields. The increase in refined products sales was primarily driven by higher volumes of hydrocarbons refined at Gazprom Group's facilities. Similar to the previous period, changes in sales volumes of crude oil, gas condensate, and refined products continued to be influenced by evolving macroeconomic parameters and market conditions.

### **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 2024, Gazprom Group's net revenue from electricity and heat sales (net of VAT) was RUB 672.7 billion (RUB 644.6 billion in 2023). The increase in sales revenue was mainly driven by higher electricity sales and prices in Russia.

In 2024, weighted average selling prices realised by power plants of Gazprom Group's generation subsidiaries in the day-ahead market increased by 14%. Price growth drivers included the indexation of wholesale gas prices for industrial consumers by 11.2% from 1 July 2024 and a 2% increase in demand in the European part of Russia and the Urals, partly driven by a 0.2 GW rise in average hourly power flow towards Russia's new regions.

# Media Business

Gazprom-Media Holding, Russia's largest media holding company, possesses advanced competencies and has been making a significant contribution to the development of the domestic media industry for over 25 years, serving the interests of Russian society and supporting the achievement of national development goals.

At the end of 2023, Gazprom Group consolidated a controlling stake in AO Gazprom-Media Holding, Russia's largest media holding. The transaction with Bank GPB (AO) was aimed at ensuring vertically integrated management of Gazprom Group's media assets.

Gazprom-Media Holding's operations span all segments of the media sector: information broadcasting, entertainment

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television, cinema release, the production and distribution of feature films, documentary and fiction series, original television and digital formats as well as digital services, radio, press, online publications, the blogosphere, and sales of advertising.

Around 80% of Gazprom-Media Holding's revenue comes from advertising and is dependent on the company's position in the Russian media market by audience metrics.

### Gazprom-Media Holding's media products Federal TV channels Thematic TV channels NTV 5 NTV family TV channels 9 federal radio stations, including TNT 18 multi-genre channels produced Autoradio Friday! by Red Media TV-3 8 sports channels TNT4 Match TV Match! Country Saturday! Digital platforms Domestic cinema market Influencer marketing segment PREMIER -online cinema Central Partnership film company Insight People production centre RUTUBE -a national video hosting platform Yappy -an application where users can watch and create vertical videos

In 2024, advertising market growth peaked, driven by continued increases in marketing activity by domestic companies actively replacing Western brands in the Russian market. To maximise advertising revenue and retain audiences, Gazprom-Media Holding significantly expanded the production of proprietary content.

As a result, the Group strengthened its position in the Russian media industry, securing growth in revenue from advertising as well as from rights sales

4,842

18.541

### **Operations and Marketing**

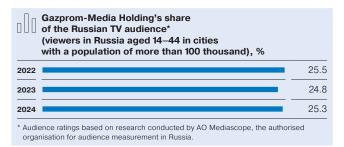
Media business

2023

2024

Change 2024/2023

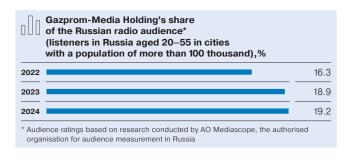
In the reporting year, Gazprom-Media Holding's total share of the television audience in the 14–44 age group stood at 25.3%, confirming the company's leadership among Russian media holdings.





driven by an expanding paying audience and higher income from

The increase in revenue from rights sales was driven by the growth in subscription income from the PREMIER online cinema,



Changes in audience metrics are driven by the creation and distribution of commercially successful and in-demand content aimed at attracting and retaining viewers.

By the end of 2024, the Central Partnership film company, part of Gazprom-Media Holding, had become the undisputed leader in film distribution, accounting for 30% of the entire Russian market.

Gazprom-Media Holding is actively developing its digital platforms and creating advanced media tools, including solutions based on artificial intelligence for content creation and processing. In the reporting year, the audience of the RUTUBE national video hosting platform grew by 65% to 78.3 million monthly active users in December 2024 while the subscriber base of the PREMIER online cinema increased by almost 25% to 6 million paying users.

In December 2024, the average monthly active audience across all of Gazprom-Media Holding's digital projects totalled 80.7 million users, placing Gazprom-Media Holding seventh among media holdings by the number of monthly active users of online services.

Company Information

# **Innovations and Import Substitution**

Accelerated technological development remains a key strategic priority for the Company. Relevant efforts are aimed at clear goals and deliver tangible results. In collaboration with Russian scientific institutes as well as industry-specific universities and enterprises, Gazprom is developing proprietary innovations, advanced technologies, and unique technical solutions, including those that are unmatched globally, thereby making a significant contribution to strengthening Russia's technological sovereignty.

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

PJSC Gazprom's Innovative Development Programme serves as a fundamental tool for long-term planning and management of innovation at the Company. PJSC Gazprom's updated Innovative Development Programme until 2025 was approved by Resolution of PJSC Gazprom's Board of Directors No. 3513 dated 1 December 2020 (Minutes No. 1338 dated 1 December 2020). The document aims to continuously improve the level of technological and organisational development at PJSC Gazprom to maintain its position as a global energy company and a reliable energy supplier.

PJSC Gazprom's Innovative Development Programme

Spans a period of ten years

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

Gazprom Group makes consistent efforts to develop innovation activities and enhance innovation performance, including by designing proprietary innovation development programmes for subsidiaries. Currently, five subsidiaries within the gas business (one gas production company and four gas transportation companies) have developed and approved and are implementing proprietary innovation development programmes. Draft innovation development programmes fo six more subsidiaries (four gas production and two gas transportation companies) have been prepared and are in the process of coordination and approval.

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

### **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 the technological and organisational development priorities outlined in the Programme.

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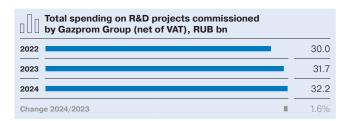
### Technology priorities in the gas business

- 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

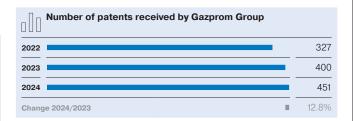
In Gazprom's oil business, innovation covers oil production, oil refining, petrochemicals production, and the creation of new types of products that are in high demand among consumers.

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.



Gazprom Group is a leader in Russia for managing intellectual property rights, including legal protection of new technical solutions. As at 31 December 2024, Gazprom Group entities held 3,653 patents for inventions and utility models.



Each year, patents owned by PJSC Gazprom and its subsidiaries are recognised by Rospatent (Federal Service for Intellectual Property) among the most successful in Russia.

In 2024, following the Successful Patent competition conducted by Rospatent (the Federal Service for Intellectual Property), two invention patents – Disc-Type Elastic Sealing Element (patent holder: OOO Gazprom Dobycha Astrakhan) and Method of Gas Pumping from Centrifugal Compressors... (patent holder: OOO Gazprom Transgaz Kazan) – were recognised among the 12 most successful patents granted to major Russian companies between 2021 and 2023.

### **Innovations and import substitution**

### Import substitution

An action plan has been in place at the Company for many years to address the challenges of import substitution and to identify PJSC Gazprom's needs for import-substituting equipment and technologies. In 2021, PJSC Gazprom adopted another Corporate Import Substitution Plan to 2025. The Corporate Import Substitution Plan for 2026–2030 is currently in the process of coordination and approval.



### The Corporate Import Substitution Plan of PJSC Gazprom

Covers the Company's gas, oil, and power generation businesses
 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

Gazprom Group's import-substitution efforts are geared towards the preferential use of Russian alternatives for imported industrial products, especially those from countries supporting sanctions against Russia, with Russian alternatives.



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# Mechanisms for implementing import-substitution and technological development measures

- Compiling lists of priority product types
- Developing and implementing roadmaps for key equipment types and technology areas, with the involvement of Russian industrial enterprises and research institutions in the design and production of high-tech, including import-substituting, equipment and materials
- Signing and performing cooperation and partnership agreements with industrial entities, financial institutions, and various non-profit organisations
- Signing long-term contracts for the supply of industrial products, including contracts involving the development of new products, with Russian industrial companies to support the launch of domestic production of import-substituting products in Russia
- Engaging with grant programme operators to select and support projects – through grants, subsidies, and other instruments – aimed at developing technological products that meet PJSC Gazprom's requirements
- Consolidating the needs of oil and gas companies and standardising technical requirements for equipment and materials to promote import substitution in the oil and gas industry
- Participating in the implementation of national projects aimed at ensuring Russia's technological sovereignty and leadership, including the New Nuclear and Energy Technologies national project, in areas directly related to PJSC Gazprom's operations
- Preparing methodological support for the development and integration of high-tech, including import-substituting, technologies, equipment, and materials into PJSC Gazprom's operations

PJSC Gazprom has been annually evaluating the economic performance of import-substitution initiatives. The actual economic benefit from import substitution in 2024 amounted to RUB 34.2 billion. The greatest economic effect was delivered through efforts in the gas, condensate, and oil production segment (RUB 19.6 billion).



### Import Substitution in the Gas Industry corporate exhibition

In 2024, as part of the 13th St. Petersburg International Gas Forum, the Import Substitution in the Gas Industry corporate exhibition featured 31 Russian enterprises from 18 regions of Russia, including Gazprom Group companies. They presented more than 120 high-tech and import-substituting technologies and solutions developed to meet the needs of PJSC Gazprom. Part of these innovations are currently undergoing testing at Gazprom facilities while others have already been introduced into commercial operation.

In particular, the following equipment was presented among the developments intended for use in hydrocarbon production and transportation:

- A new AL-41ST-25 gas turbine engine with a capacity of 25 MW, designed to drive centrifugal gas compressors within compressor units
- A prototype Du 500 mm unit for hot tapping and shutting off gas pipelines
- Downhole filters for sand control in vertical, directional, and horizontal wells
- A tank container for the transportation and temporary storage of liquefied petroleum gases

These developments were produced by Russian enterprises under roadmaps for cooperation with industrial complexes across Russian regions.

In accordance with Resolution of the Russian Government No. 392 dated 17 March 2022, the Innopraktika non-state development institute is implementing a grant programme to support technology companies' projects aimed at launching the manufacturing of import-substituting products for the benefit of major corporate customers. As a customer corporation, PJSC Gazprom leads by the number of projects supported under this programme. By the end of 2024, the total number of projects that received grant support based on PJSC Gazprom's recommendation reached 17. In the reporting year, five projects were completed. The completed projects include developments in information technology (including an automated process control system for gas processing and oil refining facilities), construction technologies (such as automatic laser welding of pipelines), and construction equipment manufacturing (a lineup of pipelaying cranes).

# **Financial Performance**

# In the reporting year, Gazprom maintained strict cost control, managed intragroup cash flows flexibly, and operated effectively in the debt market.

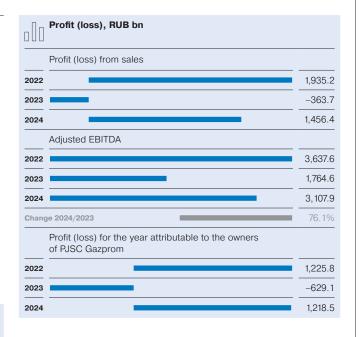
Gazprom Group's net revenue from sales (net of excise tax, VAT, customs duties, and payments due to the Russian Federation under the product sharing agreement) in 2024 amounted to RUB 10,714.7 billion (RUB 8,541.8 billion in 2023). The indicator's performance in the reporting year was mainly due to higher gas sales volumes, a favourable pricing environment, strong performance of the oil business, and the acquisition of control over the operations of OOO Sakhalin Energy, the operator of the Sakhalin-2 project.

In 2024, the Group's operating expenses came in at RUB 9,051.8 billion (RUB 8,584.2 billion in 2023). The main factors contributing to the growth of operating expenses in the reporting year included an increase in tax expenses (except for income tax). Taxes payable by the Group (other than income tax) totalled RUB 3,716.1 billion in 2024 (RUB 3,072.6 billion in 2023). Higher tax expenses (except for income tax) in the reporting year were primarily driven by a rise in the mineral extraction tax (MET) on oil, gas, and gas condensate.

