

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Rusagro is a Russian systemic company that provides the domestic households with such food products as sugar, pork, vegetable oil, margarine and mayonnaise, and industrial fats. The stability of the Company's business is essential in maintaining food security and the country's independence from imported food. In keeping with the mission To make people's lives longer and better, the Company focuses on long-term growth and responsible doing business, accommodating the interests of all stakeholders.

Rusagro's sustainable development agenda prioritises three areas – social development, green focus and high quality corporate governance. Their implementation is an integral part of a 5-year Development Strategy of Rusagro, up for annual revision. In 2021, the Company plans to engage an independent consultant to assess the feasibility of developing a Sustainable Development Strategy as a single comprehensive document, as well as to explore opportunities to improve the quality of sustainable development management and disclosure of non-financial information.

Rusagro's priority areas under the sustainable development agenda

PRIORITY AREAS

SOCIAL DEVELOPMENT

Priorities

- Training and career advancement;
- Safe working environment;
- Equal rights and opportunities;
- Financial incentive and social assistance;
- Attractive employer brand;
- Low voluntary turnover and high engagement;
- Effective corporate culture;
- Automated personnel management;
- Support of local communities;

GREEN FOCUS

Priorities

- Water consumption and wastewater management;
- Solid and liquid waste management;
- Emissions of greenhouse gases and pollutants;
- Biosecurity and veterinary safety;
- Energy efficiency and energy saving;

CORPORATE GOVERNANCE

Priorities

- Transparent ownership structure;
- Development and revision of the Company's development strategy;
- Remuneration for top managers;
- Upholding of shareholders' rights and interests;
- Internal audit and risk control system;
- Disclosure of financial and non-financial information;
- Sustainable development management;
- Responsible supply chain;
- Corporate ethics and the fight against corruption.

- Agriculture Business
- Oil and Fats Business
- Meat Business
- Sugar Business
- Dairy Products Business

Measures to satisfy the interests of Rusagro's stakeholders

SHAREHOLDERS AND INVESTORS

Measures to satisfy interests

The priority for Rusagro is to accommodate the interests of investors and shareholders regardless of geography, skill level, and the size of their block of shares. Timely disclosure of information on the activities and results of the Company in alignment with the best international practices and the requirements of the Moscow and London Stock Exchanges. Openness and efficient response in interaction with shareholders and investors.

- Transparent dividend policy and regular payment of dividends to shareholders.
- Direct interaction of shareholders and investors with the Company in offline and online formats.
- Disclosure of information and running of events in formats suitable for all categories of shareholders and investors in Russian and English.
- Meetings with investment funds and analysts to discuss current trends and the questions concerning the Company's activities.
- Disclosure of information under applicable laws, international listing requirements and best practices.
- Disclosure of information on the management of the Company's sustainability factors in the annual report.
- An annual investor perception survey, assessment of the strengths and weaknesses of the investment track record.

PERSONNEL

The personnel is the key asset of the Company and the basis for its sustainable development. The Company heavily invests in the formation and development of human capital, the creation of an attractive employer brand image, and higher level of engagement.

- Competitive pay conditions and social support.
- Elaboration of a career path and an individual development plan, a succession system.
- Mentoring and Internal Coach Programme, Distance Learning System
- Corporate values promotion and engagement surveys.
- Annual meetings with the Management of the parent company and business units.
- Assessment of employee satisfaction with the quality of internal HR services.
- Communication with employees via the corporate portal, TV, social networks, mailings by e-mail, an in-house newspaper.
- Cultural and sports events, awards.
- Well-being programmes, a psychological aid line.

GOVERNMENT

Rusagro is a systemic company wielding major influence on the national food security and the well-being of the regions where it operates. The Company maintains ongoing cooperation with the state and its representatives to control political risks and support the accomplishment of state goals.

- Monitoring changes in government policy with respect to agro-industry support programmes.
- Accountable use of state support funds allocated to the Company under the ongoing programmes.
- Control of changes in the rules of state regulation of the markets within the Company's footprint and the tax system.
- Participation in public discussions of projects to change the rules for the provision of state support and regulation of food and agricultural markets.
- Disclosure of information as mandated by laws.

CLIENTS

Rusagro's clients are Russian and international industrial and trade enterprises operating in Russia and abroad. The Company sets sights on further expansion of its client base and strengthening of its position in destination markets.

- Clients interaction based on long-term cooperation, mutual benefit, respect, trust, honesty and fairness.
- Anti-corruption and anti-bribery system.
- A wide on-shelf availability of products, coverage of various price segments, a varied product mix.
- Recognisable brands with a high level of loyalty and trust of the end consumer.

COMMUNITY

Rusagro is a strategic investor concerned with social development and improvement of the quality of life in the regions of its presence.

- Implementation of charitable projects to support kindergartens, preschool educational institutions and schools, as well as the development of personal and universal professional skills of children living in unfavourable socioeconomic backgrounds
- Execution of educational, cultural, sports events and environmental initiatives in the regions.
- Monitoring of media in the regions of presence and the Internet to control the negative information environment, publication and distribution of the Company's news.
- Annual disclosure of information on the Company's social and environment impact.

RUSAGRO'S STAKEHOLDERS