A Letter from the CEO

DEAR COLLEAGUES, CUSTOMERS, PARTNERS AND SHAREHOLDERS,

We are pleased to present the first-ever Fix Price sustainability report, prepared in accordance with GRI and SASB standards. Here you will find insights on key areas of the Company’s sustainability efforts, as well as our achievements and priorities. This report illustrates our values, philosophy and dedication to our work.

In 2021, Fix Price faced a number of challenges and difficulties, including the continuing pandemic, high inflation, FX volatility and global supply chain disruptions. That said, we swiftly adapted to the new environment, and our business model proved its resilience time after time. As a result, the Company consolidated its leadership in the variety value retail segment.

Although this report covers our 2021 operations, I believe it is important to note the significant uncertainty that emerged early on in 2022. It is not easy to assess current events and their potential consequences. However, we believe that we should focus on the impact we can make directly. Our experienced team continues doing everything possible to achieve our core objectives: delivering goods to customers at low prices and ensuring the stability of supplies and jobs, no matter what.

Fix Price has been implementing social and environmental projects for many years. In 2021 we made the decision to streamline our corporate sustainability agenda in order to increase efficiency in this field of ever-growing significance.

That year, we comprehensively assessed ESG practices at Fix Price, and this helped us understand the areas we should focus on.

Last autumn, the Board of Directors established the Environmental, Social and Governance (ESG) Committee, which was an important milestone in developing the Company’s ESG agenda. This step showed our commitment to transparent corporate governance.

We also started outlining our sustainability strategy and identified four strategic priorities approved by the ESG Committee, the 4Ps: Product, People, Partners and Planet. As part of the strategy, we will define the roadmap and initiatives that will enable us to implement the necessary changes and contribute to these priority areas.

In early 2022, we published the first set of sustainability materials: the ESG Databook and Presentation.

In the future, we plan to continue our work in key areas of sustainable development and adapt our plans in accordance with changing conditions.

The professional community has recognised our efforts in customer service, assortment and product quality. In 2021, Fix Price won Company of the Year at the Time for Innovations award. We also took home the Private Label Award 2021 (best PL in the Drogerie and Affordable segments). In addition, two of our products won gold medals at Quality Assurance 2021.

One of the most valuable prizes for us is the Annual National Consumer Confidence Award MARKA No. 1 IN RUSSIA® 2021. We are very happy that customers are so willing to express their confidence in us.

Well-coordinated teamwork is the formula for our success, and in 2021 we focused on improving it even more by continuing our training programs; upgrading our mobile training app; and launching the new Expert in the Field programme, which allows our employees to share their expertise.

DMITRY KIRSANOV, Chief Executive Officer

Here and hereinafter the Drogerie category comprises household chemicals, cosmetics and hygiene products
I am convinced that today each organisation has the opportunity to make a unique contribution to bringing the global ESG agenda to life. We recognise that there are many areas where Fix Price can make a difference. That is why we have selected the most significant areas within our four strategic ESG priorities where we see the greatest potential for the Company’s contribution.

Fix Price's team is aware of its great responsibility to society. We promote healthy lifestyles for young people and support the next generation of athletes, raising funds for the League of Future Champions to cultivate youth football. In 2021, Fix Price donated around RUB 40 million to the foundation, while our customers gave over RUB 4.5 million at donation boxes. The funds provided by our customers made it possible for 200 young people to play football.

In 2021, despite the pandemic, we continued the Good Deeds community project that we had launched in 2014. This programme helps us increase awareness of environmental and social issues in cities where we operate.

We were pleased to see Good Deeds win the Best Social Projects of Russia prize and ECO BEST AWARDS for several years running.

On behalf of the Board of Directors and Fix Price management, let me thank our employees, customers and partners for their support and invaluable contributions to our development, despite all external challenges. I am confident that our well-coordinated teamwork will enable us to overcome any difficulties and find new opportunities for future achievements.

Last year we implemented an environmental project that was very important for us — we calculated the greenhouse gas emissions from Fix Price operations. This enabled us to assess our climate footprint and outline ways in which we can focus further efforts in this area.

Electricity consumption per total area decreased 4% in 2021 thanks to the installation of equipment with higher energy efficiency and upgrades at existing facilities. We take pride in the fact that the volume of waste sent for recycling increased 12%.

Fix Price strives to inspire customers towards conscientious lifestyles. To do this, we supplemented our product range with goods that help promote eco-friendly habits (such as multiple-use and string bags). In early 2022, we switched to bags up to 40% made of recyclable materials.

Establishing a sustainable supply chain is one of our most important ESG focus areas. We collaborate with about 700 suppliers, having built relationships of trust and partnership with each of them, and we are pleased to see the producers of our in-demand and unique merchandise grow together with us. It is critical that all our partners abide by our corporate documents, including the Modern Anti-Slavery and Human Trafficking Policy; the Anti-Money Laundering Policy; the Anti-Bribery and Corruption Policy; and the Environmental, Health & Safety Policy.

Last year, Fix Price remained committed to protecting customer and employee health. We are proud of our campaign to support COVID-19 vaccinations by allocating 10 million bonus points to vaccinated customers (1 bonus point = 1 rouble).

In 2021, we continued to incorporate ESG practices into Fix Price's business processes. We have also succeeded in raising awareness about the importance of sustainability for the Company among our employees and other stakeholders.
About the Company

98% of the Russian population covered with presence in 79 regions
General Information

One of the LARGEST and FASTEST-GROWING players in the variety value retail market globally and Russia’s indisputable leader in this segment.

A UNIQUE ASSORTMENT with a continuous rotation of goods and an engaging “treasure hunt” experience.

FIXED PRICES, that are among the lowest in the market.

A STABLE and RELIABLE PARTNER, supporting local suppliers.

A LARGE EMPLOYER that people want to work for.

AN ACTIVE PARTICIPANT in charities and community projects.

Fix Price — is one of the world’s leading variety value retailers and the largest in Russia. Our mission is to provide an affordable and pleasing shopping destination with a broad range of essential and unique products.

The data in this section is presented for the entire Fix Price Group Ltd (in this section also the Group, Fix Price), unless stated otherwise. As at the publication date, the Group was renamed Fix Price Group PLC and changed its country of registration to the Republic of Cyprus.

Rated one of the largest non-state employers in Russia according to hh.ru and named an attractive employer by the SuperJob portal.

Please refer to Section 3 People for more details.
**KEY FIGURES**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of stores</td>
<td>4,904</td>
<td>4,167</td>
<td>3,512</td>
</tr>
<tr>
<td>LFL sales</td>
<td>7.2</td>
<td>15.8</td>
<td>15.4</td>
</tr>
<tr>
<td>Average headcount of the Group</td>
<td>33,044</td>
<td>31,970</td>
<td>25,064</td>
</tr>
<tr>
<td>Net Promoter Score (NPS)</td>
<td>63</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>Total selling space, sq. m</td>
<td>1,056,840</td>
<td>889,526</td>
<td>743,489</td>
</tr>
<tr>
<td>Store average selling space, sq. m</td>
<td>215</td>
<td>213</td>
<td>211</td>
</tr>
<tr>
<td>Number of suppliers</td>
<td>686</td>
<td>628</td>
<td>507</td>
</tr>
<tr>
<td>Number of loyalty cardholders, million</td>
<td>17.0</td>
<td>11.6</td>
<td>7.0</td>
</tr>
</tbody>
</table>

1. Like-for-Like (LFL) sales are calculated based on the results of stores operated by Fix Price and that have been operational for at least 12 full calendar months preceding the reporting date. The number is calculated based on retail revenue including VAT. It excludes stores that were temporarily closed for seven or more consecutive days during the reporting period and the comparable period.

2. NPS is calculated as follows: NPS = the number of promoters (%) – the number of critics (%).
### ABOUT THE COMPANY

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue, RUB million</th>
<th>EBITDA margin (IFRS 16), %</th>
<th>Net profit, RUB million</th>
<th>Net debt/EBITDA (IAS 17)</th>
<th>Announced dividends, RUB million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>230,473</td>
<td>19.2</td>
<td>9.3</td>
<td>44,155</td>
<td>15,588</td>
</tr>
<tr>
<td>2020</td>
<td>190,059</td>
<td>19.4</td>
<td>9.2</td>
<td>36,788</td>
<td>32,644</td>
</tr>
<tr>
<td>2019</td>
<td>142,880</td>
<td>19.0</td>
<td>9.2</td>
<td>27,150</td>
<td>13,740</td>
</tr>
</tbody>
</table>

1. EBITDA is calculated as profit for the respective period adjusted for income tax expense, interest expense, interest income, depreciation and amortisation expense, and foreign exchange gain / (loss), net
2. ROIC (Return on Invested Capital) is calculated as operating profit less income tax expense for the LFY divided by Average Invested Capital for LFY and LFY-1. Average Invested Capital is calculated by adding the Invested Capital at the beginning of LFY to Invested Capital at year’s end and dividing the result by two. Invested Capital is calculated as total equity plus total current and non-current loans and borrowings plus total current and non-current lease liabilities plus dividends payable less cash and cash equivalents.
STORE PORTFOLIO AND LOCATIONS

RUSSIA

1. Central FD: 1,291
2. Volga FD: 928
3. Southern FD: 552
4. Siberian FD: 512
5. North-Western FD: 461
6. Urals FD: 450
8. Far Eastern FD: 77

TOTAL: 4,904

- 5,000 stores in Russia and neighbouring countries
- 737 net store openings in 2021
- 8 Distribution centres
- 2,000 SKUs in 20 merchandise categories
- ~290 sq. m average total store area

SUSTAINABILITY REPORT 2021

ABOUT THE COMPANY
Ouis Mission and Values

Our Mission –

is to improve the daily lives of our customers by providing savings on the products they use every day. We do this by offering a wide and unique range of essential items for the whole family in several fixed price categories at thousands of stores in Russia and neighbouring countries. We give great value for money across the variety value retail (VVR) market to millions of households with different purchasing power.

Our Values:

Customer first

Customer satisfaction determines Fix Price’s vector of growth. Hence, our ongoing effort is to increase the quality of our services, diversify our offerings, and develop a unique shopping experience.

Professionalism, integrity and transparency

We are confident that our collaboration with customers, partners, employees and shareholders based on such principles help us positively impact the world.

One team

We strive to create a respecting and caring work environment so that employees can grow professionally and personally.

Awards

- Winner of Private Label Awards 2021 (best PL in the Drogerie segment and best PL in the Affordable segment)
- Fix Price won a majority of votes and received the Annual National Consumer Confidence Award “Marka No. 1 In Russia® 2021” in the category “The Low Price Chain”
- Fix Price’s Good Deeds community project won the Best Social Projects of Russia award in the Social Marketing and Environment categories for four years in a row
- Fix Price won the ECO BEST AWARD for the Best Environmental Initiative of the Year for the third time with its Good Deeds community project
- Fix Price won “Company of the Year” and “Service Solution of the Year” at the 2021 Time for Innovations Awards

The Drogerie category comprises household chemicals, cosmetics and hygiene products.
KEY PILLARS OF OUR SUCCESS

1. LEADING A LARGE AND GROWING MARKET
   Fix Price is one of the fastest-growing publicly-listed variety value retailers globally. We are also the leader in the Russian variety value retail market both by number of stores and sales.

2. UNIQUE CUSTOMER VALUE PROPOSITION
   We offer a broad range of products and best prices for represented merchandise categories and SKUs, standing out among other online and offline retailers. Customers recognise Fix Price for its diverse, unique and constantly rotated assortment, including both essential and “WOW” goods, as well as for the experience of treasure hunt.

3. OPERATIONAL EXCELLENCE
   Fix Price’s efficient operational model is driven by lean decision-making and a nimble management approach, the standardisation of the store network, highly automated operations, centralised logistics and an efficient procurement and sourcing model.

4. SUBSTANTIAL GROWTH POTENTIAL
   The total store potential for the Russian variety value retail market is estimated to be approximately 15,600 stores (including existing Fix Price stores), which is nearly 3.5 times higher than our current store network in Russia.
   Outside of Russia, the growth potential on the Belarus and Kazakhstan markets combined is approximately 3,000 stores.

5. BEST IN CLASS FINANCIAL KPIS
   Fix Price is one of the leading companies by revenue growth, profitability and ROIC levels among publicly-traded variety value retailers globally based on their publicly reported financial information.

6. STRONG MANAGEMENT AND GOVERNANCE
   Fix Price benefits from having founders with substantial prior experience in launching and scaling up retail chains, including discount stores, a highly experienced management team with a more than ten-year track record within Fix Price and a collaborative and flat organisational structure which allows for rapid and effective decision-making.

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Based on publicly available information about publicly traded US and international dollar stores/value retailers: Dollar General, Dollar Tree, Five Below, Grocery Outlet, Ollie’s, B&M, Dino, Dollarama
Corporate Governance

Fix Price runs an efficient corporate governance system compliant with the London Stock Exchange and Moscow Exchange listing requirements. We are continuously improving our corporate governance system in order to protect shareholder and stakeholder rights and to adhere to the best international practices.

APPROACH TO CORPORATE GOVERNANCE

OUR CORPORATE GOVERNANCE STRUCTURE:

- GENERAL SHAREHOLDERS MEETING
  - 7 members
- BOARD OF DIRECTORS
  - 12 members
  - Audit Committee
    - 3 members
  - Nomination and Remuneration Committee
    - 3 members
  - Strategy Committee
    - 3 members
  - ESG Committee
    - 3 members
- Management
  - 12 members
- Chief Executive Officer

ABOUT THE COMPANY
ABOUT THE COMPANY

The Group's management is responsible for efficiently structuring business processes, running current operations, and achieving the objectives set by shareholders and the Board of Directors. Fix Price's management has years of experience and a deep knowledge of the retail industry. This fundamental expertise is confirmed by the average length of service of top managers at Fix Price (over 10 years). There is almost no top management turnover, which means that our team grew together with the business. It is this development of talent, as well as the work of our professionals, that has enabled Fix Price to build a business that meets the highest standards of corporate governance.

The highest corporate body of the Group is the General Shareholders Meeting. The Board of Directors is elected by the shareholders and reports to them. The Board is in charge of the strategic management of the Group and supervises the Group's management team. The Board of Directors established the Audit Committee, the Nomination and Remuneration Committee, the Strategy Committee and the ESG Committee. These committees are comprised of members of the Board of Directors, who are elected based on their relevant professional experience and expertise.

For more details on the Board of Directors and its committees, please refer to the Annual Report.

The Audit Committee assists the Board of Directors with the review of the Group's internal and external audit activities, including the review of internal control systems; compliance with financial reporting requirements; and the scope, results, and cost effectiveness of the external audit.

The Nomination and Remuneration Committee provides recommendations to the Board of Directors with regards to compensation and appointment of new directors. The Committee also reviews senior management appointments and company-wide succession planning, as well as other human resources–related matters.

The Strategy Committee assists the Board of Directors with the analysis and monitoring of the strategic management issues of the Group, including the consideration of M&A opportunities and large investment projects.

The ESG Committee assists the Board of Directors in exercising its supervisory function with regard to corporate responsibility and sustainability matters; ensures the fulfilment of the Group's ESG obligations; monitors and evaluates health, safety, and environment risks related to the Group's operations, personnel, and contractors; and is in charge of stakeholder engagement.

For more details on our management team, please refer to the Annual Report.

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RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Fix Price's risk management system is aligned with the Risk Management Policy and Regulations on Risk Assessment. These procedures are based on the ISO 31000 and COSO ERM international risk management standards. This system was established to increase the efficiency of decision-making, as well as to contribute to the development of our business, while taking into account various uncertainty factors. Risk management addresses the identification of the key risks e.g., affecting the Group's budget and achievement of business targets; the assessment of risk levels, their significance, and implications; and the preparation of risk mitigation plans.

Risk management functions are divided between the Board of Directors, the Audit Committee, top-management and business units:

- The Board of Directors analyses the progress of risk management activities and identifies priority areas of risk management;
- The Audit Committee reviews the performance of the risk management system and reports the results achieved on an annual and quarterly basis;
- Top-management is responsible for monitoring and controlling the risk management;
- Business units undertake risk management measures in their respective areas of responsibility;
- The Internal Control and Risk Management Department coordinates the overall risk management process.

At present, the Group does not perform separate ESG risk assessments, but the current registry contains the following risks related to sustainable development:
- Personnel management;
- Employee training and development;
- Occupational safety;
- Product quality;
- Compliance;
- Internal controls;
- Information security;
- Anti-corruption efforts.

For more details on the risk management, please refer to the Annual Report.

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For more details on our management team, please refer to the Annual Report.
**RISK MANAGEMENT CULTURE AT FIX PRICE**

Fix Price strives to follow the best corporate governance practices. We realise that the efficiency of the Group’s risk management system depends on many factors, including the methods used to promote greater awareness among employees. Therefore, we work to deepen the understanding of this sphere even in teams that are not directly involved in managing key risks.

In 2021, Fix Price made a significant effort to develop risk management skills among employees.

We included risk management modules in the mandatory training courses for store and office employees conducted in early 2022, after the reporting period. We also developed a specialised course for anyone who wanted to study the key aspects of risk management in more detail. An even more immersive training is planned for managers in 2022.

In addition, we periodically feature educational articles and videos on risk management for various audiences on our Intranet. Last year, we published materials such as Risks as Threats and Opportunities, Mental Traps in the Risk Management Process, and Specific Features of Risks in the 21st Century.

For the convenience of our colleagues, we tag our Intranet publications and, to improve memorisation, we provide links to short assignments on the related topics. If employees have any questions, an email address is provided at the end of the publication.

In 2022 we will continue providing materials and interactive assignments on risk management, given the efficiency of this simple and easily available tool for increasing the awareness of target topics among personnel.

**ETHICS AND COMPLIANCE**

Compliance with high standards of business ethics is key in the development of corporate governance. Fix Price business standards have been set in corporate documents covering key aspects of ethics and compliance.

**THE BUSINESS ETHICS POLICY (THE CODE OF CONDUCT)**

- outlines key ethical principles of business conduct:
  - preventing illegal money transfers;
  - anti-bribery and anti-corruption efforts;
  - promoting integrity and an ethical approach to customer and supplier engagement;
  - providing safe goods to customers;
  - preventing and settling conflicts of interest;
  - anti-money laundering and combating financial crime;
  - compliance with all legislative norms and occupational health and safety rules;
  - protecting human rights;
  - business operations based on sustainability principles;
  - respect for privacy and data confidentiality;
  - a non-retaliation policy with respect to employees acting in good faith to report any breaches of the Code.

**THE MODERN ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY**

establishes principles of respect for human rights and zero tolerance for modern slavery, including child or forced labour and human trafficking.

**THE ANTI-BRIBERY AND CORRUPTION POLICY**

is used to conduct business in accordance with principles of integrity and ethics; prevent breaches of legislation; and establish respectful and responsible relations with employees, customers, business partners and shareholders.

