

Gazprom Russian Federation

Sectors: Oil and Gas Extraction

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By: BankTrack

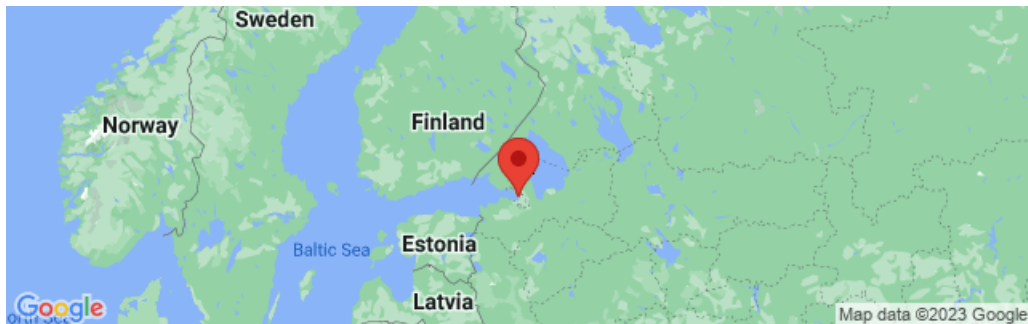
Created on: Apr 5 2022

Last update: Nov 1 2022

Sectors

Oil and Gas Extraction

Headquarters



Ownership

listed on London Stock Exchange & Moscow Exchange

Gazprom's majority shareholder is the Russian state (50.2%). The company's complete shareholder structure can [be accessed here](#).

Subsidiaries

Website

<http://www.gazprom.com>

Gazprom is a Russian oil and gas company that was founded in 1993. It is the largest publicly listed gas company in the world and the [largest company in Russia](#) by revenue. Gazprom is active in gas exploration and production, refining, transport, distribution and marketing, and power generation. Gazprom has an export monopoly for Russian gas and [accounts for](#) 7% of Russia's gross domestic product and 8% of the country's budget. In 2021, Gazprom produced [514.8 billion cubic metres of gas](#).

Impact on human rights and communities

Gazprom's involvement in the war in Ukraine Gazprom contributes significantly to the Russian government's capacity to wage war on Ukraine. As the [Atlantic Council think-tank](#) put it, "many consider Gazprom to be a geopolitical tool with which the Kremlin attempts to expand its influence in Europe and strengthen its grip on the continent's energy security".

According to the Atlantic Council, Gazprom also [played a role](#) in setting the invasion in motion by holding back gas from European markets to push up prices. The development of the Nord Stream 2 pipeline, from Leningrad to the north-eastern coast of Germany, was also used as a [geopolitical tool](#) to destabilise Ukraine and increase European reliance on Russian gas. Right before the invasion, Germany [stopped](#) the operation of the project (see below).

Since the start of the war, Gazprom has continued to act as a government proxy in the energy war. On 2nd September 2022, Gazprom [announced](#) an indefinite shutdown of the Nord Stream 1 pipeline, the largest pipeline from Russia to Europe. The company blamed the move on a detected leak, although the announcement occurred just after G7 countries [agreed](#) on a price cap on Russian oil.

In November 2022, Russia's federal budget revenues [increased](#) by 31% in comparison to November 2021 thanks to Gazprom's one-time payments that exceeded 1 trillion rubles. Hence, Gazprom also plays a crucial role in guaranteeing Russia's economic capacity to finance war in Ukraine.

Impacts on Indigenous people in Yamal Peninsula Gazprom is the developer of several constituent parts of the Yamal Megaproject

to exploit gas reserves in the Yamal Peninsula, including the Bovanenkovo-Ukhta pipelines I, II and III and related railroad. This is an area inhabited by the Nenets, an Indigenous people. Nenets are highly dependent on reindeer-herding, but the project's encroachment on reindeer pasture lands has resulted in a [loss of livelihood for the Nenets people](#). Other human rights and social harms are peculiar to specific sub-projects.

