



METHANE  
GUIDING  
PRINCIPLES

# Methane Guiding Principles Signatory Reporting

Gazprom

January 2022





COMPANY: **Gazprom**

YEAR OF JOINING METHANE GUIDING PRINCIPLES: **2018**

SENIOR REPRESENTATIVE: **Executive secretary of Gazprom Coordinating committee for Sustainable Resource Management, Head of Division, Dr. Konstantin Romanov**



**Principle One:**  
Continually reduce methane emissions

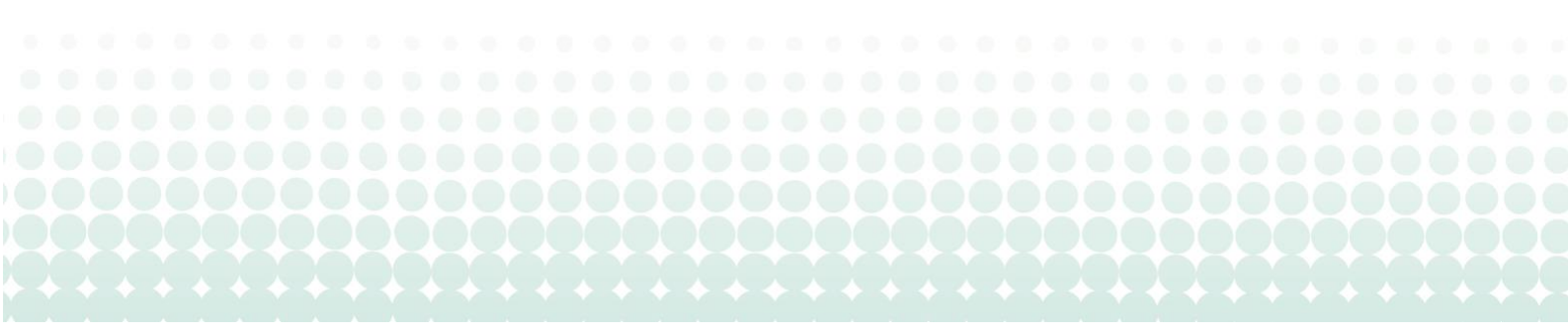
2021 completed activity	2022 intended activity
<p>Gazprom comprehensive methane emissions policy requires not just an active system to detect and eliminate leaks, but also a program to continuously reduce the level of emissions in ongoing activities, in particular during pipeline maintenance and repairs. Gazprom has implemented a program to avoid venting before repairing.</p> <p>Significant methane emissions reduction is achieved by using mobile compressor stations (MCS) to prevent methane venting into the atmosphere during repair works. The volume of gas saved in 2021 is estimated at 740 mln m<sup>3</sup>. Measures taken in gas production aimed to gas losses reduction during operation and repair of wells. In 2021, Gazprom conducted an independent verification of the methane emissions. The auditor KPMG performed the required procedures in accordance with the International Standard 3410 "Confidence Building Tasks for reporting greenhouse gas emissions" (IES 3410). Gazprom emissions were equal to 0.02 % of the gas produced, 0.24 % of the gas transported and 0.03 % of injected and extracted volumes for the underground gas storage.</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf">https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf</a></p> <p>The corresponding measures are implemented within the Roadmap for Greenhouse Gas Emissions Management in Gazprom Group companies until 2030, resulting in programs of innovative development until 2025, and energy saving and energy efficiency programs.</p> <p>In addition, a bonus system for methane emissions reduction was established for the employees of Gazprom subsidiaries, as an incentive to further improve emissions reduction.</p>	<p>Gazprom is committed to constantly working on methane emissions reduction and to continue to improve monitoring and reporting.</p> <p>Gazprom plans to develop its methane reduction targets based on OGMP 2.0 recommendations by 2025 and 2030.</p>



