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# Supply chain management

The Group manages its supply chain responsibly and works closely with product and service suppliers to ensure economically efficient procurement processes and reduce financial and non-financial risks. The Group promotes fair competition on the market and always seeks to involve reliable and responsible suppliers.

Procurement processes are centralised inside the Group and regulated by the Provision on MOEX Procurement Activities and the regulations on cooperation between the Exchange, NCC and NSD with regard to procurement activities.

## PRIORITIES

MOEX's procurement system allows for an unbiased choice of the best technological solution, ensures the necessary level of transparency in terms of cooperation with suppliers, and supports competition.

Key principles of the Group's procurement activities are:

- ▶ informational transparency – any supplier can complete the relevant questionnaire on the Exchange's website, and procurement is carried out via the B2B-Center electronic trading platform;
- ▶ equality, fairness, non-discrimination and lack of unjustified competition restrictions with regard to procurement participants: price negotiations are conducted only among a short list of similar offers;
- ▶ ban on any additional competitive commercial stages after the announcement of a final request for quotes, except for cases of justified change in a scope of work, which is deemed to be a new procurement. Additional commercial negotiations are allowed only with a contractor;

- ▶ consolidation of volumes and conclusion of long-term agreements to achieve best commercial terms;
- ▶ commitment to expand a competitive environment by involving alternative producers and suppliers. All suppliers, regardless of the size of their business and country of registration, have the right to participate if they comply with transparent qualification criteria.

High-tech IT services to develop and maintain advanced software and equipment comprise more than 90% of the Exchange's supply structure.

In 2019, MOEX concluded supply agreements for products and services worth a total of RUB 6.95 bln<sup>1</sup>, of which RUB 6.31 bln was related to IT products and services. The total number of unique suppliers exceeded 200.

<sup>1</sup> Including estimated deferred costs.