The project has disrupted the Nenets' migration routes, leading to the [loss of their cultural heritage and traditions](#). Some members of the Nenets community preferred [leaving](#) their territories rather than losing their nomadic culture and being forced to live in permanent settlements, thus facing displacement and land dispossession.

Additionally, Gazprom's Obskaya-Bovanenkovo railroad project, which is instrumental to the wider Megaproject, crosses the Yuribey river, the banks and waters of which hold [ritual, sacred and spiritual significance](#) to the Nenets people, posing yet another serious challenge to the Nenets' traditional lifestyle.

Impact on climate

Gazprom is the third-largest corporate greenhouse gas producer globally since 1965, according to analysis by the [Climate Accountability Institute](#). Since its inception, Gazprom has been responsible for driving climate change by contributing [43.23 billion tonnes](#) of carbon dioxide equivalent to the earth's atmosphere. Its 2021 production of 514.8 cubic metres of gas results in [1.039 billion tonnes](#) of carbon dioxide emissions. The company has active short-term plans to [massively expand](#) its conventional and unconventional oil extraction and it is the [first oil and gas expansionist](#) in the Arctic region.

Gazprom is also a major flarer of gas, which creates carbon and soot emissions. In August 2022, Gazprom [was found](#) flaring 4.34 million cubic metres of gas a day on its Portovaya plant. According to [Rystad](#), this is an "environmental disaster with about 9,000 tonnes of carbon dioxide being emitted every day". Flares in the Arctic region are particularly worrying, because they are likely to produce soot that by settling on the ground will facilitate the absorption of sunlight, thus [accelerating](#) ice and snow melting.

Climate change is causing dramatic impacts in areas of Gazprom's operations. For example, the unique ecosystem of the Yamal tundra, location of the Yamal megaproject, is threatened by warmer summers and rapid temperature shifts. The defrosting of river and sea ice will result in higher sea levels, with the risk of putting the peninsula underwater, [creating risks in turn](#) for gas developments.

Nord Stream leak On September 26th 2022, the Nord Stream 1 and 2 pipelines were hit by explosions that caused the release of huge amounts of gas in the Baltic Sea. Neither of the two pipelines was transporting gas at the moment of the explosions, but both contained pressurised methane - a greenhouse gas more harmful than carbon dioxide. The [Danish Energy Agency](#) estimated that up to 778 million cubic metres of methane gas could spill from the Nord Stream 1 and 2 pipelines in the worst case scenario. Climate scientists [said](#) that the amount of methane discharge from the detonations is a "reckless release" of greenhouse gas that, if deliberate, "amounts to an environmental crime".

Impact on nature and environment

Impacts of the Yamal Megaproject The Yamal Megaproject has huge environmental impacts, including biophysical land degradation, loss of biodiversity as well as soil and water pollution. The construction of underwater pipelines [causes](#) the destruction of both underwater and coastal landscape as well as the change of stream patterns and water depletion. Greenpeace [said](#) "contracting companies disrupted the water flow of the rivers, violated the regulations of nature parks and left behind landfills of construction waste".

Local communities report that the new Yamal underwater gas project, launched in December 2021, might have already [damaged](#) the marine ecosystem of the Ob bay. Scientists from the Ural Institute of the Ecology of Flora and Fauna also [warned](#) that dredging activities might "be the end to the so-called semi-anadromous fish stocks in the area".

Other impacts

The list of EU sanctions in place against Russia is available [here](#).

The list of US sanctions in place against Russia is available [here](#).

Norms & standards

Applicable norms and standards

Global Reporting Initiative

2022

Sep 16 2022 | Nord Stream Explosions

On September 16, 2022 major leaks on the Nord Stream 1 and 2 were reported. The leaks occurred in international waters, but two of them were in the Danish exclusive economic zone and other two in Swedish waters. Danish police [said](#) that their preliminary investigations showed that the leaks "were caused by powerful explosions". Swedish authorities [said](#) that the results of their investigations back the initial hypothesis of a sabotage.

Feb 24 2022 | Russia's invasion of Ukraine.