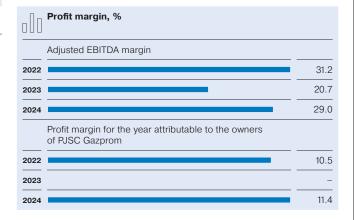
# Increase in MET rates for gas, gas condensate, and oil in 2024

- Increase in the Afg factor (a component in the gas MET formula) from 134 to 285, effective 1 July 2024
- Increase in the MET rate for gas condensate through the application of the Fgc factor
- Completion of the tax manoeuvre in the oil industry

In 2024, Gazprom Group's profit from sales was RUB 1,456.4 billion, and adjusted EBITDA stood at RUB 3,107.9 billion. Profit for the year attributable to the owners of PJSC Gazprom was RUB 1,218.5 billion.



Gazprom Group's adjusted EBITDA margin for 2024 was 29.0%.



### Financial Performance

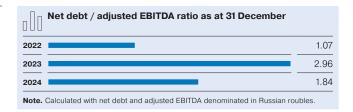
### **Debt management**

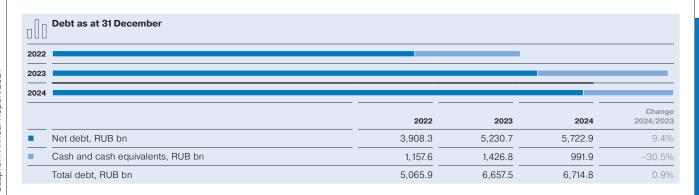
As at 31 December 2024, Gazprom Group's total debt was RUB 6,714.8 billion while its net debt amounted to RUB 5,722.9 billion.

In 2024, the net debt / adjusted EBITDA ratio declined to 1.84x.

The weighted average interest rate stood at 12.5% as at 31 December 2024 (9.6% as at 31 December 2023).

The Group's debt portfolio is well-balanced across maturities, with 79% of borrowings maturing in more than one year and 28% of borrowings maturing in more than five years as at 31 December 2024.







# Corporate Governance

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

### Dear Shareholders,

Gazprom delivered strong performance in 2024, having achieved its goals and laying a solid foundation for future growth. This result is driven by a sustainable business model, a robust corporate governance system, and a professional Board of Directors that provides strategic governance of the Company.

The quality of governance at Gazprom is regularly assessed by independent experts. In 2024, the Expert RA rating agency reaffirmed PJSC Gazprom's highest governance quality rating of A++.gq, originally assigned in 2021.

Notably, the agency commended how the Company's governing bodies operate, highlighting the high productivity of PJSC Gazprom's Board of Directors and its strong involvement in ESG matters. The quality of strategic planning, the internal control system, and the protection of shareholder rights at PJSC Gazprom are of a high standard.

Gazprom strictly upholds the rights of its shareholders and investors, taking additional steps to safeguard their interests. For instance, in 2024, the Company completed a eurobond replacement programme – the largest of its kind on the Russian market – substituting Gazprom eurobonds with Russian securities. As a result, the vast majority of Russian investors holding eurobonds through Russian depositories retained the ability to receive payments on the Company's debt obligations, despite restrictions imposed by foreign financial infrastructure.

# Gazprom delivered strong performance in 2024, having achieved its goals and laying a solid foundation for future growth. S A strong performance in 2024, having achieved its goals and laying a solid foundation for future growth. S S

Gazprom's continuous improvement of corporate governance includes engaging a broad range of partners in upholding its corporate values. Two key documents were adopted in the reporting year: the Procedure for Interaction with Potential Suppliers (Contractors, Service Providers) – Prospective Counterparties of PJSC Gazprom and Gazprom Group Companies, and the Code of Conduct for Suppliers (Contractors, Service Providers).

These documents aim to involve contractors in the implementation of Gazprom's social responsibility agenda. This initiative illustrates that sustainable development in the interests of Russian society remains an unwavering priority for Gazprom Group.

Dear Shareholders,

In 2024, PJSC Gazprom's Board of Directors provided strong strategic leadership to the Company. Looking ahead, Gazprom will continue to operate reliably and responsibly for the benefit of Russia, advancing by continuously improving its operations in line with best practices.

### Viktor Zubkov

Chairman of the Board of Directors PJSC Gazprom



# Report on PJSC Gazprom's Compliance with the Corporate Governance Code Recommended by the Bank of Russia, Including the Statement on Compliance with Corporate Governance Principles\*

### 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 / 2024
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 / 2024
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 / 2025
Sustainable Development Policy of Gazprom Group	2021 / 2024
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 / 2025
Regulations on the Hotline for Fighting Fraud, Corruption, and Embezzlement at Gazprom Group	2014



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

→ www.gazprom.com



### **Statement of Compliance with the 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 (further also RMICS), 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.

<sup>\*</sup> Prepared in accordance with Clause 57.2 of the Bank of Russia's On Information Disclosure by Issuers of Issue-Grade Securities No. 714-P dated 27 March 2020

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

### 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 body of the Company.



### The most important matters falling within the competence 8 of the General Shareholders Meeting

- Election of the Board of Directors and the Audit Commission
- Appointment of the auditor
- Decision-making on profit distribution, including the payment (declaration) of dividends
- Approval of the Company's Annual Report and annual accounting (financial) statements
- Approval of internal documents regulating the activities of the Company's governing bodies

The Board of Directors is responsible for the general governance of PJSC Gazprom's activities.



### **Key functions of the Board of Directors**

- Determine PJSC Gazprom's development strategy, policies, and key operating principles across its activities, including sustainable development, and monitor their implementation
- Establish the Company's business priorities and approving longterm plans and key programmes, including the annual budget and investment programmes
- Establish PJSC Gazprom's asset management principles
- Ensure an effective control system at PJSC Gazprom over the results of its financial and business operations, and determine the principles and approaches to risk management, internal control, and internal audit
- Approve PJSC Gazprom's internal documents on matters within the remit of the Board of Directors

PJSC Gazprom's Board of Directors has in place four dedicated committees set up to preliminarily review critical matters related to the Company's operations and falling within the remit of the Board of Directors.



### Ensuring succession planning and induction to the **Board of Directors of PJSC Gazprom**

The Induction Programme for First-Time Elected Members of the Board of Directors of PJSC Gazprom was approved by Resolution of PJSC Gazprom's Board of Directors No. 3304 dated 7 August 2019.

Newly elected members of the Board of Directors participate in an induction session with the Chairman of the Board and the Chairman of PJSC Gazprom's Management Committee, and are introduced to key internal regulations, core materials, and other essential information about PJSC Gazprom.

The Bank of Russia recognises the concept of an induction (introductory) programme for new directors as a key element of modern corporate governance. The regulator recommends that companies develop such programmes and regards their existence as a prerequisite for an objective self-assessment of board effectiveness. The Federal Agency for State Property Management (Rosimushchestvo) also emphasises the importance of implementing a dedicated induction procedure for newly elected members of the Board of Directors.

Day-to-day operations of PJSC Gazprom are managed by the Management Committee, the Company's collective executive body.



### **Core competences of the Management Committee**

- Developing forward-looking plans and key business activity programmes for PJSC Gazprom (including annual budget and investment programmes) for submission to the Board of Directors, preparing reports on their implementation, and developing and approving current activity plans for the Company
- Organising the monitoring over the implementation of PJSC Gazprom's forward-looking and current plans and programmes, and execution of the Company's investment, financial, and other projects
- Establishing the procedure for providing information about PJSC Gazprom to shareholders
- Approving PJSC Gazprom's internal documents on matters within the remit of the Management Committee

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

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



For more details on the competences of the Company's governing bodies, see PJSC Gazprom's website.

→ www.gazprom.com



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



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For more details on the main tasks of the Company's Audit Commission, see PJSC Gazprom's website.

—> www.gazprom.com



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 based on proposals from the Board of Directors following a tender.

The Internal Audit Department of PJSC Gazprom has been set up to perform a 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 by the Company's order in 2008 to ensure a comprehensive approach and coordinate the activities of organisational units as part of the ongoing relations with PJSC Gazprom's shareholders and investors. Relations with the investment community are governed by the annual plan with activity reports 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.



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



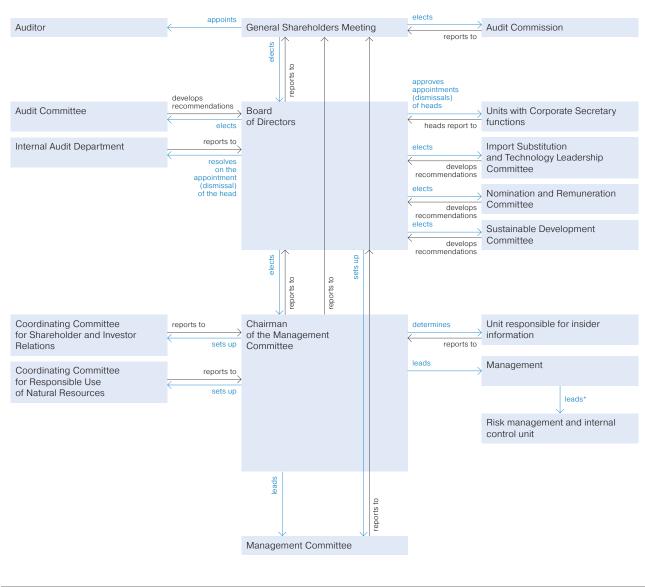


PJSC Gazprom also has in place the Coordinating Committee for Responsible Use of Natural Resources. The Company's environmental management and energy efficiency system covers different levels of management, from the Board of Directors to branches and production facilities of PJSC Gazprom's subsidiaries.

To ensure an integrated approach and coordinate the environmental and energy management activities of PJSC Gazprom's 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.

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





<sup>\*</sup> 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).

## 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.

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

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

In 2024, 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).

The Board of Directors of PJSC Gazprom (11 members) was elected by the Annual General Shareholders Meeting on 30 June 2023. Two independent directors joined the Board of Directors.

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).

Nikolai Shulginov, who was elected to PJSC Gazprom's Board of Directors on 30 June 2023 as a representative of the Russian Federation, resigned from the Board of Directors on 12 September 2024 (Clause 3.7 of the Regulations on the Board of Directors of PJSC Gazprom).

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).

In 2024, 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).

PJSC Gazprom's Board of Directors established the Audit Committee, comprising three members, by Resolution No. 3964 of the Board of Directors dated 30 June 2023. 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.

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).

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).

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

In 2024, 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).

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.

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.

#### **External Assessment of PJSC Gazprom's Corporate Governance**

In 2021, the AO Expert RA rating agency assigned the Company the highest governance quality rating, which was reaffirmed for 2022–2025.

The governance quality assessment by experts covers the following key areas: 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





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



A press release announcing yet another affirmation of PJSC Gazprom's highest governance quality rating was published on AO Expert RA's website.







- High level of organisation of the activities of PJSC Gazprom's collective governing bodies, including:
  - a high workload for the Board of Directors and its committees (reflected in the large number of meetings)
  - active involvement of the Board of Directors and the Management Committee in the ESG agenda
  - linking the achievement of ESG performance targets to the remuneration of the Company's Board of Directors and top management.
- Strong commitment to protecting the rights of owners and other stakeholders.
- Highly effective engagement with suppliers and customers, including:
  - formalisation of the procedure for engagement with potential suppliers (contractors and service providers)
  - approval of the Code of Conduct for Suppliers (Contractors, Services Providers).
- 4. Highly effective strategic planning.
- 5. An effective internal control system.
- 6. Units with Corporate Secretary functions, whose rights, duties, and competence are set forth in relevant regulations.
- Effective HR management, corporate ethics, and anti-corruption systems.
- Comprehensive independent assessment of PJSC Gazprom's corporate governance.