**Principle Two:**

**Advance strong performance across the gas supply chain**

2021 completed activity	2022 intended activity
<p>Pursuant to Russian legislation, methane is considered a pollutant, unlike in other countries. As a consequence, Russia applies strict requirements regarding methane emissions standards, monitoring, accounting and reporting across the gas supply chain.</p> <p>Emissions of methane into the atmosphere are subject to specific charges due to their negative environmental impacts. Permissible methane emission rates are set for business entities in Russia.</p> <p>With respect to natural gas transmission, required limits and standards are set by the Ministry of Energy of the Russian Federation. Regarding gas production, methane emissions are limited in accordance with the Best Available Techniques reference documents approved by the Federal Agency for Technical Regulation and Metrology.</p> <p>The Federal Service for Supervision of Natural Resources Management has the responsibility to ensure the reliability of reported data on methane emissions. Resulting data on methane emissions are published on the official websites of the Federal Service for Supervision of Natural Resources Management, the Federal Service for Hydrometeorology and Environmental Monitoring, the Federal State Statistics Service, the Ministry of Energy, and the Ministry of Natural Resources and Environment of the Russian Federation.</p>	<p>Gazprom plans to monitor and report methane emissions across the whole gas chain. Gazprom stands ready to collaborate to make this effective, notably given its aforementioned experience in monitoring and reducing its own emissions to very low levels.</p>



### Principle Three: Improve accuracy of methane emissions data

2021 completed activity	2022 intended activity
<p>Gazprom has established a detailed methane emissions monitoring system covering its entire operations, which is enforced via a series of detailed Corporate Regulations. The Corporate Regulations cover all aspects of an effective methane emissions strategy:</p> <ul style="list-style-type: none"> <li>- “The standard program for natural gas emissions evaluation at Gazprom facilities”;</li> <li>- “Methods of measuring the volume of methane emissions into the atmosphere at Gazprom facilities”;</li> <li>- “Technical standards for natural gas emissions and leaks from the process equipment”; etc.</li> </ul> <p>Leakages of methane due to leakage of equipment are determined by regular and consistent measurements with the design of relevant protocols.</p> <p>With respect to the task of detecting methane at gas industry facilities, detectors installed on helicopters or drones are also used.</p> <p>Gazprom is developing its own satellite technology. Based on the materials of the analytical company Kayrros, Gazprom has analysed satellite data of the European Space Agency. This has led to the conclusion that methane emissions detected by such satellites are associated with scheduled diagnostic and repair works at gas transmission system facilities. Such works were carried out in full compliance with industrial safety legislation and the said emissions stayed within the established standards of permissible emissions. According to Kayrros independent verification, the observed volumes of fugitive methane “fall within the rate of transmission losses reported by Gazprom”</p> <p><a href="https://twitter.com/Kayrros/status/1301557809868345344?s=03">https://twitter.com/Kayrros/status/1301557809868345344?s=03</a></p> <p>Based on corporate and state reporting the national methane emissions factors for natural gas transportation were updated at the National Inventory. New national emissions factors are presented to UNFCCC and IEA.</p>	<p>Having many years of experience in inventory and verification of methane emissions, Gazprom is ready to share its experience and best practices on this issue and collaborate internationally.</p> <p>Gazprom with partners (Wintershall Dea, Gasunie, etc.) are working on improving data accuracy and closing the gap between inventory and companies data.</p>



**Principle Four:**

**Advocate sound policy and regulations on methane emissions**

2021 completed activity	2022 intended activity
<p>Gazprom is in constant dialogue with government agencies and interested parties on GHG emissions regulation in Russia. Because of the adoption of the Law of the Russian Federation On Limiting Greenhouse Gas Emissions, Gazprom delivered its proposals and comments to the draft regulations:</p> <ul style="list-style-type: none"> <li>- Draft order of the Ministry of Natural Resources and Environment of the Russian Federation On Approval of the Procedure for Preparing a National Inventory of Anthropogenic GHG Emissions from Sources and Absorption by Sinks;</li> <li>- Draft Order of the Ministry of Natural Resources of the Russian Federation On approval of Methodological Guidelines and Manuals for Greenhouse Gas Emissions Evaluation by Organizations Engaged in Business and Other Activities in the Russian Federation;</li> <li>etc.</li> </ul> <p>In order to provide more reliable data on the impact of GHG emissions on the climate system and with due account of the recommendations of the Intergovernmental Panel on Climate Change (IPCC), as well as in accordance with the decision of the Conference of the Parties serving as the meeting of the Parties to the Paris Convention (Resolution 18 / CMA.1, Appendix, article 37) , Gazprom additionally uses Global Temperature change Potential over a 100-year time horizon. Thus, to represent fossil methane emissions (CH<sub>4</sub>) in CO<sub>2</sub>e, conversion factor 6 is used.</p>	<p>Gazprom, stating its determination to continue investing in monitoring and reducing methane emissions and continue to improve its existing high standards, suggests the following: effective data exchange between countries will be essential, as well as sharing best practices to ensure methane emission reductions; joint and coordinated action will maximise methane emission reductions throughout the gas industry chain.</p> <p>According to the recommendations of the Intergovernmental Panel on Climate Change (IPCC), as well the decision of the Conference of the Parties serving as the meeting of the Parties to the Paris Convention (Resolution 18 / CMA.1, Appendix, article 37) Global Temperature Change Potential promotion is expected.</p>



