

STRATEGY 2030

In 2018, Gazprom Neft's Board of Directors approved a new Strategy through 2030, with a goal for the Company to become a global benchmark in efficiency, HSE and technology.

In more than 10 years since the first Growth strategy the Company has become a major player in the global hydrocarbons industry. The Company is staying on its path to deliver on targets set out in our 2025 Strategy with a number of key projects, most of which are now in production phase.

At the same time, high volatility in energy markets, fiercer and ever changing competition, and transformation of the energy industry at large create new reality to oil and gas companies. Combined These challenges and the step-change in the Company scale, competencies and ambitions led us to to revise and update our strategy.

“We want to be a next generation company that sets the standards for Russian and global players. To achieve this goal, we need to drastically transform our entire managements system by revising our operating model, organization, corporate culture and implementing a digital transformation. We are clear in of our goals, the changes we need to go through, and the tools we need to employ.”

Alexander Dyukov
Chairman of the Management Board
and CEO of Gazprom Neft

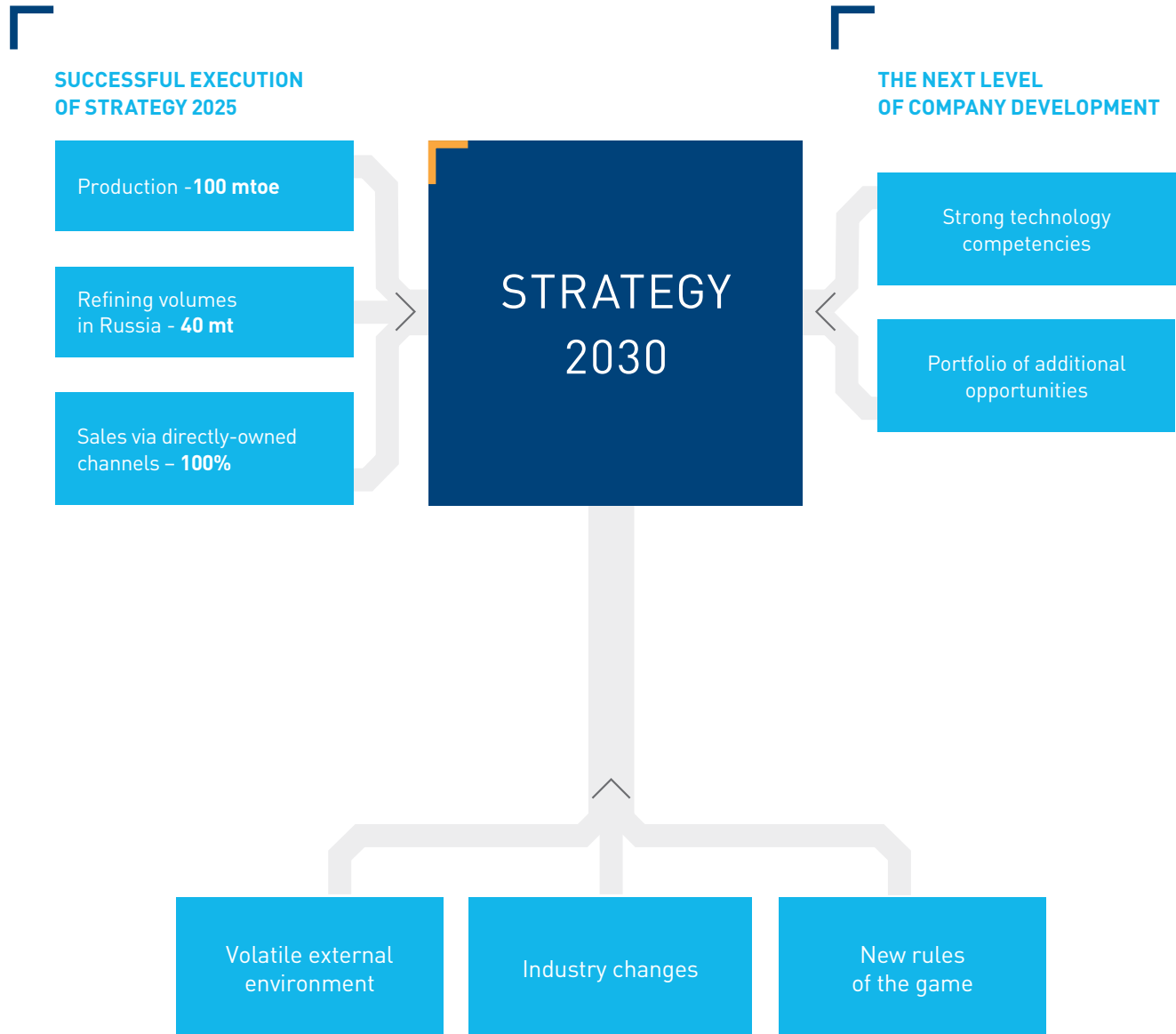


Our vision

To evolve into one of the world's best industrial companies that shapes the industry's progressive transformation, makes the impossible a reality, and provides inspiration in Russia and abroad.