#### 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.

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Area	Measure	Measure's purpose and effect	
Governance model	In February 2024, AO Expert RA yet again affirmed the Company's highest governance quality rating (A++.gq).	Conducting regular external independent assessment of corporate governance in compliance with the recommendations of the Russian Corporate Governance Code and corporate best practices.	
	PJSC Gazprom's internal documents regulating the functions of units with Corporate Secretary functions were amended (Resolution of PJSC Gazprom's Board of Directors No. 4137 dated 19 November 2024).	Requirements were set for the knowledge and frequency of professional development of the heads of units with Corporate Secretary functions.	
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 Code of Corporate Ethics of PJSC Gazprom was amended to prohibit intra-group corporate gifts (Resolution of PJSC Gazprom's Board of Directors No. 4129 dated 29 October 2024).	Enhancing Gazprom Group's corporate ethics syster and optimising the costs associated with the purchas and/or provision of intra-group gifts.	
	The Code of Conduct for Suppliers (Contractors, Services Providers) of Gazprom and Gazprom Group Companies was approved (Resolution of PJSC Gazprom's Board of Directors No. 300 dated 9 August 2024).	Integrating Gazprom Group's third-party contractors into PJSC Gazprom's corporate value system.	
Protection of insider information, countering market manipulation	Amendments were made to the Access Procedure for Insider Information of PJSC Gazprom and Confidentiality Protection Rules: requiring that, simultaneously with the issuance of a notice of inclusion in the Insiders List, the employee must acknowledge in writing that they have read the requirements for preventing unlawful use of insider information and market manipulation (PJSC Gazprom's Order No. 474 dated 23 December 2024).	<ul> <li>Enhancing the effectiveness of the system for countering the unlawful use of insider information and market manipulation</li> <li>Aligning the document with the current regulatory framework</li> </ul>	
	The List of Insider Information of PJSC Gazprom was amended (PJSC Gazprom's Order No. 100 dated 22 March 2024).	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.	
	PUSC Gazprom's Internal Control Rules for Preventing, Detecting, and Stopping the Unlawful Use of Insider Information and/or Market Manipulation were amended (PJSC Gazprom's Order No. 19 dated 30 January 2025).	Aligning the document with the Access Procedure for Insider Information of PJSC Gazprom and Confidentiality Protection Rules, approved by PJSC Gazprom's Order No. 23 dated 19 January 2021.	
	PJSC Gazprom's management assessed their own actions and those of their subordinate insider employees for compliance with the requirements for countering the unlawful use of insider information and market manipulation.	Introducing additional control procedures to monitor compliance by PJSC Gazprom's employees with the requirements for countering the unlawful use of insider of insider information and market manipulation	

Enhancements to the corporate governance model and practices are set to continue.

Planned measure	es 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.	March 2025
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	Amendments were made to the terms and conditions of transactions with financial instruments by individuals and entities included in Gazprom's insiders list and by their affiliated persons (as determined by the Resolution of PJSC Gazprom's Board of Directors No. 3452 dated 11 June 2020), in order to strengthen the insider information protection system.	2025

Company Information

## **Governing and Supervisory Bodies**

#### **General Shareholders Meeting**

The Annual General Shareholders Meeting of PJSC Gazprom was held on 28 June 2024 in absentia.



## Resolutions of the Annual General Shareholders Meeting dated 28 June 2024

- The Company's Annual Report and annual accounting (financial) statements for 2023 were approved
- The distribution of PJSC Gazprom's profit for 2023 was approved
   It was resolved not to declare or pay dividends on PJSC Gazprom shares for 2023
- An auditor (Limited Liability Company Financial and Accounting Consultants) was appointed to conduct a mandatory audit of PJSC Gazprom's accounting (financial) statements for 2024
- It was resolved to pay remuneration to members of PJSC Gazprom's Board of Directors holding no public or civil office in the Russian Federation, in the amount recommended by the Board of Directors
- It was resolved not to pay remuneration to members of PJSC Gazprom's Audit Commission\*
- The Audit Commission was elected
- \* During the relevant calculation period of the corporate year, as defined by the Regulations on Remuneration of the Audit Commission of PJSC Gazprom (approved by Resolution of the Company's Board of Directors No. 2641 dated 9 December 2015), each member of the Audit Commission of PJSC Gazprom held a chief effect.

As at 3 June 2024, the list of persons entitled to participate in the General Shareholders Meeting included 2,090,817 accounts representing a total of 22,105,685,898 shares. The quorum required to pass resolutions on all the agenda items was present.

Shareholders were given the following voting options: mailing paper ballots to the Company, filling out electronic ballots at the elgol.draga.ru website, and issuing guidance (instructions) to organizations maintaining registers of rights to securities.

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 28 June 2024, the Annual General Shareholders Meeting of PJSC Gazprom passed resolutions on all agenda items.



Gazprom Annual Report 2024

Minutes of the General Shareholders Meeting of PJSC Gazprom dated 28 June 2024 are available on PJSC Gazprom's website (information is available in Russian only).





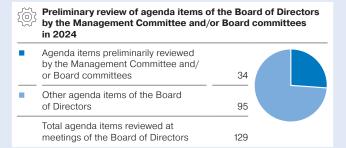
#### **PJSC Gazprom's Board of Directors**

The activities of PJSC Gazprom's Board of Directors are governed by the duly approved six-month activity plans. In 2024, the Board of Directors held a total of 57 meetings, including 8 meetings in person (via videoconferencing) and 49 meetings in absentia. At these meetings, the Board of Directors passed 129 resolutions, including 37 resolutions in person and 92 resolutions in absentia.

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.

In 2024, the Board of Directors focused equally on strengthening management, advancing strategic development, enhancing corporate governance, and improving financial and economic performance. This approach ensured comprehensive coverage of all key aspects of the Company's activities.

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 98%.





#### **Governing and Supervisory Bodies**

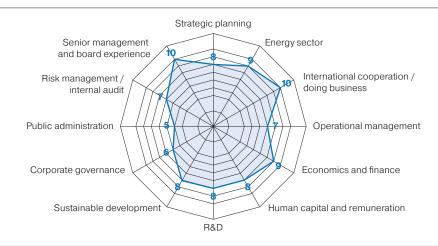
In 2024, the Board of Directors of PJSC Gazprom operated as elected at the Annual General Shareholders Meeting held on 30 June 2023. Nikolai Shulginov, who was elected to PJSC Gazprom's Board of Directors as a representative of the Russian Federation, voluntarily resigned from the Board of Directors of PJSC Gazprom on 12 September 2024.

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.



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#### Skill mix within PJSC Gazprom's Board of Directors as at 31 December 2024



## Composition of the Board of Directors by status as at 31 December 2024, %

Executive Director	20
Non-executive Director	60
Independent Director*	20

\* By Resolutions 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.



The 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.





## The Board of Directors of PJSC Gazprom (was elected by the Annual General Shareholders Meeting of PJSC Gazprom on 30 June 2023)



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 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

Company Information



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



Gazprom Annual Report 2024

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.

\* Nikolai Shulginov voluntarily resigned from the Board of Directors on 12 September 2024.

In June 2023, PJSC Gazprom's Board of Directors set up four dedicated committees by its resolution to conduct preliminary reviews of critical matters relating to PJSC Gazprom's activities across respective areas and falling within the remit of the Board.

#### **Audit Committee of the Board of Directors**

#### Dear Shareholders.

In 2024, as in previous years, the Audit Committee of PJSC Gazprom's Board of Directors facilitated the decision making by PJSC Gazprom's Board of Directors.

Its work focused on the Committee's core responsibilities, such as safeguarding the independence and objectivity of internal and external audits, monitoring the completeness, accuracy, and reliability of PJSC Gazprom's financial statements as well as the reliability and effectiveness of the risk management system and internal controls.

The Committee actively engaged with the auditor (OOO FBK). Audit Commission, the department performing the internal audit functions, and the Company's risk management and internal control function.

Particular attention was paid to the review of external and internal audit reports of PJSC Gazprom, as well as to assessing the effectiveness of the Company's audit process.

The Committee forms part of the organisation's robust internal control system. Its effectiveness was once again recognised by the rating agency Expert RA, which affirmed PJSC Gazprom's top rating for governance quality in March 2025

#### Viktor Martynov

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



The Audit Committee of the Board of Directors reports to the Board of Directors and operates as set forth in the Regulations on the Audit Committee of PJSC Gazprom's Board of Directors.



#### Key functions of the Audit Committee of PJSC Gazprom's **Board of Directors**

- Evaluation of the Company's auditor candidate and review of the audit report prepared by the independent auditor
- Ensuring the independence and objectivity of the internal and external audits
- Monitoring the completeness, accuracy, and reliability of the Company's financial statements
- Monitoring the reliability and effectiveness of the Risk Management and Internal Control System
- Reviewing compliance with PJSC Gazprom's Code of Corporate Ethics

In 2024, 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 2024

#### Committee Chairman:

Viktor Martynov (Independent Director)

#### Committee members:

- Igor Maksimtsev (Independent Director)
- Mikhail Sereda (Non-executive Director)

The Committee worked in line with its plan. In 2024, the Committee held 8 meetings in absentia and no meetings in person. The overall attendance rate for the Committee meetings was 100%.

The key and most relevant matters discussed by the Audit Committee of PJSC Gazprom's Board of Directors in 2024 included the results of the independent comprehensive assessment of PJSC Gazprom's corporate governance, information provided by OOO FBK on critical audit issues at PJSC Gazprom and its subsidiaries, and the auditor's reports on the independence and effectiveness of the external audit.

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



In 2024, the 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.

The key relevant recommendations made by the Committee to the Board of Directors concerned compliance or alignment with provisions of the Russian Corporate Governance Code.

Company Information

#### **Nomination and Remuneration Committee of the Board of Directors**

#### Dear Shareholders,

In 2024, the Committee continued to focus on its key areas of

- Recommendations were prepared for PJSC Gazprom's Board of Directors regarding the approval of KPI values to be used in the annual bonus system for executives (2023 actuals and 2024 targets)
- The Committee reviewed proposed amendments to the Regulations on the Annual Bonus Scheme for PJSC Gazprom's Management, appointments to key executive positions, and matters related to the Employee Equity Sharing Plan for Management of PJSC Gazprom

Recognising the importance of the preliminary review of matters related to HR policy and the incentive system, the Committee will continue to provide relevant recommendations to the Company's Board of Directors.

#### Mikhail Sereda

Gazprom Annual Report 2024

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

The core objectives of the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors are to carry out preliminary in-depth reviews of selected matters falling within the purview of the Board of Directors of PJSC Gazprom and to prepare recommendations on resolutions to be made by the Board of Directors.

The Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors reports to the Board of Directors and operates as set forth in the Regulations on the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors.

#### Key functions of the Nomination and Remuneration Committee of PJSC Gazprom's Board of Directors

- Providing recommendations to the Board of Directors with regard to PJSC Gazprom's policy on remuneration of the Company's governing bodies, and supervising its adoption and implementation
- Preliminary review of matters related to staff appointments
- Developing recommendations to the Board of Directors on performing the annual detailed formal procedure of selfassessment or external evaluation of the performance of the Board of Directors, its members, and its committees; developing recommendations to the Board of Directors on defining the priority areas for strengthening the staffing of the Board of Directors
- Interacting with shareholders, without limiting interaction to the largest shareholders, in order to provide them with recommendations regarding voting on the election of candidates to PJSC Gazprom's Board of Directors, as instructed by the Board of Directors

In 2024, 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 2024

#### Committee Chairman:

Mikhail Sereda (Non-executive Director) Committee members:

- Igor Maksimtsev (Independent Director)
- Viktor Martynov (Independent Director)

The Committee worked in line with its plan. In 2024, 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 2024, by line of business

•	Remuneration policy, its implementation and oversight	6	
	Appointments to key executive positions	3	
	Other matters	1	
	Total	10	



#### **Sustainable Development Committee of the Board of Directors**

#### Dear Shareholders,

Sustainability management is part of PJSC Gazprom's corporate governance system, with the Sustainable Development Committee of PJSC Gazprom's Board of Directors playing an important role in this area.

The Committee focuses on shaping a sustainability agenda for Gazprom Group, improving the KPI system to integrate sustainability, and developing metrics to measure Gazprom Group's sustainability performance.

In 2024, the Committee preliminarily reviewed Gazprom Group's Social Impact Report 2023 as well as the results of an external audit and an independent public assurance. Starting from 2022, Gazprom Group's Social Impact Report has been included in the materials submitted annually to shareholders at General Shareholders Meetings to inform their decisions.

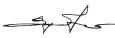
Importantly, AO Expert RA has reaffirmed PJSC Gazprom's highest governance quality rating (A++.gq) for the fourth year running. Contributing factors to their decision include the Board of Directors' engagement with the ESG agenda, and effective HR management, corporate ethics, and anti-corruption systems.

The Company will sustain its progress on sustainability as a meaningful input to achieving Russia's national goals.

#### Viktor Zubkov

Chairman

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



The core objective of the Sustainable Development Committee of PJSC Gazprom's Board of Directors is carry out preliminary in-depth reviews of selected matters falling within the purview of the Board of Directors of PJSC Gazprom and to prepare recommendations on resolutions to be made by the Board of Directors.

The Sustainable Development Committee of the Board of Directors reports to the Board of Directors and operates as set forth in the Regulations on the Sustainable Development Committee of PJSC Gazprom's Board of Directors.

In 2024, the Committee included three members of the Company's Board of Directors.