**THE ANTI-MONEY LAUNDERING POLICY**

declares absolute intolerance for unlawful actions that result in illegal income.
The duties of the Ethics and Compliance Committee are as follows:

- developing proposals for improving the Group’s compliance framework to meet legislative, internal, regulatory and stakeholder requirements, as well as international standards and ethical norms;
- organising reviews of policies and procedures established in the Group;
- participating in the development of the Group’s internal ethics and compliance documents;
- assisting management in complying with legislative requirements, the principles of ethical behaviour and achieving the Group's objectives;
- developing recommendations on how to increase the efficiency of the ethics and compliance effort;
- reviewing matters related to conflicts of interest in the Group’s operations and among employees;
- reviewing reports by the secretary of the Ethics and Compliance Committee on the respective hotline’s work;
- advising the Group’s employees on ethics and compliance matters;
- other matters related to compliance with the Code of Business Ethics and compliance areas.

We are currently updating the Business Ethics Policy to make it more clear and concise, refining our mission and values, and identifying key stakeholders covered by this Policy. In order to implement the best corporate practices, our managers go through an additional specialised training for efficient ethics and compliance management.

It is critical for us that our employees are aware of the corporate policies and amendments introduced as part of the policy-refining process. Studying all major policies and regulations, including the ethics and compliance guidelines, is part of mandatory training for newcomers and additional training for office and store employees. Fix Price's Intranet and social media are also important channels for publishing links and extracts of documents.

Ethics and compliance matters fall within the competence of the respective Committee chaired by the director of the Internal Control and Risk Management Department. The Ethics and Compliance Committee is the body authorised to deal with matters of ethics, corruption, and employee misbehaviour, especially in cases not covered in the guidelines.

The ethics and compliance hotline operates based on the principles of confidentiality and non-retaliation with respect to whistleblowers. Any interested party can submit a query that will be processed by the Ethics Committee. After our active promotion of the Ethics Committee in 2021, the number of hotline queries increased significantly. We review all queries and take disciplinary measures when necessary.

In the reporting period, Fix Price also focused on improving ethics and compliance feedback mechanisms. Our team has implemented a critical project for automating hotline query processing for the Ethics Committee. Now all applications are transitioned to the Jira platform.
About the company

The Group has a channel for customer queries, most of which are related to the Fix Price loyalty programme. The number of hotline appeals increased 70% last year as a result of the launch of our robot-assistant and new marketing activities related to the development of our loyalty program.

We focus on the quality of goods, so when customers have quality-related questions, they can submit them via the website feedback tool or by email. After reviewing the queries, we do our best to resolve the issues and prevent them from reoccurring.

Customer queries submitted in 2019–2021,
Number of queries

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of queries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5,350,387</td>
</tr>
<tr>
<td>2020</td>
<td>3,151,613</td>
</tr>
<tr>
<td>2019</td>
<td>1,779,926</td>
</tr>
</tbody>
</table>

For more details, please refer to Section 2 Product

For more details on our collaborations with partners, please refer to Section 4 Partners

Customer Queries

Customer queries submitted in 2019–2021,
Number of queries

<table>
<thead>
<tr>
<th>Year</th>
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For more details, please refer to Section 2 Product

For more details on our collaborations with partners, please refer to Section 4 Partners

Responsible Supply Chain

Fix Price strives to create a responsible and transparent supply chain; therefore, we ensure that our partners comply with our policies and share our values. In our partnerships, we follow the Code of Conduct (fully applicable to all our partners), as well as the Modern Anti-Slavery and Human Trafficking Policy, Anti-Bribery and Corruption Policy, Environmental, Health & Safety Policy; quality control regulations for all categories of merchandise, and other guidelines.

We take a responsible attitude when selecting partners, especially when it comes to ensuring human rights and excluding forced and child labour in the supply chain, and we ask all suppliers to fill out a self-assessment form related to these issues, as well as non-discrimination. In addition, all our partners sign an anti-corruption agreement to minimise future risks.

Fix Price values all of its partners, and we establish honest and long-term relationships with them. We strive to be as transparent as possible when it comes to our work, pricing policy and requirements for quality in order to clearly communicate our expectations. When dealing with suppliers, we focus on the product development process so we can be confident in the quality of the merchandise and the safety of the production process.

For more details, please refer to Section 2 Product

For more details on our collaborations with partners, please refer to Section 4 Partners

Information Security and Personal Data Protection

Processing and ensuring the security of personal data is an important aspect of Fix Price’s operations. Fix Price’s main focus is on its customers: we value their trust and treat their personal data with the utmost care. It is necessary to obtain their consent to collect and use this data.

We receive and process the personal data of our employees from the time they are hired until their employment agreement is terminated. This process has been formalised in the internal Data Protection Policy, which must be read by employees.

Our customers and employees have the option of changing the status of their personal data via their user account. They can ask any questions they might have using the hotline, the contact data specified in the Data Protection Policy, the feedback form, by email, or by regular mail.

In 2021, like in previous years, there were no instances of data confidentiality breaches.

The comprehensive audits referred to in the Information Security and Personal Data Protection section are performed by third-party organisations to exclude conflicts of interest and prevent any wrongdoing.

Technological advancements and the automation of business processes underpin the relevance of information security for any company, irrespective of its industry. The Group realises the importance of this for business and applies its Information Security Policy, defining key objectives and principles of information protection, allocating employee duties and responsibilities, and describing mechanisms for information security management.

In our operations, we strive to ensure the immunity of our IT framework and exclude leaks of the personal data of any stakeholder. In order to prevent such risks before they can occur, our IT team analyses the resilience of our information systems every year, and information security aspects are included in comprehensive audits of our systems.

Fix Price receives personal data from external users participating in the loyalty program, using the website or apps, etc. The principles of external user data protection are outlined in the Data Protection Policy.

For more details, please refer to Section 2 Product

For more details on our collaborations with partners, please refer to Section 4 Partners
The Approach to Sustainability Management

CORE ESG INDICATORS

Percentage of female managers, %

44
2021

37
2020

35
2019

100%
Percentage of store employees and new DC and office employees who received training (2019–2021)

100%
Percentage of new store managers trained under the mentoring programme (2019–2021)

Total GHG emissions (Scope 1, 2 and 3)* carbon dioxide equivalent, t

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Total GHG emissions</td>
<td>2,166,831</td>
<td>2,509,007</td>
</tr>
<tr>
<td>Direct GHG emissions (Scope 1)</td>
<td>3,080</td>
<td>3,299</td>
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<tr>
<td>Indirect GHG emissions (Scope 2)</td>
<td>88,761</td>
<td>106,608</td>
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<tr>
<td>Other indirect emissions (Scope 3)</td>
<td>2,074,990</td>
<td>2,389,100</td>
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</tbody>
</table>

Specific GHG emissions (Scope 1 + Scope 2) per total area*

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<tr>
<th></th>
<th>2021</th>
<th>2020</th>
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<tbody>
<tr>
<td>Total GHG emissions (Scope 1 and 2), carbon dioxide equivalent, t</td>
<td>0.098</td>
<td>0.099</td>
</tr>
</tbody>
</table>

Total amount of waste sent for recycling, t

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of generated waste, t</td>
<td>141,958</td>
<td>139,743</td>
</tr>
</tbody>
</table>
Local suppliers account for around 75% of Fix Price purchases.

In the current year, the Group has measured direct, indirect and other emissions (Scope 1, 2 and 3, respectively) for 2020 and 2021.

One feature of Fix Price’s business model is that our assortment does not require special storage conditions. Fix Price practically does not use refrigerating equipment, which makes it possible to reduce resources and refrigerant-related GHG emissions.

In 2021, we started enriching our assortment with goods promoting responsible customer attitudes towards the environment, such as multiple-use and string bags. In early 2022 we started selling bags containing 40% recycled polyethylene.

We launched the Expert in the Field programme, which enables employees to share their professional competencies.

Fix Price allocated RUB 10 million to combat the COVID-19 pandemic and boost vaccination rates. From 1 November 2021 to 10 December 2021, we rewarded 1,000 bonus points to the loyalty cards of customers with vaccination certificates (1 bonus point equalled RUB 1).

We are aware of how important responsible business practices are, so we implement sustainability approaches that apply to all stakeholders. In order to increase the efficiency of our efforts, in 2021 we established the ESG Committee, which is in charge of corporate governance and sustainability management at the strategic level. The ESG Committee adopts the sustainability strategy, supervises stakeholder engagement and approves non-financial reporting. The Committee meets when necessary to make operational and strategic decisions on sustainable development. Specific initiatives and actions are implemented by the respective departments and divisions.

1 The total area equals the sum of the selling space of the Group-operated stores in Russia and the DC area
2 Fix Price defines “local suppliers” as legal entities registered in the Russian Federation
3 Scopes 1, 2, and 3 comprise different categories of greenhouse gas emissions
4 An exception being ice cream and similar products requiring special storage temperatures in the store
One of the strategic goals of Fix Price is to create value for all stakeholders.

**OUR RESOURCES**
- c. 5,000 stores in Russia and neighbouring countries
- 8 DCs infrastructure with total space of 282,349 sq. m
- c. 700 suppliers, c. 75% of purchases sourced domestically
- >33,000 personnel of the Group

**A SCALABLE store format**
with low CAPEX requirement

**BEST IN CLASS**
ROIC and robust EBITDA

**UNDISPUTED No.1 POSITION IN THE RUSSIAN VARIETY VALUE RETAIL MARKET**

**KEY PILLARS OF OUR BUSINESS SUCCESS**
- Unique CVPs
- Agile sourcing
- Well-developed tech platform
- Smart & streamlined logistics
- Efficient store management model
- Strict cost control

**STAKEHOLDER VALUE CREATION**

**TO OUR CUSTOMERS**
- Decent quality at best prices
- Treasure hunt & WOW shopping

**TO OUR SHAREHOLDERS**
- Best in class returns and long-term value creation

**TO OUR PERSONNEL**
- Career opportunities
- Safe & healthy work environment

**TO COMMUNITIES**
- Support of local communities

**TO PARTNERS**
- Opportunities for growth & scale & stability
Any company — in any industry — creates and distributes economic value, which is how it positively impacts society. Fix Price is striving to increase both its created and distributed economic value. As a result, its retained economic value remains low, which shows that it invests in the economic development of the regions where it operates, creates and retains jobs, pays taxes, pays partners for the goods and services they deliver, distributes dividends to shareholders, contributes to development of local communities and holds charitable events.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct economic value created</td>
<td>143,435</td>
<td>190,760</td>
<td>231,546</td>
</tr>
<tr>
<td>Revenue</td>
<td>141,965</td>
<td>188,947</td>
<td>229,193</td>
</tr>
<tr>
<td>Income from financial investments</td>
<td>Broad range of stakeholders</td>
<td>1,192</td>
<td>1,586</td>
</tr>
<tr>
<td>Other income</td>
<td>278</td>
<td>227</td>
<td>838</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>128,948</td>
<td>176,993</td>
<td>230,791</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Suppliers and contractors</td>
<td>104,925</td>
<td>138,474</td>
</tr>
<tr>
<td>Salaries and other employee benefits</td>
<td>Employees</td>
<td>9,735</td>
<td>12,912</td>
</tr>
<tr>
<td>Payments to capital providers</td>
<td>9,639</td>
<td>16,692</td>
<td>37,032</td>
</tr>
<tr>
<td>Inclusive of dividends paid</td>
<td>Shareholders and creditors</td>
<td>8,039</td>
<td>14,214</td>
</tr>
<tr>
<td>Inclusive of financial expenses</td>
<td></td>
<td>1,600</td>
<td>2,478</td>
</tr>
<tr>
<td>Payments to the government</td>
<td>State budget</td>
<td>4,591</td>
<td>8,860</td>
</tr>
<tr>
<td>Investments in local communities</td>
<td>Local communities</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Other expenses</td>
<td>Broad range of stakeholders</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Retained economic value</td>
<td>14,487</td>
<td>13,767</td>
<td>755</td>
</tr>
</tbody>
</table>

In accordance with GRI standards, indicator 201-1 Direct economic value generated and distributed was calculated on the basis of the audited IFRS financial statements of Fix Price Group Ltd. The items of the statements were reclassified to meet requirements of the GRI 201.

This article comprises income from the share of profit of associates
This item comprises income tax and other tax payments
This item comprises charitable expenses recognized on an accrual basis in accordance with IFRS financial statements
This item comprises expenses related to asset disposal. The respective income on asset disposal is recognized in Other expenses
ESG STRATEGIC PRIORITIES

In 2021 Fix Price identified four ESG strategic priorities with consideration for our potential contribution to achieving the 17 sustainable development goals established by the United Nations (the UN SDGs). The ESG Committee approved these priorities, the 4Ps — Product, People, Partners and Planet — and outlined focus areas to move forward within each of them.

At the same time, we did not single out corporate governance aspects, because we believe that it is a foundation of our operations. We are currently focusing on business ethics and compliance, and we are working to increase the awareness of employees in these fields.
ABOUT THE COMPANY

Fix Price aims to have a balanced assortment of high-quality and healthy products at low prices based on customer demand, as well as add items with a minimal environmental footprint. Our goal is to create a unique customer experience.

Offering safe and high-quality goods to our customers

The high quality and safety of our products is another crucial focus for us. We carefully build our relationships with suppliers, tediously work out the consumer properties of our goods, and meticulously control the quality at each production stage.

Affordability of goods

Fix Price is deeply involved in product design and manufacturing processes, striving to offer the best goods at the most affordable prices.

Our partnerships with suppliers enable us to contract the production of unique goods and customise them in accordance with our requirements. We plan to expand the geography of our retail operations, enrich the assortment and add the new products our customers need.

A unique customer experience

We strive to create a unique customer experience and turn shopping into an exciting treasure hunt, frequently rotating our assortment and offering the latest releases and exclusive seasonal collections.

Focus on customers

We are constantly working to increase the quality of our services as we collect feedback from our customers, allowing us to grow and get better and better every day.

Fix Price aims to create a comfortable and safe environment for all employees and contractors, as well as provide them with opportunities for training and professional development. We work to build stakeholder relationships based on the principles of transparency and integrity, as well as contribute to the development of local communities.

Human capital development

Our objective is to ensure good working conditions and fair labour compensation for employees and contractors, develop and train personnel, and increase their motivation.

Support local communities

We offer a broad range of products that are affordable for people with different incomes. We aim to support local communities in the regions where we operate and hold charitable events and programmes with a focus on protecting the environment and promoting sport and active lifestyles. We also support socially vulnerable households.

One of Fix Price’s goals is to advance the principles of sustainable development and responsible business conduct along our entire value chain.

Responsible supply chain

We believe that it is crucial to comply with sustainability principles both internally and when dealing with partners. As we build a responsible and transparent supply chain, we are careful to ensure that our partners share our values and meet the requirements of our corporate policies.

Energy efficiency and climate

We will continue lowering energy consumption in our operations to decrease our climate footprint.

Waste

Our goal is to increase the share of recycled packaging and waste sent to recycling.

We strive to minimise our environmental footprint, reduce GHG emissions and waste, and increase the percentage of recycled packaging in our goods.

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The UN Sustainable Development Goals (SDGs) have become the basis for defining priority areas of sustainability in our operations. We have analyzed key SDG trends in Russia, including statistical metrics, key results, and current context according to international and Russian research on the contribution Russia makes to implementing the UN SDGs.

Out of the total of 17, we selected 7 SDGs, where we see the strongest potential for Fix Price’s impact and divided them in two groups: primary and supporting SDGs.

The primary SDGs comprise three goals where Fix Price is in a position to make the most tangible contribution.

- **SDG 8:** Decent Work and Economic Growth
- **SDG 12:** Responsible Consumption and Production
- **SDG 13:** Climate Action

The indirect impact group comprises four supporting SDGs that are indisputably significant for us, but our contribution to achieving them is slightly lower due to the specific features of our business.

- **SDG 2:** Zero Hunger
- **SDG 3:** Good Health and Well-being
- **SDG 5:** Gender Equality
- **SDG 10:** Reduced Inequalities
Product

73% OF OUR ASSORTMENT IS PRICED BELOW RUB 100
Assortment Proposition and Customer Relations

In spring 2021, Fix Price won the 11th Golden Teddy Bear national award for achievements in providing goods and services for kids in the following categories: Best Cosmetics and Hygiene Products, Best Environmental Education Project and Best Charitable Project.

In June 2021, Fix Price won the Private Label Awards 2021 in two categories: Best Drogerie Category and Best Discount Segment Private Label. These awards are handed out annually to the best Russian private label manufacturers and retailers.

In autumn 2021, as a result of an open poll conducted for the Trademark No 1 in Russia Award, Fix Price won a majority of votes in the Low-Price Retailer category. More than 120,000 Russian customers participated in the vote.

In November 2021, as part of the 2021 Guarantee of Quality Contest, which recognises excellence in food products, two of the Fix Price's products won gold medals in the Confectionery category and in the Canned Fruits, Vegetables and Mushrooms category.

In December 2021, Fix Price won the 2021 Time for Innovations Awards in two categories: Company of the Year (for the Project of Advancing the Variety Value Retail on the Russian Market) and Customer Service Solution of the Year (for the Loyalty Programme Project).

Our accomplishments in 2021:

- Net Promoter Score (NPS) 63%
- Registered loyalty cardholders 17 million
- SKUs in our assortment 2,000

Drogerie category comprises household chemicals, cosmetics and hygiene products.
OUR BUSINESS MODEL AND ASSORTMENT STRUCTURE

Distinctive features of our business model

**Affordable goods:**
- >70% of SKUs cost less than RUB 100

**Price leadership:**
- our prices are significantly lower than those of other online and offline retailers

**Unique assortment:**
- a balanced product range available only in our chain with >20 categories of goods

**Frequent assortment rotation:**
- 64% of Fix Price assortment is renewed up to six times a year;
  - 40–60 SKUs are added on a weekly basis. As a result, our customers can treasure hunt every time they visit our stores

**Local suppliers:**
- 75% of Fix Price procurement is sourced domestically, which allows us to support local suppliers and decrease logistics costs

Since its inception, Fix Price has focused on product quality, demand, and pricing. Fix Price's business model is designed to meet the needs of its customers — they can always find what they are looking for in our unique, broad and affordable product range that is regularly updated. Consequently, our assortment has something to offer the entire household.

Our mission is to improve the lives of our customers and provide them with the opportunity to purchase goods at affordable prices, even in the most remote locations. Fix Price stores operate in 79 out of 85 regions of Russia and are conveniently located in areas of high traffic.

All our stores adhere to company-wide standards governing product range, prices, and store layout. The standardisation allows us to optimise process management, also fostering strong brand recognition among our customers.

Around 80% of customers named our affordable prices and vast assortment as their primary reasons for choosing Fix Price. They also noted a good value for money, convenient locations of our stores, and high product quality.

There are about 2,000 SKUs in our product range. The core of Fix Price's assortment is non-food products. In addition, we offer goods in the Drogerie category as well as food products that do not require special storage conditions (in either stores or distribution centres).

We strive to exceed expectations, providing an exciting treasure hunt experience for our customers. The assortment mix is frequently rotated, and the product layout is conveniently organised to help our customers find what they need quickly and easily, as well as to see the most lucrative offers, at prices they won't find in other retail chains or online. Such items are often placed at the entrance.