**Principle Five:**  
Increase transparency

2021 completed activity	2022 intended activity
<p>Since 1993 Gazprom publishes data on methane emissions in its annual environmental reports <a href="https://www.gazprom.com/nature/environmental-reports/">https://www.gazprom.com/nature/environmental-reports/</a></p> <p>Gazprom provides, every year, an independent verification of its methane emissions data by KPMG. The availability of the statistical data and measurement activities has enabled the development and testing of national (specific) factors for the oil and gas industry based on actual methane emissions.</p> <p>This has enabled Gazprom to move from Tier 1 (standard emission factors for developed and developing countries) to Tier 2 in the IPCC Climate Change Guidelines for National Greenhouse Gas Inventories (National Greenhouse Gas Inventory Report on anthropogenic emissions by sources and removals of carbon dioxide (GHG)).</p> <p>The availability of detailed methane emissions statistics based on reporting allows Gazprom, in practice, to apply the methodological Tier 3 approach of the IPCC Guidelines.</p>	<p>Gazprom intends to start preparing the reporting according to the Oil &amp; Gas Methane Partnership (OGMP 2.0)</p>

**Methane Emissions**

<p><b>Do you report absolute methane emissions within your sustainability report?</b></p> <p><i>If so provide link.</i></p>	<p>Yes</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf">https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf</a>, p.59</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf">https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf</a>, p.130</p>
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<p><b>Do you report a methane intensity within your sustainability report?</b></p> <p><i>If so provide link.</i></p>	<p>Yes</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf">https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf</a>, p.59, 61</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf">https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf</a></p>
<p><b>What are your organisation's total absolute methane emissions?</b></p> <p><b>Provide a figure in tonnes.</b></p> <p><b>Provide latest data publicly available.</b></p>	<p>1,021 million tons of CH<sub>4</sub>/year (2020)</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf">https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf</a>, p.59</p> <p><a href="https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf">https://www.gazprom.com/f/posts/13/041777/sustainability-report-en-2020.pdf</a></p>
<p><b>State your methodology.</b></p>	<p>Quantitative assessment of GHG emissions is done in accordance with Methodological Guidance on the Quantification of Greenhouse Gas Emissions by Entities engaged in Business and other Activities in the Russian Federation approved by the Order No. 300 of the Ministry of Natural Resources and Environment of the Russian Federation of 30 June 2015. These guidelines have been developed in accordance with the IPCC Guidelines for National Greenhouse Gas Inventories, 2006.</p>
<p><b>State your reporting boundary.</b></p>	<p>GHG emissions (Scope 1) are given for Gazprom, the parent company of the Gazprom Group and a total of its 100% subsidiaries and organizations engaged in geological exploration, production, transportation, underground storage, processing of hydrocarbons, ensuring the operation of the Unified Gas Supply System (UGS).</p>
<p><b>What are your organisation's methane intensity?</b></p> <p><b>Provide latest data publicly available.</b></p>	<p>Gazprom emissions were equal to 0.02 % of the gas produced, 0.24 % of the gas transported and 0.03 % from the volume of gas pumped and extracted from underground storage facilities.</p>
<p><b>Do you have a methane emission target?</b></p> <p><b>If yes, please state what it is, including the boundaries and methodology.</b></p>	<p>One of Gazprom's Corporate Environmental Goals for 2020–2022 is Reduction in GHG emissions during natural gas transmission (t CO<sub>2</sub>e / bln m<sup>3</sup>·km) against benchmark value of 2018. In 2020, the goal was achieved with the progress of 12%. The goal covers all natural gas transmission subsidiaries. (See the sections "Environmental goals and programs" of Gazprom's Environmental Report 2020, p.14, 58).</p>







**If no, are you developing such a target? Please state your intended timeline.**

<https://www.gazprom.com/f/posts/13/041777/gazprom-environmental-report-2020-en.pdf>

Gazprom plans to develop its methane reduction targets based on OGMP 2.0 recommendations by 2025 and 2030, which will be presented to UNEP by May 31, 2022.

