



Fix Price strives to support its customers. We provide equal opportunities to all our customers by offering the same prices in all our locations¹ and keeping them low despite market fluctuations. We carefully build our assortment and ensure stock availability so that our customers could find something to their liking among a broad range of products anywhere across the chain.

The year of 2022 was marked by geopolitical tensions, market volatility and an up-ended supply chain. In the reporting year, we nonetheless retained our strategic priority of offering affordable food and non-food products and providing equal access to our product mix to all customers across our footprint.

**WE TAKE PRIDE
IN THE FACT THAT
WE OURSELVES
LOVE TO SHOP
AT FIX PRICE**

Supplier Relations and Quality Assurance

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 assurance and have implemented a robust quality control system. We monitor our products at all stages, from the manufacturer and distribution centre to the store shelf. Our quality control system is driven by a risk-based approach with measures depending on the category of goods.

We have built our workflows around Fix Price specialists providing expert support at each stage of the product's life cycle until it is sold.



Category Management Department

- Procures goods in Russia and abroad
- Controls the entire supply chain, from product development to the store shelf



Logistics Department

- Ensures goods are delivered safely and on time
- Arranges certification and declaration of conformity for imported goods
- Facilitates the verification of documents and condition upon delivery and warehousing



Quality Control Centre

- Controls product quality and carries out checks of goods on the shelves
- Performs audits of private label suppliers

¹ With the exception of the most remote regions (e.g. Russia's Far East, etc.) and other countries where the assortment and/or prices may vary

Approaches to Quality Control

How we inspect quality at different stages of the product life cycle, right up until sale



Prior to manufacturing

- ✔ Accredited laboratories test samples of certain goods to obtain certification and declarations of conformity
- ✔ Tasting sessions for certain product samples
- ✔ Internal checks and laboratory testing of product samples, if necessary



During manufacture

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



Transportation

- ✔ Visual inspection of goods by agents prior to shipping



Warehousing

- ✔ Inspection of goods and associated documentation upon acceptance at distribution centres
- ✔ Regular inspections for package integrity by the quality controller



Distribution to stores

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

Private Brand Goods Produced in Russia

We boast a wide portfolio of private-label brands and carefully monitor their quality accordingly. We exercise a large degree of control over each stage of product development, including design and packaging, communication with suppliers to adjust and enhance product properties, tasting sessions (with our employees), laboratory tests (if necessary), and post-manufacture verification for compliance with negotiated specifications and regulatory requirements.

Imported Goods

Control over imported goods is especially important for us, as it means Fix Price acts not just as a retailer, but also as an importer, which carries a separate set of responsibilities. When working with imported goods, we take an active part in all stages of product development. We elaborate specifications, perform laboratory tests to ensure quality and obtain all necessary certifications or declarations of conformity and verify — either remotely or in-person — that product samples comply with the negotiated specifications before the goods are shipped to the Company's DCs and then onward to stores.

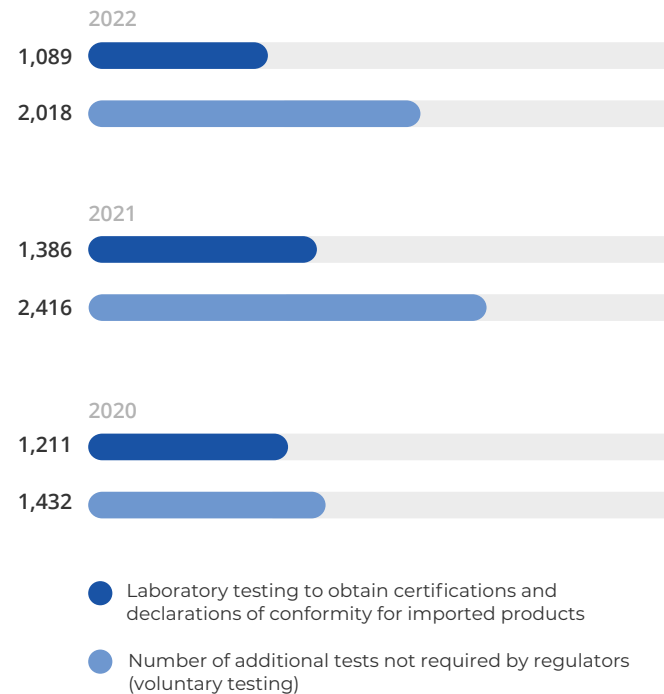
Quality Control Centre

The Fix Price format and strategy envisage the Company being a trusted source for affordable, high-quality non-food and food products. Our specialists from the Quality Control Centre conduct regular spot checks across all categories of goods and work closely with private label suppliers. They are responsible for vetting documents confirming the supplied products meet our quality and safety standards and comply with declared specifications. They perform product tasting sessions and inspections to evaluate samples

from various private label producers and send these samples for laboratory testing, if or when necessary. They also assist with auditing private label manufacturers.

The Quality Control Centre applies a risk-based approach to spot checks: product categories are classified in terms of (1) the potential danger posed by a non-compliant product, (2) the probable frequency of non-compliance with safety rules, (3) the severity of non-compliance, and (4) the potential number of people affected.

Number of product quality checks by type





Transparency and Handling Customer Queries

We are committed to the highest levels of transparency. Any customer may ask a store manager to provide copies of product certificates or declarations of conformity.

All procedures for handling customer queries seek to resolve issues promptly and eliminate the risks arising from selling sub-par products. Customers can voice their concerns via the feedback form on our website or by email. We carefully investigate all customer queries and double check the quality of a product in question. If quality issues are confirmed, we report them to the supplier, who then takes all the necessary measures to prevent such incidents in the future. When necessary, we do not hesitate to withdraw non-compliant product batches from stores. Once our checks are completed, we inform the customer of the result and close the case.

Feedback

At Fix Price, customer feedback is one of the key drivers of development. It helps us analyse our value proposition and adjust our product range in line with consumer expectations.

Our channels of direct communication with the customer include our website, mobile app and call centre. We also collect feedback via social media channels, where our shoppers share their purchases and tag Fix Price in their posts.

Responsible Labelling

In 2022, the Company continued to enhance its proprietary IT solutions designed to interface with government information systems that track the movement of products subject to labelling from manufacturer to end customer. This enables us to identify and prevent violations, meet regulatory requirements, identify errors by suppliers, and franchisees.

In 2022, we continued to boost automation of our business processes, add more features and fine-tune our IT solutions. We expanded the tools to manage products subject to labelling, arranged transfer of the labelled products to our franchisees in Russia, and scaled the system to work in other countries of our operations.

Data Privacy

We recognise that our loyalty programme is an essential tool to boost customer satisfaction. That is why we strive to ensure data privacy when collecting and processing customer information. We protect customer data and do not use it for secondary purposes. We process it in full compliance with the Federal Law on Personal Data, and the Company's internal policies on personal data processing and protection.

Plans for 2023

In 2023, we plan to continue to meet our customers' needs by offering new products, while keeping prices affordable and ensuring high quality of goods. We will maintain our rigorous quality checks, laboratory testing and internal verification.

WE ARE PROUD TO SAY THAT ALL OUR HARD WORK HAS HELPED SECURE ZERO LEAKS OF CUSTOMERS' PERSONAL DATA IN ALL THE YEARS FIX PRICE HAS BEEN OPERATING