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<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable goods:</td>
<td>&gt;70% of SKUs cost less than RUB 100</td>
</tr>
<tr>
<td>Price leadership:</td>
<td>our prices are significantly lower than those of other online and offline retailers</td>
</tr>
<tr>
<td>Unique assortment:</td>
<td>a balanced product range available only in our chain with &gt;20 categories of goods</td>
</tr>
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<td>Frequent assortment rotation:</td>
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</tr>
<tr>
<td>Local suppliers:</td>
<td>75% of Fix Price procurement is sourced domestically, which allows us to support local suppliers and decrease logistics costs</td>
</tr>
</tbody>
</table>

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1. Such as clothing, toys, stationary, home decor, kitchenware, food products, cosmetics and hygiene and others
2. Excluding remote regions (e.g., in the Far East and other countries of operation), where the product range and prices may differ
3. Jointly with Vector Market Research, Fix Price regularly researches its target audience in cities with population of over 1 million. The data above is from the latest research held in autumn 2021 on the basis of both online and personal interviews with customers outside the checkout area. A total of 1,150 personal and 550 online interviews were conducted
4. Household chemicals, cosmetics and hygiene products
5. Excluding ice cream and similar products that require special storage temperatures and are delivered to stores directly by supplier vehicles
6. Defined as legal entities registered in the Russian Federation
7. As at 31 December 2021
PRODUCT

Up to 64% of our assortment is rotated six times a year. We launch eight seasonal collections annually. The remaining items (36%) are never out of stock. This approach allows us to meet the daily needs of our customers while encouraging them to look for something new each time they visit our stores.

To ensure that all of our products are relevant, unique, and up-to-date, we are constantly looking for new ideas, learning from the best practices of global retailers, analysing social media sources to identify trends and gauge customer sentiment, engaging in active dialogue with manufacturers and attending different industry exhibitions and conferences.

We carefully study all product range options, actively collaborating with suppliers to improve our assortment on an ongoing basis and to develop exactly the goods we need. Fix Price always strives to fully meet customer demands, and we analyse feedback from our target audience on a regular basis using various kinds of polls and feedback channels.

Our product range offers customers a broad choice of goods, including the following categories:

- Private brands (32%)
- Branded (19%)
- Non-branded (no name) (49%)

Private brands are strategically important to our business. They account for a significant part of our product range in many categories and give us a competitive advantage. Our private brands are designed and developed in-house. For some SKUs, we may reference the successful products of other retailers. We optimise production costs, first and foremost, through efficient supply-chain management and cuts to packaging costs, striving for the best quality of materials for every private brand.

With this approach, we are able to create affordable SKUs that are on par with those of well-known brands on the market in terms of quality and appearance.

Each private label product is a separate brand. Currently, Fix Price owns around 60 private brands, accounting for 32% of its retail sales. Our most popular private brands include toys (Play the Game, Kid’s Fantasy), party and celebration products (Greenart, With Love, Snezhnaya Kruzhevo), and consumables/regular goods (Cotte, Homestar, Manafort). Each one has its own pricing policy, specific mix of products and target customer group.

Due to rounding, the sum of product categories in the structure of Fix Price’s retail sales is 99%

Drogerie category comprises household chemicals, cosmetics and hygiene products

As a percentage of retail sales
**PRODUCT**

We also see a growth of demand from more affluent customers earning over RUB 50,000. Their share increased 4% year on year in 2021. The increasing interest from various household segments is a good indicator that our SKUs remain unique and in-demand, while our treasure hunt concept and affordable prices attract even more customers.

We believe it is critical that all our customers find something to their liking in Fix Price stores. Therefore, we thoroughly manage our product mix and carefully develop our pricing policies. The introduction of RUB 249 and RUB 299 price points in 2021 allowed us to expand our range of uniquely priced SKUs to new goods like toys and home decor.

**NON-BRANDED**

49% share of non-branded products in retail sales

This category is the most appropriate for testing customer needs and performing regular rotation, which allows us to better understand the demand for specific products. As a rule, suppliers have no ongoing obligations to continue producing these goods. This helps us to respond promptly to the changing demands of our customers and keep up with the latest trends.

**BRANDED**

19% share of branded products in retail sales

Our market position and scale of operations allow us to contract suppliers to produce unique goods for us and customise packaging, size, design, taste, weight and other parameters in accordance with our needs. This, along with our scale and the large purchase volumes of narrow assortment within categories, helps us reduce costs and sell such goods at lower and more attractive prices when compared to other online and offline players.

Along with the rest of the world, we are facing a host of challenges, including the consequences of the pandemic, new geopolitical risks, sharp increases in the prices of commodities, supply chain disruptions, and a growth in shipping costs.

However, even in this complex global context, we aim to support our customers, doing our best to keep prices down and being among the last players on the market to raise them. We work hard to ensure that shoppers can always find what they need on the shelves, and we set the same fixed price points in all our stores, providing equal opportunities to all customers, irrespective of their location.

Our stores primarily target families with children and customers with middle- and low-level incomes. According to Rosstat, around 70% of Russian households have a monthly income below RUB 45,000. It is crucial for us that as many people as possible have access to the goods they need, regardless of the economic environment or their income.

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Our prices:

- RUB 55
- RUB 59
- RUB 79
- RUB 99
- RUB 149
- RUB 199
- RUB 249
- RUB 299

73% of our assortment is under RUB 100

**RELEVANCE OF VARIETY VALUE RETAIL FORMAT FOR CUSTOMERS**

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**New price points introduced in 2021**

1. Excluding remote regions (e.g., the Far East and other countries where our stores operate), as the product range and prices there may differ
2. Based on the Rosstat data for 2021 released in publicly available sources
LOYALTY PROGRAMME

Fix Price values its regular customers. For this reason, we were one of the first retailers in Russia to launch a loyalty programme. Cardholders can collect bonus points of up to 20% of their ticket and use them to pay for up to 50% of future purchases. The programme also provides numerous benefits for participants, including the right to buy goods at more favourable prices — and those with loyalty cards are always the first to know about the latest and most exclusive offers. According to the Vector Market Research, Fix Price’s customers scored the loyalty programme on average at 9 points out of 10. Due to the benefits we offer our customers, the number of loyalty cardholders is gradually increasing, growing 2.5 times from 2019.

The Net Promoter Score (NPS)\(^1\) is another important metric that helps us assess customers’ perception of Fix Price. We observe consistently high rates every year: in autumn 2021, Fix Price’s NPS remained strong at 63%.\(^2\) The number of active Fix Price “promoters”\(^3\) also increased (+3 pp from 2019 to 70% in 2021). Such performance proves that we understand our customers’ needs and have created a unique experience for everyone visiting our stores.

1. NPS is calculated as follows: NPS = the number of promoters (%) - the number of critics (%)
2. According to Vector Market Research, autumn 2021
3. Active promoters are loyal customers who recommend our Fix Price to others

Loyalty cardholders, number of people

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>16,980,100</td>
</tr>
<tr>
<td>2020</td>
<td>11,539,000</td>
</tr>
<tr>
<td>2019</td>
<td>7,032,393</td>
</tr>
</tbody>
</table>
We understand the importance of data privacy when collecting and processing customer data for our loyalty programme. We process it in full compliance with the Federal Law on Personal Data. Registered users of the Fix Price website and our loyalty programme are covered by the Confidentiality Policy, the Personal Data Processing Policy and the Data Protection Policy: we do our best to protect customer data and do not use it for secondary purposes.

Fix Price monitors its data integrity. We are proud that, thanks to our efforts, there have been no leaks of customers’ personal data in the Fix Price’s history.

For more details on personal data protection, please see Section 1 About the Company.

We are firmly convinced that customer feedback is one of the key communication tools allowing us to analyse customer needs and modify our product range in line with consumer expectations.

The feedback form on our website, the mobile app and the call centre are our channels of direct communication. We also receive feedback via social media channels, where our customers share impressions of their purchases and tag Fix Price in posts.

In April 2021, we launched a virtual assistant to increase efficiency and speed when processing customer hotline queries. This enabled us to significantly reduce costs, while maintaining the quality.

Key Queries of Hotline Calls in 2021

- Loyalty card registration
- Store operations
- Product range and quantity

Fix Price regularly analyses its target audience. Twice a year, jointly with the Vector Market Research centre of marketing technologies, we conduct a customer perception study to track changes in store traffic and purchase frequency, customer satisfaction levels, the most in-demand goods and customer opinions on the loyalty programme. As a result, we can better understand our target audience and their needs, see the evolving market perception, and rely upon this data in our operations.

Variety value retail (VVR) stores have traditionally operated offline, but today we strive to consider the different needs of our customers. We offer online purchases, ensuring the availability of our products to the widest audience possible. Online shopping is great for those who appreciate comfort and flexibility, as well as anyone who, for various reasons, can’t go shopping on their own. Orders can be placed on our website or mobile app; they can be delivered by one of our partners or picked up by the customer at one of our shops.

In spring 2021, Fix Price signed a cooperation agreement with SberMarket, country-wide food and goods delivery service. We also work with the Russian Post, CDEK and Boxberry. They deliver Fix Price goods to all Russian regions. Our customers can receive their purchases at a specified address or at pick up points.
We are fully aware of the important role of an efficient supplier and product quality management framework. It enables us to monitor risks and ensure that the products are up to our quality standards. We organised our workflows so that Fix Price’s specialists provide expert support at each stage of the product’s life cycle until it is sold.

We take pride in the fact that we ourselves love to shop at Fix Price, which is why we place such a strong emphasis on quality. Fix Price has implemented a robust quality control system. We ensure that products pass all required control procedures at all stages. We adhere to a risk-oriented approach in ensuring product quality, so the measures we implement may differ depending on the product category.

**KEY FIGURES FOR 2021:**

- **612** inspections by our in-house Quality Control Centre
- **147** additional tests performed in external laboratories after in-house inspections
- **1,657** tests performed in external laboratories to confirm product composition, quality and safety

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**THE SUPPLIER AND PRODUCT QUALITY MANAGEMENT FRAMEWORK**

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PRIVATE BRAND PRODUCTS PRODUCED IN RUSSIA

Private brand products are a crucial part of our assortment, so we carefully monitor their quality. We exert meticulous control over each stage of product development: design and packaging (while taking into account environmental considerations); working with suppliers to fine-tune the properties of our merchandise; holding tastings (by our employees); conducting laboratory tests, if necessary; and verifying goods after they are manufactured for compliance with established specifications and legislative requirements.

Fix Price audits suppliers to monitor the production conditions of private brand goods. According to the Regulations for Ensuring the Quality of Private Brand Goods, such audits can be performed by an in-house quality expert or a specialist from an external audit company prior to or upon entering into supply agreement. We have elaborated checklists covering quality control matters and some aspects of ESG, and we use them for audit purposes.

For more details on supplier audits, please see Section 4 Partners.

When working with private brands, we follow the procedures established in the Regulations for Ensuring the Quality of Private Brand Goods in all categories.

For more details on ensuring the quality of private label products, please see Section 4 Partners.

IMPORTED GOODS

We import both private brands and non-branded products. Imported goods are a particularly unique sphere of responsibility, as here Fix Price acts both as a retailer and an importer.

When working with imported goods, we participate in all stages of product design. We develop product specifications, perform laboratory tests for certification and declaration purposes if necessary and to ensure product quality, composition and safety. Upon manufacturing and before a product's shipment, we perform remote and physical verifications of the product's samples for compliance with the declared specifications.

For more details on ensuring the quality of private label products, please see Section 4 Partners.

QUALITY CONTROL CENTRE

We strive to ensure that the condition of products, regardless of their category or country of origin, is continuously monitored, from the time they are ordered from suppliers until they are sold to customers. This is why we established the Quality Control Centre.

Our quality control specialists work with suppliers of private brand products, and they regularly spot check all categories of goods.

When communicating with suppliers, they check the documents confirming the quality and safety of the products as per declared quality specifications. If necessary, they also perform product tastings to evaluate samples from various manufacturers. The specialists from the Quality Control Centre assist in auditing private brand manufacturers and inspecting sample products.

When performing spot checks, the Quality Control Centre applies a risk-oriented approach: the product categories are classified on the basis of (1) the potential danger posed by the non-compliant product, (2) the probable frequency of noncompliance with safety rules, (3) the severity of noncompliance consequences, and (4) the potential number of affected people.

Quality control specialists also perform the instrumental inspections of goods checking labelling and product compliance with specified parameters. They may also send sample products for laboratory testing, if or when necessary. Our employees perform regular product checks and possess sufficient experience and knowledge to assess the risks inherent with each product.
APPROACH TO QUALITY CONTROL

How we inspect quality at different stages of the product life cycle until it is sold

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

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

Warehousing:
- Inspecting goods and associated documentation upon acceptance in distribution centres
- Regular inspections for package integrity by the quality controller

- Russian private brands
- Imported goods
- Branded products
Every year, external laboratories and our Quality Control Centre perform more tests as our product range increases. In 2019–2021, the number of extra (voluntary) tests (outside of regulatory requirements) increased almost \(2\) times, while the number of tests for certification purposes rose by \(34\%\).

**CUSTOMER QUERIES**

We value the opinions of our customers and carefully process queries related to product quality. Customers can fill out the feedback form on our website or contact us via email. We carefully study their queries upon receipt and send the requests to respective specialists.

When we receive a query regarding inferior product quality, we record it in the customer query register, investigate it, and double check the quality of the respective product. If quality deviations are identified, we report them to the supplier, which in turn takes all the necessary measures to prevent such incidents. We withdraw noncompliant product batches from stores, if necessary. All procedures for processing customer queries are aimed at resolving issues promptly and eliminating the risks arising from the sale of inferior products. When the check is completed, we inform the customer of the result and close the case.

**RESPONSIBLE LABELLING**

We take a responsible attitude to product labelling and aim to meet all regulatory requirements.

Fix Price has developed a full range of measures to deal with product labelling. In 2021, we implemented Set Mark Sentrum (proprietary software) for all product groups where labelling is required in order to control the sales of labelled products at checkout. This enables us to achieve the following:

- meet legislative requirements for the sale of labelled products;
- identify and prevent violations related to the sales of labelled products;
- find mistakes made by suppliers and manage complaints;
- include new product groups in the labelling management process.

### Number of product quality checks by type

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of additional tests not required by regulators (voluntary testing), including</td>
<td>1,301</td>
<td>1,432</td>
<td>2,416</td>
</tr>
<tr>
<td>Instrumental checks performed by our in-house Quality Control Centre</td>
<td>414</td>
<td>350</td>
<td>612</td>
</tr>
<tr>
<td>Additional laboratory testing in external laboratories based on the results of in-house instrumental checks</td>
<td>113</td>
<td>55</td>
<td>147</td>
</tr>
<tr>
<td>Tests performed in external laboratories to confirm the composition, quality and safety of imported products</td>
<td>774</td>
<td>1,027</td>
<td>1,657</td>
</tr>
<tr>
<td>Number of tests performed for certification purposes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laboratory testing to obtain certifications and declarations of conformity for imported products</td>
<td>1,031</td>
<td>1,211</td>
<td>1,386</td>
</tr>
</tbody>
</table>

### Cases of noncompliance with regulations and/or voluntary codes related to product and service information, as well as labelling

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cases of noncompliance with regulations and/or voluntary codes related to product and service information, as well as labelling</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
People

33 thous.

People is the group's headcount.
We launched the Expert in the Field programme, which enables the Company’s employees to share their professional skills and expertise and enhances the competencies of both trainers and employees.

We held training sessions twice as often for store employees, who are the Company’s core personnel. We also provided subsequent certification and introduced vocational trainings for professional development.

Our average training and development hours per FTE, increased by 110% in 2021.

In 2021 we continued to equip our facilities with sanitiser dispensers and sanitation equipment. We also encouraged office employees to work remotely to minimise new COVID-19 cases. In 2021, 46% of office personnel combined office and remote work.

Our efficient personnel management system allowed us to achieve outstanding results in 2021

- 44% share of women in management
- 83% share of women in total employees in 2021
- 100% new store managers enrolled in the mentoring programme
- 100% store employees and new DC and office employees who received training

Our people are the core element of our business framework and the key to business continuity. They ensure a unique experience for our customers, and they embrace innovation.

However, we were quick to adjust our business to the new context. Our people are the core element of our business framework and the key to business continuity. They ensure a unique experience for our customers, and they embrace innovation.

KEY RESULTS FOR 2021

While 2020 was primarily marked by the COVID-19 pandemic outbreak and related difficulties, 2021 saw new challenges for businesses, such as even tighter restrictions due to the continued COVID-19 pandemic, high inflation, growth of commodities prices and elevated freight costs.

SUSTAINABILITY REPORT 2021
**Approach to Personnel Management**

The Nomination and Remuneration Committee reviews HR management matters at the level of the Board of Directors. The HR Director leads the HR department and is responsible for operational and strategic personnel management at the level of business units. Our Personnel Policy provides personnel with information on the basic aspects of employment and complies with international and Russian legislation; it also ensures that our personnel management system meets our stakeholder expectations.

We believe that caring for each employee is vital. Therefore, we strive to provide a comfortable working environment and create an objective compensation and motivation system. We focus on the professional and personal growth of our personnel, developing new training products with elements of gamification.

Our team communication system is structured to avoid unnecessary bureaucracy and enables employees to bring up suggestions to their managers, or to top management if the matter is very serious. This allows a wide range of opinions to be considered during the decision-making process.

### Personnel structure by facility type in 2019-2021, number of employees

<table>
<thead>
<tr>
<th>Facility</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>958</td>
<td>1,196</td>
<td>1,405</td>
</tr>
<tr>
<td>Stores</td>
<td>13,138</td>
<td>15,027</td>
<td>15,405</td>
</tr>
<tr>
<td>DC</td>
<td>702</td>
<td>748</td>
<td>849</td>
</tr>
</tbody>
</table>

**Total headcount of regular employees at year end**

- **All facilities**: 14,798 (2019), 16,971 (2020), 17,659 (2021)

**Average headcount of the Group’s companies, by facility type**


**Total average headcount of the Group’s companies**

- **All facilities**: 25,064 (2019), 31,970 (2020), 33,044 (2021)

**33,044**

**Average headcount of the Group’s companies**

Another way we gather employee feedback is regular surveys, which are held to assess job satisfaction and staff loyalty throughout the Company. These help us better understand our employees and foster interaction within the Company.
We believe that diversity and inclusion are important drivers for creating a successful team. That is why our Company sticks to the principle of equal opportunity without regard to gender, age, race, religion, political affiliation, and/or physical abilities.

The principles of equal opportunity and ethical treatment of personnel are formalised in the Business Ethics Policy (Code of Conduct). In case of discrimination based on any of these criteria, or violation of ethics principles, our personnel can contact the Ethics Committee by calling the hotline or sending an email.

We hire people with disabilities and engage them in the working process as store personnel and remote dispatch operators. As at the end of 2021, the Company employed 192 people with disabilities, which is 22% more than in 2020.

