



July 2022

ESG HIGHLIGHTS



OVERVIEW

- We do everything to create an unprecedented customer experience offering **the most relevant assortment at outstanding value**
- We take our business **personally** and love to shop at our own stores. We **care about our products** and work hard **continuously to exceed our customers` expectations** with **high quality** goods at affordable prices
- Our **unique value proposition** and **treasure hunt experience** make us increasingly appealing to all customer target groups
- We **engage with our partners** across the whole value chain to ensure continued sustainable growth
- Our people make a difference knowing that **we value their efforts** to make Fix Price a better place to work, shop and grow



HIGHLIGHTS¹

c.90%



Estimated market share in VVR² in Russia³

c.5,000



Fix Price stores⁴

79



Regions of presence in Russia⁵

33,044



Personnel⁶

1,000+ thous. m²



Total selling space⁷

c.700



Suppliers

RUB 231 bn



2021 revenue

OUR PATH TO SUSTAINABILITY

IPO

On 10 March 2021, Fix Price went public on the London and Moscow stock exchanges



ESG assessment

In 2021, Fix Price undertook a comprehensive assessment of all its business processes to measure its compliance with the best sustainability practices (quality control, social responsibility, corporate governance, environmental impact)



ESG Committee

In November 2021, Fix Price Board of Directors set up an ESG Committee. The Committee advises the Board on Fix Price's sustainability strategy, monitors its ESG performance and tracks the Company's progress in delivering on ESG commitments



ESG strategy and commitments

In July 2022, Fix Price published its first Sustainability report containing information about the Company's ESG strategic priorities and plans



Non-financial metrics

In early 2022, Fix Price disclosed the first set of non-financial metrics in its ESG Databook and presentation

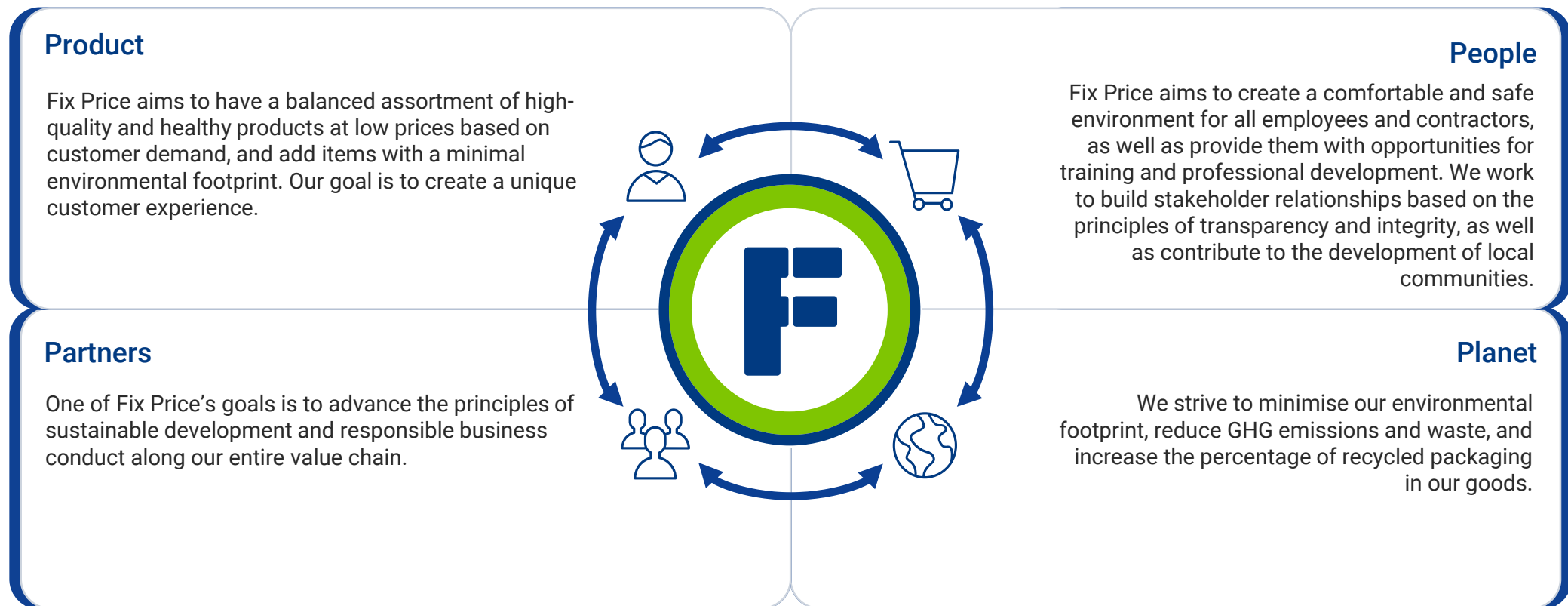


Our current position



ESG strategic priorities – the 4Ps

In 2021 we conducted an in-depth analysis of our ESG practices and identified the following strategic priorities. The 4Ps approach is helping us create a roadmap of metrics and activities to further embed ESG into our business and culture