Composition of the Sustainable Development Committee of the Board of Directors in 2024

#### Committee Chairman:

Viktor Zubkov (Non-executive Director)

#### Committee members:

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



## Key functions of the Sustainable Development Committee of PJSC Gazprom's Board of Directors

- Preparing recommendations for the Board of Directors to define the areas of Gazprom Group's sustainable development activities
- Developing recommendations for the Board of Directors to streamline the system of key performance indicators pertaining to sustainable development
- Developing recommendations for the Board of Directors on introducing performance indicators to assess Gazprom Group's sustainable development progress
- Conducting a preliminary review of Gazprom Group's Social Impact Reports and overseeing their completeness, accuracy, and reliability
- Conducting a preliminary review of the results of external audits and independent public assurance of Gazprom Group's Social Impact Reports
- Developing recommendations for the Board of Directors on streamlining information disclosure activities for Gazprom Group's Social Impact Reports
- Preparing recommendations for the Board of Directors on assessing the results of the implementation of the Sustainable Development Policy of Gazprom Group
- Preliminary review of proposals on enhancing the Company's existing internal documents related to sustainable development so as to ensure their compliance with the legislation of the Russian Federation and the needs of the Company

The Committee worked in line with its plan. In 2024, the Committee held three meetings in absentia and no meetings in person. The overall attendance rate for the Committee meetings was 100%.



Company Information

#### **Governing and Supervisory Bodies**

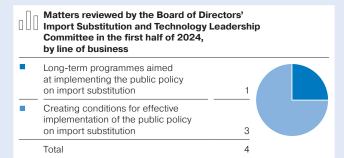
#### **Import Substitution and Technology Leadership Committee**

The Import Substitution and Technology Leadership Committee of the Board of Directors reports to the Board of Directors and operates as set forth in the Regulations on the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors.

In the first half of 2024, the Committee worked in line with its plan. During the said period, the Committee held two meetings – one meeting in person and one meeting in absentia. The overall attendance rate for the Committee meetings was 100%.

<u>å</u> 8 8 Key functions of the Import Substitution and Technology Leadership Committee of PJSC Gazprom's Board of Directors

- Preparing recommendations for the Board of Directors to define Gazprom Group's import substitution and technology leadership activities
- Preparing recommendations for the Board of Directors on assessing the results of the implementation of PJSC Gazprom's import substitution measures
- Conducting a preliminary review of proposals to improve documents related to import substitution and technological development



In June 2023, three members of the Company's Board of Directors were elected to the Committee.

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Composition of the Import Substitution and Technology Leadership Committee of the Board of Directors in 2024

Committee Chairman:

Denis Manturov (Non-executive Director)

Committee members:

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

#### **Board of Directors meeting calendar for 2024**

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Annual General Shareholders Meeting Meeting held in absentia

Number of meetings held in absentia on that day

### **Board committee meeting calendar for 2024**

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October									
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28	29	30	31						

November								
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30	31							



- Meeting of the Sustainable Development Committee of the Board of Directors
- Number of the Committee's meetings held on that day

  Annual General Shareholders Meeting

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

121

#### **Corporate Secretary**

The Corporate Secretary role was established at PJSC Gazprom in 2016. The responsibilities of the Corporate Secretary are distributed, to the extent recommended by the Russian Corporate Governance Code, among four organisational units of PJSC Gazprom.

In their activities, the units are guided by applicable Russian laws, the Regulations on the Board of Directors of PJSC Gazprom, and the regulations on the respective units regarding the performance of the Corporate Secretary functions, as approved by resolutions of the Company's Board of Directors.

In 2024, PJSC Gazprom's internal documents established requirements for the knowledge and frequency of professional development of the heads of units performing the Corporate Secretary functions.

In 2024, 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)
- 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 their 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.



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

These principles are based on the Company's compliance with the listing rules of Russian stock exchanges, which determine the requirements for the Corporate Secretary and the specifics of how their work is organised.

- 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 aligned with the Russian Corporate Governance Code.
- To perform the Corporate Secretary functions assigned to them, the units are authorised to, inter alia, to:
  - request and obtain from other PJSC Gazprom units the documents and information necessary to perform their Corporate Secretary functions, in accordance with established procedures
  - 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's functions across the Company's units, see PJSC Gazprom's website (information is available in Russian only).

→ www.gazprom.ru

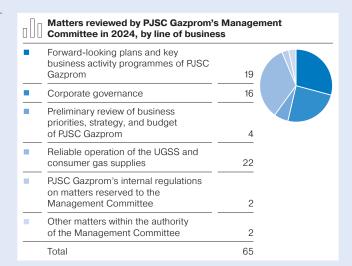


#### **Governing and Supervisory Bodies**

#### **Management Committee**

The activities of PJSC Gazprom's Management Committee are governed by duly approved six-month activity plans. In 2024, PJSC Gazprom's Management Committee held 22 meetings (12 meetings in person via videoconferencing and 10 in absentia). The Management Committee reviewed 65 matters, with 57 resolutions passed, including 45 resolutions in person and 12 resolutions in absentia.

In 2024, matters reviewed by the Management Committee primarily concerned business priorities, strategy and budget, forward-looking plans and key programmes, as well as corporate governance. Considerable attention was also given to ensuring the reliable operation of the UGSS and gas supply. The structure of the matters reviewed by the Management Board reflects PJSC Gazprom's focus on long-term planning, strategic development, and corporate governance.



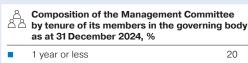
#### Composition of PJSC Gazprom's Management Committee as at 31 December 2024

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Gazprom Annual Report 2024

Changes in the composition of PJSC Gazprom's Management Committee in 2024

On 27 March 2024, PJSC Gazprom's Board of Directors adopted resolutions on the election of Elena Ilyukhina (Resolution of the Board of Directors No. 4056 dated 27 March 2024) and Sergey Kupriyanov (Resolution of the Board of Directors No. 4057 dated 27 March 2024) as members of the Company's Management Committee, effective from 12 March 2024 for a term of five years. The Board of Directors also resolved to terminate the powers of Elena Mikhailova as a member of the Management Committee, effective from 27 March 2024 (Resolution of the Board of Directors No. 4055 dated 27 March 2024).



**Note.** Distributed according to the number of full years of service as a member of the Management Committee as at 31 December 2024.

1-7 years (inclusive)

Over 7 years



40

40



Alexey Borisovich Miller

Chairman of PJSC Gazprom's Management

Chairman of the Company's Management Committee since 2001



#### Elena Anatolievna Ilyukhina

Deputy Chairwoman of PJSC Gazprom's Management Committee

Oversees asset management and corporate relations

Member of the Company's Management Committee since 2024



Oleg Evgenievich Aksyutin

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

Oversees strategic development, longterm 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



#### Sergey Vladimirovich Kupriyanov

Deputy Chairman of the Management Committee – Head of Department, PJSC Gazprom (information policy)

Member of the Company's Management Committee since 2024

Company Information



#### **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



#### Mikhail Nikolaevich Rosseev

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

Member of the Company's Management Committee since 2020



#### 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



#### **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 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



## Vladimir Konstantinovich Markov

Head of Department, PJSC Gazprom (government relations)

Member of the Company's Management Committee since 2012



#### Sergey Ivanovich Kuznets

Head of Department, PJSC Gazprom (legal support)

Member of the Company's Management Committee since 2019



#### Sergey Nikolaevich Menshikov

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

Member of the Company's Management Committee since 2019

Company Information



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#### Vyacheslav Alexandrovich Mikhalenko

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

## **Management Committee meeting calendar for 2024**

January								
Мо	Tu	We	Th	Fr	Sa	Su		
1	2	3	4	5	6	7		
8	9	10	11	12	13	14		
15	16	17	18	19	20	21		
22	23	24	25	26	27	28		
29	30	31						

Febr	February								
Мо	Tu	We	Th	Fr	Sa	Su			
			1	2	3	4			
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12	13	14	15	16	17	18			
19	20	21	22	23	24	25			
26	27	28	29						

Marc	ch					
Мо	Tu	We	Th	Fr	Sa	Su
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25	26	27	28	29	30	31

April						
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29	30					

May						
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20	21	22	23	24	25	26
27	28	29	30	31		

June	•					
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

July						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Augu	ıst					
Мо	Tu	We	Th	Fr	Sa	Su
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September								
Мо	Tu	We	Th	Fr	Sa	Su		
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23	24	25	26	27	28	29		
30								

October								
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14	15	16	17	18	19	20		
21	22	23	24	25	26	27		
28	29	30	31					

Nove	mbe	r				
Мо	Tu	We	Th	Fr	Sa	Su
				1	2	3
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18	19	20	21	22	23	24
25	26	27	28	29	30	

December						
Мо	Tu	We	Th	Fr	Sa	Su
						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Meeting held in person

Meeting held in absentia

Annual General Shareholders Meeting

#### **Governing and Supervisory Bodies**

#### **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 28 June 2024, the Annual General Shareholders Meeting elected five members to the Audit Commission of PJSC Gazprom.

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Minutes of the General Shareholders Meeting of PJSC Gazprom dated 28 June 2024 are available on PJSC Gazprom's website (information is available in Russian only).





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.



## Documents defining remuneration of members of PJSC Gazprom's governing and supervisory bodies

- 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)
- Regulations on PJSC Gazprom's Key Performance Indicators (approved by Resolution of the Board of Directors No. 2435 dated 21 October 2014, as amended)
- Regulations on the Annual Bonus Scheme for Management of PJSC Gazprom (approved by Resolution of the Board of Directors No. 927 dated 19 December 2006, as amended)
- Regulations on Remuneration of PJSC Gazprom Employees (approved by PJSC Gazprom's Order No. 282 dated 19 October 2012, as amended)
- Regulations on Remuneration of the Audit Commission of PJSC Gazprom (approved by Resolution of the Board of Directors No. 2641 dated 9 December 2015, as amended)

#### Remuneration to Board Members for Service on a Governing Body

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.

In particular, the document defines the formulas for calculating remuneration payable to Board members as well as the procedure for its payment.

No changes were made to the remuneration system for members of PJSC Gazprom's Board of Directors during the reporting year.

The Regulations stipulate that the Board of Directors may recommend that the General Shareholders Meeting either not pay remuneration to members of the Board of Directors or pay remuneration lower than that calculated under the Regulations.

The Regulations also provide for an option to pay no remuneration at all 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.

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.



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 financial 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

8 Remuneration to Board m	embers for service on the Company's governing body
Fixed base remuneration is:	<ul> <li>paid for service on the Board of Directors</li> <li>fixed and not linked to attendance at individual meetings of the Board of Directors or its committees, in line with the recommendations of the Russian Corporate Governance Code</li> <li>the same for all members of the Board of Directors.</li> </ul>
Additional remuneration is	<ul> <li>paid for additional responsibilities, such as acting as Chairman of the Board of Directors,</li> <li>Deputy Chairman of the Board of Directors, or serving on committees of the Board of Directors</li> <li>fixed and not linked to attendance at individual meetings of the Board committees.</li> </ul>
The bonus component is:	<ul> <li>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.</li> </ul>

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

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#### 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 financial 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 acting 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 actual progress against all corporate KPIs is applied to the corporate and individual components of the annual bonus.

The annual bonus for 2023 was paid in 2024 with a CAF of 80.46%. CAF for 2024 was 125.72%.



For more details on calculating progress against corporate KPIs in 2023 as well as the explanation of variance between target and actual KPI values, see PJSC Gazprom Annual Report 2023.





Members of PJSC Gazprom's governing bodies and other executives of the Company are eligible for long-term postemployment 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.

#### **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 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, taking into account directives issued by of the Russian Government.

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

## 2

## 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 2024

КРІ	Description	Weight of corporate KPIs in remuneration
Financial and economic KPIs		70%
Per unit costs in Production	Per unit costs in Production  Total costs of gas production subsidiaries divided by the total volume of gas, unstable gas condensate, and oil production	
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 the commissioning of priority production facilities (as per the approved list)	10%
Integrated innovation key performance indicator*	Sum of scores reflecting the achievement of KPI targets, with application of weights allocated to each of the KPIs:  - Patents obtained in the reporting year  - Reduction of GHG emissions intensity expressed as CO <sub>2</sub> equivalent  - Share of R&D costs in revenue  - Assessment of the quality of design / annual implementation of the Innovative Development Programme	10%

<sup>\*</sup> 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 executives 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 software 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 consolidated IFRS financial statements, 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.