The share of women among total employees and management increased in 2019–2021, reaching 83% and 44% respectively.

The Company employs specialists of different age groups, which contributes to the diversity and inclusion of the team. Employees aged 30–50 account for a majority of staff (64% of the total employees). Around one-third of employees (31% in 2021) are under 30. The average age of management is 30–50 years (82% of total management in 2021).

For more details on feedback processing at the Company, please see Section 1 About the Company.

Management and employee gender structure in 2019–2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>83</td>
<td>17</td>
</tr>
<tr>
<td>2020</td>
<td>82</td>
<td>18</td>
</tr>
<tr>
<td>2019</td>
<td>81</td>
<td>19</td>
</tr>
</tbody>
</table>

Management and employee age structure in 2019–2021

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt; 30 years</th>
<th>30–50 years</th>
<th>&gt; 50 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>31</td>
<td>64</td>
<td>6</td>
</tr>
<tr>
<td>2020</td>
<td>29</td>
<td>65</td>
<td>6</td>
</tr>
<tr>
<td>2019</td>
<td>27</td>
<td>66</td>
<td>6</td>
</tr>
</tbody>
</table>
Fix Price is proud that, throughout the Company’s history, it has striven to establish long-term relationships with employees. 92% of our employees worked under open-term employment contracts, while the share of employees with fixed-term contracts was 8% in 2021.

We strive to make the onboarding process as simple and convenient as possible for our personnel.

- The Company organises induction webinars for employees, hands out new employee admission brochures with the necessary Intranet links, and delivers compulsory training with subsequent certification (if provided for in the training programme). We also organise mentoring programmes for distribution centre and store employees. Contractor personnel working at our facilities receive instructions on the working process and get access to training materials.

- We organise an induction day training for new office employees to inform them about the Company’s operations, career perspectives, communication channels, and learning opportunities.

- New store employees receive greetings via messenger apps containing basic introductory information.

- The Company follows a procedure to acquaint every employee with key policies and regulations, irrespective of their profession. To confirm they have carefully studied all the necessary documents, employees sign and submit an acknowledgment form. This procedure was initiated in 2021 and is obligatory for all employees of the Company.

We believe in the inherent value of each human being, with their diverse ideas, experiences, and mind-sets. We also know that our employees are people who share our values and ambitions. This is why our Company puts a special focus on recruitment and hiring and strives to set fair requirements for candidates. For example, we do not require college degrees for some positions where it is applicable. This widens our applicant pool, giving us access to a broader set of employees with diverse backgrounds and talents.

Personnel recruitment and onboarding processes differ depending on the type of facility (offices, stores, or distribution centres). In 2021, we hired over 12,000 candidates, which is 3% more than in 2020. We are pleased to highlight this positive trend, because in 2020 the recruitment rate dropped by 10% due to the pandemic.

We organise induction webinars for employees, hands out new employee admission brochures with the necessary Intranet links, and delivers compulsory training with subsequent certification (if provided for in the training programme). We also organise mentoring programmes for distribution centre and store employees. Contractor personnel working at our facilities receive instructions on the working process and get access to training materials.

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Remuneration and Fair Compensation

A transparent and fair system of remuneration and motivation is a key factor in human resource management. We strive to develop an appealing remuneration system that attracts the best talents in all areas of our business. To this end, we monitor the labour market and offer personnel competitive salaries that motivate them, regardless of the gender, age, race, nationality, religious affiliation or sexual orientation.

In 2021 the gender pay gap accounted for 0.90. The gap between male and female employees is due to the nature of their responsibilities and the type of work performed by women and men.

All our employees receive wages above the minimum wage established by Russian legislation.

We have established separate remuneration and benefits systems for each staff category based on their facility and position. For example, employees who implement strategic projects, automation initiatives, and business process enhancement in offices are eligible for additional bonuses when they achieve project goals on time. Store employees are paid bonuses for fulfilling sales plans and achieving high results. These incentives are aimed at strengthening the correlation between performance and remuneration.

In 2022, to retain our most valuable employees, we plan to implement a long-term incentive programme for core personnel.

In order to foster well-being and increase employee loyalty, we implemented a social support system consisting of the following components:

- **Financial assistance** (for childbirth, disease, bereavement, disability, or other cases when an employee may need financial support);
- **Supplemental pay** (full salary compensation in the event of temporary disability or regular vacation);
- **Voluntary medical insurance** (the list of available medical facilities increases relative to the employee's tenure);
- **Interest-free loans** (provided to core employees for significant purposes such as education, apartment purchase, or medical treatment);
- **Bonus payments to employees** (payment of bonuses to employees working for the Company for 10 years, as well as to the best employee in each department on an annual basis);
- **Flexible/remote work schedule** (in case of illness, parental leave or agreement with management if such a schedule is applicable);
- Since February 2022, our Company has offered **discounts for all employees through partner agreements**. Discounts are now available for language learning, educational courses, books, sports, travel, and insurance.

We provide social support to all employees, including those working part-time. The only eligibility criterion is the minimal length of service set for employees in the policy regulating the benefit.

### Gender pay gap (calculated as proportion of base salaries of women and men) disclosure by employee position, 2019–2021

<table>
<thead>
<tr>
<th>Position</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salaries of women and men in senior management (except for the C-suite), gender ratio</td>
<td>0.93</td>
<td>0.85</td>
<td>0.99</td>
</tr>
<tr>
<td>Base salaries of women and men in mid-level management (junior and middle managers), gender ratio</td>
<td>1.43</td>
<td>1.21</td>
<td>1.27</td>
</tr>
<tr>
<td>Salaries of women and men at the non-manager level (office employees, store personnel, others), gender ratio</td>
<td>0.79</td>
<td>0.83</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Temporary disability includes parental leave (also for men) and sick leave.
We believe that the long-term success of any business depends on the professionalism of its employees. Corporate training is, therefore, key to maintaining competitiveness. The Training and Development Department aims to provide extensive opportunities for professional development to each employee of our Company.

**Olga Shitskaya**

Olga has been working with us since our foundation in 2007. She started her career as a cashier and was promoted to store manager for her exemplary work. In this position, she proved her determination and high level of performance for eight years. In 2016, Olga was offered the position of sales department manager, which she holds to this day. She notes that Fix Price is a company that is constantly evolving; as such, it develops its employees through trainings, proprietary educational materials, and mentoring programmes. These are a great help to everyone on the team.
Our main purpose is to prepare employees to resolve a wide range of tasks, ensuring the high efficiency of our operations. Fix Price has launched multiple training programmes for different business facilities.

**TRAINING PROGRAMMES FOR STORE PERSONNEL**

Our key focus is the training of store personnel, because they are responsible for serving our customers. Upon hiring, new store employees are granted access to training courses in the FP School, distant learning system. These must be completed in accordance with the employee’s position. The list of courses is developed considering professional, interpersonal, and managerial competencies that are especially important for store employees. The list is updated regularly to meet business needs. In 2021, we launched a professional training programme for store employees aimed at developing the skills they need for career growth.

To make the training process more accessible and dynamic, we made the distant learning system available from any device: we developed a specialty mobile application and introduced elements of gamification, such as badges and avatars, a rating system, and interactive video courses.

**AWARD BADGES**

Upon completion of different training levels, employees receive award badges on their profiles. For example, the “Utility Knife” badge is awarded for studying merchandising materials. The “Store Security” badge is given for completing security courses.

Throughout the training, employees receive a full set of badges: a shirt, cap, badge, knife, gloves, computer, security guard, mobile phone, office keys, etc.

Together with the badge, employees are given a question from the certification test on a relevant topic, as well as a detailed analysis of the answer to it. Thus, the more levels an employee passes, the more badges they earn and the better equipped they will be for the certification test.
Upon completing their training, employees receive certificates. In 2021 we increased the regularity of retraining to deliver them twice a year (previously, retraining was conducted once in 12 months). After certification, a matrix of competencies is generated to highlight the employee’s knowledge in various areas, as well as to identify topics that need to be revisited.

In addition to standard training methods, we publish educational articles, surveys, and videos for store personnel on the Training Department’s social media accounts. This format allows personnel to train at any convenient time.

After employees complete their training, we ask them to take part in a survey to evaluate the course. Based on this feedback, we improve the materials, making them more convenient and useful for personnel.

In addition to trainings delivered to store personnel, the Company has a mentoring programme for store managers. In 2021 all newly hired store managers participated in the mentoring programme. Mentors of new store managers receive a bonus for a successful mentorship after the store manager completes the programme.

All employees are assigned an avatar in the form of different creatures that “feed on” studied training materials. The more active employees are on the training portal, the bigger their avatars will be. For example, any employee can upgrade their avatar by “growing” a dragon out of a chicken.

We developed an interactive video game on Customer Conflict Management and added it to the obligatory training programme for store managers and administrators. This game allows trainees to study potential customer conflict situations using dialog simulators.

The Company holds an obligatory induction and safety training for distribution centre (DC) personnel tailored to their role. Personnel can also study the experience of senior colleagues: in 2021 all new pickers participated in mentoring programmes.

In 2022 we plan to launch a mentoring programme for office employees, allowing them to gain competencies from more experienced colleagues; this will increase training efficiency. Furthermore, in early 2022, given the current political and economic situation, we launched a training programme on managing change. Employees are trained to identify the root cause of emerging psychological complications and how to manage them.

Employees that are responsible for completing orders

The Company has organised the following training programmes for office employees.

1. **Education for the development of professional competencies**
   - Offline training and webinars: before the pandemic, we had offline classroom trainings featuring educators, but today we largely hold webinars. The topics of the training courses are determined based on operational needs to develop office personnel. We also consider the proposals and expectations of employees. Trainings are delivered by the Training and Development Department or external trainers, depending on professional needs and the resources available to the Company.
   - Access to recordings: we place recordings of offline training courses, as well as webinars, on our corporate website. Employees may listen to the materials at any time.

2. **Training courses for personal growth**
   - During the pandemic, we realised the importance of providing employees with information on personal growth and stress management. For this purpose, in 2021 we developed the courses covering such topics as Leadership, Time Management, Yoga in the Workplace, Burnout Prevention, and others.

In 2021 we started the Expert in the Field project. The key idea is to engage the Company’s employees to share their expertise, thereby enhancing their own competencies and those of colleagues. Employees can share their professional and personal experience. Participants themselves lead the way, volunteering for trainings that the Training Department organises.

In 2022, given the current political and economic situation, we launched a training programme on managing change. Employees are trained to identify the root cause of emerging psychological complications and how to manage them.

1. Employees that are responsible for completing orders
In 2021, average training hours more than doubled due to the increased regularity of training sessions (from once a year to twice a year). Employees must undergo certification after training in order to identify strengths and competencies to be developed.

The trend was also supported by a newly launched professional training programme for store staff. After completing their training, each employee can submit an application to be included in the succession pool. Next, employees undergo testing to determine their level of competence, leadership qualities, and career growth potential.

We focus on the development of both employees and contractor personnel engaged in store operations—the same learning and development system is used for both groups.

In February 2022, we launched a course consisting of five obligatory business training sessions for our office employees. The training sessions dealt with information security, business conduct, prevention of corruption, and risk management basics.

Later in the year we plan to launch trainings for middle and junior managers, as well as employees holding senior non-managerial positions, focusing on areas such as leadership, risk identification and analysis, emotional intelligence, mentoring, project management, and other topics.

We expect that these training initiatives will facilitate personal growth and continuous development among employees, helping them fulfil their potential at the Company.

Average annual training hours per FTE, 2019–2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>51.49</td>
</tr>
<tr>
<td>2020</td>
<td>24.51</td>
</tr>
<tr>
<td>2019</td>
<td>24.23</td>
</tr>
</tbody>
</table>

Occupational health and safety (OHS) is our top priority. We are continuously improving our safety culture and the OHS management system, engaging personnel at all levels. Our OHS Department regulatory monitors compliance in this area. Meanwhile, functional leaders, who have received the relevant training, act on health and safety problems as they occur. If necessary, matters relating to occupational safety are discussed by the top management or the Board of Directors.

We care deeply about the health and safety of all individuals working at our facilities, including contractors and suppliers. They are all therefore required to adhere to the policies and standards adopted by our Company. Moreover, our agreements with contractors and suppliers include the main technical guidelines for safely using equipment, as well as incident response procedures.

We are cognisant that contractors are exposed to the same workplace-related hazards as our own employees. Therefore, we apply the same approach to all individuals working on our premises. The Company has established a single process for disseminating information on safety rules and risks for both employees and contractor personnel. This approach minimises the injury rate. Accidents among contractor personnel are investigated using the same procedure applied to the Company’s regular employees. All of the Company’s personnel (both regular employees and contractors) attend occupational safety briefings.

Obligatory and professional trainings for employees were both taken into account to calculate this indicator.
We take incident investigations very seriously. According to the corporate procedure, any incident relating to occupational health and safety must be immediately reported to the OHS department and an employee’s direct supervisor. An investigation commission is established in order to carefully analyse the reasons for the accident and prevent re-occurrence. In the event of severe accidents, respective government bodies take part in the investigation.

We strive to minimise the number of workplace incidents by constantly raising awareness of safety issues among managers, specialists, and workers. Our corporate policies are reviewed and updated on an ongoing basis to ensure the effective functioning and continuous improvement of the OHS management system. In 2021, following legislative changes, we reviewed 448 guidelines and developed 1,280 new ones for distribution centres, as well as 14 guidelines and 68 rules and regulations for stores. We informed employees about these changes via email, banners on the training portal, and posts in social media.

We deliver additional training to personnel who operate potentially hazardous machinery (high rack stackers, cargo lifts, etc.) or hire operators with practical experience. This minimises risks, allowing us to maintain a low level of incidents and injuries.

In 2021, we saw an increase in the number of lost time injuries and some increase in the number of severe injuries (no fatalities). That was related to the growth of store personnel number. There has also been an increase in near-miss incidents as a result of better tracking and recording.

In 2021, severe injuries were caused by violations of safety rules and illegal interference on our premises.

Following these incidents, we took steps to minimise risks:

- Re-evaluated risks after the incident;
- Issued recommendations on changing the business process;
- Included more information on risk factors in the training delivered to employees.

We realise the importance of being proactive when it comes to occupational safety. With this aim, we have set up a system for managing professional risks that can reduce the injury rate while minimising reputation risks and financial losses. When identifying hazards and assessing OHS risks, we consider both business-as-usual scenario and disruptions that could lead to incidents. Our risk management measures are based on a hierarchy of controls, and our primary aim is to preclude hazardous activities.

We care about our staff health and strive to create a comfortable and healthy working environment. Personnel who operate sophisticated and hazardous equipment take trainings and pass a qualifying examination before they start working. Our colleagues also undergo regular medical check-ups. Before shifts, DC personnel undergo medical check-ups using telemedicine, which makes it possible to take a person’s body temperature, determine their blood pressure, and measure various general health parameters, which ultimately helps to take a person’s body temperature, determine their blood pressure, and measure various general health parameters, which ultimately helps minimize accidents when driving vehicles and operating complex and dangerous machinery.

In addition, in order to monitor working conditions, we regularly perform special assessments of whether labour conditions at all workplaces are acceptable. We also monitor the work process.

### OHS indicators for regular staff and contractors, 2019–2021

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total worked man-hours 1, including</td>
<td>47,565,723</td>
<td>55,448,378</td>
<td>64,993,283</td>
</tr>
<tr>
<td>regular employees</td>
<td>28,328,673</td>
<td>33,094,760</td>
<td>38,528,953</td>
</tr>
<tr>
<td>contractors</td>
<td>19,237,051</td>
<td>22,353,618</td>
<td>26,464,330</td>
</tr>
<tr>
<td>Total number of accidents 2, including</td>
<td>15</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>regular employees</td>
<td>7</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>contractors</td>
<td>8</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>Total number of fatalities, including</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>regular employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>contractors</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total number of severe injuries (no fatalities), including</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>regular employees</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>contractors</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Work-related injuries that resulted in a temporary disability (LTI) 3, including</td>
<td>15</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>regular employees</td>
<td>7</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>contractors</td>
<td>8</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Near-miss incidents, including</td>
<td>2</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>regular employees</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>contractors</td>
<td>1</td>
<td>2</td>
<td>16</td>
</tr>
</tbody>
</table>

1. Total may not equal the sum of the components due to rounding
2. According to GRI 403-10, all accidents except near-miss incidents are included in the total number of accidents
3. Lost time injury
We care about local communities and our customers. Alongside our responsible approach to our own personnel, we also make significant contributions to improving the quality of life in our regions of operation.

The Company’s mature retail chain (we have stores in 79 out of 85 regions in Russia) enables us to offer goods at affordable prices even in remote cities and townships. Our unified, recognisable store exterior, equipment, product range, and pricing ensure equal customer experience in all Russian cities. The broad product range meets the needs of customers with various demands and budgets.

Knowing our customers’ opinions on our product range is crucial for us. We therefore use several channels to collect feedback, which we analyse when working on our assortment.

For more details, please see the Section 2 Product.

Our local social support aims to provide targeted assistance to people in the regions where we operate and bring attention to social and environmental problems.

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Since 2014, we have been implementing the Good Deeds country-wide community project in Russian cities. Its goal is to encourage environmentally friendly behaviour, promote sports and healthy lifestyles, and support socially vulnerable groups.

Through this project, we have accomplished the following so far:

- Provided aid to 148 social institutions, families, and shelters.
- Delivered >55 educational lectures on environmental protection and 57 creative master classes.
- Planted >1.4 thous. trees.
- Collected and recycled >3 tonnes of waste.

Excluding some remote stores (e.g., in the Russian Far East and in foreign countries), where the product range and prices may differ.
When selecting cities and initiatives, we strive to consider the opinion of our customers and other stakeholders. All website visitors can submit a proposal via a special feedback form. When we receive proposals, we review the social institution or city specified in the form according to our internal criteria.

In 2020 and 2021, following a request by the Ecology and Resources Committee of the St. Petersburg Government, we became partners within the Clean Coast campaign. We upload pictures of our charitable events to our website to raise awareness of social issues.

In 2021 our Good Deeds project won the Best Social Projects of Russia award for the fourth time. This award was established by the Social Projects Foundation in order to identify and promote outstanding corporate and social responsibility projects. This year, we received awards in two categories: Social Marketing and Environment.

The Good Deeds project was also awarded the ECO BEST AWARDS for the third time in the Ecological Initiative of the Year nomination.

In addition to the Good Deeds community project, we promote sport for young people. Fix Price provides aid pro bono to the League of Future Champions foundation. We placed customer donation boxes in more than 3,000 stores, allowing us to raise

> **RUB 4.5 million**

for the foundation

In addition to the placement of boxes, the Company donates its own money: in 2021 Fix Price contributed

~ **RUB 40 million**

to the League

Donations are used for youth football development, as well as to promote a healthy lifestyle among the younger generations. As part of our long-term cooperation with the foundation, we raised funds to finance the charitable programme Comprehensive Support and Assistance for Children and Youth Football, which organised football training for 200 children and teenagers. Beneficiaries also trained for and participate in competitions and championships, allowing them to feel like true athletes.

