

Supply chain

Engagement with Gazprom Neft counterparties aims to develop long-term mutually beneficial relations. The Company's counterparties for the supply of products, work and services are selected in a uniform manner based on a competitive procedure used to select counterparties.

The approaches to engagement with counterparties used by the Company make it possible to:

- maximise the efficiency and effectiveness of procurements;
- achieve an optimal level of competition among potential procedure participants;
- ensure an objective, substantiated and impartial process for selecting winners of the procedures;
- ensure reasonable transparency in the procedures conducted.

The basic criteria used when selecting counterparties for the supply of products, work and services include cost, quality, the timeframe for manufacturing and supply/performing work/rendering services, the reliability of the counterparty, its relevant technical and personal resources as regards the purchase of work/services and the necessary experience in performing such work/rendering such services for the corresponding area. One of the key criteria for selecting a counterparty for work/services is the counterparty's compliance with the HSE, OS and CD rules adopted by the Company. The Company concludes agreements with the selected counterparties on HSE, OS and CD containing requirements on compliance with the Company's standards in industrial and environmental safety.

 For more information, see the "Safe Development" section on page 75


2,330 organisations
total number of Gazprom Neft contractors for the supply of goods in 2015


96%
share of the Company's contractors from the domestic market in 2015

The Company's procurement policy for the purchase of goods primarily aims to establish relations with manufacturers and their official representatives. The Company is actively engaged in import substitution and supporting domestic manufacturers. Gazprom Neft has a Technological Partnership and Import Substitution Department that monitors the Russian goods market in an effort to find opportunities to phase out imported equipment and materials in favour of competitive Russian analogues.

In 2015, Gazprom Neft had a total of 2,330 counterparty organisations for the supply of goods. The share of the Company's counterparties from the domestic market was 96%.