PEOPLE: SAFETY AND MOTIVATION ARE CORNERSTONES TO SUSTAINABLE GROWTH

People are at the heart of our Company - our personnel are key to making Fix Price business model efficient and customer-oriented. We strive to create a supportive environment for everyone and build a culture of learning and development. Our employees are also our customers, and, every day, they make changes that create unique customer value, effect positive changes in society, and contribute to local communities

Talent development



- We put a lot of emphasis on training store personnel and develop various courses based on competency matrix. We try to make the training process convenient and interesting for all personnel
- To ensure a safe work environment, all our new hires are trained in occupational safety standards and we require our DC¹ personnel to undergo introductory training before they start
- For office employees, we provide internal training in core competencies, as well as external training in specific areas. We have also launched a coaching and mentoring project that gives employees an opportunity to share their expertise and experience with colleagues
- We implemented a mentoring system for store and DC personnel to help them identify opportunities for professional and personal growth



Safe workplace



- We promote safe and healthy behaviour among all personnel
- We conduct regular assessments of working conditions
- We provide our office employees with opportunity to work from home to minimise risk of COVID-19 infection

Personnel management and motivation



- We provide our employees with a voluntary health insurance programme including dental care², loyalty cards and an opportunity for top performers to receive interest-free loans
- The Company's management welcomes personnel feedback via email, intranet and messengers, be it complaints, work issues or suggestions for improvements

HIGHLIGHTS¹

83%



Share of women in total employees

12,743



New hires

100%



Store and newly hired DC and office employees receive training

100%



New store managers enrolled in the mentoring programme

0



Number of work-related fatalities for employees and contractors

28 cases



Total lost time injury (LTI) for employees and contractors

PEOPLE: HELP THE VULNERABLE, HELP THE PLANET

“Good Deeds” Programme¹

Fix Price’s community project ‘**Good Deeds**’ aims to encourage **environmentally-friendly** behavior, to **promote sports** and a **healthy lifestyle**, and support socially vulnerable groups

Customers can suggest a **community project** and the city where the programme will be implemented through the Company’s application form

57

Workshops conducted

148

Social institutions, families and shelters helped

55

Educational lectures held

1,408

Trees planted

3,410

Kg of waste collected and recycled

PRODUCT: QUALITY - TRUST BUILT ON RIGOROUS TESTING

Our main priority is to build trust with our customers and supply them with products of high quality at the lowest possible prices



High Quality Product

To ensure high quality of our products, we take various measures through a product's entire life cycle. We select quality control and inspection tools applying a risk-based approach associated with the product category and / or type of supplier. For instance, children's goods are among the categories subject to the most rigorous control

● Russian private brands

● Imported goods

● Branded goods

Highlights¹

612



Instrumental checks performed by the Company's Quality Control Centre

147



Additional laboratory testing in external laboratories after in-house instrumental checks

1,657



Tests performed in external laboratories to confirm the composition, quality and safety of imported products

1,386



Laboratory tests to obtain certifications and declarations of conformity for imported products

Prior to manufacturing

- Testing by accredited laboratories to obtain certification and declarations of conformity for samples of certain categories
- Tastings for certain product samples
- Instrumental checks and laboratory testing of product samples, if necessary

During manufacture

- Remote inspections of samples after manufacture
- Physical inspections by category managers after manufacture
- Testing in external laboratories after manufacture to confirm the product composition, quality and safety

Transportation

- Visual inspection of goods by agents prior to shipping

Warehousing

- Inspecting goods and associated documentation upon acceptance in distribution centres
- Regular inspections for package integrity by the Quality Controller

Shipping to stores

- Inspection of goods and associated documentation upon delivery at the store
- Periodic spot checks at stores by the Quality Control Centre and laboratory testing, if necessary

PRODUCT: QUALITY THAT ENSURES CUSTOMER LOYALTY

Customers' needs are a cornerstone of our operations. We strive to deliver the best service and, thus, provide our customers with a unique customer experience

Unique customer experience

- In our care for customers, we tirelessly seek the **best quality** at **lowest prices**
- In our Company, customer **feedback** is key to improving product quality and range
- We are constantly increasing the number of our **loyal customers** to over 17 mln active loyalty cardholders as of FY 2021
- Our stores offer an average of **40-60** new products every week, which encourages our customers to **treasure hunt**