Corporate KPI targets for 2024 were set by resolution of the Board of Directors based on PJSC Gazprom's budget (financial plan) and investment programme for 2024, with some of the KPIs subsequently changed as per the amended 2024 budget (financial plan) and investment programme of PJSC Gazprom. The key reasons for changes in the approved indicators included the increase in planned gas production and higher gas consumption by Russian consumers.

#### Target and actual values of corporate KPIs for 2024

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KPI	Target value		Actual value	KPI achievement,	Explanation of variance between	
	Initial* Adjusted**		_	% of the target	the target and actual KPI values	
Financial and economic KPIs						
Per unit costs in Production, RUB per t c.e.	1,892.49	1,817.14	1,721.38	105%	Lower costs driven by increased production volumes	
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	108.75	107.84	104.23	103%	Increase in transportation volumes	
Total shareholder return, %	10	No adjustments	-17.73	-	A decrease in the value of PJSC Gazprom shares was driven by the non-payment of dividends for 2023, increased sanctions pressure, and the tightening of the Bank of Russia's monetary policy	
Return on equity, %	1.5	No adjustments	7.89	526%	An increase in revenue resulting from OOO Sakhalin Energy joining Gazprom Group and higher sales revenue in the oil business	
Labour productivity, RUB thousand per person-hour	82.23	80.0	94.9	119%	Revenue exceeded targets and expenses for goods purchased for resale were below target levels	
Industry-specific KPIs						
Gas sales by volume, bcm	325.936	357.451	370.389	104%	Increased gas supplies to Russian consumers	
Commissioning of priority production facilities	5	Facility substitution	5	100%	Target value achieved	
Integrated innovation key performance indicator, %	95	No adjustments	150.37	158%	Increased R&D volumes and patents obtained in the reporting year	

<sup>\*</sup> Resolution of PJSC Gazprom's Board of Directors No. 4064 dated 3 April 2024, Minutes No. 1562 dated 3 April 2024.

<sup>\*\*</sup> Resolution of PJSC Gazprom's Board of Directors No. 4149 dated 18 December 2024, Minutes No. 1599 dated 18 December 2024.

Based on the 2024 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 software and databases.

Target values of corporate KPIs for 2025*	
KPI	Target value
Financial and economic KPIs	
Per unit costs in Production, RUB per t c.e.	1,943.31
Per unit costs in Transportation, RUB per unit of transportation in mcm x 100 km	108.02
Total shareholder return, %	10
Return on equity, %	1.5
Industry-specific KPIs	
Gas sales by volume, bcm	357.371
Commissioning of priority production facilities	5
Integrated innovation key performance indicator, %	95
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<sup>\*</sup> Approved by Resolution of PJSC Gazprom's Board of Directors No. 4186 dated 22 April 2025, Minutes No. 1617 dated 22 April 2025. KPI values were calculated in accordance with PJSC Gazprom's 2025 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 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 3,118,552 thousand, including remuneration paid to members of the Board of Directors\* at RUB 294,874 thousand and members of the Management Committee\* at RUB 2,823,678 thousand, inclusive of personal income tax and insurance contributions.

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In 2024, 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 2024, 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.

<sup>\*</sup> 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 to such members of the Board of Directors and/or reimbursement for their expenses are included in the total remuneration and/or reimbursement for expenses of PJSC Gazprom's Management Committee.

# Liability Insurance of Directors, Officers, and the Company

In place since 2008, the liability insurance programme covers members of PJSC Gazprom's Board of Directors (including independent directors), members and the Chairman of PJSC Gazprom's Management Committee, and heads of PJSC Gazprom departments who are not members of the Management Committee. The liability insurance provides compensation to shareholders, creditors, or other third parties for damage incurred as a result of errors (or omissions) made by the Company's key executives in their management roles. Liability insurance of directors, officers and the Company is a standard practice among large public companies and an important factor in strengthening a company's corporate reputation.

For PJSC Gazprom, the relevance of this insurance programme is linked to the implementation of its external borrowing strategy and the need to mitigate risks to the Company's property interests.

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
- 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)

During the reporting period, the insurance programme's coverage and other parameters remained unchanged. The insurance coverage under the contract meets PJSC Gazprom's requirements and standards for this type of insurance.

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

As at 31 December 2024, members of the Board of Directors, members of the Management Committee, and the Chairman of the Management Committee had a 0.013007% 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.

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

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

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

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As at 31 December 2024, 73 executives 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.

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 2024 aimed to identify risks and evaluate the performance for the Company's significant business segments and processes.

In 2024, 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 RMICS and prepared PJSC Gazprom's Internal Audit Report for 2023. The assessment results confirm the reliability and effectiveness of PJSC Gazprom's RMICS.

## **External Audit**

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

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



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## Bid assessment criteria for entering into an audit service contract

- 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 the 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 combined 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 combined accounting statements, and Gazprom Group's consolidated IFRS financial statements for 2024 offered by the auditor was RUB 216,500,000 (exclusive of VAT) and was approved by Resolution of the Board of Directors No. 4091 dated 23 May 2024.

By resolution of PJSC Gazprom's Annual General Shareholders Meeting held on 28 June 2024, OOO FBK was appointed to audit PJSC Gazprom's accounting (financial) statements, Gazprom Group's combined accounting statements, and Gazprom Group's consolidated financial statements for 2024.

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 2024, OOO FBK and its affiliates provided PJSC Gazprom with additional services outside the scope of the audit contract, including a progress audit of PJSC Gazprom's Long-Term Development Programme, assurance of Gazprom Group's Social Impact Reports, and tax, governance, and legal advisory services. The fee paid by PJSC Gazprom to the auditor and its affiliates for services outside the audit contract in 2024 amounted to 7.35% 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 auditor and reviewing the auditor's reports on ensuring the independence and effectiveness of external audit.

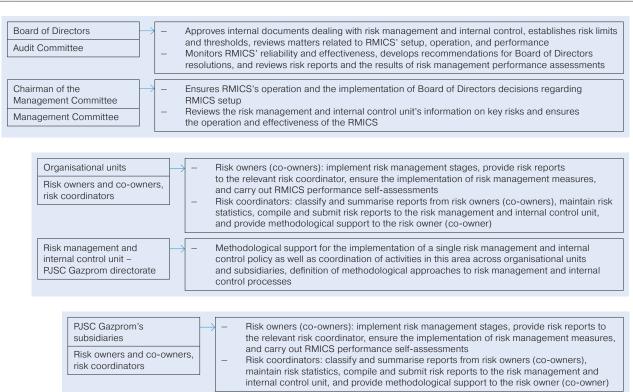
To inform PJSC Gazprom's Board of Directors and Management Committee about audit results, including reviews of condensed interim consolidated financial statements of PJSC Gazprom and its subsidiaries prepared in accordance with IFRS, as required by International Standard on Auditing (ISA) 260 (Revised), 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 Risk Management and Internal Control System 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.



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



Company Information

PUSC Gazprom's risk management and internal control process is governed by the Risk Management and Internal Control Policy of PUSC Gazprom approved by Resolution of PUSC Gazprom's Board of Directors of No. 3195 dated 25 December 2018, The process features eight interrelated components.

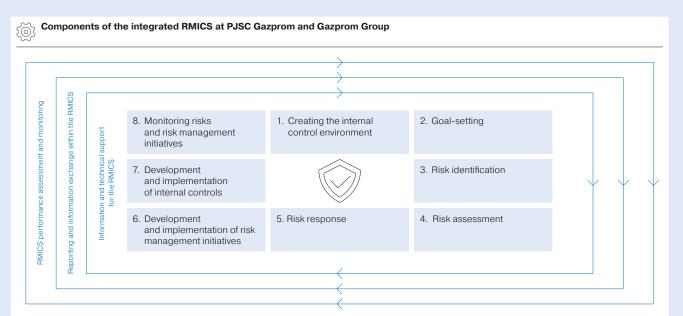
The Company has in place a dedicated risk management and internal control unit – Directorate of PJSC Gazprom. Its activities are functionally separated from those of internal audit, inspection, and economic security units.



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 RUSC Gazprom on PUSC Gazprom's website.







A key component of the RMICS is creating the internal control environment that determines employees' perception of, and response to, risk.

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Goal-setting at PJSC Gazprom and across Gazprom Group entities is essential for the identification and assessment of risks, as well as for determining internal control procedures. Risk identification aims to detect internal and external events that may occur in the future and have either a negative or positive impact on the achievement of the goals of PJSC Gazprom and Gazprom Group entities.



# Key risk response strategies (risk treatment options) provided for in the Risk Management and Internal Control Policy of PJSC Gazprom

- 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

#### **Risk Management and Internal Control**

Measures to improve the RMICS are being implemented.



#### RMICS improvement measures implemented by the risk management and internal control unit in 2024

- The Methodology for Managing the Gazprom Group's Sustainability Risks and Application Guidelines were developed (approved by Resolution of PJSC Gazprom's Board of Directors No. 61 dated 28 February 2024), along with the Guidelines for Calculating and Monitoring the Internal Credit Rating of Counterparties and Credit Risk Limits by Subsidiaries and Entities of PJSC Gazprom (approved by Resolution of PJSC Gazprom's Board of Directors No. 699 dated 12 December 2024)
- Quarterly and semi-annual risk and internal control reporting and analysis were established and are maintained, with submissions from Gazprom Group's organisational units and over 100 Gazprom Group companies, based on eight approved reporting forms. These reports are submitted to PJSC Gazprom's management to support risk-based decision-making
- Career enhancement programmes were implemented, involving more than 1,000 employees from over 100 Gazprom Group companies, to maintain a strong risk management and internal control culture and to build professional skills and supplementary capabilities of employees at PJSC Gazprom and its subsidiaries. Additionally, a new Internal Control System: Practical Basics of Building, Maintaining, and Developing e-learning course was pilottested and launched for full-scale implementation. Consultation webinars on the operation of the RMICS system are organised on a regular basis.

#### **Key risks inherent to Gazprom Group's business**

In 2024, the RMICS at PJSC Gazprom proved effective in responding to uncertainties and risks, thereby supporting the achievement of the Company's strategic goals.

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### 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	There is a risk of further restrictions and sanctions being imposed by the United States and the European Union against Russia and Russian legal entities and individuals due to external factors, which could result in financial (non-financial) consequences for PJSC Gazprom and Gazprom Group projects.	Sanctions are monitored on an ongoing basis, including potential new sanctions or amendments to existing sanctions acts by the United States and the European Union against Russia as well as against Russian legal entities and individuals.  PJSC Gazprom's management is kept regularly updated on the imposition of new sanctions and the adoption of sanctions legislation by the United States and the European Union.
Natural gas transit risks	Gas transit may be disrupted due to emergencies, damage to property caused by third parties, regulatory restrictions, or breaches of contractual obligations by counterparties.	Measures are being implemented to develop and diversify gas transportation routes and LNG production facilities.

## Risk Management and Internal Control

al risks	
Description	Risk management / mitigation
Growth in LNG exports from the United States, 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 developments in the shale gas industry and other unconventional hydrocarbons sectors worldwide. 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.
Renewable energy output is slowing in some countries, which may influence gas consumption.	The use of natural gas, including for power generation, offers consumers economic, technological, and environmental advantages, which PJSC Gazprom believes will continue to support the role of natural gas as a common energy source. In most cases, renewable electricity generation supplements other sources. However, the continued subsidisation of renewable energy at national and/or supranational levels may pose certain risks to the natural gas market.
	Description  Growth in LNG exports from the United States, 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.  Renewable energy output is slowing in some countries, which may influence gas

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, taking into account the impact of sanctions restrictions on the fulfilment of payment obligations, as well as the risks of delays, blocking, or seizure of funds due to claims by third parties. Payment terms and measures to secure counterparties' payments (guarantees, letters of credit, prepayments) are determined based on the assessment. Credit limits are set, and compliance with these limits by counterparties 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.

