



*The company has embarked on the comprehensive transformation of its business. Why do we need to change? Because the top league of oil companies is known for fierce competition, rapid change and technological development. We have already made great progress in the Russian market but, in order to become a benchmark for industry peers globally, the company needs new approaches to doing business: we need to be even more efficient, flexible and agile, make use of state-of-the-art technology, and develop a new corporate culture.*

**Alexander Dyukov**  
CEO and Chairman  
of the Management Board,  
Gazprom Neft PJSC

**Efficiency at Gazprom Neft is founded on innovation and digital technology.**

In September 2019, the Gazprom Neft Board of Directors approved a Digital Transformation Strategy. The company is developing in-house solutions in artificial intelligence (AI), the Industrial Internet of Things (IIoT), robotics, unmanned aerial vehicles (UAV or drones), and other Industry 4.0 technologies.

**1,000**

**digital and IT projects and initiatives**

For details, see the Digital Transformation section on

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2019  
HIGHLIGHTS

p. 57 **Gazprom Neft leads the way towards the “smart energy” of the future**

As a flagship in Arctic development, we are setting ourselves ever more ambitious goals as we move into new geologically and technologically challenging regions, such as the Yenisei Project on the Gydan Peninsula. This is a major challenge and involves the use of unique technological solutions.

## STRATEGIC REPORT

# The implementation of Strategy 2030

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will make the company a global benchmark

Gazprom Neft's development strategy to 2030 sets an ambition to grow ahead of market trends, while maintaining a high level of return on capital employed. The company is determined to consolidate its position in the top league of global public oil companies, and become a benchmark for industry peers in terms of safety, efficiency and technological advancement. 2019 was the first year in which Strategy 2030 was successfully implemented

**p. 20** The oil market is expected to remain highly volatile in 2020

The global economic slowdown, trade wars, and increased oil production in the US and elsewhere put oil prices under pressure. The situation has been exacerbated further by the global COVID-19 pandemic and the de facto termination of the OPEC+ agreement in 2020.

**p. 46** The new strategy fundamentally changes existing business processes

The company needs an adaptive product-based operating model as it moves towards becoming a global benchmark in terms of efficiency and technological advancement. That requires changes to its existing business processes, including putting in place flexible cross-functional teams.



**Strategy in detail**

In 2019, Gazprom Neft's business development efforts and its short-term plans were in line with the long-term development areas and goals set out in the Strategy.

/ 1 / including Russian Federation