

## Digital projects

In 2018, Gazprom Neft established the Digital Transformation Directorate with a view to developing and implementing the Company's long-term digitalisation strategy.

The Directorate is tasked to ensure effective implementation and synergies from digital and IT projects conducive to bringing the Company's key competencies to a whole new level.

Across all segments of our operations, we are building next generation systems of process management as part of the Company's digital transformation. These ensure end-to-end integrated management for maximum value creation using digital twins to optimise operating modes and maintenance plans as well as cognitive systems to support decision making by operators. Projects involve all stages of the value chain from upstream to downstream.

The digitalisation strategy and roadmaps are already in place. Gazprom Neft set up the investment commission for digital transformation to assess projects, approved its consolidated portfolio of IT and digital projects for 2019 and established centres for competencies such as machine learning, artificial intelligence, augmented and virtual realities, blockchain technologies, product design, agile software development, etc.

In 2018, the Company focused on digital transformation projects aiming to support its production divisions as well as corporate functions. In practical terms, it is worth mentioning the major projects that had kicked off in the previous years such as digital drilling and production control, Neftecontrol (oil control) system and the industry's first Downstream Efficiency Control Centre. 2018 saw some functionality upgrades translating into additional economic benefits.

Also, the Company keeps implementing new major programmes to mainstream digitalisation across its key business lines, including cognitive software for exploration and engineering, digital project management for upstream capital construction and manufacturing execution systems for refineries. Gazprom Neft is aggressively enhancing retail sales based on the Digital Filling Station programme.

Currently, we keep on developing our own digital platform for integrated process management sourcing data from all assets.

### Objectives for 2019:

- > approve Gazprom Neft's Digital Transformation Strategy;
- > participate in developing divisions' digital transformation strategies<sup>1</sup>;
- > launch a development and culture framework for digital competencies enhancing digital maturity across product teams;
- > implement priority digital projects which have proved to have a material business effect;
- > fine-tune digital transformation governance;
- > bring information security experts into project teams;
- > form a strategic partner pool for digital projects; and
- > develop internal IT infrastructure and competencies to support ongoing digital projects.

### Objectives for 2020:

- > roll out digital projects at assets which have proved to have a material business effect;
- > expand digital transformation governance to all digital projects; and
- > switch to project management based on digital platforms.



Digital transformation at Gazprom Neft: New technologies help customise approach to industrial assets



Digitalisation is a fundamental trend

<sup>1</sup>The Upstream Division had its 2030 strategy approved in 2018.