

# PROCUREMENT

**JSC FPC's procurement activities are governed by the corporate Regulations on Procurement of Goods, Works and Services for the Needs of JSC FPC, based on the following laws and regulations of the Russian Federation:**

- Federal Law No. 223-FZ dated 18 July 2011 On Procurement of Goods, Works and Services by Certain Types of Legal Entities (hereinafter referred to as Federal Law No. 223-FZ)
- Federal Law No. 135-FZ On the Protection of Competition dated 26 July 2006
- Resolutions and Decrees of the Russian Government
- Other documents adopted pursuant to Federal Law No. 223-FZ

In accordance with Article 3 of Law No. 223-FZ, JSC FPC is guided by the following principles of procurement:

- Procurement transparency
- Equality, fairness, non-discrimination, and no unreasonable anti-competitive practices towards bidders
- Targeted and cost-effective use of funds to procure goods, works and services (using life cycle costing for procurement as necessary), as well as focus on reducing expenses born by customers
- Unrestricted access to bidding through the elimination of non-measurable bidder requirements

Single sourcing is only used when expressly allowed by the Regulations on Procurement of Goods, Works and Services for the Needs of JSC FPC.

In 2021, JSC FPC signed 4,152 contracts for a total of RUB 31,324 million, including VAT, based on the results of procurement procedures for goods, works and services carried out:

- 2,132 contracts concluded as a result of competitive and contestable procurement procedures, for a total of RUB 15,989 million (including VAT);

## 543.2 RUB MILLION

saved by the Company as a result of procurements in 2021

- 1,587 contracts concluded with a sole supplier (contractor), for a total of RUB 7,597 million (including VAT);
- 433 contracts with related parties of JSC FPC, for a total of RUB 7,738 million (including VAT).

In 2021, in accordance with the requirements of Russian Government Decree No. 1352 dated 11 December 2014 On the Specifics of Participation of Small and Medium Businesses in the Procurement of Goods, Works and Services by Certain Types of Legal Entities and in order to support and develop small and medium businesses in the Russian Federation, 2,054 contracts were concluded with small and medium businesses for a total amount of RUB 16.98 billion. This number of contracts exceeds the results of 2019 (1,979 contracts) and 2020 (1,361 contracts).