Our mission

To evolve and keep the world evolving. To create and feel proud of the result. We help build resources for the future and make a sustainable difference by providing energy, knowledge, and technologies.



Strategy 2030

The new Strategy – 2030 is rooted in the previous generation of the Strategy – 2025 and focuses on the Company’s market positioning, flexibility to external changes and transforming all of its key business processes. Gazprom Neft’s targets until 2030:

- > build a next generation company;
- > set the standards for other industry businesses in terms of efficiency, use of technology, and responsibility to shareholders and the community;
- > rely on the Sustainable Development Goals approved by the UN General Assembly on 25 September 2015.



Alexander Dyukov: “We want to become a benchmark in technology and efficiency”



The art of leadership



Gazprom Neft has developed the strategic plan to 2030

GAZPROM NEFT – INDUSTRY BENCHMARK

Leadership areas

HSE (HEALTH, SAFETY AND ENVIRONMENT)

Goal Zero: no harm to people, environment and property in working process

EFFICIENCY

Maximizing added value from every barrel in any developing scenario of the oil market.

Initiatives in upstream:

- > efficiency improvements in exploration activities;
- > efficiency improvements in the new projects delivery;
- > efficiency improvements in the exploitation of currently productive fields.

Initiatives in downstream:

- > optimising product range of refining facilities and operational improvements;
- > efficiency improvements in sales.

TECHNOLOGY

Creating technologies for the future development:

- > growth of oil recovery factor in brownfields;
- > development of multiphase fields and low-permeability reservoirs;
- > production in the challenging Arctic environment;
- > safe and effective offshore operations.

Import substitution as a way to achieve technological leadership and sustainability.

LEADING THE MARKET BY ROACE (AT LEAST 15% BY2030)

Effective management of the company's asset and project portfolio

MAINTAINING A POSITION AMONG THE TOP 10 PUBLIC LIQUID HYDROCARBON PRODUCERS BY VOLUME

among public oil and gas companies

Assuring annual production growth in line with industry

In upstream the Company continues effective development of its mature reserve base. Growth projects form a number strategic areas.

Strategic bets

DEVELOPING YAMAL

Pipeline construction from Novoportovskoye to the unified gas-supply system, further development of the Yamal Peninsula resource base via newly created infrastructure

NADYM-PUR-TAZ AREA

Development and monetisation of worldwide liquid hydrocarbon reserves in a strategically important region for the company

SAKHALIN

Creation of a new offshore production hub on Sakhalin Island shelf.

UNCONVENTIONAL RESOURCES

Development of non-traditional reserves as Bazhenov Formation, Domanic and Paleozoic deposits

TECHNOLOGICAL DEVELOPMENT:

Commercializing residual reserves in existing company assets by using new technologies

NEW EXPLORATION AREAS

Developing a resource base to ensure production beyond 2025.

MAXIMIZING ADDED VALUE FROM EVERY BARREL

Increased efficiency of value chain

In downstream the Company continues to modernize refining assets, increase operating efficiency, and grow the scale and performance of the sales network.

Strategic bets

INCREASING THE CONVERSION RATE AND LIGHT PRODUCT YIELD

Increasing the value of the product slate by increasing technological flexibility and adaptability to market conditions

IMPROVING EFFICIENCY AND TECHNOLOGICAL PERFORMANCE

Optimising resources, cutting costs, transforming value-chain processes to secure leading positions in existing and new markets

PETROCHEMICAL INDUSTRY DEVELOPMENT

Business diversification in the new links of hydrocarbons value chain

FURTHER DEVELOPMENT OF THE MARKETING AND SALES BUSINESSES

Increasing market leadership in new and existing retail markets

TRANSFORMATION OF THE COMPANY

Better and faster decision making

To embrace new opportunities and meet new challenges in line with the updated 2030 Strategy, the Company engages in four areas of transformation, all of them crosslinked and relying on one another.

Transformations

OPERATIONAL

Etalon Operations Management System (OMS) to ensure ongoing safety and efficiency of day-to-day operations.

ORGANISATIONAL

Transition to a flexible organisation and a simplified and agile working environment.

Development of competent ecosystem around the Company.

CULTURAL

Transition from hierarchical management to facilitative leadership as a new relationship ideology

DIGITAL

Better and faster decision making by introducing digital technologies