

## GLOBAL TRENDS AND THEIR IMPACT ON THE GAZPROM NEFT STRATEGY

Significant changes in the global energy sector place high demands on the efficiency, speed and flexibility of the companies in the sector.

Gazprom Neft's development strategy to 2030 is driven by the key trends in the energy sector and industry.

We strive to be proactive in responding to change and are closely engaged in shaping markets, technologies and influencing the environment.

| Global trend   | Description   |
|--|---|
| <b>Increasing pace of external change</b>                            | Major changes in market, technological, social and regulatory factors that have a continuous and hard-to-predict impact on the operating environment of the company.  |
| <b>Growing competition in traditional markets</b>                    | Competition among companies in various sectors for consumers, resources and economic value drives the number, quality and diversity of energy resources and related products and services.  |
| <b>Growing technological complexity of the business</b>              | Growing complexity of energy production, processing and transportation technologies. This is in the context of the gradual depletion of reserves, technological progress and increasingly tight requirements for processes and products in the energy sector. |
| <b>A growing role for digital technology across multiple sectors</b> | Rapid development of data acquisition and processing technologies, which helps to substantially improve and transform production and management processes.  |
| <b>Growing relevance of environmental and social factors</b>         | Greater requirements, standards and community demand for the safety of people and processes, environmental and other social aspects of the business.  |

#### Challenge for the industry

- Fast and efficient decision-making
- Strategy flexibility and business resilience under any scenario
- A deep understanding and continuous analysis of the external environment

#### How the company is responding

New technologies, digitalisation and operational transformation enable the company to make the best decisions, and improve performance and viability across the entire value chain, both in the upstream and downstream segments.

**p. 16** For details, see the Strategy 2030 section

- Managing the asset portfolio to maximise its value
- Ensuring asset efficiency across the entire value chain
- Developing products and services to complement the existing business

Gazprom Neft is a technology flagship in the Russian oil industry. It has experience in implementing projects that are unique in Russia and globally, including the only Arctic oil platform in the world and construction of complex infrastructure in permafrost conditions.

**p. 104** For details, see the Technological Development section

- Efficiently developing in-house technological competencies
- Engaging in developing advanced industry-wide technologies
- Reducing reliance on imported technologies and equipment

Gazprom Neft is continuously increasing the proportion of high-technology projects in its portfolio, using best practices and technologies in geological exploration. 3D-modelling systems, cloud technologies, big data, and artificial intelligence deliver vast improvements in efficiency. The company is also developing its own proprietary technologies, such as those for the Bazhenov Formation.

**p. 54** For details, see the Resource Base and Production section

- Digitalising production and management processes
- An efficient system for implementing new digital solutions in the company
- Developing digital competencies and proprietary digital solutions

The company's digital transformation covers the entire value chain. It is intended to improve the flexibility and efficiency of business management. Gazprom Neft is developing its own solutions in artificial intelligence, the Industrial Internet of Things, robotics, unmanned aerial vehicles, and other Industry 4.0 technologies

**p. 38** For details, see the Digital Transformation section

- Production reliability and safety
- Minimising environmental impacts
- Involvement in the social development of those regions in which the company operates

As a socially responsible company, Gazprom Neft is putting in place an HSE strategy based on international best practice. The company is committed to sustainable development values and is engaging effectively with its stakeholders.

**p. 196** For details, see the Sustainable Development section