Gazprom Annual Report 2024

## **Risk Management and Internal Control**

Risk / risk factor	Description	Risk management / mitigation
Environmental risks associated with production and business operations	The core operations of hydrocarbon production, transportation, processing, and storage are associated with potential risks 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 as well as erosion may lead to degradation of ecosystems and loss of habitat for rare and endangered plant and animal species.	In line with its Environmental Policy, PJSC Gazprom undertakes environmental protection measures, arranges environmental insurance, introduces green technologies, and implements programmes and initiatives to reduce its environmental impact, including:  - analysis of potential adverse environmental impacts and consequences of identified accidents and emergencies  - emergency prevention, containment, mitigation, and management of impacts  - assessment of environmental damage in case of accidents and emergencies.  Comprehensive measures are also 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 Possible climate changes, adverse natural Reducing GHG emissions forms part of PJSC Gazprom's change and hydrometeorological phenomena corporate strategy. The Company also takes efforts to that may cause damage to buildings and minimise the negative impact of climate changes on infrastructure, pipelines, and utility systems. its operations. Energy efficiency and energy-saving Many of PJSC Gazprom's gas fields are initiatives include the development and implementation located in Western Siberia, where adverse of relevant programmes, the introduction of efficient climatic conditions can make production technologies adapted to various climatic conditions, and more difficult and costly. programmes aimed at improving the efficiency of gas production and transportation systems and the operation of the gas transportation network.

Company Information

## **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
 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 Gazprom 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

- the Marketing Research Commission, which is established and approved by the organiser responsible for 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
- the Competitive Procurement Commission, which is established and approved by the organiser responsible for arranging and conducting procurement procedures (PJSC Gazprom's department, Gazprom Group's specialised company, Gazprom Group's unit for organising and conducting procurement) to select the supplier (service provider, contractor) based on the results of a competitive procurement, and to summarise the outcomes of the procurement process, including individual stages and procedures where necessary.



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## Procurement principles followed by Gazprom Group

Creating conditions for the timely and full supply of goods, works, and services to Gazprom Group, and for the identification of a supplier (contractor, service provider) who is able to meet the customer's needs on 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 (AEPS) is used, which acts as a corporate procurement information system interacting with the unified information system.

Gazprom Group's online procurement is conducted via OOO Electronic Trading Platform of Gazprombank (ETP GPB) (the Gazprom Group Procurement section at <a href="https://etpgpb.ru/pao\_gazprom/">https://etpgpb.ru/pao\_gazprom/</a>), which is integrated with the UIS and AEPS.

In 2024, to enhance information transparency and promote competition in Gazprom Group's procurement, the Gazprom Group Counterparty Portal (<a href="https://asez.zakupki.gazprom.ru/">https://asez.zakupki.gazprom.ru/</a>) was launched – a digital platform for Gazprom Group contractors. The Portal allows any market participant to register in the AEPS and present itself as a potential counterparty. It also features an Import Substitution section enabling the electronic submission of proposals aimed at accelerating import substitution of goods, works, and services.

Also, the first stage of the transition to voluntary digital certification of counterparties was completed in the reporting year. The INTERGAZCERT Digital Certification of Products module was launched, enabling all system participants to interact within a unified information space and ensuring transparent and controlled certification procedures. The module minimises paperwork and accelerates certification processes.

Entities within the pre-qualific and entities included in the Re Potential Bidders as at 1 Janu		n Group's
 2023	2024	

	2023	2024	2025
Total	1,014	1,132	1,143
including SMEs	716	832	784

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

2022	2023	2024
99.3	99.2	99.7

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.

Total price of contracts awarded by PJSC Gazprom and Gazprom Group entities through a competitive procurement process and based on marketing research, RUB bn

2022	2023	2024
919.1	763.7	697.4
(> 15.4 thousand	(> 14.9 thousand	(> 14.2 thousand
contracts)	contracts)	contracts)

Analysis of the contract price rationale by PJSC Gazprom Budget Committee		azprom's	
	2022	2023	20

	2022	2023	2024
Identified potential to reduce the price, RUB bn	> 488	> 558	> 339
Reduction percentage, % of initial prices	14%	11%	17%

Savings by PJSC Gazprom and Gazprom Group entities following a competitive procurement process and based on marketing research, RUB bn

2022	2023	2024
35.6	41.5	29.7

**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.

The decrease in savings from competitive procurement and marketing research is due, among other factors, to a reduction in PJSC Gazprom's capex programme in 2024 compared to 2023.

68,6

The share of SMEs among entities included in the Register of Gazprom Group's Potential Bidders as at 1 January 2025

## 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 2024, the aggregate value of contracts signed by Gazprom Group with SMEs included in the Unified Register of SMEs (<a href="https://ofd.nalog.ru">https://ofd.nalog.ru</a>) exceeded RUB 431.3 billion (over 55,8 thousand contracts), including 8.8 thousand contracts worth RUB 246.3 billion through competitive procurement and marketing research.

SMEs accounted for more than half (62.4%, or 21,7 thousand) of the total number of Gazprom Group's suppliers (34.8 thousand) of goods, works, and services under contracts signed in 2024.

In 2024, the value of contracts signed by PJSC Gazprom with SMEs included in the Unified Register of SMEs (<a href="https://ofd.nalog.ru">https://ofd.nalog.ru</a>) totalled RUB 62.1 billion.

Performance Results

Corporate Governance

Appendices

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.



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## Key changes made by PJSC Gazprom to its procurement system over the past three years

- Introduced requirements for the procurement of quota goods of
- Established payment terms (procedures for their determination) under contracts signed through procurement
- Imposing restrictions on the disclosure of procurement information concerning procuring entities that are subject to political or economic sanctions
- Extended the application of the Regulations on the Procurement of Goods, Works, and Services by PJSC Gazprom and Gazprom Group Companies to investments at all levels of ownership where PJSC Gazprom and/or its subsidiaries directly or indirectly hold more than 50% of the voting rights in the supreme governing body
- Adopted the Code of Conduct for Suppliers (Contractors, Service Providers) of Gazprom and Gazprom Group Companies, which sets out the general principles of conduct for suppliers (contractors, service providers) when supplying goods, performing works, or providing services for the needs of Gazprom Group under their contractual obligations

PJSC Gazprom's procurement management priorities include strengthening engagement with domestic manufacturers to fully leverage their potential, as well as ensuring compliance with legislative requirements for granting national treatment in the procurement of certain categories of goods, works, and services.

Near-term goals in procurement and inventory management also include the continued digital transformation of the Automated Electronic Procurement System (AEPS), powered by import-independent software. One of the key focus areas is the further enhancement of the Gazprom Group Counterparty Portal (https://asez.zakupki.gazprom.ru/) as a platform for enhancing transparency and promoting competition in procurement.



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).





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



Gazprom Group Counterparty Portal (information is available in Russian only)

→ asez.zakupki.gazprom.ru



For more details on the procurement system of PJSC Gazprom and its subsidiaries, see Gazprom Group's Social Impact Report 2024.

→ 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 relatives working together, employee engagement with PJSC Gazprom's competitors and their serving on elected government bodies as well as 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 sets out the procedure employees must follow in the event of a conflict of interest, affirms a zero-tolerance approach to corruption, and establishes the obligation for managers and employees to notify the employer of any corrupt offers made to them. The document also affirms the principles of environmental responsibility and non-discrimination, and sets out the practices for implementing and monitoring compliance with corporate ethics standards.

The provisions of the Code of Ethics are mandatory for PJSC Gazprom employees and for 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.



## Changes to the Code of Ethics in 2024

PJSC Gazprom's Board of Directors amended the Code of Ethics (Resolution No. 4129 dated 29 October 2024) to prohibit managers, employees, and representatives of PJSC Gazprom, as well as legal entities under the Company's control, from giving or receiving intragroup corporate gifts. The Company is also introducing corresponding amendments to the local corporate ethics codes of entities under PJSC Gazprom's control.



The Code of Conduct for Suppliers (Contractors, Services Providers) of Gazprom and Gazprom Group Companies was approved

To support the implementation of the Action Plan for the Sustainable Development Policy of Gazprom Group, and as part of efforts to maximise the engagement of PJSC Gazprom's counterparties outside Gazprom Group in the Company's system of corporate values, the Company approved the Code of Conduct for Suppliers (Contractors, Service Providers) of Gazprom and Gazprom Group Companies (the "Supplier Code") in 2024.

The norms set out in the Supplier Code are based on the general principles of civil law, including recognition of the equality of the parties involved in business activities, freedom of contract, and the necessity of freely exercising civil rights.

The document promotes, in particular, adherence to the principles of compliance of professional activities with applicable requirements, standards, and contractual obligations; openness to interaction and cooperation based on equal partnership and mutual respect; flexibility in business activities; and social fairness in relations with employees.



The Supplier Code is publicly available on PJSC Gazprom's website (information is available in Russian only).  $\rightarrow$  tenders.gazprom.ru



### **Corporate Ethics and Anti-corruption Efforts**

## Corporate ethics training

Employees of PJSC Gazprom's headquarters, branches, and subsidiaries regularly undergo training through the Corporate Ethics e-course, which concludes with a final knowledge test. In 2024, more than 100 thousand employees completed the training.

In 2023, the Company developed and rolled out the Corporate Ethics at PJSC Gazprom for Suppliers course to provide remote training for third-party personnel. In 2024, the e-course was accessed by over 5 thousand users.

## 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**

- Provide employees with explanations of the Code of Ethics and guidance on its application
- Review conflicts of interest and propose measures to resolve them and/or limit their negative consequences
- Consider other cases of Code of Ethics violations and propose measures to eliminate (prevent) them
- Prepare and submit proposals to the head of PJSC Gazprom regarding disciplinary actions, as set out in 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 for enhancing the corporate ethics system



Gazprom Annual Report 2024

## Procedure for submitting and reviewing reports for the Corporate Ethics Commission

A report is received by the Commission

## Reporting channels:

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

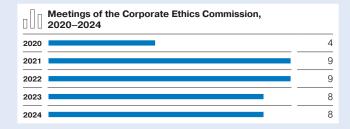
Materials are prepared for the Commission's review

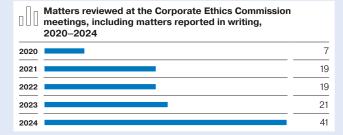
The Commission may gather additional information in advance as necessary by sending requests for information or clarification to organisational units / controlled entities / the whistleblower.

The Commission reviews the report and makes a decision

consider the report on its merits and take appropriate action if violations of corporate ethics standards are identified refer the report to the local corporate ethics commission of the controlled entity for review and action, with subsequent notification of PJSC Gazprom's Corporate Ethics Commission.

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





Most of the reports received by the Corporate Ethics Commission in 2024 concerned the business conduct of employees of PJSC Gazprom and its controlled entities, situations which, in the whistleblowers' view, showed signs of a conflict of interest, as well as requests for clarification on the application of certain provisions of the Code of Ethics. The Commission's performance is reported to the Chairman of PJSC Gazprom's Management Committee on an annual basis. Reports on compliance with corporate ethics standards at PJSC Gazprom are submitted to the Company's Board of Directors on a regular basis (at least once every three years).



- 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.

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## Focus areas of the Corporate Ethics Commission in 2024

- 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 documents of the Company, with the involvement of dedicated organisational units, subsidiaries, and their local corporate ethics commissions, where necessary
- Developing and taking response measures in cases of noncompliance 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

## **Corporate Ethics and Anti-corruption Efforts**

## 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.



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

In accordance with Article 5.5 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 the event of a conflict of interest involving a member of the Board of Directors:
  - The member of the Board of Directors who has a conflict
    of interest must report it to the Board of Directors by
    sending a notice to the Chairman of the Board of Directors.
     The notice must detail the conflict of interest and its grounds.
  - The Chairman of the Board of Directors then sends the notice about the conflict of interest to all members of the Board of Directors prior to deciding on the item in which the member of the Board of Directors has a conflict of interest.
  - 3. The member of the Board of Directors may abstain from voting on the item in which they have a conflict of interest. The Chairman of the Board of Directors may suggest that the member of the Board of Directors having a conflict of interest does not attend the discussion of the relevant item if the nature of the item under discussion or the specific nature of the conflict of interest so 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 Article 45.1 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, siblings and half-brothers and sisters, adoptive parents and adopted children, and/or their controlled entities are controlling entities or entities to which the above persons are authorised to give mandatory instructions
- of legal entities, where they, their spouses, parents, children, siblings and half-brothers and sisters, adoptive parents and adopted children, and/or their controlled entities hold positions
- concluded or to-be-concluded transactions they are aware of, under which they may be recognised as interested persons.
   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.



# 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, Article 3.4 and Article 5.6 of the Regulations on the Management Committee of PJSC Gazprom:

- Members of the Management Committee must not use their position or any 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 the restrictions set out in the Code of Corporate Ethics, including those related to nepotism, engagement with PJSC Gazprom's competitors, their serving on elected government bodies, acceptance of gifts, and other areas
- Members of PJSC Gazprom's Management Committee may only serve on the 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

In 2024, 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. 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.