On February 24th, 2022 Russia invaded Ukraine starting a full-fledged war that caused a humanitarian crisis in Ukraine with thousands of civilians being killed and millions forced to leave their country.

Feb 22 2022 | Germany freezes Nord Stream 2 project

On February 22, 2022 Germany [halted](#) the certification of the Nord Stream 2 gas pipeline. The decision to stop the project was intended to punish Putin's recognition of the Donbas region's independence. Moscow's recognition of the Ukrainian separatist region marked the prelude to the full-scale invasion of Ukraine.

2019

Nov 25 2019 | Underwater explosion Bovanenkovo-Ukhta 2

In 2019, the Bovanenkovo-Ukhta 2 underwater pipeline [broke down](#), but the environmental impacts have been kept confidential. Gazprom stated that it would dig a 5-metres deep trench on the Baydarata seabed where the affected pipeline will be laid. Works were scheduled for 2022-2023 period.

Financiers

Between 2016 and 2021 fourteen commercial banks financed Gazprom [totalling USD 13.93 billion](#) via corporate lending and underwriting services. See below for more details on banks involved.

In 2021 Gazprom issued bonds, underwritten by several commercial banks:

- Febr 2021, EUR 1 billion, maturing in 2027, underwritten by SMBC, Gazprombank, Intesa Sanpaolo, JPMorgan Chase and VTB Bank;
- July 2021, USD 1 billion, maturing in 2031, underwritten by MUFG, Banca IMI, Gazprombank, JPMorgan Chase and Sberbank.

On April 1 2022, Gazprom's subsidiary Gaz Capital withdrew three earlier announced bonds issuances which had a combined amount of USD 32.4 billion ([FitchRatings](#)).

Institution type **Finance type** **Year** [Expand all details](#)

Banca IMI

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond issue – underwriter
USD 200 million
Co-financed USD 1 billion bonds issuance
7 July 2021
7 July 2031
source: IJGlobal

[link](#)

Bank of China

China

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 272 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Commerzbank AG

Germany

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 443 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Credit Suisse Group

Switzerland

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 136 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Crédit Agricole

France

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 976 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Deutsche Bank

Germany

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 1,047 billion
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Gazprombank

[Website](#)

Details

Type

Amount
Description
Date
Date end
Source
Bond issue – underwriter
USD 200 million
Co-financed USD 1 billion bonds issuance
7 July 2021
7 July 2031
source: IJGlobal

[link](#)

Bond issue – underwriter
USD 500 million
Gazprombank co-underwrote a USD 500 million bonds issuance
November 2021
November 2028
source: Cbonds.com

[link](#)

Bond issue – underwriter
EUR 200 million
Co-financed EUR 1 billion bonds issuance
10 February 2021
10 February 2027
source: IJGlobal

[link](#)

ING

Netherlands

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 100 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022

[link](#)

Intesa Sanpaolo

Italy

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Debt – corporate loan
USD 999 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

JPMorgan Chase

United States

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 4,681 billion
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

Mitsubishi UFJ Financial Group (MUFG)

Japan

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 200 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

Mizuho

Japan

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Debt – corporate loan
USD 603 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

Natixis

France

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 200 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

Sberbank

Russian Federation

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Bond issue – underwriter
USD 200 million
Co-financed USD 1 billion bonds issuance
7 July 2021
7 July 2031
source: IJGlobal
[link](#)

Sumitomo Mitsui Banking Corporation (SMBC)

Japan

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Debt – corporate loan
USD 1,13 billion
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

UBS

Switzerland

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 626 million
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

UniCredit Group

Italy

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source
Debt – corporate loan
USD 2,513 billion
Total amount of financing via corporate loans and underwriting services
2016
2021
source: Banking on Climate Chaos report 2022
[link](#)

Vneshtorgbank (VTB)

Russian Federation

[Profile](#)

[Website](#)

Details

Type
Amount
Description
Date
Date end
Source

Bond issue – underwriter
EUR 200 million
Co-financed EUR 1 billion bonds issuance
10 February 2021
10 February 2027
source: IJGlobal
[link](#)

Related Dodgy Deals