We understand the importance of sport and its ability to unite people and make life more vibrant.

In 2022 we plan to continue our charitable efforts, further developing our social projects and charitable programmes. When selecting projects, we focus on ones where the Company’s participation could yield the maximum effect in achieving important social and environmental goals.
Partners

75% of our procurement is sourced locally.
Partners

Our Approach to Cooperation with Partners

KEY 2021 INDICATORS

- ~700 suppliers
- 75% Russian-manufactured and 25% imported goods in procurement
- 0 very serious breaches (critical risk) identified as a result of an audit of private brand suppliers that manufacture goods in the Russian Federation
- >85 questions presented in 10 sections of our checklists for Russian private brand suppliers
- min 90% required supplier checklist compliance to pass an audit

Our operations are based on business integrity and fairness in complete compliance with current legislation, and these are the principles that guide us in our relationships with partners. We follow the Business Ethics Policy (Code of Conduct) governing all our business interactions and strive to build strong and transparent relationships based on professionalism, responsibility and respect.

For more details on the Code of Conduct, please refer to Section 1 About the Company

Cooperation with suppliers is the core element of our partnerships, because the supply chain is a crucial part of our business model, underpinning our main competitive advantages.

We value and take pride in our relationships with suppliers. Since the founding, we have succeeded in building a network of reliable suppliers that have become our long-standing partners. These partnerships are based on the principles of equality, mutual support and assistance in handling challenges.

Fix Price endeavours to develop a responsible and transparent supply chain. It is critical for us that our suppliers comply with the Company’s policies, including the Code of Conduct, the Modern Anti-Slavery and Human Trafficking Policy, the Anti-Bribery and Corruption Policy, the Environmental, Health and Safety Policy and the Guidelines for Ensuring Quality in All Product Categories. We expect our suppliers to share our corporate values: integrity and ethical business practices; respectful, long-term and mutually beneficial relationships with all stakeholders; respect for human rights; and zero tolerance for modern slavery, human trafficking, corruption and bribery.

For more details on the Group’s values, please refer to Section 1 About the Company
All of our suppliers are aware of specific features of the Company’s pricing policy, while the approach to procurement is transparent for all counterparties. We have implemented a flat organisational structure of category management with minimised bureaucracy in processes. The Category Management Department is divided into 11 teams, each one responsible for certain product categories and their entire procurement cycle, which ensures flexibility and speed of the decision-making process.

Many Fix Price employees are involved in supplier management, which comprises the following processes: taking part in the selection of potential suppliers, inspecting their production facilities, implementing control procedures, and collaborating with suppliers at the production stage and after the purchase of goods.

For more details on the supplier management structure and product quality control, please refer to Section 2 Product.

After 15 years of operations, Fix Price has come to a deep understanding of the market and established reliable relations with partners.

We know the producers of the product categories we need very well, but we are constantly on the lookout for interesting opportunities and always happy to collaborate with new suppliers.

Fix Price strives to use only those communication channels that have proven to be the most efficient. We launched a website where our partners can place offers and participate in tenders. It contains publicly available requirements for suppliers and a sample supply contract. Our Company participates in exhibitions and forums where we can draw new ideas for expanding our product mix, meet suppliers’ representatives and find new partners.

We appreciate the opportunity to cooperate with most suppliers directly, without intermediaries. Such cooperation enables us to both structure costs in the most optimal manner and promptly respond to potential issues.

Prior to choosing a counterparty, we investigate them using a reliability scoring tool. This system analyses data from more than 30 official sources (the Federal Tax Service, Commercial Court Case Register, Bankruptcy Data Register, etc.) and rates counterparties on a 100-point scale.

It is important for Fix Price that the counterparties share the Company’s principles and business standards. For this purpose, we ask our partners to sign an anti-corruption agreement, which stipulates principles of zero tolerance for any form of corruption and prohibits all counterparties to request, provide or receive cash, advantages, benefits, or gifts from/to any employee of the Company or another partner.

Thanks to our scale and market leadership, the suppliers of branded products can customise the features of their commodities for our chain. We are in a position to modify the packaging, size, weight, design, taste and other parameters in order to obtain unique merchandise for the best value without sacrificing quality. Our extended store network and procurement volume make us an attractive and reliable partner for suppliers.

We are even more involved in the development of private brand products. In close cooperation with manufacturers, we choose the properties and design of products and perform tastings and production audits.

For more details on our work with assortment, please refer to Section 2 Product.

This type of cooperation with suppliers enables Fix Price to offer its customers in-demand exclusive goods, as well as build strong, long-term relationships with partners.

Since our foundation, we have appreciated the importance of building strong relationships with suppliers in our regions of presence in order to foster the growth of both Fix Price and its partners. We can cite many examples of cooperation throughout the years that we are very proud of.

What makes us stand out? We believe it is the enormous extent to which our experts take part in creating products.

We also request that all suppliers fill out a self-assessment form covering the following issues:

- voluntary employment;
- no discrimination in employment;
- no exploitation of child labour;
- freedom of association and the right to collective bargaining;
- payment of living wage;
- no excessive working hours;
- legally binding employment relationship;
- document compliance (confirmation that they have read and understood the Company's policies and follow the legislation of the supplier’s country).

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HOW OUR SUPPLIERS GROW TOGETHER WITH US

Collaboration with a Russian partner since 2013

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Turnover with Fix Price, RUB mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>162 (2021)</td>
<td>434 (2021)</td>
</tr>
<tr>
<td>75 (2013)</td>
<td>70 (2013)</td>
</tr>
</tbody>
</table>

ACHIEVEMENTS:

- As the geography of Fix Price’s operations expanded, our partner made a decision to open three new production facilities (in Novosibirsk, Zelenograd and Nizhny Novgorod). This enabled our partner to reduce merchandise delivery time and promptly increase the supply volume, if needed.

- In 2018 the supplier upgraded its equipment, which resulted in the ramping up of production capacity and an increase in automation levels, and strengthened product quality control. The upgrade also made it possible to improve working conditions for the personnel at the supplier’s factories and increase output.

In 2022, the supplier decided to build an additional production facility in order to expand the product line for goods manufactured for Fix Price. This will enable the Company to widen its product assortment and offer even more competitive prices, and it will allow the supplier to increase their production capacity.

Collaboration with a foreign partner since 2007

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Turnover with Fix Price, Chinese Yuan mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,270 (2021)</td>
<td>600 (2021)</td>
</tr>
</tbody>
</table>

ACHIEVEMENTS:

- While cooperating with Fix Price, the supplier improved its internal processes to pass environmental and social audits and obtained ISO 14001, ISO 9001 and FSC certifications. Its employees are informed of the environmental aspects of their operations on a regular basis, the number of legal disputes and environmental complaints decreased, and resource consumption and greenhouse gas emissions also went down.

- Fix Price’s recommendations were used to optimise management mechanisms and operating processes, as well as increase standardisation levels and the employee satisfaction index.

- As a result of our joint initiatives, new packaging technologies were implemented and the merchandise transportation process was improved.
Fix Price cares about its partners and does its best to help them achieve their goals in many areas. The training system used to educate the Company’s regular employees is also available to the contractor personnel engaged in store operations. We provide training courses on our platform so that all the people working in our outlets can obtain the necessary knowledge and skills.

On top of that, we cooperate with our partners on occupational health and safety matters. Agreements with contractors working at our facilities include key technical guidelines and procedures for handling accidents. We provide the same training to employees and partners on safe operation rules and associated risks. We hold introductory occupational safety briefings for partners working at Fix Price facilities and educate logistics contractors in safe driving rules on a seasonal basis.

For more details on training and occupational health and safety, please refer to Section 3 People.

Fix Price strives to satisfy the needs of as many customers as possible, including those who prefer shopping online. We provide the services that they are accustomed to and rely on our partners such as CDEK, Boxberry and the Russian Post to do the delivery. In 2021 we signed a cooperation agreement with SberMarket, Russia’s leading express delivery service.

Thanks to our wide partner network, we can promptly deliver our products in all the regions where we operate, making online purchase process easy and convenient.

Fix Price is quick to expand its geographical presence and open new stores. In remote regions, this process takes place via franchised stores as well, which enhances brand recognition and allows the Company to contribute to the development of the regions where it operates. We support and assist our franchisees as much as possible. The professional community has praised our efforts, recognising the Fix Price Franchising project with the 2021 Best for Russia – Regional Development award, which is given to companies that have the most efficient practices of regional development underpinning business, society and government collaboration.

We audit production facilities operated by private label suppliers and foreign producers to verify the reliability of production conditions and prevent non-compliance with quality and safety requirements.

In accordance with the Regulations for Ensuring the Quality of Private Brand Goods, audits of Russian private label suppliers may be performed by a Company’s quality control expert or an audit company employee prior to or after the supply contract is executed.

We usually audit suppliers once in two years in order to verify that the production conditions comply with our requirements. Such audits can be performed more frequently if a producer or a production facility is changed, or if there is negative feedback from customers, or if the results of the last audit of a certain supplier were below our expectations.

We developed separate checklists for different product categories (Food, Drogerie and Non-food).

Each one consists of more than 10 sections and contains over 85 questions. The questionnaires cover diverse areas, including quality management and product safety (the availability of a quality management system, a tracking system, and HACCP for food products), production facilities and conditions, product transportation, personnel management, and environmental matters.

Although most questions relate to quality management, our checklists also contain questions about certain ESG issues: a lack of pollution factors, such as polluting enterprises, and the development and implementation of waste management procedures, e.g., waste disposal in labelled, closed containers.

SUSTAINABILITY REPORT 2021

Fix Price strives to satisfy the needs of as many customers as possible, including those who prefer shopping online. We provide the services that they are accustomed to and rely on our partners such as CDEK, Boxberry and the Russian Post to do the delivery. In 2021 we signed a cooperation agreement with SberMarket, Russia’s leading express delivery service.

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Supplier Audits

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Although most questions relate to quality management, our checklists also contain questions about certain ESG issues: a lack of pollution factors, such as polluting enterprises, and the development and implementation of waste management procedures, e.g., waste disposal in labelled, closed containers.

The Drogerie category comprises household chemicals, cosmetics and hygiene products

HACCP (Hazard Analysis and Critical Control Points) is a management system in which food safety is addressed through the identification, analysis and control of hazards affecting the safety of food products. When implementing food production processes involving compliance with safety requirements, the producer must develop, implement and maintain HACCP-based procedures.
When working with imported products, Fix Price engages local agents to establish reliable relationships with new and existing producers. Such agents search for goods and new production facilities, collaborate with current producers, supervise merchandise production and quality, and check the accompanying documentation. The agents are also responsible for arranging audits of imported goods’ producers, which are carried out by special organisations and laboratories accredited in the respective country. Based on the inspection, a report is generated to comprise the data on the supplier, their quality and process management, production streams, certifications, and photos of operating processes and manufactured products. The audit results are used to assess each of the abovementioned spheres, provide expert commentary and make decisions regarding further cooperation with the producer.

Due to the COVID-19 pandemic, we had to reduce the number of audits to minimise infection risks for employees and partners. When we can ensure safety for all personnel involved, we will resume the audits of our suppliers at the same frequency as before.

Responses to the questions from the checklists are evaluated on a 4-point scale. The supplier passes the audit if its production facility receives at least a 90% score. In the case of non-compliance with any requirement, we develop a plan of corrective actions jointly with the supplier and discuss the implementation timeline to enable the manufacturer to introduce the required changes and continue our cooperation. These checks provide us with detailed reports on our partners and allow us to cooperate efficiently with them in the future.

<table>
<thead>
<tr>
<th>Number of audited suppliers</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of supplier audits</td>
<td>19</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Number of audits of new suppliers</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of suppliers with serious breaches identified during the audits</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of suppliers with serious breaches identified during the audits (a high degree of risk)</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Number of suppliers with very serious breaches identified during the audits (a critical degree of risk)</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Our objective is to improve the practices of fair and honest cooperation, as well as develop a responsible supply chain. We plan to continue the work in these areas, expand collaboration with new and existing partners, increase quality and frequency of supplier audits, and implement sustainable development practices across the entire supply chain.

Here and below, the data relates to the Russian private label suppliers.
Planet

+12% INCREASE IN RECYCLED WASTE
Our Approach to Managing our Environmental Footprint

The Company consciously aims to minimise its negative environmental impact, including waste generation and energy consumption.

KEY RESULTS IN 2021

- We measured direct, indirect and other emissions (Scope 1, 2 and 3) for the first time in the Company’s history for 2020 and 2021
- We continued our initiative to replace fluorescent lamps with LED lighting; in new stores LED lamps are installed by default
- In 2021, the product range of Fix Price included new SKUs (such as multiple-use and string bags) to promote responsible customer attitudes towards the environment
- 12% increase in the volume of waste sent for recycling
- Excluding ice cream and similar products delivered in supplier trucks directly to our stores and requiring special storage temperatures

Our main priority in minimising our environmental impact is the rational use of resources.

The assortment in our stores does not require special storage conditions: we barely use refrigeration equipment, there are no special temperature zones in our distribution centres (DCs), and our trucks are not equipped with refrigerators. This allows us to reduce resource use and the amount of GHG emissions.

Our stores are located in the areas of high traffic, so customers can stop in to get what they need on their way home instead of traveling by car for long distances to a large supermarket.

Our team also considers it of utmost importance to plan an optimal waste treatment process. We collect recyclable materials in our stores and send them to DCs, from which they are sent to recycling. We act responsibly in regard to resources, that’s why we repair and restore equipment that can be reused (pallets and batteries).

We formalised our approach to reducing our environmental footprint by developing the publicly available Environmental, Health & Safety Policy, which defines our responsibility to elaborate an effective strategy aimed at reducing our environmental footprint through optimising business processes and engaging with stakeholders (employees, suppliers, customers and local communities).

The Company received the independent public Eco Best Award for environmental achievements in 2019–2021. It was awarded in the Environmental Initiative of the Year category for the third successive year for our Good Deeds community project, which included planting

> 1,400 trees
> 3 tonnes of waste sent for recycling

With this programme Fix Price also got the Best Social Projects of Russia award for the fourth time. The Company’s environmental efforts within the Good Deeds initiative earned it a prize in the Environmental Projects and Initiatives category

For more details on the Good Deeds community project, please see Section 3 People

Scopes 1, 2, 3 cover different categories of greenhouse gas emissions
We work relentlessly to increase energy efficiency, which is critical for managing climate change. To do this, we use LED lighting instead of fluorescent lamps at DCs and stores, which leads to more rational spending of energy resources. LED lighting has been installed at most of our stores, and all new stores are equipped with it by default.

Another thing sets us apart: our items do not require special storage conditions. As a result, our distribution centres do not have special temperature zones, and the vehicles transporting our merchandise are not equipped with refrigerators. We use refrigeration equipment only in stores, but the number of products requiring refrigeration is insignificant. This helps consume less electricity at the Company’s facilities, as well as reduce fuel consumption and minimise refrigerant-related emissions.

We buy the bulk of heat and electricity for our business needs from municipal grids. One of our distribution centres uses heat generated at its gas boiler plant. Several DCs use diesel generators to ensure the uninterrupted supply of electricity. However, the total amount of the Company’s electricity generation remains insignificant.

For more details on our assortment, please see Section 2 Product

1. Ice cream and similar products delivered in suppliers’ vehicles directly to the stores and requiring special storage temperature in the store

---

### Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>GRI 305-1</th>
<th>GRI 305-2</th>
<th>GRI 305-3</th>
<th>FB-FR-110a.1</th>
<th>CG-MR-130a.1</th>
</tr>
</thead>
</table>

**Electricity consumption in 2020–2021, kWh**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity purchase</td>
<td>105,012,744.18</td>
<td>121,492,383.95</td>
</tr>
<tr>
<td>Electricity generation typeof bug</td>
<td>0.00</td>
<td>48,138.06</td>
</tr>
</tbody>
</table>

**Electricity consumption in 2020–2021, TJ**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity purchase</td>
<td>377.79</td>
<td>437.08</td>
</tr>
<tr>
<td>Electricity generationtypeof bug</td>
<td>0.00</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Conversion factor TJ/kWh = 277,964

**Heat consumption in 2020–2021, GCal**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat purchase</td>
<td>145,525.53</td>
<td>178,462.01</td>
</tr>
<tr>
<td>Heat generation</td>
<td>788.69</td>
<td>1,219.53</td>
</tr>
</tbody>
</table>

Conversion factor TJ/GCal = 239

**Heat consumption in 2020–2021, TJ**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat purchase</td>
<td>608.88</td>
<td>750.87</td>
</tr>
<tr>
<td>Heat generation</td>
<td>3.30</td>
<td>5.10</td>
</tr>
</tbody>
</table>

Here and below, purchased and generated electricity and heat

In 2020 the Company did not generate electricity

GRI 305-1 requires the disclosure of the Company’s total energy consumption in TJs
In 2021, the consumption of purchased electricity and heat increased by 16% and 23%, respectively, due to the growth of the store base and the DC area.

The Company consistently improves its energy efficiency and optimises its resource consumption. Specific electricity consumption per total area decreased by 4% in 2021 vs. 2020 thanks to the installation of equipment with higher energy efficiency and regular upgrades of equipment at existing facilities.

Diesel fuel consumption is mostly restricted to the Company’s vehicle fleet. The number of vehicles owned by the Company is insignificant.

The bulk of the Company’s goods are transported by contractors, while most vehicles used for that purpose are leased. When planning logistical routes jointly with contractors, we optimise energy consumption through tracking the load levels of cargo vehicles and scheduling the most optimal delivery routes for drivers.

In 2020 and in the beginning of 2021, we used diesel fuel to generate heat in a boiler plant of one of our DCs. In 2021, an insignificant amount of diesel was also used to generate electricity.

Since January 2021, we have been using natural gas for heat generation in the boiler plant. As a result, the total diesel consumption declined 7% year-on-year.

For many companies today, reducing their negative environmental impact is a top priority. Fix Price realises the importance of this task. In 2021, the Company measured its GHG emissions for 2020 and 2021 for the first time in accordance with The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition). The calculation comprised emissions from the Company’s facilities (stores, DCs, and the office) located in the Russian Federation, excluding franchised stores.

The direct GHG emissions (Scope 1) were related to fuel consumption by the Company’s own vehicle fleet and energy-generating facilities, as well as leaks of refrigerants from refrigerators.

The Company’s direct emissions are relatively low compared to other retailers. This is mostly due to the fact that Fix Price owns few trucks, implying relatively low vehicle emissions (68% of Scope 1 emissions in 2021). In addition, the Company purchases the larger part of the energy for its operations. Therefore, the percentage of emissions resulting from the Company’s own generation (9% of Scope 1 in 2021) is comparatively low.

Given the fact that the bulk of our assortment does not require special storage conditions, we use a lower volume of refrigerants compared to peer companies (the refrigerant leakage under Scope 1 accounted for 23% of the total in 2021).

Indirect GHG emissions are associated with the consumption of heat energy (59% of Scope 2 emissions in 2021) and electricity (41% of Scope 2 emissions in 2021) at our facilities.
The bulk of Scope 3 emissions (other indirect GHG emissions) result from the production of goods purchased by the Company for resale (52% in 2021), a specific feature of the Company’s business. A significant share of emissions is associated with the use of products purchased from the Company by end consumers (35% in 2021).