## **Anti-corruption Efforts**

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

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.

# Allocation of responsibilities in preventing and combating corruption at PJSC Gazprom

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

## **Corporate Ethics and Anti-corruption Efforts**

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 2024, 16,660 inspections of counterparties were conducted as part of PJSC Gazprom's procurement activities (compared to 16,124 in 2023), and 108,897 inspections were conducted at other Gazprom Group entities (compared to 106,823 in 2023), with the 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, 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.



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

 $\rightarrow$  www.gazprom.com



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

→ www.gazprom.com



## **Legal Protection of Whistleblowers**

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

The Company's internal documents provide for the protection of whistleblowing 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> <li>The Company guarantees that the provision by an employee of any information concerning violations of the Code will be kept confidential and will not trigger any adverse employment action against the reporting employee (Article 15 of the Code of Corporate Ethics of PJSC Gazprom)</li> </ul>
Reports by Gazprom Group employees or other persons to Gazprom Group's Hotline for fighting fraud, corruption, and embezzlement	<ul> <li>When handling the report, the Company maintains the confidentiality of the whistleblower and their reported data, forbidding retaliation of any kind against the whistleblower (Article 6.2 of the Regulations on the Hotline for Fighting Fraud, Corruption, and Embezzlement at Gazprom Group)</li> <li>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)</li> <li>For whistleblowing 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 whistleblowers who have reported offences relevant to the Company's operations)</li> </ul>

# Countering the Unlawful Use of Insider Information and Market Manipulation

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

In 2024, the Company continued its systematic efforts to improve the mechanisms for protecting insider information while aligning internal regulations with current laws.



For more details on measures implemented in 2024 to ensure protection of insider information, see the <a href="Improvement of the Corporate Governance">Improvement of the Corporate Governance</a> Model and Practice section.



## Documents aimed at countering the unlawful use of insider information and market manipulation

- Access Procedure for Insider Information of PJSC Gazprom and Confidentiality Protection Rules (approved by PJSC Gazprom's Order No. 23 dated 19 January 2021)
- PJSC Gazprom's Internal Control Rules for Preventing, Detecting, and Stopping the Unlawful Use of Insider Information and/ or Market Manipulation (approved by PJSC Gazprom's Order No. 132\* dated 19 March 2021)
- List of Insider Information of PJSC Gazprom (approved by PJSC Gazprom's Order No. 527 dated 22 November 2021)
- Terms and conditions of transactions with financial instruments by individuals and entities included in Gazprom's insiders list and by their affiliated persons (determined by Resolution of PJSC Gazprom's Board of Directors No. 3452 dated 11 June 2020)
- \* The document was amended in 2025 by PJSC Gazprom's Order No. 19 dated 30 January 2025.

in Gazprom's insiders list and by their affiliated persons, monitors the disclosure of the Company's insider information, updates the Company's internal 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).



Raising awareness among PJSC Gazprom employees about current requirements for the protection of insider information

To raise awareness among PJSC Gazprom employees about the requirements for the protection of insider information, the Company's control unit maintains 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. As part of this system, employees can complete a summary introductory course on countering the unlawful use of insider information and market manipulation (governing regulations and practical application), which includes a self-assessment component. The introductory course and accompanying materials are available to all employees via a dedicated page on PJSC Gazprom's intranet website.



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.com



To ensure compliance with the access procedure for 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.

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 the Management Committee in matters of internal control.

To perform its assigned functions, PJSC Gazprom's controlling unit monitors the Company's compliance with the Access Procedure for Insider Information of PJSC Gazprom and Confidentiality Protection Rules, 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



Assessment by PJSC Gazprom's insider managers of their own actions and those of their subordinate insider employees for compliance with the requirements for countering the unlawful use of insider information and market manipulation as well as with PJSC Gazprom's internal regulations

The need for such assessment is set out in Clause 1.7 of the Instruction of the Central Bank of the Russian Federation No. 5222-U dated 1 August 2019 as well as in paragraph 2.3.5 of Clause 2.3 and Clause 5.1 of PJSC Gazprom's Internal Control Rules for Preventing, Detecting, and Stopping the Unlawful Use of Insider Information and/or Market Manipulation. The purpose of the assessment is to introduce additional control procedures to monitor PJSC Gazprom employees' compliance with the relevant requirements.

To carry out the assessment, the Company's controlling unit arranged for employees to complete questionnaires to determine their compliance with these requirements in 2024.

The 2024 assessment of PJSC Gazprom executives classified as insiders identified no violations of the requirements for countering the unlawful use of insider information and market manipulation by employees with access to insider information who are included in the Company's insider list.

Company Information

# **Share Capital and Securities Market**

## **Shareholding Structure**

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

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.

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## PJSC Gazprom's shareholding structure as at 31 December 2024. %

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

<sup>\*</sup> As at 31 December 2024, 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").

As at 31 December 2024, the number of PJSC Gazprom shares transferred to the Company during the year pursuant to decisions of the Commercial Court of St. Petersburg and the Leningrad Region (previously recorded in the shareholder register under the accounts of liquidated legal entities) amounted to 30.672 shares.

In 2024, PJSC Gazprom received no information on any special agreements between PJSC Gazprom's shareholders.



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 2025–2027 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.

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.

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## Status of conversion of ADRs on PJSC Gazprom shares in 2024

On 22 August 2024, The Bank of New York Mellon, the issuer of ADRs on PJSC Gazprom shares, resumed the standard procedure for converting ADRs into PJSC Gazprom shares and set a 30-day deadline for submitting applications. The corresponding notice was published on the website dedicated to the conversion of depositary receipts on PJSC Gazprom shares. As a result, the aggregate percentage of ADRs in PJSC Gazprom's share capital decreased from 6.6% as at 31 December 2023 to 5.9% as at 31 December 2024.



For more information on the status of conversion of ADRs on PJSC Gazprom shares, see a dedicated website.

www.gazprom.com



## **Stock Market and Capitalisation**

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

In 2024, the Russian stock market demonstrated.

In 2024, the Russian stock market demonstrated a negative trend, largely driven by the tightening of the Bank of Russia's monetary policy and increased sanctions pressure. By the year-end, the Moscow Exchange Index had declined by 7% to 2,883 points. As at 31 December 2024, PJSC Gazprom's capitalisation stood at RUB 3.1 trillion, down 18% year-on-year (RUB 3.8 trillion as at 31 December 2023).



## Factors influencing the changes in PJSC Gazprom's capitalisation in 2024

Key factors supporting PJSC Gazprom's capitalisation:

- The acquisition of a 27.5% shareholding in OOO Sakhalin Energy in March 2024, enabling the consolidation of the company's indicators in Gazprom Group's IFRS reporting
- Improved financial results for the first six and nine months of 2024, followed by upward revisions of analyst recommendations and target prices for PJSC Gazprom shares by several investment companies
- An increase in gas supplies to China
- The early removal of the gas MET surcharge from 2025 (one year ahead of schedule), which will release RUB 600 billion
- The decision to index domestic gas prices in 2024 and 2025 above previously forecast levels
- An increase in European gas prices at the year-end above USD 500 per mcm

Factors that had a negative effect on PJSC Gazprom's capitalisation:

- Gazprom Group's 2023 financial results fell short of market expectations
- The recommendation by PJSC Gazprom's Board of Directors not to pay dividends for 2023, following the publication on the official internet portal for legal information (www.pravo.gov.ru) of the Russian Government's instructions on issuing relevant directives on dividend payments by PJSC Gazprom\*
- The anticipated decline in gas exports to Europe in 2025 due to Ukraine's refusal to continue the transit of Russian gas
- The imposition by the US of blocking sanctions against AO Gazprombank, which, according to market participants, may restrict payments for gas and force a reduction in export volumes
- Reports that the Russian Ministry of Finance has not included dividend receipts from PJSC Gazprom in the 2025 federal budget

<sup>\*</sup> Instruction of the Russian Government No. 1183-r dated 18 May 2024 directed the Russian Ministry of Finance, Rosimushchestvo, and the Russian Ministry of Energy not to provide for the payment of dividends by RJSC Gazprom for 2023 when preparing voting guidelines for state representatives on RJSC Gazprom's Board of Directors.

## **Share Capital and Securities Market**

## **Analyst coverage of the Company's shares**

In the reporting year, 11 Russian investment companies published analyst reports and commented on PJSC Gazprom's performance, with 8 of them issuing investment recommendations on PJSC Gazprom shares. As at 31 December 2024, the majority of analysts issued a "Buy" or "Hold" recommendation.

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## Investment companies' recommendations on PJSC Gazprom Shares

Investment company	Recommendation as at 31 December 2023	Recommendation as at 31 December 2024
Gazprombank	Buy	Buy
BCS	Buy	Buy
Sinara	Hold	Buy
FINAM	Hold	Buy
Sberbank	Sell	Sell
ALFA-BANK	Hold	Hold
Promsvyazbank	Hold	Hold
ATON	-	Hold

## Dividends

## PJSC Gazprom's dividend per share, RUB, 2019–2023

	2022			
2023	(including interim payouts)*	2021	2020	2019
	51.03	_	12.55	15.24

<sup>\*</sup> On 30 September 2022, it was 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. On 30 June 2023, taking into account interim dividends paid for the first half of 2022, PJSC Gazprom's Annual General Shareholders Meeting resolved not to declare or pay dividends for 2022.

PJSC Gazprom's Annual General Shareholders Meeting held on 28 June 2024 resolved not to declare or pay dividends for 2023.



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

→ www.gazprom.com





## 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).

- PJSC Gazprom's dividends are linked to profit for the year attributable to the owners of PJSC Gazprom.
- To calculate dividends, profit for the year attributable to the owners of PJSC Gazprom is adjusted for the following items:
  - Foreign exchange gain (loss) included in finance income and expenses
  - Foreign exchange rate differences on operating items
  - Impairment loss (reversal of impairment loss) on property, plant and equipment, and assets under construction
  - Impairment loss (reversal of impairment loss) on investments in associates and joint ventures
  - The difference between the share in profits of associates and joint ventures and proceeds from associates and joint ventures

- The amount of funds allocated to dividend payout must be at least 50% of the adjusted profit for the year attributable to the owners of PJSC Gazprom.
- 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 2024 for 2020 and the first half of 2022, RUB thousand

Unpaid as at 1 January 2024	Paid in 2024	Returned in 2024*	Reinstated in 2024 as retained earnings upon expiry of the limitation period**	Unpaid as at 31 December 2024
117,254,884	8,302,375	25,199	434,119	108,543,589

<sup>\*</sup> 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 line with Executive Order of the Russian President Vladimir Putin 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.

<sup>\*\*</sup> Includes reinstated dividends based on PJSC Gazprom's results for the first half of 2022, paid to shareholders whose operations were terminated due to liquidation, and in cases where the statutory period for stakeholders to request a procedure for the distribution of discovered property, as stipulated by the Civil Code of the Russian Federation, had expired, in the amount of RUB 5.665 thousand.

## **Share Capital and Securities Market**

#### **Bonds**

In 2024, PJSC Gazprom raised financing from the Russian debt capital market.

In 2024, the Russian debt capital market fully covered PJSC Gazprom's needs for financial resources.

During 2024, OOO Gazprom Capital, a special purpose subsidiary established to raise funds from the Russian financial market, successfully placed conventional bond issues totalling RUB 260 billion (excluding replacement bonds), including RUB 195 billion linked to the Bank of Russia's key rate and RUB 65 billion linked to the RUONIA rate.

As at 31 December 2024, 41 issues of rouble bonds of PJSC Gazprom and OOO Gazprom capital were outstanding (excluding issues of replacement and perpetual bonds), totalling RUB 965 billion.

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

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. AO Expert RA agency also affirmed PJSC Gazprom's highest credit rating, ruAAA, with a stable outlook.

In the reporting year, PJSC Gazprom did not raise financing from the international capital market.

As at 31 December 2024, 17 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.

## 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 Vladimir Putin 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. Between 2022 and 2024, the total volume of the exchange programme amounted to the equivalent of USD 13.8 billion (62.1% of the total eurobond debt). A total of 21 replacement bond issues were placed, along with additional issues under outstanding bond series. Specifically, in 2024, additional issues were placed under Series 2, 31, and 46, totalling the equivalent of USD 190 million.