Privacy protection

- We protect our customers' **personal data** we receive as part of our loyalty programme
- Our customers' data are safe with us; **no security breach** has ever taken place



Highlights¹

63%



NPS (Net Promoter Score)²

>17 mln



Loyalty cardholders

0



Data breaches

0



Number of data breaches involving personally identifiable information

PARTNERS: BUILDING A RESPONSIBLE BUSINESS – TOGETHER

Building strong and transparent relationships with our partners across the whole supply chain is essential to our business

Responsible supply chain

- We are committed to creating a transparent and sustainable supply chain, and we require all our suppliers to enforce internal controls to eliminate corruption and forced labor
- We regularly remind our shipping agents of the need to follow safe driving practices

Suppliers audits

We employ a risk-based approach to audits of our suppliers in order to maximise the effectiveness of our inspections and minimise the risks to our stakeholders, including customers:

Highlights¹

c. 700

Suppliers



min. 90%

Compliance with a checklist requirements in order to pass an audit



Import suppliers

- We work with third party sales agents who audit new suppliers



Private label suppliers

- We conduct audits of private label suppliers every 2 years
- Suppliers are checked according to a detailed checklist (with more than 110 data points) that assesses, inter alia, such ESG aspects as:
 - Product quality
 - Waste management procedures
 - Occupational health and safety controls
- In order to pass an audit, a supplier must comply with at least 90% of the checklist requirements
- We work together with our suppliers to implement corrective actions if they are needed to eliminate discrepancies

PLANET: AWARD-WINNING ENVIRONMENTAL EFFORTS

We recognise the importance of environmental initiatives, and we are proud to have implemented multiple sustainability practices, including elements of waste management and energy saving technologies

Our approach

Distribution	No ripening chambers and refrigeration needed in DCs and trucks, leading to less energy consumption and CO2 emissions
	Rechargeable batteries are restored after 3-5 years of service, or handed over for specialist recycling
	Pallets withdrawn from circulation for restoration after 4-5 cycles
	Waste such as stretch film and cardboard compressed and collected from stores and distribution centres
Store	Instead of conventional lighting, we use LED lighting in our own and rented warehouses
	Store lighting is being transitioned to LED to save energy
HQ ¹	No high-performance refrigerators are used in stores to limit energy consumption
Product	Transition to electronic document flow for significant reduction in paper use
	We use Mobius loop marking ² to inform our customers about the possibility of package recycling
Product	Introduction of eco-friendly products, incl. eco washing powder, rubbish bags up to 40% made of recycled polyethylene, reusable bags



Our efforts recognised with
Eco Best Award in 2019,
2020 and 2021

Highlights²

19 thous. tonnes (+12% y-o-y) 

waste at DCs that is sold
for recycling, incl.

91%

cardboard



9%

stretch film



Anti bribery and corruption

We have developed and maintain **procedures to mitigate bribery and corruption risks**

All our suppliers and agents sign an **anti-corruption addendum** to ensure lawful and transparent business practices in the supply chain

Our employees are **trained** in anti-corruption methods

We did not come up against any **violations** of the anti-corruption legislation in 2019–2021

Code of conduct and business ethics

We **support diversity** and welcome people of all backgrounds and identities

We are committed to acting in accordance with **international human and labour rights**

Our ethics committee ensures that every complaint is dealt with in a timely and most effective manner

We ensure that all **information** in public communications is complete, fair, accurate, timely and understandable

Supply chain and anti-slavery

We do not tolerate modern slavery⁽¹⁾ within our operations and supply chain

All our suppliers and contractors are required to comply with this Policy

Fix Price requires its suppliers not to engage in any manufacturing, marketing or selling of counterfeit goods

Environmental, health and safety

We **ensure the health and safety of employees and consumers** and seek opportunities to minimise the impact of our business on the environment

Commitment to, among others:

- **initiatives for energy efficiency**, including reducing our carbon footprint, waste and recycling
- **regular monitoring** of EHS performance

Information security policy

We adopted an information security policy to prevent breaches and ensure that **personal data of our employees and customers** are **handled as per** the applicable **data protection laws**

Anti money laundering

We have implemented systems and procedures to prevent money laundering

Commitment to, among others:

- **Raising awareness** internally by setting guidelines
- Implementing transaction monitoring programmes
- Culture of **zero tolerance** for illegal actions

We operate under a determined set of 6 Governance Policies developed in cooperation with an international law firm and envisaging regular monitoring to enhance ESG transparency

Should you have any questions
about Fix Price's sustainability
initiatives, please do not
hesitate to contact

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