GHG emissions (Scope 1, 2 and 3) in 2020–2021, carbon dioxide equivalent, t

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GHG emissions (Scope 1 and 2)</td>
<td>91,841</td>
<td>109,907</td>
</tr>
<tr>
<td>Total GHG emissions (Scope 1, 2 and 3)</td>
<td>2,166,831</td>
<td>2,509,007</td>
</tr>
<tr>
<td>Direct GHG emissions (Scope 1)</td>
<td>3,080</td>
<td>3,299</td>
</tr>
<tr>
<td>Indirect GHG emissions (Scope 2)</td>
<td>88,761</td>
<td>106,608</td>
</tr>
<tr>
<td>Other indirect emissions (Scope 3)</td>
<td>2,074,990</td>
<td>2,399,100</td>
</tr>
<tr>
<td>Purchased goods and services</td>
<td>1,067,685</td>
<td>1,255,548</td>
</tr>
<tr>
<td>Capital goods and services</td>
<td>27,040</td>
<td>36,882</td>
</tr>
<tr>
<td>Operations related to energy and fuel consumption</td>
<td>15,293</td>
<td>23,675</td>
</tr>
<tr>
<td>Upstream transportation and distribution</td>
<td>63,797</td>
<td>71,118</td>
</tr>
<tr>
<td>Waste generated in operations</td>
<td>65,030</td>
<td>57,648</td>
</tr>
<tr>
<td>Business travel</td>
<td>469</td>
<td>960</td>
</tr>
<tr>
<td>Employee commuting</td>
<td>13,164</td>
<td>13,711</td>
</tr>
<tr>
<td>Downstream transportation and distribution</td>
<td>90</td>
<td>159</td>
</tr>
<tr>
<td>Use of sold products</td>
<td>738,904</td>
<td>848,733</td>
</tr>
<tr>
<td>End-of-life treatment of sold products</td>
<td>83,518</td>
<td>90,665</td>
</tr>
</tbody>
</table>

In 2021, the Company’s total GHG emissions increased due to the planned business development and store expansion:
- In 2021, the Company’s direct GHG emissions (Scope 1) increased by 7% as a result of a higher volume of fuel burnt to generate energy internally, fuel consumption by the own vehicle fleet as well as refrigerant leaks;
- Indirect GHG emissions (Scope 2) increased by 20% due to a higher consumption of heat and electricity;
- Other indirect GHG emissions (Scope 3) rose by 16% vs. 2020 due to higher emissions in such categories as Purchased goods and services (+18% in 2021) and the Use of sold products (+15% in 2021).

Specific GHG emissions (Scopes 1 and 2) per total area in 2020–2021, carbon dioxide equivalent

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.099</td>
</tr>
<tr>
<td>2021</td>
<td>0.098</td>
</tr>
</tbody>
</table>

The Company plans to continue efforts to optimise the use of natural resources and reduce its environmental footprint.
The Company strives to reduce its environmental footprint by implementing, among other things, responsible waste treatment. The sales of goods at our stores lead to large volumes of waste (including the packaging used to deliver goods to warehouses and stores, as well as the packaging of the goods themselves).

The Company generates several types of waste: solid (Hazard Classes 4–5, low-hazard and non-hazardous waste), recyclables (cardboard and stretch film), and office equipment (Hazard Class 4).

The accounting records in stores are maintained in accordance with the requirements of regional operators dependent on the facility type and area as well as the number of personnel at a facility. Given these criteria, we can exert only a limited influence on the reduction of waste. However, we are always working with regional waste operators to increase clarity about the real volumes of waste and adjust statutory requirements respectively.

We make necessary steps to increase the volume of recyclables sent to DCs for further recycling. Polyethylene and cardboard presses have been installed in our stores, which enables us to accumulate more waste prior to the transfer to distribution centres and optimise waste transportation. Store managers are responsible for maintaining accounting records related to accumulated compressed waste.

Recyclables received from stores and delivered to DCs are transferred to contractors for recycling; they process the waste themselves or transfer it to specialised processing plants.

In the end of the reporting period, we implemented an initiative for enhancing control over the transfer of stretch film and cardboard to DCs. For each store depending on the type of press installed there and the store revenue, we calculate the target amount of recyclables to be sent to DCs. If the store sends fewer recyclables than required, we hold internal audits. If the audit reveals any breaches, we may take certain measures against respective employees.

In order to minimise the volume of waste accumulated in the DCs, as well as extend the use of returnable packaging, we re-use pallets 4–5 times and then repair them for further use. We have developed guidelines for returning pallets and recyclables to distribution centres in order to formalise waste-transfer and pallet-repair processes; they regulate the procedures for preparing returnable and recyclable items for transfer from stores to distribution centres, as well as for maintaining accounting for recyclables and pallets. We also recondition batteries or send them for special recycling after 3–5 years of exploitation.

Major companies often use large volumes of paper and electricity due to the need to maintain corporate documentation. In spring 2020, Fix Price initiated a transfer to the electronic document interchange (EDI) to reduce the use of non-renewable resources, which enabled the Company to significantly decrease paper consumption.

### Volume of waste in 2020–2021

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste generated by stores</td>
<td>121,428</td>
<td>140,208</td>
<td>121,440</td>
</tr>
<tr>
<td>Waste generated by distribution centres, including cardboard and stretch film</td>
<td>18,315</td>
<td>18,269</td>
<td>20,518</td>
</tr>
<tr>
<td>Cardboard</td>
<td>16,156</td>
<td>15,928</td>
<td>17,581</td>
</tr>
<tr>
<td>Stretch film</td>
<td>1,290</td>
<td>1,424</td>
<td>1,829</td>
</tr>
<tr>
<td>Solid waste</td>
<td>869</td>
<td>917</td>
<td>1,107</td>
</tr>
<tr>
<td>Total amount of waste</td>
<td>139,743</td>
<td>158,477</td>
<td>141,958</td>
</tr>
<tr>
<td>Total amount of waste sent for recycling</td>
<td>17,445</td>
<td>17,352</td>
<td>19,411</td>
</tr>
</tbody>
</table>

1. Total may not equal the sum of the components due to rounding
2. Cardboard and stretch film are transferred from the distribution centers for recycling
In 2022, Fix Price will continue working to reduce the volume of accumulated waste. In 1Q 2022, the Company switched to the use of environmentally friendly bags up to 40% made of recyclable materials not containing bio-additives or polyvinyl chloride, which prevent further recycling. In April 2022, we launched the transition from paper cash register receipts to electronic receipts. Today this option is available at both Group-operated and franchised stores. Customers who participate in our loyalty programme receive electronic tickets by email, and others can get them on their phones and opt out of paper tickets at the cash register if they wish. Given the scale of our chain, we hope that this initiative will reduce receipt-related waste and consumption of resources.

**THE RESULTS OF SWITCHING TO EDI IN 2021:**

- EDI was implemented for
  - 30% of counterparties in the non-commercial procurement segment
  - 21% of counterparties in the commercial procurement segment
- 7 times (up to 3,000 copies) increase in the number of documents processed electronically on a monthly basis
- 2 times decrease in paper consumption, enabling the Company to save 15,500 sheets of paper per month on average

Our Company focuses on increasing the awareness and consciousness of consumers through promoting responsible attitudes towards waste management. In particular, we add the Mobius loop to our packaging so that customers can sort recyclables.

In late 2021, we implemented an initiative for increasing transparency and the availability of information on the packaging of private brand SKUs so that customers can find a separate Mobius loop on each element of combined packaging, keeping them fully informed.

In dealing with contractors and suppliers, responsibility is paramount. As part of the production facility audits performed for our Russia-based private brands suppliers, we use checklists consisting of more than 85 questions. In addition to questions relating to quality matters, production audits, HR management, etc., they comprise the review procedures for waste management and temporary waste storage.

When working with the private brand packaging, we seek to use the least amount of wrapping possible as well as to maximise the use of recyclable materials and mono-materials (where applicable).

For more details on the audits of our suppliers, please refer to Section 4 Partners.
COVID 19: Response

89% of employees vaccinated by the end of the year
COVID-19 Impact on Operations

2021 KEY RESULTS

- 89% of employees were vaccinated by the end of the year.
- 46% of office personnel combined office and remote work.
- RUB 10 million were granted to 10,000 vaccinated customers from 1 November to 10 December 2021 in order to increase vaccination rates.

People are our key priority, and today this is more relevant than ever. In 2021, the COVID-19 pandemic continued posing significant risks to the health of our customers and employees, and it had a major impact on business processes.

From November to December 2021, access to public places (including the shopping malls where our stores operate) was restricted in many Russian regions, affecting more than 1,000 Fix Price stores. By late December, almost 500 of our stores were still operating under restrictions.

Despite the challenging epidemiological situation, most Fix Price stores remained open, while some of them worked as click and collect pick-up points or for online delivery only.

We did everything to ensure that all stores that were under restrictions resume operations as soon as possible in a safe and orderly manner.

We set the following objectives: business continuity, a reduction in COVID-19 cases among personnel, and care for our customers.

PRIORITIES AND OBJECTIVES

In order to do this, we implemented the following preventative measures:

- mandatory personal protective equipment (PPE) use for personnel and customers;
- medical checks for personnel and enhanced sanitary measures;
- customer support and assistance measures for store personnel;
- informing customers and personnel about anti-coronavirus measures.

For more details, please see Subsection Promotional Campaign to Reward Vaccinated Customers.
Protective Measures

From the very outset of COVID-19, we tried to ensure that employees were not risking their health while on the clock. We did everything we could to make our staff feel safe at work:

- Employees had their temperatures taken at least twice a day (in the morning and evening), and the results were entered in the Personnel Thermometry Register. If someone’s body temperature was over 37°C or they had symptoms of a respiratory disease (a cough, shortness of breath, chest pain, etc.), we asked them to leave work, advised to seek professional medical help, and informed them of the risks of self-medication. We also surveyed personnel to monitor their health conditions and made it mandatory to obtain information on possible contacts with anyone who had been sick or had recently returned after traveling abroad or to other regions in Russia.

- All employees were required to stay at home until they made a complete recovery.

- All Fix Price personnel at our facilities were required to use the PPE (masks and gloves), we provided the PPE to our employees in full.

- We collected statistical data on the rate of disease of our personnel and tracked the percentage of vaccinated staff.

- Physical contact between employees performing common tasks was minimised, and a social distance of 1.5 meters was required.

- A significant part of our office personnel switched to hybrid (25%) or remote work (21%). To ensure that our employees could enjoy a comfortable working environment, we purchased laptops and communications equipment and provided new video conferencing software. Our technical support service resolved any issues faced by our employees when accessing corporate resources.
Enhanced Sanitary Measures

In order to reduce the risk of coronavirus transmissions among our personnel, we made special efforts and took the following measures at all of our facilities:

- Facilities were cleaned more frequently (going from once a shift before the pandemic to five times), and the results were registered in the Disinfection Register;
- Common areas (kitchens, dressing rooms, and toilets) were disinfected with the use of specialised disinfectants;
- All warehouses received additional disinfection;
- We installed stations to disinfect hands and gloves and introduced control procedures for disinfecting them at least every two hours.

Providing Information

Fix Price fully recognises the threat of COVID-19, so we worked to increase employee awareness of the necessity for safety measures. After the pandemic started, we put up informational posters in common areas and at the entrances of stores, offices and distribution centres.

We regularly informed personnel about current sanitary norms, held briefings, and broadcasted audio messages urging everyone to comply with personal hygiene rules and safe behaviour in public spaces. Our intranet news feeds were regularly updated with actions that needed to be taken in the office and at home during the pandemic, and we informed our followers on social media about safety measures to raise awareness about COVID-19 and its complications.

Vaccination

Because vaccines are such an important tool to limit the spread of coronavirus, it is crucial for us to get as many people vaccinated as possible. Starting from January 2021, we used our internal platforms and other tools to advise our employees to get the jab.

As of end 2021, over 89% of our total employees received the vaccine.

In addition, our customers can shop online to minimise the risk of coronavirus, and orders can be delivered to any address or pick-up point throughout Russia.
Promotional Campaign to Reward Vaccinated Customers

In order to increase vaccination levels, we launched a promotional campaign: from 1 November to 31 December 2021, Fix Price loyalty cardholders in Russia could receive 1,000 bonus points (equivalent to RUB 1,000) each if they provided a digital certificate of vaccination. As part of this campaign, Fix Price was ready to allocate RUB 10 million. Our customers showed such great interest that the campaign ended early after reaching the bonus limit (on 10 December 2021). That said, we decided to extend it, with slight changes, and we granted double bonus points to customers who had not been part of the first wave of the programme.

Since our foundation, our main goal has been to provide the most affordable prices on the market. Our values remained unchanged during the pandemic, and we managed to support our customers in the time of crisis.

Support Measures

PERSONNEL

COVID-19 Insurance for Employees

After the pandemic hit, we made the decision to provide supplementary insurance when someone was confirmed to have SARS-CoV-2.

Insurance payouts of RUB 10 to 500 thous. were made to employees who provided medical certificates and other documents requested by insurance companies.

Benefits differed depending on the severity of the illness.

Financial Aid for Employees

In April 2021, the Company replaced its supplementary health insurance with financial aid, which is more flexible and requires fewer documents to confirm an infection. To apply, an employee simply fills out a form and submits a document confirming their illness.

Financial Aid for Employees

Low Prices for PPE

Early on in the pandemic, we realised that it was crucial to provide access to PPE to as many people as possible as quickly as possible, so we did our utmost to ensure that our stores had it in stock.

Soon after the outbreak in Russia, the demand for PPE jumped, but, despite widespread shortages, we succeeded in organising mass supplies of single-use face masks. To do this, we placed orders with six plants in China and organised additional supplies for our stores. We used all the resources we had and worked to increase the output to 600,000 face masks per day.

At the same time, despite an overall rise in prices, we managed to keep prices for these items low. We are still doing everything we can to ensure that people can stay healthy.

Our Company ensures that hygiene products can be found at entrances and near cash registers. In 2021, we also provided face masks and gloves for free to store employees and customers:

- More than 3.2 million pairs of gloves;
- More than 1.8 million face masks;
- More than 129,000 sanitiser dispensers.

Promotional Campaign to Reward Vaccinated Customers

In order to increase vaccination levels, we launched a promotional campaign: from 1 November to 31 December 2021, Fix Price loyalty cardholders in Russia could receive 1,000 bonus points (equivalent to RUB 1,000) each if they provided a digital certificate of vaccination. As part of this campaign, Fix Price was ready to allocate RUB 10 million. Our customers showed such great interest that the campaign ended early after reaching the bonus limit (on 10 December 2021). That said, we decided to extend it, with slight changes, and we granted double bonus points to customers who had not been part of the first wave of the programme.

Since our foundation, our main goal has been to provide the most affordable prices on the market. Our values remained unchanged during the pandemic, and we managed to support our customers in the time of crisis.
About the Report

HERE FOR EVERYONE

>15 thous.
RESPONDENTS PARTICIPATED IN STAKEHOLDER SURVEY
Reporting Methodology

This is Fix Price's first Sustainability Report. Here, our stakeholders can find information on the Company's sustainability projects and metrics, as well as on our contributions to achieving the United Nations Sustainable Development Goals (SDGs)¹. This report, along with the previously published ESG Databook and Presentation, is available on our website in the “ESG Reports and Results” section.

We made this report as informative as possible for a broad audience, including personnel, customers, partners, the investment community and other stakeholders.

It was prepared in accordance with GRI² (Core Option) and SASB standards³. SASB-based disclosures are compliant with the Multiline and Specialty Retailers & Distributors guidelines, a priority industry standard for the Company according to the SASB classifier, and the Food Retailers & Distributors guidelines. The respective GRI and SASB disclosures are listed in the Appendices⁴.

The financial metrics disclosed in the report are based on the Group's IFRS consolidated financial statements, audited by an independent auditor.

The report was published in Russian and English and approved by the ESG Committee of the Board of Directors.

Scope of the Report

This report discloses the non-financial performance of Best Price LLC, the core operating entity of the Fix Price Group Ltd⁵ for the period of 1 January to 31 December 2021. The disclosure covers the operations of all corporate facilities located in Russia, excluding franchised store data. If the scope of the report for certain indicators differs from the one described above, information on the covered entities and disclosure period is also provided.

In addition to non-financial performance, this report reflects the Company's priorities and goals in the field of sustainability, as well as our plans for 2022. These plans should be considered preliminary as they are based on the information on the risks and opportunities available at the time the report was prepared. Therefore, future performance may differ from the plans cited in the report.

¹ United Nations Sustainable Development Goals; for more details, please see Appendix 3
² Global Reporting Initiative Standards
³ Sustainability Accounting Standards Board
⁴ For more details, please see Appendices 1-2
⁵ As at the date of publication, the Group was renamed Fix Price Group PLC
Stakeholder Engagement

We value the opinions of all stakeholders, so we strive to create and improve feedback mechanisms for various audiences.

For the purposes of this report, we define stakeholders as groups of people or organisations on which the Company's operations may have a significant impact, as well as organisations and persons whose activities may, in turn, affect our strategy and business processes.

### Stakeholder Key Aspects of Interaction

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Key Aspects of Interaction</th>
<th>Interaction Method</th>
<th>Relevant Sections of the Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>- Product quality and safety&lt;br&gt;- Healthy lifestyle products&lt;br&gt;- Personal data protection&lt;br&gt;- Support during the COVID-19 pandemic</td>
<td>- Hotline&lt;br&gt;- Email&lt;br&gt;- Publications on the Company's website (including feedback forms)&lt;br&gt;- Social media&lt;br&gt;- Surveys&lt;br&gt;- Regular target audience research</td>
<td>- About the Company&lt;br&gt;- COVID-19 Response</td>
</tr>
<tr>
<td>Employees (regular and contractor personnel)</td>
<td>- Fair working conditions and well-being&lt;br&gt;- Opportunities for professional growth and education&lt;br&gt;- Safe working conditions&lt;br&gt;- Support during the COVID-19 pandemic</td>
<td>- Direct communication via management&lt;br&gt;- Hotline&lt;br&gt;- Email&lt;br&gt;- Social media&lt;br&gt;- Intranet portal</td>
<td>- People&lt;br&gt;- COVID-19 Response</td>
</tr>
<tr>
<td>Investors and shareholders</td>
<td>- Sustainable development strategy&lt;br&gt;- Business ethics and compliance&lt;br&gt;- Product quality and safety&lt;br&gt;- Motivation and personnel involvement&lt;br&gt;- Climate impact</td>
<td>- Direct communication with investors&lt;br&gt;- Regulatory disclosure and publications on the Company's website&lt;br&gt;- General meeting of shareholders</td>
<td>- About the Company&lt;br&gt;- People&lt;br&gt;- Planet</td>
</tr>
<tr>
<td>Suppliers</td>
<td>- Transparent and sustainable supply chain&lt;br&gt;- Business ethics and compliance</td>
<td>- Direct communication with suppliers&lt;br&gt;- Hotline&lt;br&gt;- Publications on the Company's website</td>
<td>- About the Company&lt;br&gt;- Partners</td>
</tr>
<tr>
<td>Media</td>
<td>- Sustainable development strategy&lt;br&gt;- Business ethics and compliance</td>
<td>- Direct communication with the media&lt;br&gt;- Publications on the Company's website</td>
<td>- About the Company</td>
</tr>
<tr>
<td>Government authorities</td>
<td>- Business ethics and compliance&lt;br&gt;- Product quality and safety</td>
<td>- Legislative compliance&lt;br&gt;- Publications on the Company's website</td>
<td>- About the Company&lt;br&gt;- Product</td>
</tr>
<tr>
<td>Local communities</td>
<td>- Charitable and social programmes&lt;br&gt;- Affordable and high-quality products&lt;br&gt;- Support during the COVID-19 pandemic</td>
<td>- Direct communication during social programmes&lt;br&gt;- Publications on the Company's website</td>
<td>- People&lt;br&gt;- COVID-19 Response</td>
</tr>
</tbody>
</table>
Material Topics Determination

To determine the contents of this report, we analysed material topics for disclosure. Material topics are those where the Company is positioned to deliver the highest impact through its operations, or where it can influence the decisions of stakeholders. Material topics were identified in several stages.