In total, 97.4% of eurobonds, the rights to which were recorded by Russian depositories, were replaced.

The eurobond exchange programme implemented by OOO Gazprom Capital for Russian holders is the largest of its kind in the Russian market.

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.

With regard to unreplaced eurobonds, PJSC Gazprom continues to meet its obligations in accordance with the authorisations of the Government Commission on Monitoring Foreign Investment via foreign infrastructure, in the amount and within the timeframe stipulated in the offering documentation.

On top of that, PJSC Gazprom continues developing additional measures to safeguard the interests of Russian eurobond holders whose rights are recorded with Russian depositories. Specifically, ahead of the repayment of EMTN Series 44 eurobonds (Luxembourg) in late November 2024, PJSC Gazprom arranged for the buyback of this series to ensure payments to Russian investors. The buyback totalled EUR 13.58 million. The securities bought back were held to maturity, resulting in a corresponding reduction in the principal amount.



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





## Outstanding eurobonds as at 31 December 2024

Issue currency	Number of issues outstanding	Including the number of issues replaced with Russian bonds	Total volume of issues in value terms, bn	Replaced with Russian bonds, bn
Dollars	10	10	12.75	8.17
Euros	6	6	4.75	3.02*
Swiss francs	1	1	0.5	0.17

<sup>\*</sup> The reported replacement volume excludes the replacement of repaid issues

Company Information

Performance Results

## **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 2024, the Company published its 2023 IFRS consolidated financial statements, as well as its condensed interim consolidated financial statements for the first six and nine months of 2024, without exemptions permitted 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 Federal Law No. 208-FZ, On Joint Stock Companies, Dated 26 December 1995, and Federal Law No. 39-FZ, On the Securities Market, Dated 22 April 1996, adopted on 4 July 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 (T-Investments), Profit (BCS World of Investments), and Smart-Lab. As at December 2024, PJSC Gazprom's channel on the Pulse social network ranked fourth by popularity, with 83.7 thousand subscribers – up 44% year-on-year.

During 2024, 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.

In 2024, PJSC Gazprom continued holding meetings with investors in debt instruments. These meetings were attended by representatives of leading management companies, insurance organisations, pension funds, banks, and brokerage companies. During the events, PJSC Gazprom presented information on its performance and planned activities in the debt market and received feedback from investors regarding preferred placement parameters as well as potential participation and interest in upcoming bond placements.



Key information for shareholders and investors about Gazprom's activities and financial results is promptly posted on the official <u>Telegram channel</u> (in Russian only).





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PJSC Gazprom maintains profiles in dedicated social networks and communities <u>Pulse</u>, <u>Profit</u>, and <u>Smart-Lab</u> (in Russian only).







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# **Major Transactions**

In 2024, PJSC Gazprom closed no transactions treated as major transactions under applicable laws of the Russian Federation.

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 Instruction 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. 3066 dated 16 January 2018 and Minutes of the Board of Directors' Meeting No. 1180 dated 16 January 2018).

During 2024, 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 2024 (versions approved by Resolutions of the Board of Directors No. 4020 dated 19 December 2023 and No. 4160 dated 27 December 2024) as well as the Register of PJSC Gazprom's Non-core Assets (versions approved by Resolutions of the Board of Directors No. 4020 dated 19 December 2023 and No. 4160 dated 27 December 2024).

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.

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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 (<a href="https://www.gazpromnoncoreassets.ru">www.gazpromnoncoreassets.ru</a>, 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 2024 (Resolutions of PJSC Gazprom's Board of Directors No. 4093 dated 27 May 2024, No. 4115 dated 13 September 2024, and No. 4139 dated 26 November 2024).

In the reporting year, the actual realised value of PJSC Gazprom's non-core assets included in the action plans for the disposal of PJSC Gazprom's non-core assets was RUB 21,323.07 million (inclusive of VAT).

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No.	Asset	Inventory number (if applicable)	Balance sheet item containing the asset as at the reporting date prior to the asset disposal	Accounting items (analytics included) containing asset disposal income and expense (91.1xxx/91.2xxx)	
1.	Immovable and movable assets of the Industrial Telecommunications Facility of Perm, located at Lunacharskogo St. 54, Perm, Perm Territory	058101, 005728, 005729, 005730	1150	911110/914101	
2.	"Kiri-Kili Railway Station" (049-2002335.0001), an asset under construction forming part of the "Astrakhan Gas Processing Plant (Construction Stage 1)" investment project		1150	911110/914101	
3.	Residential complex facilities of the Krasnodarskaya CS settlement, located in the village (stanitsa) of Krepostnaya, Seversky District, Krasnodar Territory	401019-401029, 401041-401055, 401056-401071, 401073-401086	1150	911110/914101	
4.	Immovable and movable assets located at Stroiteley St. 8, Bld. 1, Moscow	284708	1150	911110/914101	
5.	Property complex facilities located at Obrucheva St. 27, Bld. 2, 3, 4, and 5, Moscow	284705	1150	911110/914101	
6.	Property complex of General Private Education Institution Gazprom School (Moscow)	11,823 inventory items	1150	911110/914101	
7.	Non-residential premises with cadastral numbers: 77:06:0004008:14044*, 77:06:0004008:14048*, 77:06:0004008:14055, 77:06:0004008:14056*, 77:06:0004008:14065, 77:06:0004008:14065, 77:06:0004008:14115, 77:06:0004008:14117, located at Novocheremushkinskaya St. 71/32, Moscow	284717, 284718, 284719, 284720, 284721, 284722, 25301, 25302, 470910, 470957, 470958, 251727	1150, off-balance sheet	911110/914101	
8.	Immovable and movable assets of Yamburg Hotel, located at Geologorazvedchikov St. 9, Novy Urengoy	15 inventory items: 340864–340867, 340469–340478, 387578	1150	911110/914101	
9.	Immovable and movable assets of the Imperial Park Hotel & Spa complex located in the village of Rogozinino, Pervomayskoye settlement, Moscow*	1,562 inventory items	1150, 1110, off-balance sheet	911110/914101	

<sup>\*</sup> The state registration of the transfer of ownership rights to real property to the buyers was completed in Q1 2025.

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
19.82	9.20	-10.62	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
84.99	102.00	17.01	Result of pre-sale preparation and asset disposal efforts
356.58	56.64	-299.94	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
155.58	1,235.48	1,079.90	Result of pre-sale preparation and asset disposal efforts
922.67	4,038.22	3, 115.55	Result of pre-sale preparation and asset disposal efforts
751.01	5,040.00	4,288.99	Result of pre-sale preparation and asset disposal efforts
292.49	930.55	638.06	Result of pre-sale preparation and asset disposal efforts
1,821.81	477.23	-1,344.58	The assets were disposed of after several rounds of a competitive process with a starting price not lower than its market value as determined by an independent valuer
5,133.08	3,614.35	-1,518.73	

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No.	Asset	Inventory number (if applicable)	Balance sheet item containing the asset as at the reporting date prior to the asset disposal	Accounting items (analytics included) containing asset disposal income and expense (91.1xxx/91.2xxx)
10.	Property complex facilities of the Bogorodskoye Reception House (PJSC Gazprom's branch) located at Quarter 4, Bld. 11, Voskresenskoye settlement, Moscow*	1,149 inventory items	1150, 1110, off-balance sheet	911110/914101
11.	Non-residential premises with cadastral numbers (77:06:0004008:12032, 77:06:0004008:12033, 77:06:0004008:12023, 77:06:0004008:124, 77:06:0004008:1100, 77:06:0004008:12825, 77:06:0004008:12028, 77:06:0004008:12026, 77:06:0004008:12025, 77:06:0004008:12029, 77:06:0004008:12016, 77:06:0004008:12027) located at Novocheremushkinskaya St. 65 (Blocks A, B, V, G, D, Access Control Point Bld. 1, Access Control Point Bld. 2), Moscow, together with movable property*	2,994 inventory items	1150, off-balance sheet	911110/914101
12.	Non-residential premises (96 parking places) located at Kakhovka St. 30, Moscow*	298136	1150	911110/914101
13.	446 units of motor vehicles and special-purpose machinery as well as cash received in 2024 from selling motor vehicles and special-purpose machinery	446 inventory items	1150, 1260	911110/914101; 912701/915505
_	Total for 2024			

<sup>\*</sup> The state registration of the transfer of ownership rights to real property to the buyers was completed in Q1 2025.

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
578.12	833.98	255.86	Result of pre-sale preparation and asset disposal efforts
9,194.22	3,636.60	-5,557.62	The asset was disposed of after competitive process with a starting price not lower than its market value as determined by an independent valuer
89.59	66.61	-22.98	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
89.59 	1,282.21	-22.98	a competitive process with a starting price not less than its

# Glossary

Name		Definition
3	3D	Three dimensional
A	ADR	American depositary receipt
Α	AEPS	Automated Electronic Procurement System
	APG	Associated petroleum gas
	APR	
	APR	The Asia-Pacific region, which includes countries of mainland Asia, America, and Pacific Ocean Area
В	bboe	Billion barrels of oil equivalent
	bcm	Billion cubic metres
	BCS	Booster compressor station
	bn	Billion
_	boe	Barrel of oil equivalent
С	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 <sub>2</sub>	Carbon dioxide
	CS	Compressor station
	cu m	Cubic metre
D	DAU	Daily active audience
E	EBITDA	Earnings before interest, taxes, depreciation, and amortisation
	EMS	Environmental Management System
	EPCM	Engineering, procurement, and construction management
	ERD	Extended reach drilling
	ESG	Environmental, social, and corporate governance
	ETP GPB	Electronic Trading Platform of Gazprombank
	EUR	Euro
F	Far abroad countries	Foreign countries other than FSU countries
G	Gcal	Gigacalorie
	GHG	Greenhouse gas
	GPP	Gas and/or condensate processing plant
	GRES	State district power station
	GTS	Gas transportation system
	GTU	Gas treatment unit
	GW	Gigawatt
Н	HHV	Higher heating value
	HPP	Hydropower plant
	HR	Human resources
ī	IAF	International Accreditation Forum
	IFRS	International Financial Reporting Standards
	ISA	International Standard on Auditing
	ISO	International Organization for Standardization
	JSC/AO	Joint stock company

## Glossary

Nam	ne	Definition		
K	kcal	Kilocalorie		
	kg c.e.	Kilograms of coal equivalent		
	km	Kilometre		
	KPIs	Key performance indicators		
	kWh	Kilowatt-hour		
L	LED	Light-emitting diode		
	LNG	Liquefied natural gas		
М	mcm	Thousand cubic metres		
	MCS	Mobile compressor station		
	MET	Mineral extraction tax		
	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		
0	000	Limited liability company		
	OPEC	Organisation of the Petroleum Exporting Countries		
Р	Pa	Pascal		
	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		
	SMEs	Small and medium-sized enterprises		
	SPTs	Strategic performance targets		
Т	t c.e.	Tonnes of coal equivalent		
	tcm	Trillion cubic metres		
	TPP	Thermal power plant		
	TV	Television		
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		

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## 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  1 tonne of LNG = 1,380 mcm of gas  1 tonne of oil = 7.33 barrels of oil = 7.33 barrels of oil equivalent = 1 tonne of oil equivalent	
tonne of LNG	Tonne of LNG		
tonne of oil	Tonne of oil		
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
x	Data unavailable

# **C**ontacts

Full name	Public Joint Stock Company Gazprom		
Abbreviated name	PJSC Gazprom		
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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		
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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: Myasnitskaya St. 44, Bld. 2, Moscow, 101000, Russian Federation Phone: +7 495 737 5353  Website: www.fbk.ru		
Registrar	Joint Stock Company Specialised Registrar – Register Keeper for Gas Industry Shareholders (AO DRAGA) Location: Saint Petersburg, Russian Federation Address: Konnogvardeysky Boulevard 4A, Room 73-N, Admiralteysky Intracity Municipal District, 190098, Saint Petersburg Phones: 8 800 302 0773, +7 499 550 8818, +7 812 775 0081 Website: www.draga.ru		

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Chief Accountant of PJSC Gazprom M.N. Rosseev

This Annual Report was approved by PJSC Gazprom's General Shareholders Meeting (Minutes No. \_\_\_\_\_ dated \_\_\_\_ ) and pre-approved by Resolution of PJSC Gazprom's Board of Directors No. 4207 dated 22 May 2025 (Minutes No. 1623 dated 22 May 2025).

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

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