**PHASE 1.**

We conducted a comparative analysis of the Company’s current sustainability efforts, benchmarking them against best practices in the retail industry, the requirements of rating agencies and the investment community, and the general sustainability agenda in Russia.

**PHASE 2.**

We collected and studied the opinions of the key stakeholder groups listed below.

>15 thousand respondents took part in the survey

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>2,499</td>
</tr>
<tr>
<td>Top management</td>
<td>14</td>
</tr>
<tr>
<td>Personnel</td>
<td>12,783</td>
</tr>
<tr>
<td>Suppliers</td>
<td>121</td>
</tr>
<tr>
<td>Investors</td>
<td>16</td>
</tr>
<tr>
<td>Media</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total Number of Respondents</strong></td>
<td><strong>15,440</strong></td>
</tr>
</tbody>
</table>

**List of Material Topics**

1. Fair working conditions and well-being
2. Personnel training and motivation
3. Personnel health and safety
4. Product quality and safety
5. Healthy lifestyle products
6. Customer engagement
7. Charitable programmes
8. Responsible supply chain
9. Waste management
10. Sustainable packaging
11. Rational use of water resources
12. Efficient energy consumption
13. Reduction of our contribution to climate change
14. Confidentiality and data privacy
15. Anti-corruption activities, business ethics and compliance with legislation
16. Protection of human rights

The topics are arranged by materiality for the Company, as well as depending on the impact the Company’s operations have on each particular topic. The most material topics are highlighted in blue.

**PHASE 3.**

In the last phase, we ranked topics by significance to various stakeholders based on the average score from the survey. This resulted in a materiality matrix.

Next, we conducted a materiality analysis, which allowed us to identify the most material topics. These topics became the main focus of the report.
Please send any questions about this report or Fix Price’s efforts in the area of sustainable development to

sustainability@fix-price.com
# Appendix 1.

## GRI Content Index

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organisation</td>
<td>Front page</td>
<td>1</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>About the Company: General Information AR: About the Company</td>
<td>10-21</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Appendices: GRI Content Index</td>
<td>140</td>
<td>Unless stated otherwise, the scope of this report comprises Best Price LLC, the key operating company of Fix Price Group Ltd. The headquarters of Best Price LLC is located in Moscow</td>
<td></td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>About the Company: General Information AR: About the Company AR: Corporate Governance</td>
<td>10-21</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Appendices: GRI Content Index</td>
<td>140</td>
<td>Best Price LLC is registered in accordance with the legislation of the Russian Federation</td>
<td></td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>About the Company: General Information AR: About the Company</td>
<td>10-21</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

**GRI Standards**

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-7</td>
<td>Scale of the organisation</td>
<td>About the Company: General Information Product: Assortment Proposition and Customer Relations People: Approach to Personnel Management Appendices: GRI Content Index AR: Appendices</td>
<td>10-21</td>
<td>—</td>
<td>Goods sold within 12 months in 2021: around 4 billion items</td>
</tr>
</tbody>
</table>

*Here and below – when specified as location, ESG-databook should be referred to for 2019-2020 data

*Presented data corresponds to the employees within the scope of the disclosure of this report
<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Partners: Our Approach to Cooperation with Partners</td>
<td>97-102</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>Appendices: GRI Content Index</td>
<td>142</td>
<td>IPO in March 2021. As of the publication of the report, the Group changed its name to Fix Price Group PLC and the country of registration to the Republic of Cyprus</td>
<td>—</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>About the Company: Corporate Governance AR: Strategic Report</td>
<td>22-31</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>Appendices: GRI Content Index</td>
<td>142</td>
<td>Fix Price is a member of the Children Goods Industry Association</td>
<td>—</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>Appendices: GRI Content Index</td>
<td>142</td>
<td>Fix Price is a member of the Children Goods Industry Association</td>
<td>—</td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>A Letter from the CEO</td>
<td>4-7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards, and norms of behaviour</td>
<td>About the Company: General Information, Corporate Governance, The Approach to Sustainability Management AR: Corporate Governance</td>
<td>10-21, 22-31, 32-45</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>About the Company: Corporate Governance AR: Corporate Governance</td>
<td>22-31</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>About the Company: Corporate Governance, The Approach to Sustainability Management AR: Corporate Governance</td>
<td>22-31, 32-45</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>102-19</td>
<td>Delegating authority</td>
<td>Appendices: GRI Content Index</td>
<td>143</td>
<td>The Board of Directors, represented by the ESG Committee, distributes objectives to the top-management and further to employees. At the same time, the Group has a flat organisational structure; any employee can express wishes and proposals to line managers, who can escalate them to top management and the Board of Directors</td>
<td>—</td>
</tr>
<tr>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td>About the Company: The Approach to Sustainability Management AR: Corporate Governance</td>
<td>32-45</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
### GRI Standards | Disclosure | Location | Page | Omission | Additional Comments
--- | --- | --- | --- | --- | ---
102-21 | Consulting stakeholders on economic, environmental, and social topics | Appendices: GRI Content Index | 144 | | Fix Price collaborates with stakeholders on a regular basis. Jointly with all stakeholders, we have developed strategic priorities and a materiality matrix for Fix Price.

102-22 | Composition of the highest governance body and its committees | About the Company: Corporate Governance AR: Corporate Governance Appendices: GRI Content Index | 144 | | The terms of all members of the Board of Directors are nine months, as they were appointed on 10 March 2021. In the reporting period, the Board of Directors consisted of seven members, including three independent directors and one female director. As at the publication date, Elena Titova and Alexander Tynkovan left the Board of the Group.

102-23 | Chair of the highest governance body | About the Company: Corporate Governance AR: Corporate Governance | 22-31 | | —

102-24 | Nominating and selecting the highest governance body | Articles of Association | | | —

102-25 | Conflicts of interest | Articles of Association | | | —

### GRI Standards | Disclosure | Location | Page | Omission | Additional Comments
--- | --- | --- | --- | --- | ---
102-26 | Role of the highest governance body in setting purpose, values, and strategy | About the Company: The Approach to Sustainability Management AR: Corporate Governance | 32-45 | | In 2021, the Group established the ESG Committee to discuss sustainability matters. After discussions within the Committee, the ESG agenda is communicated to the Board of Directors. In early 2022 we held our first sustainability training attended by all top managers and the members of the Board of Directors.

102-27 | Collective knowledge of highest governance body | Appendices: GRI Content Index | 145 | | —

102-28 | Evaluating the highest governance body’s performance | Appendices: GRI Content Index | 145 | Processes for evaluating the highest governance body’s performance with respect to governing economic, environmental, and social topics, as well as actions taken in response to the evaluation | The ESG Committee was established in 2021. The Group is aware of the need to evaluate the highest governance body and will commit to the best standards in this area.

102-29 | Identifying and managing economic, environmental, and social impacts | About the Company: The Approach to Sustainability Management | 32-45 | | —
GRI Standards | Disclosure | Location | Page | Omission | Additional Comments
--- | --- | --- | --- | --- | ---
102-30 | Effectiveness of risk management processes | About the Company: Corporate Governance All Strategic Report | 22-31 | — | —
102-31 | Review of economic, environmental, and social topics | About the Company: Corporate Governance, The Approach to Sustainability Management | 22-31 | — | —
102-32 | Highest governance body’s role in sustainability reporting | About the Company: Corporate Governance, The Approach to Sustainability Management | 22-31 | — | —
102-33 | Communicating critical concerns | Appendices: GRI Content Index | 146 | Critical concerns, if they arise, are discussed at regular or extraordinary meetings of the Board of Directors depending on the urgency of the issue | —
102-40 | List of stakeholder groups | About the Report: Stakeholder Engagement | 134-135 | — | —
102-41 | Collective bargaining agreements | Appendices: GRI Content Index | 146 | In 2019 –2021 the Group did not enter into collective bargaining agreements with employees | —
102-42 | Identifying and selecting stakeholders | About the Report: Stakeholder Engagement | 134-135 | — | —
102-43 | Approach to stakeholder engagement | About the Report: Stakeholder Engagement | 134-135 | — | —
102-44 | Key topics and concerns raised | About the Report: Material Topics Determination | 136-137 | — | —

GRI Standards | Disclosure | Location | Page | Omission | Additional Comments
--- | --- | --- | --- | --- | ---
102-45 | Entities included in the consolidated financial statements | About the Report: Scope of the Report Appendices: GRI Content Index | 133 | — | Financial statements contain information on Fix Price Group Ltd. This report provides information on the non-financial metrics of Best Price LLC, unless stated otherwise
102-46 | Defining report content and topic boundaries | About the Report: Material Topics Determination | 134-137 | — | —
102-47 | List of material topics | About the Report: Material Topics Determination | 136-137 | — | —
102-48 | Restatements of information | Appendices: GRI Content Index | 147 | This report is the first such document released by Fix Price | —
102-49 | Changes in reporting | Appendices: GRI Content Index | 147 | This report is the first such document released by Fix Price | —
102-50 | Reporting period | About the Report: Scope of the Report | 133 | — | —
102-51 | Date of most recent report | Appendices: GRI Content Index | 147 | This report is the first such document released by Fix Price | —
102-52 | Reporting cycle | Appendices: GRI Content Index | 147 | Fix Price is aware of the need to regularly inform the market on the Company’s sustainability efforts and will commit to the highest standards with respect to the frequency of reporting on sustainable development | —
102-53 | Contact point for questions regarding the report | About the Report: Contacts | 138 | — | —
## APPENDIX

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with GRI Standards</td>
<td>About the Report:</td>
<td>132</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>Appendices: GRI Content Index</td>
<td>148</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>Appendices: GRI Content Index</td>
<td>148</td>
<td>The report did not undergo external independent assurance</td>
<td></td>
</tr>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>About the Report: Material Topics Determination</td>
<td>136-137</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

### Evaluation of the management approach

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
</table>

### Direct economic value generated and distributed

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>About the Company: The Approach to Sustainability Management</td>
<td>32-45</td>
<td>—</td>
</tr>
</tbody>
</table>

### Financial assistance received from government

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
<td>Appendices: GRI Content Index</td>
<td>149</td>
<td>In 2019 – 2021 the Group did not receive financial aid from the government</td>
</tr>
</tbody>
</table>

### Proportion of spending on local suppliers

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>About the Company: The Approach to Sustainability Management ESG-databook</td>
<td>32-45</td>
<td>—</td>
</tr>
</tbody>
</table>
### GRI Standards 205-2

**Disclosure**
Communication and training about anti-corruption policies and procedures

**Location**
Appendices: GRI Content Index 150

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

In 2021:

(a) Seven BoD members (100%) were informed about the available anti-corruption policies

(b) The number of employees who were informed about the anti-corruption policies and methods:

- 25,244 employees, including:
  - Top management: 1 person;
  - Junior managers: 10 persons;
  - Office employees: 461 persons;
  - DC personnel: 298 persons;
  - Store personnel: 25,474 individuals

(c) We enter into anti-corruption addenda with all contractors

(d) BoD members are informed about available anti-corruption policies. They have expert knowledge of the market, so no formal training was held.

### GRI Standards 302-1

**Disclosure**
Energy consumption within the organisation

**Location**
Planet: Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
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<tbody>
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</tbody>
</table>

The calculation of GHG emissions comprised the following: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We took 2020 as the base year for our calculations, as it was the first year we measured GHG emissions.

### GRI Standards 305-1

**Disclosure**
Direct (Scope 1) GHG emissions

**Location**
Planet: Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

The calculation of GHG emissions comprised the following: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We took 2020 as the base year for our calculations, as it was the first year we measured GHG emissions.

### GRI Standards 305-2

**Disclosure**
Energy indirect (Scope 2) GHG emissions

**Location**
Planet: Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

The calculation of GHG emissions comprised the following: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We took 2020 as the base year for our calculations, as it was the first year we measured GHG emissions.

### GRI Standards 305-3

**Disclosure**
Other indirect (Scope 3) GHG emissions

**Location**
Planet: Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

The calculation of GHG emissions comprised the following: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We took 2020 as the base year for our calculations, as it was the first year we measured GHG emissions.

### GRI Standards 306-1

**Disclosure**
OHI emissions intensity

**Location**
Planet: Climate and Energy Efficiency

<table>
<thead>
<tr>
<th>Disclosure Omission Reason</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td>GRI Standards</td>
<td>Disclosure</td>
</tr>
<tr>
<td>---------------</td>
<td>------------</td>
</tr>
<tr>
<td>306-1</td>
<td>Waste generation and significant waste-related impacts</td>
</tr>
<tr>
<td>306-2</td>
<td>Management of significant waste-related impacts</td>
</tr>
<tr>
<td>306-3</td>
<td>Waste generated</td>
</tr>
<tr>
<td>306-4</td>
<td>Waste diverted from disposal</td>
</tr>
<tr>
<td>306-5</td>
<td>Waste diverted from disposal</td>
</tr>
<tr>
<td>307-1</td>
<td>Non-compliance with environmental laws and regulations</td>
</tr>
<tr>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
</tr>
<tr>
<td>401-2</td>
<td>Benefits provided to full-time employees</td>
</tr>
</tbody>
</table>

The data is presented for personnel related to the perimeter of disclosure of this report.
<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>People: Occupational Health and Safety and Employee Well-being</td>
<td>87-89</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>People: Occupational Health and Safety and Employee Well-being</td>
<td>87-89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure Omission Reason Explanatory Note**

Total rate of fatal injuries among employees (by 200,000 hours) in 2021: 0.00.

Total rate of fatal injuries among contractors (by 200,000 hours) in 2021: 0.00.

Total injury rate among employees (by 200,000 hours) (Total recordable incident rate (TRIR)) in 2021: 0.00.

Total injury rate among employees (by 200,000 hours) (Total recordable incident rate (TRIR)) in 2021: 0.00.

Rate of incidents without consequences among employees (per million working hours) (Near miss frequency rate (NMFR)) in 2021: 0.08.

Rate of injuries that resulted in a temporary disability among employees (per million working hours) (Lost-time injury frequency rate (LTIFR)) in 2021: 0.26.

Rate of injuries that resulted in a temporary disability among contractors (per million working hours) (LTIFR) in 2021: 0.68.

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>People: Training and Development</td>
<td>80-86</td>
<td>Average hours of training that the organisation's employees have undertaken, by gender</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appendices: GRI Content Index</td>
<td>155</td>
<td>Training hours by gender are not recorded</td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure Omission Reason Explanatory Note**

In 2021, the average training and development hours per FTE reached 51.49, including:

- Training programmes for store employees – 58.05
- Training programmes for DC employees – 5.85
- Training programmes for office employees – 5.50

Disclosed partially.

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-2</td>
<td>Programmes for upgrading employees skills and transition assistance programmes</td>
<td>People: Training and Development</td>
<td>80-86</td>
<td>Description of transition-assistance programmes</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Appendices: GRI Content Index</td>
<td>155</td>
<td>The Company does not implement such programmes</td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure Omission Reason Explanatory Note**

Disclosed partially. The Company implements different personnel training programmes for more details, please see the Training and Development section, but does not implement programmes that facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Location</th>
<th>Page</th>
<th>Omission</th>
<th>Additional Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>People: Diversity and Inclusion</td>
<td>74-77</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>People: Remuneration and Fair Compensation</td>
<td>78-79</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>Appendices: GRI Content Index</td>
<td>155</td>
<td>No discrimination cases in the Company were confirmed in 2019-2021</td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure Omission Reason Explanatory Note**

No data breakdown by gender.
408-1 | Operations and suppliers at significant risk for incidents of child labour

**Partners:**
- Our Approach to Cooperation with Partners
- Appendices: GRI Content Index

97-102

**Disclosure Omission:**
- Reason: Additional Comments

**In accordance with the Russian legislation and the Company's internal documents Fix Price does not hire children and does not collaborate with suppliers using child labour. The suppliers of Fix Price comply with the Modern Anti-Slavery and Human Trafficking Policy or confirm the availability of such policies in their own companies.**

409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour

**Partners:**
- Our Approach to Cooperation with Partners
- Appendices: GRI Content Index

97-10

**Disclosure Omission:**
- Reason: Additional Comments

**In accordance with the Russian legislation and the Company's internal documents Fix Price does not use compulsory labour and does not collaborate with suppliers using compulsory labour. The suppliers of Fix Price comply with the Modern Anti-Slavery and Human Trafficking Policy or confirm the availability of such policies in their own companies.**

413-1 | Operations with local community engagement, impact assessments, and development programmes

**People:**
- Social Projects
- Appendices: GRI Content Index

90-93

**Disclosure Omission:**
- Reason: Additional Comments

**The Company implements the Good Deeds community project and collects funds and makes donations to the League of Future Champions. The Company runs no other programmes or local community engagement projects.**

415-1 | Political contributions

**Appendices:**
- GRI Content Index

157

**Disclosure Omission:**
- Reason: Additional Comments

**In 2019 - 2021, the Group made no political contributions.**

417-2 | Incidents of non-compliance concerning product and service information and labelling

**Product Quality and Safety**

60-67

**Disclosure Omission:**
- Reason: Additional Comments

**—**

417-3 | Incidents of non-compliance concerning product and service information and labelling

**Product Quality and Safety**

60-67

**Disclosure Omission:**
- Reason: Additional Comments

**—**

418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data

**Appendices:**
- GRI Content Index

157

**Disclosure Omission:**
- Reason: Additional Comments

**No substantiated complaints concerning breaches of customer privacy and losses of customer data were received in 2019 - 2021.**

419-1 | Non-compliance with laws and regulations in the social and economic area

**Appendices:**
- GRI Content Index
- ESG-databook

157

**Disclosure Omission:**
- Reason: Additional Comments

**In 2021, the total number of fines for violations of legislation, as well as regulatory requirements in the social and economic fields, reached 113 for a total amount of RUB 6,866,941. There were a total of 40 non-financial penalties related to legislative breaches and violations of regulatory requirements.**
## Appendix 2. SASB Content Index

<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Item Disclosure</th>
<th>Page</th>
<th>Additional Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a (activity metrics)</td>
<td>CG-MR-000.A</td>
<td>Number of: (1) retail locations and (2) distribution centers</td>
<td>About the Company: General Information</td>
<td>10-21</td>
<td>—</td>
</tr>
<tr>
<td>n/a (activity metrics)</td>
<td>CG-MR-000.B</td>
<td>Total area of: (1) retail space and (2) distribution centers</td>
<td>About the Company: General Information Appendices: SASB Content Index</td>
<td>10-21</td>
<td>In 2021 the total area of distribution centres was 282,349 m²</td>
</tr>
<tr>
<td>Fleet Fuel Management</td>
<td>FB-FR-110a.1</td>
<td>Fleet fuel consumed, percentage renewable</td>
<td>Planet: Climate and Energy Efficiency Appendices: SASB Content Index</td>
<td>110-115</td>
<td>All fuel consumed by the Company is non-renewable</td>
</tr>
<tr>
<td>Air Emissions from Refrigeration</td>
<td>FB-FR-110b.1</td>
<td>Gross global Scope 1 emissions from refrigerants</td>
<td>Appendices: SASB Content Index</td>
<td>158</td>
<td>In 2021, the Company’s gross emissions from refrigerants reached 7511 t of carbon dioxide equivalent</td>
</tr>
<tr>
<td>Energy Management in Retail &amp; Distribution</td>
<td>CG-MR-130a.1</td>
<td>(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable</td>
<td>Planet: Climate and Energy Efficiency Appendices: SASB Content Index</td>
<td>110-115</td>
<td>All energy consumed by the Company is non-renewable</td>
</tr>
<tr>
<td>Food waste management</td>
<td>FB-FR-150a.1</td>
<td>Amount of food waste generated, percentage diverted from the waste stream</td>
<td>Appendices: SASB Content Index</td>
<td>158</td>
<td>Non-food products account for the bulk of the Company’s assortment. Most food products sold by the Company do not require special storage conditions and have a long shelf life. As a result, the Company does not generate large volumes of food product waste and does not account for it</td>
</tr>
<tr>
<td>Data Security</td>
<td>CG-MR-230a.1</td>
<td>Description of approach to identifying and addressing data security risks</td>
<td>About the Company: Corporate Governance</td>
<td>22-31</td>
<td>—</td>
</tr>
<tr>
<td>Data Security</td>
<td>CG-MR-230b.2</td>
<td>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</td>
<td>About the Company: Corporate Governance</td>
<td>22-31</td>
<td>—</td>
</tr>
<tr>
<td>Food Safety</td>
<td>FB-FR-260a.2</td>
<td>(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products</td>
<td>Appendices: SASB Content Index</td>
<td>159</td>
<td>No such accidents were recorded in 2021</td>
</tr>
<tr>
<td>Product Labeling &amp; Marketing</td>
<td>FB-FR-270a.1</td>
<td>Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes</td>
<td>Appendices: SASB Content Index</td>
<td>159</td>
<td>No such accidents were recorded in 2021</td>
</tr>
<tr>
<td>Product Labeling &amp; Marketing</td>
<td>FB-FR-270b.2</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices</td>
<td>Appendices: SASB Content Index</td>
<td>159</td>
<td>No such accidents were recorded in 2021</td>
</tr>
<tr>
<td>Labor Practices</td>
<td>CG-MR-310a.1</td>
<td>(1) Average hourly wage (2) Percentage of in-store employees earning minimum wage, by region</td>
<td>People: Remuneration and Fair Compensation Appendices: SASB Content Index</td>
<td>78-79</td>
<td>Salaries of all employees are not lower than a minimum wage</td>
</tr>
<tr>
<td>Labor Practices</td>
<td>CG-MR-310b.2</td>
<td>(1) Voluntary turnover rate for in-store employees (2) Involuntary turnover rate for in-store employees</td>
<td>Appendices: SASB Content Index</td>
<td>159</td>
<td>(1) Voluntary turnover rate for store employees: 99.7% (2) Involuntary turnover rate for store employees: 0.3%</td>
</tr>
</tbody>
</table>
## Appendix 3.

**Fix Price’s Contribution to Achieving the UN SDGs**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Item Disclosure</th>
<th>Page</th>
<th>Additional Comment</th>
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<tbody>
<tr>
<td>Labor Practices</td>
<td>CG-MR-310a.3</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with labour law violations</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with labour law violations amounted to RUB 133,000 in 2021</td>
</tr>
<tr>
<td>Labor Relations</td>
<td>FB-FR-310a.2</td>
<td>Percentage of active workforce covered under collective bargaining agreements</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>In 2021 the Company had no active workforce covered under collective bargaining agreements</td>
</tr>
<tr>
<td>Labor Practices</td>
<td>FB-FR-310a.3</td>
<td>(1) Number of work stoppages (2) Total days idle</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>In 2021 the Company had four idle periods that lasted five days</td>
</tr>
<tr>
<td>Workforce Diversity &amp; Inclusion</td>
<td>CG-MR-330a.1</td>
<td>Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees</td>
<td>People: Diversity and Inclusion Appendices: SASB Content Index</td>
<td>74-77</td>
<td>Disclosed partially; racial/ethnic group representation is not accounted for</td>
</tr>
<tr>
<td>Workforce Diversity &amp; Inclusion</td>
<td>CG-MR-330a.2</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with employment discrimination</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>There were no legal proceedings associated with employment discrimination in 2021</td>
</tr>
<tr>
<td>Product Sourcing, Packaging &amp; Marketing</td>
<td>CG-MR-410a.1</td>
<td>Revenue from products third-party certified to environmental and/or social sustainability standards</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>The Company does not keep accounts of such products</td>
</tr>
<tr>
<td>Product Sourcing, Packaging &amp; Marketing</td>
<td>CG-MR-410a.2</td>
<td>Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products</td>
<td>Product: Product Quality and Safety Appendices: SASB Content Index</td>
<td>60-67</td>
<td>The Company holds tests in external laboratories, including tests to assess hazards associated with chemicals in products</td>
</tr>
<tr>
<td>Management of Environmental &amp; Social Impacts in the Supply Chain</td>
<td>FB-FR-450a.3</td>
<td>Discussion of the strategy to manage environmental and social risks within the supply chain, including animal welfare</td>
<td>Appendices: SASB Content Index</td>
<td>160</td>
<td>The Company has no strategy to manage environmental and social risks within the supply chain</td>
</tr>
</tbody>
</table>
## Alignment of Fix Price’s Sustainability Effort with the UN SDGs

### Primary SDGs

#### UN SDG Target | Fix Price’s Contribution | Section of the Report
---|---|---
8.1 | Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries | Fix Price contributes to SDG 8 by creating new jobs; providing fair compensation for all employees; developing a wide network of partnerships; ensuring equal and ethical treatment of personnel; preventing the use of forced labour; and contributing to sustainable economic growth through strategic priorities such as People, Partners and Planet.

#### GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.1 | Opening Fix Price stores in 79 out of Russia’s 85 regions. This contributes to the creation of new jobs in many places throughout the country and provides affordable goods to 98% of population | About the Company: General Information

8.3 | Providing the opportunity to open Fix Price franchised stores in order to develop entrepreneurship in the regions where the Company operates | People: Diversity and Inclusion, Remuneration and Fair Compensation, Training and Development, Social Projects

8.3 | Promote development-oriented policies that support productive activities; decent job creation; entrepreneurship; creativity and innovation; and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services | Partners: Our Approach to Cooperation with Partners

8.4 | Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead |

8.4 | Implementing the Environmental, Health & Safety Policy, which is applicable to the supply chain | About the Company: Corporate Governance

8.4 | Ensuring the rational use of resources by transitioning to LED lamps; repairing and restoring pallets and batteries; installing more energy efficient equipment; optimising transportation logistics; transitioning to an electronic document interchange; reconditioning and reusing IT equipment; increasing the volume of recyclables; and optimising packaging through the use of recyclable materials and mono-materials |

8.4 | Providing equal opportunities for all specialists with respective qualification, including women, youth and persons with disabilities in accordance with the Business Ethics Policy of Fix Price | People: Diversity and Inclusion, Remuneration and Fair Compensation, Training and Development, Social Projects

8.5 | By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, as well as equal pay for work of equal value | Establishing the transparent and fair system of remuneration and motivation

8.5 | Providing career growth opportunities within the Company, including through trainings aimed at enhancing professional competences |

8.5 | Taking a responsible approach to building relationships with our partners fosters mutual development: suppliers get the opportunity to ramp up production and create jobs, while the Company can expand its assortment through adding affordable goods that can be found only in our retail chain. This in turn contributes to our growth, the broader geographical coverage, and the creation of new jobs. Providing social support to the Company’s employees, including financial assistance, supplemental pay (full salary compensation in the event of temporary disability or regular vacation), voluntary medical insurance, bonus payments to employees, and employee discounts through partner agreements |
### UN SDG target

<table>
<thead>
<tr>
<th>GOAL 8: Promote decent work and economic growth</th>
<th>Fix Price’s contribution</th>
<th>Section of the Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training</td>
<td>Providing equal opportunities for all specialists with respective qualifications, including women, youth and persons with disabilities, in accordance with the Business Ethics Policy of Fix Price. Delivering pro bono aid to the League of Future Champions foundation and collecting funds to train young football players. Thus, young athletes receive the necessary professional skills and can find self-fulfilment in professional sports.</td>
<td>People: Diversity and Inclusion, Social Projects</td>
</tr>
<tr>
<td>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including the recruitment and use of child soldiers, and by 2025 end child labour in all its forms</td>
<td>Implementing the Modern Anti-Slavery and Human Trafficking Policy within Fix Price and among the Company’s suppliers. Observing and respecting human rights by all employees and partners of the Company</td>
<td>About the Company: Corporate Governance, Partners: Our Approach to Cooperation with Partners</td>
</tr>
<tr>
<td>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</td>
<td>Observing and respecting human rights by all employees and partners of the Company. Performing regular inspections of working conditions at all work places. Supplementing contractor and supplier agreements with basic technical equipment manuals and safety procedures to be used during accidents. Setting up a single process for studying safety rules and risks for the Company’s employees and contractor personnel. Delivering additional training to employees who operate potentially hazardous machinery.</td>
<td>About the Company: Corporate Governance, People: Occupational Health and Safety and Employee Well-being</td>
</tr>
</tbody>
</table>

### GOAL 12: Ensure sustainable consumption and production patterns

Fix Price contributes to achieving SDG 12 by transitioning to energy efficient equipment and promoting responsible product and resource consumption among our customers and partners as part of our Planet strategic priority.

<table>
<thead>
<tr>
<th>GOAL 12</th>
<th>Fix Price’s contribution</th>
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</thead>
<tbody>
<tr>
<td>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</td>
<td>Implementing an initiative to replace fluorescent lamps with LED lighting in stores. Implementing an initiative to transition from paper cash register receipts to electronic ones. Switching to environmentally friendly bags made of recyclable materials (up to 40%). Extending the use of returnable packaging by reusing pallets 4-5 times at our facilities. Increasing the share of recyclables transferred to contractors through the use of polyethylene and cardboard presses in the Company’s stores and enhancing control over the transfer of stretch film and cardboard to DCs. Reconditioning batteries or sending them for special recycling after 3-5 years of use. Implementing an initiative for reconditioning and reusing IT equipment.</td>
<td>Planet: Our Approach to Managing our Environmental Footprint, Waste Management</td>
</tr>
</tbody>
</table>

| 12.3 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment | Implementing an initiative for reconditioning and reusing IT equipment. Reconditioning batteries or sending them for special recycling after 3-5 years of use. | Planet: Waste Management |

*The initiative was launched in 2022.*
### GOAL 12: Ensure sustainable consumption and production patterns

#### UN SDG target

**12.5**
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

**12.6**
Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

**12.8**
By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

#### Fix Price’s contribution

- Increasing the share of recyclables transferred to contractors through the use of polyethylene and cardboard presses in the Company’s stores and enhancing control over the transfer of stretch film and cardboard to the DCs
- Reusing pallets and repairing them to extend service life
- Optimising private brand packaging in collaboration with suppliers (including the use of recyclable materials and mono-materials, as well as reducing packaging size)
- Implementing the Good Deeds Programme, comprising the collection of waste to be sent for recycling
- Partnering with the Clean Coast environmental campaign to collect and recycle waste
- Releasing Fix Price’s sustainability report to disclose data on the Company’s environmental footprint, including resource consumption
- Collaborating with private brand producers when developing more environmentally sound packaging for goods supplied to Fix Price (including the use of recyclable materials and mono-materials, as well as reducing packaging size)
- Implementing the Environmental, Health & Safety Policy applicable to the supply chain
- Suplementing the product range of Fix Price with new goods (such as multiple-use and string bags) to promote responsible customer attitudes towards the environment
- Adding the Mobius loop to packaging to help customers sort recyclable waste
- Implementing the Good Deeds Programme, including educational lectures on environmental protection and planting trees

#### Section of the Report

- Planet: Waste Management

### GOAL 13: Take urgent action to combat climate change and its impacts

#### UN SDG target

**13.2**
Integrate climate change measures into national policies, strategies and planning

**13.3**
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

#### Fix Price’s contribution

- Calculating direct, indirect and other indirect GHG emissions (Scope 1, 2, 3)
- Implementing the Environmental, Health & Safety Policy applicable to the entire supply chain
- Implementing the Good Deeds Programme, including educational lectures on environmental protection
- Suplementing the product range of Fix Price with new goods (such as multiple-use and string bags) to promote responsible customer attitudes towards the environment
- Ensuring compliance with the Environmental, Health & Safety Policy applicable to the entire supply chain

#### Section of the Report

- About the Company: General Information
- Planet: Our Approach to Managing Our Environmental Footprint
- Planet: Waste Management

### Supporting UN SDGs

#### GOAL 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Fix Price contributes to achieving SDG 2 by providing affordable food as part of the Product strategic priority

#### UN SDG target

**2.1**
By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

#### Fix Price’s contribution

- Ensuring the availability of affordable food in the product range

#### Section of the Report

- Product: Assortment Proposition and Customer Relations
GOAL 3: Ensure healthy lives and promote well-being for all at all ages

Fix Price contributes to SDG 3 by promoting healthy goods and implementing employee safety and wellbeing programs, as well as charitable projects, to foster healthy lifestyles as part of the Company’s People, Product and Partners strategic priorities.

<table>
<thead>
<tr>
<th>UN SDG target</th>
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</thead>
<tbody>
<tr>
<td>3.4</td>
<td>By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</td>
<td></td>
</tr>
<tr>
<td>Offering voluntary medical insurance to employees</td>
<td>People: Remuneration and Fair Compensation, Occupational Health and Safety and Employee Well-being</td>
<td></td>
</tr>
<tr>
<td>Holding regular medical check-ups for employees</td>
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<td></td>
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<tr>
<td>3.6</td>
<td>By 2020, halve the number of global deaths and injuries from road traffic accidents</td>
<td></td>
</tr>
<tr>
<td>Educating logistics contractors on safe driving rules on a seasonal basis</td>
<td>Partners: Our Approach to Cooperation with Partners</td>
<td></td>
</tr>
<tr>
<td>3.13</td>
<td>Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</td>
<td></td>
</tr>
<tr>
<td>Offering voluntary medical insurance to employees</td>
<td></td>
<td></td>
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<tr>
<td>Launching a promotional campaign to increase vaccination rates</td>
<td></td>
<td></td>
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<tr>
<td>Informing employees on the necessity of being vaccinated</td>
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<td></td>
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<tr>
<td>3.13</td>
<td>Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</td>
<td></td>
</tr>
<tr>
<td>Adding healthy products to Fix Price’s product range</td>
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<tr>
<td>Arranging corporate discounts for employees that do sports</td>
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<td></td>
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<tr>
<td>Informing employees on the necessity of being vaccinated and providing them with personal protective equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offering voluntary medical insurance to employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing affordable personal protective equipment to customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Launching a promotional campaign to increase vaccination rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giving pro bono aid to the League of Future Champions foundation, including financial support for the promotion of children and youth football, as well as protecting the health of young people</td>
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</tbody>
</table>

GOAL 5: Achieve gender equality and empower all women and girls

Fix Price contributes to SDG 5 through the creation of jobs for everyone, irrespectively of gender, based on our strategic priorities (People and Partners).

<table>
<thead>
<tr>
<th>UN SDG target</th>
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<th>Section of the Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>End all forms of discrimination against all women and girls everywhere</td>
<td></td>
</tr>
<tr>
<td>Formalising the principles of equal and ethical treatment in the Business Ethics Policy (the Code of Conduct); it is critical for us that our partners comply with our regulations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing a hotline for filing ethics and compliance-related queries to the Ethics and Compliance Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.5</td>
<td>Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</td>
<td></td>
</tr>
<tr>
<td>Refining the Business Ethics Policy (the Code of Conduct), which establishes the principles of zero tolerance for all forms of discrimination and harassment</td>
<td></td>
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</tr>
<tr>
<td>5.9</td>
<td>Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</td>
<td></td>
</tr>
<tr>
<td>Refining the Business Ethics Policy (the Code of Conduct), which establishes the principles of zero tolerance for all forms of discrimination and harassment</td>
<td></td>
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</table>

About the Company: Corporate Governance
People: Remuneration and Fair Compensation, Social Projects
About the Company: General Information
People: Remuneration and Fair Compensation, Social Projects
## GOAL 10: Reduce inequality within and among countries

Fix Price contributes to SDG 10 through job creation and fair compensation for all employees, regardless of gender, based on our strategic priorities (People and Partners).

<table>
<thead>
<tr>
<th>UN SDG target</th>
<th>Fix Price’s contribution</th>
<th>Section of the Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</td>
<td>Developing a transparent and fair system of remuneration and motivation, Building mutually beneficial relationships with partners, Providing equal opportunities for all specialists with respective qualification, including women, youth and persons with disabilities in accordance with the Business Ethics Policy, Implementing the Good Deeds Programme to provide aid to social institutions, families and shelters</td>
</tr>
<tr>
<td>10.2</td>
<td>By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</td>
<td>Providing equal opportunities for all specialists with respective qualification, including women, youth and persons with disabilities in accordance with the Business Ethics Policy</td>
</tr>
<tr>
<td>10.3</td>
<td>Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</td>
<td>Refining the Business Ethics Policy (the Code of Conduct), which establishes principles of zero tolerance for all forms of discrimination and harassment, Observing and respecting human rights by all employees and partners of the Company</td>
</tr>
<tr>
<td>10.4</td>
<td>Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</td>
<td>Developing a transparent and fair system of remuneration and motivation</td>
</tr>
</tbody>
</table>

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**Contact**

**SHOULD YOU HAVE SUSTAINABILITY-RELATED QUERIES, DON’T HESITATE TO CONTACT**

**ANNA KAZANTSEVA**

sustainability@fix-price.com